Evaluation of Directory Enquiries services

Ofcom and ICSTIS research

May 2004

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Chapter 1

Background

1.1 In its 2004/05 Annual Plan, Ofcom stated that one of its key operating priorities was to carry out further monitoring and review of the performance of 118 directory enquiry (DQ) services in conjunction with the Independent Committee for the Supervision of Standards of Telephone Information Services (ICSTIS). Ofcom supports Oftel's decision to liberalise the DQ market, but recognises that this is an area which has attracted a significant level of attention and criticism from the media, consumer groups and the public particularly after the legacy 192 and 153 numbers were switched off on 24 August 2003.

1.2 Following public consultation with the Industry and with other stakeholders, including consumer representatives, Oftel decided in 2001 to liberalise the DQ market, using the 118 XXX number range. Until then, each network operator had provided its own service, largely on 192 for national DQ and 153 for international DQ. Oftel's aim in liberalising the market was to introduce competition between DQ providers, by allowing consumers on each network to have a choice of which DQ service to call, all of which would be available via numbers of the same length, to avoid unfair advantages to some DQ providers. The first public stage in the introduction of the new services was in December 2002, when services on the new 118 XXX numbers began operating in parallel with the legacy 192/153 numbers. On 24 August 2003 the period of parallel running ended, after which the legacy numbers could be used only to provide information about the new services, rather than a DQ service itself.

Mystery shopping exercise, Autumn 2003

1.3 In October and November 2003 Oftel and ICSTIS carried out a preliminary evaluation of the impact of DQ liberalisation, assessing the usage, quality and delivery of the new services. In addition to the core services of providing telephone number information, the research looked at a range of additional services, for example number text-back and onward call connection. The report, *Evaluation of Directory Enquiry services*[1], covered the results of both a mystery shopping exercise and a consumer awareness survey. It found that overall in 62% of cases correct information was given by the 30 DQ providers tested.

Mystery shopping exercise, Spring 2004

1.4 Early in 2004 Ofcom and ICSTIS decided to repeat this research. While the autumn 2003 research had examined the value-added services such as text-back

[1] http://www.ofcom.org.uk/static/archive/oftel/publications/consumer/2003/dqresearch1103.pdf

1.4 and onward call connection, these did not raise any particular issues in that research and Ofcom concluded that the report should focus, in the mystery shopping exercise, on accuracy and pricing for the provision of standard residential and business UK numbers, which are the two areas of greatest interest for users of the services.

1.5 In designing the mystery shopping research, Ofcom and ICSTIS have taken into account comments from stakeholders on the previous methodology used by Oftel and ICTSIS. In particular, the revised methodology has incorporated a "real world" weighted profile of calls, which takes into account the relative frequency of requests for business and residential, numbers, and was designed to include "easy" and "difficult" requests. By weighting the data to take into account estimated market share, the level of accuracy of information provided for standard residential and business UK numbers was 83% and 87% respectively.

1.6 There is much narrower spread of accuracy among the providers. Ofcom regards this as very encouraging, and likely to provide residential and business consumers with greater confidence in using DQ services.

1.7 Ofcom had examined what action could be taken if the results had indicated the need for any specific regulatory action. DQ services meet the regulatory definition of 'controlled premium rate services', and ICSTIS, as the regulator for such services, publishes a Code of Practice which DQ providers must observe. ICSTIS has wide-ranging powers, within the existing regulatory framework to place additional requirements on DQ providers.

1.8 In view of the accuracy and service levels reported in this wave of mystery shopping, Ofcom considers that there is no need at this stage to introduce any further regulatory measures. In terms of further research, Ofcom and ICSTIS plan to undertake a similar exercise. Given the limited comparability, because of the changes in methodology, between the November 2003 research and the April 2004 research, this will be an opportunity to compare performance and examine any trends on a like-for-like basis.

1.9 This research was a joint venture between Ofcom and ICSTIS, and comprised two phases of research conducted between March and April 2004.

- mystery shopping assessing the quality and delivery of DQ services and suppliers, conducted by MORI[2] ; and

[2] The study was designed to reflect the 'real world' profile of calls to directory enquiry services. As requests for business numbers make up around 87% of the average call profile to directory services, residential requests were over-sampled in the survey to produce a sufficiently robust sample to allow analysis of these results. The combined results were re-weighted to be representative of the average call profile in terms of requests for business and residential numbers, consequently the overall results closely resemble those for business number requests. All data shown is weighted data. Unweighted base sizes are shown on charts and tables to show the number of requests made. The error margins illustrated in some charts are based on the 99% level of confidence.

- residential consumers' usage and attitudes towards DQ services, conducted by NOP. [3]

1.10 This report covers:

- accuracy of DQ service provision;
- DQ service cost and time comparisons;
- impact of DQ liberalisation on consumers' DQ usage; and
- consumer interest and use of the new range of additional 'enhanced' DQ services.

[3] UK omnibus survey amongst 1075 adults aged 15 plus, representative of the adult population in terms of region, age, gender, and socio-economic group. Because the survey was conducted amongst a sample of adults, rather than the whole population, the data is subject to margins of error in the region of 2-3%. All data shown is weighted data. Unweighted base sizes are shown on charts and tables to show the number of people who were asked the question. Results referred to as 'significantly' different, have been tested at the 95% level of confidence and hence are outside of the error margins and therefore can be considered real changes.

The report should not be seen as recommending best buys and should not therefore be relied upon when making decisions. Ofcom has conducted its own checks on the data in this report and whilst we consider it to be correct, Ofcom accepts no liability in respect of any of the results provided to it by MORI or any decisions taken by any person in reliance on the report.

Chapter 2

Summary findings

Mystery shopping results

- Overall 87% of all requests resulted in accurate information, 83% of residential number requests and 87% of business requests
- 99% of calls were answered on the first attempt
- Average time taken to speak to an advisor – eight seconds
- Average cost to obtain one number ranged between 27p – 65p, with half of the services costing under 40p

Consumer survey results

- 57% of adults currently use telephone directory services
- Seven in ten adults were able to spontaneously state at least one new DQ number, rising to three-quarters amongst current DQ users
- DQ number recognition stands at 85% of adults – (prompted awareness of numbers)
- 30% of adults have selected a main DQ provider and satisfaction with this supplier stands at 64%
- Two in five (41%) adults were aware of at least one additional 'enhanced' DQ service available, and a similar proportion (36%) claim they are likely to use one
- A third of UK adults were aware that prices and service on offer vary

The majority of mystery shopping calls were answered promptly by an operator and almost nine out of ten calls resulted in accurate provision of information.

2.1 Overall 87% of requests made to DQ providers resulted in the correct number or a suitable alternative being provided. The figure was slightly lower for residential number requests (83%) than for business requests (87%).

Directory services are easy to access and generally take less than one minute to provide one number – costs vary according to the provider called and network used to make the call

2.2 Nearly all calls were answered on the first attempt and took on average eight seconds to be answered by an advisor. On average calls to obtain one number from directory services took around 50 seconds and cost between 27p and 65p from a BT phone line, depending on the provider called.

DQ number recognition remains unchanged at 85% of adults, with a significant minority having already selected a main supplier for directory services

2.3 Seven in ten adults aware of the changes to DQ services were able to spontaneously cite at least one of the new DQ numbers, rising to 85% when prompted. Three in ten adults have selected one DQ number for the majority of these calls and just under two-thirds (64%) of these were satisfied with the service they receive.

Awareness in the range of services and costs available from DQ providers continues to improve

2.4 Around two in five adults (41%) were aware of at least one of the additional 'enhanced' services offered by DQ providers, mainly call-connect, text-back, and classified business searches. Use of any of the additional services appears to have risen slightly, largely driven by a rise in use of text-back. However, this rise may be partially due to consumers receiving this service as standard, free of charge from certain providers, and not necessarily a reflection of consumers actively choosing to use this additional service.

Improved awareness of the varying price structures and services, although many assume all new DQ services are more expensive than the legacy 192 service

2.5 One in five (17%) adults correctly cited that the current price structures vary in comparison to the legacy 192 services. However, almost half (47%) think all of the new services are more expensive, even though this is not the case, which may account for at least some of the fall in use of these services (half of consumers who use DQ services less frequently since liberalisation cited either perceptions or experience of higher costs as the reason behind their lower usage).

