

New Voice Services (Voice over Broadband)

Qualitative Research Report

Submitted by:

RDW Research

Issued: November 2004

1. Contents

Section		Page
1	Background and research objectives	1
2	Executive Summary	3
3	Main Findings	
	- Awareness and use of current fixed line / mobile services	6
	- Expectations of and attitudes towards current fixed line and mobile services	7
	- Considerations when purchasing a new telephone service	8
	- Initial response to new voice services concept	9
	- Potential use of new voice services	12
	- Access to emergency services	14
	- Informed choice of industry regulation?	15
4	Methodology	17
Annex 1	Discussion Guide	19

2. Background and research objectives

New Voice Services

- 1.1 This report provides the key findings of a residential consumer assessment of new voice services taken from a qualitative study conducted in October 2004
- 1.2 The introduction of new voice services has given rise to a new range of services that enable consumers to make calls that are delivered over the Internet rather than the traditional telephone network. New voice services have the potential to look and sound like traditional phone services - i.e. consumers are able to use a traditional handset and the service is available using currently available phone numbers.
- 1.3 The difference between traditional telephone services and new voice services lies in the range of services on offer to consumers. New voice services can include services such as conference calling, voice messages to email in-box, as well as reduced costs of calls. However, some new services may not be able to deliver the features that consumers expect to the same standard or in the same way, such as access to emergency services, text services for deaf users, etc.
- 1.4 Ofcom is in the process of defining its policy for new voice services – essentially to decide whether new voice service providers should be required by regulation to offer the same services as traditional telephone providers or whether they should be treated differently.
- 1.5 Specific policy issues that are being addressed are . . .
 - Should all new voice services be required to offer the same features as traditional services do now?
 - Should 999 access be a minimum requirement, even for services not offering all the same features as traditional services?
 - As some providers may not be able to offer the same reliability for emergency calls, which would be better - a service that does not allow emergency calls, or access that is less reliable?

Research objectives

- 1.6 The objectives of the research are to:
 - Gather respondents thoughts, feelings and expectations relating to traditional fixed line / mobile telephone services, e.g. service, reliability, directory enquiry service, etc:
 - What services are expected / required?
 - Do consumers prioritise when purchasing these services?
 - Are some services more essential than others? Under what circumstances?
 - Assess respondents thoughts and feelings in relation to new voice services in terms of:
 - Awareness
 - Strengths / Weaknesses

- Drivers / Barriers to take up
- Likelihood to use and expected timeframe
- Potential usage of new voice services in the future, e.g. alongside or in replacement of existing telephony methods
- Determine which features are expected / required from new voice services:
 - Should new voice service providers offer the same features as traditional services do now?
 - Is 999 access a minimum requirement, even for services not offering all the same features as traditional services?
 - What will be the likely effect on take-up of these services if providers offer some features and not others?
 - As some providers may not be able to offer the same reliability for emergency calls, what would be better - a service that does not allow emergency calls, or access that is less reliable?
- Understand how best to inform consumers about how these new services might be different from their normal services

Sample

1.7 Consumers were recruited according to the following criteria

- Internet experience (Experienced / recent broadband and narrowband)
- Life-stage (Pre-children / No children, families, post children (empty nesters))
- Telephone Usage (primary use of mobile / fixed line and use of 3rd part suppliers)
- Groups were split out as follows . . .

	Broadband / Narrowband	Life stage
Group 1:	Experienced	Pre / no children
Group 2:	Experienced	Families
Group 3:	Experienced / Recent	Empty Nesters
Group 4:	Recent	Pre/no children
Group 5:	Recent	Families
Group 6:	Narrow Band	Pre/no children
Group 7:	Narrow band	Families
Group 8:	Narrow band	Empty Nesters

2. Executive Summary

- 2.1 Awareness of telephone services beyond simple voice calls (e.g. BT's network based voicemail service 1571, 1471, etc) was widespread but usage of these services was generally infrequent. Free mobile voicemail and 1571 were the services most commonly used and in particular 1571 was used by narrowband users as a free voicemail service when online.
- 2.2 These additional services, such as 1571 and access to directory enquiries were seen as important for some, but for most, these services were considered 'nice-to-have', not essential.
- 2.3 As a result, respondents' expectations of current telephone services were relatively straightforward – reliability, competitive pricing and good customer service were most frequently mentioned:
 - Competitive pricing and customer service were key and several had changed their supplier on the basis of one or both of these elements;
 - Reliability was largely taken for granted for fixed line and, in most cases, mobile.
- 2.4 Primary considerations when purchasing a new telephone service related to cost and customer service - in particular:
 - Reduced international call costs and transparency of price plans;
 - The ability to talk to a trained operator and fast response to faults.
- 2.5 Other considerations included a combination of:
 - Keeping their existing fixed line number – for about half the sample;
 - Clear / understandable billing;
 - Some awareness of the supplying company;
 - Bundled services (in particular, the appeal of a single bill).
- 2.6 Awareness of new voice services was limited to a minority of experienced broadband users – most respondents had never heard of the concept. Initial responses to the concept description raised several concerns – most of which were related to delivery over the Internet:
 - Alongside quality and cost, the key concern was reliability – several respondents had encountered problems with the reliability of their ISP in the past.
- 2.7 The possible exclusion of access to the emergency services was very controversial. This service was taken for granted by everyone and its possible exclusion was a surprise to some and unacceptable to many others.
- 2.8 Interest in new voice services was, at first, lukewarm – most expected new voice services to be an improvement over their current service provision but few could see the advantages.
- 2.9 After further consideration interest developed, but likely take up remained limited to a small minority:

