Payment and billing methods

Kantar Media
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Methodology and notes on analysis

Methodology

- All interviews conducted using Kantar Face-to-Face Omnibus
- Nationally representative sample of 4183 UK adults aged 16+
- Fieldwork 11th April – 15th April 2014, 18th April – 22nd April 2014

Notes on analysis

- Data has only been charted where base sizes are greater than 50 as such comparable charts are not available for some markets.
- indicates % significantly higher than average, tested at 99% confidence not all charts have been tested
- Direct debit is referred to in this report as DDR
- Consumer who purchase their service as a single service i.e. not as part of a bundle are referred to in this report as ‘standalone purchasers’

Key findings – paper billing

Paper bills (focus on landline customers)

- **Consumers who purchase their landline as a single service (i.e. standalone customers) are more likely than customers in other communications markets, to only receive a paper bill (44%*).** Receipt of only paper bills in each of the other communications markets ranges between 18% (package of services) and 11% among mobile contract customers.

- **Receipt of paper bills (total) is more common in utility markets, than most communications markets.** Paper billing stands at 62% for water, 55% for electricity and 51% for gas (51%). The corresponding figures in each of the communications markets are; 49% landline, 26% package, 20% fixed broadband, 21% pay TV and 15% mobile contract**.

- **A quarter of landline customers only receive a paper bill and no other form of notification of their charges.** Just under a fifth (18%) said they only receive a paper bill, but also receive some form of notification such as an email, bank statement, letter or text from their provider.

- **The main reasons landline customers say they receive paper bills are to retain hard copies (40%), historic/habit (29%).** Other reasons include 'to check the amount of the bill '(15%), or 'no other way of viewing bill' (10%) the latter being stated by more fixed line customers aged 55+ (14%) than under 55 (4%), and by more C2DE's (13%) than ABC1s (6%).

- **Checking bills via alternative methods was the main reason for not receiving paper bills in the landline market (37%).** Around two-fifths of landline customers said they didn't receive a paper bill because it was cheaper not to (18%). Two-fifths (39%) who receive paper bills said 'they pay extra' or 'would receive a discount' if they did not receive a paper bill.

* a proportion of these do receive a form of notification of charges
** data for each individual market is based on standalone purchasers only.

Key findings – payment methods, overview

Payment methods (focus on non-DDR payments, cross market comparison)

- **With the exception of mobile prepay customers** (where 80% pay via non-DDR methods) **landline standalone customers are least likely to pay their bills via DDR (83%).** The comparable figures in each of the other communications markets are; 95% among mobile contract customers, 93% among those with a package of services, 92% for standalone pay TV and 91% for standalone fixed broadband.

- **The most common payment method after DDR in the landline market is face to face either using cash or bank cards.** In the landline market 11% say they pay their bills face to face, the majority doing so with cash (8%). Face to face payment is less common in each of the other communications markets.

- **A minority in each of the communications markets say they pay their bills online** ranging from 1% in the fixed line and pay TV standalone markets to 2% in the mobile contract, fixed broadband standalone market and among bundlers.

- **The main reasons for paying via non-DDR methods are historic/habit** (e.g. always paid this way), **control over outgoings** (e.g. control over payments, rather pay what I owe) and **lack of trust** (e.g. don't trust the right amount to be taken). These are consistent reasons given across each of the communications markets.

Key findings – payment methods, landline

Payment methods (focus on non-DDR payment in landline market)

- **One in ten (9%) of all landline customers say they pay their line rental upfront**. There were few demographic differences. Use of prepaid line rental tariffs is most popular among those bundling this service with fixed broadband (17%). Half as many standalone purchasers prepay their line rental (8%).

- **Just over four in five (83%) landline standalone customers pay their bill via DDR. A total of 16% only pay their bill via methods other than DDR.** The main stated reasons for not using DDR payment were: historic/habit, control, and lack of trust .

- **In total 3% of standalone landline customers who do not pay by DDR mentioned involuntary reasons for this.** This equates 0.4% of standalone landline customers. Involuntary reasons include: 'bank account does not allow DDR' (1%), 'do not have bank account' (1%), 'do not know how to set up a DDR' (1%) and 'provider does not allow DDR payments' (1%)

- **Use of non-DDR methods is higher among those without internet access** (33%), older landline standalone customers (65-74 – 21% and 75+ - 30%), DE socio-economic groups (27%) and single person households (25%).

- **A minority (8%) of those not paying by DDR for their standalone landline service said their 'standard charges would be more if they paid by DDR'.** A third (32%) said 'they would be less' and a quarter (23%) considered 'they would remain the same.' Nearly two-fifths of non-DDR landline customers (37%) did not know whether paying by DDR would affect their standard charges.

- **Just over one in ten (14%) receive only a paper bill and pay by non-DDR.** This is higher among those without internet (32%), DE socio-economic groups (24%) and older customers, 65-74 (20%) and 75+ (27%).

Key findings – payment methods, package

Payment methods (focus on non-DDR payment among those with a package of services)

- **More than nine out of ten (93%) customers with a package or bundle of services pay via DDR.** A total of 6% only pay by methods other than DDR. The main stated reasons are historic/habit, control and lack of trust.

- **In total 5% of those with a package or bundle of services who pay via non-DDR stated involuntary reasons for doing so.** This equates 0.3% of those with a package of services. Involuntary reasons include: 'do not have bank account' (2%), 'bank account does not allow DDR' (1%), and 'do not know how to set up a DDR' (1%). Base sizes are too low to draw out any demographic differences in involuntary non-DDR payment.

- **Use of non-DDR methods is higher among those without internet access (22%),** DE socio-economic groups (14%).

- **A minority (5%) of those not paying by DDR for their package of services said their 'standard charges would be more if they paid by DDR'.** Two-fifths (39%) said 'they would be less' and a quarter (26%) considered 'they would remain the same'. Three in ten (29%) non-DDR package/bundle customers did not know whether paying by DDR would affect their standard charges.

- **A similar minority (4%) of package/bundle customers receive only a paper bill and pay by non-DDR.** This is higher among those without internet (16%), DE socio-economic group (10%) and higher among those not working (6%) than working (2%).

Key findings – payment methods, mobile contract

Payment methods (focus on non-DDR payment in mobile contract market)

Note: low base size for non-DDR users, treat as indicative only, limited analysis available

- **More than nine out of ten (95%) mobile contract customers pay via DDR.** A total of 4% only pay by methods other than DDR. The main stated reasons are historic/habit, control and lack of trust.
- **In total 4% of mobile contract customers who pay via non-DDR stated involuntary reasons for doing so.** Involuntary reasons include: ‘do not have bank account’ (1%), ‘bank account does not allow DDR’ (1%). Base sizes for this group are too small to draw out any demographic differences.
- **A minority (5%) of those not paying by DDR for their mobile contract said ‘their standard charges would be more if they paid by DDR’.** A fifth (18%) said ‘they would be less’ and more than half (56%) considered ‘they would remain the same’. A fifth (21%) of non-DDR mobile contract customers did not know whether paying by DDR would affect their standard charges.

Key findings – payment methods, fixed broadband

Payment methods (focus on non-DDR payments in fixed broadband market)

Note: low base size for non-DDR users, treat as indicative only, limited analysis available

- **Nine out of ten (91%) standalone fixed broadband customers pay via DDR.** A total of 6% only pay by methods other than DDR. The main stated reasons are historic/habit, control and lack of trust.
- **Use of non-DDR methods is higher among** DE socio-economic groups (13%) – there were no other significant demographic differences.
- **A minority (3%) of standalone fixed broadband customers receive only a paper bill and pay by non-DDR.** There were no significant demographic differences by socio-economic group or age.

Key findings – payment methods, pay TV

Payment methods (focus on non-DDR payments in pay TV market)

Note: low base size for non-DDR users treat as indicative only, limited analysis available

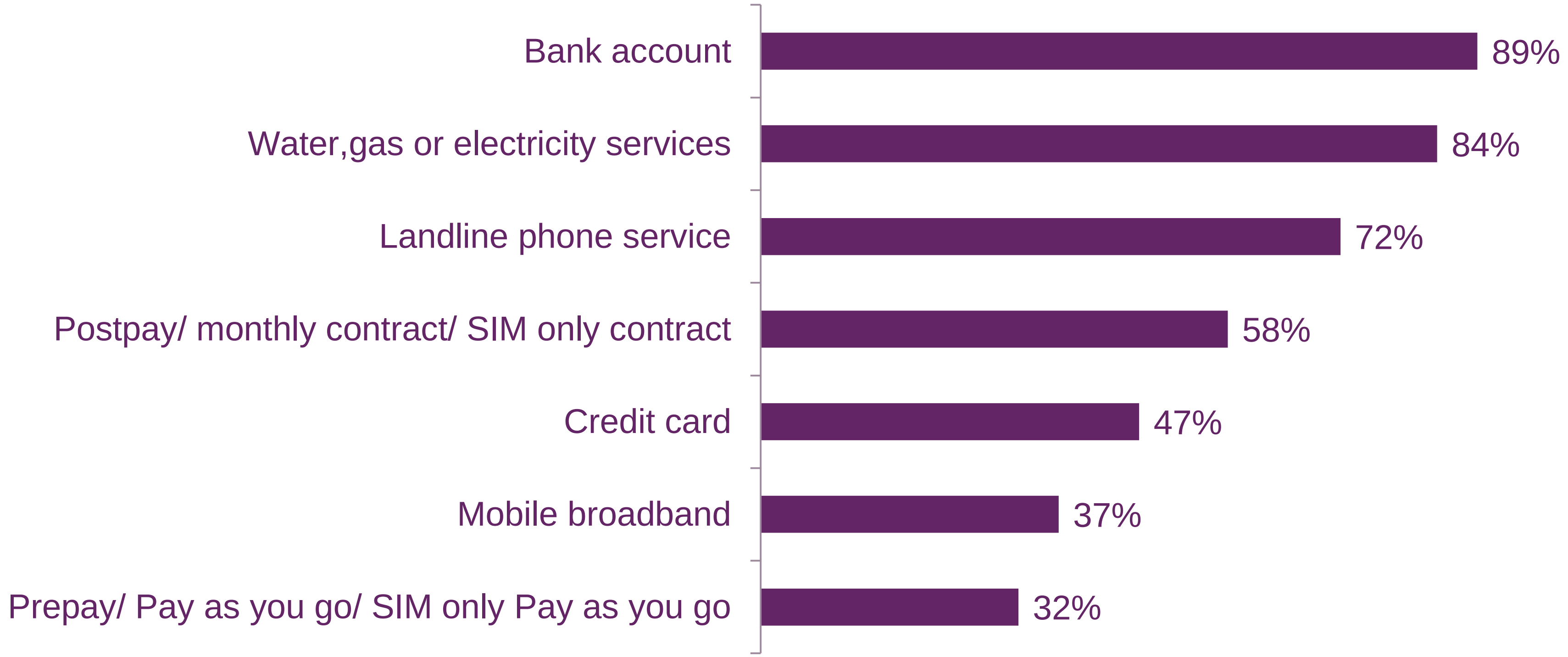
- **Nine out of ten (92%) standalone pay TV customers pay via DDR.** A total of 5% only pay by methods other than DDR. The main stated reasons are historic/habit, and lack of trust.
- **AB socio-economic groups were less likely to pay via non DDR (2%)** than DE groups (8%). There were no other significant demographic differences.
- **A minority (1%) of pay TV customers receive only a paper bill and pay by non-DDR.** There were no significant demographic differences by socio-economic group or age.

Main findings

Figure 1

Incidence of bill payers/services in household

% of all adults in the UK



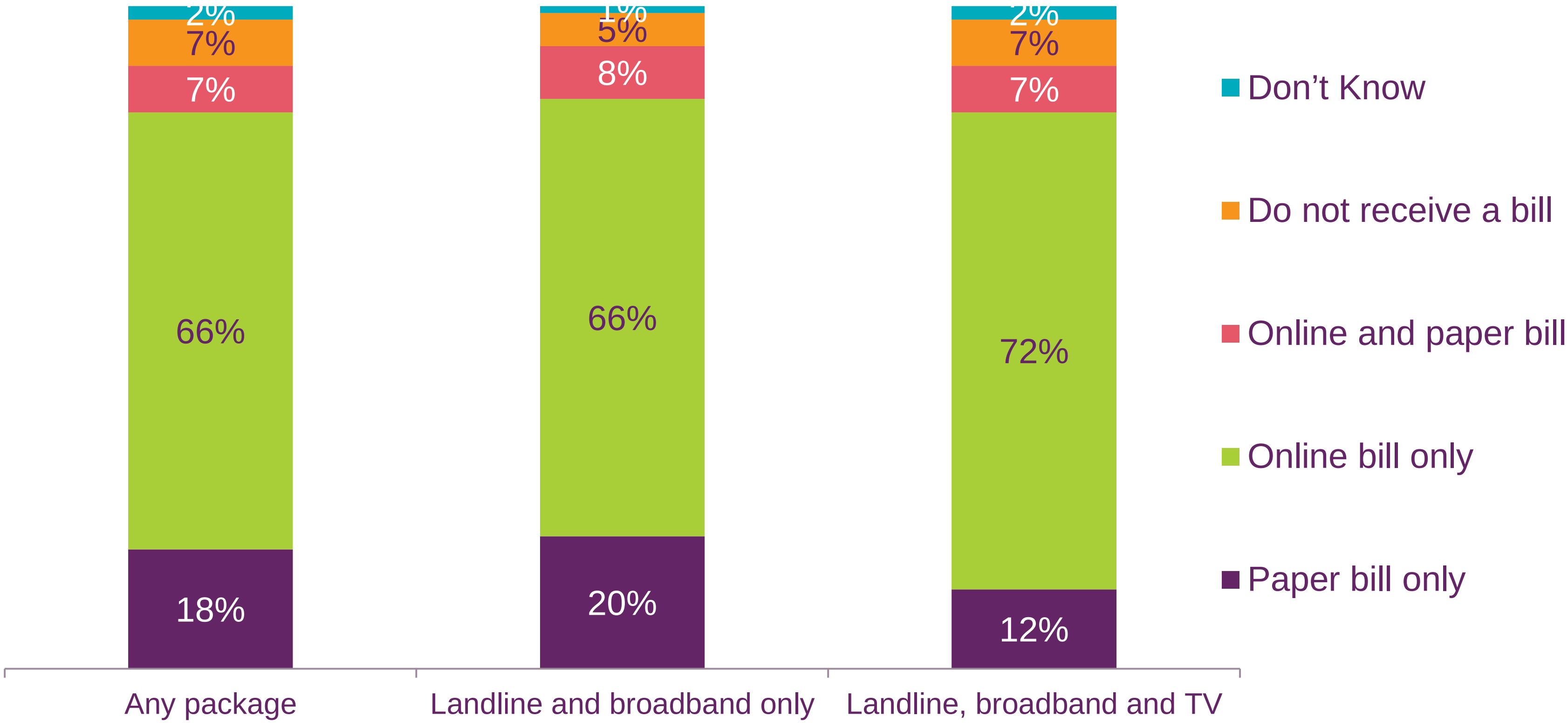
Source: Kantar Media Omnibus
Base: All adults 16+ in UK (N=4183)
Question: Q.1 Which of the following services, if any, do you have in your household, either in your own name or jointly with someone else ?