2.6 The mystery shopping exercise illustrated that half of the new DQ services cost less than 40 pence to obtain one number, (the cost for the legacy 192 service).

Chapter 3

Main Findings

DQ accuracy

Accuracy of service provision

Overall performance

3.1 DQ providers vary both in the range of services which they offer (for example a basic one-number only service or with value-added additions such as onward call connection) and in the charges for those services. Some services are charged at a flat rate for the whole call, while others are charged on the basis of call duration, with or without an initial connection charge. A number of DQ providers offer more than one level or type of service on different numbers, with different charging rates. Where Ofcom have tested multiple services these can be identified in this report by reference to the actual 118 number.

3.2 Consistent with findings from November 2003, few problems were experienced contacting the DQ suppliers, with 99% of calls answered on the first attempt. Just over a third (36%) of the numbers requested were provided by an operator and the remainder by an automated voice system.

3.3 Across all requests made for numbers, 87%[4] resulted in the correct number or a suitable alternative, being provided – 87% of business requests and 83% of residential requests.

3.4 As with any survey the results are subject to a margin of error, and the following tables showing the accuracy of service provision illustrate the actual percentage and the potential range of accuracy, taking into consideration the error margins.[5] Full methodological details are set out in Annex B.

Standard UK residential and business number requests

3.5 A total of 5880 requests were made across the 30 DQ numbers for standard residential and business UK numbers. The following charts portray the overall

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[4] This figure has been produced using weighted data and estimated market shares (based on call volume information provided by the majority of DQ suppliers included in this exercise). Given the considerable changes in sample structure to represent the 'real-world' call profile this figure cannot be directly compared with the 62% reported in November 2003.

[5] This figure has been produced using weighted data and estimated market shares (based on call volume information provided by the majority of DQ suppliers included in this exercise). Given the considerable changes in sample structure to represent the 'real-world' call profile this figure cannot be directly compared with the 62% reported in November 2003. Error margins were calculated using 99% confidence and the actual result.

accuracy levels for each provider tested, as well as the separate accuracy levels for residential and business requests.

3.6 While the differences in methodology make strict comparisons inappropriate the results from this survey are significantly higher than those reported in November 2003. It is also encouraging to note that there is a much narrower range of performance levels, with a spread of 19 percentage points across all 30 companies for accurate provision of residential number requests and 17% for business number requests. These compare with a spread of 29% in Oftel's research for residential numbers and 54% for business numbers (although the majority of providers fell within much narrower bands).

