Jigsaw Research

Narrowband Market Review

2012

Prepared for

Ofcom

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Contents

Prepared for

1 Introduction

1.1 Background and objectives

As part of its duties as the UK regulator for the communications industries, Ofcom has a duty to further the interests of consumers in relevant markets, where appropriate by promoting competition. Within this role, Ofcom has a statutory requirement to conduct regular market reviews.

This survey concerns the 2012 review of narrowband markets, in particular retail and wholesale markets for voice calls.

The last review was published in 2009 and included market research surveys among residential consumers and small and medium-sized enterprises (SMEs) in the UK.

1.2 Research objectives

The main objective of the research was to understand the choices that residential and business consumers make regarding their use of fixed and mobile telecoms services, and to explore how they might react to changes in the cost of their fixed voice services.

The specific objectives of this research were to:

- Profile consumer access to and usage of telecoms services in terms of technology, device, package, supplier and spend.
- Understand how choice of service varies for different call types – and specifically, when consumers use mobile and VoIP instead of fixed line calls, and when they use data communications instead of voice calls.
- Explore what changes in the market could lead to a change in usage – and specifically, the impact of an increase in call charges on usage, switching, and take-up of new services.
- Analyse the results by sub-group to identify groups who may differ significantly in their service choices or response to change.

Although the 2012 questionnaires were based on the 2009 surveys, substantial revisions and updates were required in order to ensure the relevancy of the pricing scenarios in the current consumer landscape. As such, the opportunities for tracking changes since the 2009 review are limited. This report presents the findings from the 2012 review, drawing comparisons on key metrics only where this is valid.

2 Executive Summary

The following findings are the key highlights from a survey of 2058 residential and 705 business consumers across the UK, conducted between 6th August and 10th September, 2012.

2.1 Background, objectives & research methodology

The residential consumer survey was conducted with the bill payer and decision-maker for fixed line and mobile phones within the household. The sample is representative of the UK population of fixed line and mobile phone bill payers across key social demographic variables (age, gender and socio-economic grade) and geographies (including the 4 nations and both urban and rural locations).

The business consumer survey was conducted with the communications decision-maker within the organisation. The sample is representative of UK businesses using fixed line services for outgoing voice calls, across all sizes (including those with fewer than 5 employees and more than 250 employees), sectors (including private, public and third sectors) and geographies (including the 4 nations).

The overall objective of the research was to better understand the choices that residential and business consumers make regarding the use of fixed and mobile telecoms services, and to establish how they might react to pricing changes in the cost of their fixed line services.

This research was supported by 30 pilot Computer Assisted Personal Interviews (CAPI) with a broad cross section of residential consumers (including key groups of interest, such as mobile only) and 30 CAPI pilot interviews with a broad cross section of UK small and medium sized business decision makers. The primary purpose of this pilot was to cognitively test the draft questionnaire. A further 10 in-depth qualitative interviews were conducted in-person with large companies (at least 250 employees) to assess the feasibility of including this target audience and how best to adapt the questionnaire for their scale of operation.

2.2 Residential consumers

2.2.1.1 Communications landscape

The influence of working life on home calling patterns is present, albeit limited. Almost one in ten of residential consumers (9%) describe themselves as mainly home-based workers, bringing with it the potential blurring of business and personal life in the usage of communications services. In the overall population, a minority (6%) use a company paid mobile phone for personal calls, despite the fact that 53% of the working population have company paid mobiles. Within this minority population, there is also the potential for a blurring of personal and business life in terms of consumers' attitudes to communications.

A minority of households claim to rely exclusively on their landline to make outgoing voice calls from home (15%), eith landlines accounting for half (51%) of these calls. Landlines are preferred for evening and weekend calls, mainly to take advantage of price plans and bundled minutes. However price is not the only driver - landlines are also seen as a more reliable form of communication in terms of reception/quality of connection. Landline only households are more likely to be older/retired, rural living and cash constrained.

Most households use landline in combination with mobile/smartphones to make calls from home.

Home use of mobile phones is now almost on par with landline. Usage is almost universal (93% have a mobile that they use at home, 42% being smartphones) and these devices now account for almost half (46%) of all claimed outgoing calls from home. They are most likely to be used for calling other mobile phones, mainly driven by the desire to use free minutes, but also because of the convenience afforded by having peoples' numbers stored in the phone.

One in five households (22%) now claim to have VoIP at home, with users claiming it accounts on average for 2% of all outgoing calls. It is used mainly for international calling, where it offers possibilities of visual telephony at the same time as providing a cheap(er) option compared to fixed line or mobile methods.

2.2.1.2 Supplier Choice

Most consumers purchase a package of line rental and calls together, which tends to include some bundled calls. Single sourcing is almost universal, with 95% using the same supplier for both line rental and calls, and almost as many (87%) claim to have some kind of bundled call deal included in their package.

Just over half of the sample (54%) claimed that they are unlikely to switch providers for line rental, or to switch providers for calls (53%).

Reducing cost is the main driver for using the same supplier for both line rental and calls, as well as for using different suppliers for line rental and calls. While most (65%) are on a bundle that also includes internet, a minority (3%) have their mobile phone tied into their package.

2.2.1.3 Likelihood to give up landline and use of alternatives

Almost three quarters (72%) agree they would never give up their landline access and six out of ten (60%) agree they would never give up their calls package. This is driven by practical considerations including the need to maintain an internet connection and the reliability of the line, as well as other factors such as desire to maintain the sense of security that having a landline brings, resistance to change in general, and resistance to relying on alternatives (i.e. mobile). Those aged 55 and over, those who are retired and rural dwellers are the most likely to say they would never give up their landline.

Almost half (46%) say they frequently use their mobile phone for calls from home that they could also have made via landline. The most frequently cited barrier to increased mobile phone use in place of landlines is price, followed by concerns with reliability of connection/coverage.

Fewer (25%) say they frequently use VoIP in place of landline – i.e. for calls from home that they could also have made via landline.

Written communication (emails/texts) is used as an alternative for some voice calls. Just over half (54%) agree that texting is a viable alternative to making a voice call, but fewer believe the same is true of emailing (39%). The main barrier to using text instead of making a call via landline is the desire for conversation and the inconvenience/lack of immediacy of written versus verbal communication.

2.2.1.4 Influence of call costs

Despite rationalising choice of providers on the basis of price, when making a call at home two-thirds of residential consumers (66%) claim they rarely, if ever, think about how much the call will cost depending on which method they use.

Furthermore, while half (50%) claim they would switch to get a better deal if they could, in reality just over one in ten respondents (13%) claim they regularly change their landline package on the basis of a good deal.

2.2.1.5 Claimed response to a hypothetical 10% price increase

When faced with a hypothetical 10% increase in the cost of their landline bill, the least likely claimed course of action is giving up access to a landline or the ability to make calls via a landline (10% and 11% respectively would be certain/very likely to respond in either of these ways). More likely claimed courses of action include switching suppliers (21%) and switching some calls from landline to either mobile phone (25%) or SMS (21%).

Those claiming that they would take any action are more likely to be younger (18-34), living in a large city (notably London), likely to switch provider in future, those who think about cost always/often when making calls from home and those who use their mobile phone most often for making calls from home (vs. landline or VoIP options).

2.3 Business consumers

2.3.1.1 Communications landscape

One in five (22%) business consumers were mainly or fully home-based workers. Communications decision-makers within businesses typically do not claim to be communications specialists, the majority (68%) being owner/MDs, who are primarily focussed on running the business. Specialist IT resource is only available to support decision making in a small minority of businesses overall (2%), primarily large companies (250+ employees) where more than half (55%) have dedicated resources.

Within our sample of business consumers, fixed lines are claimed to account for 74% of all outgoing calls made from office premises on average. They are claimed to be the preferred method for calling other UK landlines and non-geographic numbers, driven by a complex mix of factors including convenience, price, reliability and habit. Most businesses (97%) use standard landline PSTN telephony, which accounts for the majority (67%) of all calls claimed to have been made from the office. The majority of companies using other fixed lines (ISDN2e[1], ISDN30[2] and Leased Lines[3]) are also likely to make outgoing voice calls using these technologies. However they are used by a smaller proportion of businesses (15%) and they account for 7% of all calls at a total market level.

In some situations mobile phones have become a viable alternative to fixed lines for outgoing calls from the office among all sizes and types of companies. Most businesses (64%) use mobile phones (rising to 96% in larger companies with 250+ employees) **and they are claimed to account for a quarter (25%) of all outgoing calls from the office on average**. As noted with consumers, they are more likely to be used for calling other mobile phones, driven mainly by convenience (notably having peoples' numbers stored in the phone), as well as to take advantage of 'free' minutes or pre-paid calling plans.

[1] A form of ISDN line offering connection for up to 8 digital devices and allowing two calls to be made at the same time
[2] A form of ISDN line offering 8 to 30 independent connections and allowing multiple calls at the same time
[3] Dedicated data lines that can link different geographical locations

One in ten businesses claim to use VoIP, and on average this calling method is claimed to account for 1% of all outgoing calls from the office. Penetration varies markedly by company size, rising from a low of 7% in companies with 1-4 employees to a high of 54% in companies with 250 or more employees. Many businesses use VoIP for internal/inter-site calls (42%) but it is more likely to be used for external calls (71%), and is preferred for international numbers. Price is the primary driver of using VoIP in a business setting, but it also offers the possibility of visual telephony.

2.3.1.2 Communications suppliers

Business consumers with a fixed line use a wide variety of suppliers; a large number (30+) of suppliers together accounting for a significant share of customers (51% of landline rental customers, 64% of leased line rental customers, 63% of ISDN2e rental customers, 53% of ISDN30 rental customers).

Mobile and VoIP consumers use a smaller range of suppliers (90% of those using mobiles used 3 suppliers, while 70% of those using VoIP used 6 suppliers) with a different set of suppliers to the fixed line market.

Businesses also tend to purchase voice and calls as a bundle. Nine in ten respondents (90%) use the same supplier for both fixed line rental and calls, driven primarily by opportunities to reduce cost through bundling.

Half of the sample have ever switched communications providers. One in two decision-makers (53%) have ever previously switched any of their fixed line rental/ calls, internet or VoIP providers in the past and a similar proportion are disinclined to switch providers in future (50% unlikely to switch providers for line rental, 47% unlikely to switch providers for calls).

2.3.1.3 Likelihood to give up landline and use of alternatives

Business consumers were more likely to say they would never give up their fixed line access or fixed line calls, than residential consumers (88% claim they would never give up their fixed line access and 81% claim they would never give up their fixed line call package). Businesses say that this is driven mainly by force of habit but some also say it is due to quality of customer service and reliability of connection. A few also identify internet connections, reluctance to use alternatives (i.e. mobiles) and price as a barrier to substitution. Those using ISDN or Leased Lines as their primary fixed line for outgoing calls are somewhat more likely to give up their fixed line than those relying mainly on landlines (77% would never give up access versus 90% respectively).

63% of companies using mobile phones claim to make calls from mobile phones that could have been made from fixed line when in the office, while 30% of companies are open to switching more/all calls from fixed line to mobile in future. The main barrier to increased mobile phone use instead of fixed lines in the office is price but there are also concerns with reliability of connection/coverage.

53% of users claim to use VoIP very often or sometimes instead of fixed lines when making calls from the office and 23% are open to further shifts towards VoIP in future.

Written communication (emails/texts) is seen as an alternative to using fixed lines in some cases, but not a complete replacement for all voice calls. The majority (67%) agree that email is a viable alternative to making a voice call and many also use texting in a business context (43%). However there is a big cultural barrier to shifting completely from verbal to written communication, given the importance of face to face and verbal communication in business relationships.

2.3.1.4 Influence of communication costs

Even though they themselves are concerned with cost, most decision makers (75%) believe staff think about cost of calls rarely, if at all (staff are believed to be even more detached from costs in large/multi-site companies).

Decision makers rationalise provider choices on the basis of price and claim to pay close attention to bills - most (87%) checking them at least quarterly. However, 2 in 5 did not claim to take any action the last time they noticed a significant price increase on their bill. While some might negotiate fees or switch supplier, there is little evidence of switching calls to mobile phone/VoIP in this circumstance.

2.3.1.5 Claimed response to a hypothetical 10% price increase

For almost half of respondents (47%), a hypothetical 10% price increase is insufficient to warrant the anticipated hassle of making a change. For these businesses, the bill would need to increase by a third before they claim they would consider any action.

For those that would claim to take some action in response to this hypothetical 10% price increase, 6% claim they would give up access to a fixed line completely. The more likely response would be to switch calls, either to mobile phone (19%), email (6%) or VoIP (3%).

The businesses that are most likely to claim they would respond to a 10% increase include larger companies (with 250 or more employees / 6 or more sites), those with a price conscious culture (staff and decision-makers) and those already making/planning similar types of substitution.

3 Research Methodology

3.1 Residential consumers

The research involved a quantitative study comprising 2058 interviews via CAPI (computer assisted personal interviewing) with residential consumers using fixed line services for outgoing voice calls from home. Mobile-only households were necessarily excluded from the survey.

Interviews were conducted with the primary decision maker for communications services who was responsible for paying related household bills.

The sampling approach utilized random location interviewing, using a stratified sample. The RLI sample structure ensured that the sample was fully representative by generating random sample points reflective of a nationally representative sample base using UK Geographics. To avoid under-representing those in full time employment, shifts operated from 2pm-8pm.

In order to permit subgroup analysis by the four UK nations, a boost sample of 50 interviews was conducted in Northern Ireland.

Minor weights were subsequently applied to align the sample profile with the universe.

The composition of the resulting sample, before and after weighting, is detailed in the tables below:

Figure 1. Profile – Socio demographic. Small weightings applied to align achieved sample with universe

	% WEIGHTED SAMPLE	# WEIGHTED SAMPLE	# ACHIEVED SAMPLE
Male	48	996	948
Female	52	1062	1110
18-34	29	588	475
35-54	35	726	724
55+	36	744	859
AB	21	430	411
C1	29	605	612
C2	16	330	443
DE	34	692	592

Figure 2. Profile - Region. Weightings applied to down-weight NI boost in line with universe

	% WEIGHTED SAMPLE	# WEIGHTED SAMPLE	# ACHIEVED SAMPLE
North East England	4	87	94
North West England	11	229	221
Yorkshire & Humber	9	176	168
East Midlands	7	149	133
West Midlands	9	178	170
East England	9	193	209
London	12	257	247
South East England	14	281	260
South West England	9	177	172
England (NET)	84	1727	1674
Wales	5	100	109
Scotland	9	175	171
Northern Ireland	3	56	104

Figure 3. Profile - Urbanity

	% WEIGHTED SAMPLE	# WEIGHTED SAMPLE	# ACHIEVED SAMPLE
Large city	15	305	287
Smaller city/large town	22	447	432
Medium town	32	665	709
Small town	19	393	373
Rural	12	249	257

Fieldwork was conducted between 6th August and 10th September, 2012.

The questionnaire was 20 minutes in length and, where possible, questions were kept consistent with those used in 2007 for tracking purposes. A copy of the 2012 questionnaire can be found in the Appendix.

3.2 Business consumers

The research involved a quantitative study comprising 705 interviews via CATI (computer assisted telephone interviewing) with companies of all sizes and sectors using fixed line services for outgoing voice calls from the workplace. Companies using other types of communications services for outgoing voice calls, and companies not making outgoing calls from the workplace, were necessarily excluded from the survey.

Interviews were conducted with the primary decision maker for communications services.

Quotas were set to permit analysis of the results in terms of size of company and geographical split across England, Scotland, Wales and Northern Ireland. In addition to controlling the sample on size and region, soft, non-interlocking quotas were set on industry sector to ensure broad alignment with UK business profiles.

Weighting was subsequently implemented to re-align the sample profile with the universe.

The composition of the resulting sample, before and after weighting, is detailed in the tables below:

Figure 4. Profile - Region

	% WEIGHTED SAMPLE	# WEIGHTED SAMPLE	# ACHIEVED SAMPLE
NUMBER OF EMPLOYEES:			
1 – 4	68	479	302
5 – 9	17	120	101
10 – 49	12	85	100
50 – 249	2	14	100
250+	1	7	102
TURNOVER:			
Less than £100k	47	344	234
£100k - £499k	27	190	142
£500k - £2.9m	11	74	103
£3m - £9.9m	1	10	43
£10m+	2	12	84
Don't know/refused	12	86	99

Figure 5. Profile – Firmographics: Company Size

	% WEIGHTED SAMPLE	# WEIGHTED SAMPLE	# ACHIEVED SAMPLE
NUMBER OF EMPLOYEES:			
1 – 4	68	479	302
5 – 9	17	120	101
10 – 49	12	85	100
50 – 249	2	14	100
250+	1	7	102
TURNOVER:			
Less than £100k	47	344	234
£100k - £499k	27	190	142
£500k - £2.9m	11	74	103
£3m - £9.9m	1	10	43
£10m+	2	12	84
Don't know/refused	12	86	99

Figure 6. Profile - Firmographics: Sector and Years Trading

	% WEIGHTED SAMPLE	# WEIGHTED SAMPLE	# ACHIEVED SAMPLE
SECTOR:			
Wholesale/Retail/Transport/Comms	22	152	166
Public admin and services	13	92	114
Construction	12	85	60
Manufacturing	8	57	78
Primary industry	3	22	19
Financial services	1	8	15
Other services	36	255	233
Other	5	33	20
YEARS TRADING:			
Less than 2 yrs	7	51	40
2 – 5 yrs	17	120	90
6 – 9 yrs	18	129	98
10 – 19 yrs	19	134	117
20+ yrs	38	270	359

Figure 7. Respondent Profile

	% WEIGHTED SAMPLE	# WEIGHTED SAMPLE	# ACHIEVED SAMPLE
JOB TITLE:			
Owner/Proprietor	48	340	252
Managing Director	12	85	56
Partner	7	52	47
IT/Telecoms Director	2	12	88
Finance Director	2	12	15
Other senior manager	16	116	136
PA/Office mgr/Administrator	8	57	53
Other	4	31	55
GENDER:			
Male	61	427	441
Female	39	278	264

Fieldwork was conducted between 6th August and 10th September, 2012.

The questionnaire was 20 minutes in length and, where possible, questions were kept consistent with those used in 2007 for tracking purposes. A copy of the 2012 questionnaire can be found in the Appendix.

4 Research Findings: Residential Consumers

4.1 Communications landscape

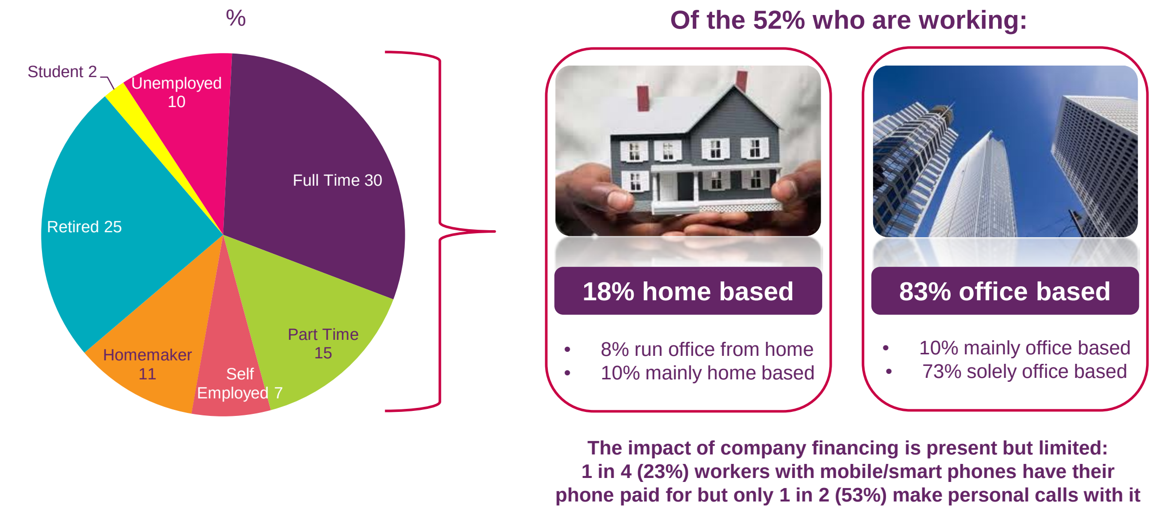
The influence of work calling patterns on home calling patterns is present, albeit limited.

Of the 52% of residential consumers that are in paid work, one in five (18%) are home based workers, including 8% who run their business from a home office.

Furthermore, a small proportion of household decision-makers (6%) claim to use a company paid mobile phone for personal calls.

While for the purposes of this survey respondents were asked only to consider their personal calling patterns whilst at home, the potential overlap with their business use of communications services is clear.

Figure 8. Working status and place of work



Source: Narrowband Market Review Consumer 2012. S5/S5b/S11/S12
Base: S5 Total Sample n=2058; S5b All working full-time, part-time or self-employed n=1025; S11 All working with mobile/smart phone n=1005

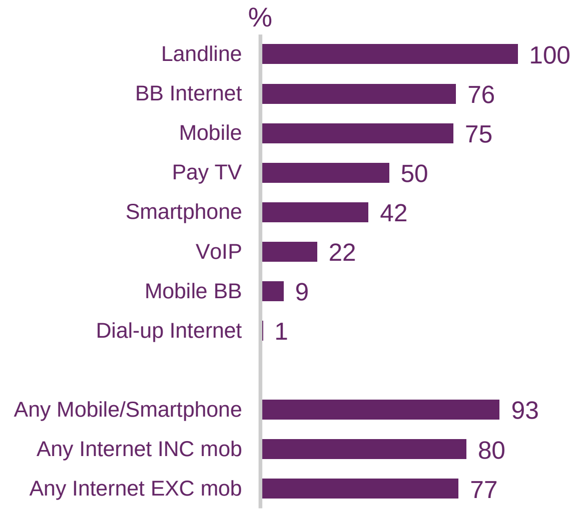
Residential consumers have several different options for making outgoing voice calls from home.

Of the landline households included in the research, almost all (93%) also have either a mobile or smartphone at home. Smartphones are more prevalent among those who are working (60%), younger people (63% of 18-34 year olds), in more affluent households (58% of ABs), with a skew towards large cities (55%).

Internet access is commonplace and more than one in five (22%) also now have VoIP at home.

Older, less affluent households tend to have fewer alternatives to landline. Those aged 55 or above are less likely to have any type of internet access at home (58%) and less likely to have a mobile/smart phone (84%). Those in social groups DE are less likely to have an internet connection (67%) or to have a mobile/smartphone (89%). Those living in Wales and Yorkshire show similar patterns.

Figure 9. Products held at home

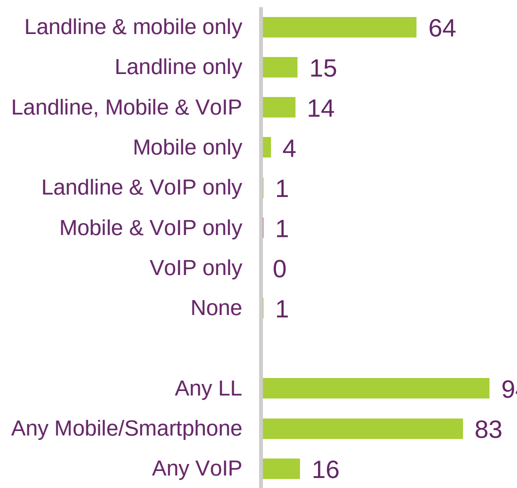


Source: Narrowband Market Review Consumer 2012. S7, S9
Base: Total Sample n=2058

Few households rely exclusively on a landline to make outgoing voice calls from home (15%), although this rises in older (33% of 55+ year olds), retired (37%) and less affluent households (22% of DEs). Those living in Wales and Yorkshire also display greater reliance on landline (32% and 25% respectively use this method exclusively).

A majority of households (64%) claim to use their landline in combination with a mobile/smartphone when making home calls.

Figure 10. *Calling* products used in last 6 months

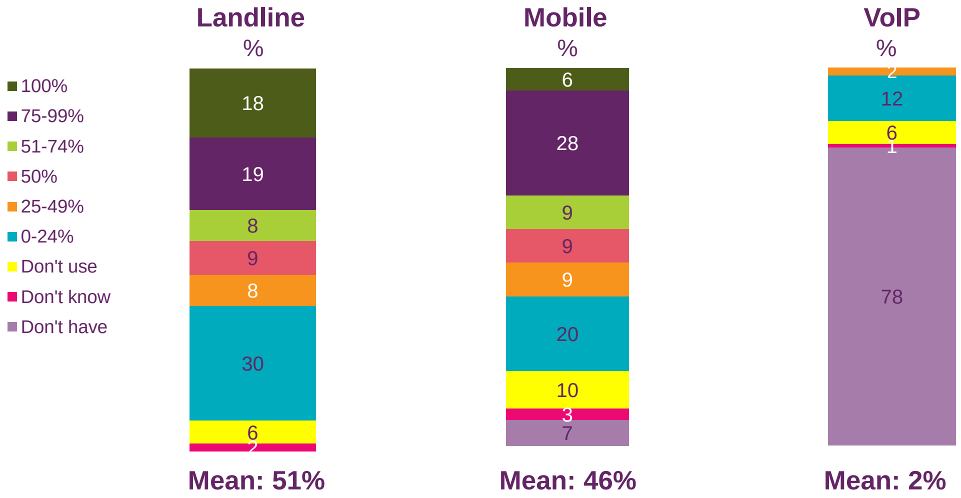


Source: Narrowband Market Review Consumer 2012. S7, S9
Base: Total Sample n=2058

Consumers reported that landlines still account for half (51%) of all outgoing calls from home and are used on an almost daily basis by most people. However home use of mobile phones is now almost on par with landline, accounting for almost half (46%) of outgoing calls. More respondents claimed to use their mobile/smartphone on a daily basis than their landline (Figure 12 below).