Main findings – package of services

Figure 2

Billing preferences: incidence of bill types

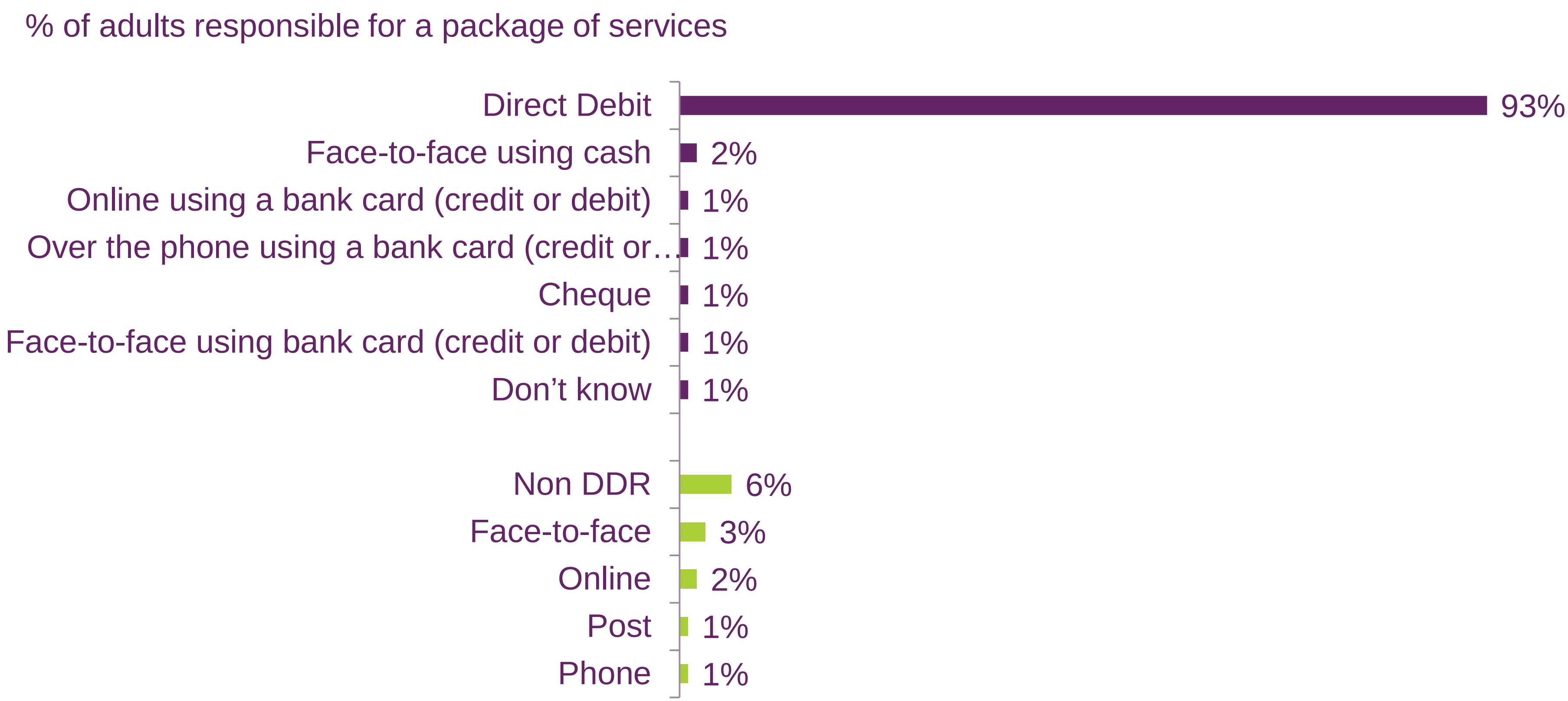
% of adults responsible for a package of services, by type of package



Source: Kantar Media Omnibus
Base: All responsible for a package of services (N=1472), all responsible for landline and broadband only (N=493), all responsible for landline, broadband and TV (N=505)
Question: Q.A2 Do you receive a paper bill, an online bill or both for your package of services?

Figure 3

Payment methods: alternative methods used

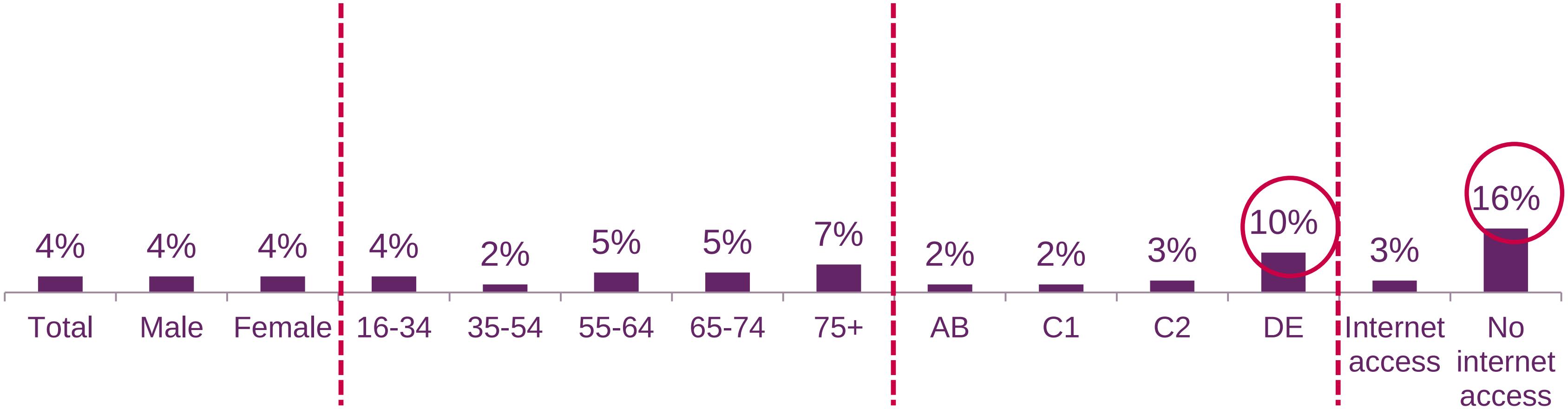


Source: Kantar Media Omnibus
Base: All responsible for a package of services (N=1472). Note: Only responses of 1% or more are shown.
Question: Q.A3 Which of the following best describes how you pay for your package of services?

Figure 4

Billing and payment preferences: all non-DDR and receive a paper bill

% of all adults responsible for a package of services, by demographics

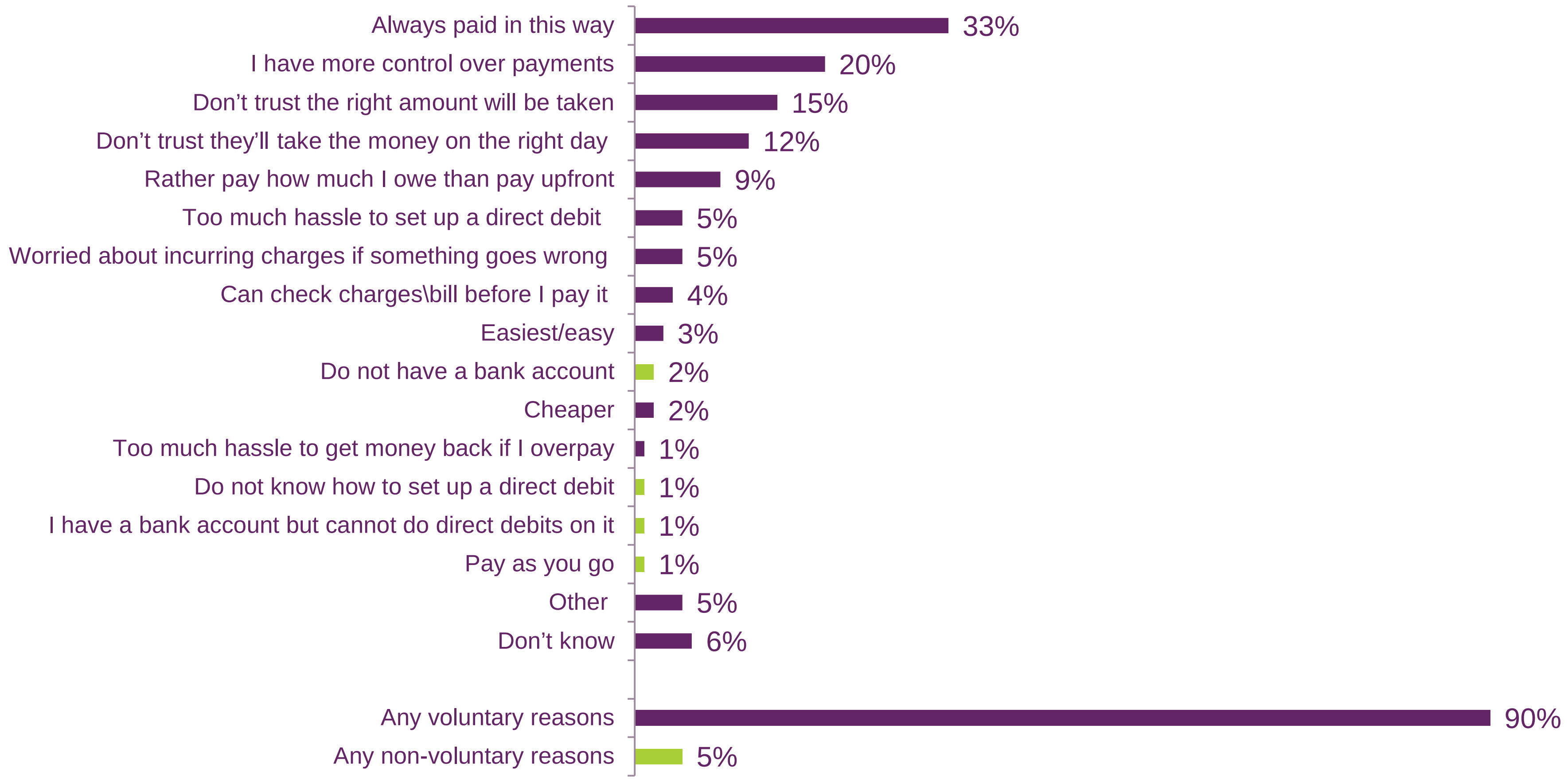


Source: Kantar Media Omnibus
Base: All responsible for a package of services (1472): Male (717), Female (755), 16-34 (300), 35-54 (533), 55-64 (251), 65-74 (256), 75+ (132) AB (385), C1 (413), C2 (287), DE (387), any internet access (1380), no internet access (*92) * Please note low base sizes
Question: Q.A2 Do you receive a paper bill, an online bill or both for your package of services?/ Q.A3 Which of the following best describes how you pay for your package of services?

Figure 5

Payment methods: reason for paying via non-DDR

% adults who do not pay by direct debit for their package of services



Source: Kantar Media Omnibus
Base: Q.A4 All who do not pay by direct debit for their package of services (N=97))* Please note low base size, and only responses of 1% or more are shown.
Question: Q.A4. Why do you pay for your package of services in this way, rather than paying by direct debit?
NOTE: 'Other' responses recoded into voluntary and non-voluntary, multi-coded question so totals may add to more than 100%

Figure 6

Payment methods: demographics of those paying via non DDR only

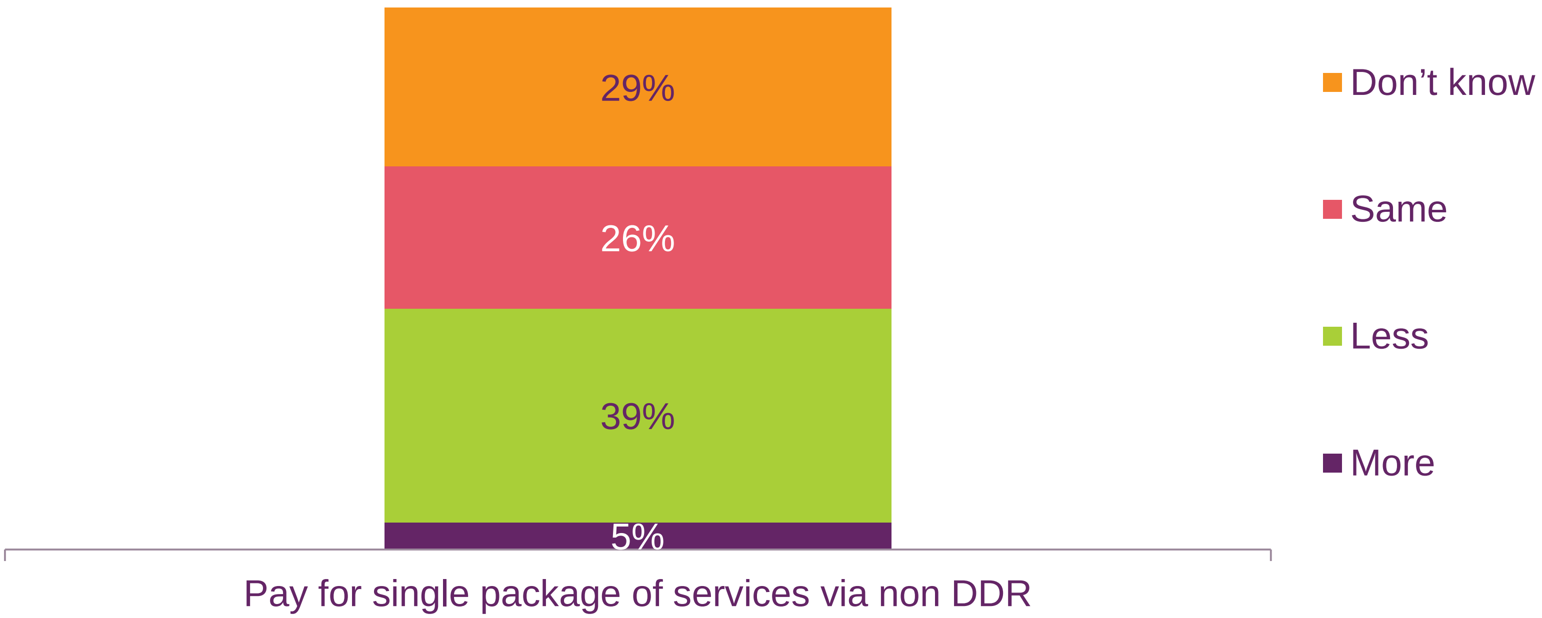
% of adults responsible for a package of services, by demographics

Source: Kantar Media Omnibus
Base: All responsible for a package of services (N=1472): Male (717), Female (755), 16-34 (300), 35-54 (533), 55-64 (251), 65-74 (256), 75+ (132) , AB (385), C1 (413), C2 (287), DE (387), any internet access (1380), no internet access (92) * Please note low base sizes
Question: Q.A3 Which of the following best describes how you pay for your package of services?

Figure 7

Payment methods: perceived incremental cost for paying via DDR

% of adults who do not pay by direct debit for their package



Source: Kantar Media Omnibus
Base: Q.A5 All who do not pay by direct debit for their package of services (N=97)* Please note low base size
Question: Q.A5 If you paid your bill by direct debit would your standard charges be more, less or the same as they are now?