Figure 3a: Accuracy of provision of standard residential and business UK numbers

Base: All requests, 5880 requests, March 2004

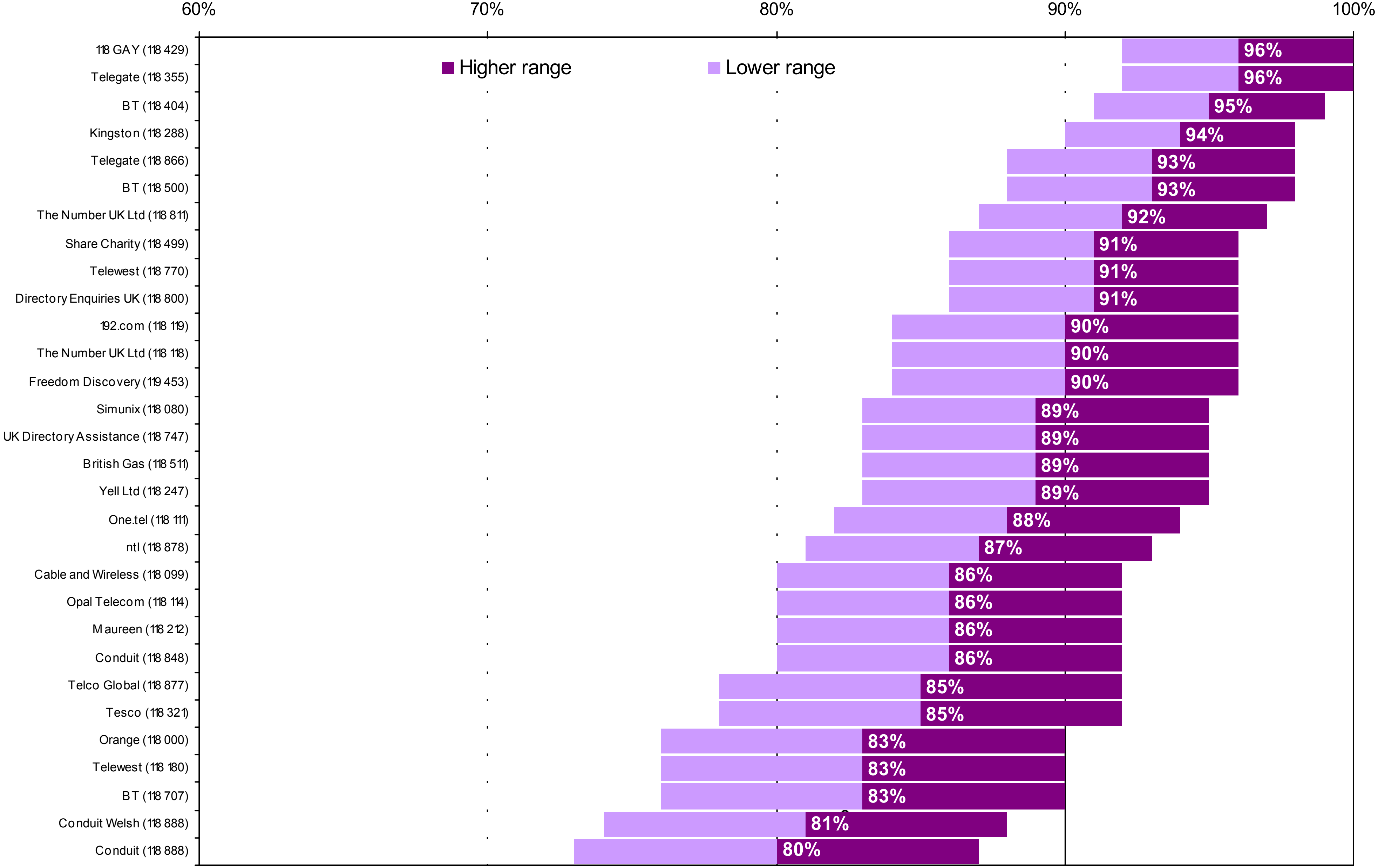


Figure 3b: Accuracy of provision of standard residential UK numbers

Base: All residential requests, 2880 requests, March 2004

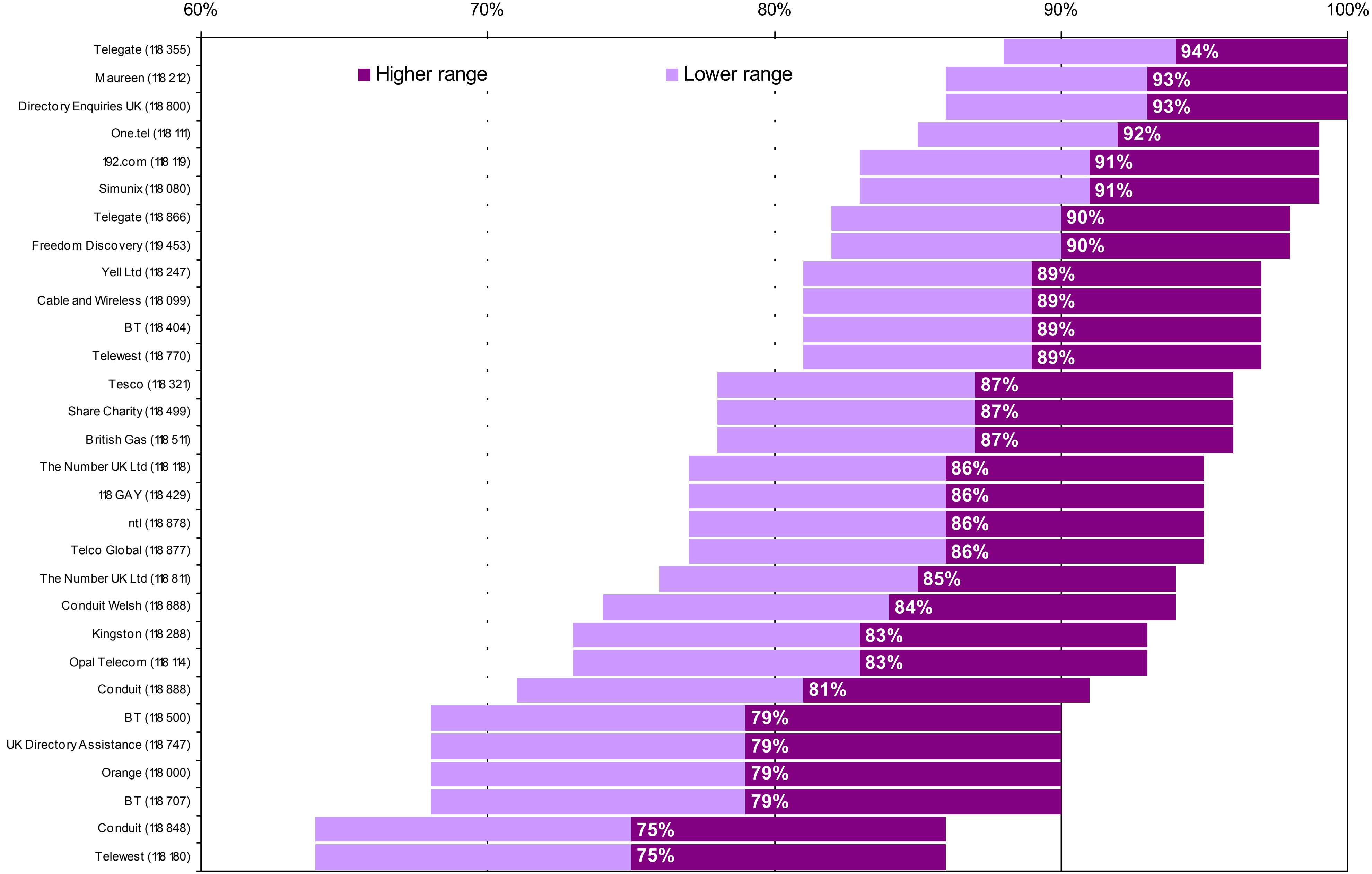
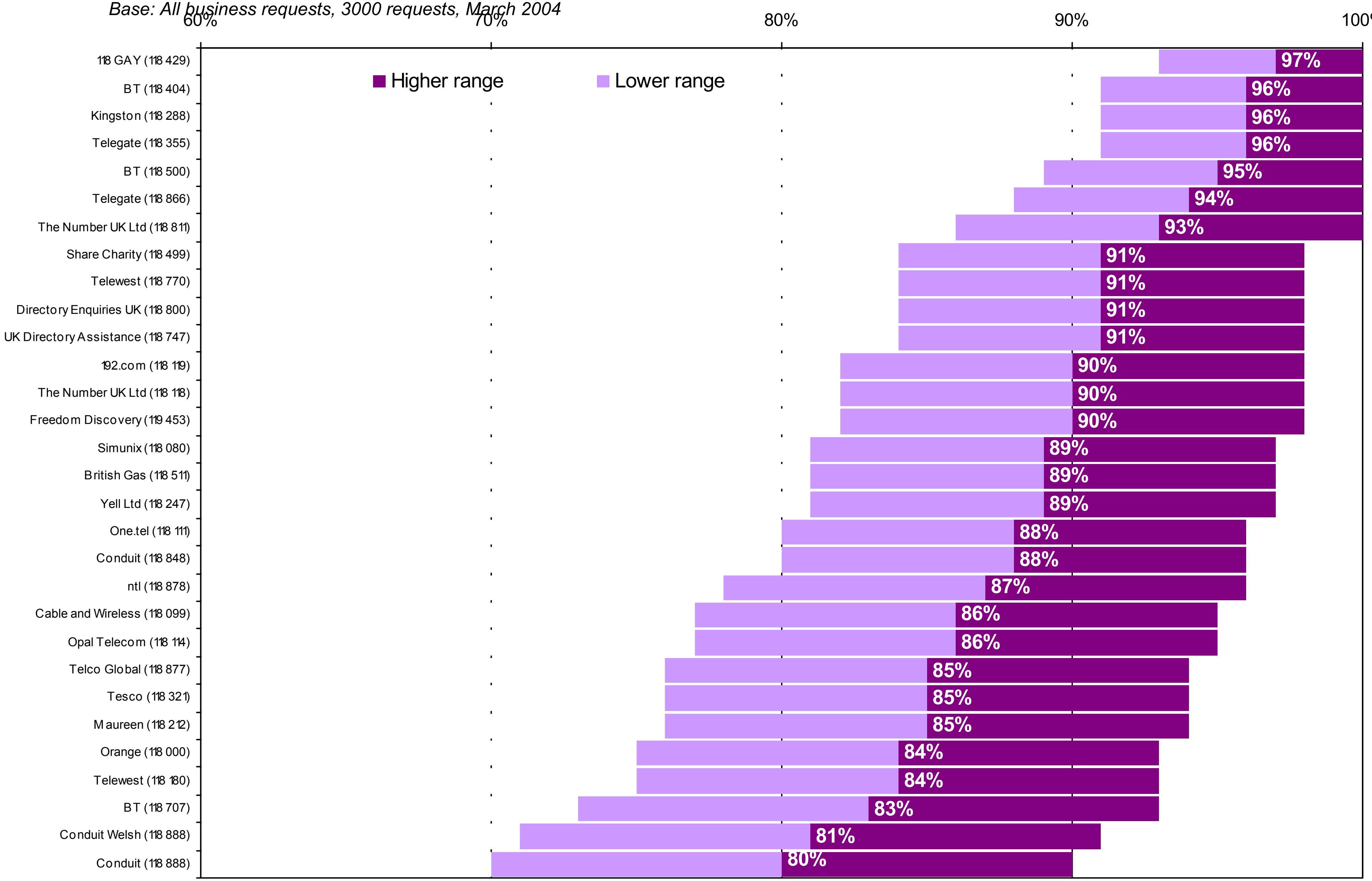


Figure 3c: Accuracy of provision of standard business UK numbers

Base: All business requests, 3000 requests, March 2004



Chapter 4

DQ timing and cost comparisons

Overall Performance

4.1 As mentioned above some DQ providers offer more than one level or type of service and as such have more than one ‘118 number’ to distinguish between them, in addition there are various pricing structures. The following tables show the performance of each DQ supplier for residential and business requests ranked by call duration and by cost. Each table shows three variables:

- cost (based on calls made from a BT landline);
- time taken to obtain one number; and
- accuracy of the number given.

4.2 The relative importance of each of these factors will differ from consumer to consumer - for example some may not mind having to wait a long time if the cost is lower whereas for others speed may be more important than cost. Therefore, the following tables illustrate the data based on each of these aspects and according to type of request. No overall ranking has been calculated.

4.3 The tables that have been ordered on cost should not be taken as an indication of recommended 'best buys' from Ofcom or ICSTIS.

4.4 The overall average time spent waiting for a call to national DQ services to be answered in person was eight seconds. Calls to 118 866 (Telegate) had the shortest average waiting time (two seconds) and calls to 118 429 (118 GAY) the longest (19 seconds).

4.5 The overall average times from the end of dialling to being given a residential number and to being given a business number (chargeable time) were very similar: 47 seconds for residential and 40 seconds for a business number.

4.6 Average costs based on up-to-date pricing information (inclusive of VAT) and the average time taken from the end of dialling to receiving the number requested ranged between 27p and 65p. Around half of all requests cost less than 40p to obtain one number. Given that price structures vary according to provider (i.e. some providers have per-minute charge structures, and others have per-call charges) the length of time taken to obtain the number does not in all cases directly correspond with the overall cost. It should also be noted that pricing comparisons have been based on charges for the directory enquiry itself, and some tariffs have been structured in order to be attractive to those wanting to onward call connect.