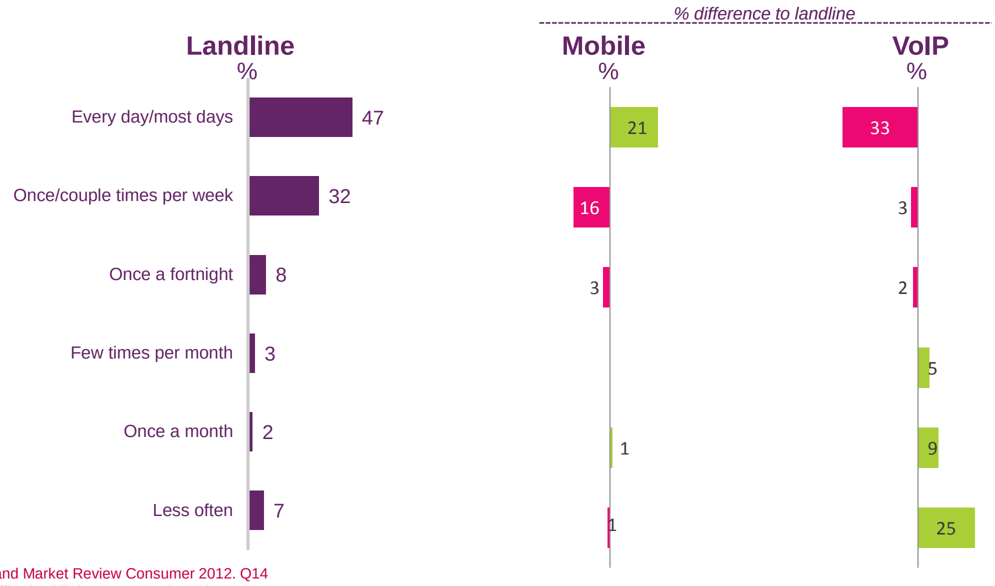
VoIP is used less frequently, with consumers reporting this accounts for 2% of all outgoing calls.

Figure 11. Proportion of outgoing calls (last 6 months)



Source: Narrowband Market Review Consumer 2012. S10
Base: Total Sample n=2058

Figure 12. Frequency of use



Source: Narrowband Market Review Consumer 2012. Q14
Base: All with landline/mobile/VoIP n=2058/1898/434

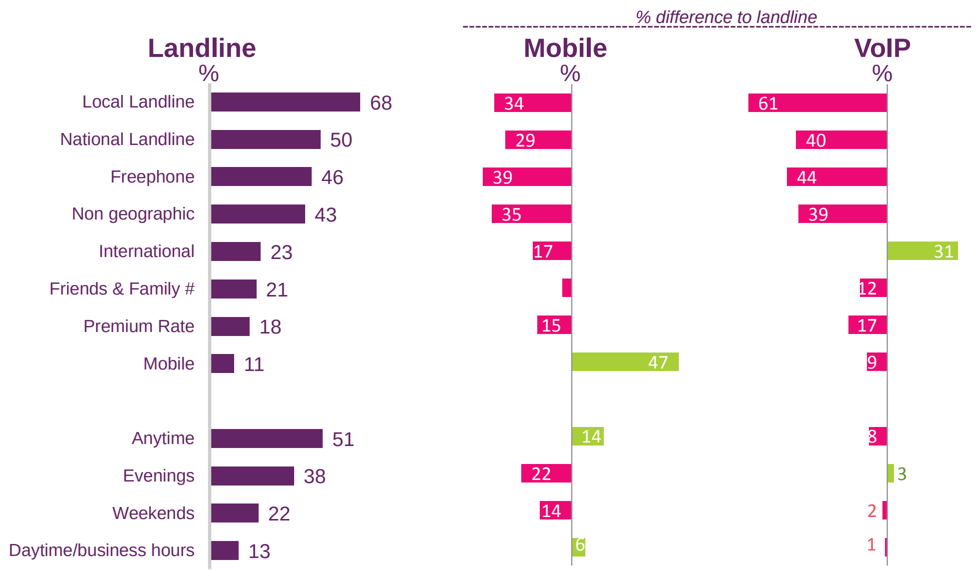
Mobile phones and VoIP have different core usage patterns to landlines.

Landlines are preferred for calling other landline numbers and for non-geographic numbers, and are also preferred for evening and weekend calls. This is mainly to take advantage of price plans and bundled minutes. However landlines are also seen as a more convenient and reliable form of communication in terms of reception/quality of connection.

Mobile phones and smartphones are more likely to be used for calling other mobile phones, mainly driven by the desire to use free minutes, but also because of the convenience afforded by having peoples' numbers stored in the phone.

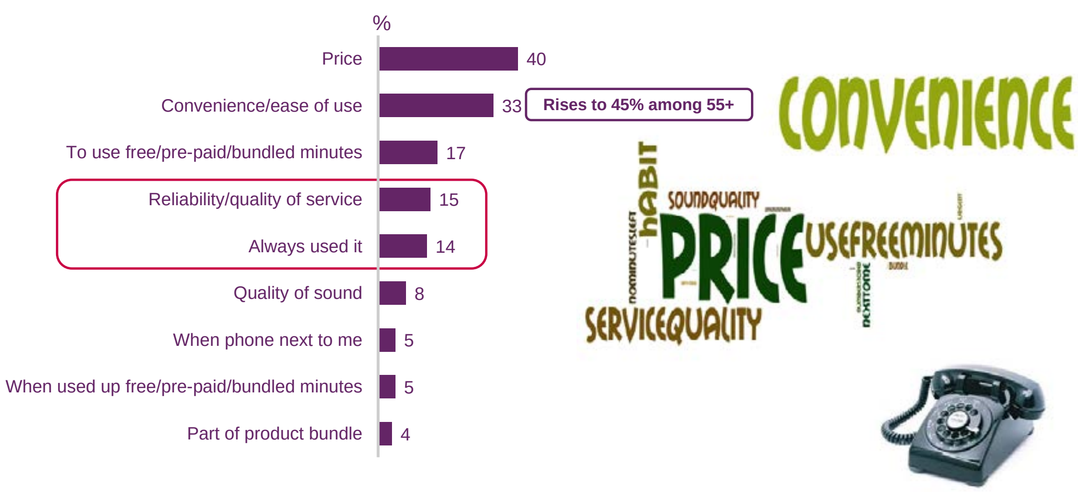
VoIP is used mainly for international calling, where it offers the possibility of visual telephony at the same time as providing a cheap(er) option compared to fixed line or mobile methods.

Figure 13. Calling patterns when at home



Source: Narrowband Market Review Consumer 2012. Q8c/d
Base: All using landline/mobile/VoIP for outgoing calls from home in the last 6 months n=1908/1607/284

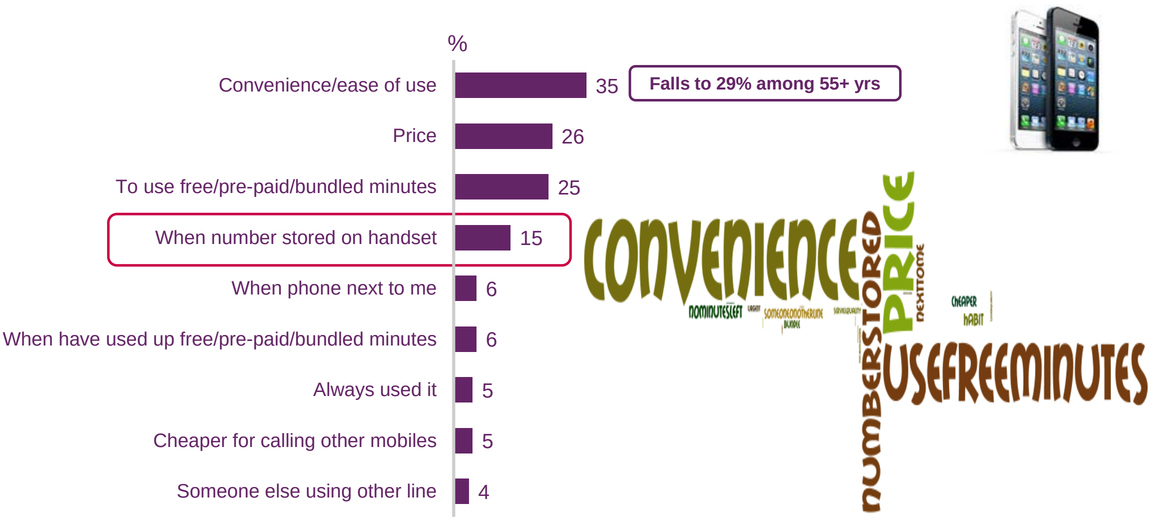
Figure 14. Reasons for choosing landline for outgoing calls



Source: Narrowband Market Review Consumer 2012. Q8a
Base: All using landline for home calls in the last 6 months n=1908

Only responses with >3% mentions shown

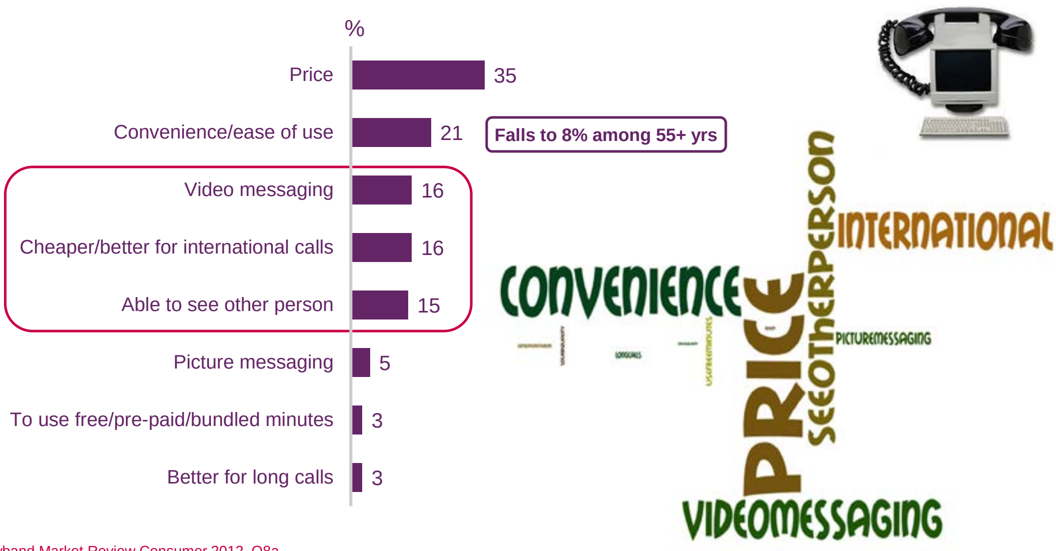
Figure 15. Reasons for choosing mobile/smartphone for outgoing calls



Source: Narrowband Market Review Consumer 2012. Q8a
Base: All using mobile for home calls in the last 6 months n=1607

Only responses with >3% mentions shown

Figure 16. Reasons for choosing VoIP for outgoing calls



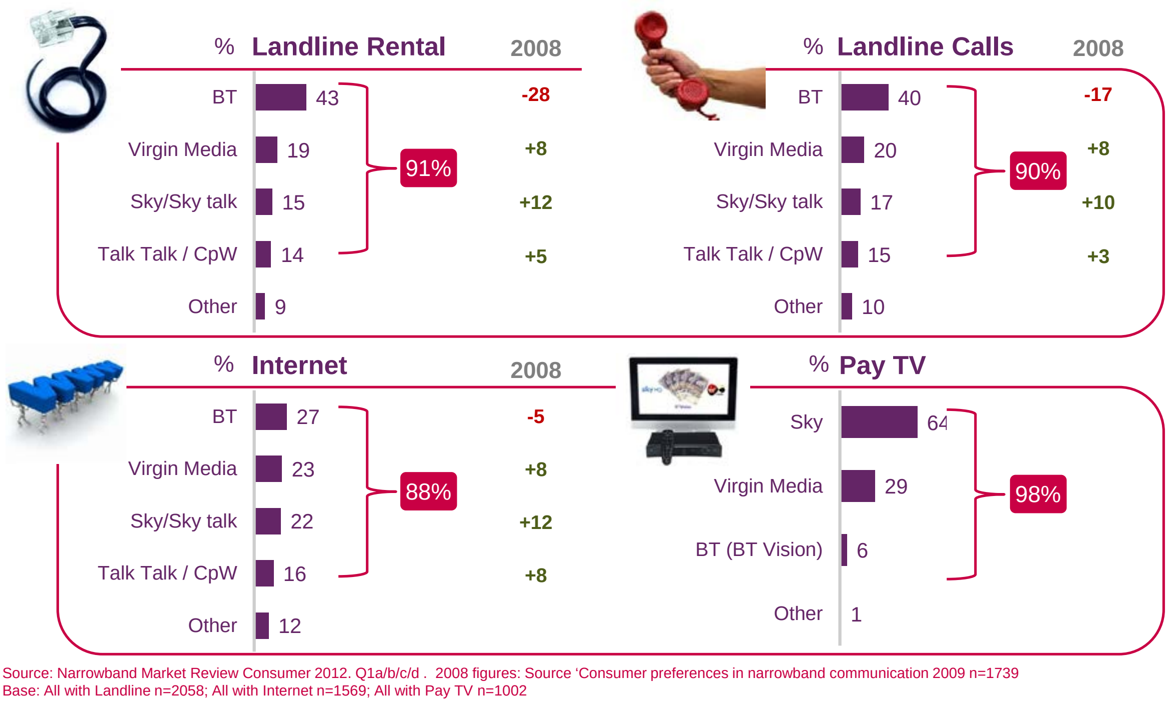
Source: Narrowband Market Review Consumer 2012. Q8a
Base: All using VoIP for home calls in the last 6 months n=284

Only responses with >3% mentions shown

4.2 Communications suppliers

There are four main suppliers in the fixed line market, with at least 90% of consumers using BT, Virgin Media, Sky or Talk Talk for both line rental and calls.

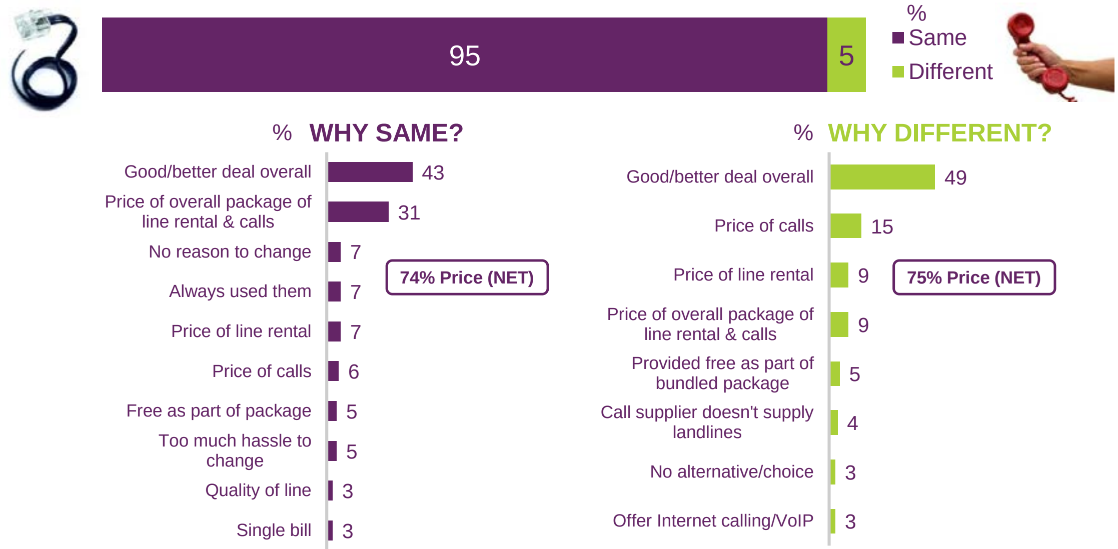
Figure 17. Key Providers



Most consumers claim to purchase a package of line rental and calls together, which tend to include some bundled calls. Ninety-five per cent of consumers use the same supplier for both line rental and calls, and almost as many (87%) have a bundled call deal included in their package. Three-quarters (74%) of those who purchase line rental and calls together say their decision to bundle these products is driven primarily by opportunities to reduce cost. However, price is also the main driver of decisions to purchase line rental and calls separatelyin the few instances where this occurs.

While most (65%) purchase a bundle that also includes internet, very few (3%) also have a mobile phone tied into their package.

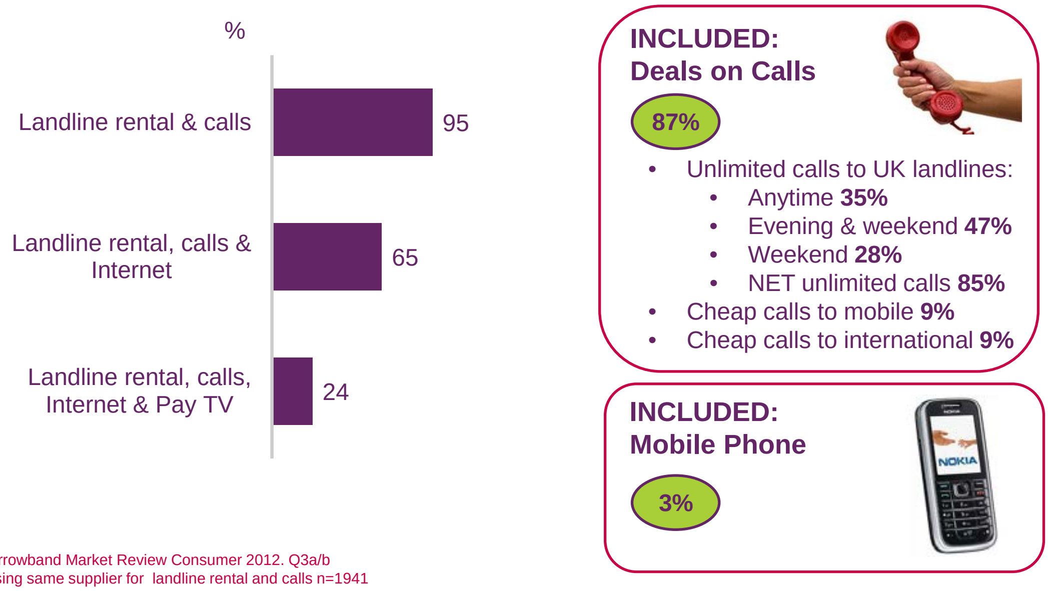
Figure 18. Reasons for choosing same vs. different suppliers for landline rental and calls



Source: Narrowband Market Review Consumer 2012. Q4a/b
Base: All with same supplier n=1941; All with different suppliers n=94

Only responses with 3%+ mentions shown

Figure 19. Types of services held in package



Source: Narrowband Market Review Consumer 2012. Q3a/b
Base: All using same supplier for landline rental and calls n=1941

It follows that reasons for choosing specific call suppliers reveal a similar pattern: getting a good deal on the price of bundled call and rental packages drives choice for two in five (39%). While BT consumers were more likely to cite habitual use and perceived quality of phone and customer service as their main reasons for choosing this supplier, these are not key drivers of choice overall.

Figure 20. Main reason for choosing supplier for landline calls

62% Price (NET)

%	Total	BT calls & rental	BT rental Other calls	Other calls & rental
Price of line rental & calls package	39	30	24	46
Price of call package	17	13	41	18
Chose Internet/TV provider first (phone an add on)	13	5	13	18
Price of line rental	6	8	5	6
Quality of phone service	5	10	4	2
Always been with them / habit / loyal	5	11	0	1
Quality of customer service	5	8	3	2

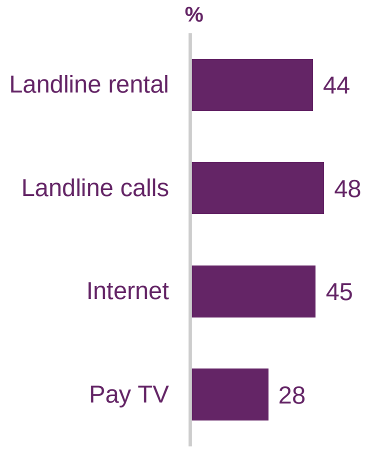
Source: Narrowband Market Review Consumer 2012. Q4c
Base: Total Sample n=2058

Almost one in two claim to have switched landline provider in the past, and similar proportions claim they are likely to switch again in future: 44% claim to have switched landline rental provider in the past, and 40% claim to be certain/very unlikely to switch line rental providers in the next two years – similarly, 48% claim to have switched landline call provider in the past, and 41% to switch call providers in the next two years.

Levels of switching in the residential internet market are similar to those in the landline market but they drop off significantly in the Pay TV market, where there is less evidence of actual activity or planned activity (28% have switched provider in the past and 32% claim to in future).

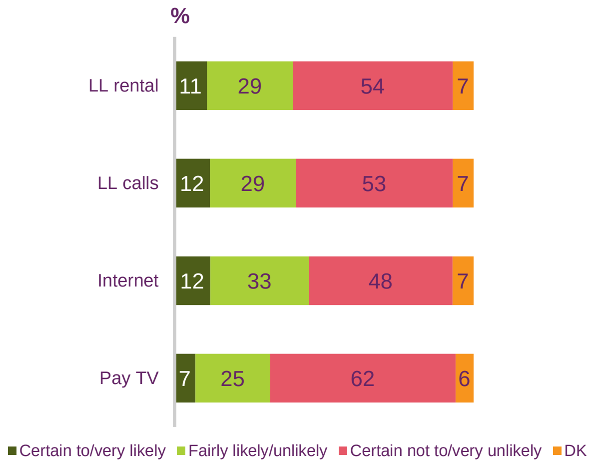
Those most disinclined to switch providers have a package deal with BT for both landline rental and calls (33% have switched their landline/internet/Pay TV providers in the past compared to 54% of residential consumers as a whole). Other less active groups include younger people (45% have switched any of these providers in the past) and less affluent people (49% in socio-economic group DE and 48% of non-working decision makers respectively).

Figure 21a. Whether switched supplier in the past



Source: Narrowband Market Review Consumer 2012. Q5a
Base: Q5a All switchers – Landline calls n=1011; Landline rental n=932; Any Landline/Internet/Pay TV n=1128; None n=930

Figure 21b. Likelihood of switching supplier in next two years

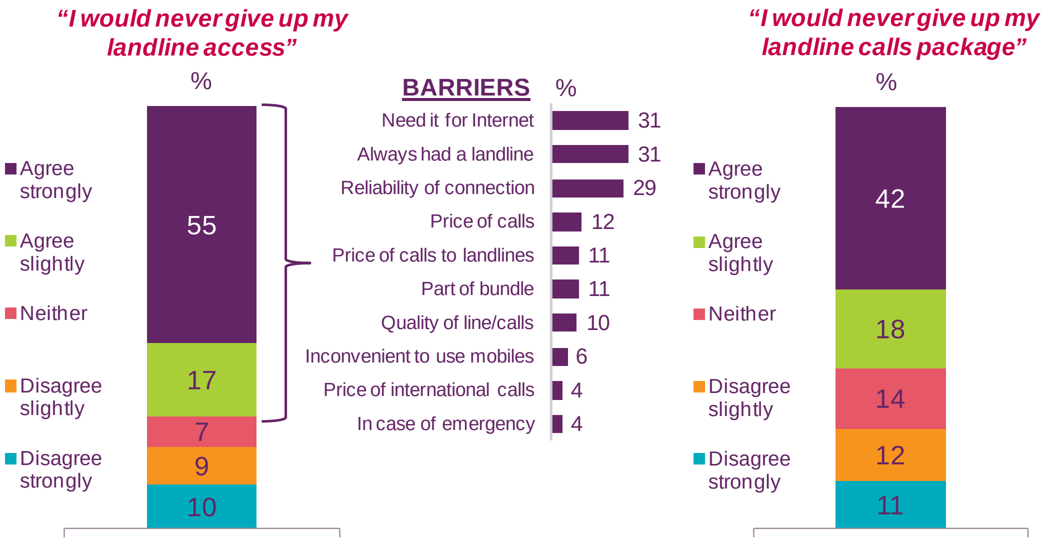


Source: Narrowband Market Review Consumer 2012. Q5b, Q5a
Base: Q5b All with Landline n=2058; All with Internet n=1569; All with Pay TV n=1002

4.3 Likelihood to give up landline and use of alternatives

Seven in ten consumers (72%) agree they would never give up their landline access, while 60% agree they would never give up their calls package. Older respondents (55+), the retired and rural dwellers are the most likely to say they would never give up their landline. Disinclination to give up landline access rises to 70%, 78% and 64% amongst these respective audiences.