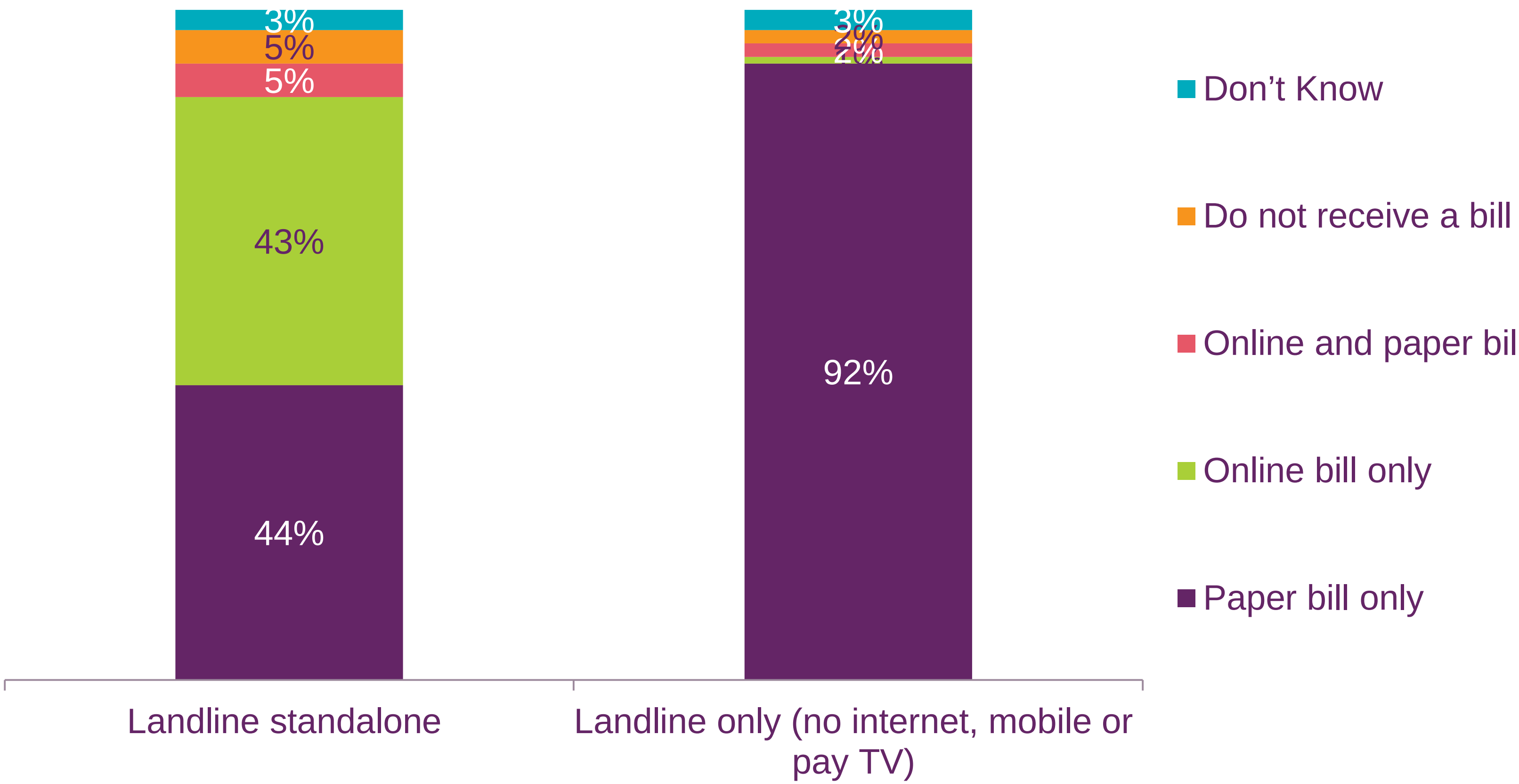
Main findings – landline service

Main findings - landline

Figure 8

Billing preferences: incidence of bill types

% of adults responsible for a landline service not part of a package

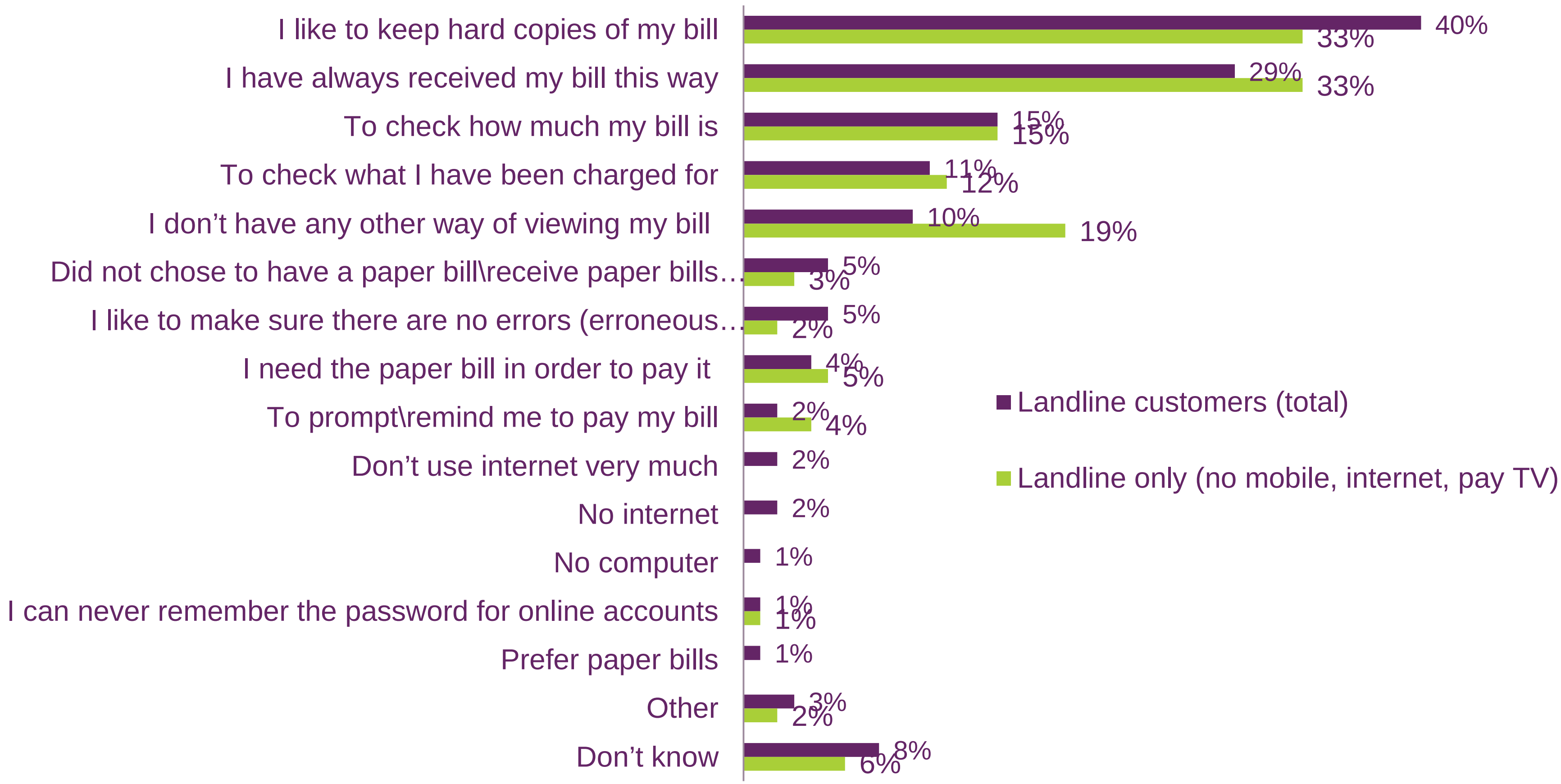


Source: Kantar Media Omnibus
Base: All responsible for landline not part of a package (N=1049), and those with a landline only (91*). *low base treat as indicative only
Question: Q.B2 Do you receive a paper bill, an online bill or both for your landline service?

Figure 9

Billing preferences: reasons for receiving paper bills

% of adults who receive paper bills for their landline service (including those in a package)

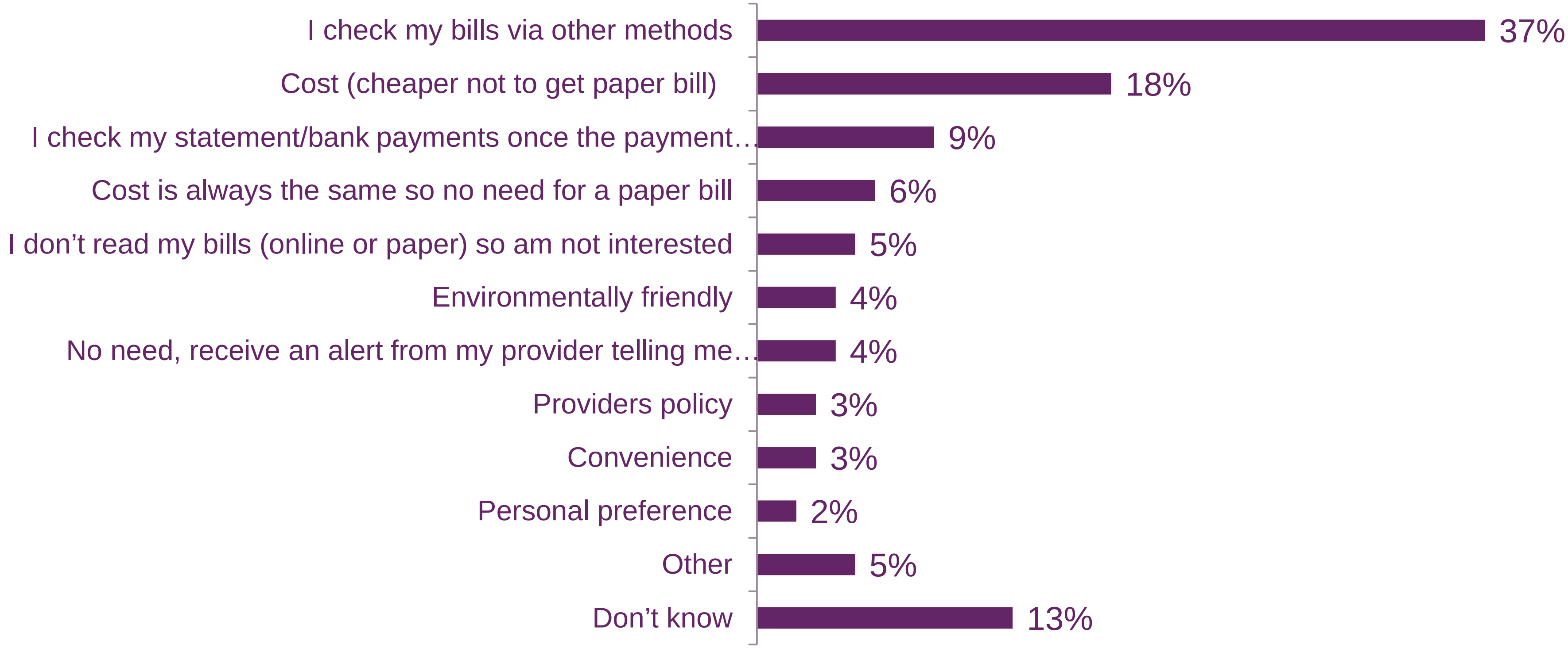


Source: Kantar Media Omnibus
Base: All who receive paper bills for their landline service (N=731), those with only a landline who receive paper bills only (91*). Note: Only responses of 1% or more are shown * small sample size
Question: Q.B7 Why do you receive paper bills for your landline service?

Figure 10

Billing preferences: reasons for not receiving paper bills

% landline customers (total) who do not receive paper bills

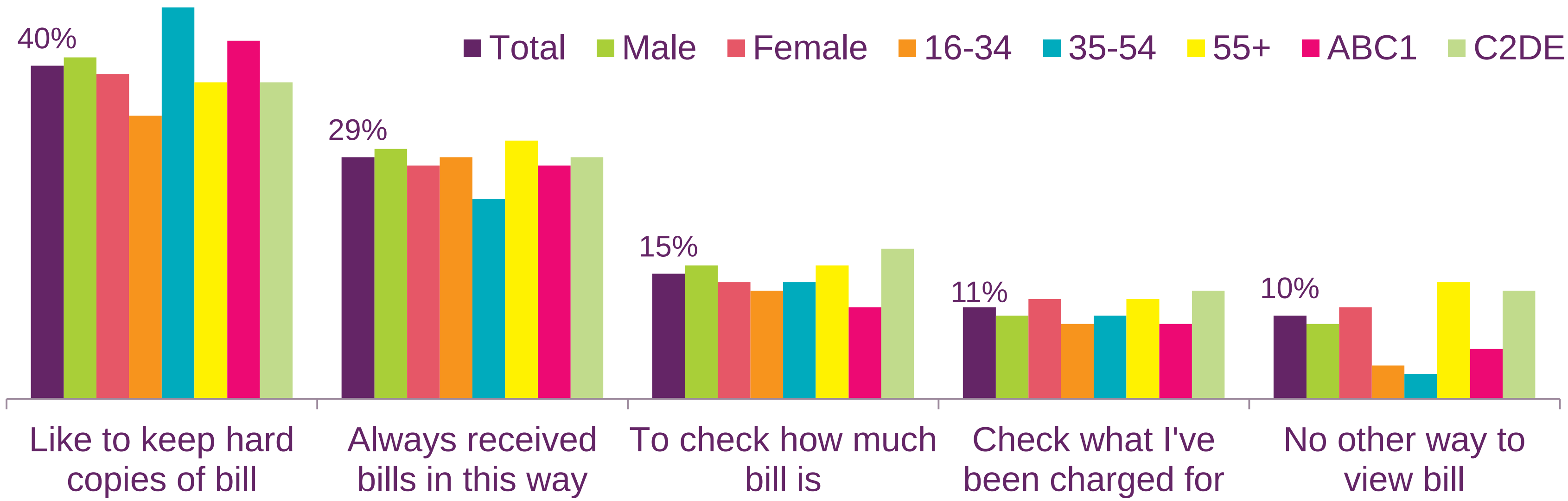


Source: Kantar Media Omnibus
Base: All who do not receive paper bills for their landline service (N=1382). Note: Only responses of 1% or more are shown.
Question: Q.B9 You said earlier that you do not receive paper bills for your landline, why is this?