Figure 4a: Average time (seconds) from end of dialling number and being answered, to obtaining information (chargeable time) – compared with overall accuracy and cost

Base: All requests, 5880 requests, March 2004

DQ No. (196 requests each)	DQ Provider	Time taken (seconds)	Total cost (pence)	Overall accuracy (all)
118 499	**Share Charity**	**33.9**	42	91%
118 355	**Telegate**	**34.7**	30	96%
118 429	**118 GAY**	**34.8**	29	96%
118 288	**Kingston**	**35.4**	35	94%
118 848	**Conduit**	**36.1**	27	86%
118 111	**One.tel**	**36.1**	35	88%
118 000	**Orange**	**36.4**	49	83%
118 321	**Tesco**	**37**	35	85%
118 878	**ntl**	**37.3**	40	87%
118 770	**Telewest**	**38**	30	91%
118 099	**Cable and Wireless**	**38.4**	35	86%
118 747	**UK Directory Assistance (Jumbo Directories)**	**38.2**	65	89%
118 114	**Opal Telecom**	**38.5**	40	86%
118 866	**Telegate**	**38.5**	55	93%
118 877	**Telco Global**	**38.9**	33	85%
118 511	**British Gas**	**39.2**	35	89%
118 811	**The Number UK Ltd**	**40.2**	30	92%
118 119	**192.com**	**40.3**	45	90%
118 707	**BT**	**41**	29	83%
118 180	**Telewest**	**41**	45	83%
118 888 (Welsh)	**Conduit**	**41.2**	45	81%
118 888	**Conduit**	**41.4**	45	80%
118 800	**Directory Enquiries UK**	**41.8**	35	91%
118 118	**The Number UK Ltd**	**42.6**	55	90%
118 500	**BT**	**44.2**	51	93%
118 404 (Welsh)	**BT**	**44.7**	51	95%
118 212	**Maureen**	**44.9**	40	86%
118 080	**Simunix**	**46**	50	89%
118 247	**Yell Ltd**	**47.8**	32	89%
118 453	**Freedom Discovery**	**54.1**	36	90%

* Some service providers offer multiple services and pricing structures (see paragraph 4.1)

Figure 4b: Average time (seconds) from end of dialling number and being answered, to obtaining information (chargeable time) – compared with accuracy of provision of residential requests and cost

Base: All residential requests, 2880 requests, March2004

DQ No. (96 requests each)	DQ provider	Time taken (seconds)	Total cost (pence)	Overall accuracy (residential)
118 355	**Telegate**	**35.3**	30	94%
118 866	**Telegate**	**37.8**	55	90%
118 848	**Conduit**	**39**	27	75%
118 770	**Telewest**	**41**	30	89%
118 800	**Directory Enquiries UK**	**41**	35	93%
118 099	**Cable and Wireless**	**41.5**	35	89%
118 111	**One.tel**	**41.8**	35	92%
118 747	**UK Directory Assistance (Jumbo Directories)**	**42**	65	79%
118 321	**Tesco**	**42.4**	35	87%
118 288	**Kingston**	**43**	35	83%
118 114	**Opal Telecom**	**43**	40	83%
118 499	**Share Charity**	**43**	47	87%
118 429	**118 GAY**	**44**	37	86%
118 707	**BT**	**45**	29	79%
118 878	**ntl**	**45**	40	86%
118 511	**British Gas**	**45.1**	35	87%
118 877	**Telco Global**	**45.5**	34	86%
118 000	**Orange**	**45.8**	49	79%
118 119	**192.com**	**47**	49	91%
118 180	**Telewest**	**47.5**	49	75%
118 888	**Conduit**	**47.8**	46	81%
118 453	**Freedom Discovery**	**48.8**	33	90%
118 212	**Maureen**	**51.3**	42	93%
118 888 (Welsh)	**Conduit**	**53.2**	47	84%
118 500	**BT**	**54.2**	54	79%
118 247	**Yell Ltd**	**57**	38	89%
118 811	**The Number UK Ltd**	**57.7**	30	85%
118 404 (Welsh)	**BT**	**58.7**	55	89%
118 080	**Simunix**	**59.5**	50	91%
118 118	**The Number UK Ltd**	**60.6**	58	86%

Figure 4c: Average time (seconds) from end of dialling number and being answered, to obtaining information (chargeable time) – compared with accuracy of provision of business requests and cost

Base: All business requests, 3000 requests, March 2004

DQ No. (100 requests each)	DQ provider	Time taken (seconds)	Total cost (pence)	Overall accuracy (business)
118 499	Share Charity	32.5	41	91%
118 429	118 GAY	33.5	28	97%
118 288	Kingston	34.2	35	96%
118 321	Tesco	36.2	35	85%
118 878	ntl	36.2	40	87%
118 355	Telegate	34.6	30	96%
118 848	Conduit	35.7	27	88%
118 000	Orange	35	49	84%
118 877	Telco Global	37.9	33	85%
118 111	One.tel	35.2	35	88%
118 811	The Number UK Ltd	37.5	30	93%
118 511	British Gas	38.3	35	89%
118 119	192.com	39.3	45	90%
118 099	Cable and Wireless	38	35	86%
118 770	Telewest	37.6	30	91%
118 118	The Number UK Ltd	39.9	55	90%
118 866	Telegate	38.6	55	94%
118 747	UK Directory Assistance (Jumbo Directories)	37.7	64	91%
118 114	Opal Telecom	37.8	40	86%
118 180	Telewest	40	45	84%
118 707	BT	40.4	29	83%
118 800	Directory Enquiries UK Ltd	42	35	91%
118 404 (Welsh)	BT	42.6	51	96%
118 500	BT	43.6	51	95%
118 080	Simunix	44	50	89%
118 212	Maureen	44	40	85%
118 247	Yell Ltd	46.4	31	89%
118 888 (Welsh)	Conduit	48.1	46	81%
118 888	Conduit	49.6	46	80%
118 453	Freedom Discovery	54.9	37	90%

Figure 4d: Average cost (pence) based on average time taken from end of dialling number and being answered, to obtaining information (chargeable time) – compared with average time and accuracy of provision of all requests

Base: All requests, 5880 requests, March 2004

DQ No. (196 requests each)	DQ Provider	Total cost (pence)	Time taken (seconds)	Overall accuracy
118 848	**Conduit**	**27**	36.1	86%
118 707	**BT**	**29**	41	83%
118 429	**118 GAY**	**29**	34.8	96%
118 355	**Telegate**	**30**	34.7	96%
118 770	**Telewest**	**30**	38	91%
118 811	**The Number UK Ltd**	**30**	40.2	92%
118 247	**Yell Ltd**	**32**	47.8	89%
118 877	**Telco Global**	**33**	38.9	85%
118 288	**Kingston**	**35**	35.4	94%
118 111	**One.tel**	**35**	36.1	88%
118 321	**Tesco**	**35**	37	85%
118 099	**Cable and Wireless**	**35**	38.4	86%
118 511	**British Gas**	**35**	39.2	89%
118 800	**Directory Enquiries UK**	**35**	41.8	91%
118 453	**Freedom Discovery**	**36**	54.1	90%
118 878	**ntl**	**40**	37.3	87%
118 114	**Opal Telecom**	**40**	38.5	86%
118 212	**Maureen**	**40**	44.9	86%
118 499	**Share Charity**	**42**	33.9	91%
118 888 (Welsh)	**Conduit**	**45**	41.2	81%
118 888	**Conduit**	**45**	41.4	80%
118 119	**192.com**	**45**	40.3	90%
118 180	**Telewest**	**45**	41	83%
118 000	**Orange**	**49**	36.4	83%
118 080	**Simunix**	**50**	46	89%
118 500	**BT**	**51**	44.2	93%
118 404	**BT**	**51**	44.7	95%
118 866	**Telegate**	**55**	38.5	93%
118 118	**The Number UK Ltd**	**55**	42.6	90%
118 747	**UK Directory Assistance (Jumbo Directories)**	**65**	38.2	89%

Figure 4e: Average cost (pence) based on average time taken from end of dialling number and being answered, to obtaining information (chargeable time) – compared with average time and accuracy of provision of residential requests