- An additional low cost line (Scenario 1) had little appeal as most did not make the volume of calls to warrant this – their interest was in a replacement of their fixed line, not an additional line;
 - The mid-range offer (Scenario 2) also had limited appeal – the lack of guaranteed access to the emergency services was a key barrier;
 - The service most similar to their current set up (Scenario 3) had the widest appeal – but, again, several were unsure of the reliability of an ISP.
- 2.10 Overall, most were content with their current service and there was a general reluctance to leave the comfort of their current provider and change to something unknown without clear and significant benefits.
- 2.11 The vast majority said they would not consider purchasing a replacement telephone service that did not offer 999 access – only very few were content to forego their fixed line access and use their mobiles.
- 2.12 Respondents across the sample were divided over the issue of whether access to the emergency services should be mandatory for all providers or whether consumers should be able to make an informed choice. Opinions appeared to be based on personal attitudes about freedom of choice, rather than life-stage or other sampling criteria.
- 2.13 There was general agreement that if emergency services were to be provided then a minimum level of reliability should be met. A significant number though, would only consider a service that offered exactly the same reliability as their traditional phone line.
- 2.14 There was also agreement that new voice providers should not have to provide the standard features currently offered by traditional services. Respondents wished to be able to pick and choose according to their need and budget – from a ‘no-frills’ package to a ‘higher-cost full-service’ product.
- 2.15 Respondents wished to be in a position to make an informed choice and information on new voice services was expected to be found in all the usual media channels (press, TV, Internet, etc).
- 2.16 Informing consumers about new voice services was seen as the providers’ responsibility, but Ofcom was expected to provide the providers with guidelines to ensure purchasers were aware of what they were buying.
- 2.17 Information about 999 access was considered especially critical and it was suggested that Ofcom should ensure that purchasers had to actively acknowledge somewhere on the contract that they understood whether 999 access was provided or not.
- 2.18 It was generally agreed that responsibility for informing other members of the household about the type of service should lie with the purchaser, and this person should be assisted by permanent markings on the telephone handset.

3. Main Findings

Awareness and use of current fixed line/mobile telephone services

- 3.1 Respondents were very similar in terms of their home communication hardware – all had a fixed line and a mobile for personal use, and several had additional mobiles for work purposes.
- 3.2 The vast majority used cordless phones as their primary fixed line handset and most of these had a spare handset that had a direct connection to the phone socket. The majority were aware that if there was a power failure the base station of their cordless phone would not work but a non-cordless/direct input phone would, although this was not their main reason for retaining one.
- 3.3 There was considerable variety of service providers being used for home communications, and for the most part, respondents were served and billed by 3 different companies for their fixed line, mobile and internet.
- 3.4 A minority had taken advantage of bundling packages, including:
 - fixed line calls and television;
 - fixed line and internet.
- 3.5 Awareness of telephone services beyond just voice calls (e.g. call forwarding, etc) was widespread but usage of these services was fairly infrequent. The following services were mentioned spontaneously
 - BT's network based voicemail service 1571:
 - Favoured by both narrowband and some broadband users as this free service allows voice messages to be left whilst the line is in use
"This is really useful – it means there is no engaged tone where we're online and people can leave messages" (narrowband, family)
 - Access to Directory Enquiries
 - Usage was infrequent as it was considered expensive and service levels thought to be poor;
 - Tended to be used only by narrowband users or subscribers to OneTel, which offers the service for free;
 - Broadband subscribers used the internet instead (e.g. yell.com, etc).
"Some of the new services are dreadful – using the internet is quicker and doesn't cost you anything" (Recent broadband, family)
 - Caller ID:
 - Appreciated by home workers and females that lived on their own.
"This is useful when you're at home you get those sales calls which drive you crazy" (Narrowband, empty nester)
"I like to know who's calling me when I'm at home on my own" (Narrow band, no children)
 - Ring-back:
 - Usage was infrequent and considered expensive

