

**Final Report for Ofcom**

The use of non-geographic numbers  
by service providers

*11 August 2010*

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Annex A: Service provider interview questions

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# 1 Executive summary

Ofcom is undertaking a review of non-geographic numbers to examine the structure of markets and identify areas where intervention may be required. Analysys Mason has been commissioned by Ofcom to carry out a two-part study to assist this review.

Ofcom needs to understand how services provided through non-geographic numbers are provided to consumers. This study is intended to assist Ofcom in that regard.

This study is split into two separate parts:

- Part 1 of the study investigates the use of non-geographic number ranges by service providers (SPs).
- Part 2 aims to establish a flow of funds for non-geographic numbers. In other words, to ascertain the level of revenue and volumes passing through various points of the supply chain for individual, non-geographic number ranges.

This report presents our findings from Part 1 of the study. The outputs of Part 2 of our study will be presented to Ofcom in a subsequent report.

To understand the use of non-geographic number ranges by SPs, we have carried out a series of in-depth interviews with providers of non-geographic number services in the UK market. We have also conducted a short survey including 124 additional SPs. The aim of these activities has been to better understand:

- the criteria used by SPs when choosing to use a specific, non-geographic number range
- how SPs negotiate with communications providers for services
- what improvements could be made to the way the non-geographic call market works that would benefit SPs.

In the value chain described in Figure 1.1 below, we refer to revenue share agreements between SPs and terminating communications providers (TCPs). We distinguish between two different categories of service providers, which play different roles in the value chain:

- **Reselling service providers (resellers)** which control multiple, non-geographic numbers (often across several ranges). Resellers sell access to individual non-geographic numbers to information providers and generally negotiate with TCPs for services. We note that the reseller can often be vertically integrated with the TCP, in which case negotiations are with players further upstream (transit providers).
- **Information providers (IPs) or end-user service providers** which, simply put, are the organisations that a caller speaks to when calling a specific non-geographic number, and

which ultimately determine the number ranges that they consider to be optimally suited for the provision of their services.

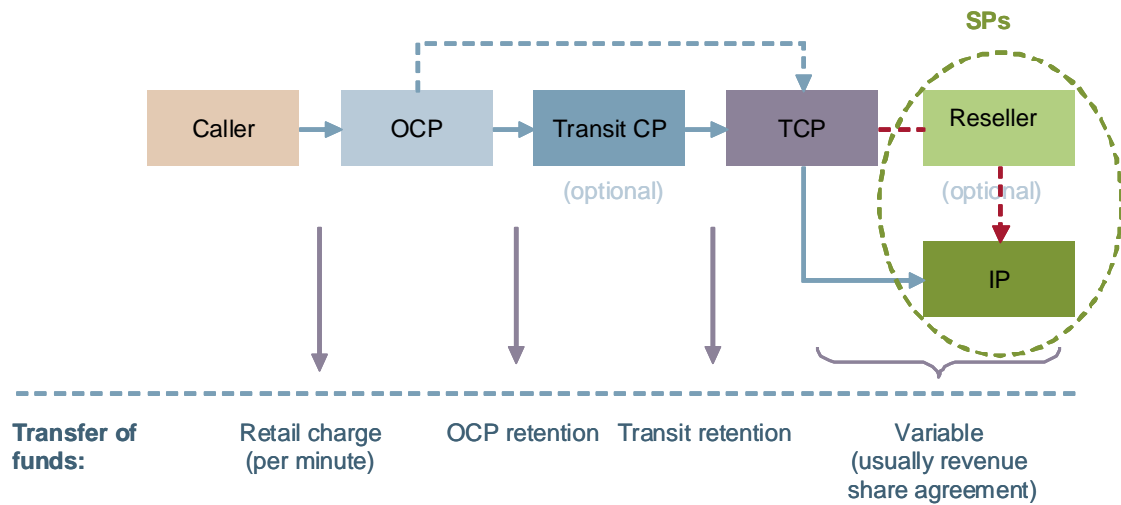


Figure 1.1: Value chain for supply of non-geographic calls [Source: Ofcom]

We have completed 20 in-depth interviews with SPs – 10 with resellers and 10 with IPs. We have also realised a sample size of 124 for our survey.

Considering first the IPs, there are a number of key themes that consistently arose from our interviews with IPs and from the IP survey:

- The reasons for selecting specific number ranges focus mainly on the perception of the IP (size, physical location, national reach, etc.) that is created by using a specific number range, rather than any specific cost implications. These reasons were different for IPs that use the 09 and 0871/2/3 ranges, which stated that their main purpose in selecting these number ranges was to generate revenue.
- For most number ranges, the most important factors when selecting a TCP were cost, with a fixed monthly charge being the most favourable pricing mechanism. Whereas 09 and 0871/2/3 range users focus on the level of revenue share and the reliability of the network. All respondents stated that they believe there is sufficient choice of TCPs in the market, with similar tariffs on offer. No problems were highlighted including any concerns over dominance of BT at this level of the value chain.
- Revenue-sharing arrangements meant that for most number ranges (all but the 0871/2/3 and 09) IPs made a net outpayment to TCPs, but this was not considered problematic as the main aim of having a non-geographic number service was to encourage a greater volume of callers rather than to make additional revenue through receiving calls.

- Most IPs are unable to influence the retail price of calls to their number, although some services such as *The Number* using the 118 number range have had a degree of influence, although generally less for mobile-originated calls.
- The main problem identified in the current market is the absence of price transparency for consumers, and a lack of understanding of the purpose of the different non-geographic number ranges. This problem has been exacerbated by some operators – MNOs in particular – charging large mark-ups at the retail level to customers. This has the perceived effect of reducing call volumes (and therefore, long-term revenues) for IPs.

We also carried out in-depth interviews with 10 resellers. These interviews have provided us with a variety of interesting views, particularly concerning the reasons for IPs to select particular number ranges, factors affecting the choice of TCP, revenue-sharing arrangements (with both TCPs and information providers), and thoughts on the regulation of non-geographic numbers. The main points that were made include the following:

- 0845 numbers tend to be most popular amongst IPs, followed by 0800 numbers. 0870 numbers declined in popularity following regulatory changes, and 03 numbers have not been widely adopted. In general, number range selection by IPs is usually based on the perception of numbers by customers and the cost. Generating revenue through the number is not usually a primary concern for information providers.
- All resellers stated that they felt there was enough choice in the market for TCPs, and that this area of the market did not present too many problems at present.
- There are a mixture of standard and bespoke revenue sharing agreements between both TCPs and resellers, and between resellers and IPs. Revenue shares vary greatly by number range but can be as high as 90–95% of TCP revenues for the resellers.
- Many perceived problems with the current regulation of the sector and suggestions for improvements were ventured. However, the majority showed the same focus as for the IPs, namely that consumer understanding of the different number ranges was poor, and that mobile operators charged consumers a premium for originating calls to non-geographic numbers. It was felt that as a result of these problems the market wasn't reaching its potential, and this has a revenue impact for the resellers.
- Regarding the idea of making all 0800 calls universally free, there was general support for this proposal, but when the proposition of charging IPs more to receive the calls was put forward, opinion was split. All respondents considered a 10 pence per minute premium to be unreasonable, with only two believing 5 pence per minute would be accepted by their customers. The remainder thought that just 2 pence per minute would be accepted. Whether IPs would carry on using 0800 if such extra costs were incurred is hard to judge and would depend on their individual business model, and the potential growth in mobile-originated 0800 calls.

Overall, the in-depth interviews with both the resellers and IPs, and our IP survey suggest that there are some problems with the current regulatory regime. In particular, consumers do not understand the retail pricing arrangements, which discourage them from calling non-geographic numbers. Regulation varies between different number ranges and different communications providers, and mobile operators in particular are perceived as charging too much at the retail level, impacting SP margins.

## 2 Introduction

Ofcom is undertaking a review of non-geographic numbers to examine the structure of markets and identify areas where intervention may be required. Analysys Mason has been commissioned by Ofcom to carry out this two-part study to assist the review.

### 2.1 Background

Non-geographic numbers are all numbers other than those in the 01/02 number ranges. For the purpose of this study, the scope for evaluation has been limited to the following number ranges:

- **03:** Public sector and not for profit organisations, calls at a geographic rate – applies to all communications providers, no revenue share
- **070:** Personal numbers with no revenue share
- **0800/0808:** Special services, free to customer, except where there is a pre-call announcement
- **0843/4:** Special services, up to GBP0.05 per minute/GBP0.05 per call for BT customers
- **0845:** Special services, charged at BT's local call price for BT customers
- **0870:** Special services, charged at BT's national call price for BT customers
- **0871/2/3:** Special services, up to GBP0.10 per minute/GBP0.10 per call for BT customers, PhonepayPlus regulation
- **09:** Special services, Premium rate between GBP0.10 per minute/GBP0.10 per call to GBP1.50 per minute/GBP1.50 per call for BT customers, PhonepayPlus regulation.
- **118:** Directory enquiries.

Behind all these numbers is a complex value chain, as depicted in Figure 2.1. The aim of a call is to reach an IP providing the services or information required by the caller. In the process of this call, there could be several communications providers involved in transmitting the call. Figure 2.1 depicts a case where the call has to be routed from the originating communications provider (OCP) over the network of one (or several) transit communications providers (Transit CP) before reaching the network of the TCP. It should be noted that in the simplest case, the OCP and TCP could be on the same network. Finally, aggregating service providers (resellers) often serve as an intermediary for the IPs in assigning number ranges and negotiating contracts with TCPs. Resellers and IPs are often both described as service providers (SPs).



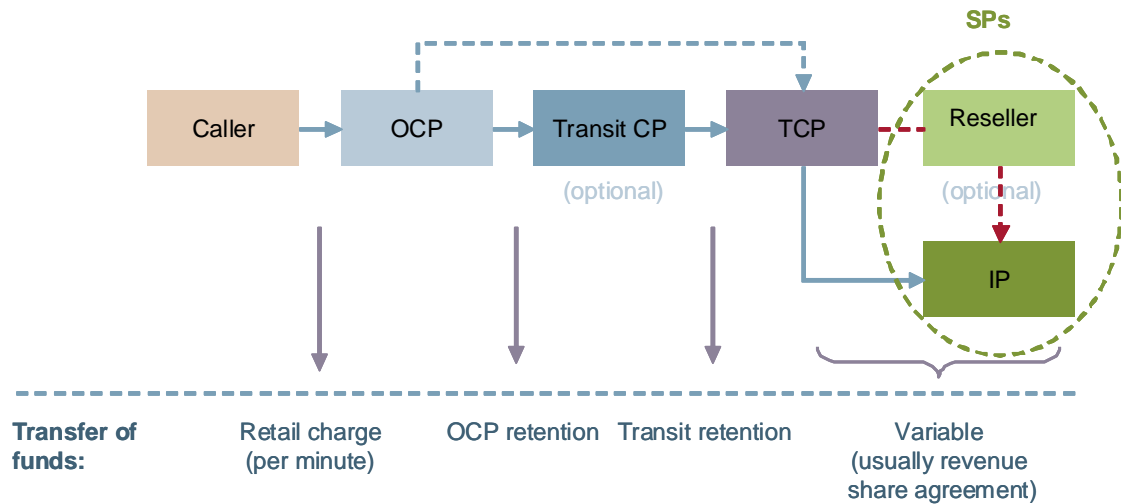


Figure 2.1: Value chain for supply of non-geographic calls [Source: Ofcom]

The complexity of the value chain is mirrored in the transfer of funds between the parties involved. Except for calls to 080 (freephone) numbers, payments are made by a caller to their OCP. Parts of this payment are then retained by each TCP. In the final stage, the TCPs and IPs typically have a revenue share agreement in place which assigns the remainder of the revenues between both parties, and, if required, the reseller.

Since its inception, non-geographic numbers have encouraged and supported the development of a market for value-added telephony services. The regime was built upon a regulation centred on BT's dominance in the provision of narrowband service in the mid-1990s. It has a number of attractive features, including ease of entry by SPs; clear funding models; and a diversity of services.

While the regime has been largely successful in fostering the new services, historically, there have been a number of concerns centred largely on pricing transparency and the consumer experience. In addition, it is not clear that the current regime meets the requirements desired by SPs and the various communications providers forming part of the non-geographic value chain (OCP, Transit CP and TCP).

