

BT Open Communications Consultation Response

Annex 1

Background, objectives and methodology

Following the success of Open Banking, the Government is aiming to apply a similar framework to the telco sector. BT therefore want to be proactive, conducting their own consumer research to positively influence and support the development of the Open Communications platform.

Key objectives:

1. How do consumers feel about the Open Communications platform concept?
2. What information do consumers need to make a fair and relevant comparison of broadband and mobile services?
3. What impact, if any, does TV have in the choice of broadband services?
4. What personal data are consumers willing to share to enable tailored recommendations?

Methodology

To provide a robust and representative sample for this research, Populus conducted an online survey in March 2020.

- 4,500 UK consumers
- Pay for a broadband service, broadband + TV service, or mobile service

Survey included **3 x Max Diff exercises**, one for broadband solus, one for broadband and TV, and one for mobile. Respondents saw one Max diff, depending on their current ownership

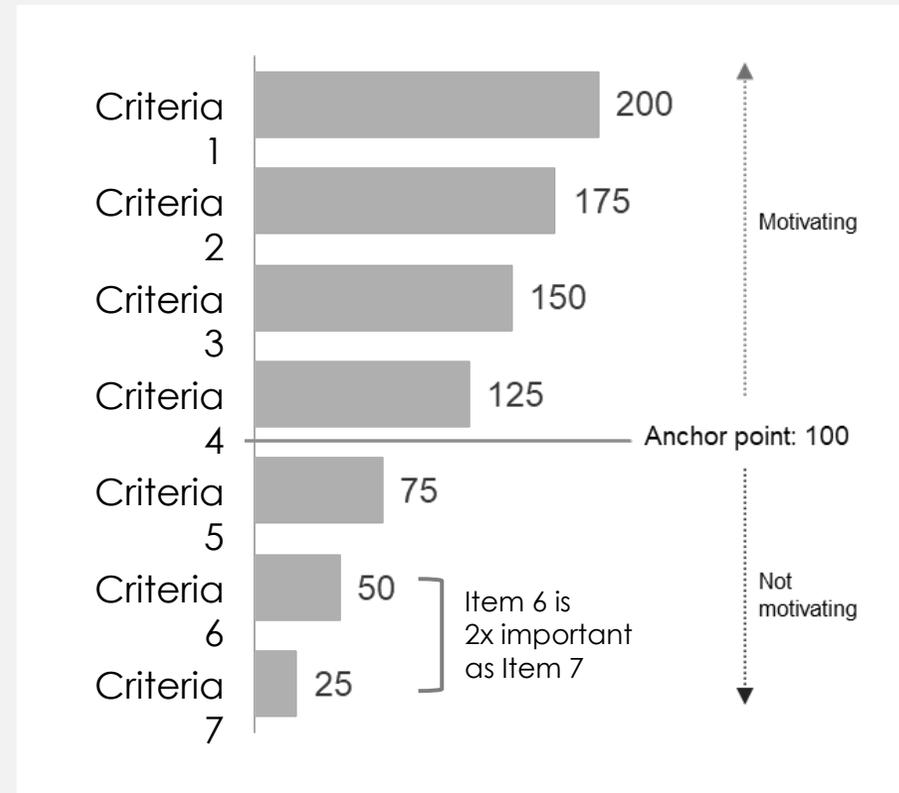
Max Diffs are a trade-off analysis, and were used to determine the criteria consumers prioritise most when purchasing broadband and mobile products **to inform which data to share that will be most valuable to consumers**

Understanding the MaxDiff

Background to the MaxDiff

- Maximum Difference Scaling (MaxDiff) is a way of evaluating the importance of a number of alternatives. It is a discrete choice technique where respondents are asked to make simple best / worst choices
- Asking respondents to trade alternatives against each other means we can understand which they prioritise most
- In the surveys, respondents were shown a variety of criteria which may or may not be important to them when purchasing a new mobile, broadband service, or pay-for-TV service. These were presented over several screens, and respondents were asked to select the criteria most and least important in their purchase decision. An example is shown below:

Example output of the MaxDiff



Ensuring vulnerable customers were represented

To deliver a representative sample we used an online survey which captured consumers with and without vulnerabilities.

Vulnerability definitions were taken from *Customers with Additional Needs* (A BT/Populus project in 2019 which identified and defined the audiences most vulnerable when dealing with telecoms providers).

Other vulnerabilities could include:

- Elderly
- Socially isolated
- Changing circumstances

However, generally speaking these people have additional needs because they also have a disability, financial vulnerability, or online vulnerability



Disability (n=1,103)

Physical or mental health issue that affects day to day living (a lot or a little)



Financial vulnerability (n=1,122)

Household income of under £16,105 OR poor/ very poor credit rating



Online vulnerability (n=777)

Find day to day online tasks quite difficult / very difficult

Importance of criteria for delivering fair and relevant broadband comparisons

What broadband criteria is most important to a consumer?

Broadband criteria which may be shown in platform (and tested in Max Diff):

Service features (incl. A reliable internet connection that is free from drop outs, Inclusion of a landline)

Price (incl. Consistent pricing over time, Bills that are simple and easy to understand)

Extra benefits (incl. Loyalty rewards as part of my deal)

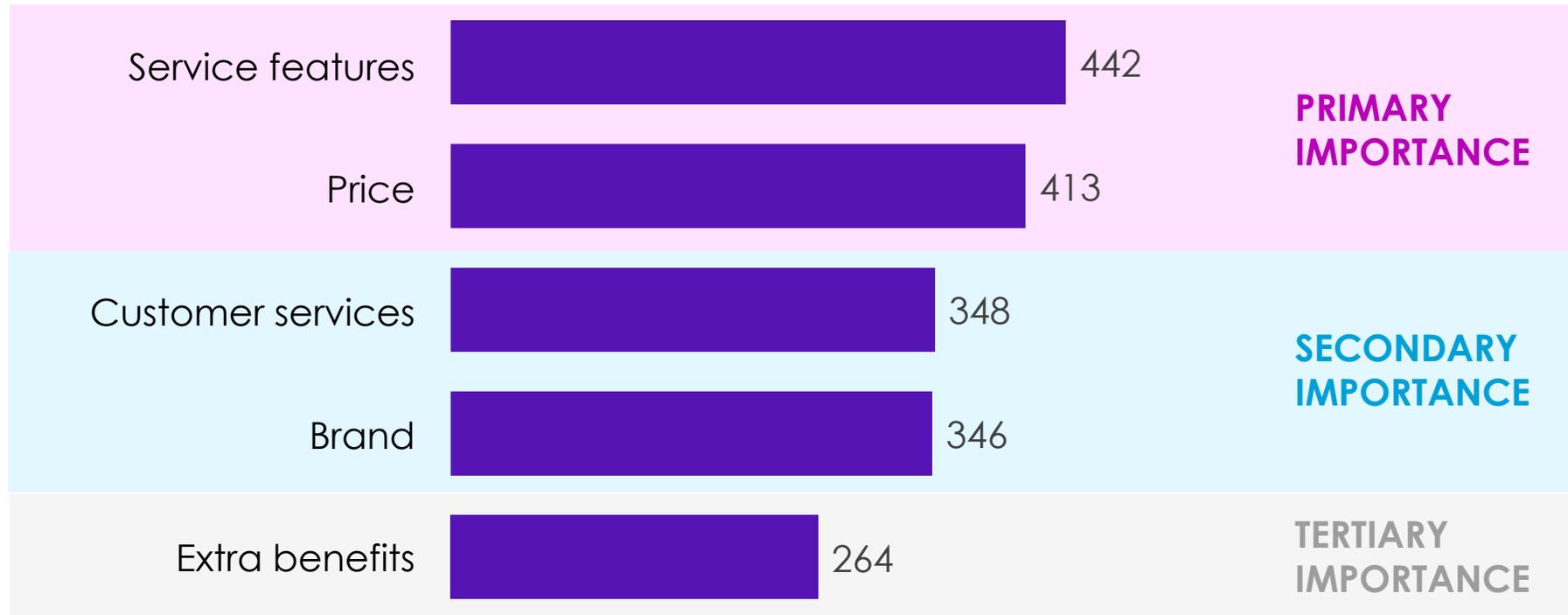
Customer services (incl. Quick responses if I encounter any problems with my service)