- Caller return service (1471):
 - Again, usage was infrequent, though most had used this service at some point
 - Call forwarding:
 - A paid for service that was used by a few home workers
 - Operator Services:
 - The vast majority had not used this service for several years
 - “I used to use this ages ago for reverse charge calls when I had no cash”
 - Two had used the operator service recently – to report faults or for alarm services
- 3.6 Particular to mobile services were
- Access to the internet
 - Several were aware of this service but there was very limited usage
 - Voice mail
 - High usage among the whole sample as they perceived the service as free
- 3.7 At this unprompted level, there was no mention of access to the emergency services

Expectations of and attitudes towards current fixed line and mobile services

- 3.8 Expectations of fixed line and mobile telephone services were, for the vast majority, fairly straightforward – reliability, competitive pricing and good customer service were most frequently mentioned.
- 3.9 Reliability, in general, was now taken for granted – certainly for fixed line and, in most cases, mobile as well
- *“Fixed line has always been pretty reliable thanks to ‘x’, and now mobile operators have almost total coverage – it’s not really an issue any more” (Recent Broadband, family)¹*
- 3.10 There was agreement that competition had meant much better prices and most were satisfied with their call costs.
- *“With all the different options out there, our bills have come down a lot, it’s good news for us” (Narrowband, empty nester)*
 - *“Our bills are so much less than they used to be – it’s good new that ‘x’ has finally been challenged” (Experienced broadband, family)*
- 3.11 Several mentioned however that the price options for fixed and mobile were not as transparent as they could be.
- *“There are often hidden costs and the bill is far higher than you’d expected” (Narrowband, family)*
 - *“I sometimes think the operators are deliberately being confusing so we think we’re getting a deal when in fact it’s all rubbish” (Broadband, empty nester)*

¹ Individual providers’ have been replaced with ‘x’ within quotes throughout the report

- 3.12 Customer service however, was a common cause of complaint.
- *“How many times have you gone through the options and you can’t find one that fits your problem?” (Broadband, no children)*
 - *“You get through to a call centre and you either can’t understand what they’re saying or they haven’t got a clue” (Broadband, empty nester)*
- 3.13 Additional services (e.g. call forwarding, 1571, etc) were considered important by a small minority – but, for most, these services were used infrequently and were considered ‘nice-to-have’, not essential.
- *“I don’t see these services as essential – I just want to make phone calls, I don’t care so much about the other services” (Broadband, family)*
- 3.14 Again there was no mention of the emergency services at this stage of the discussion.

Considerations when purchasing a new telephone service

- 3.15 The following aspects of costs and customer service were key considerations when purchasing a new service:
- Reduced international calls
 - *“You get absolutely stuffed on either fixed or mobile international calls” (Broadband, no children)*
 - Transparency of price plans
 - *“So many price options, it’s so confusing – it’s like the utilities” (Narrowband, family)*
 - The ability to talk to a trained operator and fast response to faults
 - *“Give me a real person who knows what they’re doing and I’ll go with them” (Broadband, family)*
 - *“I’ve waited 3 days to get back on with ‘x’ they knew what the problem was but didn’t have the staff to fix it” (Broadband, no children)*
- 3.16 In addition, the following were mentioned:
- Keeping their existing fixed line number (mobile numbers were expected to remain unchanged)
 - Respondents were split on this - home businesses and some consumers saw a number change as a nuisance
 - *“Changing the number and your stationery is a right pain, it would really put me off” (Broadband, no kids)*
 - Others were less concerned
 - *“I’ve moved house several times and it’s not a real hardship, just a simple email around to all your friends” (Narrowband, empty nester)*
 - Clear / understandable billing
 - Several felt that this could be a point of difference

*“... I just want to know how much things cost and what I’m being charged for – I can’t make head or tail of it, and I don’t think I’m that stupid”
(Broadband, no children)*

- Information about the supplying company
 - The majority expected to hear about the company through the traditional media, retail outlets or the traditional media.

“I wouldn’t go for a complete unknown – I’d like to know that they’re an established outfit” (Narrowband, family)

“I’d expect to have heard of them either by word of mouth or through the internet” (Broadband, family)

- Bundled services
 - Several felt that there could be potential cost savings and bills would be easier to manage.