Figure 22. Likelihood to give up landline



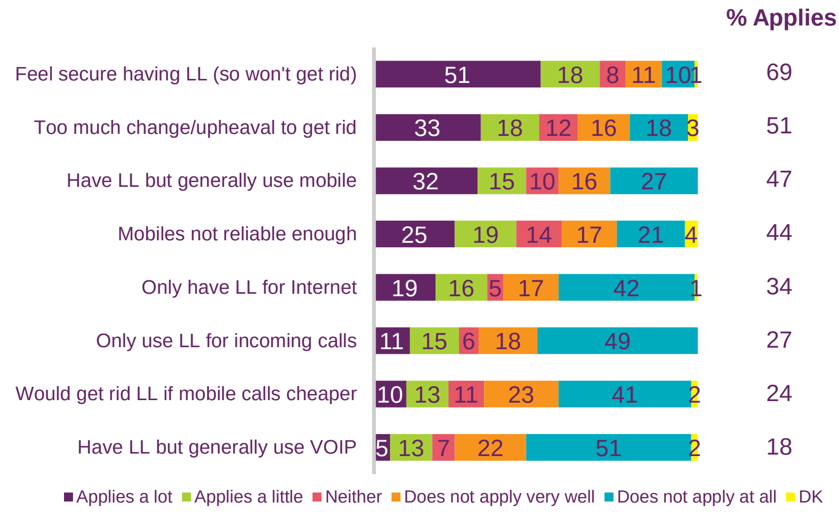
Source: Narrowband Market Review Consumer 2012. Q6c(a/b), Q6ci
Base: Q6c(a/b) Total Sample n=2058;
Q6ci All who would NOT give up LL access (agree they would never give up) n=1502

Only responses with > 3% mentions shown

The desire to maintain landline access is largely explained by practical considerations such as the need to maintain an internet connection, the reliability and quality of the line/connection and the price of calls. However other factors also play a significant role in behaviour. A majority of residential consumers (69%) agree that having a landline provides them with a sense of security, and this rises to 81% among those who would not give up their landline access (44% higher than the equivalent figure among those willing to give up access). Similarly, resistance to change also plays a role, as half of residential consumers (51%) agreed that 'it would involve too much change or upheaval to get rid of my landline phone'.

Those who are more predisposed to giving up their landline access are less dependent on this technology, indicating greater reliance on alternative calling methods (mobile or VoIP) already and stating they are more likely to maintain their landline for incoming calls / internet connection only.

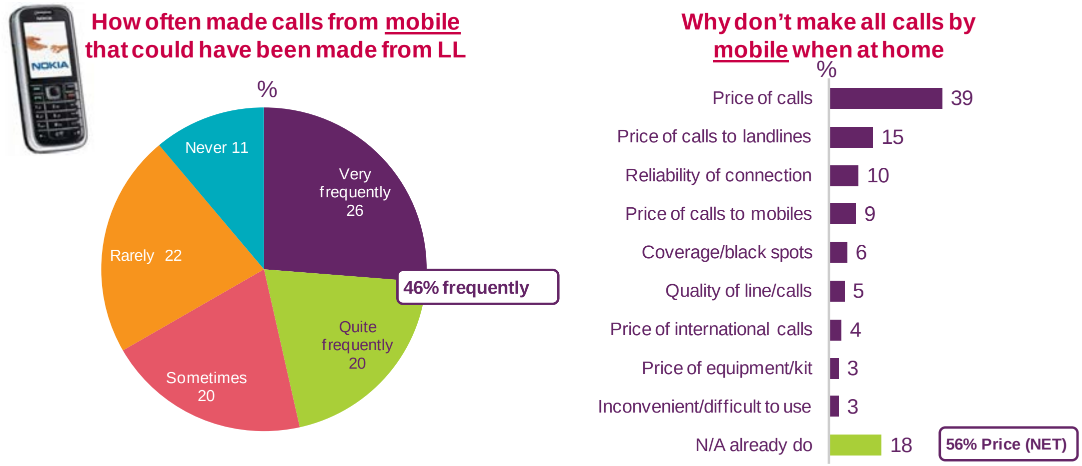
Figure 23. Attitudes towards landline



Source: Narrowband Market Review Consumer 2012. Q13
Base: All with Landline n=2058; All with Internet n=1569; All with VoIP n=434

There is already some evidence of using mobile phones instead of landlines for calls made from home, with almost 1 in 2 residential consumers (46%) saying they use their mobile quite or very frequently to make calls that they could also have made via landline. The main barrier to more extensive home mobile phone use instead of landline is price (it being more expensive to make calls this way), followed by concerns with reliability of connection/coverage.

Figure 24a. Attitudes towards Mobile: Using mobile phone instead of landline

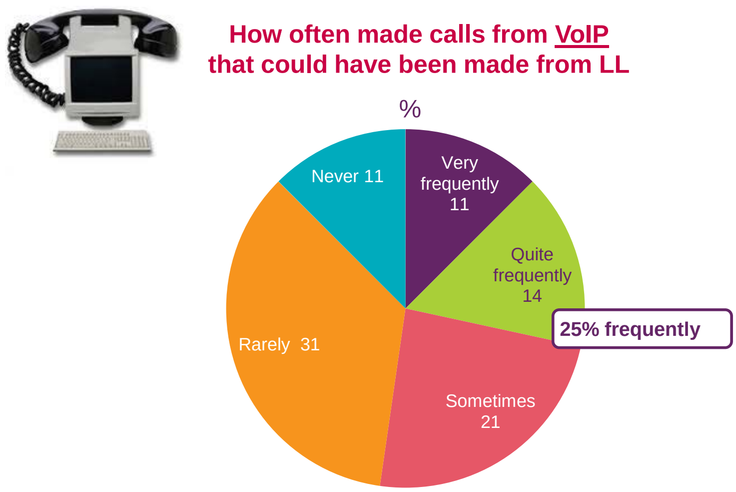


Source: Narrowband Market Review Consumer 2012. Q6a & Q7a
Base: Q6a all who have outgoing calls from mobile n=1607;
Q7a All using mobile for 1-99% of outgoing calls from home in last 6 months n=1498

Only responses with 3%+ mentions shown

There is also evidence of consumers using VoIP to make calls from home instead of a landline, with 25% of users opting for VoIP over landline quite or very frequently.

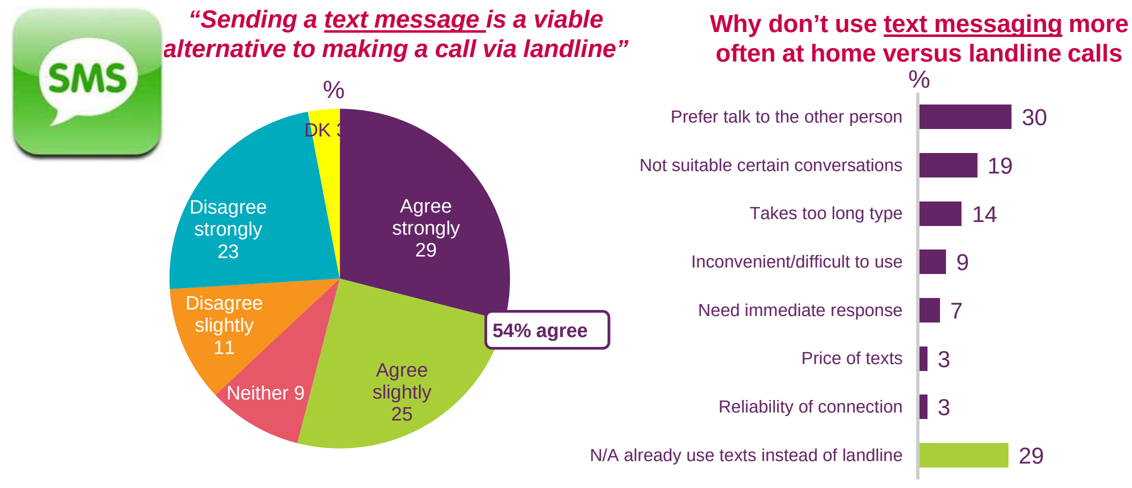
Figure 24b. Attitudes towards VoIP: Using VoIP instead of landline



Source: Narrowband Market Review Consumer 2012. Q6b
Base: Q6b all who have outgoing calls from VoIP n=284

Written communication (emails/texts) is potentially also an alternative for some voice calls but is unlikely to be seen as a complete replacement for verbal communication. While a small majority (54%) agree that texting is a viable alternative to making a voice call, fewer say the same is true of emailing (39%). The main factor stopping people from using SMS or email more often instead of calling via landline is a desire for verbal conversation, mentioned by almost a third (30%). The inconvenience/lack of immediacy of written versus verbal communication is also cited as a barrier (14% say it takes too long to type an SMS message, 9% say SMS is inconvenient, 7% are looking for a more immediate response than SMS can generate).

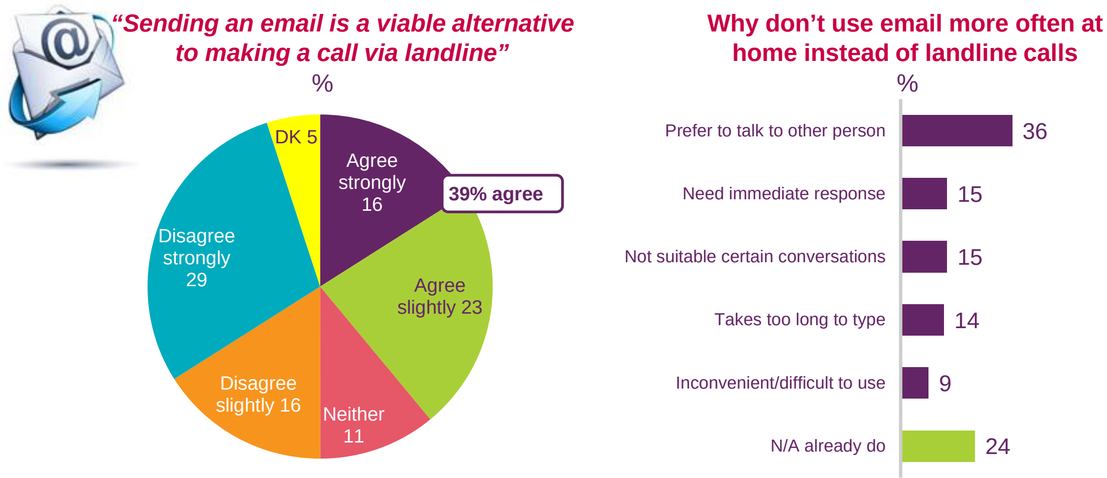
Figure 25. Attitudes towards Mobile: Using text message instead of landline for calls



Source: Narrowband Market Review Consumer 2012. Q6c(d) and Q7b
Base: Q6c(d) Total Sample n=2058; Q7b All with mobile n=1898

Only responses with 3%+ mentions shown

Figure 26. Attitudes towards Internet: Using email instead of landline for calls



Source: Narrowband Market Review Consumer 2012. Q6c(c) & Q7c
Base: Q6c(c) Total Sample n=2058; Q7c All with Internet n=1569

Only responses with 3%+ mentions shown

4.4 Influence of communications costs

Perceptions of price vary quite distinctly by calling method and by type of call. A small majority (57%) believe that mobiles are more expensive than landlines for calls to other landline numbers, international numbers and 0845 numbers. Mobiles are percenieved to be cheaper for mobile-to-mobile calls only.

The proportion of residential consumers who think a landline is more expensive than a mobile for *local/national landline numbers* rises significantly among the following subgroups, from 10% to:

- 21% among residents of Northern Ireland
- 20% among light landline users - every two weeks or less often
- 19% among the self employed
- 13% among younger age groups, 18-34 years.

The proportion who consider a landline is more expensive than a mobile phone for *international numbers* rises significantly among the following subgroups, from 7% to:

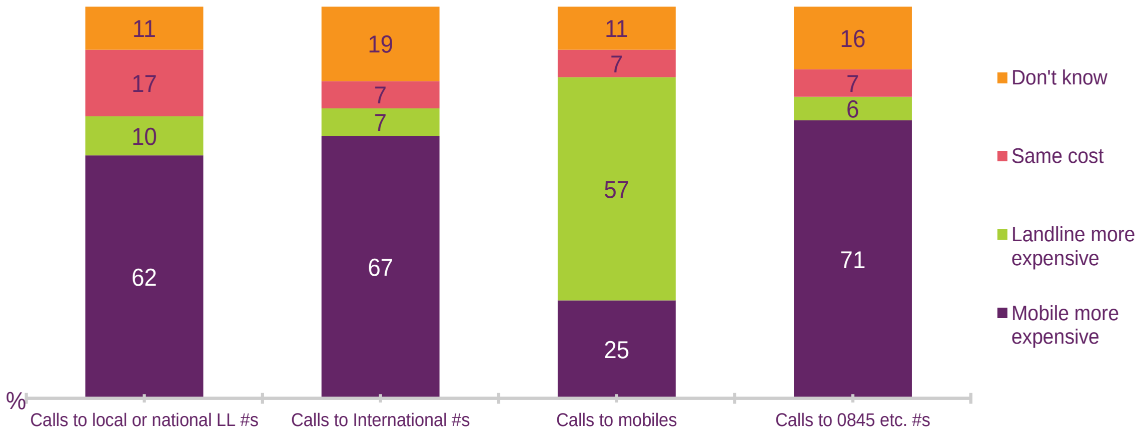
- 14% among residents of Northern Ireland
- 13% among light landline users - every two weeks or less often.

The proportion of residential consumers who think a landline is more expensive than a mobile phone for *0845 numbers etc.* rises significantly among the following subgroups, from 6% to:

- 11% among those living in a large city (and to 12% among those living in London)
- 10% among light landline users - every two weeks or less often.

Any existing use of mobiles to make calls from home therefore happens in this context, i.e. using a mobile/smartphone instead of a landline to make a call from home happens with the perception that this could incur a higher charge. This is just one of several indicators that price is not as dominant a driver of behaviour as it is initially claimed to be.

Figure 27. Perception of costs for different call types

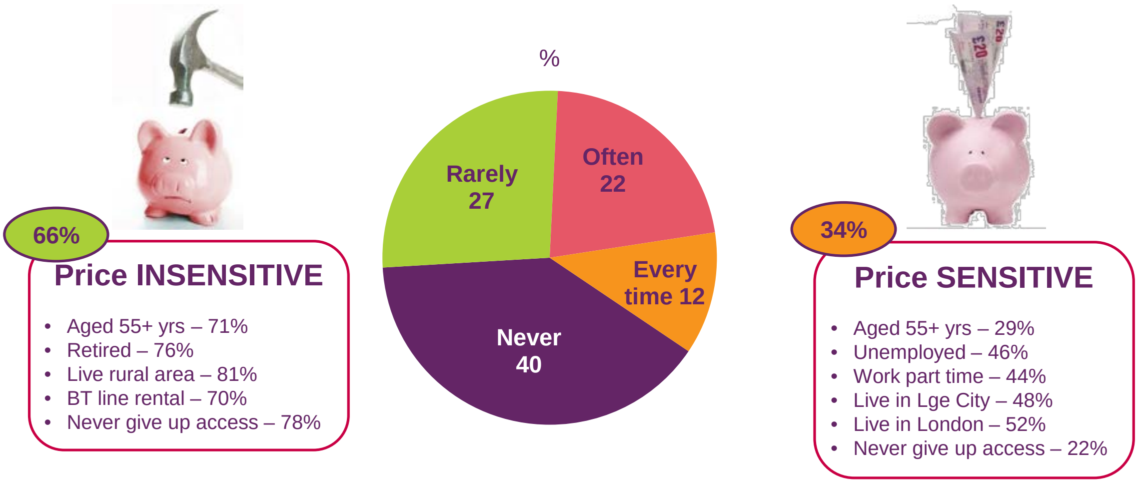


Source: Narrowband Market Review Consumer 2012. Q12. Base: Total Sample n=2058

Furthermore, despite rationalising choice of providers on the basis of price, when deciding which method to use to make a callmost residential consumers (66%) claim they rarely, if ever, think about how much the call will cost depending on which method they use.

The minority who do think about the cost of making a call are more likely to be city based (48% of those living in large cities, rising to 52% of those living in London), unemployed or working only part time (46% and 44% respectively).

Figure 28. Influence of price: Active awareness of call costs depending on method used

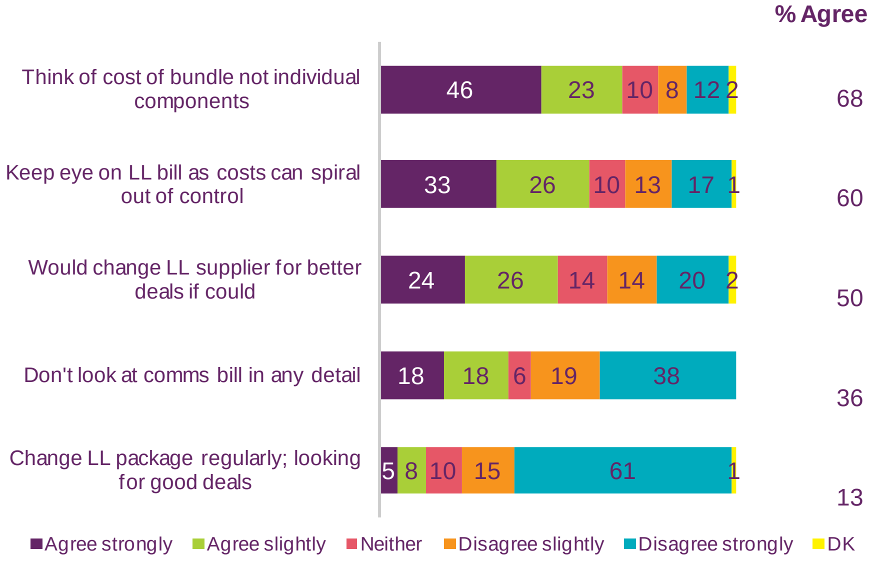


Source: Narrowband Market Review Consumer 2012. Q8e
Base: Total Sample n=2058, Price Sensitive n= 661; Price Insensitive n=1397

The third indicator is that, despite justifying their choice of providers on the basis of price, it does not appear that price is a sufficient motivator to drive regular switching to obtain a better deal. While most (59%) agree that they 'like to keep an eye on their landline bill as costs can spiral out of control if they're not careful', slightly fewer (50%) agree that they would switch suppliers to get a better deal if they could, and interest in switching package regularly to chase good deals falls to 13%. In other words, while consumers might switch to get a better deal on a landline package, they majority do not watch the market on a constant basis and switch from deal to deal to make sure they are always on the best possible alternative.

Those who don't think about price at the point of making a call are even less likely to keep a close eye on their landline bills or the market in general, and are less likely to agree that they would change their landline supplier to get a better deal if they could.

Figure 29. Attitudes towards prices for communication services



Source: Narrowband Market Review Consumer 2012. Q15
Base: Total Sample n=2058

4.5 Claimed response to a hypothetical 10% price increase

The relative impact of price is ultimately demonstrated when it has to be traded off against the desire to maintain landline access/calls and attitudes towards alternative verbal and written forms of communication.

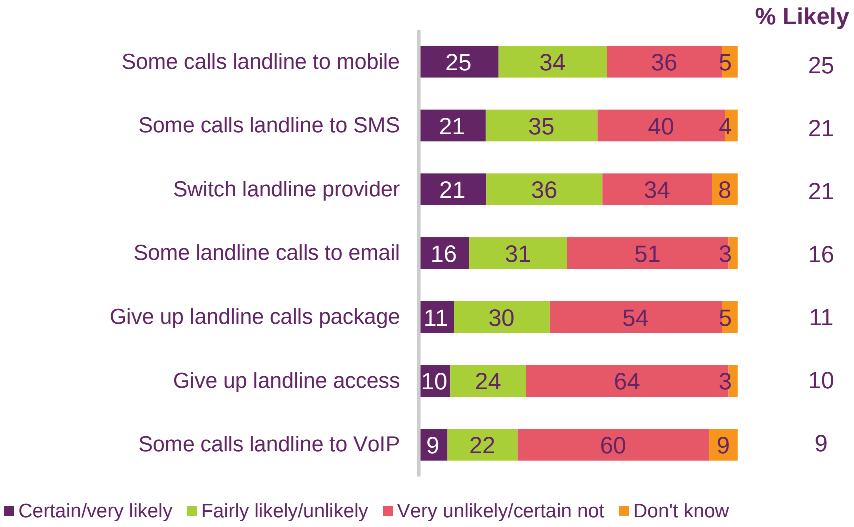
When residential consumers are faced with a hypothetical 10% increase in the cost of their landline bill, the most likely claimed course of action is either to avoid the price increase by switching suppliers, or to switch some/all landline calls to mobile (25%) or SMS (21%).

A minority of residential consumers claim they would be willing to give up either their ability to make calls via landline or their access overall (10% and 11% respectively would be certain/very likely to respond in either of these ways).

Those more inclined towards giving up their landline access and/or calls package are:

- City based (21% would give up landline access / 23% would give up landline calls)
- Certain/very likely to switch in the next two years (21% / 26%)
- Light landline users - every two weeks or less often (18% / 23%)
- Not working (17% / 16%)
- Using mobile most often vs. landline and VoIP (15% / 19%)
- Those who often/ always consider how much a call would cost depending on the calling method used (15% / 19%)
- Less affluent DEs (14% / 14%)
- Younger, 18-34 year olds (14% / 18%).

Figure 30. Likely actions if monthly cost of overall landline bill increased by 10%



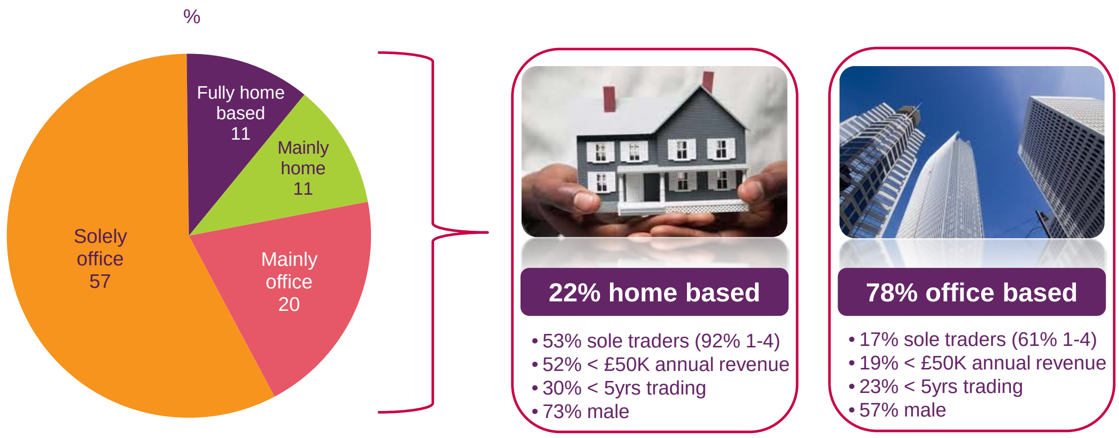
Source: Narrowband Market Review Consumer 2012. Q9a
Base: All using landline for outgoing calls from home in the past 6 months n=1908

5 Research Findings: Business Consumers

5.1 Communications landscape

One in five (22%) business consumers in this study are mainly or fully home-based workers, including 11% who run their business from a home office. This indicates the overlap between personal and business usage of communications services.

Figure 31. Place of Work

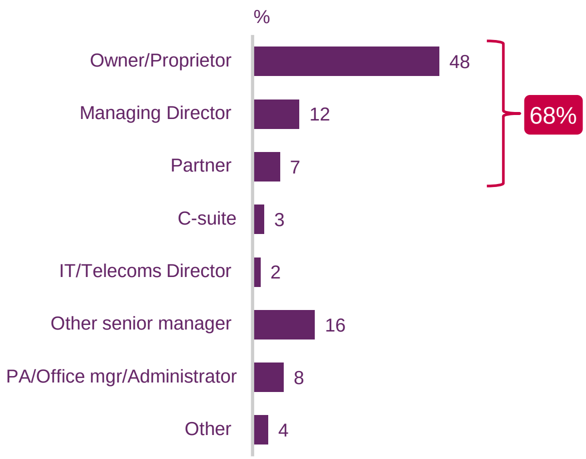


Source: Narrowband Market Review Business 2012. S6b
Base: Total Sample n=705

Communications decision-makers within businesses typically do not claim to be communications specialists, mainly tending to be owners (48%), managing directors (12%) or partners (7%), who are primarily focussed on running the business.

Specialist IT resource is only available to support decision making in a small minority of businesses overall (2%) - primarily large companies (250+ employees) where more than half (55%) have dedicated resources.

Figure 32. Job Title - by company size



Company Size

	1-4	5-9	10-49	50-249	250+
			%		
Owner/Proprietor, Managing Director, Partner	78	60	33	10	1
C-suite	2	5	5	5	6
IT/Telecoms Director	0	0	5	28	55
Other senior manager	12	22	33	37	22
PA/Office mgr/Administrator	5	13	18	7	2
Other	3	4	8	13	16

Source: Narrowband Market Review Business 2012. S4
Base: Total Sample n=705

Business consumers have several different options for making outgoing voice calls from the office – none are using fixed line exclusively for this purpose.

PSTN landlines remain almost universal (97%) and for most (91%) are the primary fixed line for making outgoing office calls, accounting for the majority (67%) of calls at a total market level.

Almost all ISDN2e and ISDN30 users make outgoing voice calls through these lines (85% and 93% respectively). However these types of fixed lines are used by a smaller proportion of consumers, being used by just 12% of businesses. As a result they are the primary fixed line for a small minority (8%) of companies and account for only 6% of all calls at market level.

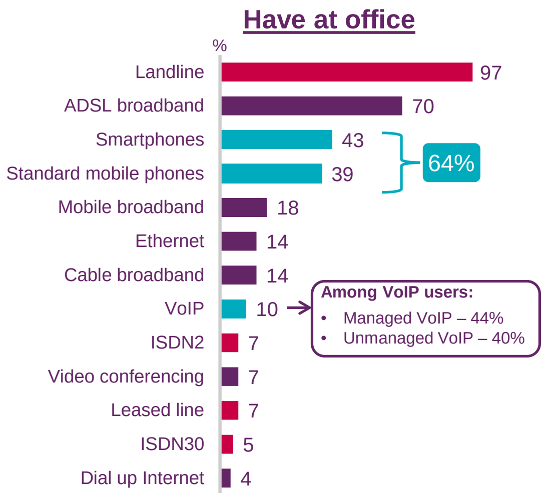
Leased lines have the lowest incidence (7%), and are also the least likely to be used for used for outgoing voice calls (54% of users) and subsequently account for only 1% of all calls at market level.