Brand (incl. A well established and trustworthy brand)

Service features is the most important broadband criteria, followed by price. Brand, customer services and extra benefits are least important, but still play a role in the decision

Importance of criteria when choosing a broadband service (ranked on top scoring statement in each area)

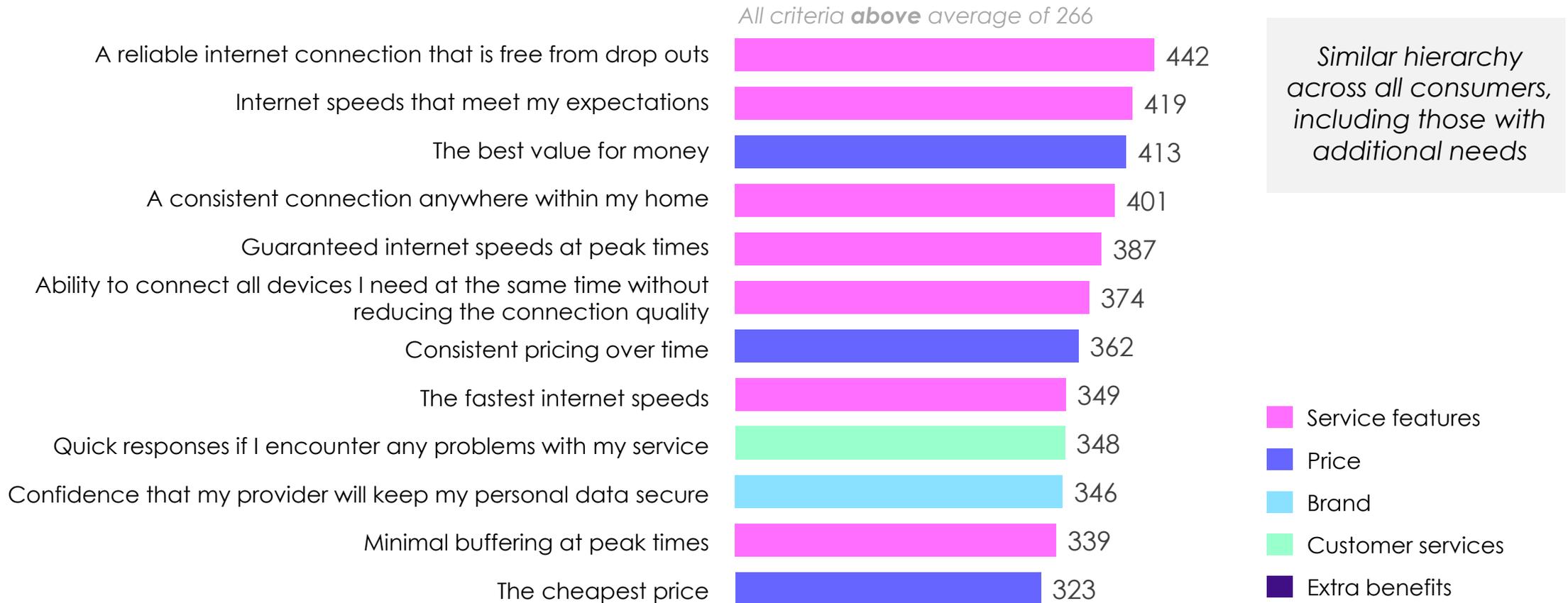
Note: All criteria tested scored over 100, meaning they all play a role in the broadband purchase journey



Similar hierarchy across all key consumer subgroups, including those with additional needs

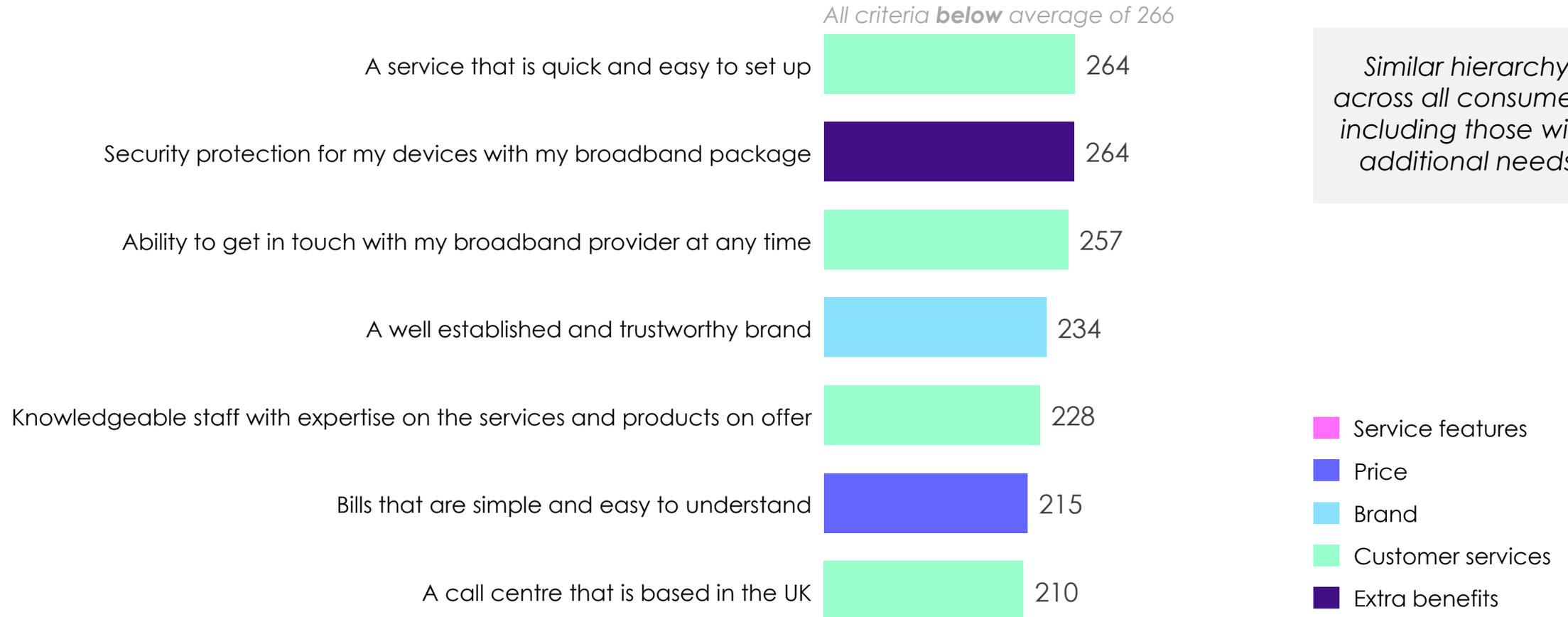
Reliability and speed are the most important service features across all broadband consumers, while value for money and consistent pricing overtime are the most important price criteria

