



# Number Translation Services: a way forward

A report of the key findings of two research studies  
conducted by HI Europe\* and MORI on behalf of Ofcom

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\* With effect from 1st September 2005, HI Europe formally adopted the corporate brand name of Harris Interactive, its US-based parent company.



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## Section 1

# Executive Summary

- 1.1 On 28 September 2005, Ofcom published Number Translation Services: A Way Forward which is the second formal stage of Ofcom's re-examination of the regulatory framework for Number Translation Services ('NTS') calls in the UK. Earlier in 2005, Ofcom commissioned additional research among residential consumers and businesses in order to gain further understanding of the issues and inform policy decision making. This document reports on the findings of the research.

## Residential consumer research

### Calling NTS numbers is now an integral part of daily life

- 1.2 Consumers are increasingly using remote methods for 'personal management' (e.g. banking, bill paying, goods purchasing etc.) and as such there is an increasing usage of the telephone for such services. This perception of increasing use of the phone (along with the internet) means that consumers perceive they have more contact with NTS numbers and calling NTS numbers is now an integral part of daily life. Overall 89% of all adult bill payers claim to be aware of at least one NTS prefix after promoting.

### 0800 and 0845 are the most used and recognised prefixes

- 1.3 The most familiar and most used number by adults responsible for their household telephone landline bills are '0800'. 83% say they have heard of this prefix and three quarters claimed to have called at least one of these numbers in the last 12 months. The second most familiar and most used number is '0845', recognised by almost two thirds of consumers and used by just over a half.

### Awareness and use of 0870 and 090X numbers is significantly lower

- 1.4 Awareness and use of 0870 and 090X numbers are significantly lower, with just over half (55%) of those responsible for their landline bills aware of 0870, and approximately a third (32%) claiming to have used them in the last 12 months. The figures for 090X are lower again - with just under a third (29%) aware and 12% of consumers claiming to use premium rate services.
- 1.5 Younger respondents and those who have internet connections are more familiar with NTS numbers than older respondents and those who are not connected.

### Despite high levels of awareness and use there is confusion about NTS call costs

- 1.6 Despite the fact that 61% of those responsible for their landline bills state that they always check their telephone bill, and the relatively high awareness and usage of NTS numbers, the research found that less than half (43%), knew roughly how much it costs to call 0845 and 0870 numbers from a land line, with a third (32%) of consumers agreeing (9% strongly) with the statement "I have an idea what these types of numbers cost."

## **Over half of consumers say they would think twice before calling at least one type of NTS number**

- 1.7 Over half of residential consumers (55%) agreed that they would think twice before calling at least one type of NTS number from home. The main reasons given were call cost (37%), being unsure of call charge (19%) and concerns relating to premium rate numbers and services (13%).
- 1.8 The qualitative research indicated that overall NTS numbers are a low engagement area for consumers and one which is not of major importance. NTS numbers only seem to come to the fore in relation to media coverage, a particularly bad call experience or a very high bill associated with an NTS number. The quantitative research found that the majority (79%) agreed that every individual has a choice whether or not to use these services.
- 1.9 Consumers voice their frustration about the numbers but these largely relate to the call centre experience/environment rather than the numbers themselves.

## **One third of residential consumers claim to be aware of revenue sharing**

- 1.10 Before the interview only 30% of consumers were aware that companies who utilise NTS prefixes revenue share with telephone providers.
- 1.11 Opinions on whether companies should be allowed to revenue share in this way are fairly polarised. 44% of consumer agree (11% strongly) with the statement "Companies that have 0845 or 0870 numbers should be allowed a share of the profits from call costs to help fund the service they provide", and 37% disagree (16% strongly).
- 1.12 The qualitative research indicated that feelings ran quite high on the unsuitability of some businesses for such income among those with a negative opinion. In particular it was felt that commercial organisations with much publicised high profit levels (such as banks), and public sector organisations that were funded by Government should not profit in this way.
- 1.13 Consumers expressed a desire for a reduction in the confusion over call costs, but are not opposed to revenue share per se.
- 1.14 With the confusion and misconceptions around the price of calls to NTS numbers consumers welcomed the possibility of the price of calls being capped to a set charge per minute (84%) or reduced to the same price as ordinary calls (79%). Furthermore, 87% of those responsible for landline bills agreed that callers should be told the call price before being connected to the call.
- 1.15 Overall, the qualitative and quantitative research indicated that residential consumers are looking for clarity on order to distil the confusion over call prices rather than being concerned about revenue share per se. When options were presented to respondents in the qualitative research there was no clear preference for a single option, although option 2 (Ofcom's preferred option from the October 2004 Consultation) was the one that was preferred by most. This option was 'safe', in that it was most similar to the status quo so there were no further complications. Anything that was perceived to complicate, or introduced additional, or unfamiliar numbers, tended to be rejected by the focus groups. In the quantitative research, the majority also agreed with statements that would give callers clarity over call prices. For

example, 79% agreed that the price of calls should be the same as ordinary calls and 84% agreed that the calls should have a set charge per minute.

## **Business Qualitative research**

**The main reasons businesses adopt NTS prefixes are for ease of routing calls, number portability and to aid customers to remember the numbers.**

- 1.16 Additionally, for smaller companies it was also to hide their geographical location and to give the perception they are larger than they are.
- 1.17 There was little difference between the small and larger businesses in the sample, except that smaller businesses slightly more likely to see NTS numbers as a real asset to their business than their larger counterparts.

**There did not appear to be a profit motive for use of NTS numbers, particularly among the small and medium businesses**

- 1.18 Revenue sharing on NTS numbers is not “front of mind” to businesses and some were not aware of this benefit until they got the number. Most businesses did not claim to associate the small revenue gained from 0845 or 0870 numbers as actual income, and most claimed they would not miss it if it was not there. For a minority the revenue share helped fund the services provided but for most it was the convenience to the business that drove the decision to use NTS numbers.