Figure 11

Billing preferences: main reasons for receiving paper bills, by demographic

% of adults who receive paper bills for their landline service (including those in a package)



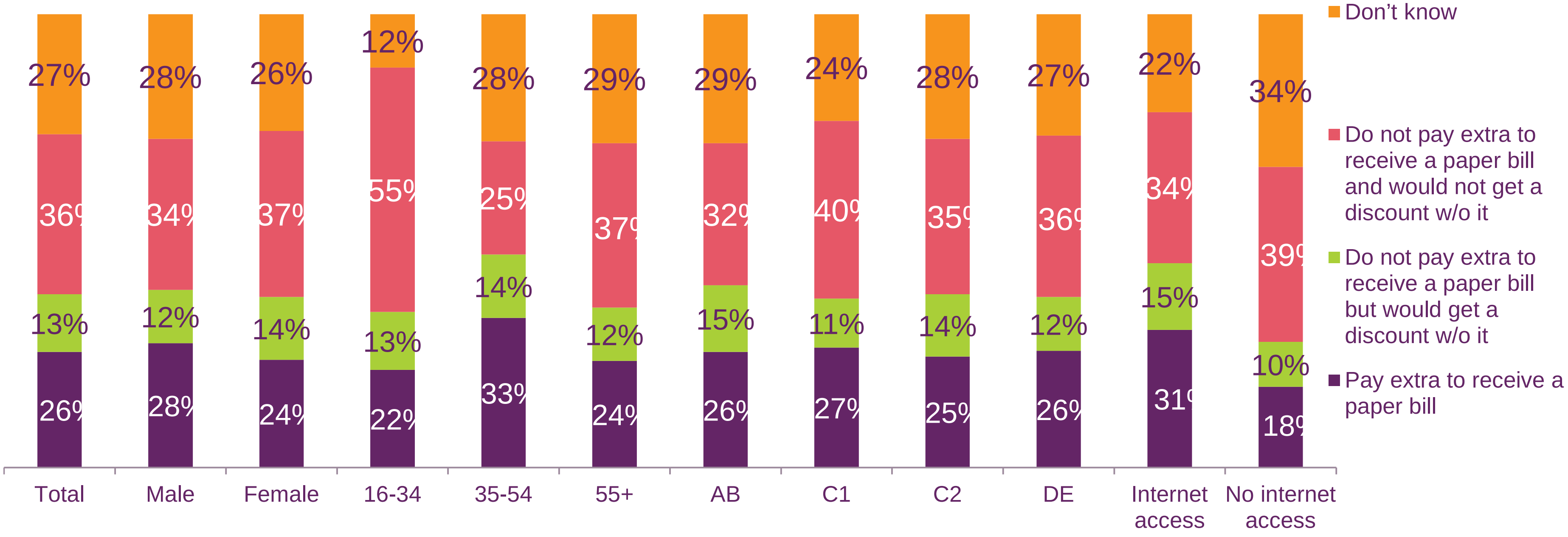
Source: Kantar Media Omnibus
Base: All who receive paper bills for their landline service (N=731)
Question: Q.B7 Why do you receive paper bills for your landline service?

Main findings - landline

Figure 12

Billing preferences: perceived cost of receiving paper bill

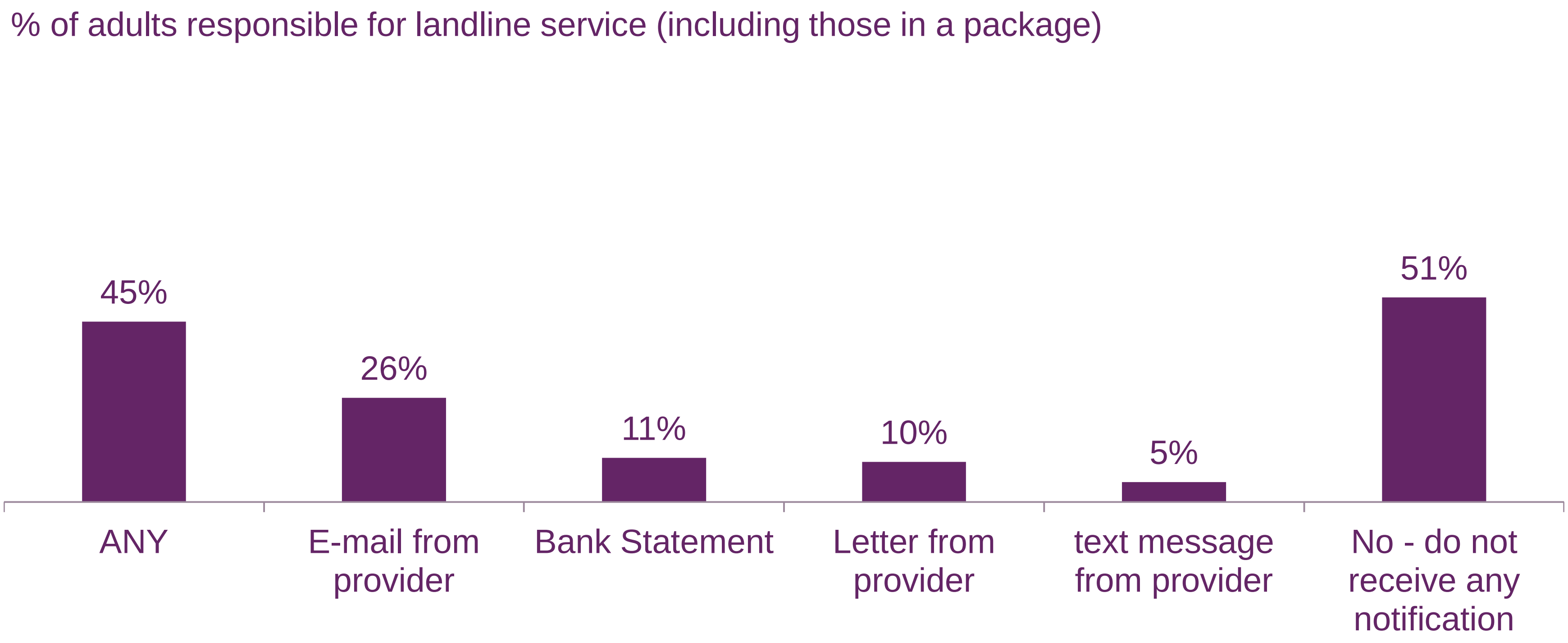
% of adults who receive paper bills for their landline service (including those in a package)



Source: Kantar Media Omnibus
Base: All who receive paper bills for their landline service (N=731), Male (334), Female (397), 16-34 (56), 35-54 (157), 55+ (518), AB (141), C1 (138), C2 (152), DE (300), any internet access (387), no internet access (344)
Question: Q.B8 Do you pay extra to receive a paper bill for your landline service?

Figure 13

Billing preferences: notification methods



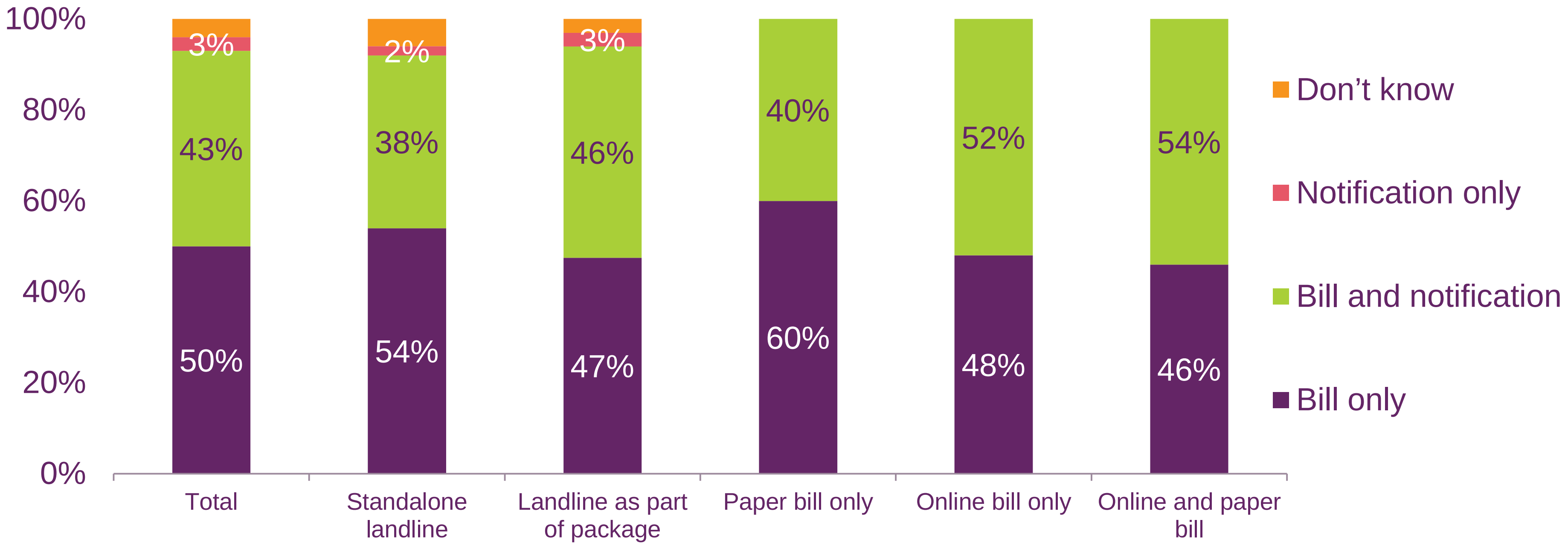
Source: Kantar Media Omnibus
Base: All responsible for a landline service or package of services with landline (N=2357)
Question: QB.6 Other than a paper or online bill do you receive any regular notification of your monthly or quarterly charges for your landline service/ package of services including landline?

Figure 14

Billing preferences/notifications summary:

% of adults responsible for a landline service (including those in a package)

71% of landline only customers (no mobile, internet or Pay TV) only receive a paper bill and no notifications.

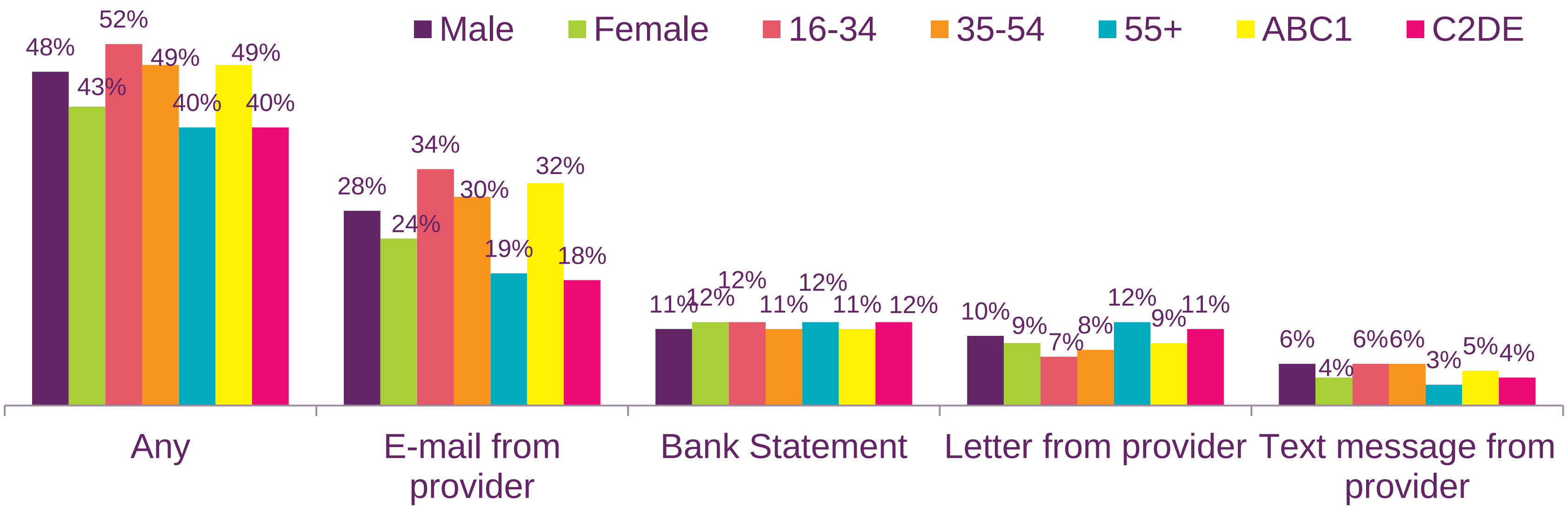


Source: Kantar Media Omnibus
Base: Q.B6 All responsible for landline or package of services with landline (N=2357), standalone landline (1049), package of services with landline (1381), paper bill only (285), online bill only (883), online and paper bill (101)
Question: Q.B2 Do you receive a paper bill, an online bill or both for your landline services/ Q.B6 Do you receive and regular notification of your monthly or quarterly charges for your landline services?

Figure 15

Billing preferences: notification methods by demographic

% of adults responsible for landline service (including those in a package)

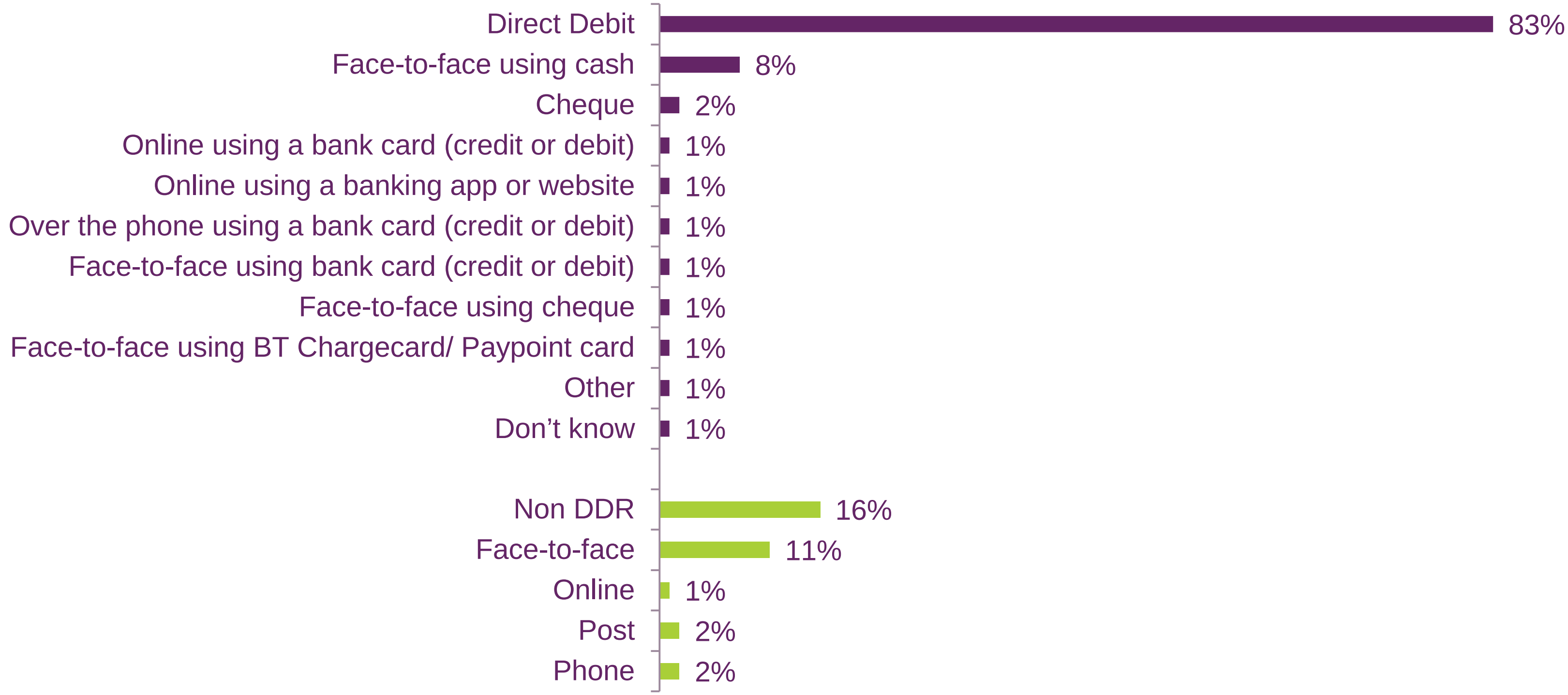


Source: Kantar Media Omnibus
Base: All responsible for landline or package of services with landline (N=2357), receive: e-mail from provider (597), text message (113), letter (222), bank statement (265), no notification (1173)
Question: QB.6 Other than a paper or online bill do you receive any regular notification of your monthly or quarterly charges for your landline service/ package of services including landline?