Importance of criteria when choosing a broadband service (showing >300)



Of secondary importance, broadband consumers are looking for a service that is quick and easy to set up, as well as security benefits

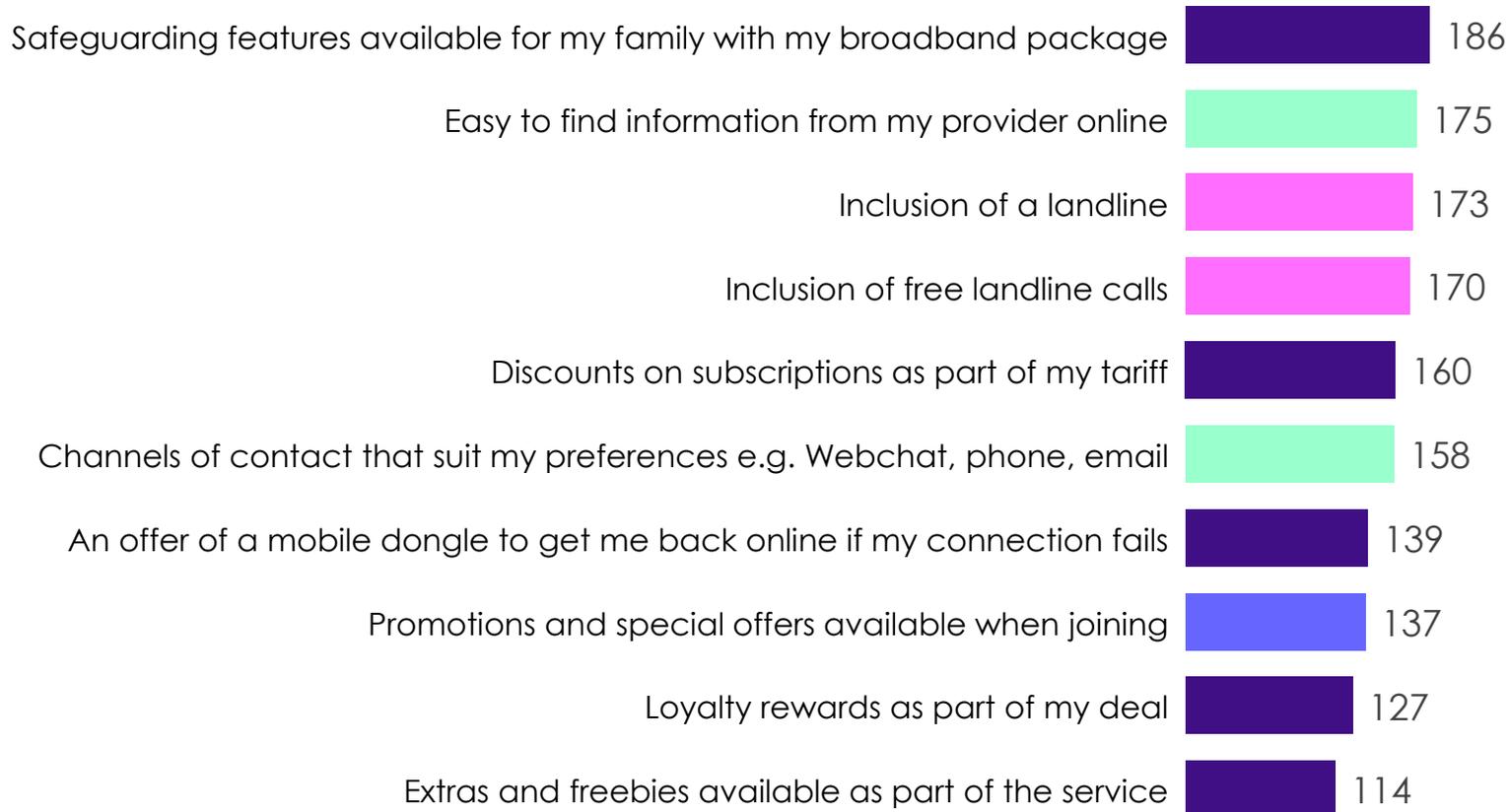
Importance of criteria when choosing a broadband service (showing 200-300)



Extra benefits such as safeguarding features or subscription discounts, along with inclusion of a landline, are of tertiary importance but still play a role in driving broadband choice

Importance of criteria when choosing a broadband service (showing 100-200)

All criteria **below** average of 266

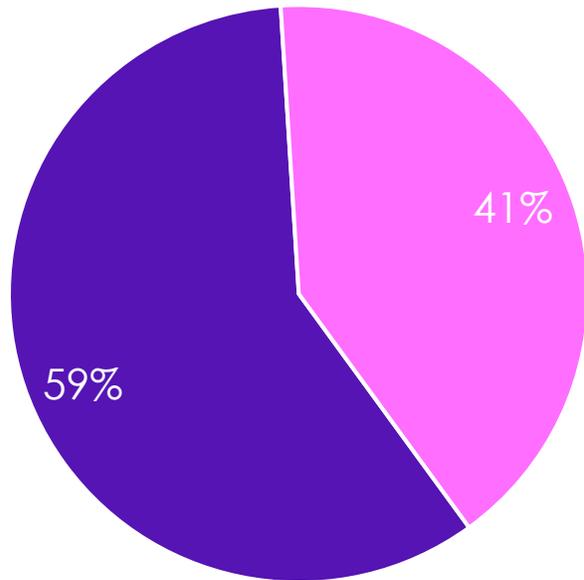


Similar hierarchy across all consumers, including those with additional needs

- Service features
- Price
- Brand
- Customer services
- Extra benefits

4 in 10 broadband consumers also purchase a TV service from the same provider; many prefer dealing with one telco only while others believe there are cost savings

Chart Title



■ 1 ■ 2

4 in 10 broadband consumers also purchase a TV service from the same provider. This means broadband service features and TV service features will have an impact on service choice