Usage of fixed lines other than PSTN landline increases significantly among large companies: ISDN30 penetration rises to 73% among companies with 250 or more employees, Leased Line to 61% and ISDN2e usage rises to 51%.

Mobile phones have become a commonplace alternative to fixed lines among all sizes and types of companies. Most businesses (64%) use mobiles (incidence rises to 96% in companies with 250 or more employees) and they now account for a quarter (25%) of all calls from the office. .

One in ten businesses claim to use VoIP, and on average this calling method was claimed to account for **1% of all outgoing calls**. Incidence varies markedly by company size, rising from a low of 7% in companies with 1-4 employees to a high of 54% in companies with 250 or more employees. However even among users, VoIP does not exceed 14% of all outgoing calls.

Figure 33. Product ownership and usage patterns

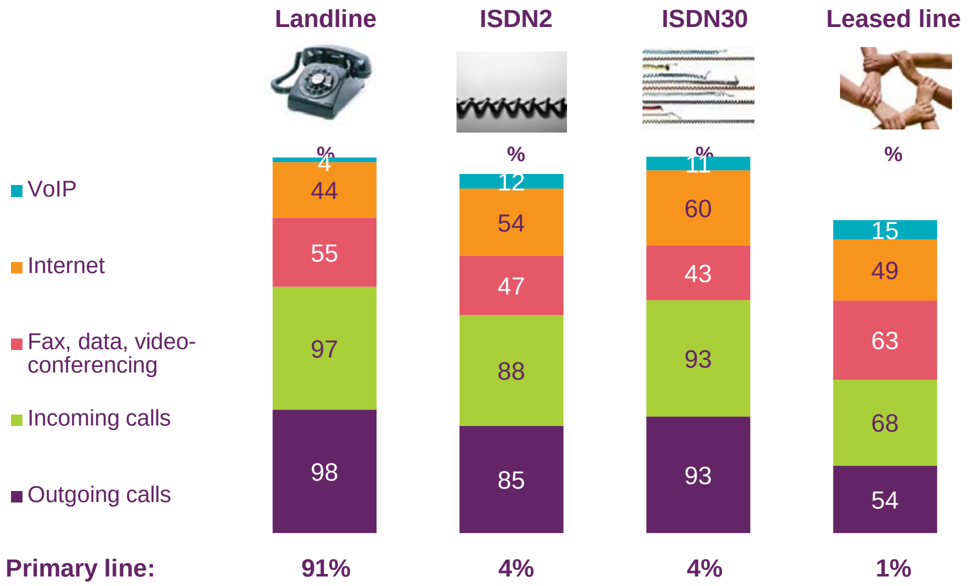


By Company Size

%	1-4	5-9	10-49	50-249	250+
FIXED LINES					
Landline	99	99	89	86	92
ISDN2/2e	1	12	32	24	51
ISDN30	1	7	12	57	73
Leased Line	4	9	12	40	61
FIXED LINE ALTERNATIVES					
Any mobile	64	69	54	74	96
VoIP	7	15	14	32	54

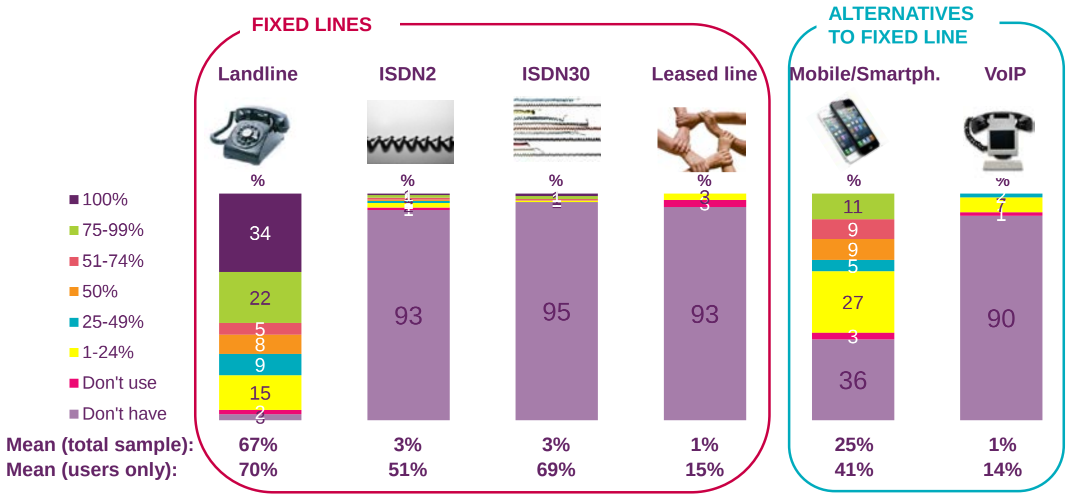
Source: Narrowband Market Review Business 2012. S11, S13
Base: S11 Total Sample n=705; S13 Users of each service – Landline n=670, ISDN 2 n=126, ISDN 30 n=148, Leased line n=134

Figure 34. Usage patterns by product type



Source: Narrowband Market Review Business 2012. S11, S13
Base: S11 Total Sample n=705; S13 Users of each service – Landline n=670, ISDN 2 n=126, ISDN 30 n=148, Leased line n=134

Figure 35. Proportion of outgoing calls made by product (last 6 months)



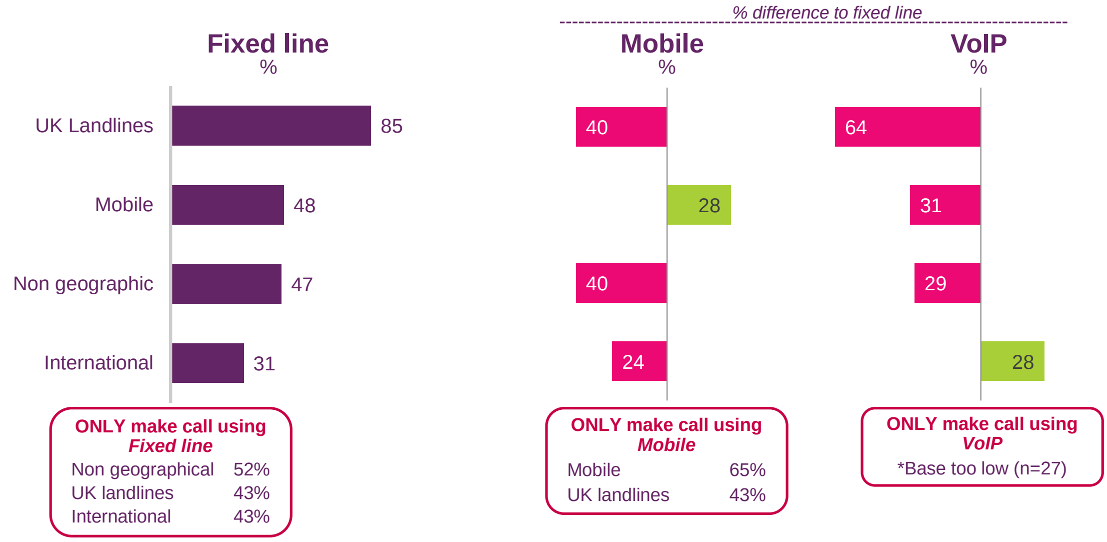
Source: Narrowband Market Review Business 2012. Q4c
Base: Total Sample n=705; Users of each service able to estimate usage n=615/82/126/43/441/103

Mobile phones and VoIP have different core usage patterns to fixed lines.

Fixed lines are the preferred method for calling other UK landlines and non-geographic numbers,

VoIP is most likely to be used for external calls (71% of VoIP users) and is preferred for international numbers, although 42% of VoIP users also make internal/inter-site calls this way. As noted with residential consumers, mobile phones are more likely to be used for calling other mobile phones.

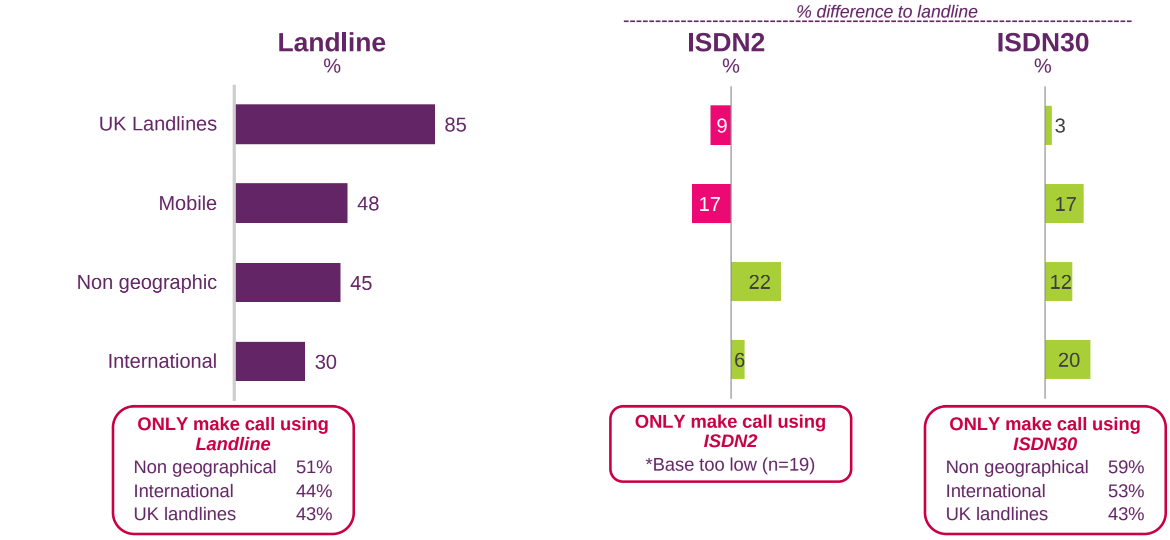
Figure 36. Calling patterns from office (fixed line, mobile and VoIP)



Source: Narrowband Market Review Business 2012. Q8bi/Q8bii
Base: Q8bi All using fixed line/mobile/VoIP for outgoing calls from the office n=705/441/103
Base: Q8bi All mentioning >1 call type prefer using fixed line/mobile for n=289/138

Looking at differences between the different types of fixed line, landlines are more likely to be used for calling other UK landlines, whereas ISDN lines are more likely to be used for calls to other types of numbers.

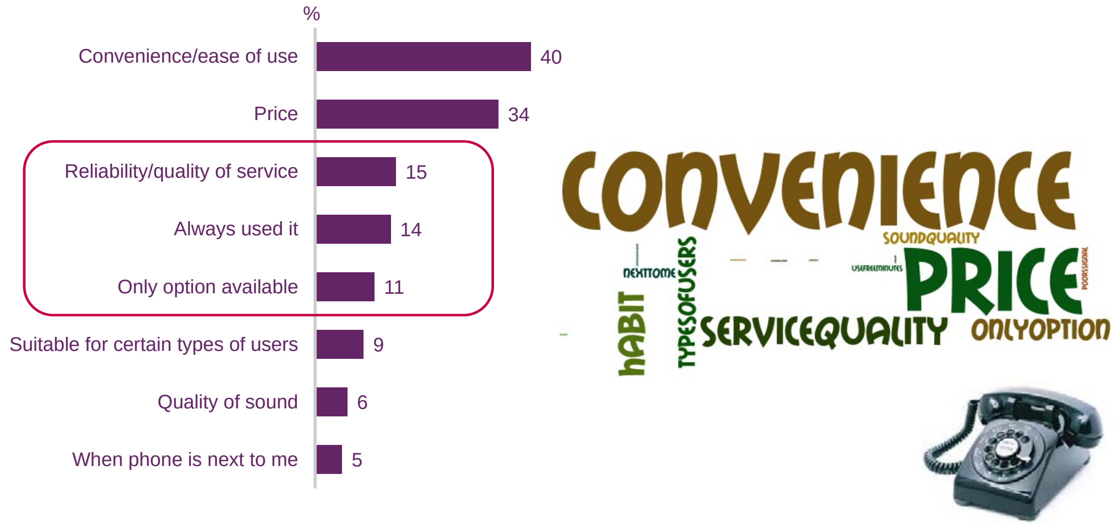
Figure 37. Calling patterns from office (landline and ISDN)



Source: Narrowband Market Review Business 2012. Q8bi/Q8bii
Base: Q8bi All using landline/ISND2/ISDN30 as main service for outgoing calls n=534/34/124
Base: Q8bi All mentioning >1 call type prefer using landline/ISDN30 n=198/67

Fixed line usage is driven by a complex mix of factors including convenience, price, reliability and habit.

Figure 38. Reasons for choosing <u>fixed line</u> for outgoing calls

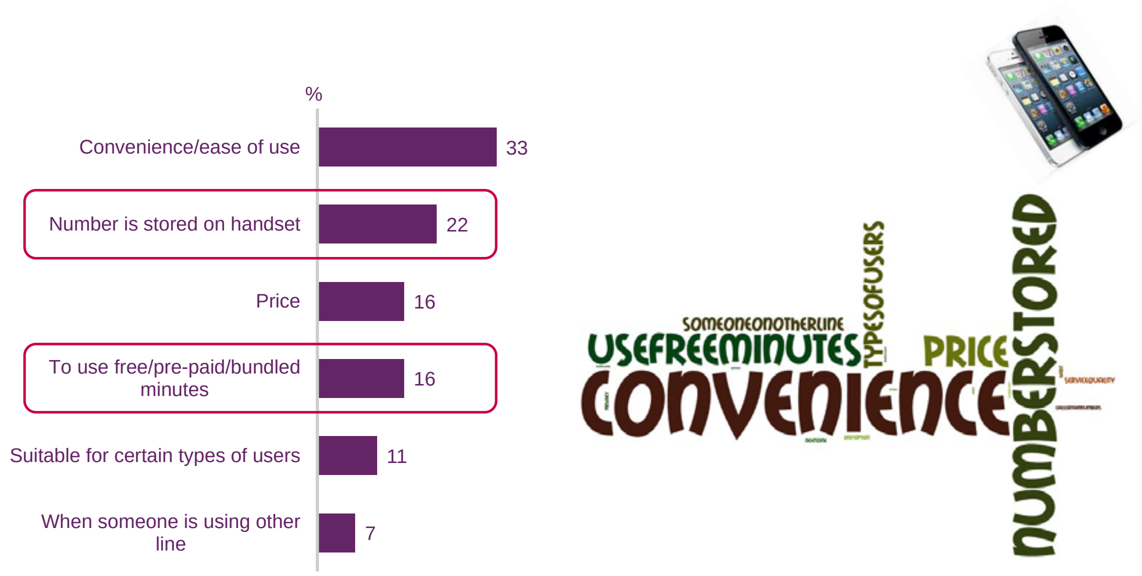


Source: Narrowband Market Review Business 2012. Q8a
Base: All using fixed line for outgoing calls from the office n=705

Only responses with >3% mentions shown

Mobile phones are used primarily out of convenience (notably having peoples' numbers stored in the phone). Price is also a factor (the desire to take advantage of 'free' minutes or pre-paid calling plans) but is not as important in terms of driving usage.

Figure 39. Reasons for choosing mobile for outgoing calls

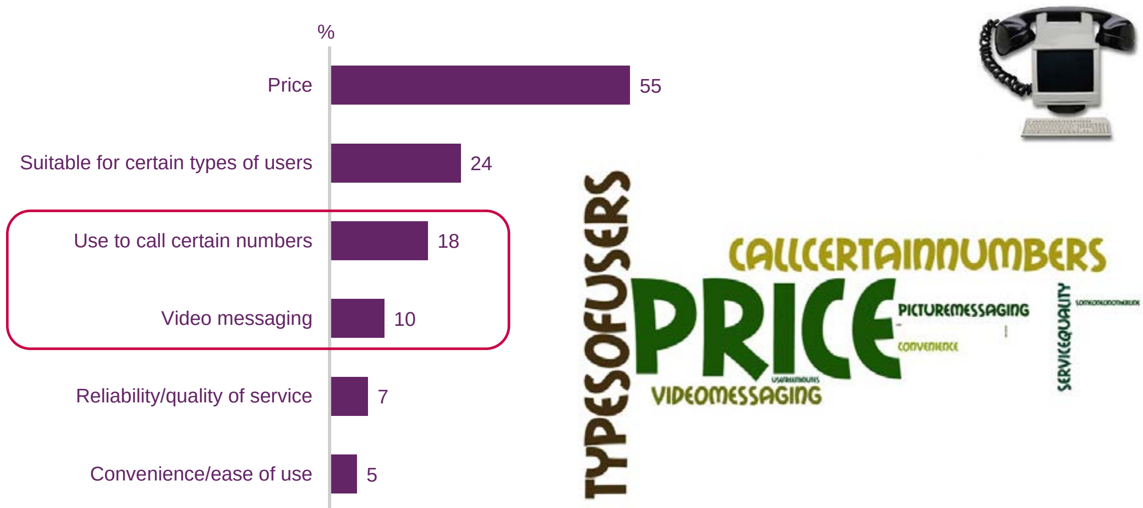


Source: Narrowband Market Review Business 2012. Q8a
Base: All using mobile for outgoing calls from the office n=441

Only responses with >3% mentions shown

Price is the primary driver of using VoIP in a business setting, however the associated possibility of visual telephony also offers benefits for building business relationships.

Figure 40. Reasons for choosing VoIP for outgoing calls

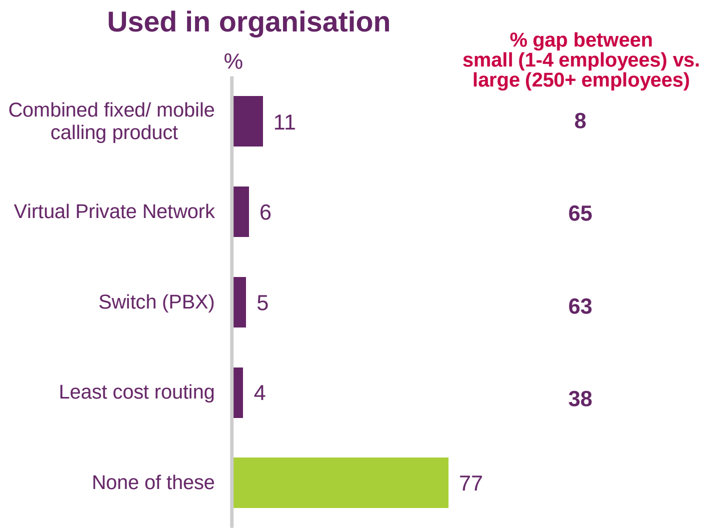


Source: Narrowband Market Review Business 2012. Q8a
Base: All using VoIP for outgoing calls from the office n=103

Only responses with >3% mentions shown

Very few businesses make use of VPNs (Virtual Private Networks), switches or least cost routing – although the incidence of all these technologies rises significantly among large companies with 250 or more employees.

Figure 41. Use of PBX Connections

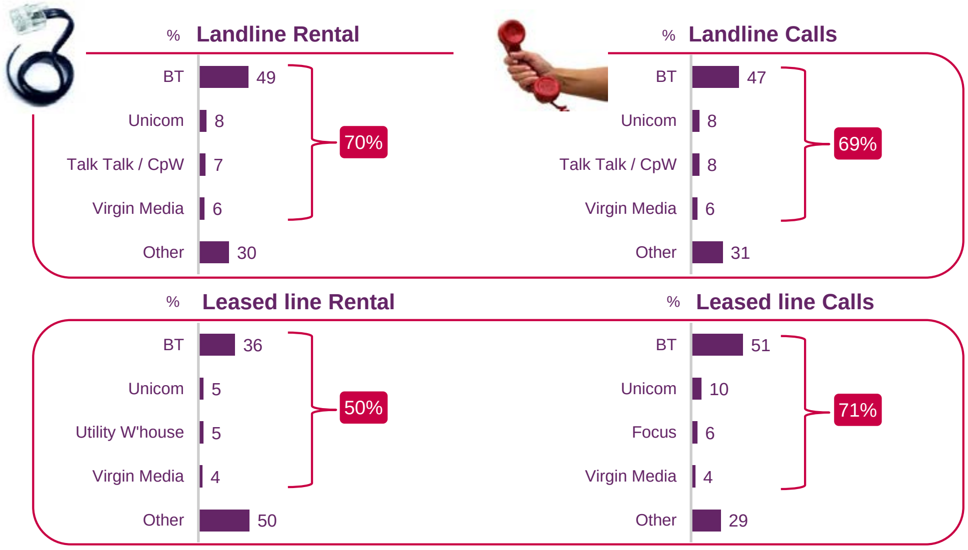


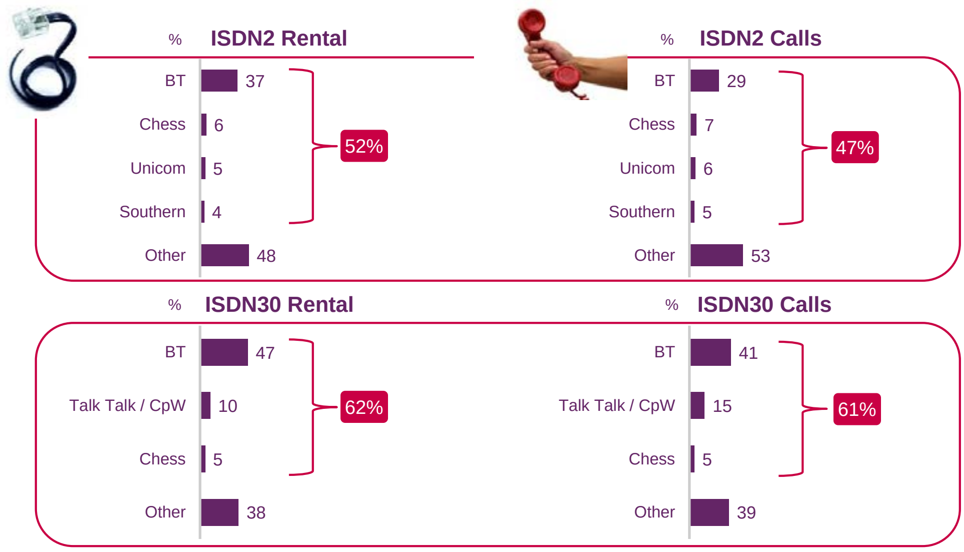
Source: Narrowband Market Review Business 2012. S14, S15, S16a
Base: S14 Total Sample n=705; S15 All with PBX n=115; S16a All with IP PBX n=51

5.2 Communications suppliers

In business fixed line markets a large number of small players (over 30) together account for a significant share of customers (providers other than BT account for 51% of landline cusomers, 64% of leased line rental customers, 63% of ISDN2e rental customers, 53% of ISDN30 rental customers).

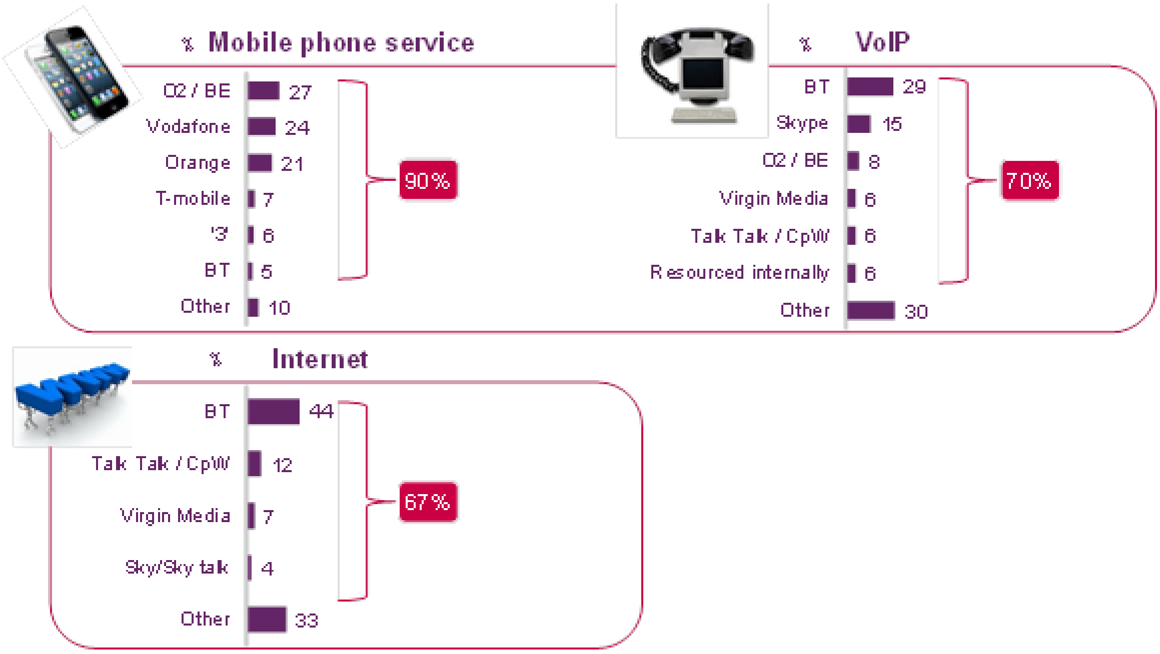
Figure 42a. Main providers: fixed line market





For Mobile and VoIP services, a smaller numbers of providers are used by a majority of customers (3 suppliers are used by 90% of mobile customers and 6 suppliers are used by 70% of VoIP customers) and the competitive landscape reveals a different set of players.