Base: All residential requests, 2880 requests, March 2004

DQ No. (196 requests each)	DQ provider	Total cost (pence)	Time taken (seconds)	Overall accuracy (residential)
118 848	Conduit	27	39	75%
118 707	BT	29	45	79%
118 355	Telegate	30	35.3	94%
118 770	Telewest	30	41	89%
118 811	The Number UK Ltd	30	57.7	85%
118 453	Freedom Discovery	33	48.8	90%
118 877	Telco Global	34	45.5	86%
118 800	Directory Enquiries UK	35	41	93%
118 099	Cable and Wireless	35	41.5	89%
118 111	One.tel	35	41.8	92%
118 321	Tesco	35	42.4	87%
118 288	Kingston	35	43	83%
118 511	British Gas	35	45.1	87%
118 429	118 GAY	37	44	86%
118 247	Yell Ltd	38	57	89%
118 114	Opal Telecom	40	43	83%
118 878	ntl	40	45	86%
118 212	Maureen	42	51.3	93%
118 888	Conduit	46	47.8	81%
118 888 (Welsh)	Conduit	47	53.2	84%
118 499	Share Charity	47	43	87%
118 000	Orange	49	45.8	79%
118 119	192.com	49	47	91%
118 180	Telewest	49	47.5	75%
118 080	Simunix	50	59.5	91%
118 500	BT	54	54.2	79%
118 866	Telegate	55	37.8	90%
118 404	BT	55	58.7	89%
118 118	The Number UK Ltd	58	60.6	86%
118 747	UK Directory Assistance (Jumbo Directories)	65	42	79%

Figure 4f: Average cost (pence) based on average time taken from end of dialling number and being answered, to obtaining information (chargeable time) – compared with average time and accuracy of provision of business requests

Base: All business requests, 3000 requests, March 2004

DQ No. (196 requests to each)	DQ provider	Total cost (pence)	Time taken (seconds)	Overall accuracy (business)
118 848	**Conduit**	**27**	35.7	88%
118 429	**118 GAY**	**28**	33.5	97%
118 707	**BT**	**29**	40.4	83%
118 355	**Telegate**	**30**	34.6	96%
118 811	**The Number UK Ltd**	**30**	37.5	93%
118 770	**Telewest**	**30**	37.6	91%
118 247	**Yell Ltd**	**31**	46.4	89%
118 877	**Telco Global**	**33**	37.9	85%
118 288	**Kingston**	**35**	34.2	96%
118 111	**One.tel**	**35**	35.2	88%
118 321	**Tesco**	**35**	36.2	85%
118 099	**Cable and Wireless**	**35**	38	86%
118 511	**British Gas**	**35**	38.3	89%
118 800	**Directory Enquiries UK Ltd**	**35**	42	91%
118 453	**Freedom Discovery**	**37**	54.9	90%
118 878	**ntl**	**40**	36.2	87%
118 114	**Opal Telecom**	**40**	37.8	86%
118 212	**Maureen**	**40**	44	85%
118 499	**Share Charity**	**41**	32.5	91%
118 888 (Welsh)	**Conduit**	**46**	48.1	81%
118 888	**Conduit**	**46**	49.6	80%
118 119	**192.com**	**45**	39.3	90%
118 180	**Telewest**	**45**	40	84%
118 000	**Orange**	**49**	35	84%
118 080	**Simunix**	**50**	44	89%
118 404 (Welsh)	**BT**	**51**	42.6	96%
118 500	**BT**	**51**	43.6	95%
118 866	**Telegate**	**55**	38.6	94%
118 118	**The Number UK Ltd**	**55**	39.9	90%
118 747	**UK Directory Assistance (Jumbo Directories)**	**64**	37.7	91%

Chapter 5

Consumer response to DQ liberalisation

DQ usage

5.1 Use of telephone DQ services appears to have fallen since the liberalisation of the market. Currently just under three in five (57%) UK adults claim ever to use telephone directory services compared to two-thirds of GB adults in October 2003.[6] The fall in usage is amongst both frequent and infrequent users of the service and is consistent with industry statistics collected by Ofcom, which indicate a drop in overall call volumes to directory services since liberalisation in August 2003.

Impact of liberalisation on DQ usage

5.2 Since the introduction of the new DQ numbers and additional 'enhanced' services, three in five DQ customers said their use of national telephone directory services has remained the same – equating a third (32%) of UK adults. However, a quarter of adults (26%) claim to be using the service less frequently, including nine per cent who said that they no longer use the service. Half of consumers currently using the service less were deterred by either perceptions or experiences of higher costs, and a minority by perceptions or experiences of poor service. Paper directories and the Internet have become increasingly important alternative sources for these consumers.

5.3 One per cent of adults claimed to have used DQ services more since liberalisation, attracted by better value for money and enhanced services. This finding is based on responses from 12 consumers so should be treated as indicative only.

Awareness of DQ changes

5.4 85% of UK adults are currently aware of the changes that were made to DQ services following liberalisation. This proportion rises to 92% amongst frequent users (at least monthly) and falls to around four in five (78%) amongst non-DQ users. Awareness grew steadily from May 2002 when monitoring began until August 2003, where it has stabilised, as shown in figure 5a.

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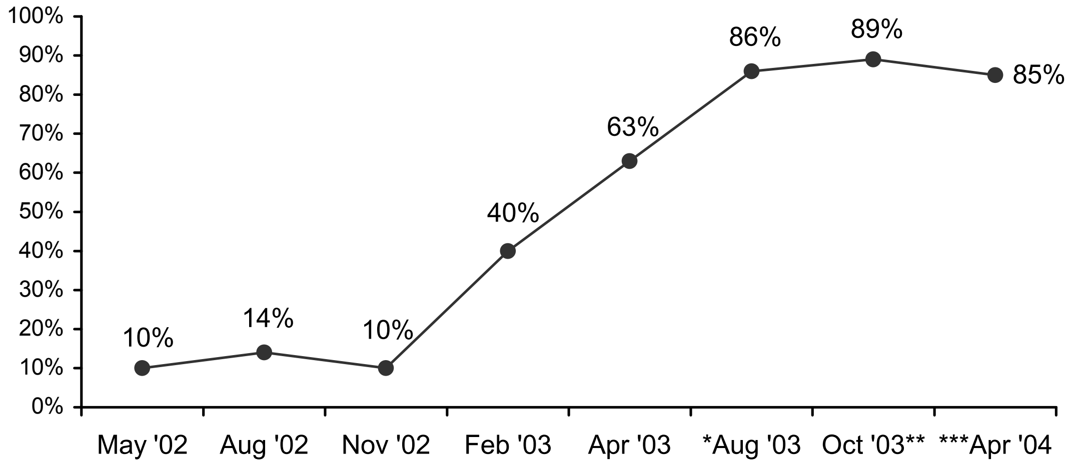
[6] The survey conducted in October 2003 was amongst GB adults

Figure 5a: Awareness of changes to DQ services

Base: UK adults, unless specified otherwise (Base: variable, 1000-2000)



* *based on GB adults with a fixed line phone*

** *based on GB adults*

*** *the apparent fall in awareness is not significant and likely to be a reflection of the slightly different samples*

Number awareness and recognition

5.5 70% of adults who were aware of the changes to DQ services were able to spontaneously, and correctly, name one of the new numbers. While not significantly different to the two-thirds in November 2003 this confirms the rise in awareness reported since August 2003 (50%). Spontaneous awareness of correct DQ numbers rises to three-quarters amongst existing DQ users.

5.6 Number recognition (prompted) among those aware of the DQ changes, also remains broadly similar to that in November 2003 (85%), which equates to around seven in ten UK adults.

5.7 Awareness and prompted recognition remains highest for 118 118 (The Number UK) at 73%, followed by 118 500 (BT) at 32% and 118 888 (Conduit), 15%.

Awareness of varying pricing structures and services

5.8 In total, just less than two in five (38%) consumers aware of the changes to DQ services were also aware that the prices and services vary according to the provider used, this equates to a third of UK adults.

- three in five (61%) adults aware of the changes to DQ services were aware that the new numbers charge a range of different prices;
- just over two in five (43%) were aware that the new 118 directory enquiry numbers offer a range of different services.

5.9 Awareness of the varying prices and services on offer was highest amongst higher social grades and frequent DQ callers.