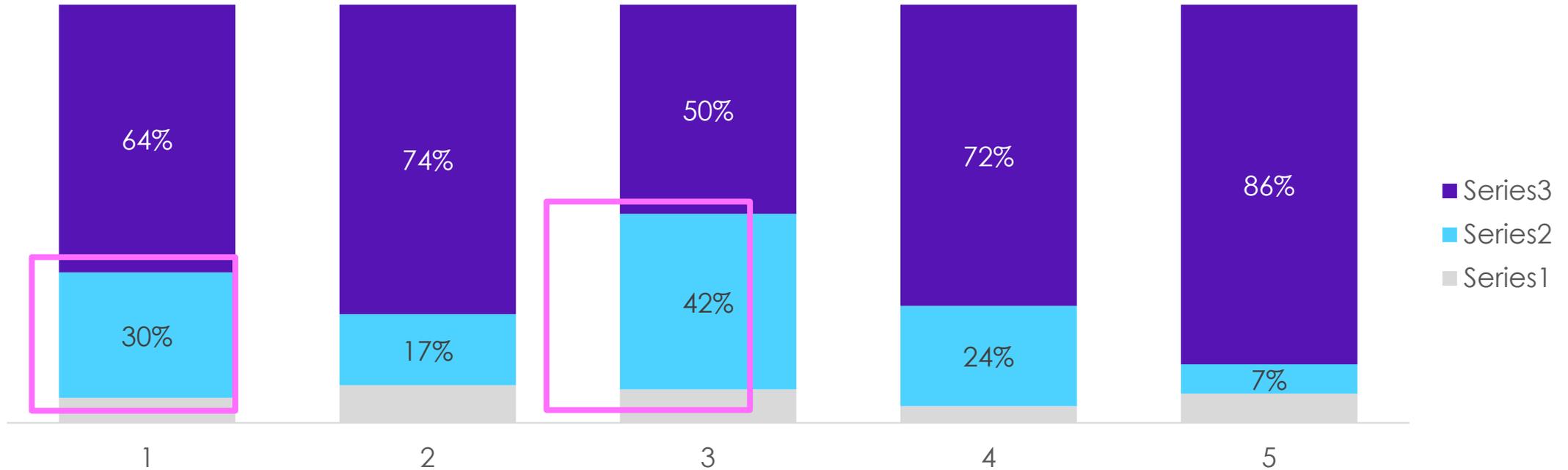
"I like dealing with only one company for broadband, TV, and phone."

"I want to save money by buying a bundle - as long as it includes services for both broadband and TV."

TV information should be made available in the Open Communications platform as TV is the most important product in many consumers telco bundle, particularly customers with Sky

Most important product in their Broadband and TV package (stated)

NOTE: 35+ year olds and consumers with additional needs are slightly more likely to state TV is most important product



What broadband and TV criteria is most important to a consumer?

Broadband and TV criteria which may be shown in the platform (and tested in Max Diff):

Broadband service features (incl. A reliable internet connection that is free from drop outs, Inclusion of a landline)

TV service features (incl. Comes with a TV box that allows me to record live TV and watch at a later date)

Price (incl. Consistent pricing over time, Bills that are simple and easy to understand)

Extra benefits (incl. Loyalty rewards as part of my deal)

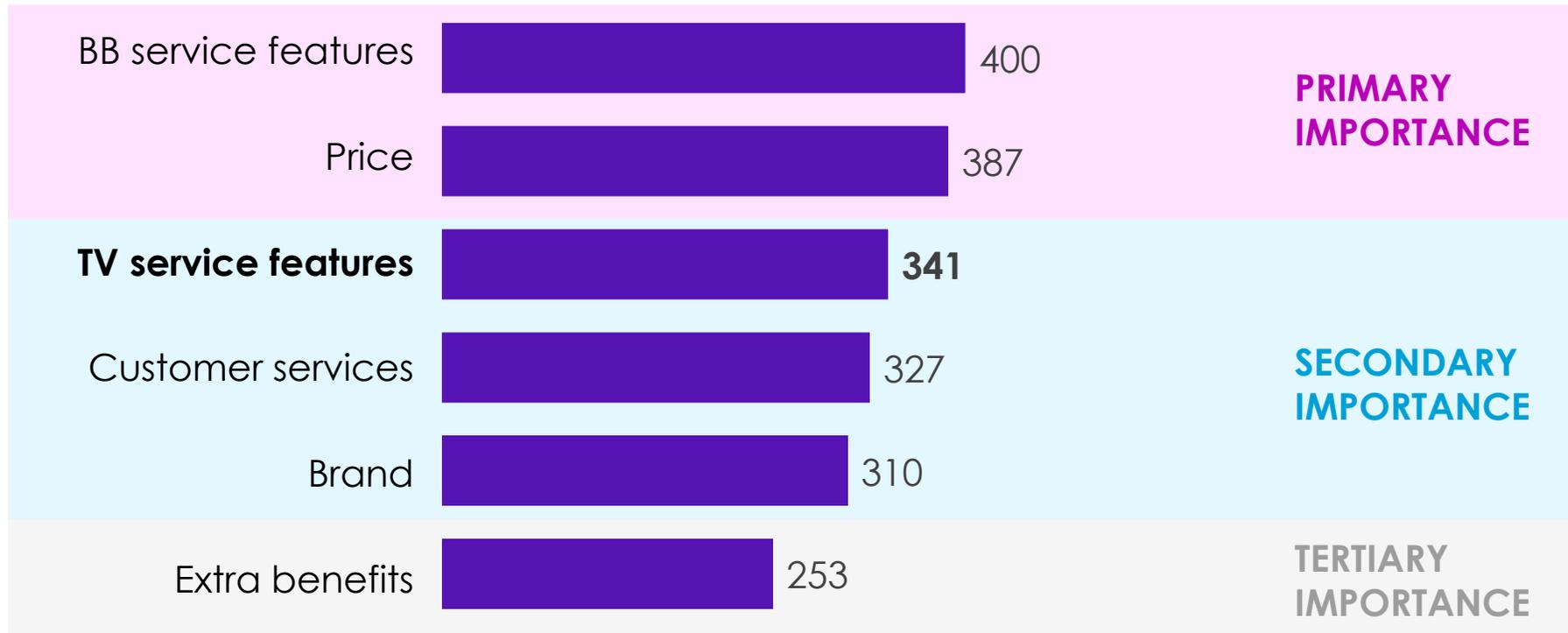
Customer services (incl. Quick responses if I encounter any problems with my service)

Brand (incl. A well established and trustworthy brand)

Broadband service features and price are critical to triple play consumer choice, but TV service features also play a substantial role in their decision making

Importance of criteria when choosing a broadband and TV service (ranked on top scoring statement in each area)

Note: All criteria tested scored over 100, meaning they all play a role in the broadband and TV purchase journey