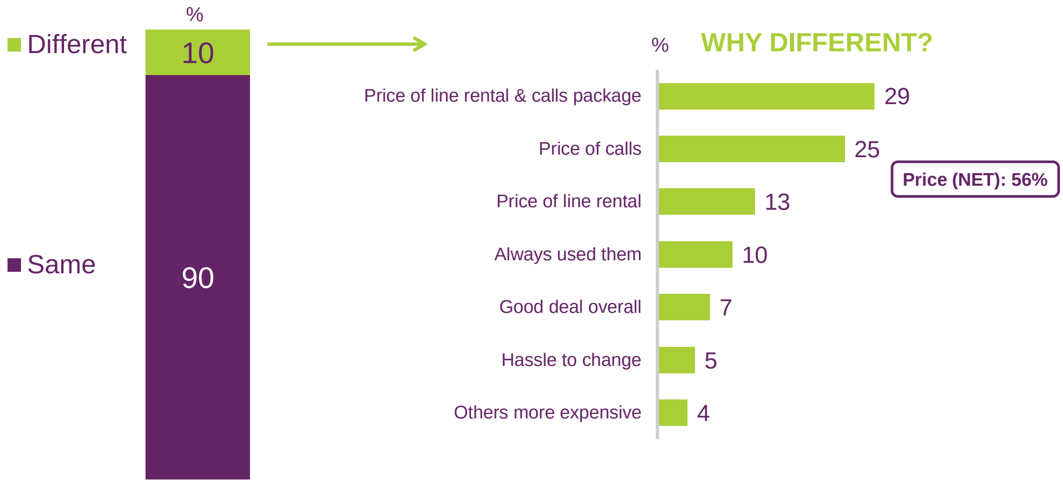
Figure 42b. Main providers: mobile and internet markets



Source: Narrowband Market Review Business 2012. Q 1. 2008 figures: Source 'Consumer preferences in narrowband communication 2009 n=1739

Most business customers (90%) purchased fixed line rental and calls together, driven primarily by opportunities to reduce cost through bundling. For the 10% of businesses who use different suppliers for their line rental and calls, price was also cited as a reason for this by 56% of consumers.

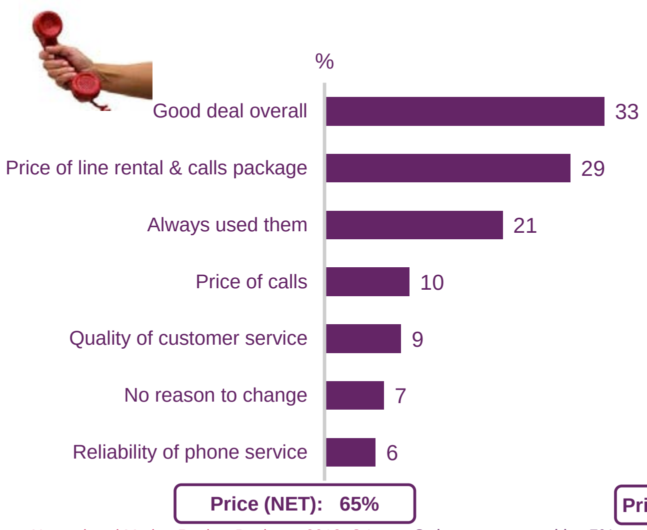
Figure 43. Drivers of single vs. multi sourcing of suppliers



Source: Narrowband Market Review Business 2012. Q1, Q4b
Base: Q1 Total Sample n=705 Q4b All with different suppliers n=98

It follows that reasons for choosing specific call suppliers reveal a similar pattern: getting a good deal on the price of bundled call and rental packages drives choice for two in three business consumers (65%). Price is as significant a driver of choice for standard PSTN lines as it is for other fixed lines.

Figure 44. Main reason for choosing supplier for fixed line calls



	Landline	Other fixed line
Good deal overall	33	41
Price of line rental & calls package	30	20
Always used them	20	25
Price of calls	11	3
Quality of customer service	9	6
No reason to change	7	3
Reliability of phone service	6	1
Price (NET):	**65%**	**58%**

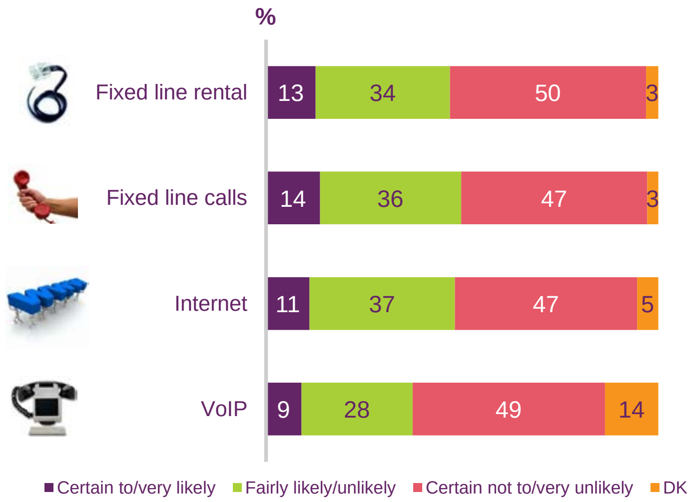
Source: Narrowband Market Review Business 2012. Q4a Only responses with >5% mentions shown
Base: Total Sample n=705; All using Landline/other as main fixed line for outgoing calls n=534/171

Approximately 4 in 10 decision-makers have previously switched fixed line providers (38% for line rental, 44% for calls) and around half are disinclined to switch fixed line providers in future (50% unlikely to switch providers for line rental, 47% unlikely to switch providers for calls).

Levels of switching in the business internet market are similar to the fixed line rental market (34% have previously switched and 47% are unlikely to do so in future). When it comes to VoIP, businesses indicate little activity up until now (only 9% have previously switched), but propensity to switch in future follows other technologies.

Those least likely to have switched providers in the past include those who rely on landline as their primary fixed line (48% have never switched landline/internet/VoIP providers in the past, compared to 31% of those whose primary fixed line is ISDN/Leased Line). Other less active groups include smaller companies with fewer than five employees (47% have never previously switched any of these providers, compared to 39% of those with 250 employees or more), or just one site (47% of whom have never previously switched providers, compared to 34% of those with six or more sites). Public sector organizations are the least likely to have switched in the past in the business fixed line market (58% have never previously switched).

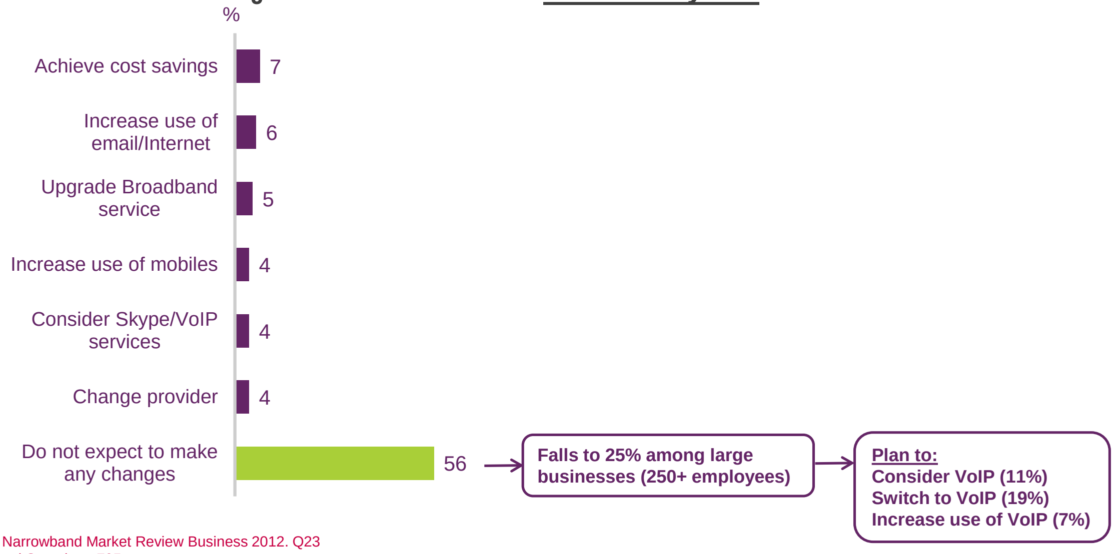
Figure 45. Likelihood to switch provider *in next 2 years*



Source: Narrowband Market Review Business 2012. Q5c
Base: Q5c All with Fixed line n=705; All with Internet n=567; All with VoIP n=128
Base: Q5a All switchers – Fixed line calls n=61-324; Fixed line rental n=55-268; Any Fixed line/Internet/VoIP n=82-407; None n=46-298

Furthermore, juse over one in two businesses (56%) are not expecting to make any changes to their communications devices and applications at all in the next two to five years. When asked what key changes they expect to make to the communications devices and applications in their business over the next two to five years, large companies are the most likely to anticipate change, and VoIP is mentioned as a feature of their plans, as part of a general shift away from fixed line technologies.

Figure 46. Planned changes to communications *in next 2-5 years*



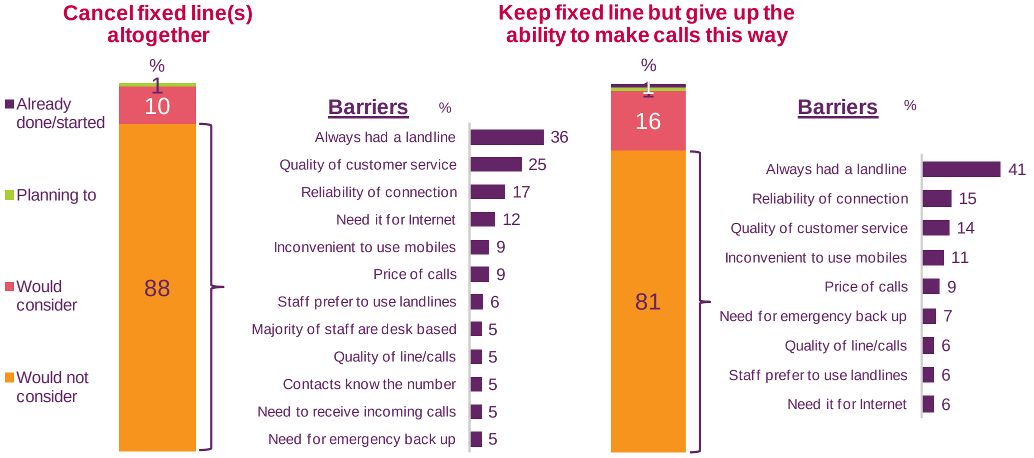
Source: Narrowband Market Review Business 2012. Q23
Base: Total Sample n=705

5.3 Likelihood to give up fixed lines and use of alternatives

Business consumers were more likely to say they would never give up their fixed line access, or fixed line calls than residential consumers (88% would never give up their fixed line access and 81% would never give up their fixed line call package). Those using ISDN or Leased Lines as their primary fixed line for outgoing calls are only marginally less attached to these services than those relying mainly on Landlines (77% would never give up access versus 90% respectively).

Business consumers say that their reluctance to give up their fixed line is driven largely by force of habit. Some also explain their need for a fixed line on the basis of quality of customer service and reliability of connection, while a minority indicate that their internet connection is dependent on their fixed line. Reluctance to use alternatives (i.e. mobiles), or the price of alternatives, do not appear to be major barriers.

Figure 46. Attitudes towards giving up fixed line access and calls

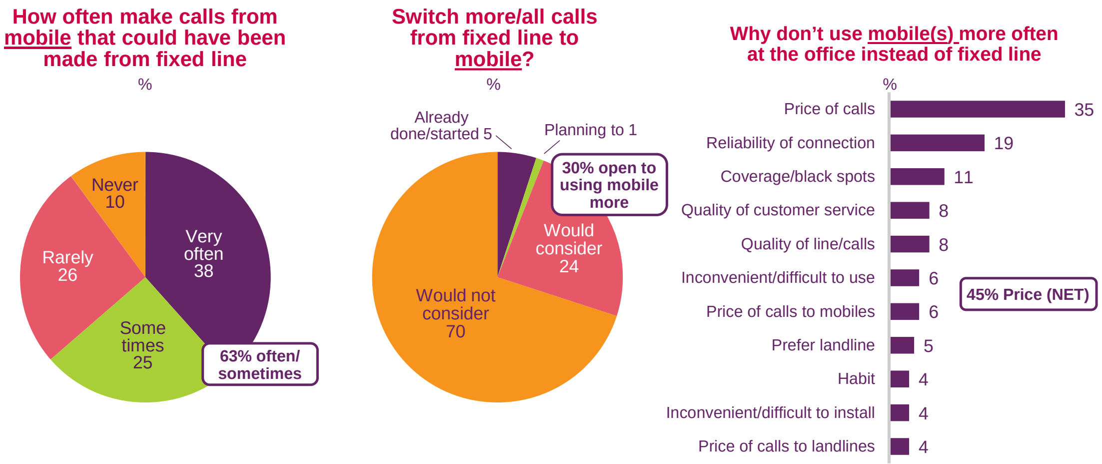


Source: Narrowband Market Review Business 2012. Q5e, Q5f, Q5g
Only responses with > 4% mentions shown
Base: Q5e Total Sample n=705; Q5f All wouldn't consider cancelling fixed line n=620; Q5g All wouldn't give up ability to make calls on fixed line n= 567

Almost two thirds (63%) of companies using mobile phones sometimes or very often make calls by mobile that could have been made from fixed lines. Almost a third (30%) say they are are open to switching more/all calls to mobile in future.

The main barrier to using mobiles instead of fixed line more often is price, followed by concerns with reliability of connection and coverage.

Figure 47. Attitudes towards substituting mobile for fixed line calling

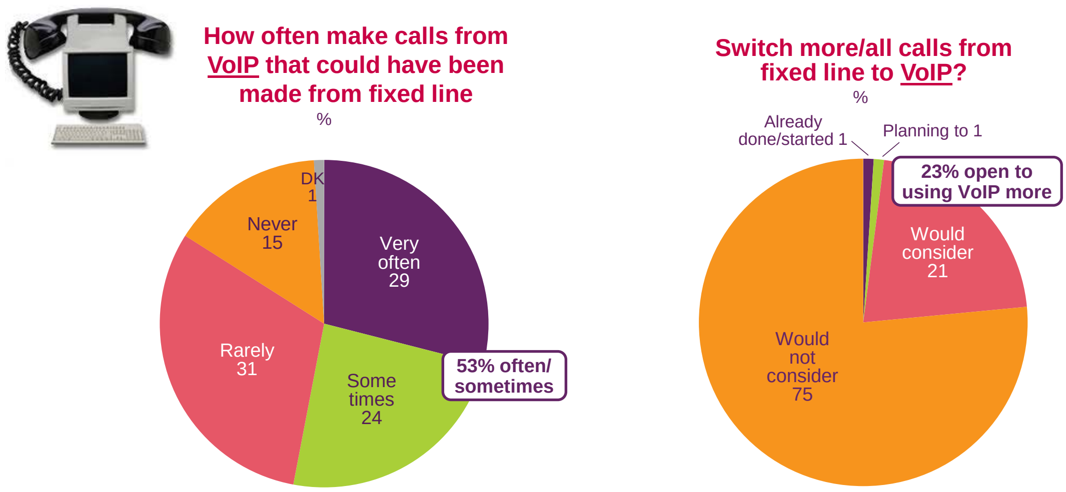


Source: Narrowband Market Review Business 2012. Q6a, Q5e, Q5h
Base: Q6a All with Mobile phone service n=483; Q5e Total sample n=705; Q5h All using mobiles for outgoing calls from office n=441

Only responses with 3%+ mentions shown

Amongst businesses with VoIP, more than half (53%) claim to use VoIP very often or sometimes for calls that could have otherwise been made from a fixed line, and one in five (23%) are open to switching more outgoing calls to VoIP in future.

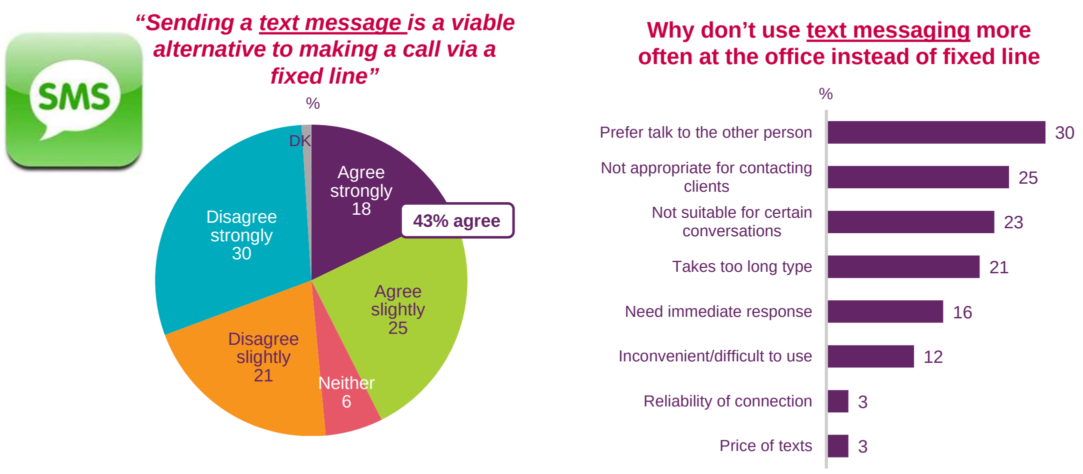
Figure 48. Attitudes towards substituting VoIP for fixed line calling



Source: Narrowband Market Review Business 2012. Q6a, Q5e
Base: Q6a All with unmanaged VoIP only n=49; Q5e Total sample n=705

Written communication (email/SMS) is seen as an alternative for some voice calls but not a complete replacement. The majority of respondents (67%) agree that email is a viable alternative to making a voice call, while slightly fewer (43%) say texting is a viable alternative. However there is a big cultural barrier to shifting completely from verbal to written communication, given the importance of face to face and verbal communication in business relationships.

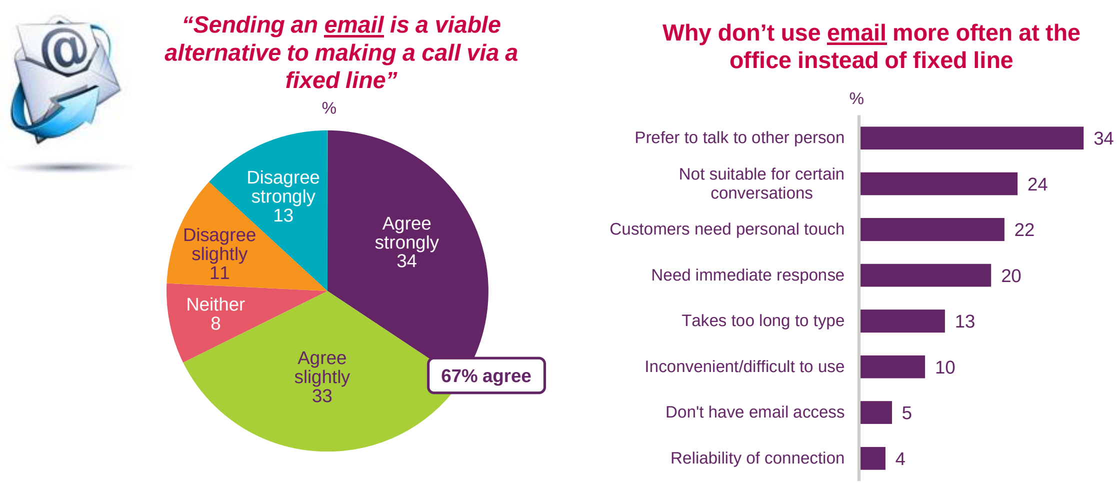
Figure 49. Attitudes towards substituting texting for fixed line calling



Source: Narrowband Market Review Business 2012. Q6c, Q7a
Base: Q6c Total Sample n=705; Q7a All with Mobile phone service n=483

Only responses with 3%+ mentions shown

Figure 50. Attitudes towards substituting email for fixed line calling



Source: Narrowband Market Review Business 2012. Q6c, Q7b
Base: Total Sample n=705

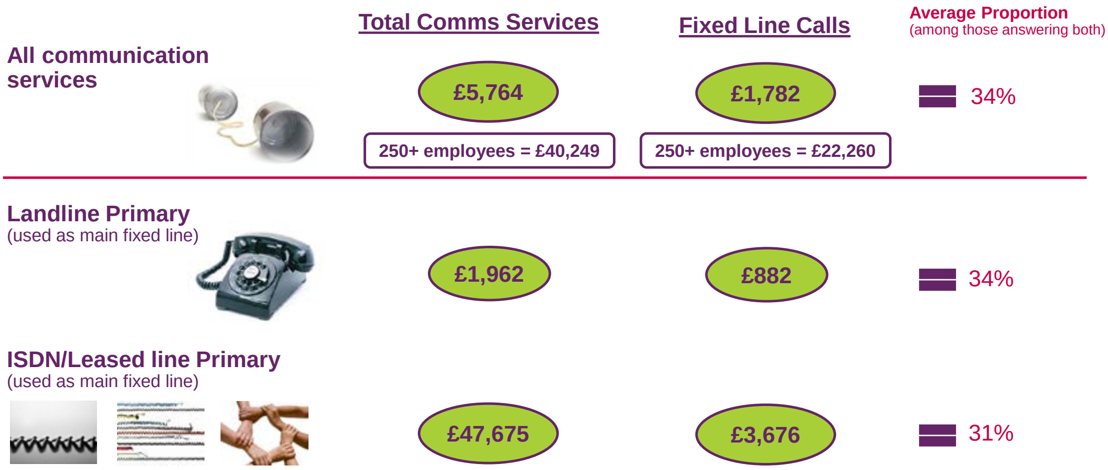
Only responses with 3%+ mentions shown

5.4 Influence of communications costs

On average, businesses using fixed lines are spending almost £6,000 a year on their combined communications services, excluding VAT (i.e. including line rental and call charges for landline, mobile phone, VoIP and internet). Those able to isolate spend on fixed line calls, estimate that around a third of their total spend is accounted for by this technology specifically.

Businesses relying on PSTN landline as their main fixed line on average spend less than other fixed line users, not only on calls but also on communications services overall.

Figure 51. Average spend on communications services



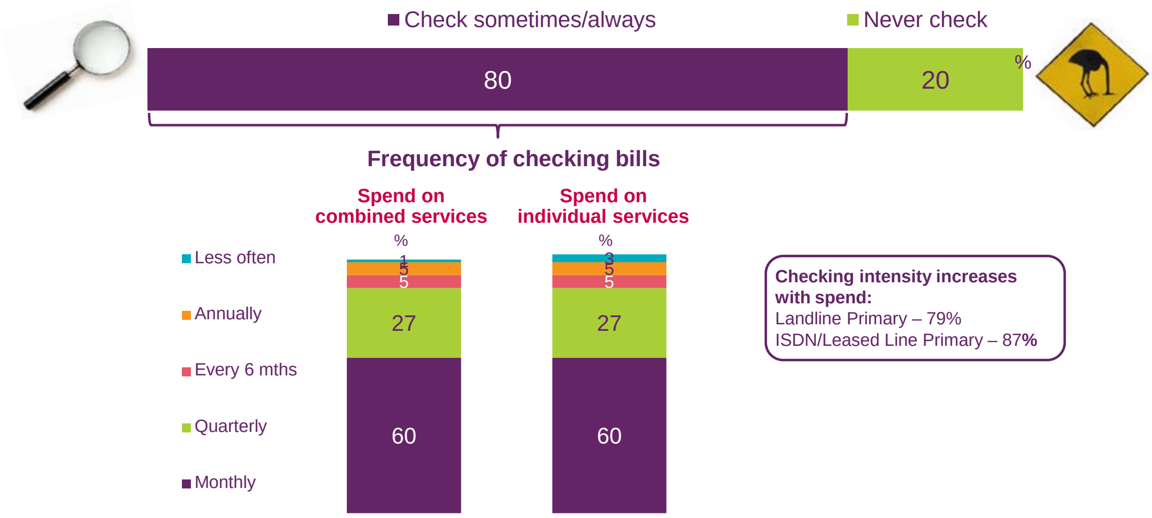
Source: Narrowband Market Review Business 2012. Q10b, Q10c
Base: Q10b All giving an estimate n=654; Q10c All giving an estimate n=584

While choice of provider is often driven by price, business consumers appear to be relatively insensitive to price on a day-to-day basis once those providers and services are in place.

Decision makers themselves claim to pay close attention to bills. Most check their spend on overall communications and on individual services at least quarterly (87% in both scenarios), and three-quarters (74%) claim they would be certain/very likely to take action (e.g. by switching supplier or negotiating costs with current supplier) if their bills increased significantly.

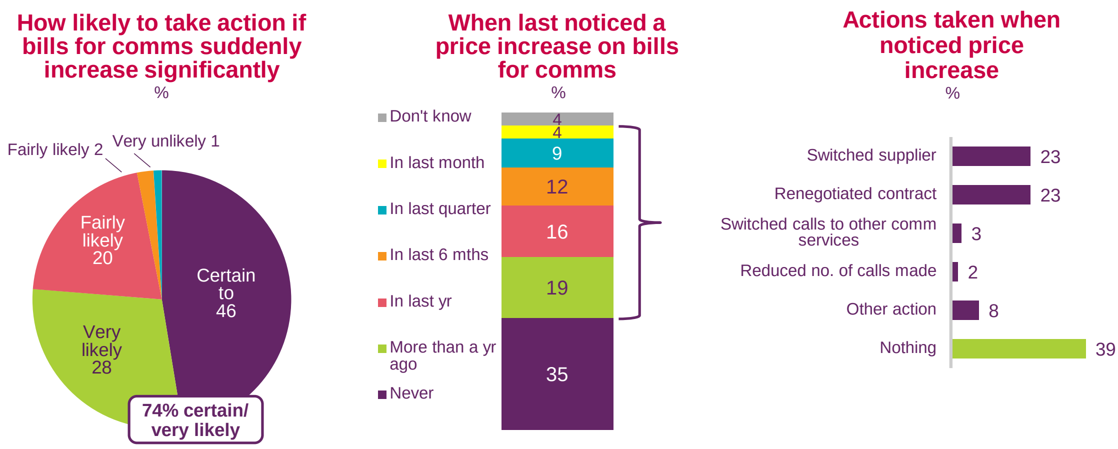
However, two in five (39%) did not take any action the last time they noticed a significant price increase on their bill. While some might negotiate fees or switch supplier in this circumstance, there is less evidence of their switching to use mobile/VoIP instead of fixed lines.