Figure 16

Payment methods: alternative methods used

% of adults responsible for a standalone landline service

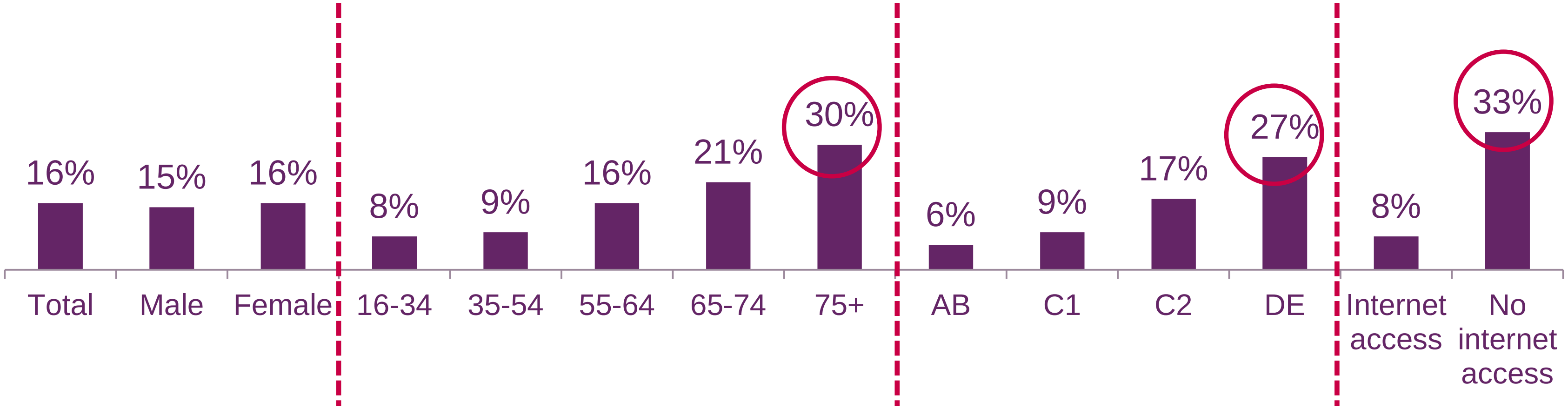


Source: Kantar Media Omnibus
Base: All responsible for a landline not part of a package (N=1049). Note: Only responses of 1% or more are shown.
Question: Q.B3 Which of the following best describes how you pay for your landline service?

Figure 17

Payment methods: demographics of those paying via non-DDR only

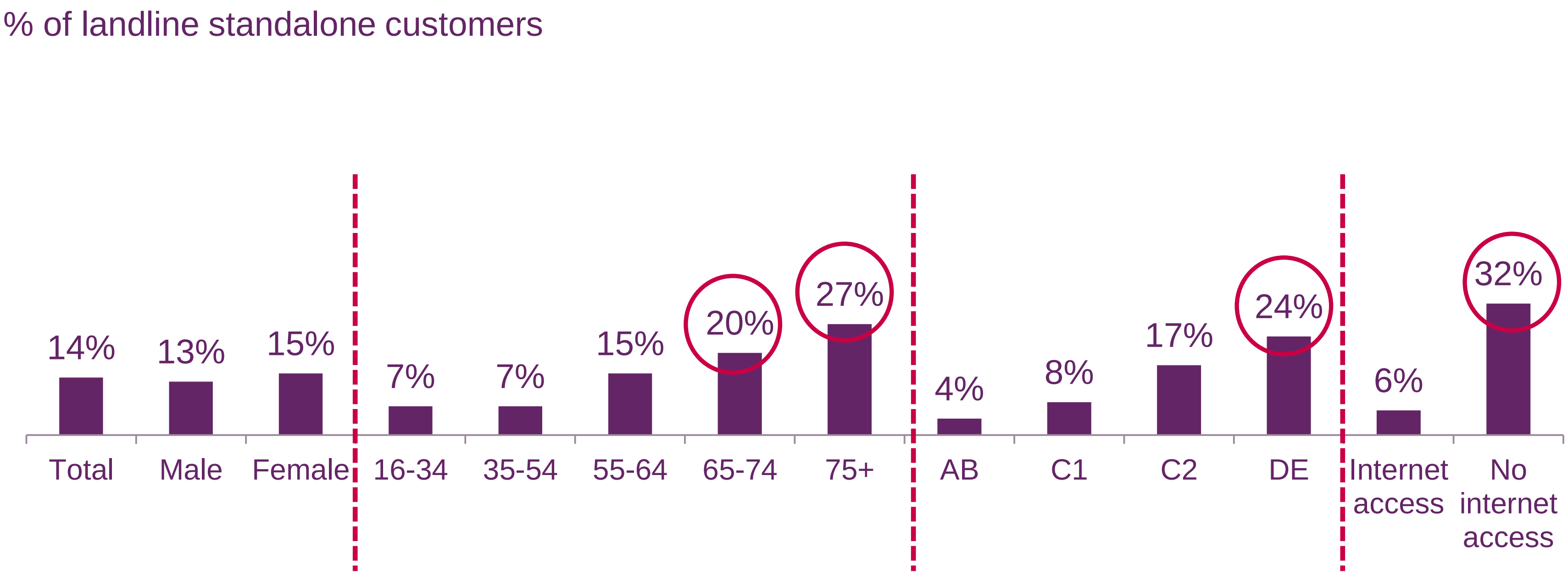
% of adults responsible for a standalone landline service



Source: Kantar Media Omnibus
Base: All responsible for landline not as part of a package (1049): Male (468), Female (581), 16-34 (121), 35-54 (317), 55-64 (163), 65-74 (209), 75+ (239), AB (235), C1 (228), C2 (200), DE (386), any internet access (676), no internet access (373)
Question: Q.B3 Which of the following best describes how you pay for your landline service?

Figure 18

Payment preferences: demographics of all paying via non-DDR and receive a paper bill



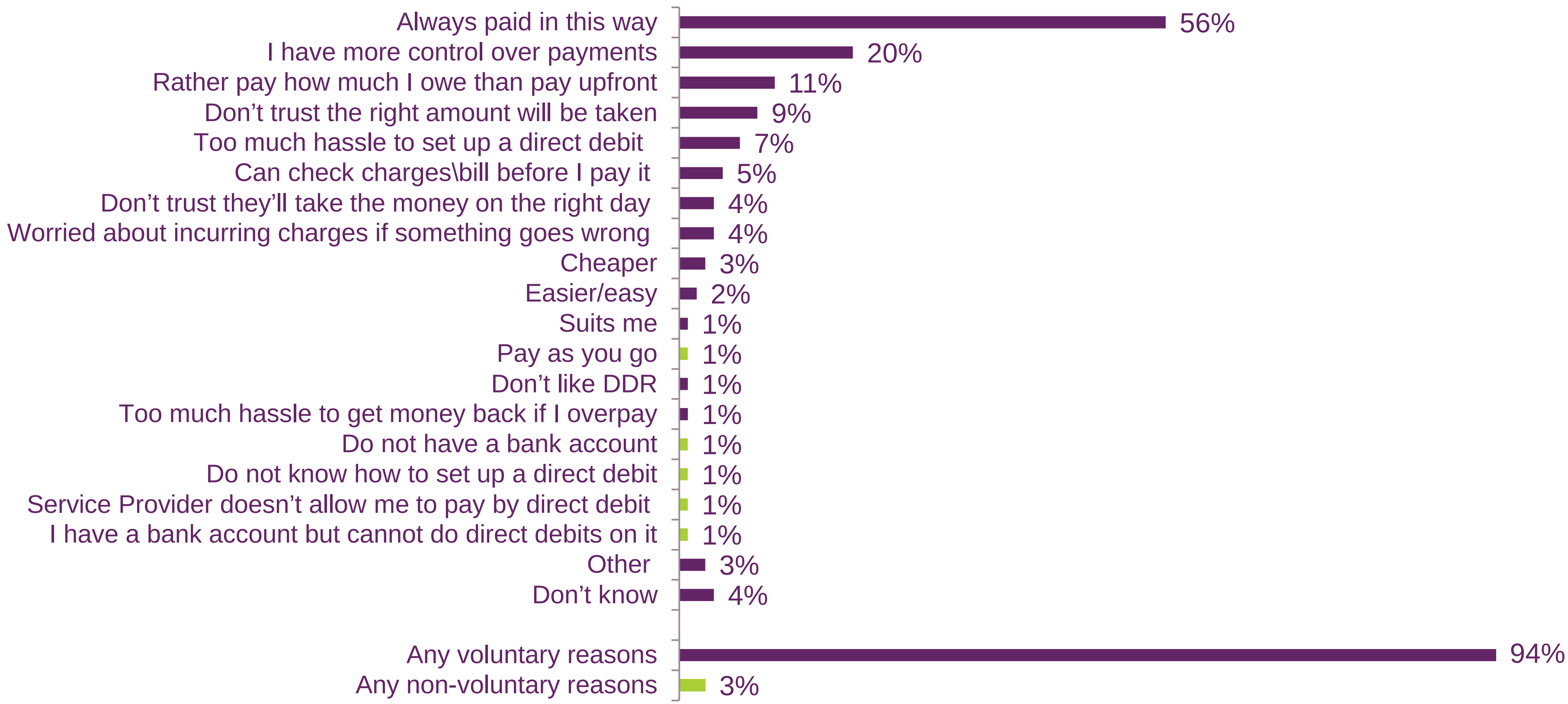
Source: Kantar Media Omnibus
Base: All responsible for landline not part of a package (N=1049): Male (468), Female (581), 16-34 (121), 35-54 (317), 55-64 (163), 65-74 (209), 75+ (239), AB (235), C1 (228), C2 (200), DE (386), any internet access (676), no internet access (373)

Main findings - landline

Figure 19

Payment methods: reasons for paying via non-DDR

% adults who do not pay by direct debit for their landline service

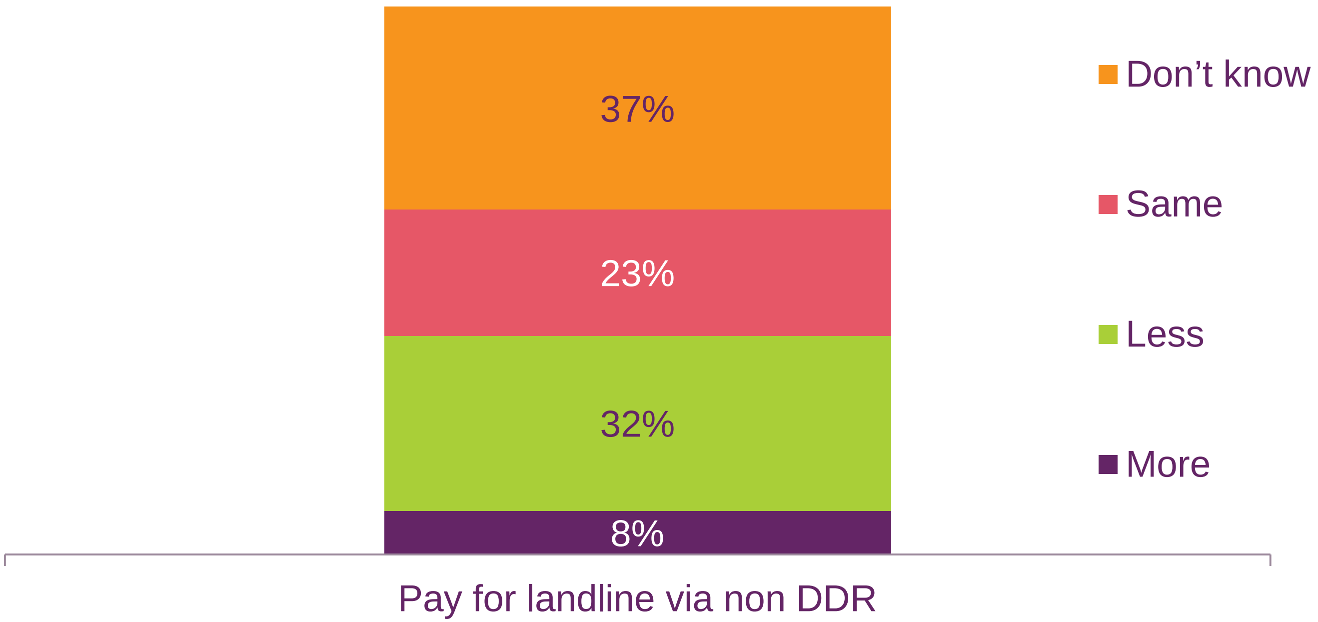


Source: Kantar Media Omnibus
Base: All who do not pay by direct debit for their landline service (N=179). Only responses of 1% or more are shown.
Question: Q.B4 Why do you pay for your landline service in this way, rather than paying by direct debit?
NOTE: ‘Other’ responses recoded into voluntary and non-voluntary, multi-coded question so totals may add to more than 100%

Figure 20

Payment methods: perceived incremental cost for paying via DDR

% of adults who do not pay by direct debit for their landline

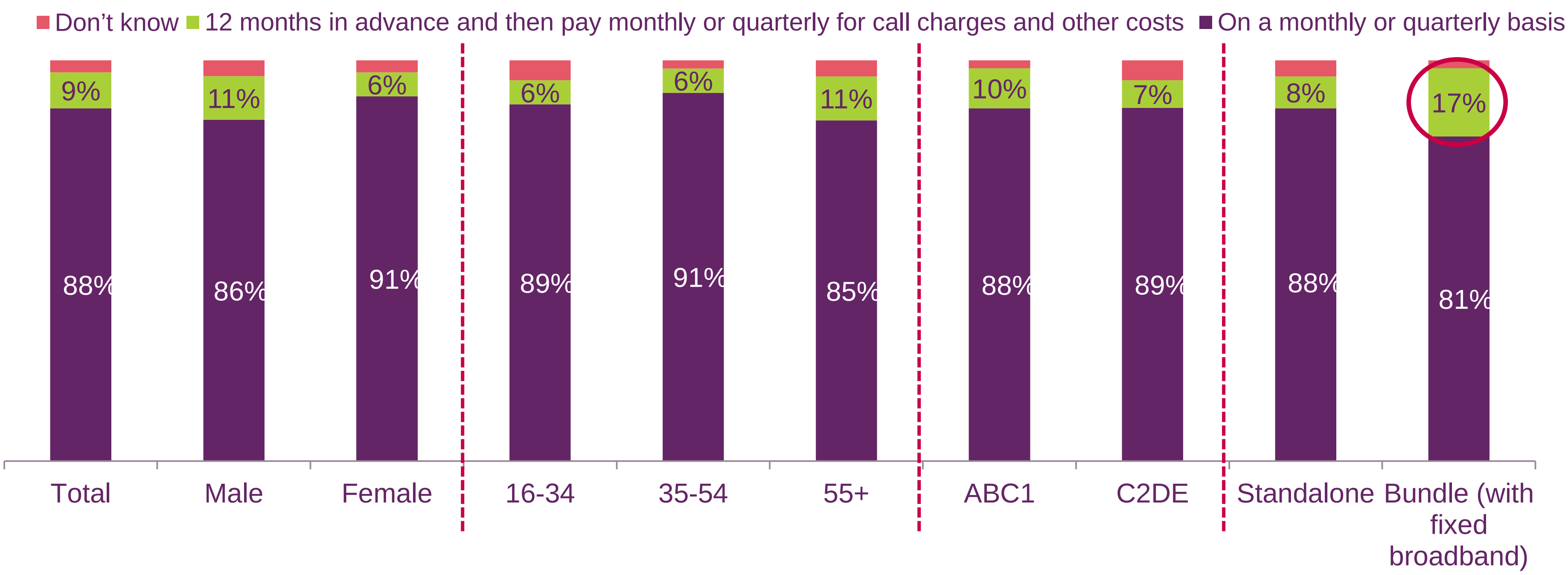


Source: Kantar Media Omnibus
Base: All who do not pay by direct debit for their landline service (N=179)
Question: Q.B5 If you paid your bill by direct debit would your standard charges be more, less or the same as they are now?