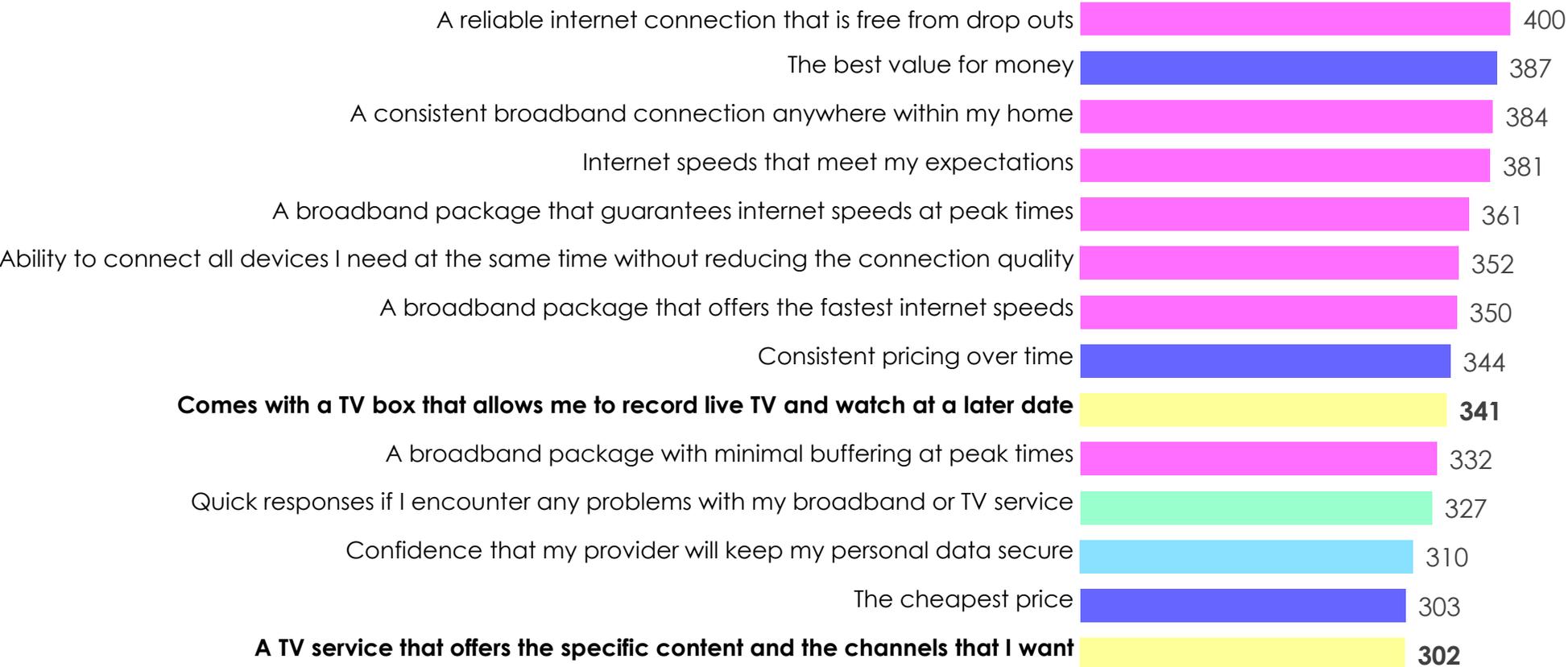


Similar hierarchy across all key consumer subgroups and brands, including those with additional needs

Beyond BB service features, sharing data about what channel/ content people are watching, could help drive better recommendations

Importance of criteria when choosing a broadband and TV service (showing >300)

All criteria **above** average of 254



Similar hierarchy across all consumers, including those with additional needs

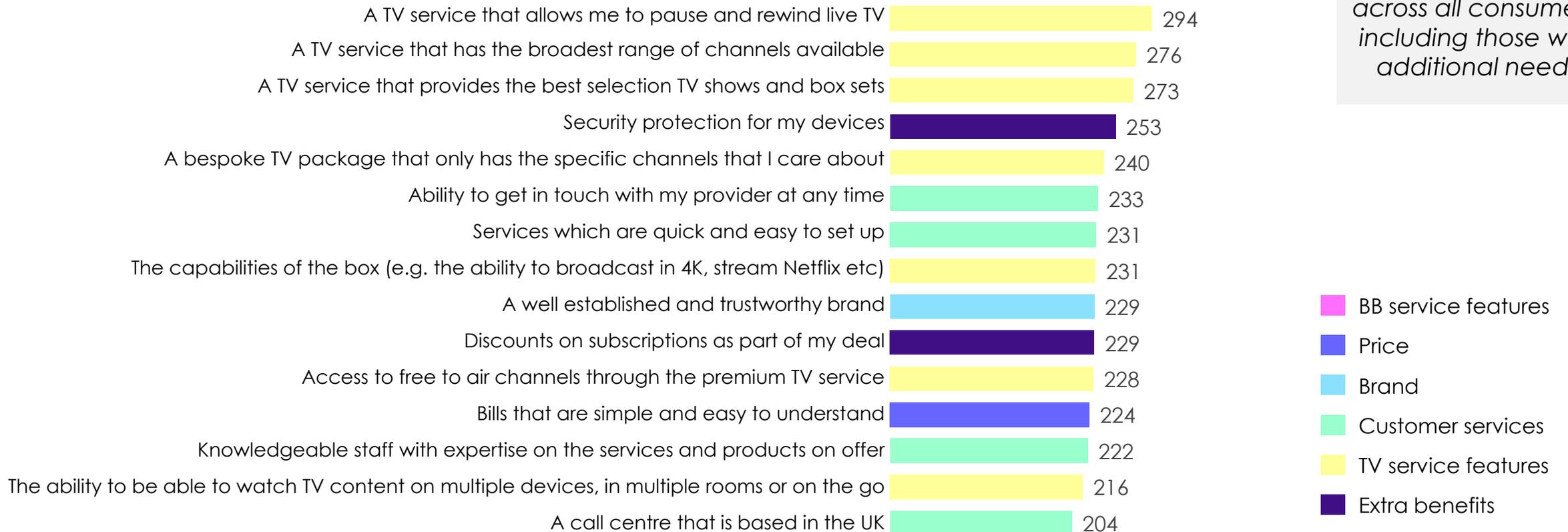
- BB service features
- Price
- Brand
- Customer services
- TV service features
- Extra benefits

Ability to pause/rewind live TV, and having broad/best content range are also important when choosing a broadband and TV service

Importance of criteria when choosing a broadband and TV service (showing 200-300)

Top 3 criteria shown are **above** average of 254, the remaining are below average