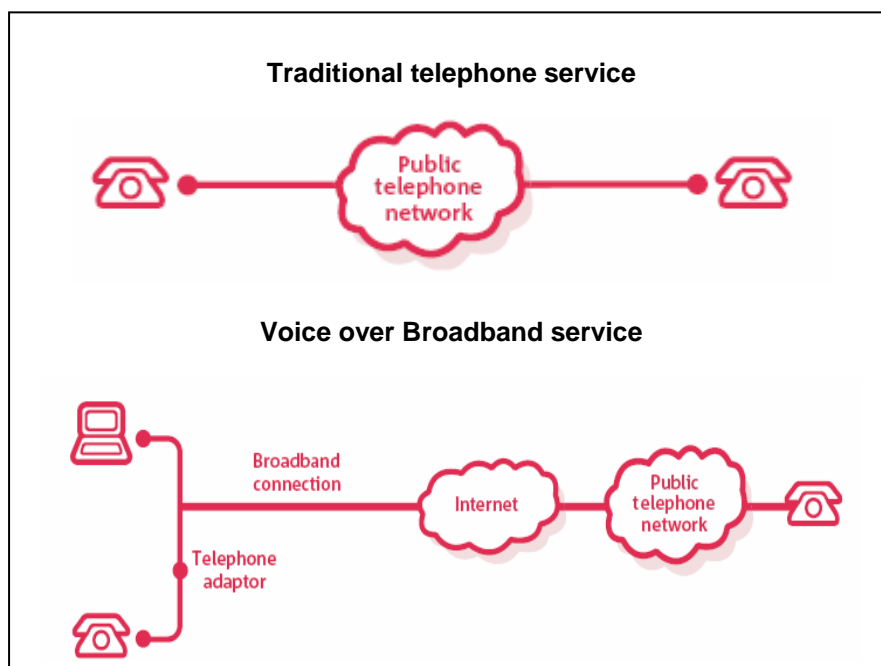
“There are too many different bills coming into the house – I’d prefer one bill, save all the hassle” (Recent broadband, empty nester)

“I’ve got four mobiles, two landlines and the internet – there’s got to be some savings if I go with one supplier” (Experienced broadband, family)

Initial response to the new voice services concept description

3.17 Respondents were shown two diagrams – the first a basic diagram of a traditional phone service, the second a diagram of a voice over broadband service – see figure 1 below.

Figure 1: Basic diagram of traditional phone service and voice over broadband



3.18 Awareness of new voice services was limited to a minority of experienced broadband users – most respondents had never heard of new voice services.

3.19 First reactions raised a number of concerns:

- Reliability
- Costs
- Service levels
- Quality
- Security
- Possible number change

3.20 Many of these concerns related to delivery of services over the Internet – several, both narrowband and broadband users, had encountered problems with their ISP in the past.

- *“It can be a bit irregular – often you play a waiting game to get on” (Narrowband, family)*
- *“Certainly with ‘x’ there’s been problems, I’ve been out for a couple of days before” (Broadband, no children)*

3.21 Respondents were then shown a more detailed explanation of new voice services.

Figure 2: Differences between standard fixed line services and new voice services

The difference between current fixed line and some new voice services lies in the range of services available to consumers.

Current fixed line operators (e.g. BT, alternative providers such as TalkTalk and cable operators) must offer certain services in addition to providing voice calls . . .

- Ability to use the system when there is a power cut;
- Access to emergency services (999 calls) at all times (even when there are problems with the telephone network and when calls to other numbers might not work);
- Caller location identity so the emergency services can identify the caller’s location;
- Access to the operator;
- Access to directory enquiries;
- Itemised bills (on request);
- Special measures for disabled consumers (e.g. ‘Text Relay’).

Some new voice services may not offer all the features you take for granted now, such as access to emergency calls (999) at all times and access to the operator.

It is likely that as new voice services come onto the market, there will be a number of providers offering a range of different services. These could be . . .

- Low cost / no frills: cheap voice calls, with no additional services and which cannot guarantee emergency calls at all times;
- Higher cost / full service: voice calls, all the features above plus additional service such as conference calling, receiving voicemails as emails, etc;
- A combination of these.

3.22 The possible exclusion of emergency services was very controversial. Up until this point, emergency services had been taken for granted by everyone and their possible exclusion was a surprise to some and unacceptable to many others.

- *“I hadn’t thought about 999 access, it’s just something we take for granted” (Narrowband, empty nester)*
- *“No emergency services – that’s outrageous, it shouldn’t be allowed” (Narrowband, family)*
- *“It’s just part of what you expect – pay your taxes and get the emergency services whoever you are – you shouldn’t have to pay extra” (Recent broadband, no children)*
- *“We’ve all got mobiles but it’s a surprise that there might be services that don’t offer 999” (Recent broadband, empty nester)*

3.23 Concerns about reliability and possible loss of the emergency services meant that interest in new voice services was mixed at this stage.