Figure 21

Payment methods: landline line rental payment, by demographic

% landline customers (total)



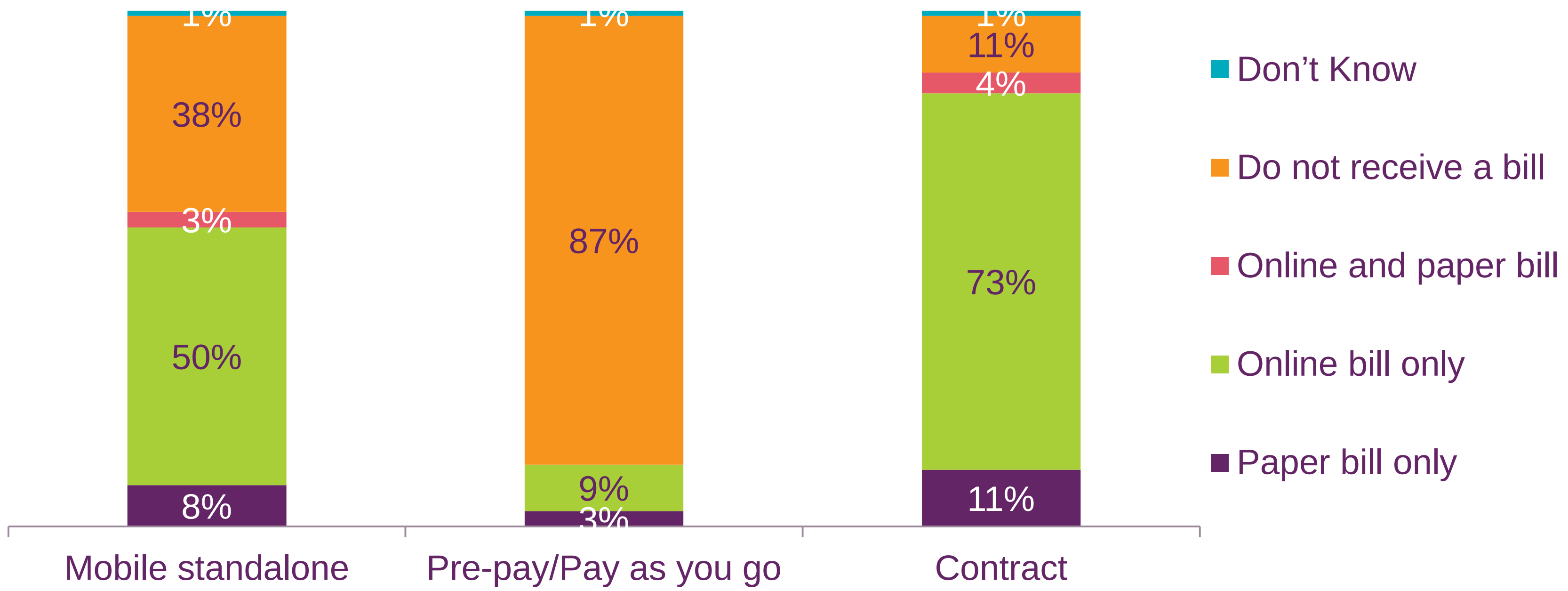
Source: Kantar Media Omnibus
Base: All responsible for landline or package of services with landline (N=1129), Male (556), Female (573), 16-34 (182), 35-54 (375), 55+ (572), ABC1 (582), C2DE (547), standalone (528), bundle with fixed broadband (587)
Question: Q.B10 How do you pay the line rental for your landline phone service?

Main findings – mobile market (focus on contract)

Figure 22

Billing preferences: incidence of bill types, by payment method

% of adults responsible for mobile service (not as part of package)

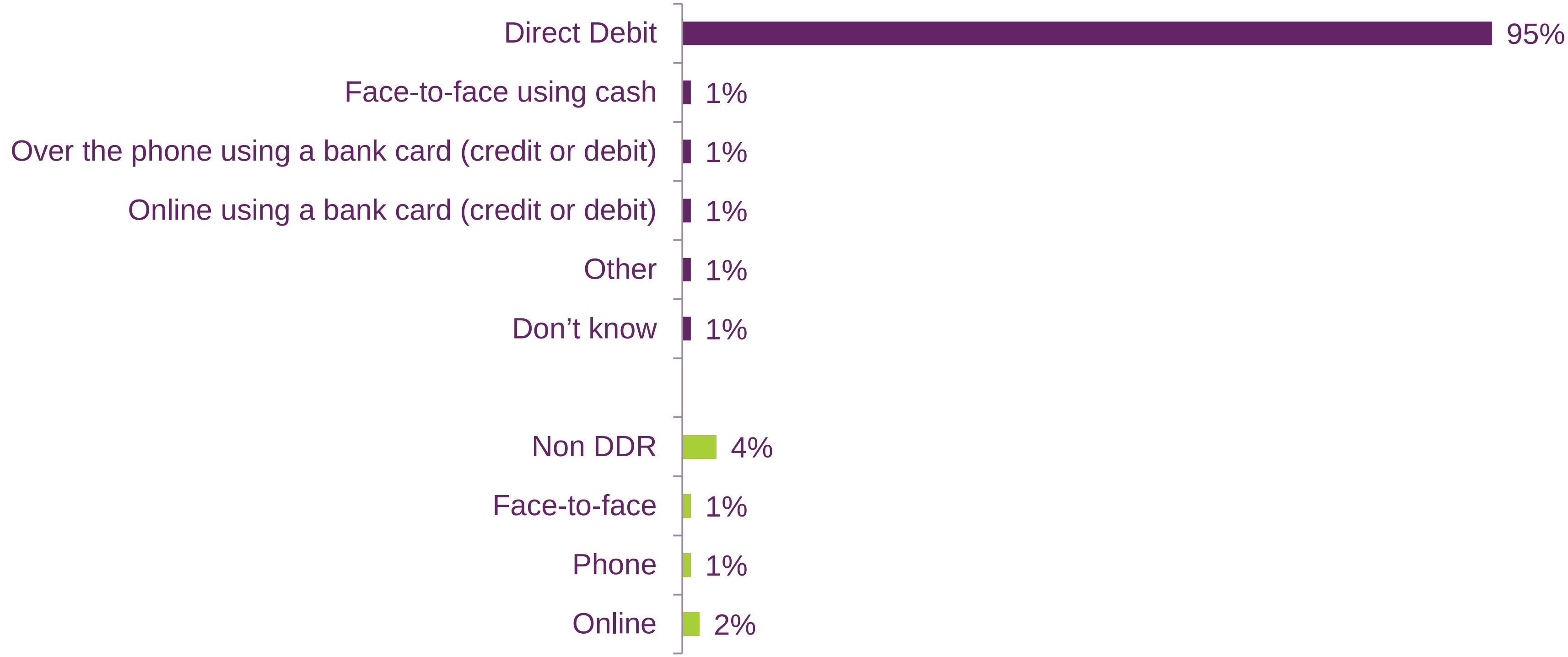


Source: Kantar Media Omnibus
Base: All responsible for a mobile service not part of a package (N=2641), Pay as you go (1020), contract (1619).
Question: C2. Do you receive a paper bill, an online bill or both for your main mobile service?

Figure 23

Payment methods: alternative methods used, contract customers

% of adults responsible for a standalone mobile service (not part of a package)

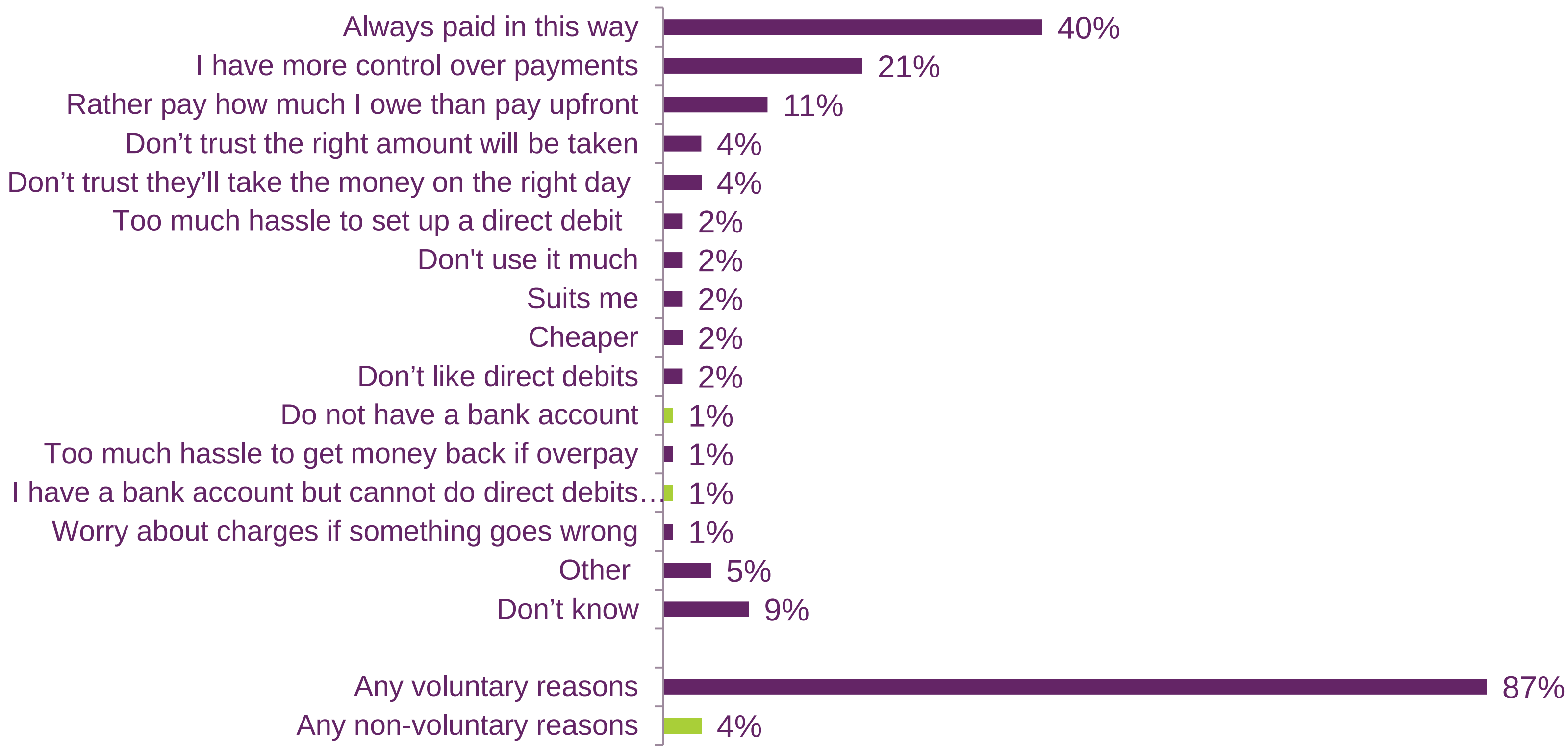


Source: Kantar Media Omnibus
Base: All responsible for a mobile contract service not part of a package (N=1619). Note: Only responses of 1% or more are shown.
Question: Q.C3 Which of the following best describes how you pay for your mobile phone service?

Figure 24

Payment methods: reasons for paying via non-DDR, contract customers

% of mobile customers who do not pay by direct debit for their mobile contract service

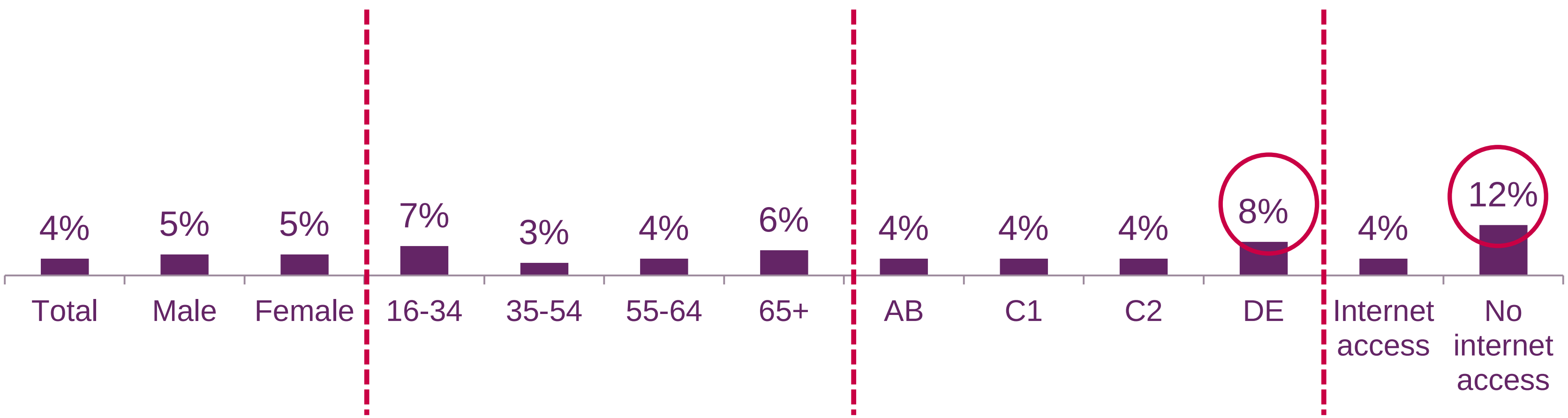


Source: Kantar Media Omnibus
Base: All who do not pay by direct debit for their mobile contract service (N=68*). Low base size. Only responses of 1% or more are shown.
Question: Q.C4 Why do you pay for your mobile service in this way, rather than paying by direct debit?
NOTE: ‘Other’ responses recoded into voluntary and non-voluntary, multi-coded question so totals may add to more than 100%