## 2.2 The aims of this study

In order to address these concerns, Ofcom needs to understand how services provided through non-geographic numbers are provided to consumers. This study is intended to assist Ofcom in that regard.

This study is split into two separate parts:

- Part 1 of the study investigates the use of non-geographic number ranges by SPs

- Part 2 aims to establish a flow of funds for non-geographic numbers. In other words, to ascertain the level of revenue and volumes passing through various points of the supply chain for individual non-geographic number ranges.

This report presents our findings from Part 1 of the study. The outputs of Part 2 of our study will be presented to Ofcom in a subsequent report.

To understand the use of non-geographic number ranges by SPs, we have carried out a series of interviews with providers of non-geographic number services in the UK market. We have also conducted a short survey. The aim of these activities has been to better understand:

- the criteria used by SPs when choosing to use a specific, non-geographic number range
- how SPs negotiate with communications providers for services.
- what improvements could be made to the way the non-geographic call market works that would benefit SPs.

### **2.3 Structure of this document**

The remainder of this document is laid out as follows:

- Section 3 describes our approach to Part 1 of this study
- Section 4 analyses the outputs of our interview programme and SP survey.

The report includes a number of annexes containing supplementary material:

- Annex A provides a copy of the questions used for our in-depth interviews with SPs.
- Annex B provides a copy of the questionnaire used for our SP survey.

## 3 Approach to the study

### 3.1 Methodology and terminology used

Our approach to gathering information on the use of non-geographic number ranges by SPs consisted of carrying out (a) a series of 20 in-depth interviews with selected providers of non-geographic number services in the UK market, and also (b) a short written survey with 124 other IPs to gain a wider perspective on the views of these parties. Through this approach, we were seeking to better understand:

- the criteria used by SPs when choosing to use a specific, non-geographic number range
- the approach taken by SPs to negotiate with communications providers for services
- the improvements that could be made to the way the non-geographic call market works that would benefit SPs.

In the value chain described in Figure 2.1 above, we referred to revenue-sharing agreements between SPs and TCPs. We distinguish between two different categories of SPs that cover different roles in the value chain:

- **Reselling service providers (resellers)** which control multiple non-geographic numbers (often across several ranges). Resellers sell access to individual non-geographic numbers to IPs and generally negotiate with TCPs for services. We note that the reseller can often be vertically integrated with the TCP, in which case negotiations are with players further upstream (Transit CPs).
- **Information providers (IPs) or end-user service providers** which, simply put, are the organisation that a caller speaks to when calling a specific non-geographic number and ultimately, determine the number ranges which they consider to be optimally suited for the provision of their services.

### 3.2 Interviews with service providers

We identified and interviewed a range of SPs that provide services in non-geographic number ranges, and reflect the *different types of number ranges*, including: freephone numbers, fixed and premium rate numbers, and special number services, such as 118. The SPs we selected also provide a *range of categories of service delivered* by non-geographic numbers, such as: directory enquiries, customer services and technical support as well as other value-added services.

Our interview sample of 20 organisations covered a range of differently-sized resellers and IPs, with the majority being small companies with up to 100 employees. A full list of the companies interviewed is shown in Figure 3.1 below, and the interview questions are listed in Annex A.

<i>Service provider</i>	<i>SP type</i>	<i>Primary number range(s) used</i>	<i>Description of business</i>
118	IP	118 (also 080,0845,09)	Directory enquiries
Definitive Immigration Services	IP	0870	Immigration consultancy
Designer Collective	IP	03	Traffic design and marketing
Fusion Integrated	IP	0845	Building of A/V enclosures, cinemas
Liverpool Seafarers Centre	IP	03	Charity
Telecom Express	IP	0906/08	Broadcast/press PRS outsourcer
Vinlife Church Manchester	IP	0845	Church
VR Build	IP	0845	3-D Graphics, web design
Vue Entertainment	IP	0871	Cinema
Wearthquest	IP	09	Weather forecast service
2ergo	Reseller	0870, 0871, 09	Reseller, including premium and SMS (also B2B and B2C)
4D Interactive	Reseller	0871, 0844, 09 (also 03 and 0870)	Large reseller including mobile short codes
BT	Reseller	All ranges	Terminating communications provider (for the purpose of this interview)
DRD Communications	Reseller	080, 0844, 0845, 0870, 0871, 03, 09	Reseller of non-geographic numbers
Flextel	Reseller	03, 070, 080, 0844, 0845, 0870, 0871	Provider of flexible numbers, includes call management
LLC Communications	Reseller	03, 080, 0844, 0845, 0870, 0871, 118	Primarily switch less reseller
Orca	Reseller	070, 080, 09	Reseller of non-geographic numbers
Sykes	Reseller	080, 0845, 0870, 0871	Reseller (and other ICT businesses)
Welcome Telecom	Reseller	03, 080, 0844, 0845, 0870, 0871	Number reseller, certain amount of consultancy
Zimo Communications	Reseller	03, 080, 0844, 0845, 0870, 0871, 09	Non-geographic number provider for anyone (very small or very large businesses)

Figure 3.1: List of SPs with which we have undertaken in depth interviews [Source: Analysys Mason]

### 3.3 Survey of information providers

We carried out a survey of 124 IPs using a short questionnaire. The survey focused entirely on IPs rather than on resellers, which we believe have been well represented in our 20 in-depth interviews.

It initially proved difficult to gain concrete commitments from trade associations to distribute the survey to member organisations. We also used a sample list (a random sample of non-geographic number users) to provide contacts for non-geographic number users. However, our experience was that significant research (including calling the SP) was required in order to ensure that the survey reached the correct individual within SP organisations. Given the difficulties with our approach, as we predicted might be the case, we needed to call each SP, and ended up conducting more than 100 telephone interviews to run through the survey.

We believe that this was advantageous to ensure that each survey question is answered more fully than might have been the case relying on purely written responses. These shorter survey response interviews have been carried out with the help of a primary research agency, Perspective, with whom Analysys Mason Research regularly works.

The questionnaire focused on the criteria used by IPs in selecting between alternative non-geographic number ranges, and was based on the questions used for the in-depth interviews. However, to encourage a greater number of responses and to avoid questions which could not effectively be answered in a written response (or a shorter interview) this in-depth questionnaire was shortened. The survey questionnaire is provided in full in Annex B.

Figure 3.2 provides an overview of the distribution of respondents across the non-geographic numbering ranges. It highlights that we have obtained a significant number of responses from the 0845, 0800 and 03 number ranges. This reflects the fact that 0845 and 0800 are those ranges, in use by the most IPs. We have also obtained at least six responses each from the 0843/4, 09, 0870 and 0871/2/3 ranges and a total of three responses each from the 118 and 07 ranges. Some ranges have relatively low respondent bases. The results that come from these ranges may be skewed making it hard to draw firm conclusions.

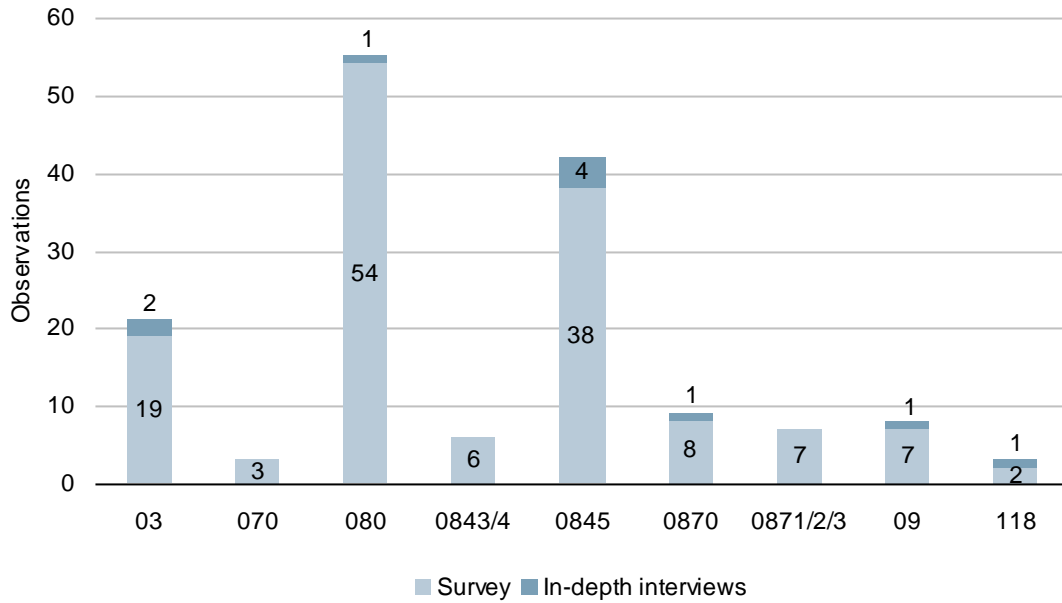


Figure 3.2: Distribution of survey respondents across IPs

We have also evaluated the size of the interviewed organisations. Figure 3.3 indicates that the majority of businesses has less than 10 employees. In light of the low barriers to entry in the industry, we would expect a large number of very small companies. Our sample also includes a range of mid-sized and large entities (up to 12 000 employees), to capture the views of larger IPs.

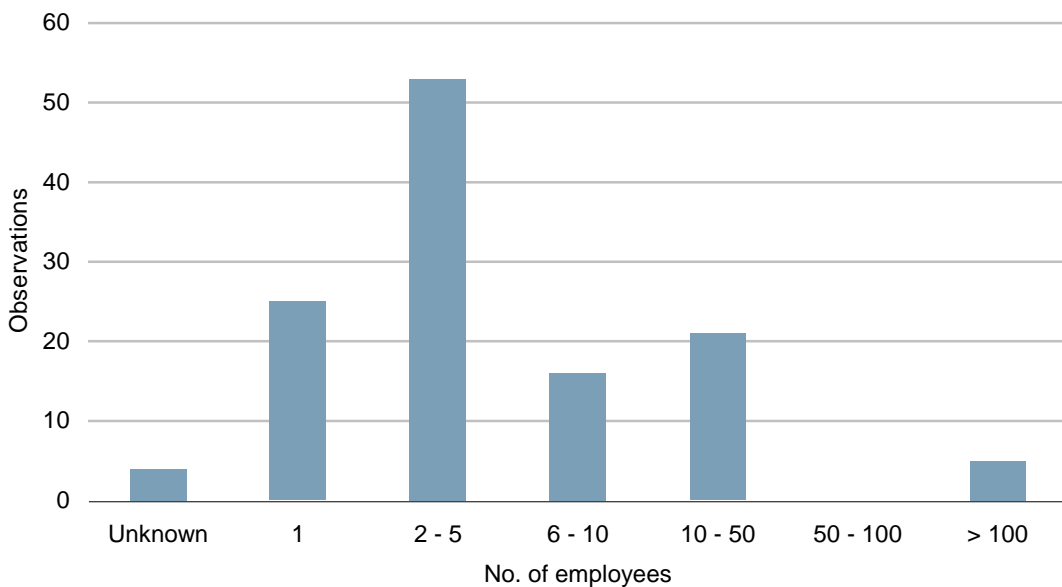


Figure 3.3: Size of IPs in survey

## 4 Analysis of results from the IP interviews and survey

### 4.1 Overview of responses

We carried out in-depth interviews with 10 IPs, and gathered survey responses from a further 124. There are a number of key themes that consistently arose out of this extensive research programme: these are summarised below and then discussed in detail in the following subsections.

**The reasons for selecting a specific number range** focused mainly on the perception of the IP (perceived size, physical location, national reach, etc.) that was created by it using a specific number range, rather than any specific cost implications.

**The most important factors when selecting a TCP** were cost, with a fixed monthly charge being the most favourable pricing mechanism. All respondents stated that they believe there is sufficient choice of TCPs in the market, with similar tariffs on offer. No problems were highlighted, including any concerns over dominance of BT at this level of the value chain.

Analysys Mason interprets these responses to mean that IPs will tend to select their desired number range mainly for reasons of market perception, convenience or image, largely disregarding any potential income generation. IPs will then select a hosting provider based on factors such as cost, quality of service and availability, or simply by searching online or selecting the first word-of-mouth recommendation they receive.

**Revenue-sharing arrangements** generally mean that for *most* number ranges IPs make a net outpayment to TCPs, but this is not considered problematic as the main aim of having a non-geographic number service is to encourage a greater volume of callers rather than to make additional revenue directly through receiving calls.