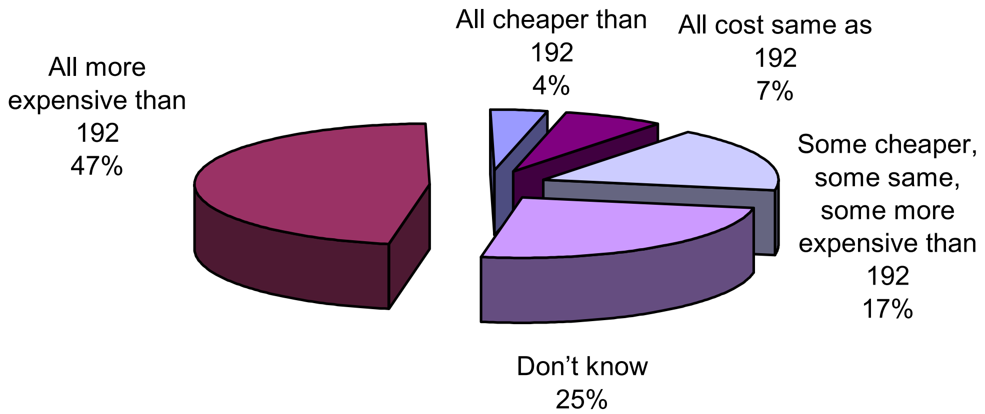
Awareness of costs in comparison to previous 192 services

5.10 7% of adults thought that the legacy 192 directory enquiry service was free of charge from a fixed line phone, broadly similar to August '03. The remainder suggested a range of prices, averaging about 38 pence (which is very close to the actual charge of forty pence per call), or weren't sure of the price.

5.11 Perceptions of the cost of calls to 118 numbers compared with costs to the legacy 192 services varied. The new services span a range of prices, both higher and lower than calls to 192. Around a fifth (17%) of those aware of the changes to DQ services were aware of the varying prices in comparison to the legacy DQ services, rising to a quarter amongst frequent callers. However, almost half (47%) incorrectly thought calls to all of the new 118 services were more expensive, as shown in figure 5b.

Figure 5b: Perceptions of the cost of calls to 118 services compared to the cost of 192

Base: UK adults aware of the changes to DQ services, 907 UK adults, April 2004



Use and satisfaction with new numbers

5.12 Around half (52%) of current DQ customers claimed to have called one of the new DQ numbers by April 2004 (equivalent to about 24 million UK adults), rising to 96% amongst frequent DQ callers. The proportion of consumers calling the new services does not appear to have increased since October 2003.

5.13 Consistent with awareness figures, 118 118 (The Number UK), and 118 500 (BT), continue to be the most popular choices, driven primarily by advertising and number awareness at the time of calling.

5.14 Of the 30% of adults that have selected a main DQ number to call for directory services almost two-thirds (64%) were satisfied with the service they have received, 22% claim to be very satisfied. The remaining 70% had not selected a main DQ number and therefore were not asked about their satisfaction, as this may have varied according to each provider used.

Awareness, use, and interest in new range of services

5.15 Just under half (47%) of consumers aware of changes to directory enquiries were aware of at least some of the additional 'enhanced' services currently available, rising from around a third reported in November 2003. This is equivalent to four in ten (41%) UK adults, as shown in figure 5c. Some of this rise is likely to be due to awareness of the ability to obtain multiple number requests, which was not included in the initial survey. Consumers remain primarily aware of onward connection, number sent by text to mobile, and multiple number requests. Awareness of each of these has risen a few percentage points since November 2003. However, awareness of the other services such as searches for specific services such as taxi services, cinema listings, emailing numbers and television listings remain broadly similar but at lower levels.

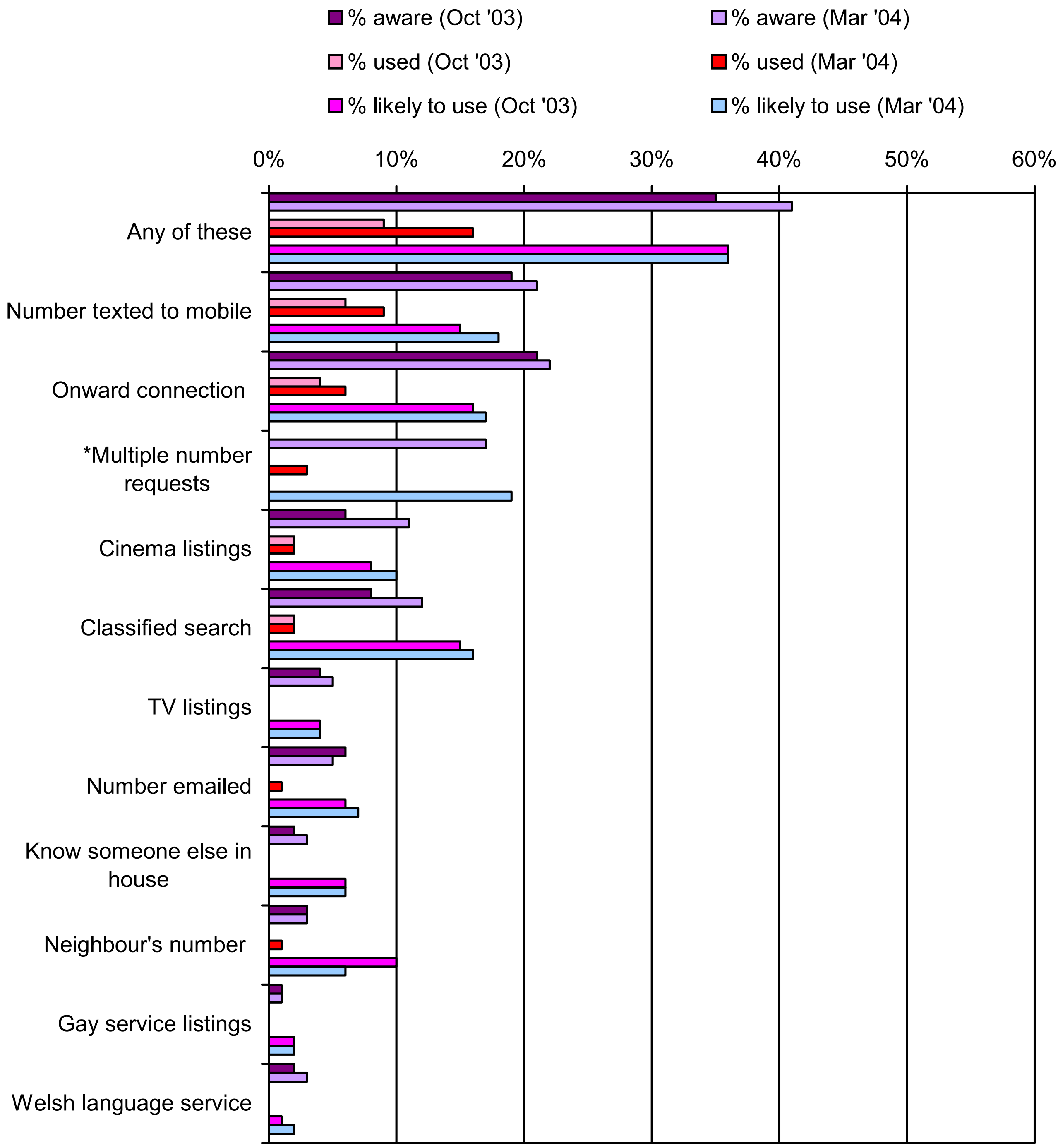
5.16 Overall, a fifth (22%) of UK adults were generally aware of the range of additional services on DQ numbers (e.g. onward connection, classified searches etc) and had called one of the new 118 numbers to obtain a number – a slight rise from 16% in October 2003. The overall rise in use of additional DQ services has largely been driven by increased use of text-back, illustrated in figure 5c. Text-back is not a new service, but is more widely available and in some cases provided automatically. The rise in use therefore, may not necessarily be driven by consumers actively choosing to use this service.

5.17 The second most popular new service that consumers have used was onward connection to the requested number - used by one in ten DQ users, rising to 20% amongst frequent users, and equating to six per cent of all UK adults as illustrated in figure 5c. Use of the other services remains low in comparison.