Figure 52. Frequency of checking bills



Source: Narrowband Market Review Business 2012. Q15, Q16a, Q16b
Base: Q15 Total sample n=705; Q16a/16b All ever checking bills n=569

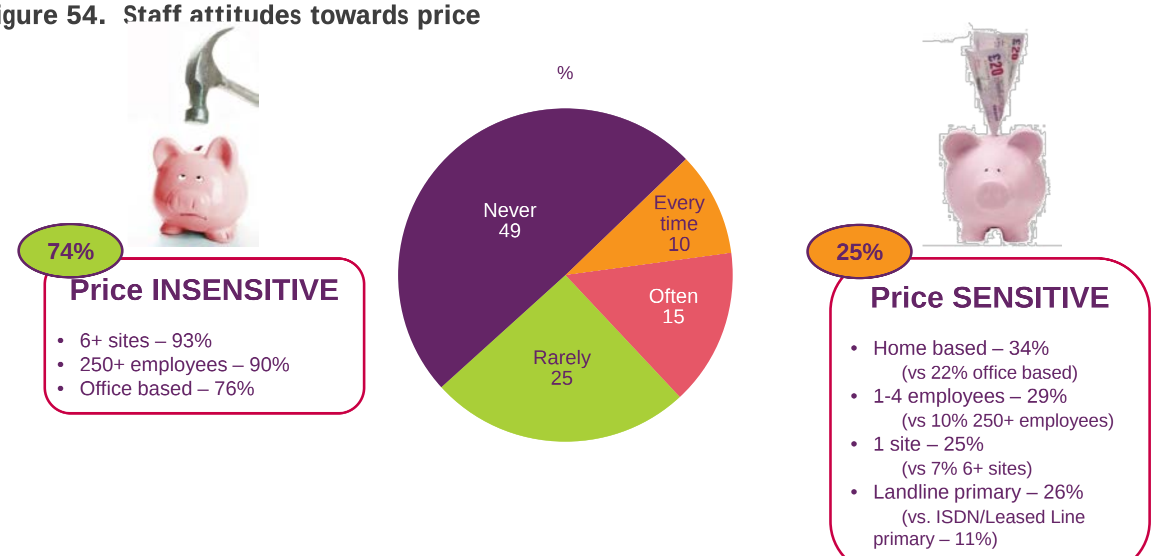
Figure 53. Action taken if bills increase



Source: Narrowband Market Review Business 2012. Q17, Q18, Q19, Q20
Base: Q17, Q18 All ever checking bills n=569; Q19, Q20 All ever noticed a price increase n=345

Most decision-makers (75%) tell us they believe that staff think about cost of calls rarely, if at all, when they are deciding which calling method to use. Staff are perceived to become more detached from the cost of their behaviour as companies increase in scale (93% of companies with six or more sites, and 90% of companies with 250 or more employees believe call costs are rarely or never considered at the point of usage).

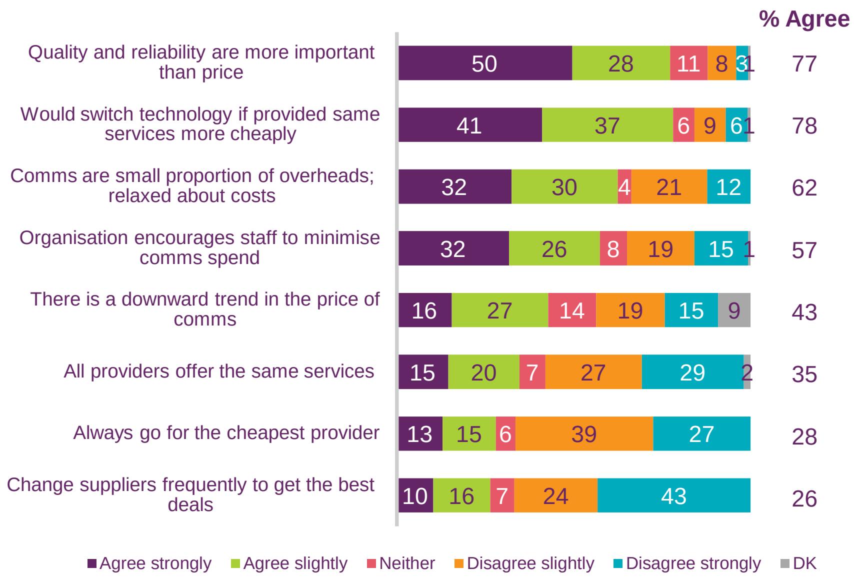
Figure 54. Staff attitudes towards price



Source: Narrowband Market Review Business 2012. Q9
Base: Total Sample n=705

Finally, it does not appear that price is a sufficient motivator to drive regular switching to obtain a better deal. Although the majority (78%) agree that they would switch technologies to get services more cheaply, quality and reliability take precedence over price. Around a quarter (28%) agree that they always go for the cheapest supplier, and interest in switching suppliers regularly in the hunt for better deals drops off to a similar level (26%).

Figure 55. Attitudes towards prices for communication services



Source: Narrowband Market Review Business 2012. Q21
Base: Total Sample n=705; Price Sensitive n=267; Price Insensitive n=302

Small companies are more likely than larger companies to agree that 'communications spend is a small proportion of our overall overheads, so management is pretty relaxed about costs', but are also more likely to choose the cheapest provider. The same is true of businesses where PSTN landlines are the primary fixed line, even though they spend less on average than ISDN/Leased Line users.

Figure 56. Attitudes towards prices for communication services – subgroup analysis

	% Agree	By Company Size					Landline primary	ISDN/Leased Line
		1-4	5-9	10-49	50-249	250+		
Quality and reliability are more important than price	77	76	84	75	76	88	77	81
Would switch technology if provided same services more cheaply	78	76	82	85	84	85	77	85
Comms are small proportion of overheads; relaxed about costs	62	60	73	64	41	41	63	56
Organisation encourages staff to minimise comms spend	57	61	54	44	50	46	59	40
There is a downward trend in the price of comms	43	41	48	41	47	57	42	48
All providers offer the same services	35	35	31	39	27	28	35	32
Always go for the cheapest provider	28	29	26	26	12	15	29	19
Change suppliers frequently to get the best deals	26	25	25	32	35	26	26	32

5.5 Claimed response to a hypothetical 10% price increase

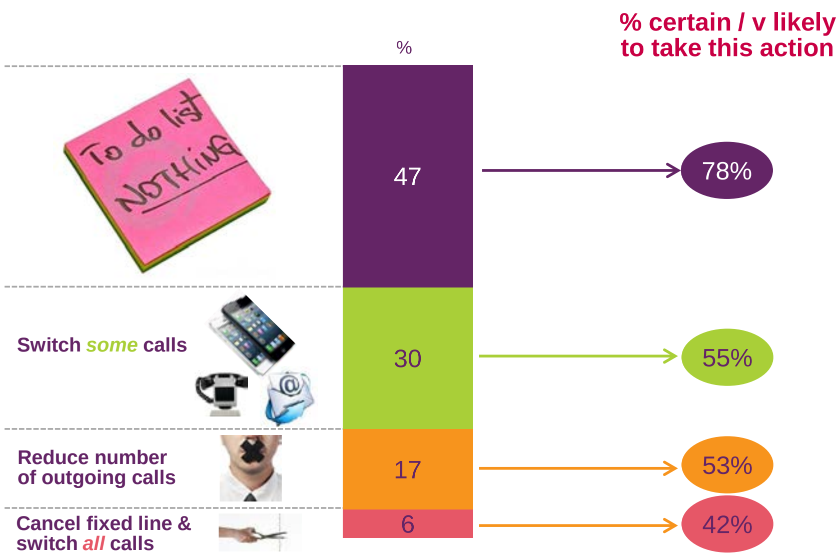
For half of business consumers (47%), a hypothetical 10% price increase is insufficient to warrant the anticipated hassle of making a change. For these businesses, the bill would need to increase by a third before they claim they would consider any action.

Among those who claim they would respond to this hypothetical 10% price increase, few (6%) think they would cancel their fixed line altogether. The most likely response would be switching some calls, to mobile phone (19%), email (6%) or VoIP (3%).

Likelihood to take no action in response to a 10% price rise decreases significantly among:

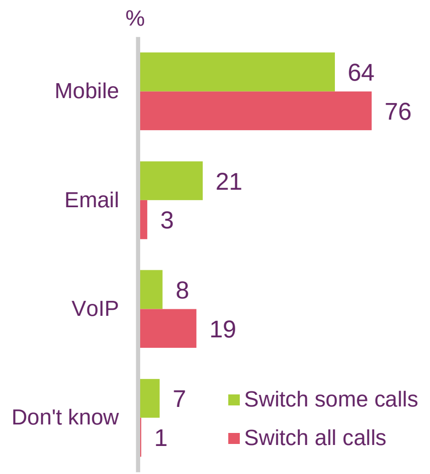
- Larger companies with 250 or more employees (33% likely to do nothing, compared to 78% overall)
- Those with six or more sites (25% likely to do nothing)
- Those with a price sensitive culture (36% among businesses where staff think about cost always/often when making calls / 39% among businesses where decision-makers are certain to act if bill significantly higher than usual)
- Those already making/planning similar types of call substitution (30-36% among those who have done / are planning / are considering similar actions)

Figure 57. Most likely actions if cost of calls from main fixed line increased by 10%



Source: Narrowband Market Review Business 2012. Q11a, Q11b
Base: Q11a Total Sample n=705; Q11b All stating each course of action n=310/222/41/119

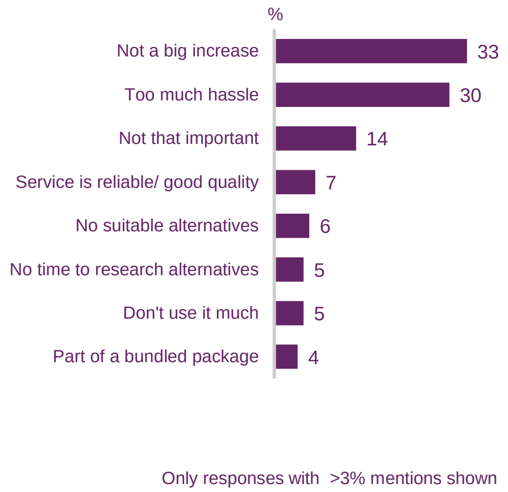
Figure 58. Alternative service would switch calls to



Source: Narrowband Market Review Business 2012. Q12/13
Base: All most likely to switch some/all calls n=222/41;

The main barrier is simply that the hypothetical increase is insufficient to warrant the anticipated hassle of making a change.

Figure 59. Why unlikely to take action



Source: Narrowband Market Review Business 2012. Q14/Q14b
Base: most likely to take no action n=310

Appendices: 2012 Questionnaires

Consumer Questionnaire

SECTION 1: SCREENER

INTRODUCTION TO RESPONDENT:

Good morning / evening / afternoon. My name is ……… and I am from Jigsaw, an independent market research agency. We are conducting research on behalf of Ofcom and I would like to ask you a few questions.

Ofcom are the independent regulator and competition authority for the UK communications industries. The aim of this research is to find out the opinions and needs of people regarding different communications types, and how they choose them when they need to contact other people.

IF NECESSARY ADD:

- We would like to reassure you that your answers will be held in the strictest confidence. Your open and honest views are incredibly important in helping Ofcom to understand the challenges that people face when making decisions about communications services and the sort of advice, information or support that might make this easier.
- We would like to reassure you that this is a genuine piece of market research. No-one will try to sell you anything as a direct result of this research and the project is not designed to test your knowledge but to gauge your opinions and understand how you make decisions.
- If you would like to check our credentials, you can call the Market Research Society, free of charge, on 0500 39 69 99.

S1. Would you mind answering a few questions? It should around 20 minutes of your time in total.

Yes - now	1	**Continue**
Yes – later	2	**Schedule appt**
No	3	**Seek referral S2**

YES, CONTINUE WITH SCREENER. IF REFUSED, THANK AND CLOSE

First I would like you to answer a couple of questions so that we can ensure that a mix of people are completing the survey…

ASK ALL

S2. CODE REGION

North East England	1
North West England	2
Yorkshire and the Humber	3
East Midlands	4
West Midlands	5
East England	6
London	7
South East England	8
South West England	9
Wales	10
Scotland	11
Northern Ireland	12

SEE QUOTA – calculate from sample based on postcode areas

ASK ALL

S3. How old are you?
WRITE IN

Under 18	CLOSE
18-19	1
20-29	2
30-39	3
40-49	4
50-59	5
60 plus	6

MONITORING QUOTA

ALL RESPONDENTS MUST BE 18 OR OLDER

S4. INTERVIEWER CODE GENDER

Male 1
Female 2

MONITORING QUOTA

ASK ALL
S5. How would you describe your current working status?
READ OUT. SINGLE CODE

Self employed 1
Work part-time 2
Work full-time 3
Unemployed.. 4
Student 5
Retired.. 6
Housewife/Househusband 7
Refused DO NOT READ OUT....................... 8
Don't know DO NOT READ OUT.................. 9

IF WORKING (S5 = 1,2,3)
S5b Which of the following best describes the way you work?
READ OUT. CODE ONE ONLY

I run my business from home 1 **(ONLY SHOW IF CODE 1 AT S5)**
I mainly work from home 2
I occasionally work from home but am mainly office based 3
I am solely office-based.......................... 4

<u>IF MAINLY WORK FROM HOME (CODE 1 or 2 AT S5b) SAY: For the rest of this survey we would like you to think about the way you use your home communications services for personal reasons, not for work purposes.</u>

ASK ALL
S6. What is the occupation of the chief income earner in your household? (If retired – what was the occupation of the chief income earner in your household?)
WRITE IN
CODE SOCIAL GRADE

A 1
B 2
C1 3
C2 4
D 5
E 6

MONITORING QUOTA

ASK ALL

S7. Which of the following do you have at home (either you personally or anyone else in the household)?
READ OUT FULL LIST
MULTICODE

Mobile phone 1
Smartphone (eg. Blackberry or iPhone)........ 2
Landline phone (i.e. home phone) 3
Broadband internet 4
Dial-up internet 5
Mobile broadband (through a USB Modem or 'dongle') 6
Pay TV (eg. Virgin Media, Sky, BT Vision) 7
Voice over IP (also known as VoIP, a way to make voice calls over the Internet such as by Skype, Vonage or Facetime) 8
None of the above DO NOT READ OUT 9

CLOSE IF NO MOBILE OR LANDLINE

ASK ALL WITH MOBILE BUT NO LANDLINE (S7=1 OR 2 AND NOT 3)

S8. So can I confirm, you have a mobile phone but no landline home phone at this address?

Yes – only mobile .... 1 CLOSE
No – have landline as well .... 2 Recomplete S7

ASK ALL

S9. Which of the following best describes your personal involvement in decisions regarding your home landline phone? READ OUT. SINGLE CODE

Solely responsible 1
Jointly responsible with someone else......... 2
Someone else is primarily responsible .... 3 ASK TO SPEAK TO DECISION MAKER

S9ai **INTERVIEWER: ASK TO SPEAK TO THE DECISION MAKER**
DO NOT READ OUT SINGLE CODE

Decision maker is present and happy to continue .... 1 Go to S9aii
Decision maker is not present .... 2 CLOSE

ASK ALL

S9aii And are you personally responsible for paying the landline home phone bill?
DO NOT READ OUT SINGLE CODE

Yes .... 1 Go to S9aiii
No .... 2 CLOSE

S9aiii Do you have an email address?
DO NOT READ OUT SINGLE CODE

Yes 1
No 2

NOTE TO INTERVIEWER: FOR ALL FUTURE QUESTIONS WE WANT RESPONDENTS TO RESPOND ABOUT THEIR PERSONAL COMMUNICATIONS USAGE AND PREFERENCES – NOT ABOUT OTHERS IN THEIR HOUSEHOLD OR THE HOUSEHOLD AS A WHOLE.

S9b Which of the following methods have you personally used at home in the last 6 months for contacting friends and family?
READ OUT. CODE ALL THAT APPLY

Internet (email, Facebook, Messenger etc) .... 1 **(SHOW IF 2,4,5,6 AT S7)**
VoIP .... 2 **(SHOW IF 8 AT S7)**
Land line phone .... 3 **(SHOW IF 3 AT S7)**
Mobile/smart phone voice calls.................. 4 **(SHOW IF 1 or 2 AT S7)**
Mobile/smart phone text messages .... 5 **(SHOW IF 1 or 2 AT S7)**

ASK IF CODED 2 OR 3 OR 4 AT S9b. IF ONLY ONE OF THESE CODED THEN S10 CAN BE AUTOCODED 100% FOR THAT ANSWER
S10. Thinking about the outgoing voice calls you have personally made from home over the last 6 months, approximately what percentage have you made via...?
READ OUT. RANDOMISE. TOTAL MUST ADD TO 100%

Mobile phone			
Landline phone			
Voice over IP / VoIP			

Don't Know........x **ONLY ALLOW THIS CODE IF CANNOT TOTAL TO 100%**

ASK ALL WORKING AT S5 AND WITH MOBILE (S7=1 OR 2)
S11. Do you have a work mobile or smart phone – where your workplace pays for the calls you make?

Yes 1
No 2

IF YES AT S11
S12. And do you use that phone to make personal calls when you are at home?

Yes 1
No 2
Rather not say(DO NOT READ).................. 3

SECTION 2: SUPPLIERS USED

ASK ALL

Q1a What is the name of the company that you pay for your home phone **line rental**?
DO NOT READ OUT. CODE ONE ONLY

ASK ALL

Q1b And which company or companies do you pay for **the calls you make** on your home phone?
DO NOT READ OUT. CODE ALL THAT APPLY

IF MORE THAN 1 RESPONSE CODED AT Q1b THEN ASK Q1bi

Q1bi Which of these companies is the **main** provider of your landline calls?
DO NOT READ OUT. SINGLE CODE

ASK IF HAVE INTERNET (S7=4 OR 5 OR 6)

Q1c Who is your Internet service provider at home?
DO NOT READ OUT. CODE ONE ONLY

	1a	1b	1c
Alternative Networks			
BT			
Cable and Wireless			
Colt			
Claranet			
Daisy			
Demon			
DST (Directsave.com)			
Eclipse			
Global Crossing			
Homecall			
John Lewis			
KCom (Kingston Communications)			
Opal Communications / Pipex			
Orange			
O2 / BE			
Madasafish			
Pipex			
Plusnet			
Post Office			
Primus			
Sky / Skytalk			
Southern			
South West			

Spacetel			
Spitfire			
Supanet			
Superline			
Swiftcall			
Talk Talk / Carphone Warehouse			
Tesco Telecom			
Tiscali			
Thus			
thePhoneCo-op			
T-mobile			
Tooway			
Toucan			
"3"			
TTG			
Verizon			
Virgin Media			
Vodafone			
Waitrose			
Yourcalls.net			
XLN telecom			
Other (WRITE IN)			
Don't know	**CLOSE**	**CLOSE**	

ASK ALL WITH SATELLITE / CABLE / PAY TV (RES ONLY) (S7=6)

Q2 What is the name of the company that you pay for your Pay TV?
DO NOT READ OUT. CODE ONE ONLY

BT (BT Vision) 1
Sky 2
Top up TV 3
Virgin Media..4
Other (WRITE IN) 5
Don't know..6

ASK ALL WITH LANDLINE CALLS AND LANDLINE RENTAL AND/OR INTERNET FROM <u>SAME</u> SUPPLIER AT Q1a/b/c (IF MULTICODE AT Q1b, AND IF ONE SUPPLIER MATCHES Q1a, ASSUME SAME AND ASK Q3a/b AND Q4a BUT NOT Q4b)

Q3a/b Do you receive any of the following as part of your package from [insert provider at Q1a/b]?
SHOWCARD. CODE ALL THAT APPLY

	Q3a/b
Unlimited weekend calls to UK landlines	1
Unlimited evening and weekend calls to UK landlines	2
Unlimited calls to UK landlines at any time	3
Cheap calls to mobile phones	4
Cheap international calls	5
Satellite or cable TV	6
Mobile phone	7
Something else (WRITE IN)	13
Not applicable / use different providers (ONLY SHOW IF OTHER AT Q1A AND OTHER AT Q1B)	ASK Q4c, SKIP Q4a, ASK Q4b
None of the above	14

ASK ALL

Q4c Which of the following best describes your main reason for choosing <INSERT SUPPLIER FROM Q1b/bi) as your current home phone **calls** supplier?
SHOWCARD. CODE ONE ONLY. RANDOMISE.

Price of line rental 1
Price of call package 2
Price of overall package of line rental and calls 3
Quality of phone service (line/connection/sound)............4
Quality of customer service 5
Chose internet/TV provider first, home phone was necessary or cheap add-on 6
Something else (SPECIFY) 7
Don't know (DO NOT SHOW) 8

ASK ALL WITH LANDLINE CALLS AND RENTAL FROM SAME SUPPLIER AT Q1a/b

Q4a Why do you use [insert provider coded at Q1a and Q1b] for **both** your home phone line rental and calls, rather than having different providers for each?
DO NOT READ OUT. CODE ALL THAT APPLY. PROMPT: Anything else?

Good/better deal overall 1
Price of line rental 2
Price of calls 3
Price of overall package of line rental and calls 4
Price of calls to mobile phones 5
Price of international calls 6
Quality of line / calls 7
Provided free as part of bundled package......................8
Unlimited weekend calls to UK landlines.......................9
Unlimited evening and weekend calls to UK landlines 10
Unlimited anytime calls to UK landlines....................... 11
Offer internet calling / VoIP 12
Quality of customer service 13
No reason to change 14

Too much hassle to change 15
Always used them 16
Friends and family use them 17
Other suppliers are more expensive............................ 18
Other suppliers have worse line / call quality................ 19
Other suppliers have worse customer service 20
Not aware of other suppliers 21
Other (WRITE IN).. 22
None of the above 23

ASK ALL WITH LANDLINE CALLS AND RENTAL FROM <u>DIFFERENT</u> SUPPLIERS AT Q1a/b

Q4b Why do you use a different supplier for your calls, rather than use your line rental supplier for calls as well?

DO NOT READ OUT. CODE ALL THAT APPLY. PROMPT: Anything else?

Good/better deal overall 1
Price of line rental...2
Price of calls..3
Price of overall package of line rental and calls 4
Price of calls to mobile phones 5
Price of international calls 6
Quality of line / calls..7
Provided free as part of bundled package......................8
Unlimited weekend calls to UK landlines.......................9
Unlimited evening and weekend calls to UK landlines 10
Unlimited anytime calls to UK landlines....................... 11
Offer internet calling / VoIP 12
Quality of customer service 13
No reason to change 14
Too much hassle to change 15
Always used them... 16
Friends and family use them 17
Other suppliers are more expensive............................ 18
Other suppliers have worse line / call quality................ 19
Other suppliers have worse customer service 20
Not aware of other suppliers 21
Didn't know I could switch my landline to the same supplier22
My call supplier doesn't supply landlines...................... 23
Other (WRITE IN).. 24
None of the above 25

SECTION 3: SWITCHING/SUBSTITUTION

FOR ALL CODED AT S7

Q5a Have you ever switched the company that provides your [coded at S7]?
CODE ONE ONLY FOR EACH

IF USE ...	Yes	No	Not sure
(IF S7=3) Landline ***calls***	1	2	3
(IF S7=3 OR 4 OR 5) Landline ***rental***	1	2	3
(IF S7=4 OR 5 OR 6) Internet	1	2	3
(IF S7 = 7) Pay TV			

Q5b How likely are you to switch the company that provides your [**coded at S7**] in future?
SHOWCARD FOR SCALE. CODE ONE ONLY FOR EACH

Certain to 1
Very likely to 2
Fairly likely to 3
Fairly unlikely to 4
Very unlikely to 5
Certain not to 6
DO NOT READ OUT Not sure 7

IF USE ...	1	2	3	4	5	6	7
Landline ***calls***							
Landline ***rental***							
Internet							
Pay TV							

ASK ALL WITH LANDLINE AND CALLS FROM SAME SUPPLIERS AT Q1a/b

Q5c Would you ever consider switching **only your landline calls** to an alternative provider whilst continuing to rent your home phone line from your existing supplier?
CODE ONE ONLY

NOTE TO INTERVIEWERS: EXPLAIN IF NECESSARY: It is possible to have one supplier for your landline access and a different supplier for calls. For example you could pay BT for the line rental but pay another supplier for the cost of the calls themselves.

- ϖ Yes 1
- ϖ No 2
- ϖ Don’t know 3

SECTION 4: DECISION MAKING

ASK ALL WHO HAVE OUTGOING CALLS FROM MOBILE PHONE (S10=>0% FOR MOBILE/SMART PHONE)

Q6a Thinking about the calls you have made from home over the last 6 months, how often have you made calls from your mobile that could also have been made from your land line?
SHOWCARD FOR SCALE. SINGLE CODE

ASK ALL WHO MAKE OUTGOING CALLS FROM VoIP. (S10=>0% FOR VoIP)

Q6b And again thinking about the calls you have made from home over the last 6 months, how often have you made calls over VoIP that could also have been made from your land line?
SHOWCARD FOR SCALE. SINGLE CODE

	6a	6b
Very frequently	1	1
Quite frequently	2	2
Sometimes	3	3
Rarely	4	4
Never	5	5
Don't know (DO NOT SHOW)	6	6

ASK ALL

Q6c Thinking about your attitudes to using your landline, how much would you agree or disagree with each of the following statements? Please use this scale.
SHOWCARD FOR SCALE. RANDOMISE. SINGLE CODE.