However, the **IPs using premium rate ranges** (*09*) as well as *0871/2/3* stated that they had chosen their number range for the specific purpose of generating revenue. *Telecom Express* stated that it selected the *09* range because this is the quickest and easiest way to pay for something in a transaction. The cinema chain *Vue Entertainment* chose its *0871* number to cover some of the costs of running the booking service on that number.

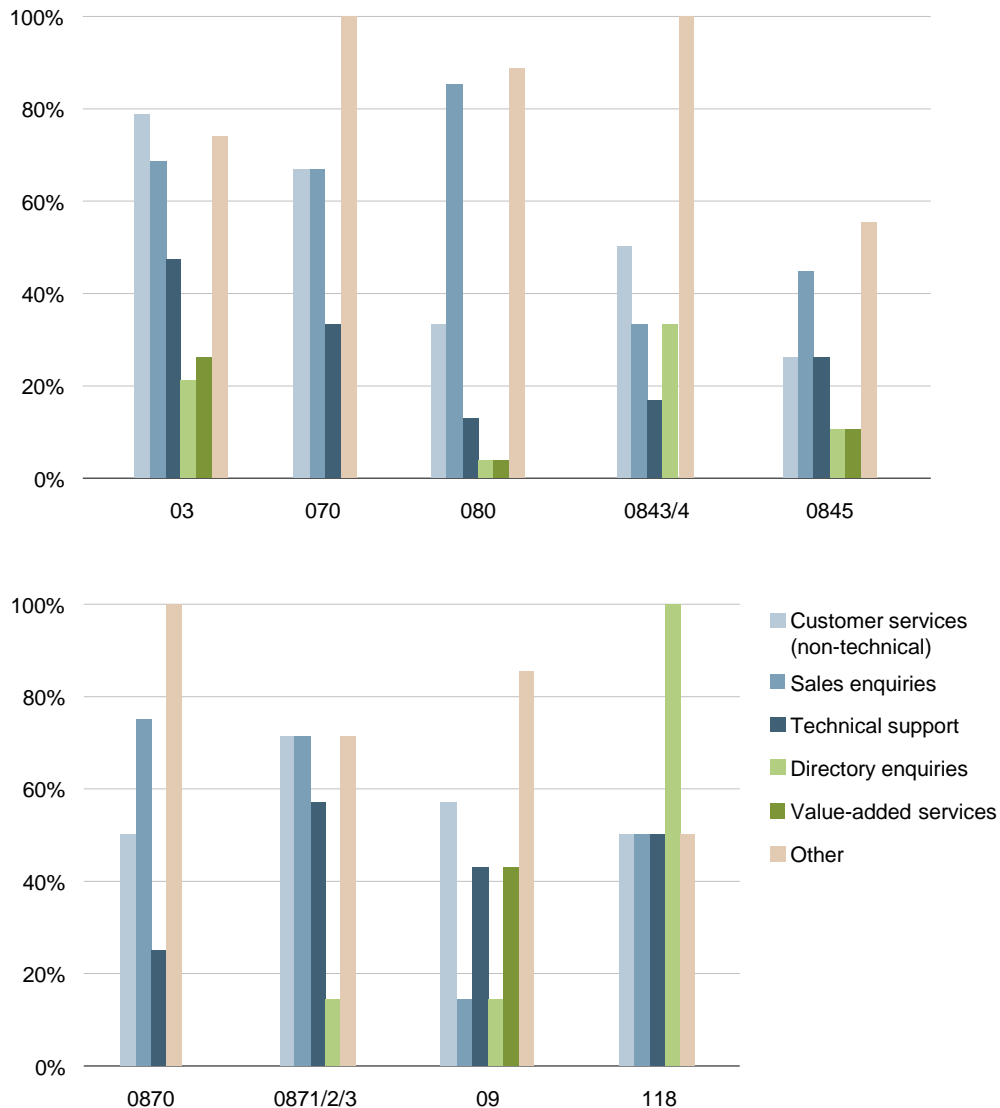
Most IPs were unable to influence the **retail price of calls** to their number, although some services such as *The Number* using the *118* number range had a degree of influence, although generally less for mobile-originated calls.

**The main problem identified in the market** is the absence of price transparency for consumers, and a lack of understanding of the purpose of the different non-geographic number ranges. This problem was exacerbated by some operators – MNOs in particular – charging large mark-ups at the retail level to customers. This has the perceived effect of reducing call volumes for IPs (and therefore, long-term revenues).

In the following sub-sections we summarise the responses from the interviews and survey in more detail. Note that all charts are exclusively based on the survey: the themes arising from the interviews are presented in qualitative form only.

## 4.2 Reasons for selecting specific non-geographic number ranges

The initial questions in the survey focused on **the main use assigned by IPS to non-geographic numbers**. The responses are summarised in Figure 4.1, below.



Note that respondents were allowed to give multiple answers to this question, so the sum of all categories does not add up to 100%

Figure 4.1: Main uses by number range [Source: Analysys Mason]

The results in Figure 4.1 indicate that uses vary across the number ranges. The majority of the ranges appear to be used for multiple purposes. Three purposes are common cited for several



number ranges: non-technical support, technical support and sales enquiries. Ranges commonly used for these purposes include *03*, *070*, *0843/4*, *0870* and *0871/2/3*.

In the *080* range (and to a lesser extent the *0870* and *0871/2/3* ranges) the primary focus is on sales enquiries. This result for the *080* range could be expected, as IPs will be willing to incur the greater cost of providing free call access to their services if they expect to derive revenues as a result of the services provided. However, for the *0870* and *0871/2/3* ranges this result is surprising given the relative high retail charges for these ranges. The relatively small sample sizes for these ranges may explain this result (eight respondents for *0870* and seven for *0871/2/3*).

As expected, the use for value-added-services is highest in the *09* range. However, four out of seven respondents also claim to use this range for non-technical customer services (conceivably, providers of gaming and adult services, etc. could have been classified by respondents into this category rather than value-added services). Surprisingly, three respondents stated they use this number range for technical support.

As expected, the *118* range is used for directory enquiry services. However, one of the two respondents using this range claimed to also use it for non-technical support, technical support, and receiving sales enquiries.

Across all number ranges, there is also a strong focus on “other services”. This uses cited by respondents include: making a donation (charity); fax line (finance firm); as a way to divert nationwide calls to various offices (light industrial firm); to see how many people call from a Yellow Pages ad (retail).

We then asked IPs to identify **why they chose the particular non-geographic number range** they use. Figure 4.2 below shows the results from our survey.

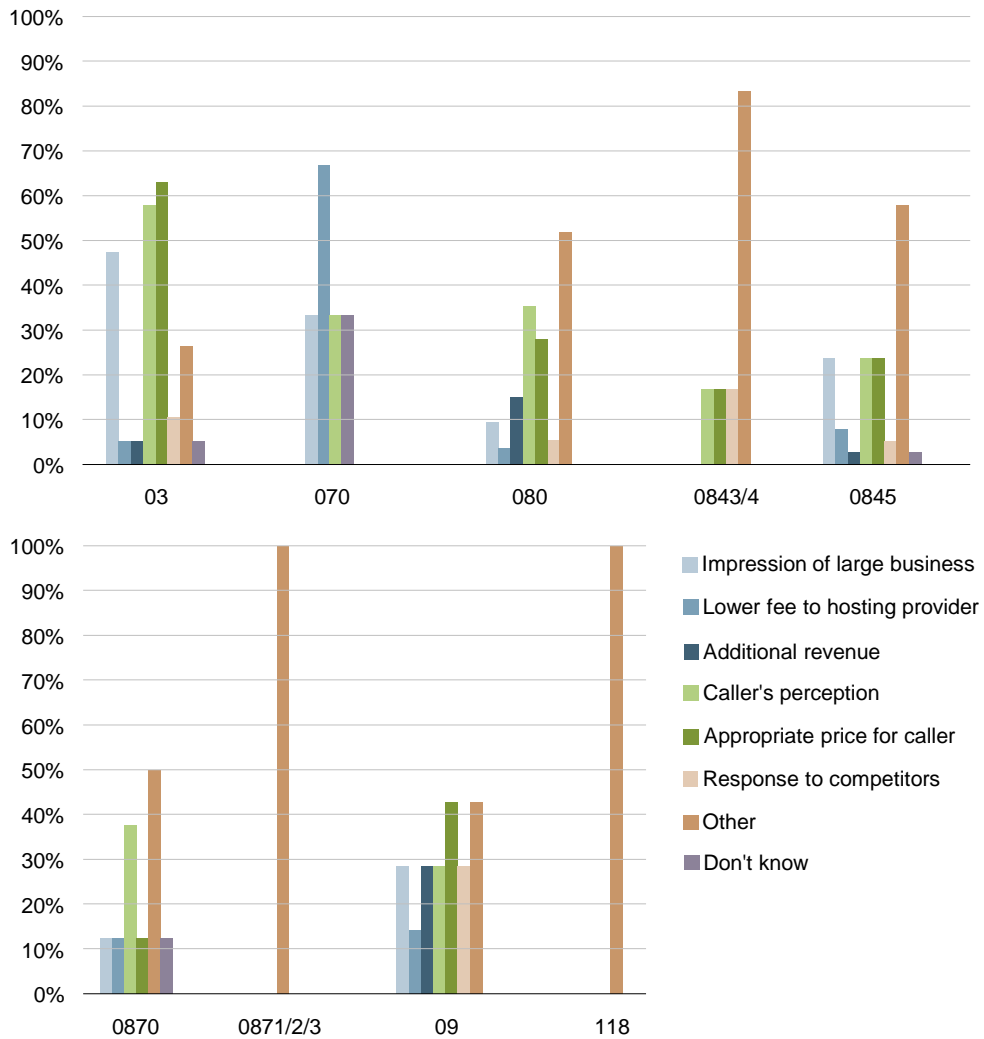


Figure 4.2: Reasons for selecting a number range [Source: Analysys Mason]

It appears that there are some coherent views across all of the number ranges. Across most ranges, respondents named the caller’s perception of the number range, as well as the implied price for the caller, as relatively important reasons. Interestingly, for the 080 range having an appropriate price is not cited as the most important reason, which could have been expected given that calls can (usually) be made free of charge in this range.

Additional revenue from services is mentioned as an important reason for 09 numbers, as expected, but also the 080 range. At first, this appears surprising as IPs cannot expect revenues from using the 080 range. It is possible that respondents misunderstood the meaning of the category. As mentioned above, it is likely that IPs provide access to the 080 range in expectation of future revenue streams due to the information provided during the call.

Other considerations such as lower fees only showed a high level of importance for the 07 range, and the need to respond to competitors only applied significantly to the 09 range.

For the 03 range, the impression of being a large business is an important reason for choosing this number range, in particular compared to other ranges. We may note that the IPs in the sample were relatively small, with the majority having less than ten employees.<sup>1</sup> It appears that consequently, many of these businesses chose a non-geographic number to strengthen their perception by consumers as a bigger IP, while maintaining the attractiveness of being included in bundled-minute packages from fixed and mobile operators.

From our in-depth interviews, the reasons for selecting a specific set of number ranges focused mainly on the perception of the IP that is created by using a specific number range. This was not only in terms of the perceived *size* of the IP, but also in terms of the physical *location* of the company. The *cost* of the number range appears not to be a major factor when choosing a number range, except for the 0871/2/3 and 09 ranges, where the scope for IPs to generate revenue is important. We summarise some of the responses we received below (including some of the more interesting survey responses):

- *Designer Collective (0333)* is split between two locations, and a non-geographic number offers the flexibility of having a single contact number. Across our sample, this appears to be a common reason for choosing this range (and explains some of the “other” responses in our survey, as shown in Figure 4.2). The respondent claimed to have considered 0845 and 0300 (which is actually reserved for charities) as alternatives to the final choice. 0333 was selected because it was easier to remember. Another respondent believed that there were more memorable number choices in the 03 range than 0845, while another noted the benefit of such ranges being included in mobile minutes packages.
- *Vue Entertainment (0871)* also wished to have a single number covering its whole national cinema chain. Additionally, the revenue share payments would cover some of the costs of the TCP that also supplies the company with a specialist cinema telephone booking system.
- *Fusion Integration (0845)* uses its number for customer services and sales enquiries. It initially chose this range because it was on a free trial offer from the company’s original service provider (reseller). Fusion Integration continued to use the range due to its national customer base, and to provide the impression of being a larger company.
- *VR Build (0845, 02)* stated that it not only wanted to give the impression of a larger company, it also wanted to give the impression it was based in London, and hence opted for an 02 number. This respondent had also considered the 0800 range, but the costs were prohibitive.
- *The Number (118)*, a directory enquiries service, was clearly restricted to the 118 range and therefore did not have a choice of non-geographic number ranges.