- *“Can’t really say, if it reduces phone bills then possibly, but I’d need to know how reliable it is before jumping in” (Recent Broadband, no children)*
- *“There are always teething problems with new technology, so I’d have to wait and see how it develops” (Experience Broadband, no children)*

3.24 Elements that may potentially be offered and were welcomed included:

- Cheap calls, in particular international calls
 - *“I’ve got family all over the world, international calls are so expensive, this could be great” (Narrowband, no children)*
- New technology, more competition
 - *“I’m all in favour of new ways of doing things, it means we’ll get better deals and service – it forces competition” (Narrowband, empty nester)*
 - *“I see it as the EasyJet of phones – you get what you pay for, it’s up to you” (Recent broadband, family)*
- Potentially useful to have a second line
 - *“I’ve got 3 kids and I can’t get on the phone – this could mean a lot less arguing” (Recent Broadband, family)*

3.25 However, most could not see any advantages over their current service provision

- *“Reliability is essential for me so I couldn’t have this as my first line until I know it’s going to work” (Experienced broadband, no children)*
- *“x’ is always going down, I’ve got poor reception on my mobile, so I need something reliable” (Recent broadband, no children)*
- *“I just can’t see the point – my calls are pretty cheap already” (Narrowband, empty nester)*

Potential use of new voice services

3.26 Respondents were presented with three scenarios illustrating different new voices service packages. The scenarios ranged from a basic no frills package (Scenario 1) to a higher cost service similar to their current fixed line service (Scenario 3), and a service that was somewhere in between (Scenario 2), as illustrated below.

Figure 3: Alternative scenarios for new voice services, for illustrative purposes

Scenario 1:

- Operator X offers a service that allows you to make phone calls over your existing broadband connection and keep your existing ISP. You have to keep your existing telephone line, but the new service would in effect give you a very cheap second telephone line.
- The telephone number for this second line would start with a prefix 056. The service offers free calls to other subscribers of the service and cheap calls to other numbers.
- You can also use the service to make calls from any other broadband connection, for example from a friend's house, for the same cost as if you were calling from home.
- The service doesn't allow you to call 999, the operator or directory enquiry. It also doesn't support special equipment (text phones) used by deaf users.

Scenario 2:

- An ISP offers you a package which includes broadband Internet and a telephone service for a monthly fee, which works out cheaper than paying for your broadband and phone line separately. You would get rid of your old telephone line.
- You cannot keep your old telephone number, but would be able to get a new number with the same area code.
- The service doesn't allow you to the operator or directory enquiry calls. It also doesn't support special equipment (text phones) used by deaf users.
- There is access to the emergency services but there is no 100% guarantee.
- You can use the service to make calls from any other broadband connection, for example from a friend's house, for the same cost as if you were calling from home. However, if you called 999 from somewhere else, you would the have to tell them where you are calling from so that the ambulance etc was sent to the right place.
- Additional services include conference calling, forwarding voicemails to your email inbox

Scenario 3:

- Similar to B, an ISP offers you a package which includes broadband Internet and a telephone service for a monthly fee. You would get rid of your old telephone line.
- The telephone service is exactly the same as your current provider and is more reliable than the options above, – plus a large number of additional add-on services. It also allows you to keep your existing telephone number.
- It is more expensive than scenario 2, but still a bit cheaper than your old separate broadband and telephone services.

3.27 Interest in new voice services developed as respondents were exposed to the different scenarios, but, overall, likely take up of the services, as presented, was limited to a small minority

3.28 The additional low cost line offered by Scenario 1 appealed to just two respondents – one whom had several children at home and another that had extended family abroad

- *“This would mean I could actually get to use the phone at home” (Recent Broadband, family)*
- *“I could seriously reduce my calls to family abroad – I’m interested” (Recent Broadband, no children)*

3.29 The rest saw no need for an additional line – they did not have large call volumes and their interest was in a total replacement of their current setup, if anything

- *“I don’t make enough calls and I certainly don’t want to add another bill to the three I’ve already got” (Experienced Broadband, empty nester)*
- *“No benefit to me – I’m only interested in replacing what I’ve got, not adding to it” (Recent Broadband, family)*

3.30 The mid-range offer (Scenario 2) appealed to a number of younger respondents with no children as a possible replacement – they wanted the benefits of cheap calls and were less concerned about 999 access.

- *“This is about right – I want cheap calls and I can use my mobile for emergency services” (Experienced broadband, no children)*
- *“If I could get rid of the BT line rental with this, then it’s great” (Recent Broadband, no children)*

3.31 But for most this scenario was neither one thing nor the other – the reduced guarantee of the emergency services was the key barrier.

- *“It feels desperate to reduce the bills by a bit and risk not having emergency services – I’d never forgive myself” (Narrowband, empty nester)*
- *“Too hit and miss for not enough benefit” (Recent broadband, family)*
- *“You’ll want 999 in the middle of the night and that’s when they’ll be doing maintenance” (Experienced broadband, no children)*

3.32 Scenario 3, the full service, most similar to their current set up had the widest appeal – to the extent that a few would consider replacing their current service.