		Agree strongly	Agree slightly	Neither agree or disagree	Disagree slightly	Disagree strongly	Don't know
A	I would never give up my landline access	1	2	3	4	5	6
B	I would never give up my landline calls package	1	2	3	4	5	6
C	Sending an email is a viable alternative to making a call via a landline	1	2	3	4	5	6
D	Sending a text message is a viable alternative to making a call via a landline	1	2	3	4	5	6

IF Q6cA=1 OR 2

Q6ci Why would you **not** want to give up your landline?
DO NOT READ OUT. CODE AS MANY AS APPLY. PROMPT: Are there any other reasons?

	Q6ci	Q6cii
Need it for Internet	1	1
Price of calls (unspecified)	2	2
Price of calls to landlines	3	3
Price of calls to mobile phones	4	4
Price of international calls	5	5
Reliability of connection	6	6
Quality of line / calls	7	7
Always had a landline	8	8
Quality of customer service	9	9
Inconvenient/Difficult to use mobiles	10	10
Inconvenient/Difficult to use VoIP	11	11
Because landline is part of a bundle	12	12
Health concerns over using mobile	13	13
Other (WRITE IN)	14	14
Not sure	15	15

ASK IF USE MOBILE AT Q4c >0% AND <100%

Q7a Why don't you make **ALL** your calls by mobile phone when you are at home?
DO NOT READ OUT. CODE AS MANY AS APPLY

Not applicable / Already make most most/all calls by mobile	
Price of equipment / kit	1
Price of calls (unspecified)	2
Price of calls to landlines	3
Price of calls to mobile phones	4
Price of international calls	5
Reliability of connection	6
Quality of line / calls	7
Coverage / black spots	8
Quality of customer service	9
Inconvenient/Difficult to install	10
Inconvenient/Difficult to manage billing	11
Inconvenient/Difficult to use	12
Concerned about impact on health	13
Other (WRITE IN)	16
Not sure	17

IF S7=1 OR 2

Q7b Why don't you use text messaging more often at home, instead of making calls on your landline?

DO NOT READ OUT. CODE AS MANY AS APPLY

	7b
Not applicable / Already use texts instead of landline	
Price of texts	1
Reliability of connection	2
Quality of line / calls	3
Coverage / black spots	4
Not suitable for certain types of conversation	5
Takes too long to type/ a voice call is quicker	6
No good when you need an immediate response	7
Inconvenient/Difficult to use	8
Prefer to talk to the other person	9
Other (WRITE IN)	11
Not sure	12

IF S7 = 4, 5 or 6

Q7c Why don't you use email more often at home instead of making calls on your landline?

DO NOT READ OUT. CODE AS MANY AS APPLY

	7b
Not applicable / Already use emails instead of landline	
Reliability of connection	1
Not suitable for certain types of conversation	2
Takes too long to type/ a voice call is quicker	3
No good when you need an immediate response	4
Inconvenient/Difficult to use	5
Prefer to talk to the other person	6
Other (WRITE IN)	8
Not sure	9

ASK Q8A-D FOR EACH PRODUCT HELD AT S7 (LANDLINE (CODE 3),VOIP (CODE 8), MOBILE (CODE 1 or 2)) THAT ARE USED >0% AT S10
IF ONLY ONE PRODUCT HELD AT S7, ASK Q8A/B/C/D BUT SUPPRESS TEXT AT END OF EACH QUESTION "rather than (product used)".

We are interested in finding out how people decide which method to use when they want to make a call from home.

Q8a You said earlier that when you are at home you make <INSERT % FROM S10> of your calls via <INSERT PRODUCT FROM S10>. Why do you choose to use your [product which is >0% at S10] for making calls from home rather than your [other products used if held at S7 – this should be a list of all the other products from S7] PROBE: Are there any other reasons?
DO NOT READ OUT. CODE ALL THAT APPLY

Price 1
Convenience / Ease of use..........2
Always used it 3
Reliability / quality of service 4
Quality of sound..........5
So can use 'free' / pre-paid / bundled / time-specific minutes 6
Have used up all 'free' / pre-paid / bundled minutes 7
It's part of a product bundle 8
The number is stored on the handset 9
Picture messaging..........10
Video messaging..........11
Tied into contract..........12
Difficult to switch..........13
Someone else using other line 14
When phone is next to me..........15
When the call is urgent 16
Other (specify) 17
Don't know..........18

REPEAT FOR ALL PRODUCTS USED BEFORE MOVING ONTO Q8c

Q8c Thinking about the calls you make from home, <u>what **types of numbers** are you more likely to call using</u> your <product> rather than your <other products used>? PROBE: Are there any other numbers?
SHOWCARD. CODE ALL THAT APPLY

Local landline numbers (i.e. calls within your same dialing code) 1
National landline numbers (i.e. calls within the UK) 2
International numbers..........3
Non geographical numbers e.g. 0845 or 0870 numbers..........4
Premium rate numbers e.g. 090 numbers 5
Freephone numbers e.g. 0800 numbers 6
Numbers on friends and family plan 7
Mobile phone numbers (unspecified)..........8
Mobile phone numbers in same network..........9
Other smartphone numbers 10
Other VoIP users **(If S7=8)** 11
Other (specify) 12
Don't know..........13
None of the above 14

REPEAT FOR ALL PRODUCTS USED BEFORE MOVING ONTO Q8d

Q8d Thinking about the calls you make from home, at what **times of day** are you more likely to make calls using your <product>, rather than your <other products used>?
PROBE: Are there any other times of day?
SHOWCARD. CODE ALL THAT APPLY

Daytime / business hours 1
Evenings 2
Weekends 3
Any time of day or night 4
Other (specify) 5
Don't know 6

REPEAT FOR ALL PRODUCTS USED BEFORE MOVING ONTO Q8e

Q8e Before you make a phone call from home, how often do you think about how much the call will cost depending on the method you use?? **READ OUT. CODE ONE ONLY**

Every time I make a call 1
Often...2
Rarely..3
Never 4

ASK IF >0% FOR LANDLINE CALLS AT S10

Q9 If the **overall monthly cost of your land line bill** were to increase by 10% how likely would you be to do each of the following. Please use this scale.
SHOWCARD FOR SCALE. RANDOMISE. CODE ONE ONLY

A. Switch some calls from landline to mobile phone
B. Switch some calls from landline to VoIP
C. Switch some calls from landline to mobile phone texts
D. Send emails instead of making some landline calls
E. Give up my landline access
F. Give up my landline calls package
G. Switch to another landline provider

	A	B	C	D	E	F	G
Certain to	1	1	1	1	1	1	1
Very likely	2	2	2	2	2	2	2
Fairly likely	3	3	3	3	3	3	3
Fairly unlikely	4	4	4	4	4	4	4
Very unlikely	5	5	5	5	5	5	5
Certain not to	6	6	6	6	6	6	6
Don't know (DO NOT SHOW)	7	7	7	7	7	7	7

ASK IF Q8C = CODES 1-12. IF DON'T KNOW OR NONE AT Q8C SKIP TO Q12

Q10 You mentioned earlier you were more likely to make calls to < insert call types from Q8c for landline> on your landline. If the **monthly cost of these landline calls** were to increase by 10%, how likely would you be to make these types of calls by other means (such as by mobile or VoIP for example)? Please use this scale.

SHOWCARD FOR SCALE. CODE ONE ONLY.

Certain to 1
Very likely..2
Fairly likely 3
Fairly unlikely 4
Very unlikely 5
Certain not to 6
Don't know (DO NOT SHOW) 7

SECTION 5: GENERAL PERCEPTIONS OF COMMUNICATIONS

ASK ALL

Q12 Next, I'd like you to tell me which type of call - mobile or landline - is most expensive for each of the following call types.
Please take into account any bundled minutes and the times of day you usually make calls.

ONLY READ OUT IF NECESSARY: If you are not sure, please could you tell us your **impression** of the costs?

SHOWCARD FOR SCALE. RANDOMISE. SINGLE CODE FOR EACH.

	Mobile more expensive	Landline more expensive	Same cost	Don't know
Calls to local or national landlines	1	2	3	4
Calls to international numbers	1	2	3	4
Calls to mobiles	1	2	3	4
Calls to numbers starting 0845, 0870 and 09	1	2	3	4

ASK ALL

Q13 Thinking about your attitudes to having a landline, to what extent do each of the following statements apply? Please use this scale. **SHOWCARD FOR SCALE. RANDOMISE. SINGLE CODE FOR EACH**

ROTATE ORDER	Applies a lot 5	Applies a little 4	Neither 3	Does not apply very well 2	Does not apply at all 1	Don't know
Mobiles are not reliable enough to give up a landline phone	5	4	3	2	1	
We only have a landline for internet access **<DO NOT SHOW IF NO INTERNET AT S7>**	5	4	3	2	1	
I have a landline but generally use my mobile for making and receiving calls **< IF HAVE MOBILE AT S7=1 OR 2>**	5	4	3	2	1	
I have a landline but generally use my VoIP account (e.g. Skype) for making and receiving calls **<IF HAVE VoIP AT S7=8>**	5	4	3	2	1	
I could never consider getting rid of my landline service because I feel secure having it	5	4	3	2	1	
It would involve too much change /upheaval to get rid of my landline phone	5	4	3	2	1	
I would get rid of my landline if mobiles calls were cheaper	5	4	3	2	1	
I only use my land line for incoming calls – I never really dial out	5	4	3	2	1	

ASK ALL

Q14 How often do you normally use your **<INSERT 'LANDLINE', 'MOBILE PHONE', 'VoIP' IF HELD AT S7>** to contact other people. Is it…?
READ OUT. CODE ONE ONLY FOR EACH. SHOW MOBILE AND VoIP IF HELD AT S7

	Mobile	VoIP	Landline
Every day / most days	1	1	1
Once or a couple of times a week	2	2	2
About once every two weeks	3	3	3
A few times a month	4	4	4
About once a month	5	5	5
Less often	6	6	6

ASK ALL

Q15 Next I am going to read out some statements that other people have made about prices for communications services. Please tell me how much you agree or disagree with them using this scale.

SHOWCARD FOR SCALE. RANDOMISE. SINGLE CODE FOR EACH

	Agree strongly	Agree slightly	Neither agree or disagree	Disagree slightly	Disagree strongly	Don't know
I don't tend to look at my communications bills in any detail	1	2	3	4	5	
I change my landline package regularly because I always look around for the good deals	1	2	3	4	5	
I would change my landline supplier to get better deals if I could	1	2	3	4	5	
I like to keep an eye on my landline bill as costs can spiral out of control if I'm not careful	1	2	3	4	5	
The cost of my landline is bundled up with other products and I think of the cost of the whole bundle rather than any individual component	1	2	3	4	5	

THANK YOU FOR YOUR TIME

Business Questionnaire

SECTION 1: SCREENER

INTRODUCTION:

Good morning/afternoon, my name is __________ from Jigsaw Research and I am calling on behalf of Ofcom, the regulator for the communications industries in the UK that aims to champion the interests of businesses on these issues. Ofcom currently needs to understand how businesses make decisions about what technology to use when they want to make phone calls from work.

Could I speak to someone who has responsibility, either solely or jointly, for making decisions about the communications devices and applications used in this organisation? ADD IF NECESSARY this could be the owner/manager, MD, Financial director, office manager or IT /Telecoms manager.

YES, CONTINUE WITH SCREENER. IF REFUSED, THANK AND CLOSE

IF NECESSARY ADD:

- Your open and honest views are incredibly important in helping Ofcom to understand the challenges that businesses face when making decisions about communications services and the sort of advice, information or support that might make this easier.
- It should take around 20 minutes of your time, depending upon your answers.
- We would like to reassure you that this is a genuine piece of market research. No-one will try to sell you anything as a direct result of this research and the project is not designed to test your knowledge but to gauge your opinions and understand how you make decisions.
- We got your organisation name and telephone number from a standard list provider, a commercial database of businesses in the UK. We are interested in speaking to people responsible for IT and telecoms across a wide range of businesses.
- If you would like to check our credentials, you can call the Market Research Society, free of charge, on 0500 39 69 99.
- If you would like to verify that is a legitimate piece of research commissioned by Ofcom we can also email or fax you a letter that Ofcom have written for this purpose.
- The research is being conducted under the Code of Practice of the Market Research Society, which means that all of the answers you give are strictly confidential and anonymous. Participation in this survey is voluntary.

ONCE THROUGH TO CONTACT RESPONSIBLE REPEAT INTRO THEN ASK:

S1 Would it be convenient to go through the survey now? **SINGLE CODE**

Yes - now	1	**CONTINUE**
Yes – later	2	**SCHEDULE APPT**
No	3	**SEEK REFERRAL S2**

S2 Is there anyone else within your organisation that I could speak to about this?

Yes - now	1	**CONTINUE**
Yes – later	2	**SCHEDULE APPT**
No	3	**CLOSE – SEEK REFERRAL**

S3a Which of the following best describes your *personal* involvement with purchasing decisions regarding your organisation's telecoms and other communications services. Are you (READ OUT)? **SINGLE CODE**

Solely responsible	1	**CONTINUE**
Jointly responsible with somebody else	2	**CONTINUE**
Or is someone else primarily responsible	3	**ASK TO BE REFERRED & GO BACK TO INTRODUCTION**

S3b In that case can I just double check – do you have managerial responsibilities, and can you comment in detail on your organisation's experiences using communications suppliers and services? **SINGLE CODE**

Yes	**CONTINUE**
No	**ASK TO BE REFERRED & GO BACK TO INTRODUCTION**

ONCE THROUGH TO RIGHT PERSON:

S4 Could I please confirm your exact job title? SINGLE CODE

Owner / Proprietor	1
Partner / Managing Partner	2
Chief Executive Officer	3
Chief Finance Director / Finance Director	4
Chief Operations Director / Operations Director	5
Managing Director	6
IT / Telecoms Director / Manager / Other ITC specialist	7
Other senior manager / director	8
PA / Office manager	9
Other (WRITE IN)	10
Refused	11

S5 RECORD FROM SAMPLE: INDUSTRY SECTOR

Primary	1
Manufacturing	2
Utilities	3
Construction	4
Wholesale/Retail/ Transport/Communications	5
Financial Services	6
Other services	7
Public admin and services	8
Other	9

CODE INTO ONE OF THE FOLLOWING THREE CATEGORIES ACCORDING TO ANSWER ABOVE FOR QUOTA PURPOSES ONLY

Manufacturing = 1, 2, 3, 4
Wholesale/retail/distribution = 5,9
Services = 6,7,8

MONITORING QUOTA

S6a Including yourself, how many people does your organisation currently employ in the UK either full or part time? **WRITE IN NUMBER - DO NOT ALLOW ZERO.**

IF DON'T KNOW, READ OUT LIST AND SINGLE CODE ACCORDINGLY

1, you are a sole trader 1
2-4...
5-9...2
10-49...3
50-249 4
250-499 5
500-749 6
750-999 7
1000+ 8
Don't know .... **CLOSE**
Refused .... **CLOSE**

MONITORING QUOTA

ASK ALL

S6b Which of the following best describes the way you work?
READ OUT. CODE ONE ONLY

I run my business from home (IF S6=1) 1
I mainly work from home 2
I occasionally work from home but am mainly office based 3
I am solely office-based......................... 4

READ OUT IF HOME OFFICE (S6=1 AND S6b = 1)
For the rest of the interview, we would like you to focus just on your work related communications from your home office, not your personal communications.

S7 How long has your organisation been trading? **SINGLE CODE**

Not yet actively trading...1 **CLOSE**
Less than 2 years..2
2-5 years 3
6-9 years 4
10-19 years..5
20+ years 6
Don't know...7
Refused..8
Not applicable 9

S8 Including this office, how many sites or offices does your organisation operate from in the UK? **SINGLE CODE. RECORD WHOLE NUMBER. ALLOW UP TO SIX NUMBERS HERE.**

Don't know X
Refused ....Y

ASK IF MORE THAN 1 SITE AT S8

S8a Does your involvement with purchasing decisions regarding your organisation's telecoms and other communications services extend to all sites, some sites or just the site you operate out of?

All sites 1
Some sites.. 2
Just the site operating from.................... 3

READ OUT IF MORE THAN 1 SITE AT S8

For the rest of the interview, where relevant we would like you to focus on <IF S8A=1 INSERT: all / IF S8A=2 OR 3 INSERT: just> the sites you have knowledge of.

S9a and S10a RECORD REGION AND POSTCODE FROM SAMPLE

S9b **In which of these regions are you personally based? READ OUT. SINGLE CODE**

North East England............................... 1
North West England.............................. 2
Yorkshire and the Humber 3
East Midlands 4
West Midlands 5
East England 6
London.. 7
South East England............................... 8
South West England.............................. 9
Wales 10
Scotland 11
Northern Ireland 12

MONITORING QUOTA

S10b **RECORD POSTCODE**

ASK ALL

S11 Which of the following communications services does your organisation use?
READ OUT FULL LIST. CODE ALL THAT APPLY

NOTE FOR INTERVIEWERS: WE WANT RESPONDENTS TO ANSWER BASED ON THE TOTAL ORGANISATION (OR AS MANY SITES AS THEY HAVE KNOWLEDGE OF) WHEREVER POSSIBLE. INCLUDING ANY HOME WORKERS.

Standard PSTN landline telephones 1

IF NECESSARY: *PSTN stands for Public Switched Telephone Network – basically the normal phone network or landline*

Smartphones (eg. iPhones/ Blackberries) 2
Standard mobile phones 3
ADSL Broadband (internet via fixed line).......4
Dial up Internet (via normal telephone line)...5
Cable Broadband (internet via cable)...........6
Mobile broadband through a USB Modem or 'dongle'.........7
ISDN 2/2e...8

IF NECESSARY: *This is a form of ISDN line offering you connection for up to 8 digital devices and allowing you to make two calls at the same time*

ISDN 30 9

IF NECESSARY: *This is a form of ISDN line offering you 8 to 30 independent connections and allowing you to multiple calls at the same time*

Leased lines or private circuits 10
Ethernet 11

IF NECESSARY: *This is the computer networking for a Local Area Network or LAN and can also be used to connect to your communications provider for voice and data services.*

Voice over Internet Protocol or VoIP 12

IF NECESSARY: *Calls made over the Internet on a fixed line such as by Skype, Vonage or Facetime*

Video conferencing 13
NONE of these – clarify & recode as necessary 14 **CLOSE**

CODES 1, 4-6, 8-13 INDICATE FIXED LINE SERVICES

ASK IF HAVE NOT CODED 1 OR 4-6 OR 8-13 ABOVE

S12 Am I right in thinking that your organisation does not have any fixed line communications services?
CODE ONE ONLY

We don't ....1 CLOSE
We do ....2 GO BACK TO S11

ASK SEPARATELY FOR EACH (IF CODED AT S11)

S13 What do you use **< CODED AT S11 >** for? Would it be ...
READ OUT. CODE ALL THAT APPLY

Incoming voice calls 1
Outgoing voice calls 2
Internet (IF S11=4,5,6) 3
Fax, data or videoconferencing services 4
VoIP (IF S11=12) 5

	READ OUT IF USE ...	Incoming voice calls	Outgoing voice calls	Internet	Fax, data or videoconferencing services	VoIP
A	Standard PSTN landlines (S11=1)	1	2	3	4	5
B	ISDN 2/2e (S11=8)	1	2	3	4	5
C	ISDN 30 (S11=9)	1	2	3	4	5
D	Leased lines or private circuits (S11=10)	1	2	3	4	5

CLOSE IF DON'T USE ANY OF STANDARD PSTN, ISDN 2/2e, ISDN 30 or leased LINES/private circuits FOR OUTGOING CALLS (CODE 2 IN ROWs A - D)
SAY: For the rest of the interview, when we refer to fixed line calls or access, please think about your (insert all fixed line methods coded 2 at S13a-d).

ASK IF OUTGOING CALLS MADE ON MORE THAN 1 TYPE OF FIXED LINE AT S13. IF OUTGOING CALLS MADE ON ONLY 1 TYPE OF FIXED LINE THEN AUTOPUNCH THIS LINE TYPE AT S13i

S13i. From which of your fixed lines are most outgoing voice calls made?
READ OUT. SINGLE CODE

INTERVIEWER: RESPONDENT MUST ANSWER TO QUALIFY. IF DON'T KNOW, ASK FOR BEST ESTIMATE. IF SPLIT EVENLY BETWEEN MORE THAN ONE LINE, ASK WHICH THEY CONSIDER TO BE THE MAIN LINE.

Standard PSTN landline(s) (S13A = 2) 1
ISDN 2/2E line(s) (S13B = 2) 2
ISDN 30 line(s) (S13C = 2) 3
Leased Line(s) / Private Circuit(s) (S13D = 2)..4

IF CODED 12 AT S11

S13b Do you have managed VoIP, unmanaged VoIP or both?

INTERVIEWER EXPLAIN IF NECESSARY:

Managed VoIP is where VoIP calls are made from deskphones *over a broadband connection provided by the same internet service provider that provides your broadband service.*

Unmanaged VoIP is where VoIP calls are made via a computer or other internet-enabled device, and *a separate voice service provider (such as Skype) provides the service "over-the-top" of your broadband connection.*

READ OUT. SINGLE CODE

Managed 1
Unmanaged 2
Both 3
Neither 4
(Don't Know).......................................5

IF CODED 12 AT S11

S13c Which of the following do you use VoIP for..?

READ OUT. CODE ALL THAT APPLY

Internal or inter-site voice calls 1
Voice calls external to the business............2
Both 3
Neither 4
(Don't know).......................................5

ASK ALL

S14 Which, if any, of the following technologies does your organisation use?

READ OUT. CODE ALL THAT APPLY

Combined fixed/ mobile calling product 1

ALL READ OUT: *This allows you to make calls via the internet from a mobile phone when you are in range of a wireless internet hotspot or your own wireless internet connection at home e.g. BT Fusion and Orange Unique*

Switch (PBX) 2

IF 1-4 EMPLOYEES READ OUT: *Short for private branch exchange, a private telephone network used within an organisation. Users of the PBX share a certain number of outside lines for making telephone calls external to the PBX*

Virtual Private Network (ONLY IF S11=4, 5,6) .3
Least cost routing.................................4
None of these......................................5
(Don't know).......................................6

ASK IF S14=2

S15 Is the PBX connected via an Ethernet IP service? Is it an IP PBX?
IF 1-4 EMPLOYEES READ OUT: *An IP (Internet Protocol) PBX (Private branch exchange) is a business telephone system designed to deliver voice or video over a data network*
SINGLE CODE

Yes 1
No 2
DO NOT READ OUT Don't Know/not applicable 3

ASK IF S15=1

S16a Are all your voice calls routed through an IP PBX?
SINGLE CODE

Yes 1
No 2
DO NOT READ OUT Don't Know 3

ASK IF S16a = 1

S16b Can you confirm that you have no other narrowband lines? For example to connect to your call provider's network or for additional security or resilience.
SINGLE CODE

I have NO OTHER narrowband lines ....1 CLOSE
I have other narrowband lines 2
DO NOT READ OUT Don't Know 3

SECTION 2: PRODUCTS USED

READ OUT
We are now going to talk about the companies that provide your communications services.

FOR ALL CODED AT S11/ S13

Q1 What is the name of the company or companies that you pay for your [coded at S11/S13]?
DO NOT READ OUT. MULTICODE

IF MORE THAN 1 RESPONSE CODED AT Q1a-k THEN ASK Q1ai-ki

Q1ai And which company is the main provider of your **[coded at S11/S13]?**
SINGLE CODE

a) Standard PSTN landline *calls* (S13a = 2)

b) Standard PSTN Landline *rental* (S11 = 1)

c) ISDN 2/2e *calls* (S13b=2)

d) ISDN 2/2e *rental* (S11=8)

e) ISDN 30 *calls* (S13c=2)

f) ISDN 30 *rental*(S11 = 9)

g) Leased lines or private circuit *calls* (S13d=2)

h) Leased lines or private circuits *rental*(S11 = 10)

i) Internet *access* (S11 = 4, 5, 6)

j) VoIP *calls* (S11 = 12)

k) Mobile phone service (not the phones themselves) (S 11 = 2 or 3)

	1a	1b	1c	1d	1e	1f	1g
Alcatel							
Alternative Networks							
BT							
Cable and Wireless							
Colt							
Claranet							
Daisy							
Demon							
DST (Directsave.com)							

Eclipse							
Gamma							
Global Crossing							
Homecall							
Intechnology							
KCom (Kingston Communications)							
Opal Communications/Pipex							
Orange							
O2 / BE							
Madasafish							
Pipex							
Plusnet							
Post Office							
Primus							
Sky / Skytalk							
Skype							
Southern							
South West							
Spacetel							
Spitfire							
Supanet							
Superline							
Swiftcall							
Talk Talk / Carphone Warehouse							
Tesco Telecom							
Tiscali							
Thus							
thePhoneCo-op							

T-mobile								
Tooway								
Toucan								
"3"								
TTG								
Verizon								
Virgin Media (NTL/ Telewest)								
Vodafone								
Welcome Telecom								
Yourcalls.net								
XLN telecom								
2E2								
Resourced internally								
Other (WRITE IN)								
Don't know	99	99	99	99	99	99	99	**CLOSE IF DK CALL PROVIDER FOR MAIN FIXED METHOD AT S13i**

ASK Q4a FOR MAIN OUTGOING CALL FIXED LINE TYPE CODED AT S13i
ASK Q4a FOR EACH SUPPLIER CODED AT Q1a OR Q1c OR Q1e or Q1g (DEPENDING ON MAIN FIXED LINE TYPE CODED AT S13i)

Q4a Thinking about your <**INSERT MAIN FIXED LINE METHOD FROM S13i**>, why do you use <insert from Q1a OR Q1c OR Q1e or Q1g> as your current calls provider? **DO NOT READ OUT. CODE ALL THAT APPLY**

Good/better deal overall 1
Price of line rental...2
Price of calls...3
Price of overall package of line rental and calls4...........
Price of calls to mobile phones 5
Price of international calls 6
Quality of line / calls...7
Provided free as part of bundled package....................8

Unlimited weekend calls to UK landlines 9
Unlimited evening and weekend calls to UK landlines 10
Unlimited anytime calls to UK landlines 11
Offer internet calling / VoIP 12
Quality of customer service/ account management 13
No reason to change 14
Too much hassle to change 15
Historical reasons/ always used them 16
Friends and family use them 17
Other suppliers are more expensive..........................18
Other suppliers have worse line / call quality 19
Other suppliers have worse customer service 20
Not aware of other suppliers 21
Reliable service 22
Other (WRITE IN) 23
None of the above 24

ASK Q4b FOR MAIN OUTGOING CALL FIXED LINE TYPE CODED AT S13i
ASK ALL WITH MAIN OUTGOING CALL LINE RENTAL AND CALLS FROM <u>DIFFERENT</u> SUPPLIERS AT Q1a/Q1b OR Q1c/Q1d OR Q1e/Q1f or Q1g/Q1h

Q4b Thinking about your <**INSERT MAIN FIXED LINE METHOD FROM S13i**>, why do you use a different supplier for your calls, rather than use your line rental supplier for calls as well?