Similar hierarchy across all consumers, including those with additional needs

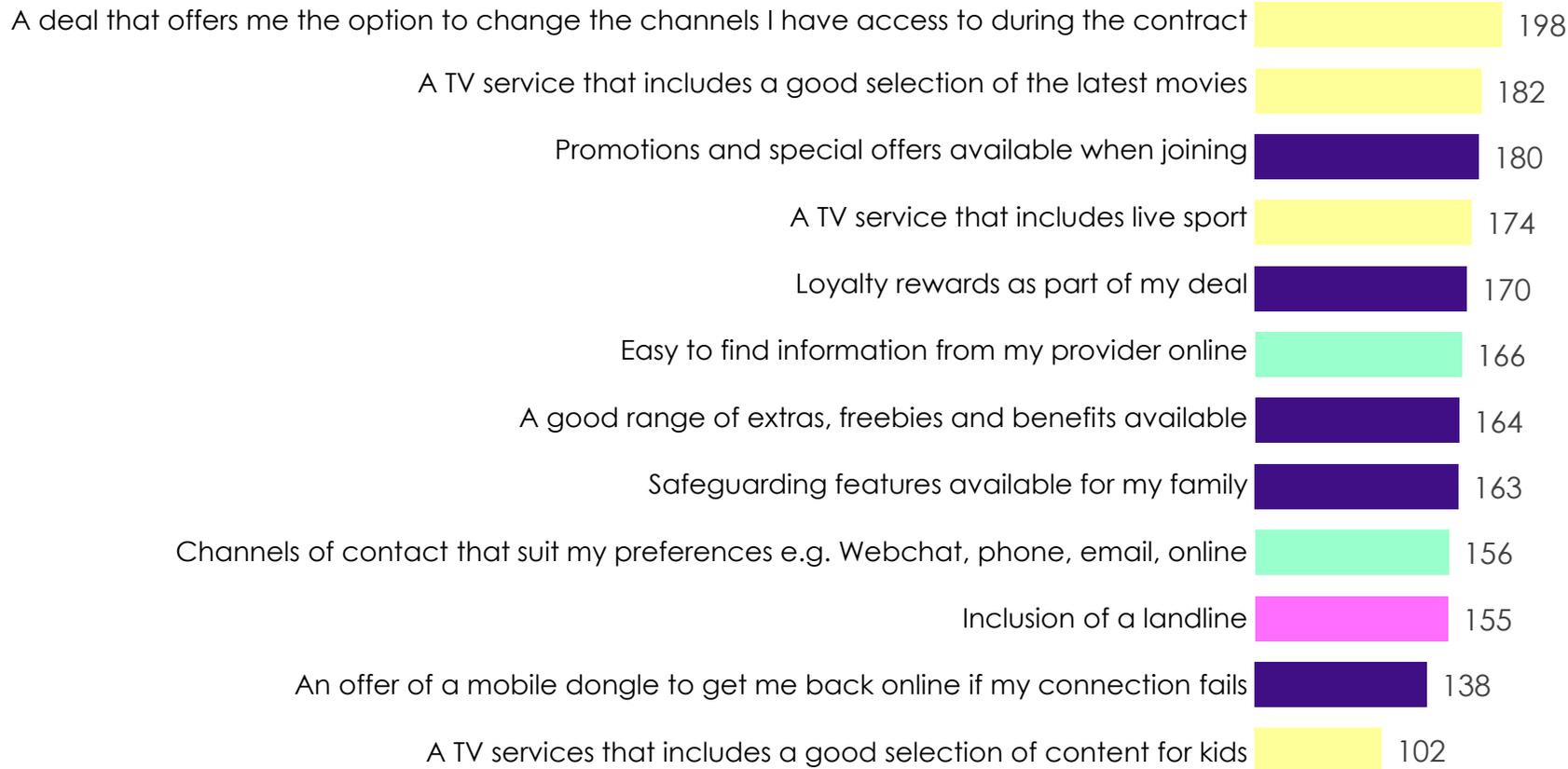


Though of less importance, ability to change channels mid-contract, live sport, and good selection of movies still play a role in service choice

Importance of criteria when choosing a broadband and TV service (showing 100-200)

All criteria **below** average of 254

Similar hierarchy across all consumers, including those with additional needs



- BB service features
- Price
- Brand
- Customer services
- TV service features
- Extra benefits

What mobile criteria is most important to a consumer?

Mobile criteria which may be shown in the platform (and tested in Max Diff):

Mobile service features (incl. Reliable network coverage wherever I am outdoors)

Handset (incl. The phone brands/ models on offer (e.g. Samsung Galaxy S10, iPhone 11))

Price (incl. Consistent pricing over time, Bills that are simple and easy to understand)

Extra benefits (incl. Loyalty rewards as part of my deal)

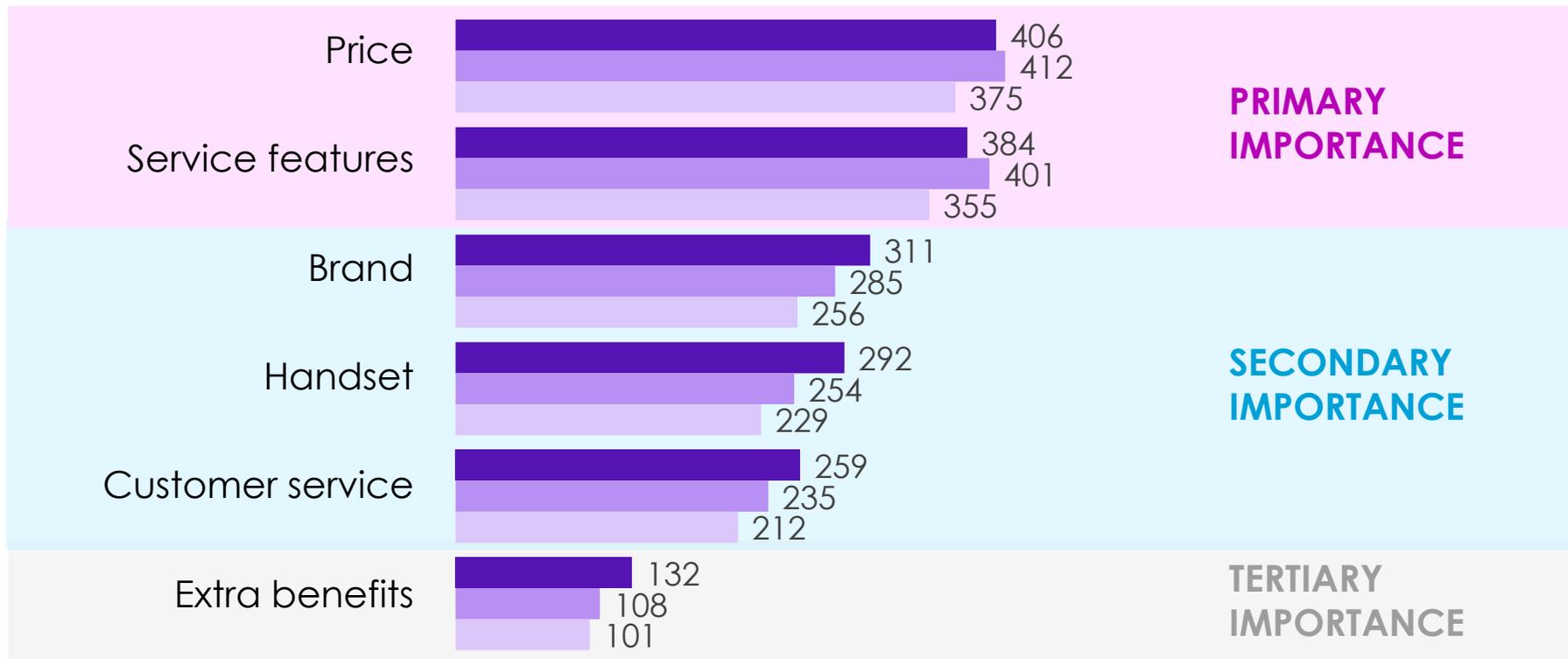
Customer services (incl. Quick responses if I encounter any problems with my service)

Brand (incl. A well established and trustworthy brand)

Service features and price are very important criteria in mobile choice.

Importance of criteria when choosing a mobile service (ranked on top scoring statement in each area)