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<sup>1</sup> Refer to Figure 3.3 on page 11.

- One charity had selected the 0300 range for its general contact number in order to be “recognised as a charity”, and it did not consider any other ranges. Another charity stated that it chose to use 03 rather than 0800 because 0300 seemed to be designated for its type of organisation, showing there is awareness of this designation, at least amongst charities. Other charities stated they wanted to offer a standard price at the lowest possible cost to the caller.
- *Telecom Express* (09, 0845, 0870, 0871/2/3) found that premium rate numbers were the quickest and most hassle-free form of immediate payment, but this was very much dependent on the end-user being completely aware of how much they were paying.

### 4.3 Factors affecting the choice of TCP

This topic was not covered by the survey questions and our comments here are therefore entirely based on the interviews with IPs. Most respondents stated that the most important factor when selecting a TCP was cost, with a fixed monthly charge being the most favourable pricing mechanism. Premium-rate SPs were motivated by two factors; the amount of revenue share (*Weatherquest*) and the reliability of the network (*Telecom Express*), since they run national premium-rate primetime TV voting services and require 100 per cent reliability. One IP stated that it had initially been attracted to a number in the 0845 range by a free-trial offer. Although the TCP subsequently went into administration, the company decided to keep its number. A search via an Internet search engine was employed to select a new TCP, a method commonly used by our respondents.

We asked about the most important aspects of the services offered to IPs by their TCP. It was generally felt that the most important features were technical services such as call divert and answering services, but additionally aspects relating to the management of the number (such as renewal charges, direct debit and billing support) were highlighted as relevant when selecting a TCP. One respondent stated that a “personal service” was important to it.

All respondents stated that they believe there is sufficient choice of TCPs in the market, with similar tariffs on offer. That said, *Vue Entertainment* said that only a few TCPs offered the speciality telephone booking services that it required, thus limiting its choice. *Telecom Express* stated it would only consider BT for certain services that required 100 per cent reliability. For some respondents, a change of TCP is a possible consideration.

Our overall conclusion is that IPs feel that they have sufficient choice of providers for non-geographic numbers, and they did not highlight any barriers to switching provider, nor identify any other aspect of the market situation as problematic.

#### 4.4 Revenue-sharing arrangements

We asked IPs whether they received a share of call revenues from their non-geographic number provider or whether they were required to make a net out-payment. A summary of responses is shown in Figure 4.3 below.

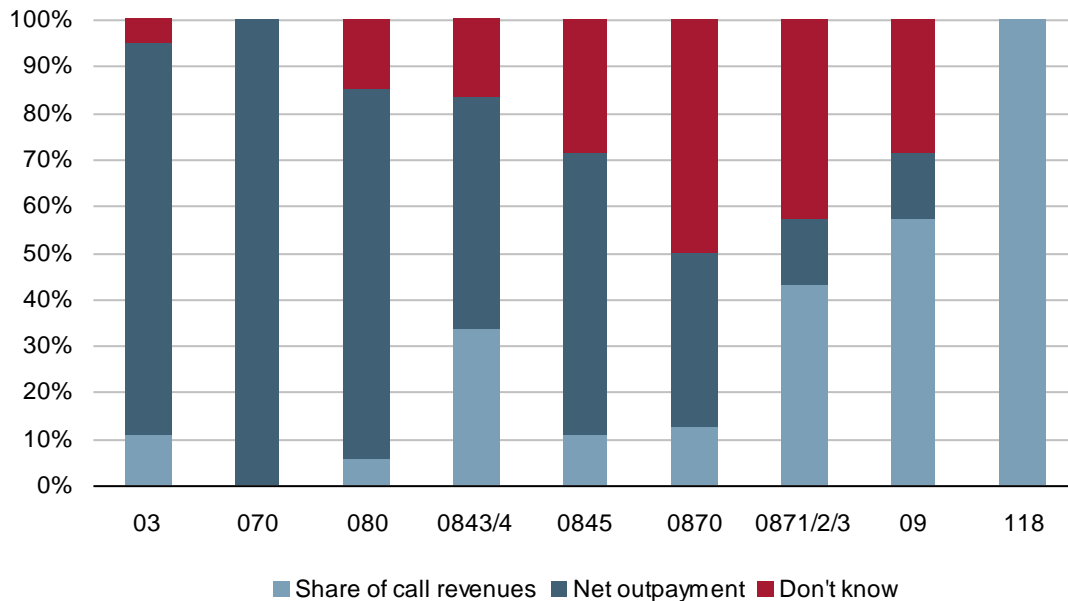


Figure 4.3: Revenue-sharing arrangements in the various number ranges [Source: Analysys Mason]

Figure 4.3 clearly shows that net outpayments are the norm across the majority of the number ranges. The only ranges where the majority of respondents claimed to share the revenues are premium-rate numbers and directory enquiries numbers (09 and 118) as well as 0871/2/3. Interestingly, revenue-sharing agreements have a larger share in the 0843/4 range and 0871/2/3 than the 0845 and 0870. This is to be expected, although the result could also be partly due to the smaller sample size, which may lead to an overestimating of the effect in these ranges.

During our in-depth interviews, four out of ten of the IPs were not able to provide specific information on the nature of their service agreement: either they did not know, or they did not wish to disclose the information. Of the remaining interviewees, four indicated that they did not receive a share of call revenues, but are instead paying their TCP for access to the non-geographic number service. Two respondents stated the agreement was based on flat-rate revenue sharing, while another respondent has a volume-dependant agreement. The IPs using the 0871, 09 range, indicated that they had revenue-sharing agreements, one of which was standard while the other two were bespoke.

An example of a standard agreement was illustrated by *VR Build*. Under this agreement, *VR Build* only receives revenues based on a volume threshold. However, the interviewee stated that it had never actually reached the required volume of calls.

With regard to other agreements, one respondent (a charity using an *0300* number) stated that it paid no set-up cost, the service is completely free, and the organisation only pays for outgoing calls. However, it is likely that these beneficial conditions can be attributed to the nature of the organisation.

In general, the vast majority of agreements appear to be standard agreements, as shown in Figure 4.4, below.

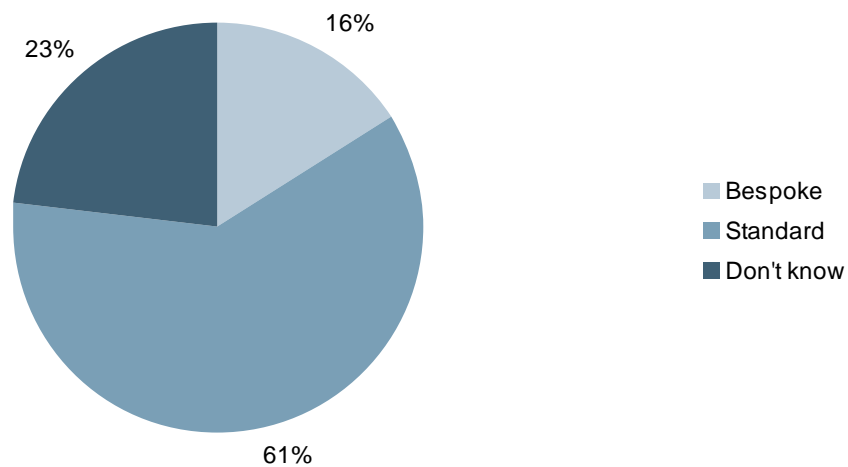


Figure 4.4: Proportion of respondents with bespoke or standard arrangements [Source: Analysys Mason]

## 4.5 Retail price for consumers

In the survey we asked IPs a series of questions about the retail pricing of calls to their non-geographic numbers. The first question concerned the IPs' ability to influence the retail prices charged to consumers. Of all of the respondents, only 5% indicated that they have an influence over retail prices. There were no significant differences to this answer across any of the number ranges.

Furthermore, IPs were asked to rate the importance of informing the caller about the exact price of a call, on a scale of 1 (not important) to 5 (very important). Figure 4.5 summarises the result of the average score given by all respondents across each number range.

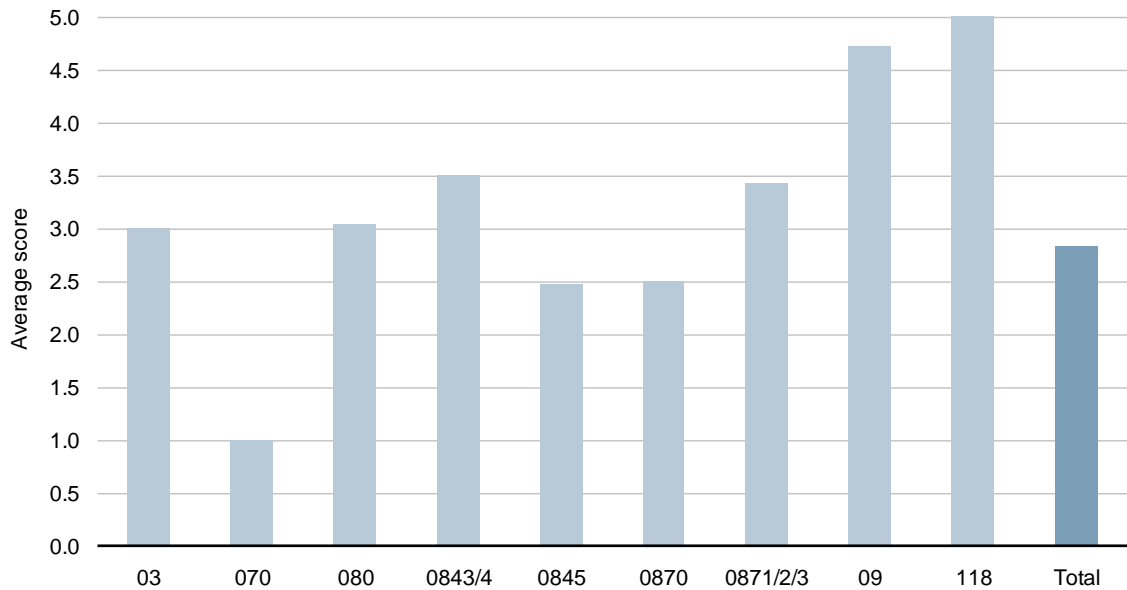


Figure 4.5: Importance of exact pricing information on a scale of 1 (not important) to 5 (very important) [Source: Analysys Mason]

Figure 4.5 shows that for the majority of number ranges respondents are relatively indifferent to the availability of exact pricing information for callers (giving a rating of between 2.5 and 3.5). There were notable exceptions:

- 09 and 118 ranges, where respondents gave a high level of importance to callers having exact pricing information
- the 070 range, where respondents place a low importance on giving the exact price of a call. However, this result was based on just three respondents.

The next question was concerned with the IPs' view on how desirable it would be to inform callers on the maximum price they could be charged. Figure 4.6 displays the results to this question.