DO NOT READ OUT. CODE ALL THAT APPLY

Good/better deal overall 1
Price of line rental................................2
Price of calls.......................................3
Price of overall package of line rental and calls4
Price of calls to mobile phones 5
Price of international calls 6
Quality of line / calls.............................7
Provided free as part of bundled package......8
Unlimited weekend calls to UK landlines.......9
Unlimited evening and weekend calls to UK landlines 10
Unlimited anytime calls to UK landlines........11
Offer internet calling / VoIP 12
Quality of customer service 13
No reason to change 14
Too much hassle to change 15
Always used them 16
Friends and family use them 17
Other suppliers are more expensive............18
Other suppliers have worse line / call quality.19
Other suppliers have worse customer service .20
Not aware of other suppliers 21
Didn't know I could switch my landline to the same supplier 22
My call supplier doesn't supply landlines.......23
Not applicable / use different providers (ONLY SHOW IF OTHER AT Q1A/B)24
Other (WRITE IN) 25
None of the above 26

ASK ALL

Q4ai The last time you agreed a contract for fixed line calling with your main fixed line calls supplier, did you also discuss taking out VoIP services with them?

IF NECESSARY: *VoIP enables you to make calls over the Internet on a fixed line such as by Skype, Vonage or Facetime*
SINGLE CODE

Yes 1
No 2
Don't know, can't remember 3

ASK ALL

Q4c. Thinking about all the **outgoing voice calls** that are made from the office, not while out and about, approximately what proportion are made using [product]?

READ OUT EACH PRODUCT IN TURN. SHOW IF CODED AT S11/S13. TOTAL MUST ADD TO 100%. IF DON'T KNOW ASK FOR BEST ESTIMATE.
ALLOW MAX 2 DIGITS FOR EACH PRODUCT USED. USE LEADING ZEROS
IF DON'T USE PRODUCT FOR MAKING CALLS AT WORK CODE ZERO AND MOVE TO NEXT PRODUCT.

a) Mobile phone/smartphone (S11 = 2 or 3)				%
b) Standard PSTN landline phones (S13A = 2)				%
c) VoIP (S11 = 12)				%
d) ISDN 2/2E (S13B = 2)				%
e) ISDN 30 (S13C = 2)				%
f) LEASED LINE / PRIVATE CIRCUIT (S13D = 2)				%

Don't know 0

SECTION 3: SWITCHING/ SUBSTITUTION

Q5a Have you ever switched the company that provides your [READ OUT] ?
CODE ONE ONLY FOR EACH

	Yes	No	Not sure
[main fixed line method coded at S13i) *calls*	1	2	3
[main fixed line method coded at S13i) *rental*	1	2	3
Internet access **(S11 = 4,5,6)**	1	2	3
VoIP calls **(S11 = 12)**	1	2	3

Q5c How likely are you to switch the company that provides your [READ OUT] in the next two years? Would you say you are... **READ OUT. CODE ONE ONLY FOR EACH**

Certain to 6
Very likely to 5
Fairly likely to 4
Fairly unlikely to 3
Very unlikely to 2
Certain not to 1
DO NOT READ OUT Not sure 7

IF USE ...	1	2	3	4	5	6	7
[main fixed line method coded at S13i) *calls*							
[main fixed line method coded at S13i) *rental*							
Internet access (S11 = 4, 5,6)							
VoIP calls (S11 = 12)							

Q5e I'm going to read out some changes that you might make to the communications technology in your organisation in the future. For each one please tell me if you...

SINGLE CODE FOR EACH. RANDOMISE

Have already done it or started doing it........................1
Are planning to do it 2
Would consider it 3
Would not consider it 4
(Don't know)..5

SAY: When we refer to fixed lines please think about the combination of all your <insert: Standard PSTN landlines, ISDN2/2e lines, ISDN30 lines, leased lines/private circuits from S11 (codes 1, 8 , 9, 10)>.

Cancelling your fixed line(s) altogether	1	2	3	4
Keeping your fixed line access but giving up your ability to make calls this way	1	2	3	4
Switching some, more or all of the calls you make via fixed line to mobile phone	1	2	3	4
Switching some, more or all of the calls you make via fixed line to VoIP	1	2	3	4

IF Q5e STATEMENT 1 = 4

Q5f Why do you need to keep your access to your fixed line(s)?

DO NOT READ OUT. CODE AS MANY AS APPLY

IF Q5e STATEMENT 2 = 4

Q5g Why wouldn't you consider giving up the ability to make calls from your fixed line(s)?

DO NOT READ OUT. CODE AS MANY AS APPLY

	Q5f	Q5g
Need it for Internet	1	1
Price of calls (unspecified)	2	2
Price of calls to landlines	3	3
Price of calls to mobile phones	4	4
Price of international calls	5	5
Reliability of connection	6	6

Quality of line / calls	7	7
Always had a landline	8	8
Quality of customer service	9	9
Inconvenient/Difficult to use mobiles	10	10
Inconvenient/Difficult to use VoIP	11	11
The majority of our staff are desk based	12	12
Staff prefer to use landline phone than mobile	13	13
Staff prefer to use landline phone than VoIP	14	14
Need lines for emergency back up	15	15
Need it for security/alarm	16	16
Other (WRITE IN)	17	17
Not sure	18	18

IF HAVE MOBILE PHONE OR SMARTPHONE (S11=2 OR 3) AND MOBILE PHONES/SMARTPHONES >0% AND <100% AT Q4c

Q5h Why don't you use mobile phones or smartphones more often from the office instead of making calls via a fixed line? IF NECESSARY: Even if you are already making most of your office calls via mobile, we are still interested to know why you aren't making ALL your calls this way

DO NOT READ OUT. CODE AS MANY AS APPLY

	7a
Price of equipment / kit	1
Price of calls (unspecified)	2
Price of calls to landlines	3
Price of calls to mobile phones	4
Price of international calls	5
Reliability of connection	6
Quality of line / calls	7
Coverage / black spots	8
Quality of customer service	9
Inconvenient/Difficult to install	10
Inconvenient/Difficult to manage billing	11

Inconvenient/Difficult to use	12
Concerned about impact on health	13
Other (WRITE IN)	14
Not sure	15

SECTION 4: DECISION MAKING

Thinking about all the calls that are made from the office <<IF HOME OFFICE INSERT: for business purposes>>, from fixed lines, i.e. via your <insert: Standard PSTN landlines, ISDN2/2e lines, ISDN30 lines, leased lines/private circuits from S11 (codes 1, 8 , 9, 10)>.

IF HAVE MOBILE PHONE OR SMARTPHONES (S11=2 OR 3)

Q6a How often are calls made from mobile phone or smartphone that could also have been made from a fixed line?

READ OUT. SINGLE CODE

IF HAVE UNMANAGED VoIP ONLY (S13b=2 AND NOT 1)

Q6b How often are calls made over VoIP that could also have been made from a fixed line?

READ OUT. SINGLE CODE

	6a	6b
Very often	1	4
Sometimes	2	3
Rarely	3	2
Never	4	1
Don't know	5	5
Not applicable	6	6

ASK ALL

Q6c Thinking about your attitudes to using fixed lines for business purposes, how much would you agree or disagree that…?

	ROTATE	Agree strongly	Agree slightly	Neither agree or disagree	Disagree slightly	Disagree strongly	Don't know
A	Sending an email is a viable alternative to making a call via a fixed line	5	4	3	2	1	

B	Sending a text message is a viable alternative to making a call via a fixed line	5	4	3	2	1	

IF HAVE MOBILE (S11=2 OR 3)

Q7a Why don't you use **text messaging** more often from the office instead of making calls via a fixed line?
DO NOT READ OUT. CODE AS MANY AS APPLY

Price of texts	1
Reliability of connection	2
Quality of line / calls	3
Coverage / black spots	4
Not suitable for certain types of conversation	5
Takes too long to type/ a voice call is quicker	6
No good when you need an immediate response	7
Inconvenient/Difficult to use	8
Prefer to talk to the other person	9
Not appropriate method of contacting clients	10
Other (WRITE IN)	11
Not sure	12

ASK ALL

Q7b Why don't you use **email** more often from the office instead of making calls via a fixed line?
IF NECESSARY: Even if most of your communication is done via email, we are still interested to know why you aren't using email for ALL your communication
DO NOT READ OUT. CODE AS MANY AS APPLY

Reliability of connection	1
Not suitable for certain types of conversation	2
Takes too long to type/ a voice call is quicker	3
No good when you need an immediate response	4
Inconvenient/Difficult to use	5
Prefer to talk to the other person	6

Customers need a personal touch	7
Other (WRITE IN)	8
Not sure	9

We are interested in finding out how organisations decide which method to use when they want to make calls from the office.
IF HOME OFFICE: For these questions, please think just about your work related calls, not any personal calls you might make using the same services

IF ONLY ONE PRODUCT >0% AT Q4c, ASK Q8a1-3 BUT SUPPRESS TEXT AT END OF EACH QUESTION "rather than (product used)".

ASK IF Q4c >0% FOR FOR MAIN OUTGOING CALL FIXED LINE TYPE CODED AT S13i

Q8a1 Thinking about calls made from the office, why are calls made via <main fixed line type used at S13i> rather than <VoIP > or <mobile phone>? PROBE: Are there any other reasons?

ASK IF Q4c >0% FOR VOIP

Q8a2 Thinking about calls made from the office, why are calls made using VoIP rather than <main fixed line type used at S13i> or <mobile phone>? PROBE: Are there any other reasons?

ASK IF Q4c >0% FOR MOBILE/SMARTPHONE

Q8a3 Thinking about calls made from the office, why are calls made via mobile phone or smart phone rather than <VoIP > or <main fixed line type used at S13i>? PROBE: Are there any other reasons?

ROTATE Q8a1, 2 and 3. DO NOT READ OUT. CODE ALL THAT APPLY

Price 1
Convenience / Ease of use.. 2
Always used it 3
Reliability / quality of service 4
Quality of sound... 5
So can use 'free' / pre-paid / bundled / time-specific minutes 6
Have used up all 'free' / pre-paid / bundled minutes 7
It's part of a product bundle 8
The number is stored on the handset 9
Picture messaging... 10
Video messaging... 11
Tied into contract... 12
Difficult to switch.. 13
Someone else using other line 14
When phone is next to me 15
When the call is urgent 16
It's the only option for making calls from the office 17
Suitable for certain groups/ types of users 18

Other (specify) 19
Don't know 20

IF ONLY ONE PRODUCT >0% AT Q4c, ASK Q8b1-3i BUT SUPPRESS TEXT AT END OF EACH QUESTION "rather than (product used)" BUT DON'T ASK Q8B1-3ii

ASK IF Q4c >0% FOR FOR MAIN OUTGOING CALL FIXED LINE TYPE CODED AT S13i

Q8b1i Thinking about calls made from the office, what **types of numbers** are more likely to be called via <**main fixed line type used at S13i**> rather than <VoIP > or <mobile phone>? PROBE: Are there any other numbers?
READ OUT. CODE ALL THAT APPLY

ASK IF CODE MORE THAN ONE ANSWER AT Q8b1i:

Q8b1ii Which of these numbers, if any, would **ONLY** be called using <main fixed line type used at S13i>? **SINGLE CODE.**

ASK IF Q4c >0% FOR VOIP

Q8b2i Thinking about calls made from the office, what **types of numbers** are more likely to be called using **VoIP** rather than <main fixed line type used at S13i> or <mobile phone>? PROBE: Are there any other numbers?
READ OUT. CODE ALL THAT APPLY

ASK IF CODE MORE THAN ONE ANSWER AT Q8b2i:

Q8b2ii Which of these numbers, if any, would **ONLY** be called using VoIP? **SINGLE CODE.**

ASK IF Q4c >0% FOR MOBILE/SMARTPHONE

Q8b3i Thinking about calls made from the office, what **types of numbers** are more likely to be called via **mobile or smart phone** rather than <VoIP > or <main fixed line type used at S13i>? PROBE: Are there any other numbers?
READ OUT. CODE ALL THAT APPLY

ASK IF CODE MORE THAN ONE ANSWER AT Q8b2i:

Q8b3ii Which of these numbers, if any, would **ONLY** be called using mobile or smart phone? **SINGLE CODE.**

ROTATE Q8b1i/ii, 2i/ii and 3i/ii.

Local or national landline numbers in the UK 1
Mobile numbers 2
International numbers 3
Non geographical numbers e.g. 0845 or 0870 numbers 4
DO NOT READ Other (specify) 5
DO NOT READ Don't know 6
DO NOT READ None of the above 7

Q9 When making a phone call from the office, how often do <<IF 1 EMPLOYEE AT S6 INSERT: you / IF MORE THAN 1 EMPLOYEE AT S6 INSERT: you believe staff>> think about how much the call will cost depending on the method used?
READ OUT. CODE ONE ONLY

Every time they make a call....................................1
Often...2
Rarely..3
Never 4
(Don't know)..5

SECTION 5: SPEND

ASK ALL

Q10b How much do you spend in total per YEAR on ALL your communication services, including line rental and call charges for landline, mobile phone, VoIP and internet – excluding VAT?
IF HOME OFFICE: Please think just about the cost of your work related communications services

WRITE IN TO NEAREST £________________
IF UNSURE, PROBE FOR BEST ESTIMATE
IF UNABLE TO GIVE ESTIMATE, PROMPT TO RANGE
IF ONLY KNOW INCLUDING VAT, RECORD INCLUDING VAT

ASK IF GIVE AN AMOUNT

Q10bi Can I confirm whether the amount you just gave me was including or excluding VAT?

Including 1
Excluding...2

FOR ALL CODED AT S11/S13

Q10a Do you pay for your **<INSERT CODED AT S11/13>** monthly or quarterly?
CODE ONE ONLY FOR EACH

	IF USE ...	Monthly	Quarterly
1	Standard PSTN landline *calls* (S13=2)	1	2
2	Standard PSTN landline *rental* (S11=1)	1	2
3	ISDN 2/2e (S11=8)	1	2
4	ISDN 30 (S11=9)	1	2

5	Leased lines or private circuits (S11=10)	1	2

ASK ALL

Q10c How much do you spend in total per **<INSERT ‘month’ IF Q10a1=1for main fixed line method / ‘quarter’ IF Q10a1=2 for main fixed line method>** JUST ON *CALLS* MADE VIA YOUR <**insert the main fixed line method coded at S13i**> – excluding VAT? IF HOME OFFICE: Please think just about the cost of your work related calls

WRITE IN TO NEAREST £________________

IF UNSURE, PROBE FOR BEST ESTIMATE. IF UNABLE TO GIVE ESTIMATE, PROMPT TO RANGE . IF ONLY KNOW EXCLUDING VAT, RECORD EXCLUDING VAT

ASK IF GIVE AN AMOUNT

Q10ci Can I confirm whether the amount you just gave me was including or excluding VAT?

Including 1
Excluding 2

£0.01-£5	
£5-£9.99	
£10-£19.99	
£20-£29.99	
£30-£39.99	
£40-£49.99	
£50-£74.99	
£75-£99.99	
£100- £149.99	
£150-£199.99	
£200-£249.99	
£250-£299.99	
£300-£349.99	
£350-£399.99	
£400-£499.99	
£500-£999.99	
£1000-£1999.99	
£2000-£4999.99	
£5000-£9999.99	
£10000-£24999.99	
£20000-£49999.99	
£50000-£99999.99	
£100000+	
DO NOT READ OUT Nothing – included/free as part of package (DON'T SHOW FOR Q10B)	
DO NOT READ OUT Don't know as phone bundled with other services (DON'T SHOW FOR Q10B)	
DO NOT READ OUT Don't know	

SECTION 6: SNNIP

ASK ALL

Next I would like you to think about what you might do if there was a **permanent** change in the price of the calls you make via your **<insert main fixed line method coded at S13i>.** Only your call charges would be affected – line rental charges would not change.

Q11a I'd like you to imagine that the **<INSERT 'monthly' IF Q10a1=1 for main fixed line method at S13i OR 'quarterly' IF Q10a1=2 for main fixed line method at S13i**> cost of calls from your <main fixed line coded at S13i> increased by 10%, **<INSERT IF AMOUNT SPECIFIED AT Q10c: so the bill for calls increased from < current call charges from q10c> to < current call charges from q10c plus 10%>.**

READ OUT IN FULL: Please assume:

a) That the call prices for all fixed line call suppliers in the market (so for calls made over standard PSTN lines, ISDN or leasedlines/ private circuits) also went up by 10%. This means that you would not be able to avoid the price increase by switching to alternative fixed line call suppliers.

b) Please also assume that you would not be able to avoid the price increase by renegotiating with your current supplier.

c) And that the price of mobile calling and internet VoIP calling has **not** changed.

Which of the following would you be **most likely** to do …
RANDOMISE. READ OUT. CODE ONE ONLY
READ ALL OPTIONS BEFORE ALLOWING RESPONDENT TO CODE AN ANSWER.
IF DON'T KNOW, SAY: I know you are not totally sure but try to think about what you might do in this situation.

Do nothing – make as many outgoing calls via **<main fixed line coded at S13i>** as currently 1

Switch some outgoing calls from **<main fixed line coded at S13i>** to a different technology such as mobile phone, Internet calling via VoIP, or use email more 2

Cancel your **<main fixed line coded at S13i>** and make all outgoing calls using a different technology such as mobile phone, Internet calling via VoIP or use email more 3

Reduce the amount of outgoing calls made from your **<main fixed line coded at S13i>** and take no other action 4

Something else (specify).................................... 5

DO NOT READ OUT Don't know............................ .... 6 **SKIP TO Q15**

Q11b How likely do you think it is that you would actually do this?
READ OUT. CODE ONE ONLY

Certain to 1
Very likely to 2
Fairly likely to 3
Fairly unlikely to 4
Very unlikely to 5
Certain not to 6
(Don't know) 7

ASK Q12 IF Q11a=2
Q12 Which of the following technologies would you switch most of these outgoing calls to?
READ OUT. SINGLE CODE

Mobile...1
VoIP 2
Email 3
DO NOT READ OUT Don't know 4

ASK Q13 IF Q11a=3
Q13 If you cancelled your **<main fixed line method coded at S13i>,** which of the following technologies would you use for most of your outgoing calls?
READ OUT. SINGLE CODE

Mobile...1
VoIP 2
Email 3
DO NOT READ OUT Don't know 4

ASK Q14a/b IF WOULD DO NOTHING (Q11a=1)
Q14a Why would you be unlikely to consider taking any action?
DO NOT READ OUT. CODE ALL THAT APPLY

Too much hassle to switch..1
No time to research alternatives 2
Current supplier provides reliable call / line / connection quality 3
Current supplier provides good customer service 4
Good relationship with current supplier 5
Loyal customer / been with them many years.................6
Alternatives would not meet my needs.........................7
Alternatives are too expensive...................................8
Don’t trust alternatives 9
Locked into long term contract 10
Not that important 11
Want / need access to the internet / broadband 12

10% not a large amount/is a small amount 13
Have landline as part of bundled package and don't want
to switch other services (internet, Pay TV etc) 14
Don't use that much 15
Not much difference between suppliers 16
Other WRITE IN 17
(Don't know) 18

Q14b By what percentage would your **<INSERT 'monthly bill' IF Q10a1=1 for main fixed line method at S13i OR 'quarterly bill 'IF Q10a1=2 for main fixed line method at S13i> for calls from your** <**INSERT main fixed line coded at s13i**> have to increase in order to make you seriously consider doing something about it?

PROBE FOR BEST ESTIMATE IF UNSURE. MUST BE 11% OR HIGHER
Write in percentage __________________________________%

SECTION 7: ATTITUDE TO COMMUNICATIONS SPEND

ASK ALL

Q15 Thinking a bit more about costs, do you ever check or pay attention to your communications bills?
IF HOME OFFICE: Please think just about your business related bills.
CODE ONE ONLY

Yes	1	**CONTINUE**
No	2	**SKIP TO Q21**
DO NOT READ OUT Don't Know	3	SKIP TO Q21

ASK Q16a-Q18 IF Q15=1

Q16a How often do you check the **total** bill across all your communications services, including landline, mobile, VoIP and internet?
IF HOME OFFICE: Again, please think just about your business related bills.
READ OUT. CODE ONE ONLY

Q16b And how often do you check spend on the **individual** communications services that your organisation uses?
READ OUT. CODE ONE ONLY

	16b	16c
Monthly	1	1
Quarterly	2	2
Every 6 months	3	3
Annually	4	4
Less frequently	5	5
Don't Know DO NOT READ OUT	6	6

Q17 How likely are you to take action if bills for communications services are suddenly significantly higher than previously?
READ OUT. CODE ONE ONLY
NOTE TO INTERVIEWER: WE ARE TALKING ABOUT BILLS FROM SUPPLIERS RATHER THAN THE BILLS OF INDIVIDUAL EMPLOYEES

Certain to	1
Very likely	2
Fairly likely	3
Fairly unlikely	4
Very unlikely	5
Certain not to	6
Don't know DO NOT READ OUT	7

Q18 When was the last time you recall noticing an increase in communications spending that was due to a price increase rather than an increase in usage? **READ OUT. CODE ONE ONLY**

Never 1
Within last month 2
Within last quarter 3
Within last 6 months 4
Within last year 5
Longer ago than a year 6
Don't know DO NOT READ OUT 7

ASK Q19 AND Q20 IF CODE 2-6 AT Q18

Q19 Which communications service or services was that for? **DO NOT READ OUT. CODE ALL THAT APPLY**

Mobile 1
Broadband 2
Lines / circuits rental 3
Call costs 4
Something else (specify) 5
Don't know DO NOT READ OUT 6

Q20 What action, if any, did you take regarding this price increase? **DO NOT READ OUT. MULTICODE**

Did nothing 1
Switched supplier 2
Switched calls to another communications product (SPECIFY) 3
Renegotiated contract with supplier 4
Other (SPECIFY) 5
Don't know DO NOT READ OUT 6

ASK ALL

Q21 I'm going to read out some different attitudes towards communications spend, that other business people have shared with us. For each one, please tell me how much you agree or disagree that this applies to you or your organisation, using the following scale **(READ OUT SCALE):**

	RANDOMISE	Agree strongly	Agree slightly	Neither / nor	Disagree slightly	Disagree strongly	Don't know
A	I change communications suppliers as often as I can in order to get the best deals	1	2	3	4	5	
B	The quality and reliability of communications are more important to my organisation than price	1	2	3	4	5	
C	Communications spend is a small proportion of our overall overheads, so management is pretty relaxed about costs	1	2	3	4	5	
D	The organisation actively encourages staff to minimise communications spend	1	2	3	4	5	
E	All communications providers offer the same services	1	2	3	4	5	
F	I always go for the cheapest provider	1	2	3	4	5	
G	I would switch to a different communications technology if it provided the same or similar services more cheaply	1	2	3	4	5	
J	There is a general downward trend in the prices of communications devices and services	1	2	3	4	5	

ASK ALL

Q22 Please put the following items in order of priority for you when choosing communications services:

ROTATE. PLACE IN RANK ORDER

Reliable services 1
Services that reduce my overheads 2
Services that allow greater flexibility 3

ASK ALL

Q23 What key changes do you expect to make to the communications devices and applications in your business over the next two to five years?

OPEN ENDED RESPONSE. PROBE TO NULL

CLASSIFICATION

ASK ALL

C1 Which of the following bands best describes your organisation's turnover for the last financial year?

READ OUT. CODE ONE ONLY.

INTERVIEWER INSTRUCTION: START AT AN APPROPRIATE PLACE ON THE SCALE GIVEN THE SIZE OF THE ORGANISATION YOU ARE SPEAKING TO

Under £50K 1
£50 to less than 75K 2
£75k to less than £100k 3
£100k to less than £250k 4
£250k to less than £500k 5
£500k to less than £1m 6
£1m to less than £3 7
£3m to less than £5m 8
£5m to less than £10m 9
£10m to less than £25m 10
£25m+ 11
Don't know / refused 12

C2 **INTERVIEWER CODE SEX**

Male 1
Female 2

THANK YOU FOR YOUR TIME