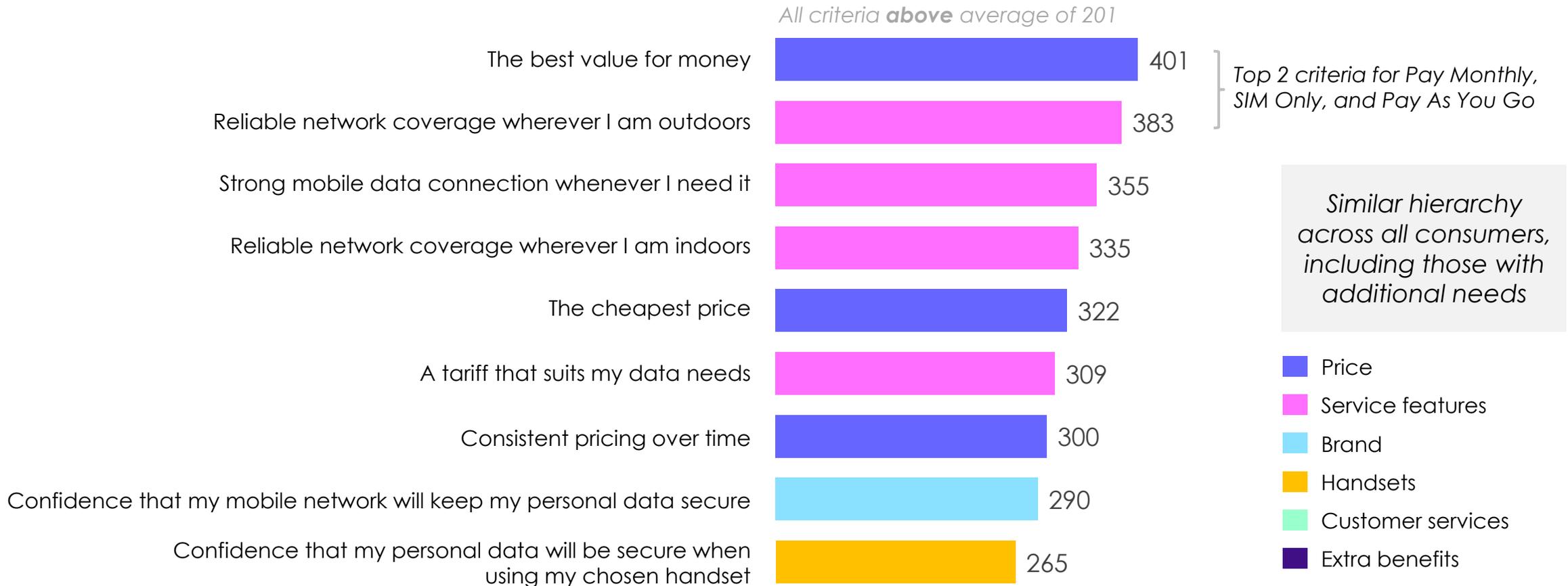
■ Pay Monthly ■ SIM Only ■ Pay As You Go



Similar hierarchy across all key consumer subgroups, including those with additional needs

Best value for money is most important, followed by reliable network coverage and strong data connection. Data security is also important

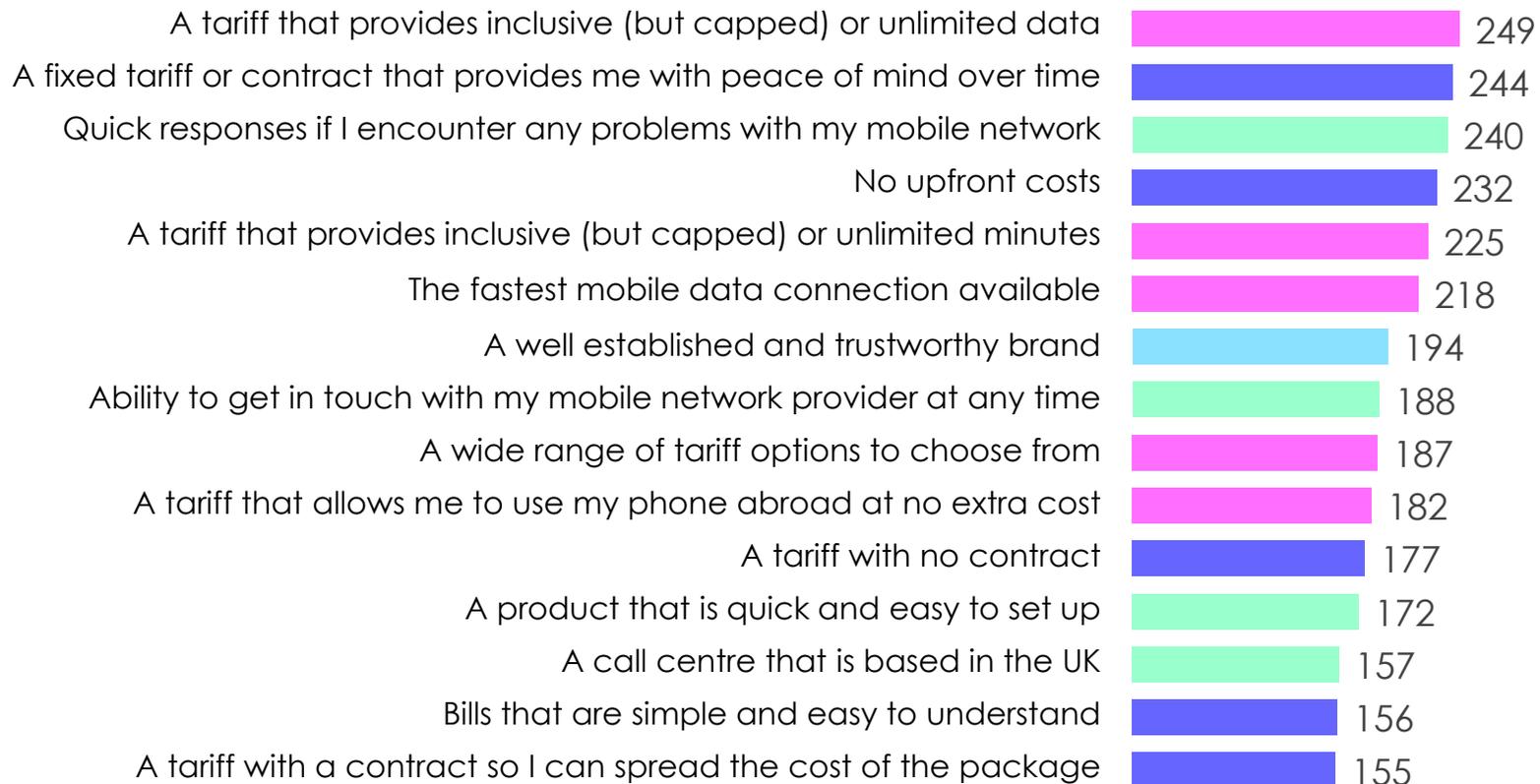
Importance of criteria when choosing a mobile service (showing >250)



Further service features, price criteria, and customer service criteria are important to consumers when choosing a mobile service

Importance of criteria when choosing a mobile service (showing 150-250)

Top 6 criteria shown are **above** average of 201, the remaining are below average



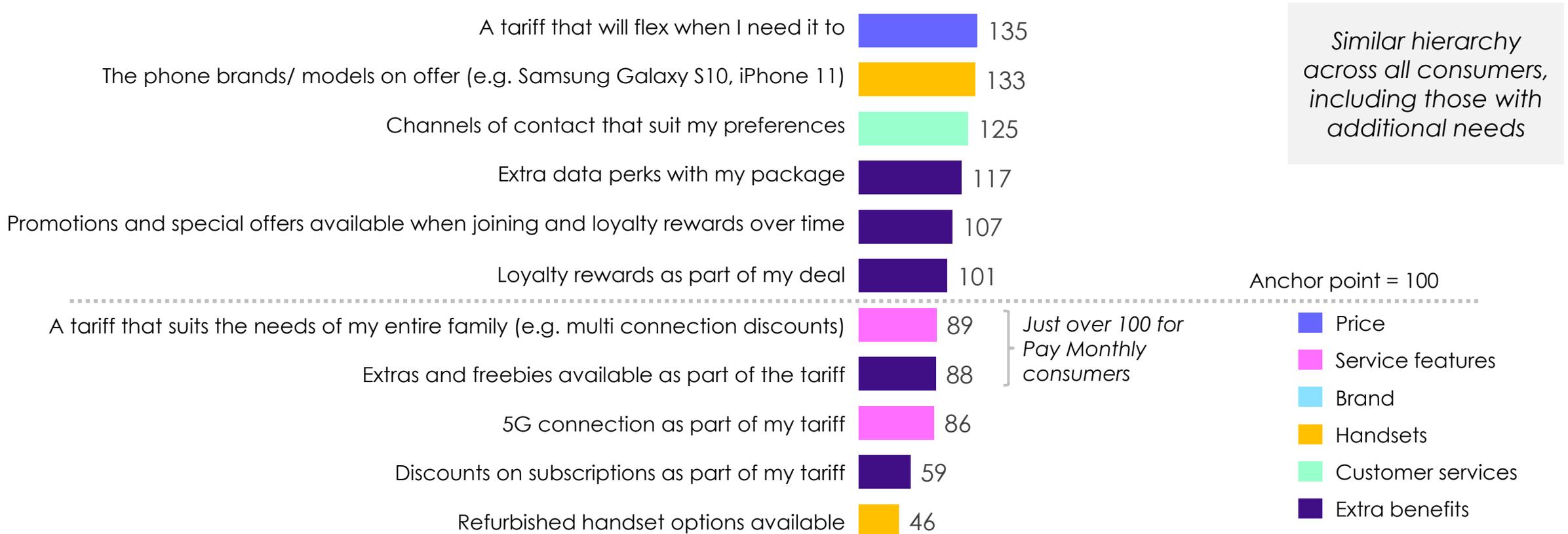
Similar hierarchy across all consumers, including those with additional needs