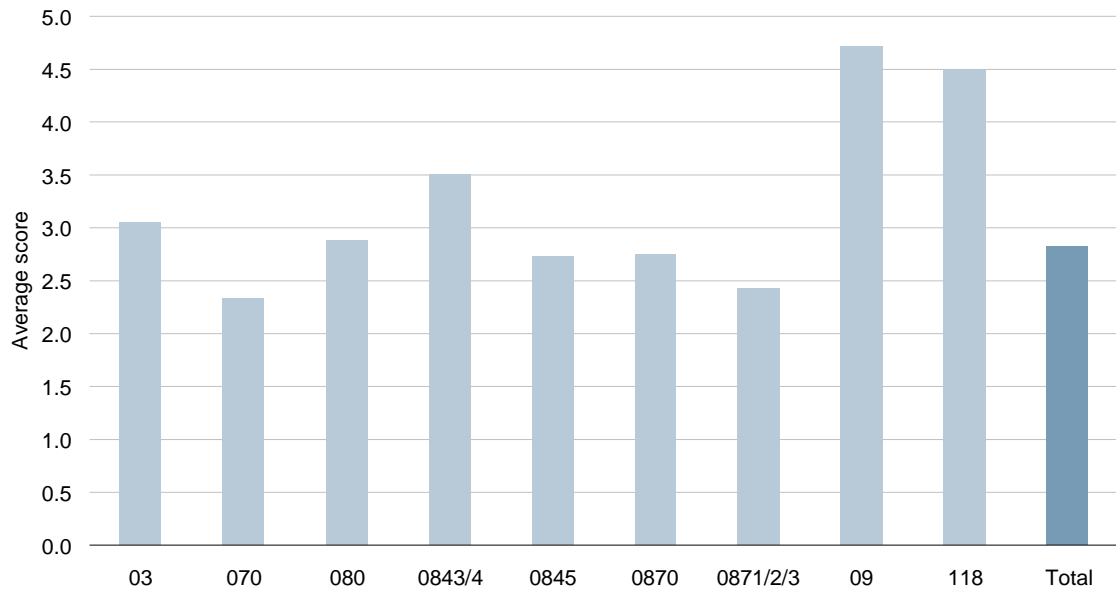


Figure 4.6: Desirability of maximum pricing information per call on a scale of 1 (not important) to 5 (very important) [Source: Analysys Mason]

The results in Figure 4.6 show a very similar pattern to Figure 4.5, which was to be expected. Interestingly, we would have expected IPs in the 080 range to be most strongly in favour of these suggestions, but it appears that the providers value increased information only marginally more than the average IP.

Comparing the preferences for maximum prices or for exact prices, respondents that use 03, 0843/4 and 09 ranges place almost exactly the same level of importance on the two options. 0800 users would marginally prefer exact pricing information, 0871/2/3 users had a significantly higher preference, and the 118 respondents gave knowing the exact price for a call the highest importance (5.0) and supplying a maximum price 4.5. The 0847 and 0870 ranges gave the same outcome, with both preferring maximum pricing information over exact pricing information.

Turning now to the in-depth interviews, respondents showed a range of responses to the questions, with varying answers across the number ranges. Respondents with an 03 or geographic number naturally have only a limited influence on the retail price charged for calls, and these respondents attached a relatively low level of importance to the transparency of the end-user call price. However, for a charity we interviewed using an 0300 number, it was important for callers to be informed of the price they were paying.

Respondents with an 0845 number are also unable to influence the retail price of calls, and again place little importance on transparency of pricing to the end caller. VR Build stated that it “deals mainly with business calls, and call charges tend not to be an important consideration for businesses”. This is consistent with the results of the survey, where 0845 IPs indicated that they considered pricing transparency to not be immediately desirable.



We used our in-depth interviews to enquire further about some aspects that were not included in the survey. Among the IPs interviewed, there was a mixture of opinion regarding the proposition of 0800 calls being universally free for retail customers, knowing that this may mean an increase in costs of providing services using these numbers. A majority (4 out of 6) were in favour, but one respondent stated that it was happy with the current rates it paid to TCPs for national rate numbers and would not like those to change, even if it made all 0800 free. One respondent stated that it was indifferent to free calls for retail customers. There was a general support for setting caps on retail prices for calling 0845/0870 numbers. Although one respondent operating an 0845 number suggested that a per-minute cap would be preferable to a total call price cap to give people the incentive to get off the phone faster.

With regard to the 118 number range, our respondent (*The Number 118*) indicated that it had more control over the retail price of calls charged to end customers than most other IPs, but that this varies from one communication provider to the next. With BT it was able to directly select the price charged to the consumer, and with Virgin Media the situation is similar. Smaller fixed-line providers tend to follow the lead of the incumbent fixed-line operators. The major area where there is a lack of influence is with MNOs. Although *The Number 118* can determine a revenue level, MNOs are able to apply an additional premium on top of this revenues at their own discretion. (e.g. for a call charge set at 39 pence per minute, Vodafone and T-Mobile may charge a total of 200 pence per minute). *The Number* felt that this was likely to deter some customers from calling.

#### 4.6 Mobile short codes

Only a single respondent of the survey indicated that it was using mobile short codes. However, this can not be attributed solely to the existing mobile short code regime, as only 12% of all respondents think that there are problems with the short code regime. This simply appears to be an area where IPs consider business opportunities to be limited.

Again, our in-depth interviews confirmed the survey results, as only one respondent (*The Number*) provides a mobile short-code service. However, this respondent does not use a five-digit non-geographic number beginning with a 6 or an 8 but instead uses 118 118. There were no problems cited by this respondent.

#### 4.7 Perceptions of the current regulatory regime and suggestions for changes

With regard to the survey question regarding whether IPs see any major issues with the current regulatory regime, 36% of respondents indicated that they considered there to be some problems. We have used the in-depth interviews to gain a better qualitative understanding of these issues. Some respondents stated they have no issues with the current regime for non-geographic numbers, and were happy with the level of choice and competition in the market. However, some issues were raised, which are summarised below.

Respondents claimed that there is a need to clarify the difference between a free call, a local or national rate call, and a call to another non-geographic number. Non-geographic numbers used to be very useful and valuable, but are now complex and confusing.

Customers should not be charged more than local rates without being informed beforehand that they are calling a number which charges more.

It was felt that network operators generally keep a higher proportion of revenues than they should.

There is a real issue with the lack of clarity regarding the pricing of *118*-based services. *The Number* felt there were three main problems associated with the directory enquiries market:

- There is no control over the retail price, other than with BT. In particular, there is no limit on the level of mark-up charged by MNOs. For example, in the worst-case scenario, an MNO may place a mark-up of 400% over the price of calling from a fixed line, but the amount the service provider keeps remains the same. As a general rule, the MNO keeps around 30–60% of revenue, but provides no added value.
- There is a lack of access obligations, e.g. voice-over-broadband (BT Broadband Talk) has blocked directory enquiries numbers other than BT's own service (*118 500*) from these end consumers.
- Directory enquiries services are liable for refunds based on what the end user pays, meaning the service providers are having to cover the mark-up placed on calls by the MNOs. Essentially this means that if a customer requires a refund from a *118*-based IP, then the IP may be liable to pay substantially more than the revenues it initially earned for the call based on the MNOs' retail price mark-ups. There is also an inadequate mechanism for consumers to get a refund.

*Fusion Integration* also commented that there was a real issue with the lack of clarity regarding retail pricing, particularly for *118* numbers.

*Joanna Cox* made some personal comments that she did not wish to be attributed the IP for which she works. She believes that PhonepayPlus is doing a better and better job, but feels that Ofcom does not engage sufficiently with the industry. She also had two issues surrounding mobile operators:

- The lack of price transparency for calls from mobiles is “ridiculous”. Her business depends on consumers being able to make informed decisions about whether to make a call or not, and these decisions are typically based on cost. If the cost information provided by mobile operators is as vague as “Calls from mobiles may vary”, this choice cannot be made on a firm basis.
- Whilst PhonepayPlus has its own regulatory guidelines regarding premium-rate calls, O<sub>2</sub> has enacted its own guidelines based on a yellow and red card scheme. This means that even if an IP is abiding by the rules laid out by PhonepayPlus, O<sub>2</sub> may still switch the service off from its network if it does not follow O<sub>2</sub>'s guidelines.

## 5 Analysis of results from interviews with resellers

### 5.1 Overview of responses

We carried out in-depth interviews with 10 resellers, and a summary of their responses is provided in the following subsections. The interview questionnaire used is provided in Annex A.2. These interviews provided us with a variety of interesting views, particularly concerning the reasons why IPs select particular number ranges, the factors affecting their choice of TCP, revenue-sharing arrangements (with both TCPs and IPs), and views on the regulation of non-geographic numbers. The main points that were made include the following.

*0845* numbers tend to be most popular amongst IPs, followed by *0800* numbers. *0870* numbers declined in popularity following regulatory changes and *03* numbers have not been widely adopted. In general, the IPs' number range selection is usually based on the perception of numbers by customers and the cost. Generating revenue through the number is not usually a primary concern for IPs.

All resellers stated that they felt there was enough choice in the market for terminating communications providers and that this area of the market did not present too many problems at present.

There are a mixture of standard and bespoke revenue sharing agreements between both TCPs and resellers, and between resellers and IPs. Revenue shares vary greatly by number range but can be as high as 90–95% of TCP revenues for the resellers.

Many perceived problems with the current regulation of the sector and suggestions for improvements were ventured. However, the majority showed the same focus as for the IPs, namely that consumer understanding of the different number ranges was poor and that mobile operators charged consumers a premium for originating calls to non-geographic numbers. It was felt that as a result of these problems the market was not reaching its potential, and this has a revenue impact for the resellers.

### 5.2 Reasons for selecting specific non-geographic number ranges

Most of the resellers that we interviewed acquired non-geographic numbers across multiple number ranges. As a result, the focus of our interview questions in this section was the perceived (through first-hand experience) preferences of the reseller's customers, the IPs.

Whilst many resellers stated that there was no noticeable pattern regarding industry verticals favouring specific number ranges, some were able to highlight customer numbering strategies for certain industries (e.g. *0844* for travel firms), and naturally, in some cases, the interviewee stated that the services and number ranges they offered were specifically catered to certain direct

consumer services (e.g. 09 and paid-for content). Some respondents would simply lease numbers and were not aware of what their clients were using them for. One respondent (*4D Interactive*) believed there may be a future decline in the industry, but others consider that there will be more of a shift between the ranges, with many seeing long term value in non-geographic numbers, “especially in gaming and spiritual”.

Reasons for choosing different non-geographic number ranges included perceived customer value and trust in the specific number range. In general resellers provided the impression that most IPs do not adopt non-geographic numbers with the main purpose of revenue generation. In general, resellers reported that a majority of their customers are using *0845*. Other than this (and excluding *09* and *118* numbers), there is a general migration to ranges with lower retail prices (e.g. *0844*), and away from *0871/2/3*.

- One respondent stated that corporate customers often use *0870* for audio conferencing, but most agree that since the legislation for this range changed on 1 August 2009 – changing the interconnect charge, meaning costs could no longer be covered, and consequently, requiring the TCP to start charging – there has been a mass exodus from the range. According to *Flextel* “resellers effectively [have gone] out of business”. This is driving take up of the *0844* range.
- *0844* numbers themselves are preferred by content/service/billing, customer helplines and call centres, with travel companies being highlighted as heavy users by *DRD Communications*.
- *0871* numbers are being used for general service provision (e.g. dating, train/travel information services), with one respondent saying football clubs also tend to choose this range.
- *0800* is mainly used for marketing purposes – as a way to encourage prospective customers to make an enquiry with many small businesses using it, since consumers are more likely to call a freephone number. Although there is a charge to have an *0800* number, one respondent stated the main advantage of this range is that it is the single range that is universally recognised by the public, specifically for its zero cost.
- Premium rate services on the *09* range, which are designed specifically for revenue sharing, are predominantly used for adult and spiritual services, and competition lines. In terms of revenue, one respondent noted a trend for premium rate service numbers being offered at lower retail price points. This was attributed to the recession and perhaps also due to increased competition.
- Resellers stated that *03*, which is currently being adopted by government departments, seems to have had slow take up outside of the public sector. Only a handful of clients have adopted the range, and a high proportion of these have been charities. The resellers and the information providers that have chosen to adopt this range agree with the principals of the range and clearly see the benefit to the consumer, but the lack of publicity has hampered

its growth. However, resellers see high growth potential, as the range gains increasing exposure and awareness through media outlets e.g. *BBC Breakfast*.

*Welcome Telecom* said its customers came from all sectors, with no pattern of sector per number range. The number chosen will be simply “whatever they require it for”, ranging from inbound contact points, fax to email, or even services promoted on websites that direct users to a particular location (examples of these being restaurants).

*Zimo Communications* stated that its customers took a lot of numbers from the 0845 and 0800 ranges, but that they were non-sector-specific. They also stated that many customers were now choosing 0844, due to the relatively low price compared to 0845. It was also stated that banks predominantly use the 0844 range for their customer-facing contact strategy.

*BT* stated that the vast majority of its customers use 0845 numbers. There are also a substantial (although much lower) number of 0800 numbers. 0844 and 0870 (following regulatory changes) are very small. 03 should in theory be popular but there has been very little take-up so far due to a lack of publicity.

### 5.3 Factors affecting the choice of TCP

Firstly we note that several of the resellers interviewed were in fact also TCPs. Apart from this, we found that most resellers tend to base their choice of TCP on the quality and reliability of service on offer. Additional considerations include the attractiveness of revenue sharing deals, the cost, reputation of the TCP and coverage.