- *“It’s the same as what we get now but cheaper – that’s the one (Narrowband, family)*
- *“If it is as it says, then why not change, you’re getting it cheaper for the same” (Recent broadband, family)*

3.33 But several remained unsure about the reliability of an ISP – particularly those with families. Others were reluctant to change and leave the comfort and guarantee of what they had already – they were generally happy with their current service.

- *“It’s a compromise that I don’t think is worth taking – it’s got to be as reliable as what we currently get or forget it” (Recent broadband, family)*

- *Not sure it's worth the risk – my calls are pretty cheap so why would I want to change to something that's unknown” (Broadband, empty nester)*
 - *“It sounds like it's going to be difficult to set up and the savings not big enough to warrant the hassle” (Narrowband, family)*
- 3.34 Overall, it was clear from these groups that to be a serious contender for a replacement of fixed lines, the cost reduction would need to be very significant to balance their concerns about reliability – e.g. the removal of the BT line rental
- *“Remove the line rental from ‘x’ and I’d look at this very seriously” (Narrowband, no children)*
 - *“Line rental is where we spend the money – my calls cost hardly anything but the line rental is expensive” (Recent broadband, no children)*
- 3.35 Additional services were again not seen as a key driver for change. The ability to make calls from other broadband terminals was seen as a benefit only to people travelling abroad on business – most felt their needs were otherwise met by their mobiles
- *“Why would I want to use my friend’s phone when I’ve got a mobile?” (Recent broadband, no children)*
 - *“Could be useful when working abroad, hotel phone bills are very expensive so a local rate would be good”(Narrowband, empty nester)*

Access to emergency services

- 3.36 The vast majority said they would not consider purchasing a telephone service that did not offer access to 999.
- *“It’s something we’ve learnt to take for granted – I wouldn’t want to give that up, you’re asking for trouble” (Recent broadband, family)*
- 3.37 A small minority, all without children, would purchase a service without 999 access because they already had access through their mobiles
- *“It’s not a big deal, we’ve got 4 mobiles in our house, one of them will work” (Recent broadband, no children)*
- 3.38 Respondents were more divided over the issue of whether access to the emergency services should be mandatory for all providers or whether consumers should be able to make an informed choice.
- 3.39 Those in favour of mandatory provision were from all different life-stages, though there was some sign that the least technically aware – mostly narrowband users – were most in favour of regulation in this way.
- *“It’s disgraceful that the public can be offered a service without access to the emergency services” (Narrowband, no children)*
 - *“It’s like a step backwards – the public should be protected from this” (Narrowband, family)*
 - *“I don’t like the idea that if someone pays less then their access is less guaranteed – that’s just not socially responsible” (Recent broadband, no children)*
 - *“The public shouldn’t be given such a cheap option that gives no 999 access” (Experienced broadband, family)*

- *“There’ll be public outcry if someone dies because they couldn’t get through to the emergency services” (Broadband, empty nester)*
- 3.40 Those in favour of consumer choice and no regulation were similarly from all different life-stages, and included families and empty nesters.
- *“I think it’s just a case of being informed properly – if you know you don’t have it then you make other arrangements” (Narrowband, empty nester)*
 - *“I think the 999 thing balances out – if you’re happy to use your mobile, then it’s up to you” (Recent broadband, no children)*
- 3.41 Respondents were more in agreement over the issue of reliability of emergency services. The majority felt that if emergency services were to be provided then a minimum level of reliability, similar to their current provision had to be met. If a provider could not offer this level of reliability then the provider should not be able to claim 999 access.
- *“It’s got to be a clear cut case – either they can do it or they can’t, you can’t have them offering anything less” (Narrowband, family)*
 - *“It’s either offer it or don’t, half measures are just confusing and dangerous” (Experienced broadband no children)*
- 3.42 However, a significant number – again from all different life-stages – would only purchase a service that offered exactly the same reliability as their traditional phone line.
- *“I’m old and living on my own, I’m not going to take a risk” (Narrowband, empty nester)*
 - *“With kids, you can’t take any risk” (Recent broadband, family)*
 - *“I can afford it, so I’m not going to risk it” (Recent broadband, empty nester)*

Informed choice or industry regulation?