Figure 25

Payment methods: demographics of those paying via non-DDR only

% of adults responsible for mobile contract service

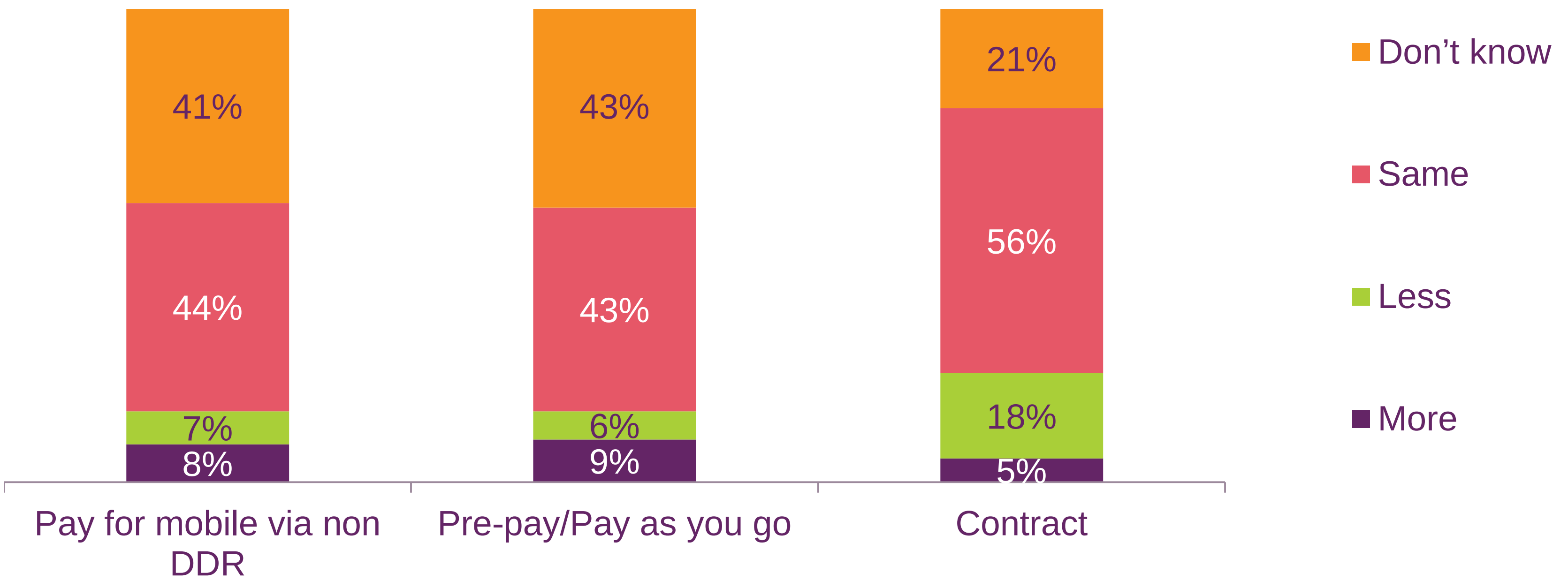


Source: Kantar Media Omnibus
Base: All responsible for mobile contract (1619): Male (725), Female (894), 16-34 (197), 35-54 (406), 55-64 (544), 65+ (165), AB (423), C1 (516), C2 (340), DE (340), any internet access (1523), no internet access (96*) * low base
Question: Q.B3 Which of the following best describes how you pay for your landline service?

Figure 26

Payment methods: perceived incremental cost for paying via DDR, by payment method

% of mobile customers who do not pay by direct debit for their mobile service



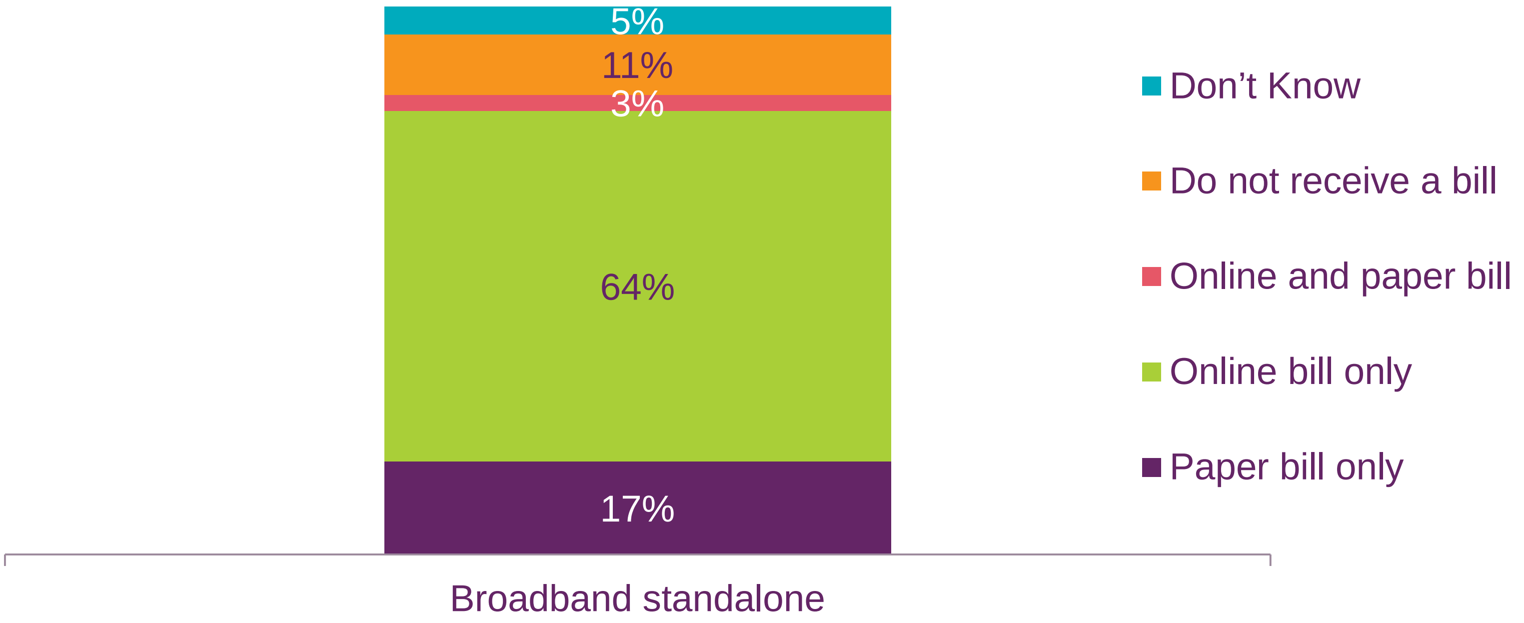
Source: Kantar Media Omnibus
Base: All who do not pay by direct debit for their mobile service (N=900), Pay as you go (831), contract (68) *Please note low base size
Question: Q.C5 If you paid your bill by direct debit would your standard charges be more, less or the same as they are now?

Main findings – fixed broadband

Figure 27

Billing preferences: incidence of bill types

% of adults responsible for fixed broadband service (not as part of package)

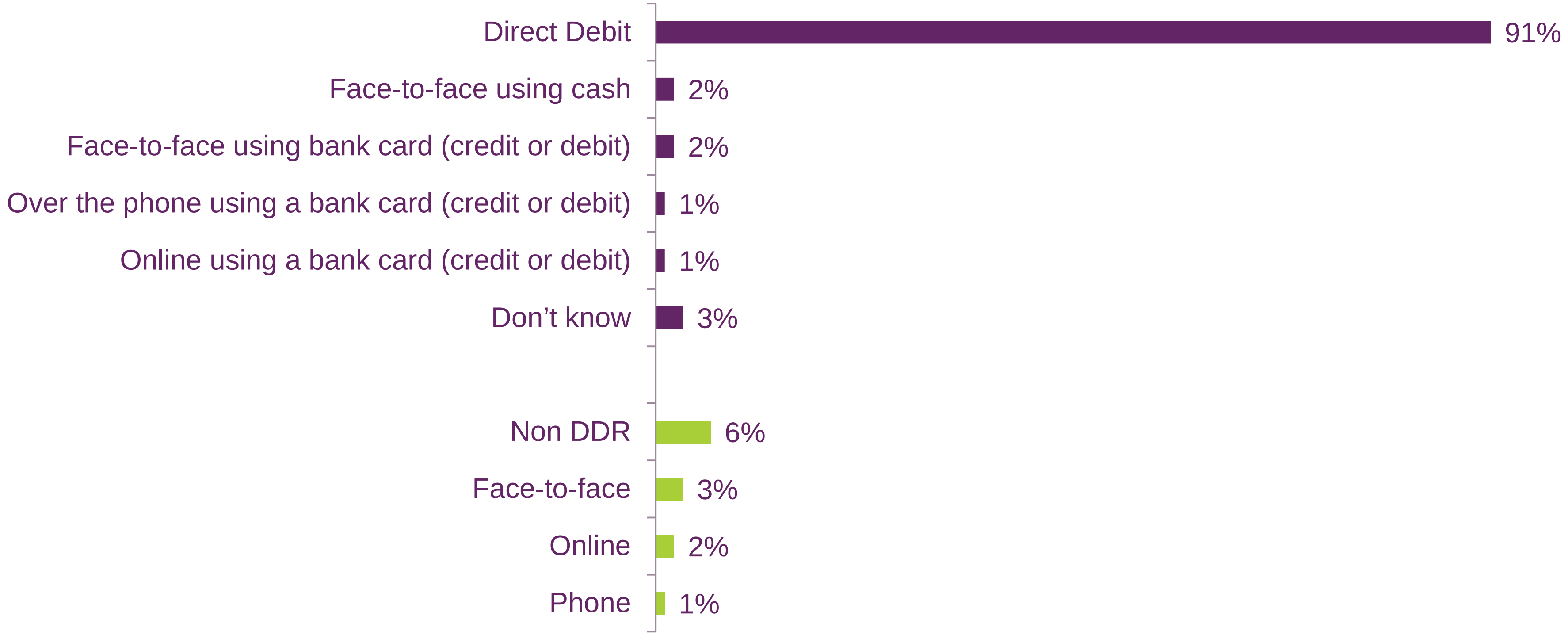


Source: Kantar Media Omnibus
Base: All responsible for a fixed broadband service not part of a package (N=731).
Question: D2. Do you receive a paper bill, an online bill or both for your fixed broadband service?

Figure 28

Payment methods: fixed broadband

% of adults responsible for a fixed broadband service not part of a package

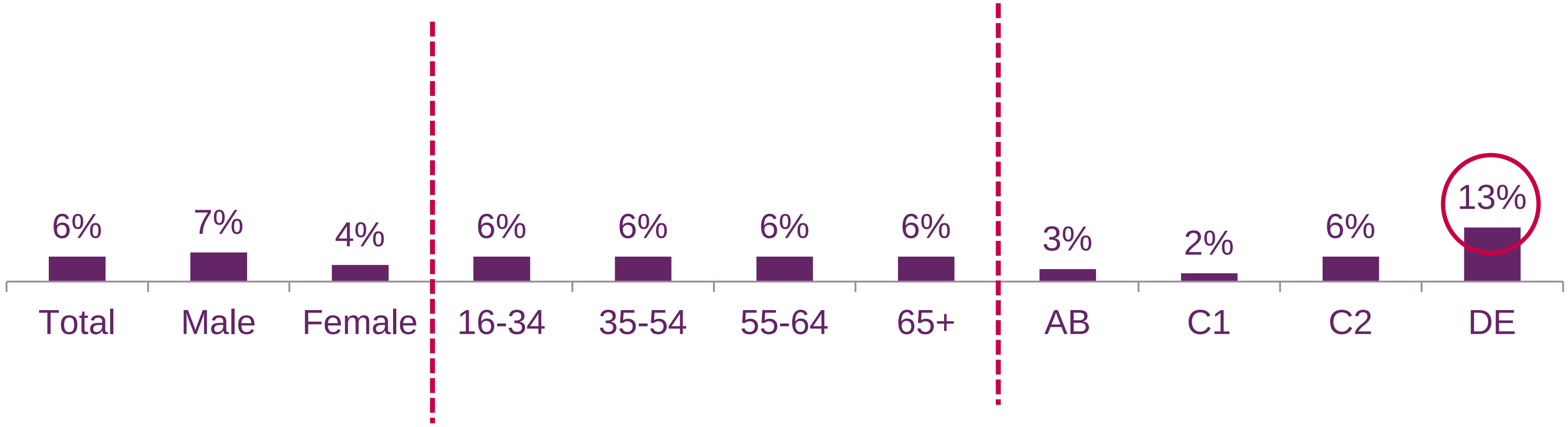


Source: Kantar Media Omnibus
Base: All responsible for a fixed broadband service not part of a package (N=731). Note: Only responses of 1% or more are shown.
Question: Q.D3 Which of the following best describes how you pay for your fixed broadband service?

Figure 29

Payment methods: standalone fixed broadband via non DDR only

% of adults responsible for a fixed broadband service not part of a package, by demographics

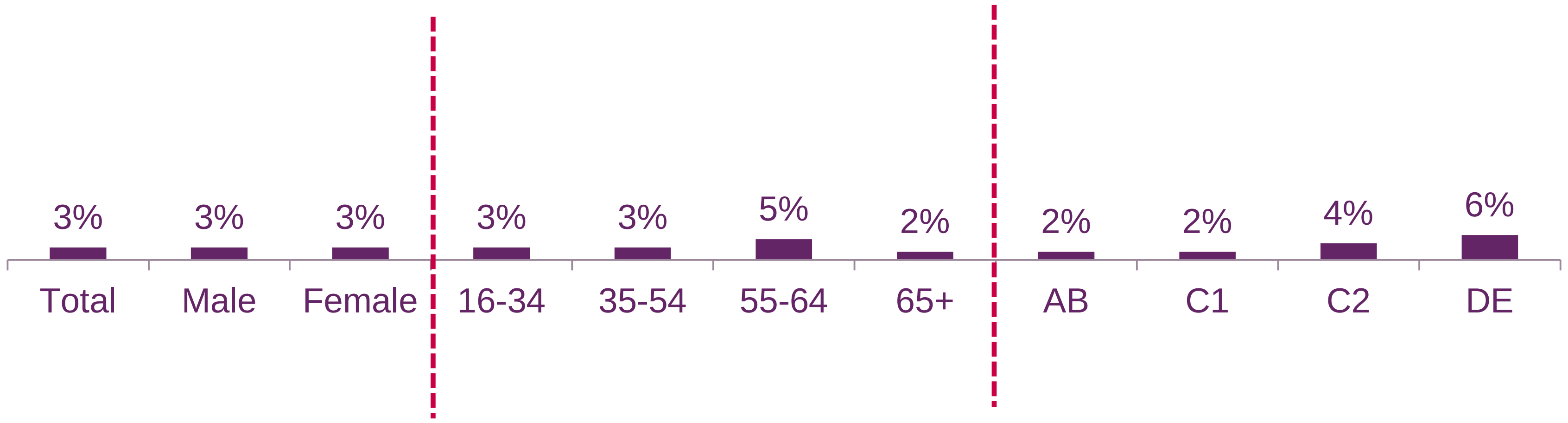


Source: Kantar Media Omnibus
Base: All responsible for fixed broadband service not part of a package (N=731), Male (329), Female (402), 16-34 (190), 35-54 (317), 55-64 (101) 65+ (123), AB (202), C1 (205), C2 (139), DE (185)
Question: Q.D3 Which of the following best describes how you pay for your fixed broadband service?