Flexible tariffs, handset models, contact channels, and extra benefits play a limited role in consumers choice of a mobile service

Importance of criteria when choosing a mobile service (showing <150)

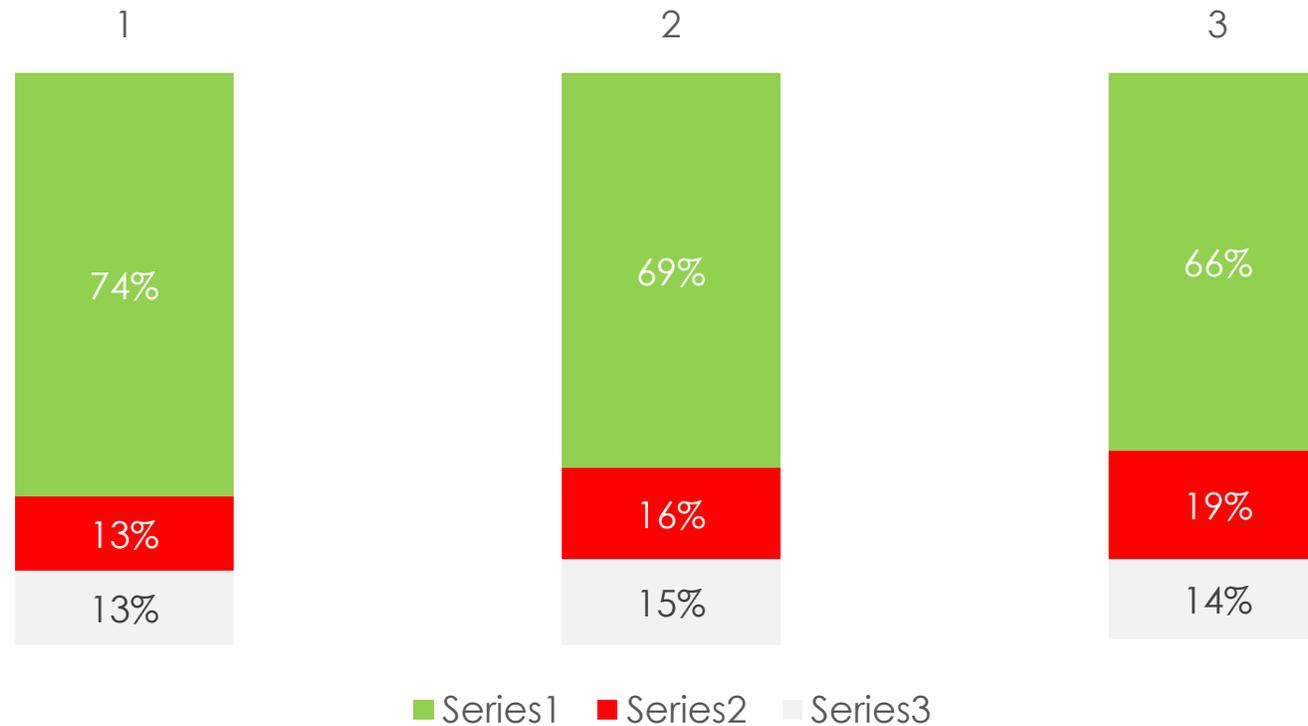
All criteria **below** average of 201



However, the majority are willing for vulnerability flags to be shared between telecoms providers

Attitudes towards providers sharing vulnerability flags

Among consumers with additional needs

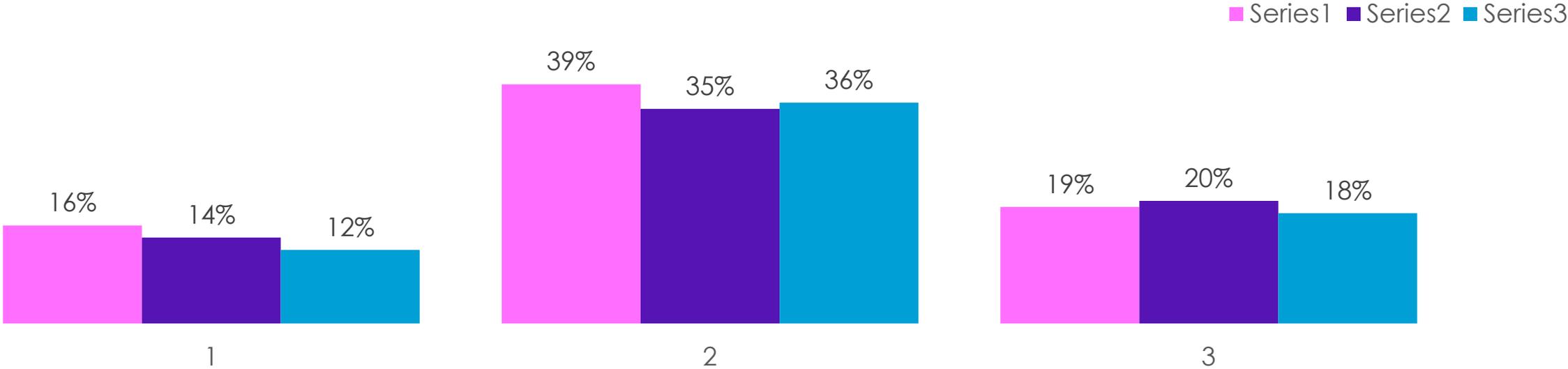


Q. When customers have received extra help from a service provider, the details of this extra help may be stored to ensure continued support in the future. If you were to move service provider, would you want details of any extra help you may have received to be automatically shared with your new service provider? Base: UK consumers with a disability (1103), financial vulnerability (1122), online vulnerability (777)

Most to want to be given the option as to whether to share data about their vulnerabilities

Attitudes towards providers sharing vulnerability flags

Among consumers with additional needs



Q. When customers have received extra help from a service provider, the details of this extra help may be stored to ensure continued support in the future. If you were to move service provider, would you want details of any extra help you may have received to be automatically shared with your new service provider? Base: UK consumers with a disability (1103), financial vulnerability (1122), online vulnerability (777)