- 3.43 Aside from the issue of 999 access, it was generally agreed that new voice providers should not have to provide the standard features traditional services are required by regulation to offer. Given that that many of these features were not often used (e.g. call forwarding, 1471, etc), respondents wanted to pick and choose different services according to their needs and budget.
- *“I see it like airlines – you can go Ryanair or Emirates, you choose” (Narrowband, family)*
 - *“You get what you pay for – no frills or full service – we choose” (Experienced broadband, no children)*
 - *“We’re used to selecting different price plans for our mobiles so this makes sense” (Experienced broadband, family)*
- 3.44 This view was conditional on the ability to make an informed choice, i.e. the information should be readily available and could be relied upon as accurate
- 3.45 Respondents expected to receive information on new technology and services from several different sources:
- Traditional media (direct mail, newspapers, magazines, TV, radio)
 - Internet (general / special interest sites)
 - Computer stores / other similar retail outlets

- 3.46 All groups were informed about the role of Ofcom as the regulator for the telecommunications and broadcasting industry. After this prompting, a large number requested that Ofcom provide up to date information on their website about products, services and if possible, recommended companies.
- *“I’d like to be able to go to the Ofcom website and get information about all of this – it would give me reassurance” (Narrowband, empty nester)*
 - *“With all these new services, it’s good to know that the development has been overseen by the government regulator” (Experienced broadband, no children)*
 - *“Ofcom is where we can expect unbiased information – I’d like to see them recommending suppliers” (Recent broadband, family)*
- 3.47 It was felt that responsibility for informing consumers about new voice services should lie with the providers, but Ofcom should lay down guidelines and ensure compliance from the providers.
- *“I don’t think these companies should be a law unto themselves – if they’re not going to be regulated like traditional phone companies, then they should comply with rules about how they communicate with consumers” (Recent broadband, family)*
 - *“They’ve got to be told what to do otherwise they won’t do it and we’ll be misinformed” (Broadband, empty nester)*
- 3.48 Clarity of information about all features was expected, but information about the emergency services was considered critical. In all cases, whether emergency services were to be offered or not, the following were suggested:
- The person signing up for the services should have to tick a box to show they have read and understood either that
 - Emergency services are not available;
 - Or, if they are available, access is not possible in a power cut.
 - The handset should be clearly marked that in the event of a power cut or service failure of the ISP there will not be access to the emergency services.
- 3.49 It was also agreed that responsibility for informing other members of the household about emergency service access should fall with the person signing the contract with assistance from leaflets provided at the point of sale.
- *“The one who decides on the contract should make sure everyone else knows, but this person should be assisted by information on the handset and other leaflets” (Recent Broadband, family)*
 - *“It’s really only an issue with emergency services – if these are not available, then all steps should be taken – the person who signed up for this service should make everyone else aware and leaflets should be available for them to distribute” (Experienced broadband, empty nester)*

4. Methodology

Approach

- 4.1 A method was required that would be effective in capturing the views and opinions of a range of consumers whilst also exploring the issues in some depth. Focus groups were therefore recommended rather than individual interviews as the need was to capture a broad range of opinions rather than detailed individual differences.
- 4.2 Given the exploratory nature of the study, 8 focus groups – i.e. 8 respondents per group for 1½ hrs. These were conducted between 25 and 28 October 2004.

Sample

4.3 In order to explore the areas outlined above the following types of consumers were recruited according to the following criteria:

- Internet experience
 - Experienced broadband users: have used broadband for more than 12 months;
 - Recent broadband users: have either upgraded or taken up broadband in past 6 months;
 - Narrowband users: do not reject the idea of taking up broadband in the next 12 months.
- Life-stage
 - Pre-children / No children;
 - Families;
 - Post children (empty nesters).

4.4 It was agreed that a range of telephony usage should also be represented to understand how, if at all, consumers prioritise the features of their telephone service. Included was some representation of the following:

- Users with fixed line and mobile, including those that rely on their mobile at home and those that rely on their fixed line;
- Users that use 3rd party suppliers for their fixed line, e.g. OneTel, TalkTalk,

4.5 Finally, it was agreed that it would not be necessary to represent different regions across the UK as it was felt that usage of telephone services, rather than location, would be the key factor for how consumers would assess new voice services

Sample frame

	Broadband / Narrowband	Life stage
Group 1:	Experienced	Pre / no children
Group 2:	Experienced	Families
Group 3:	Experienced / Recent	Empty Nesters
Group 4:	Recent	Pre/no children
Group 5:	Recent	Families
Group 6:	Narrow Band	Pre/no children
Group 7:	Narrow band	Families
Group 8:	Narrow band	Empty Nesters

Annex 1

'New Voice Services' discussion guide

Moderator introduction:

- Explanation of purpose of research: To gather opinions on new telephony services (they may have heard of terms like 'Voice over IP' and 'Voice over Broadband')
 - Overview of logistics: audio-taping, and viewing audience, etc
 - Rules of conduct: need for honest feedback, no need for consensus, confidentiality of response, and only one person should speak at a time. Reassure that it is not a test of their knowledge of technology, rather an opportunity to give their opinions of new services, etc
-

1. Participant introductions and warm-up

- Split into pairs – and get each person in the pair to tell them about themselves to the other and then vice versa in terms of . . .
 - Family/household make-up
 - Interests, hobbies
 - Their work
- Open discussion with a question about telephone / internet set up and usage
 - What is their telephone set up at home? Mobile and landline?
 - Which operators do they use?
 - Which lines do they tend to use at home – landline more than mobile / vice versa? Why?
 - What type of internet access do they have? What is the internet used for at home?
 - Have they ever switched/considered switching provider (landline/mobile/ISP). If so, why?