Figure 30

Payment preferences: demographics of non-DDR and receive a paper bill

% of fixed broadband standalone customers, by demographics

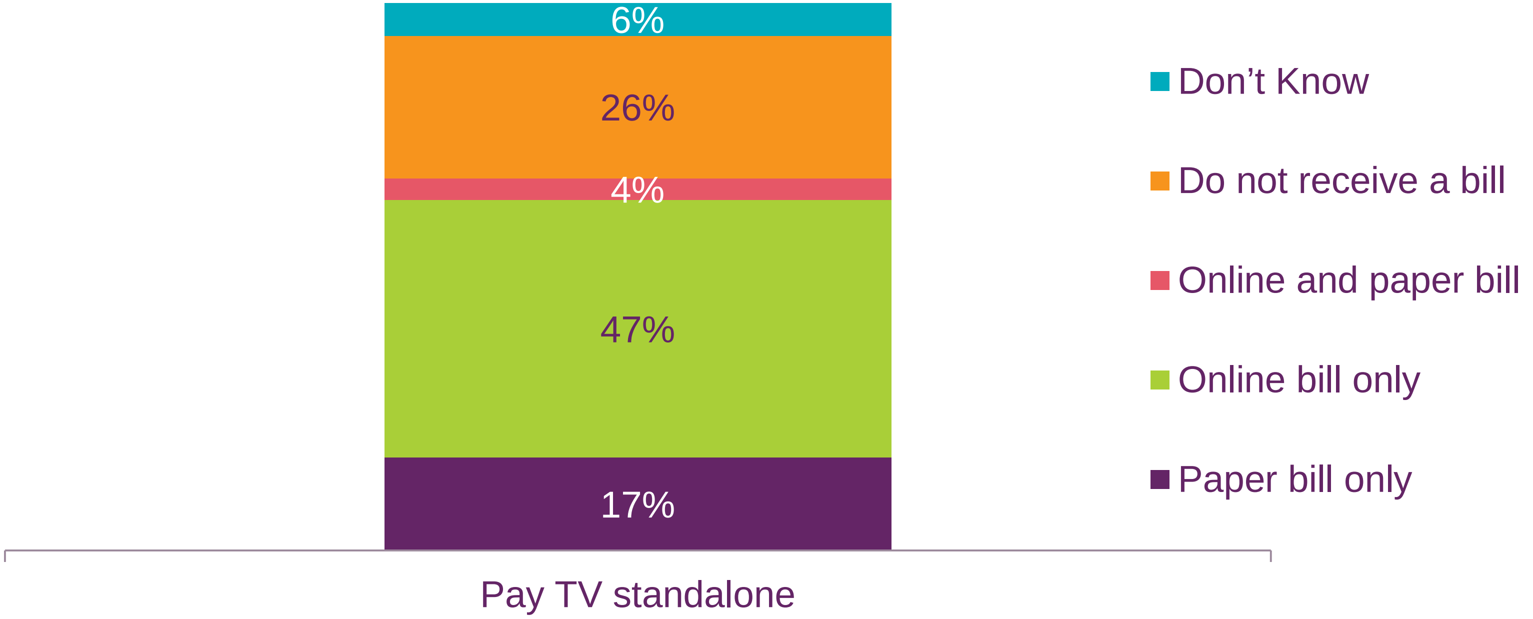


Source: Kantar Media Omnibus
Base: All responsible for a fixed broadband service not part of a package (N=731), Male (329), Female (402), 16-34 (190), 35-54 (317), 55-64 (101), 65+ (123), AB (202), C1 (205), C2 (139), DE (185)

Main findings – Pay TV

Figure 31
Billing preferences: incidence of bill types

% of adults responsible for Pay TV service (not as part of package)

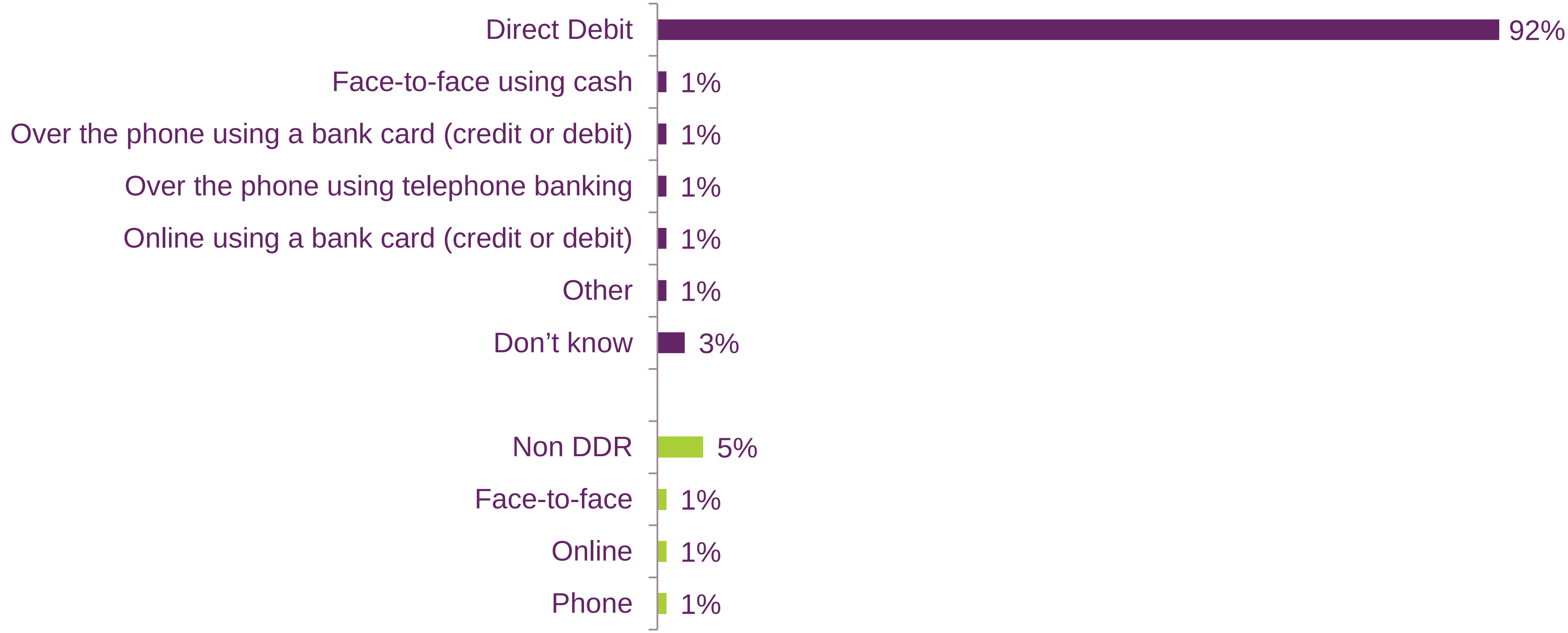


Source: Kantar Media Omnibus
Base: All responsible for a Pay TV service not part of a package (N=590).
Question: E2. Do you receive a paper bill, an online bill or both for your Pay TV service?

Figure 32

Payment methods: alternative methods used

% of adults responsible for a Pay TV service not part of a package

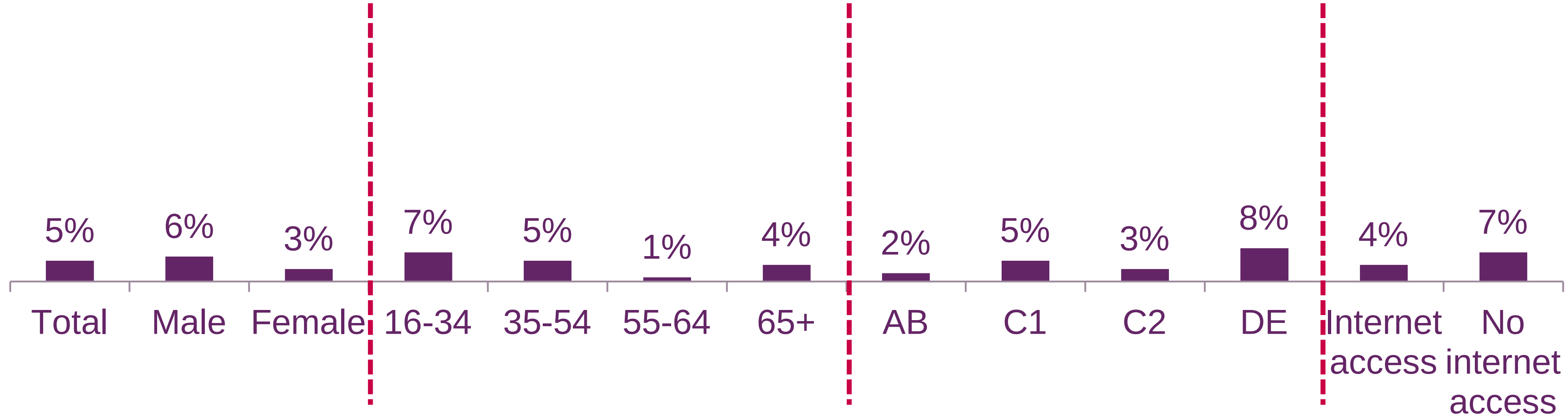


Source: Kantar Media Omnibus
Base: All responsible for a Pay TV service not part of a package (N=590). Note: Only responses of 1% or more are shown.
Question: Q.E3 Which of the following best describes how you pay for your Pay TV service?

Figure 33

Payment methods: standalone Pay TV via non DDR only

% of adults responsible for a Pay TV service not part of a package, by demographics

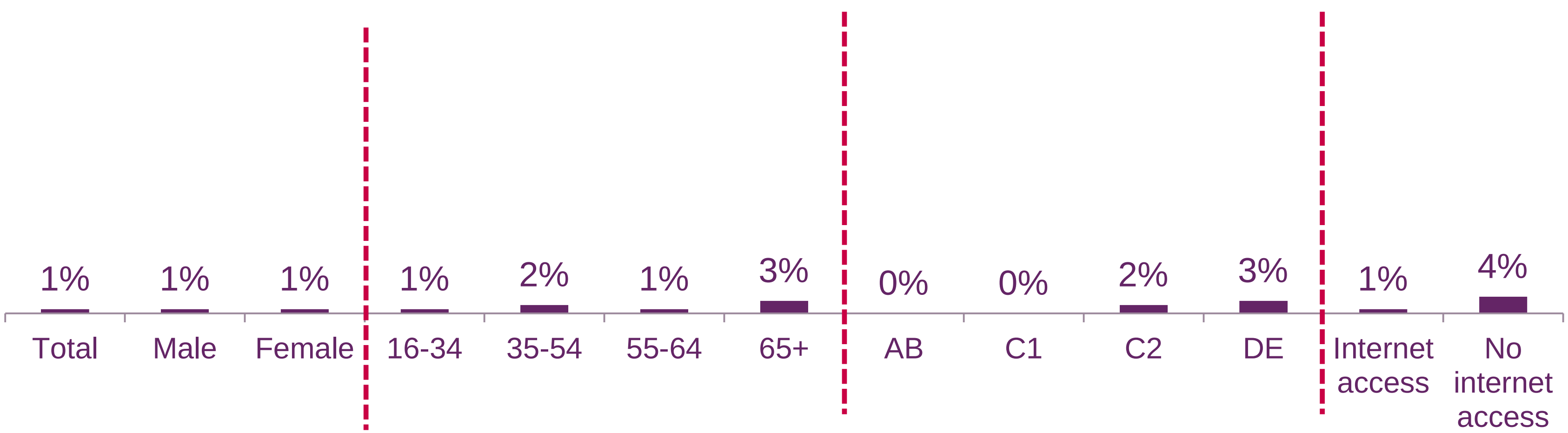


Source: Kantar Media Omnibus
Base: All responsible for Pay TV not as part of a package (590), Male (280), Female (310), 16-34 (115), 35-54 (228), 55-64 (88*), 65+ (159), AB (150), C1 (137), C2 (138), DE (165), any internet access (494), no internet access (96*) * note low base size
Question: Q.E3 Which of the following best describes how you pay for your Pay TV service?

Figure 34

Payment preferences: demographics of all non-DDR who receive a paper bill

% of Pay TV standalone customers



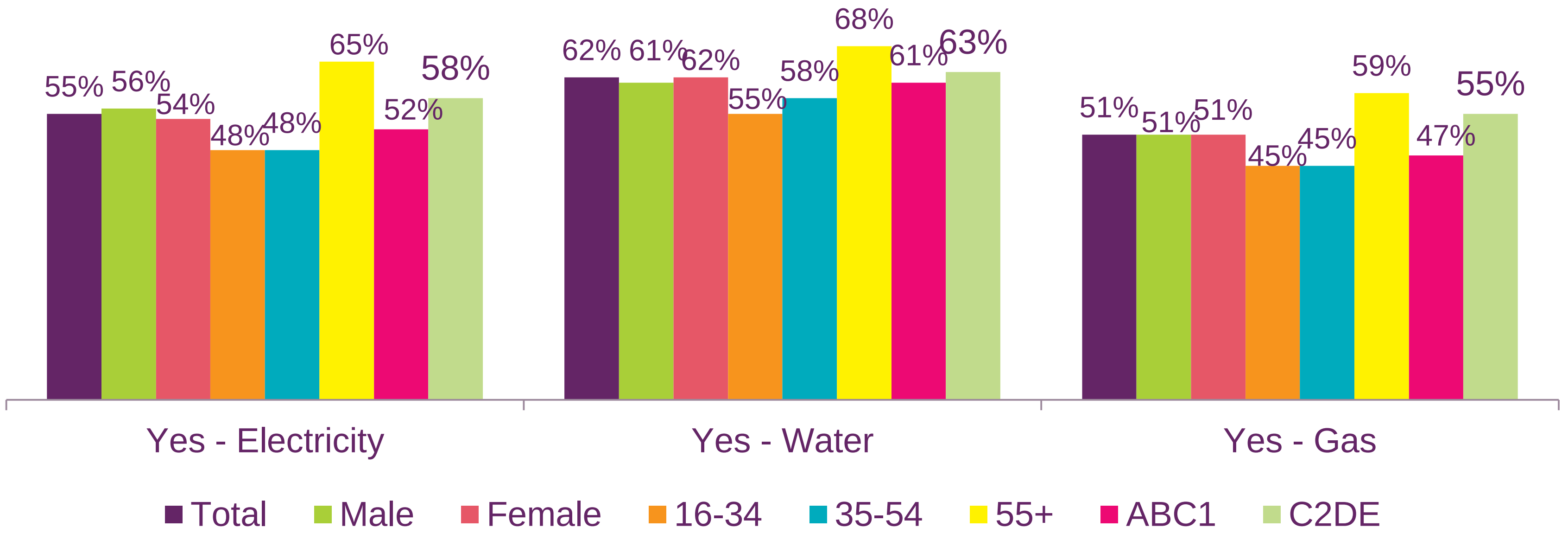
Source: Kantar Media Omnibus
Base: All responsible for a Pay TV not part of a package (N=590), Male (280), Female (310), 16-34 (115), 35-54 (228), 55-64 (88*), 65+ (159), AB (150), C1 (137), C2 (138), DE (165), any internet access (494), no internet access (96*) * note low base
Question: E2. Do you receive a paper bill, an online bill or both for Pay TV service?

Main findings – comparison with other markets

Figure 35

Billing preferences: use of paper billing for other utility services

% adults responsible for utility bills, by demographics



Source: Kantar Media Omnibus
Base: All responsible for utility bills (N=2997), electricity (1620), water (1820), gas (1502).
Question: Q.F1 Do you receive a paper bill or any of your utility services?