5.18 Likelihood of using any of the additional services remains broadly similar in this wave at just under four in ten (36%) adults. Text-back, onward connection, and classified searches elicited most interest in the last wave of research and continue to be the additional features consumers claim they are most likely to use.

Figure 5c: Current and potential use of new additional DQ services

Base: UK adults, 1075 UK adults, April 2004



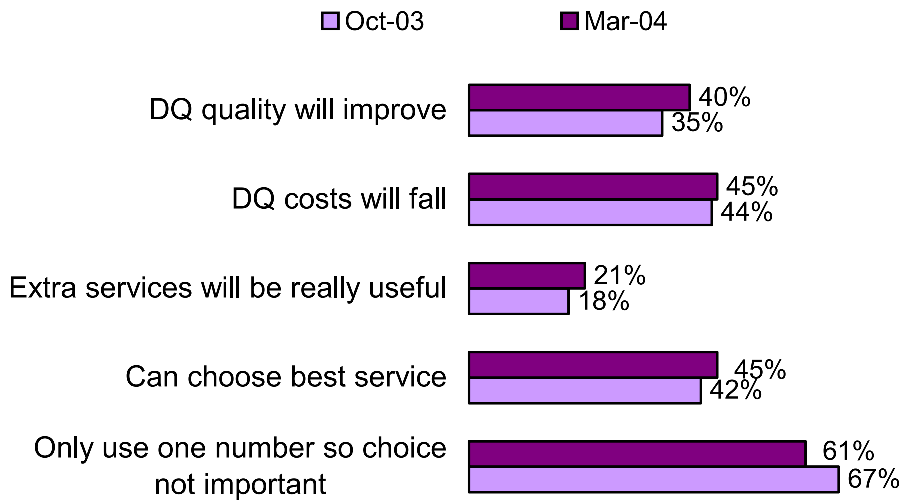
* *multiple number requests were not included in the October survey.*

General opinion on liberalisation

5.19 Opinions about the DQ market liberalisation continue to vary, with one in five confident that the additional services will be of use to them. There is a diversity of opinion about costs and quality, although in the April survey there was an increase in the proportion who believed that competition between providers will lead to an improvement in service quality. There was a slight drop in the proportion claiming that they will use only one number.

Figure 5d: General opinions on DQ liberalisation

Base: UK adults aware of the changes to DQ services, 907 UK adults, April 2004



Annex A

Mystery shopping details

Selection criteria

Number selection

A1. Oftel and ICSTIS carried out market research in October and November 2003 to provide a preliminary evaluation. Oftel selected a total of 30 national DQ in this mystery shopping evaluation. The selection process was based on the following criteria:

- Numbers that appear on 'new directory enquiries' website or 192 recorded message
- Complaints received by Oftel/ICSTIS
- High profile, press coverage
- Testing alternative services offered within provider (i.e. ppm charging versus flat rate/Welsh versus English)

A2. Ofcom re-assessed these numbers for the mystery shopping exercise conducted in March-April 2004, using the same criteria listed above.

Selected National DQ Numbers			
118 000 – Orange	118 212 – Maureen	118 499 – Share Charity	118 866 - Telegate
118 080 – Simunix	118 247 – Yell	118 500 - BT	118 877 – Telco Global
118 099 – C&W	118 288 – Kingston	118 511 – British Gas	118 878 - NTL
118 111 - One.tel	118 321 – Tesco	118 707 - BT	118 888 - Conduit
118 114 – Opal	118 355 – Telegate	118 747 – UK Directory Assistance (Jumbo Directories)	118 888 – Conduit (Welsh)
118 118 – The Number	118 404 – BT (Welsh)	118 770 - Telewest	[7] 118 848 – Conduit
118 119 – 192.com	118 429 – 118 GAY	118 800 – Directory Enquiries UK	
118 180 – Telewest	118 453 – Freedom	118 811 – The Number	

[7] 118 895 (NTL) is no longer in service, and the survey replaced this number with Conduit 118 848. One comparison website quoted this as the cheapest DQ service, and it offers a ppm charge, as opposed to the flat rate aspect used by Conduit's other services, and therefore met 2 of the selection criteria. Other numbers were considered but did not meet 2 or more criteria.

Pricing structures

A3. All prices quoted in the report are based on calls from a BT landline. Prices have been calculated using information direct from individual DQ numbers (where provided), or based on the latest published price list available on BT's website.

A4. A range of different pricing structures exist and prices are compared on different call types:

- Flat fee for whole call regardless of length;
- Initial connection charge (which includes first minute of call) + pence per minute charge for remainder of call (charged per second);
- Initial connection charge (which does not include first minute of call) + pence per minute charge for whole call (charged per second);
- No connection charge and pence per minute charge for whole call (charged per second).

A5. In addition to the varying prices for standard DQ services, some providers focus on various other charging models. These include:

- Cheaper calls from certain networks/service providers;
- Cheaper call-connect rates; and
- Charity donations made from each call.

Annex B

Mystery Shopping Methodology

B1. All calls were conducted in accordance with the guidelines outlined by the Market Research Society and ESOMAR. Callers did not reveal their identity either during the call or at the end to ensure the continued objectivity of the whole research project. DQ providers worked with Ofcom and ICSTIS to ensure that the study was as representative of the 'real world' profile of calls to DQ services. As such they were aware that Ofcom and ICSTIS were conducting a further mystery shopping exercise, but were not aware of the precise timing and details in order to protect the study's objectivity.

B2. Calls were initially recorded on a simple, easy to use paper script which allowed flexibility in recording data, and the order in which questions during the call were posed and answered. During the call, all time information was recorded using digital clocks and measured to the nearest second. Data recorded during these calls were then transferred on to a CATI (Computer Aided Telephone Interviewing) system from which subsequent analysis was run.

The majority of calls were made from MORI's central telephone centre in Scotland, calls were made from landlines. In addition, where directory enquiries were requested in the Welsh language, a Welsh speaker was used.

Call profile

B3. To attempt to reflect the approximate spread of calls received by directory enquiry call handlers, calls were made to DQ operators throughout the day and at weekends. The times were as follows:

Daytime (9am – 5pm) c61%
Evening (5pm – 10pm) c21%
Late Night (10pm – midnight) c2%
Weekends (10am – 6pm) c16%

B4. The scenarios used in the study were:

- Business: requesting the telephone number of a UK business. A range of businesses spread across the country were requested.
- Residential: the telephone number of a UK resident, giving the full name and address. A geographic spread of numbers was requested.

B5. Both residential and business requests were designed in order to represent 'easy – potentially dealt with in under 60 seconds', or 'difficult – potentially dealt with in at least 60 seconds' scenarios. 'Difficult' requests consisted of, either difficult spellings, unusual businesses, or information being withheld from the call operator until prompted. The scenarios were consistent across all calls to all DQ numbers.

Provision of numbers to be requested

B6. All numbers to be requested were provided by OSIS, the central database for all residential and business landline numbers. This is part of BT's Wholesale Directory Services operation. Because of concerns that BT might be able to favour its own DQ service, BT signed a confidentiality undertaking in respect of the information which it handled in respect of the mystery shopping exercise.

B7. On completion of fieldwork all numbers were re-verified by OSIS. One residential number had been withdrawn during fieldwork and as such data for this scenario was discounted in all cases, resulting in a total reduction of 120 residential requests.

B8. In the case of business requests, if the number provided did not match the number (or numbers) expected, they were checked (by calling them) to ascertain whether or not it was a suitable alternative.

Types and proportion of requests

B9. In total 5880 requests were made, spread across 30 national DQ numbers, and different times of the day (weekday and weekend). The same requests were made to each supplier at four different intervals during the day.

Annex C

Consumer survey questionnaire

Q1. SHOWCARD Which of the companies on this card does your household use for your home fixed line telephone services? If you use more than one fixed line supplier, please tell me the names of all that you use. Please do not count mobile phone companies. CODE ALL THAT APPLY

BT
NTL
Telewest
Other
Cable (Code only if 'cable' mentioned but not company name)
Don't know
No fixed line phone

Q2. SHOWCARD Which of these best describes how often, if at all, you phone each of the following directory enquiry services from either a mobile or fixed phone? SINGLE CODE.