CONTINUE UNTIL EVERYONE IS FULLY INVOLVED/ENGAGED IN THE DISCUSSION

2. Explore all thoughts / expectations regarding traditional fixed line / mobile telephone services

- Taking one service at a time – fixed line and mobile – ask respondents to imagine that they are going to change their telephone operator and to write down what services they would take into consideration when considering a new supplier
 - List out all the services and open discussion
 - Are all these services expected / required? Why these?
 - Are some services more important than others? Do respondents prioritise when purchasing these services? How? Why?
 - Are some services considered essential and others not? In what circumstances?
 - Do expectations differ when using a cordless phone at home or mobile phone, rather than a traditional phone that plugs into the wall?
 - Are they aware of any other services that are available? How interested are they in these services? Why?
 - Are there things that they expect all suppliers to provide and so take for granted when looking for a new supplier?
-

3. Presentation of New Voice Services concept

- Distribute hand outs that explain the new voice services concept and ask respondents, individually, to write down their first impressions

Note: The hand out should be a simple diagram illustrating how both traditional and new voice technology works and explaining that the user experience is the same (both can use a handset, etc).

- Open discussion . . .
 - What are their first impressions?
 - Are they aware of this idea?
 - What do they think the differences between new voice services and their current telephone service might be?
 - What do they see as the potential benefits / disadvantages of a new voice service?
 - Would they be interested in taking up new voice services? As a replacement or supplementary type service? Why / why not? If not them, who would be interested?
 - What would they need to know to consider taking up new voice services?
-

4. Explanation of new voice services concept and services

- Explain to respondents that the difference between current fixed line and new voice services lies in the range of services available to consumers.
 - Check understanding and open discussion
 - Overall reaction / Level of interest / Triggers & barriers to take up
-

5. Assessment of different new voice offerings

- Explain to respondents that they are going to look at some different scenarios in which providers offer different services. For each scenario, ask respondents to write down their thoughts before coming to discussion.
 - Show the scenarios one at a time (rotate order in each group). After write down, probe with the following . . .
 - Overall reaction?
 - Strengths / weaknesses?
 - Likelihood to use this service? Drivers / barriers to taking up this service?
 - How does this compare with their current set up?
 - Do they see this service as a replacement / secondary to current fixed line / not interesting? Why?
 - Who would be interested in this service? Why?
-

6. Review of new voice services

- Taking into consideration all the previous discussion, review all their thoughts about new voice services in terms of:

- Overall, how interested are they overall with getting new voice services?
 - Which services are more attractive – low cost / no frills or higher costs / full service, or should both be available? Why?
 - What are the expectations from a low cost service? From a fuller service?
 - Would they be used differently? How?
 - Would they buy a service without 999 access?
 - Would they buy a service which offered 999 calls, but couldn't completely guarantee reliability of them? What if it was a bit cheaper?
 - Is 999 access a minimum requirement, even for services not offering all the same features as traditional services?
 - What would be your impression of someone / a neighbour who did not have 999 access?
 - As some operators may not be able to offer the same reliability for emergency calls, which would be better - a service that does not allow emergency calls, or access that is less reliable?
 - Should all services offer the same features as traditional services do now? Why / why not? If not, which features are expected / required from new voice services? Why?
 - What do they think will be the effect on take-up of these services if providers offer some features and not others?
 - Do they see new voice services as replacements for a permanent fixed line or supplementary to it? Who would be attracted to this idea? Does this change according to circumstances? E.g. lifestage, current telephone usage, etc
-

7. Communication of new voice services

- How do they currently find out about new technology? How did they know which ISP to sign up with?
 - If a new voice service was different from their traditional service, how would they like to be told about these differences? What would best help them make an informed decision without misleading or confusing them?
 - And is it necessary to be told about some differences when they buy the service and other differences (that affect any potential user, just not the purchaser) at the point of use (e.g. lack of or less reliable access to 999)? Prompt with
 - Point of sale: shop assistants, terms and conditions, a check list
 - Point of use: labelling of handset (e.g. this handset does not provide access to 999) a recorded message that 999 is not available
 - Press / media
 - Should this information be provided by the regulator or by the new voice provider?
 - If this information was provided, would they feel sufficiently confident to make informed decisions about new voice services?
-

8. Final Review

- Check with back room for additional questions. Thank and close.