Most resellers seemed to indicate that they had little awareness of the differences in service levels and cost between different TCPs. One reseller was aware that its own TCP, (in this case *Gamma*) was not the cheapest on offer. There were, however, examples of resellers that were more flexible with their choice of TCP, and were subsequently more aware of the market:

- *Orca* indicated that it liked to spread business across different suppliers in case of failure, and said that prices varied vastly; and
- *Welcome Telecom*, which selects a specific TCP for each IP’s (customer’s) individual needs, believed that functionality varied substantially.

All resellers stated that they felt there was enough choice in the market for non-geographic number providers, “and that the system of a well regulated monopoly (BT) was very efficient”. In terms of switching providers, based on past experience, one interviewee felt that changing TCP was not worth the hassle, with *LLC Communications* never having changed to “avoid inconvenience”. The process of number porting has improved, but *Welcome Telecom* stated that some providers are difficult to port numbers away from (e.g. Kingston). The majority, however, saw little or no barriers to switching supplier.

The main TCPs mentioned by the interviewees were, Kingston/KCOM, Cable & Wireless, BT, Virgin, Orbit, Invomo, Colt, Global Crossing and Gamma. Amongst these, BT was praised for having the best up-time and highest integrity standard – referring to the quality of the connection/network – available in the market. It was also noted that “BT has full UK coverage, unlike other TCPs such as C&W that have to piggy back on BT exchanges”. Additionally, since BT’s charges are regulated, resellers know they are getting a good deal. It was felt that the price difference is reducing, but that overall BT remains the most competitive.

#### 5.4 Revenue-sharing arrangements

From the point of view of resellers, revenue-sharing agreements vary vastly across the range of providers and number ranges. They very much depend on the number range itself, and within that, the agreements and contracts with both TCPs and IPs.

All resellers received a share of revenue from their TCP when considering all number ranges in aggregate. Some stated that this is on a constant pence per minute flat-rate, revenue sharing agreement whilst others found that this varied by time or volume. Agreements often tended to include at least some time or volume-driven elements such as threshold payments, step changes in rates or minimum guarantees. None of the resellers’ interviews claimed to have seen any change in the market in this regard over the past year or so (taking effects of the recession into account), nor did they see any large change in their revenues going forward.

- *4D Interactive* states that revenue sharing with its TCP, *BT*, is time dependant.
- For *LLC Communications*, non-geographic numbers were not being looked at as a financial benefit to many companies, especially with the change to the regulation of *0870*.

An example of premium rate revenue sharing, *BT* stated that a vast majority of the total price paid by the caller goes to the service provider. In every pound spent on premium rate services, around 15p is VAT, and as a minimum 66p would be passed on to the service provider, with large customers getting 90–95% of revenue after VAT. The case is similar for *0871*. For the *0844* number range, a 5p maximum call charge would generate around 4.5p once VAT is taken off, and on a number like this, the revenue shared would equate to around 40–50% of this. *BT* offers standard agreements to its customers, based on its published pricelist, and only around 50 large resellers are able to negotiate bespoke contracts with them.

For many resellers that we spoke to, although non-geographic numbers may have once been part of their core strategy, they are now only a secondary part of their business, which would supplement their principle offerings (such as consultancy or managing business to business or business to customer communications). This shift was partly blamed on the *0870* legislation change<sup>2</sup>, and the possibilities of revenue generation from *0843/4/5* being so limited. This has

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<sup>2</sup> The move of regulation of 0870 numbers to PhonepayPlus (PPP).

meant that the total revenue earned by some of these resellers is very low, with *2ergo* claiming to have generated only GBP3000 of revenue from non-geographic numbers in the previous year. This company passes on a share of call revenue for *09* numbers, as we would expect, but keeps all revenues for *0870* numbers.

Moving down the value chain, the share of revenue passed on from resellers to information providers will entirely depend on the number range in question, with revenue sharing being a requisite of the *09* number range.

- *4D Interactive* has bespoke agreements with its information provider customers which are offered as a blended constant pence-per-minute flat rate (across number ranges) on a self-bill arrangement.
- *Orca* also offers revenue-sharing arrangements to its information provider customers as bespoke agreements.
- For *Welcome Telecom* everything is negotiated, but in principal, where *Welcome* receives a share of revenue from its TCP, it claims to pass on a share of revenues to the IP. The exact nature of this arrangement will depend on the commercial negotiations, and clients with larger call volumes will tend to get a better deal. *Welcome Telecom* stated that IPs will generally get a share of *0871* revenues, but no longer receive a share of *0870* revenues following regulatory changes. This reflects their upstream situation whereby they receive an *0871* revenue share from their TCP but do not receive anything for *0870* numbers.

The mobile-to-fixed-line split of originated calls also varied between respondents, but the general trend indicates that a majority of calls are now received from mobiles. Estimations of mobile call origination vary:

- *2ergo* estimated that 80% of calls to its numbers are mobile originated
- A 58% to 42% mobile to fixed line split was provided by *4D Interactive*.
- *Orca* stated that around 60% of its *09* traffic now originates from mobile.
- *DRD Communications* stated that in terms of volume 30% was coming from mobile, with 70% from fixed, but with regard to the value of call revenues, 70% came from mobile and 30% from fixed.

Looking at the split of revenue between number ranges, this once again varied by reseller, and depends on the services they offer and their market proposition. One respondent stated that around 50% of its revenues came from *0870*, with the remainder coming from *09* numbers.

## 5.5 Retail price for consumers

Of the 10 resellers interviewed, nine took part in a follow-up discussion asking how they thought their customers (the IPs) would react to the proposal of 0800 calls being made universally free to the caller (i.e. calls originating from all landline and mobile phones). To cover the revenue that would no longer be generated from 0800 calls originating from mobiles, three price points were suggested (2, 5 and 10 pence per minute) that IPs would have to pay in order to cover the revenue shortfall.

There were varied responses to this proposition: three of the participants were in favour, two completely against and four had mixed opinions. Two stated that for many of their customers an 0800 number is merely another cost to their business, so the lower the cost the better. *2ergo* stated that many would move to another range to try to generate a bit of revenue rather than being charged. For those that agreed with the principle of charging to receive calls originating from mobiles, the consensus was that the cheaper price point (2 pence) was the most acceptable, though two believed a charge of up to 5 pence per minute would be reasonable. No respondents found the 10 pence per minute price point reasonable.

*Flextel* claimed that it “would seem extreme/unacceptable and should be less than termination rates” and that if it were equivalent to the mobile termination rate premium, that would be a “rock solid and defensible position”. *DRD Communications* stated that 10 pence per minute would be “out of the question”. This respondent also raised the point that there may be billing issues for some carriers (e.g. for fixed charged billing systems), but that this was a better solution than was currently on offer. The respondents that stood against the proposal stated that their customers resent charges, but that he response would very much depend on the individual customer. *Zimo Communications* was outraged by all three price points, stating “why, with no extra charges, should MNOs get extra money paid to them?”

Most respondents found it hard to estimate the proportion of their customers that would retain their 0800 service, as they believed this would completely depend on their clients’ commercial business models. *BT* and *DRD Communications* suggested that as long as the IP had the choice over whether to take calls from mobiles (i.e. call screening), then IPs would not be discouraged. *BT* additionally said that as most people know that they can call 0800 numbers free from a landline only a relatively small proportion of 0800 calls originate from mobiles (5–10%). If 0800 calls were made universally free, this proportion might grow to 30–40%, which could become a problem and would affect retention in this range. Most respondents did not see a mass exodus from the 0800 range, though *Flextel* was quoted as saying “0800 has become useless and is crippled by mobile overcharging...the service is being destroyed by lack of regulation”. *Zimo Communications* gave examples of international mobile termination rates (e.g. US/China 1.5 pence per minute, Argentina 4/5 pence per minute) and stated that its customers would find it hard to comprehend the proposed extra cost per minute given the rates to these countries. However, one respondent (*Sykes* a reseller focused on large corporate customers) said all its clients would keep their numbers. As a final note, another respondent indicated that MNOs seem to be treated more favourably than fixed



operators “which seems unfair when you look at the profits mobile operators make” and stated that all operators should be put on a level playing field.

There was no real consensus regarding IPs switching to another range, though it was suggested they would most likely switch to geographic or 03 numbers (considering that these are included in mobile bundles), or perhaps 0844 or 0845 (depending on Ofcom’s decision on this range).

Due to the make-up of many of the respondents’ client bases, they do not give a fully representative view of the market. The picture would also depend on the volume of mobile originated calls after this change. The following points were made regarding specific client types:

- call centres – may not be affected, if the cost can be absorbed into their marketing budget; technical support may move onto chargeable NGN ranges
- sales lines – it is to their advantage to receive more calls and so make more sales, even if they have to pay 5p per minute extra, so they will carry on using these numbers
- public sector – would be in favour of the idea, as long as they have the budget
- charities – most do not use 0800 numbers and would be unwilling to increase their costs.

Since many IPs are highly price-sensitive, the cost and effect will be very much dependent on the business in question.

With regard to additional demand for the 0800 number range, there was a mixed opinion from the respondents. A slight majority believed the proposed change would increase demand for the range, while one said it would be hard to give an overarching opinion on the matter as it may attract some and dissuade others. Only one respondent (*Zimo Communications*) thought demand would go down, thus having a negative impact on this part of its business.

## 5.6 Mobile short codes

Few of the resellers we spoke to had much involvement or interest in mobile short codes. One provider felt that the regulatory regime was stronger on mobile networks with short codes and that this made them beneficial. On the other hand, another respondent felt that mobile short codes are not well understood by consumers, and therefore it was afraid to use them because pricing is not known.

## 5.7 Perceptions of the current regulatory regime and suggestions for changes

Many of the resellers were able to provide us with extensive views on the current regulatory regime for non-geographic numbers. Below, we summarise the main views expressed by respondents.

Although one respondent stated that consumer understanding of non-geographic numbers is high, the general consensus is that the current system is confusing, when it should be fairly simple. Respondents believe that as a result of the last review, opacity of non-geographic numbers has increased, with fewer people understand what calling the numbers cost or their purpose. Resellers were also of the opinion that there are now far too many price points for consumers. *DRD Communications* stated that “with all the different rates for 118 numbers, 50 rates for 0844 and 0871, people can’t work out what they will be paying”. It felt that only *0800* (and not even *0808*) is recognised by most people.

There was a general consensus that since BT no longer has more than 50% market share of landlines, it is misleading for number range charges to be stated as “from a BT landline”, as under the current system. The outcome is that the public do not know how much they are paying, and the problem is even worse when the call is made from a mobile. People are put off calling, as they initially thought a call would cost them less than 5 pence per minute, but now generally know that in fact it may be more like 40 pence.

The majority of respondents highlighted the unfair treatment of non-geographic calls by MNOs, believing that the premium made on calls to these numbers has created a bad reputation for the sector, which has subsequently hampered innovation. Examples of such responses include:

- “Mobile operators apply a levy, but it is difficult to find out what it is. There is no transparency. Some don’t even publish this on their website, and customer care teams are unable to tell you.” – *Orca*
- “It is the fault and actions of the MNOs and the non-geographic number/premium rate service industries are taking the blame. MNOs are taking 32p out of 40p in total call cost, and they are providing no added value.” – *Zimo Communications*

There is a lack of clarity and consistency with regard to advertising. One respondent provided the example of advertising for broadband, whereby the headline figure will be the best possible outcome (e.g. up to “20MB broadband”), whereas non-geographic numbers are required to show the worst possible outcome (e.g. call will cost at least GBP0.20) – although neither system was preferred. In actual fact Analysys Mason’s view is that the problem isn’t as worded by the respondent (where best possible consumer outcomes are stated in both cases) but rather, on the required emphasis on the potential that charges may be higher for non-geographic number service providers. Their conclusion was that there should be more co-operation between the Advertising Standard Authority and Ofcom/PhonepayPlus to ensure standard practice. We would argue that this problem would likely resolve itself with greater clarity over retail pricing for consumers (for calling non-geographic numbers).

The change to the *0870* legislation was painful for SPs, since it meant they had to change their contact strategies, and this came with questionable benefit to consumer. *Welcome Telecom* said “The *0870* concept as it came out has failed on every count as consumers don’t know how much they are being charged. [The regime] is a mess.”