(a) National directory enquiries?
(b) International Directory enquiries?

Daily
At least once a week
At least once a month
At least once a year
Less frequently than once a year
Never
Don't know

Q3. New numbers for directory enquiry services have been introduced for both national and international directory services, which of the following would you say best describes whether you were aware of this before now?

(a) National directory enquiries?

READ OUT. SINGLE CODE ONLY

a) I was aware that new numbers were being introduced but was not aware that they were already available
b) I was aware that new numbers had already been introduced
c) I was not aware that new numbers had been introduced
d) Don't know/ None of these

Q4. Which, if any, of the new national directory enquiry numbers can you recall? UNPROMPTED

Q5. SHOWCARD And which if any, of these new directory enquiry numbers do you recognise? MULTICODE

118 000
118 111
118 118
118 119
118 141

118 180
118 192
118 247
118 404
118 429
118 500
118 505
118 622
118 800
118 811
118 878
11 88 66
11 88 88
None
Don't know

Q6 SHOWCARD Which if any, of the new directory enquiry numbers have you called? MULTICODE

118 000
118 111
118 118
118 119
118 141
118 180
118 247
118 404
118 429
118 500
118 505
118 800
118 811
118 878
11 88 66
11 88 88
Other 118 number (specify)
Other NON 118 number (specify)
None
Can't remember which I've called
Can't remember whether I've called any of them
Have not called any of them
Don't know

ASK ALL WHO HAVE CALLED MORE THAN ONE LISTED NUMBER
Q7. SHOWCARD And which of those numbers do you use most often?
SINGLE CODE ONLY

118 000
118 111
118 118
118 119
118 141
118 180
118 247
118 404
118 429
118 500
118 505
118 800

118 811
118 878
11 88 66
11 88 88
Use each the same
Use each for different reasons
None of these
Don't know

ASK ALL WHO USE ONE LISTED NUMBER MOST OFTEN
Q8a. Why did you decide to use that particular number? O NOT READ OUT. CODE ALL THAT APPLY.

ASK ALL CAN REMEMBER THE NUMBERS THEY USED BUT HAVE NOT CHOSEN ONE TO USE MORE FREQUENTLY
Q8b. Why did you decide to use those particular numbers? DO NOT READ OUT.

ASK ALL WHO USE ONE LISTED NUMBER MOST OFTEN
Q9.SHOWCARD PHONE5 How satisfied are you with the overall service provided by [ ]READ OUT SINGLE CODE ONLY

a) Very satisfied
b) Satisfied
c) Neither satisfied nor dissatisfied
d) Dissatisfied
e) Very dissatisfied
f) Don't know/Can't remember

ASK ALL WHO EVER CALL DIRECTORY ENQUIRIES
Q10. The national 192 and international 153 directory enquiry numbers were withdrawn from service at the end of August 2003. Where did you – or do you think you will - find out what the new directory enquiry numbers are? DO NOT READ OUT.

ASK ALL
Q11.Since the introduction of the new directory enquiry numbers, would you say you are now calling national directory enquiries more frequently, less frequently or about the same amount as you did before the old directory enquiry number was withdrawn? READ OUT IF NECESSARY. SINGLE CODE.

a) More frequently
b) About the same
c) Less frequently
d) Too early to say
e) Don't know

ASK ALL WHO CALL DIRECTORY ENQUIRIES MORE FREQUENTLY THAN THEY DID BEFORE THE OLD NUMBER WAS WITHDRAWN

Q12. For what reasons do you think that you now call directory enquiries more frequently than you used to? DO NOT READ OUT

ASK ALL WHO CALL DIRECTORY ENQUIRIES LESS FREQUENTLY THAN THEY DID BEFORE THE OLD NUMBER WAS WITHDRAWN
Q13. For what reasons do you think that you now call directory enquiries less frequently than you used to? DO NOT READ OUT. CODE ALL THAT APPLY.

Q14. And where, if anywhere, do you now look for telephone numbers instead of calling directory enquiries? DO NOT READ OUT
ASK ALL AWARE OF INTRODUCTION OF NEW NUMBERS

Q15. Which of the following statements best describes your understanding of the new directory enquiries numbers? READ OUT. ROTATE. SINGLE CODE ONLY.
a) All the new numbers charge the same price as each other and offer the same services
b) The new numbers charge a range of different prices and offer different services
c) The new numbers charge a range of different prices and all offer the same services
d) All the new numbers charge the same price as each other and offer different services
e) Don't know

ASK ALL WHO USE ONE LISTED NUMBER MOST OFTEN
Q16. You said that you use (READ OUT TELEPHONE NUMBER) most often, can you tell me approximately how much do you think it costs in total to call this number from a fixed phone line? DO NOT READ OUT AMOUNT. SINGLE CODE ONLY

Q17. SHOWCARD And how do you think this compares to the cost of calling the old 192 directory enquiry service, is it more expensive, less expensive or about the same cost? SINGLE CODE ONLY

a) More expensive
b) About the same cost
c) Less expensive
d) Don't know

ASK ALL
Q18. Approximately how much do you think it costs to call the old 192 directory enquiries number from a fixed phone line? DO NOT READ OUT. SINGLE CODE.

ASK ALL AWARE OF INTRODUCTION OF NEW NUMBERS
Q19. Which of the following statements best describes in general how the cost of each of the new directory enquiry services compares to the cost of the old 192 service? READ OUT. ROTATE. SINGLE CODE ONLY.

a) All the new numbers are more expensive than 192
b) All of the new numbers are cheaper than 192
c) All of the new numbers cost the same as 192
d) Some of the new numbers are cheaper, some cost the same, and some are more expensive than 192
e) Don't know

Q20. SHOWCARD Many of the new directory enquiry providers offer extra services in addition o simply giving you the number you request. Please can you tell me whether or not you have heard of each of the following services listed on this card? CODE ALL THAT APPLY.

a) Number sent by text to your mobile
b) Number emailed to you
c) Onward connection to the number requested
d) Request for more than one number
e) Searches for specific services such as a taxi firm or electrician
f) Cinema listings
g) Television listings
h) Connect you to a neighbour of someone you know
i) Connect you to someone living at the same address as the person you want to call
j) Providers listing specialist gay services
k) Service provided in Welsh

l) Standard directory enquiry: asking for telephone number without any other service
m) None of these
n) Don't know

Q21. SHOWCARD And for each of these, please tell me whether you have used the service?

a) Number sent by text to your mobile
b) Number emailed to you
c) Onward connection to the number requested
d) Request for more than one number
e) Searches for specific services such as a taxi firm or electrician
f) Cinema listings
g) Television listings
h) Connect you to a neighbour of someone you know
i) Connect you to someone living at the same address as the person you want to call
j) Providers listing specialist gay services
k) Service provided in Welsh
l) Standard directory enquiry: asking for telephone number without any other service
m) None of these
n) Don't know

Q22. Please tell me for each of the following services, how likely you are to use them in the future. READ OUT. ROTATE. SINGLE CODE FOR EACH.

Very likely
Likely
Unlikely
Very unlikely
Don't know

a) Standard directory enquiry: asking for telephone number without any other service
b) Requesting more than one number
c) Number sent by text to your mobile
d) Number emailed to you
e) Onward connection to the number requested
f) Searches for specific services such as a taxi firm or electrician
g) Cinema listings
h) Television listings
i) Connect you to a neighbour of someone you know
j) Connect you to someone living at the same address as the person you want to call
k) Providers listing specialist gay services
l) Service provided in Welsh

Q23. I'm now going to read out some statements about the introduction of these new 118 directory enquiry numbers. Please tell me the extent to which you agree or disagree with each one? READ OUT STATEMENTS. ROTATE. SINGLE CODE FOR EACH.

Strongly agree
Agree
Neither agree nor disagree
Disagree
Strongly disagree
Don't know

a) Having different directory enquiry providers available means I can choose the best service for my needs

b) The extra services offered by some of the new directory enquiries providers are or will be really useful to me
c) I do/will only call one number for directory enquiries, so having a wide choice of numbers and services is not important to me
d) Competition between the different directory enquiry services will lead to an improvement in the quality of the services they provide
e) Competition between the different directory enquiry services will lead to the costs of these services coming down