*Orca* stated that the *09* range is only accessible from certain mobile networks and availability strongly depends on user settings. They also believe that there is massively inconsistent retail pricing for these services. Their view was that mobile operators should not be allowed to charge a premium and retail customers should pay a standard price from any phone and network.

The *03* range is thought to have played a beneficial role, though lack of publicity surrounding the number has led to limited uptake of the range. This was especially highlighted in the short surveys conducted.

*Zergo* and *4D Interactive* believe that the current regime is very tight, especially regulation of mobile, which they believe to have always been strong, and that actions taken are good and proportional to harm (i.e. for the relative low potential cost to the consumer).

*4D Interactive* also stated that it is correct for PhonepayPlus to regulate phone numbers with charges of more than 10 pence per minute, including *0870*, but that this should not apply to *0870* numbers that cost less than 10 pence per minute.

In terms of improvements to the current regulation, the main consensus was that Ofcom would have to “get to grips” with simplified pricing, and that instead of having hundreds of different costs, the regulator should impose standard industry price points (e.g. 3p, 5p,10p,25p etc...). Specific points which were made included:

- Forcing MNOs to charge the same retail prices as fixed line providers. *Zimo Communications* stated that having a retail price cap on calls from fixed networks but not from mobile made no sense and that price caps or price banding should be completely network independent.
- Apply same numbering logic to 118 as for other premium rate services, whereby there would be two rates, 118 and 119 (for premium directory services).
- One respondent stated - “Unless Ofcom get to grips with these numbers, they’re going to create more problems not less. Customers will use them less and less. Users will start to use other ways [to gain a service] that they have more confidence in. [Ofcom] won’t fulfil the potential of the market.
- Another stated that “Ofcom should force people onto short codes instead. In theory there should be a GBP30 spend limit imposed by PhonepayPlus, but in reality, operators slap a levy on top and it frequently goes beyond that, whereas voice shortcodes are forced to terminate at GBP30. Short codes offer transparent pricing, and are accessible to all mobiles, though would need a consistent number range”.
- It was also noted that the existing regulation needs to continue to apply to BT. This refers to BT’s role as a regulated TCP. It was suggested that the market functions well since BT’s prices as a TCP are regulated and this forces the rest of the market to keep its prices in line with those of the incumbent.

## 6 Conclusions

### 6.1 Conclusions from the IP interviews and survey

The reasons for selecting a specific number range focuses mainly on the perception of the IP (size, physical location, national reach, etc.) created by using a specific number range, rather than any specific cost implications. The reasons differ for IPs that use the *09* and *0871/2/3* ranges, which stated that the reasons for selecting these number ranges was to generate revenue.

For most number ranges, the most important factor when selecting a TCP was cost, with a fixed monthly charge being the most favourable pricing mechanism. *0845* numbers tend to be most popular amongst IPs, followed by *0800* numbers. *0870* numbers declined in popularity following regulatory changes and *03* numbers are yet to really take off. In general, number-range selection is usually based on the perception of numbers by customers and the cost.

Users of the *09* and *0871/2/3* ranges focus instead on the level of revenue sharing and the reliability of the network. All respondents stated that they believe there is sufficient choice of TCPs in the market, with similar tariffs on offer. No problems were highlighted, including any concerns over the dominance of BT at this level of the value chain.

Revenue-sharing arrangements generally mean that IPs make a net outpayment to TCPs for the majority of NGC number ranges (all except *09*, *118*, and *0871/2/3*), but this was not considered problematic as the main aim of having a non-geographic number service was to encourage a greater volume of callers rather than to make additional revenue directly through receiving calls.

Most IPs are unable to influence the retail price of calls to their number, although some services using the *118* number range (such as *The Number*) have a degree of influence, although generally less for mobile-originated calls.

The main problem identified in the current market is the lack of price transparency for consumers, and a lack of understanding of the purpose of the different non-geographic number ranges. This problem was exacerbated by some operators – MNOs in particular – charging large mark-ups at the retail level to customers. This has the perceived effect of reducing call volumes for IPs (and hence revenues in the long run).

## 6.2 Conclusions from the interviews with resellers

All resellers stated that they felt there was enough choice in the market for TCPs, and that this area of the market did not present too many problems at present

There are a mixture of standard and bespoke revenue-sharing agreements between both TCPs and resellers, and between resellers and IPs. Revenue shares vary greatly by number range, but can be as high as 90–95% of TCP revenues for the resellers.

Resellers raised many issues with the current regulation of the sector, and proposed a number of suggestions for improvements. The main themes were the same as for the IPs, namely that consumer understanding of the different number ranges is poor, and that MNOs are charging consumers an unreasonable premium for originating calls to non-geographic numbers. It was felt that as a result of these problems, the market was not reaching its potential and this was having a revenue impact for the resellers.

Regarding making all *0800* calls free, there was general support for the idea, but when the proposition of charging IPs more to receive the calls was put forward, opinion was split. All respondents considered a 10 pence per minute premium to be unreasonable, and only two believed 5 pence would be accepted by their customers. The remainder opted for the lowest price point (2 pence per minute) as most reasonable. Whether IPs would carry on using *0800* was hard to judge and would depend on their individual business model, and the potential growth in mobile-originated *0800* calls.

## 6.3 Overall conclusions

Overall, the in-depth interviews with both the resellers and IPs and our IP survey have suggested that there are some problems with the current regulatory regime. In particular, consumers do not understand the retail pricing arrangements which discourage calling non-geographic numbers. There is inconsistent regulation between different number ranges and different communications providers and mobile operators in particular are perceived to charge too much at the retail level, impacting service provider margins.

## Annex A: Service provider interview questions

### A.1 Interview questions for information providers

#### *Recruitment email*

Analysys Mason is undertaking a study on behalf of Ofcom on the use of non-geographic numbers by service providers i.e. numbers not associated with any single geographic location, such as 070, 0845, 0870, 09 etc. The primary aim of this part of the study is to understand the criteria used for the selection of non-geographic numbers by service providers.

Benefits of participation:

The market research will provide individual service providers with an invaluable opportunity to share their views with the regulator and wider market, and to help Ofcom to identify those areas in the supply chain requiring intervention to improve the functioning of the market.

We shall also make a charity donation of £5 for each interview conducted – participants will be able to choose for their donation to go to Save the Children (UK) or the British Heart foundation.

Issues we are discussing with service providers include:

- Criteria for selecting number ranges
- Structure of contractual relationship with the provider
- Ability to influence retail call prices (i.e. the actual price paid by customers)
- Customers complaints in relation to the price of services offered

#### *Scene setting*

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Respondent Name:

Job title:

Name of organisation:

Number of employees:

Services offered:

#### *Criteria for selecting number ranges*

I am going to ask you a series of questions about the non-geographic numbers you use. In each case I would like an accurate answer but if this is not possible then an approximate answer is fine. If you use more than one different non-geographic number range and your answer to a given question differs by number range, please tell us how.

1. What number ranges do you use? Please mark with an 'x' as appropriate.

Geographic		0843/4		0871/2/3	
03		0845		09	
070		0870		118	
080		Other (please specify)		Don't know	

2. How many numbers do you have in each of the number ranges you use. **Type in boxes below**

Geographic		0843/4		0871/2/3	
03		0845		09	
070		0870		118	
080		Other (please specify)		Don't know	

3. Thinking about the range(s) you use, for what purpose is it used? **Do not prompt. Type in box below.**

Answer:
---------

3.b Can I just check whether you use the number for things like (if not mentioned already):

Customer services (non-technical) (1)	
Sales enquiries (2)	
Technical support (3)	
Directory enquiries (4)	
Value added services (e.g. competitions, TV voting, horoscopes, chat lines, adult lines, recorded information and professional advice services) (5)	
Other (i.e. extra responses from open ended question above) (6)	

\*\*\*\* Please code all that apply including any information from your open ended answer above which may be coded 1-5 and/or code 6 "other"

4. Why did you choose that number range? **Do not prompt. Type in box below.**

Answer:
---------

<once answered, please also codify answers as follows, coding all that apply.

To give the impression of being a larger business (1)	
Pay a lower fee to hosting provider by selecting this range (2)	
Additional revenue (3)	
Caller's perception of the number range (4)	
The number range means callers pay an appropriate price (5)	
Response to the number ranges selected by competitors (6)	
Other (i.e. extra responses from open ended question above) (7)	
Don't know (8)	

5. Did you consider choosing a different number range? **Please mark with an 'x' as appropriate.**

Yes		No	
-----	--	----	--

If 'yes' to question 5, proceed to question 5b and 5c. If 'no' please skip to the next section (question 6).

5.b If so, which were you considering? **Please mark with an 'x' as appropriate.**

Geographic		0843/4		0871/2/3	
03		0845		09	
070		0870		118	
080		Other (please specify)			

5c. Why did you ultimately not select this number range? **Do not prompt.**

Answer:
---------

<once answered, please also codify answers as follows, coding all that apply.

Lower revenue share/higher charge by hosting provider (1)	
Customer perception of that number range (2)	
What the competition is doing (3)	
Number range would have meant callers paid an inappropriate call price (4)	
Other (i.e. extra responses from open ended question above) (5)	
Don't know (6)	

*Choice of TCP*

We would like to ask some questions now how your criteria for choosing your terminating communications provider (TCP)/terminating network.

6. How did you select a non-geographic number provider?

Answer:
---------



7. What services do you purchase from your hosting provider?

Answer:

<once answered, please also codify answers as follows, coding all that apply.

Call routing (1)	
Automated menus (2)	
Pre-recorded announcements (3)	
Voicemail (4)	
Other (i.e. extra responses from open ended question above) (5)	

8. What are the most important aspects of the service they offer you? (for example, technical hosting features, magnitude of revenue sharing)?

Answer:

9. Do you feel you have sufficient choice of non-geographic number providers?

Answer:

10. Have you ever considered changing non-geographic number provider? If so why?

Answer:

11. Did you actually change provider?

Yes		No	
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12. Were there any barriers to switching non-geographic number provider and if so please provide further details?

Answer:

*Revenue share and outpayments*

We would like to ask some questions about the revenue share arrangements you have with your terminating communications provider (TCP)/terminating network for different numbers ranges you offer.

13. Do you receive a share of call revenues for the incoming calls to your non-geographic number(s) or do you make a net outpayment to your communications provider? Please mark with an 'x' as appropriate.

Share of call revenues		Net outpayment		Don't know	
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If the answer to question 13 is 'share of call revenues', proceed to question 13b. Otherwise, please skip to question 14.

13b. What type of revenue sharing arrangement do you have with your communications provider?

Answer:

<once answered, please also codify answers as follows, coding all that apply.

Flat rate revenue sharing (1)	
Time dependant revenue sharing (2)	
Volume dependant revenue sharing (3)	
Call volume and time dependent revenue sharing (4)	
Don't know (5)	

14. Is the contract a standard agreement (i.e. based on a list price) or a bespoke agreement? Please mark with an 'x' as appropriate.

Standard		Bespoke		Don't know	
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If 'bespoke' to question 14, proceed to question 14b. If 'standard' please skip to question 15.

14b. Please describe the nature of any bundles, discounts received as part of your bespoke agreement:

Answer:

15. Are you able to influence the retail price of calls charged to end customers?

Answer (Y/N) and reason:

16. One a scale of 1-5 (1= not important, 5 = very important), how important is it to you to be able to inform callers the exact price of calling your service(s)?

Answer and reason:

17. One a scale of 1-5 (1= undesirable, 5 = very desirable) how desirable would it be to inform potential callers of the maximum price of calling your service(s)? (For example, that a call costs no more than 10p per minute but may be priced lower)

Answer and reason:

18. Would you be in favour of 0800 calls being universally free for retail customers, even if this were likely to increase the costs of providing services using these numbers?

Answer and reason:

18b. In the same way, would you be in favour of stricter price caps on retail prices for calling 0845/0870 numbers, even if this were likely to make revenue share agreements you have less commercially attractive or otherwise increase the costs of providing services using these numbers?

Answer and reason:

19. Do you also offer other ways for consumers to obtain a similar service/information to that available by telephone?

Yes		No	
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19b. If yes, please describe. Please mark with an 'x' as appropriate.

Email		Website		Other (please specify)	
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### *Regulatory regime*

20. Thinking now about the current non-geographic call regime, do you think there are any problems with the current regime? **Please mark with an 'x' as appropriate.**

Yes		No		Don't know	
-----	--	----	--	------------	--

If 'yes' to question 20, proceed to questions 20b. If 'no' please skip to question 22.

20b. Please describe your main concerns. **Type in box below**

Answer:

21. Do you provide services that are available via mobile short code (i.e. 5-digit non-geographic numbers beginning with a 6 or an 8)? **Please mark with an 'x' as appropriate.**

Yes		No	
-----	--	----	--

22. Thinking just about short codes, do you think there are any problems with the shortcode regime? **Please mark with an 'x' as appropriate.**

Yes		No		Don't know	
-----	--	----	--	------------	--

If 'yes' to question 22, proceed to questions 22b. If 'no' please skip to question 12.

22b. Please describe your main concerns. **Type in box below**

Answer:

23. Are there any other points that you would like to make?

Answer:

### *Anonymity preferences*

Would you like your £5 charity donation to go to – Save the Children or the British Heart Foundation?

**Finally, can we just ask you a question about your answers to this survey? Read out and type either 'Y' or 'N' next to each question.**

May we tell Ofcom we spoke to your organisation?

May we say with whom we spoke?

If so, may we attribute comments to your company? (you will be sent a list of any specific comments that we might wish to include)

Ofcom may publish an edited version of this study. If so are you happy for your company to be named publicly as a contributor? If there are any comments for which you would not wish public attribution, you will be given the opportunity to say so.

May we follow up with you directly if we have further questions relating to this study? (NB Check direct contact details)

**Please be assured that we will respect the answers you have just given and no further contact will be made and no information used that you have not specifically agreed to here.**

**Thanks and close**

## **A.2 Interview questions for aggregators**

### *Recruitment email*

Analysys Mason is undertaking a study on behalf of Ofcom on the use of non-geographic numbers by service providers i.e. numbers not associated with any single geographic location, such as 070, 0845, 0870, 09 etc. The primary aim of this part of the study is to understand the criteria used for the selection of non-geographic numbers by service providers

The market research will provide individual service providers with an invaluable opportunity to share their views with the regulator and wider market, and to help Ofcom to identify those areas in the supply chain requiring intervention to improve the functioning of the market.

Internal note: Also consider a charity donation of £5 if the interview is likely to exceed 15 minutes in duration.

Issues we are discussing with aggregators include:

- Overview of services provided
- Criteria for selecting terminating communications provider (TCP)
- Competitiveness of the market
- Structure of revenue share and outpayments
- Impact of regulation on the NGC market

*Scene setting*

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Respondent Name:

Job title:

Name of organisation:

Number of employees:

Services offered:

*Criteria for selecting number ranges*

I am going to ask you a series of questions about the non-geographic numbers you offer. In each case I would like an accurate answer but if this is not possible then an approximate answer is fine. If you use more than one different non-geographic number range and your answer to a given question differs by number range, please tell us how.

- What type of business are you?
- What number ranges do you offer? Please mark with an ‘x’ as appropriate.
- .Offering routing facilities on geographic numbers as well.

Geographic		0844		0871	
03		0845		09	
070		0870		118	
080		Other (please specify)		Don't know	

- (Roughly) how many numbers do you have in each of the number ranges you offer? **Type in boxes below**

Geographic		0843/4		0871/2/3	
03		0845		09	
070		0870		118	
080		Other (please specify)		Don't know	

- Which terminating communications provider(s) (TCP) do you work with?

Thinking now about the different number ranges you offer:

- From what industry sectors do your customers come from for the number ranges you offer?
- For what purposes do your customers use the respective number ranges for? Try to capture any sector-specific variations.
- Are the purposes for which your customers use these number ranges likely to be reflective of the market as a whole?
- What would you say are the most important features of the service you offer compared with those offered by the TCP (terminating communications provider)? (i.e. what are the USPs of their offering, for example, price, magnitude of revenue sharing?)

#### *Choice of TCP*

We would like to ask some questions now how your criteria for choosing your terminating communications provider (TCP)/terminating network.

- How did you select a non-geographic number provider?
- What are the most important aspects of the service they offer you (for example, technical hosting features, magnitude of revenue sharing)?
- Does the service and pricing (level of revenue share) vary substantially between Non-geographic number providers?
- Do you feel you have sufficient choice of non-geographic number providers?
- Have you ever considered changing non-geographic number provider? If so why?
- Did you actually change provider?
- Were there any barriers to switching non-geographic number provider and if so please provide further details?

#### *Revenue share and outpayments*

We would like to ask some questions about the revenue share arrangements you have both with your terminating communications provider (TCP)/terminating network and SP for different numbers ranges you offer.

Thinking firstly about your revenue share arrangements with your terminating communications provider (TCP) / terminating network:

- Do you receive a share of call revenues for the incoming calls to your non-geographic number(s) or do you make a net outpayment to your TCP? Please mark with an 'x' as appropriate.

Share of call revenues		Net outpayment		Don't know	
------------------------	--	----------------	--	------------	--

- If 'share of call revenues', on what basis are you paid for different number ranges? Please discuss.

Answer:

<once answered, please also codify answers as follows, coding all that apply.

Flat rate revenue sharing (1)	
Time dependant revenue sharing (2)	
Volume dependant revenue sharing (3)	
Call volume and time dependent revenue sharing (4)	
Don't know (5)	

- Is the revenue share agreement a standard agreement (i.e. based on a list price) or a bespoke agreement? If bespoke, please describe.
- How have the revenue share arrangements for the number ranges you receive changed in the last year or so? [e.g. as a result of regulation, the economic downturn etc] Please describe.

Thinking now about your revenue share arrangements you have with your service providers (customers):

- Do you offer a share of call revenues for the incoming calls to your non-geographic number(s) or do you receive a net inpayment from the service provider? Please mark with an 'x' as appropriate.

Share of call revenues		Net inpayment		Don't know	
------------------------	--	---------------	--	------------	--

- If 'share of call revenues', on what basis is the call revenue shared for different number ranges? Please discuss.

Answer:

<once answered, please also codify answers as follows, coding all that apply.

Flat rate revenue sharing (1)	
Time dependant revenue sharing (2)	
Volume dependant revenue sharing (3)	
Call volume and time dependent revenue sharing (4)	
Don't know (5)	

- Is the revenue share agreement a standard agreement (i.e. based on a list price) or a bespoke agreement? If bespoke, please describe.
- How have the revenue share arrangements for the number ranges you offer changed in the last year or so? [e.g. as a result of regulation, the economic downturn etc] Please describe.
- What proportion of calls to the different number ranges are from mobile vs. fixed lines?

#### *Contributor's specific market*

We would like to ask some specific questions about your own revenue split – the answers will not be disclosed to any third party, including Ofcom, and only used in aggregate or as input into our market sizing and forecasting tools.

- What was your total revenue from the number ranges you offer last year (2009)? What are your projections for 2010?
- What was the revenue split last year and expected this year for the different number ranges you offer?
- What was the split in minutes between the different number ranges you offer?
- If these are changing, what do you think is driving the changes?
- What is your view on the mid- to long-term market for the number ranges you offer?

#### *Regulatory regime*

- Thinking now about the current non-geographic call regime, do you think there are any problems with the current regime? Please describe your main concerns.
- Are there any aspects of the current non-geographic call regime where you think that regulatory intervention could improve the functioning of the market? Please describe.
- Do you provide services that are available via mobile short code (i.e. 5 digit non-geographic numbers beginning with a 6 or an 8)? If yes, do any of your above answers significantly differ in the case of those numbers? No.
- Finally, are there any additional points you wish to make?

#### *Anonymity preferences*

- May we tell Ofcom that we spoke to your company?
- May we say to whom we spoke?



- If so, may we attribute comments to your company? (you will be sent a list of any specific comments that we might wish to include)
- Ofcom may publish an edited version of this study. If so are you happy for your company to be named publicly as a contributor? If there are any comments for which you would not wish public attribution, you will be given the opportunity to say so.

The default condition is that no company will be identified, and no comments will be attributed either to Ofcom or publicly unless we receive your specific agreement.

## Annex B: Service provider survey questionnaire

### Introduction

Analysys Mason is undertaking a study on behalf of Ofcom on the use of non-geographic numbers by service providers i.e. numbers not associated with any single geographic location, such as 070, 0845, 0870, 09 etc. The primary aim of this part of the study is to understand the criteria used for the selection of non-geographic numbers by service providers.

The market research offers individual service providers with an invaluable opportunity to share their views with the regulator and wider market, and to help Ofcom to identify those areas in the supply chain requiring intervention to improve the functioning of the market.

### Scene setting

**To start, please tell us about you and your organisation. Type in box below.**

Respondent Name	
Job Title	
Name of organisation	
Number of employees	
Services offered	

### Criteria for selecting number ranges

1. What number range(s) do you currently use? Please mark all with an 'x' as appropriate.

Geographic		0843/4		0871/2/3	
03		0845		09	
070		0870		118	
080		Other (please specify)		Don't know	

2. Thinking about the range(s) you use, for what purpose are they used? **Please type in box below.**

Answer:
---------

2b. Why did you choose those number ranges? **Please type in box below.**

Answer:
---------

3. Thinking about the main number you use, do you receive a share of call revenues for the incoming calls to your non-geographic number(s) or do you make a net outpayment to your communications provider? **Please mark with an 'x' as appropriate.**

Share of call revenues		Net outpayment		Don't know	
------------------------	--	----------------	--	------------	--

3b. If share of call revenues, what type of revenue sharing arrangement do you have with your communications provider? **Please mark with an 'x' as appropriate.**

Flat rate revenue sharing (1)	
Time dependant revenue sharing (2)	
Volume dependant revenue sharing (3)	
Call volume and time dependent revenue sharing (4)	
Other (5)	
Don't know (6)	

3c. If you use more than one number range, please describe the revenue sharing arrangements you have with your communications provider for the other number range(s)?

Answer:

4. Thinking now about your relationship with the provider of your non-geographic number(s), is the contract a standard agreement (i.e. based on a list price) or a bespoke agreement? **Please mark with an 'x' as appropriate.**

Standard		Bespoke		Don't know	
----------	--	---------	--	------------	--

4b. If bespoke, please describe the nature of any bundles, discounts received as part of your bespoke agreement:

Answer:

5. Are you able to influence the retail price of calls charged to end customers?

Answer (Y/N) and reason:

6. On a scale of 1-5 (1= not important, 5 = very important), how important is it to you to be able to inform callers the exact price of calling your service(s)?

Answer and reason:

7. On a scale of 1-5 (1= undesirable, 5 = very desirable) how desirable would it be to inform potential callers of the maximum price of calling your service(s)? (For example, that a call costs no more than 10p per minute but may be priced lower)

Answer and reason:

8. Thinking now about the current non-geographic call regime, do you think there are any problems with the current regime? **Please mark with an 'x' as appropriate.**

Yes		No		Don't know	
-----	--	----	--	------------	--

8b. If 'yes', please describe your main concerns. **Type in box below**

Answer:

9. Do you provide services that are available via mobile short code (i.e. 5 digit non-geographic numbers beginning with a 6 or an 8)? **Please mark with an 'x' as appropriate.**

Yes		No	
-----	--	----	--

10. Thinking just about short codes, do you think there are any problems with the shortcode regime? **Please mark with an 'x' as appropriate.**

Yes		No		Don't know	
-----	--	----	--	------------	--

10b. If 'yes', please describe your main concerns. **Type in box below**

Answer:

11. Are there any other points that you would like to make? **Type in box below**

Answer:

12. And finally, can we just ask you about your answers to this survey? Please mark with 'Y' for yes and 'N' for no, as appropriate.

	Y / N
May we tell Ofcom we spoke to your organisation?	
May we say with whom we spoke?	
If so, may we attribute comments to your company? (you will be sent a list of any specific comments that we might wish to include)	
Ofcom may publish an edited version of this study. If so are you happy for your company to be named publicly as a contributor? If there are any comments for which you would not wish public attribution, you will be given the opportunity to say so.	
May we follow up with you directly if we have further questions relating to this study?	

Please be assured that we will respect the answers you have just given and no further contact will be made and no information used that you have not specifically agreed to here.

Thank you again for your interest and participation in this study. We greatly value your contribution.

If there are any further comments you wish to add or if you have any questions regarding this study, please contact Helen Karapandzic, Senior Analyst, Analysys Mason ([helen.karapandzic@analysysmason.com](mailto:helen.karapandzic@analysysmason.com))