**There was some knowledge of ‘scams’ but most felt these stories were associated with 09 numbers**

- 1.19 None of the businesses in the sample admitted to involvement in practices such as prolonging calls and call holding in order to increase revenue from NTS numbers. On prompting, all acknowledged that it was possible to ‘cheat’ in this way and some mentioned ‘scams’. However these are most often associated with 09 numbers and the general feeling is that only very large businesses with extremely high call volumes would find it worthwhile to be involved.

## **Businesses acknowledge consumer confusion**

- 1.20 Businesses are aware that consumers are confused over the different NTS numbers and the different costs of NTS calls. Businesses did not see profit sharing as a real negative for consumers and felt that the cost of calls was a bigger issue for consumers rather than revenue sharing.
- 1.21 However very few businesses knew the exact cost of NTS calls to their own customers, they described the generic ‘local’ or ‘national’ rate rather than exact amounts. Many would favour more clarity on this so that they could better communicate costs to callers.

**The majority of businesses want to stay with their existing NTS numbers and would forgo revenue share to do this but would not wish to incur prohibitive costs**

- 1.22 When presented, none of the future policy options shown came out as a clear winner (See Annex 3 for options). For businesses, Option 2 and Option 4 came to the fore more than the other two options. Option 2 was chosen because it was the most similar to the status quo and, most importantly, did not necessitate any of the businesses changing their numbers. This was a particular bonus as even the

smallest business would suffer disproportionate costs from NTS number changes – signage, literature, marketing communications and even running a new number past a professional organisation.

- 1.23 Option 4 was also well liked as it was straightforward and with no hidden charges. In relation to this option, most of the sample claimed they would stay with the same NTS number despite this resulting in no revenue share as long as keeping the number itself was not prohibitively expensive. If, however, the cost of retaining the number and paying for it directly rather than via revenue share (which is how most NTS numbers are currently funded) was deemed to be too high, then the business said they would more likely stop using NTS altogether, rather than change to another NTS number which allowed revenue share.

### **Mystery Shopping summary**

- 1.24 The principal aim of the mystery shopping was to measure the length of time it takes to connect to an operator when using 0800, 0845 and 0870 numbers and to compare results across these three types in order to understand if there were any significant differences.

#### **There was no significant correlation between call price and waiting time**

- 1.25 Of the 08XX numbers tested (0800, 0845, and 0870), two-thirds got straight through to an operator after dialling and a further 16% connected to an operator via an automated menu system. Just over a fifth did not get through to an operator; instead they were invited to call back, leave details or were cut off.
- 1.26 80% of calls connecting to an operator did so immediately the call was answered. A further 14% connected to an operator in less than a minute via an automated queue or menu system. Less than one in ten (7%) took over one minute before a connected call was handled by a person.
- 1.27 The mean (average) time taken to speak to an operator after the call was connected was 17 seconds for 0845 numbers, 13 seconds for 0870 numbers and 11 seconds for 0800 numbers. There was no significant correlation between call price (with 0800 being free to call from fixed line phones and 0870 being more expensive than 0845) and the time it took to get through to an operator.
- 1.28 0800 numbers were more likely to get through to a person immediately on connection and therefore least likely to use an automated system. 0845 numbers were most likely to use an automated menu system before the call was handled by an operator.
- 1.29 For those calls that were connected via an automated queue or menu system, 0800s took longer to get through to a person than 0845s and 0870s (with mean times of 96 seconds, 64 seconds and 59 seconds respectively). This is indicative of greater efficiency in call handling by 0845 and 0870 numbers rather than an attempt to increase revenue through longer calls; calls to 0800 numbers are free of charge to the consumer.

#### **Call holding times recorded were longer for larger companies than other SME's**

- 1.30 Companies with a turnover of £10m+ took longer to connect to an operator than the 08XX market as a whole (the mean time to connect to an operator was 42 seconds and 14 seconds respectively). They were also less likely to be answered immediately by an operator (56% connected immediately, compared to 80% overall)

and more were likely to use an automated menu/ queuing system to process calls. Longer call length may be due to the fact that larger organisations offered more services (in terms of the number of menu systems and options per menu) from a single telephone number than was the case for smaller organisations.



## Section 2

# Introduction

## Background

### What is NTS?

- 2.1 NTS calls are calls to numbers identified in the National Telephone Numbering Plan ('the Plan') as Special Services numbers (broadly, numbers that start with 08 or 09).
- 2.2 NTS numbers are examples of non-geographic numbers in that the number dialled does not relate to a specific geographic location, but instead relates to a particular service. At a technical level, the NTS number dialled by a caller is 'translated' by the network to a geographic number to deliver the call to its destination.
- 2.3 The current arrangements for NTS enable calls to 08 and 09 non-geographic telephone numbers to be used by businesses and other organisations to provide a wide range of telephone services e.g. pay-as-you-go dial-up internet access, telephone banking, tele-voting and business contact services.
- 2.4 NTS calls provide a micro-payment mechanism for a wide variety of value added services, as well as a means of access to these services. With the exception of Freephone calls, a significant proportion of NTS retail call revenues is passed on to NTS service providers ('SPs') receiving the call ('a revenue share') – over a quarter on average for 0845/0844 calls and over a half for 0870/0871 calls .

### Stakeholders Concerns

- 2.5 The existing NTS framework has been extremely successful in terms of the large number of new and innovative value-added services that have been made available to UK consumers as a result. However both consumers and those involved in their provision have concerns about the current regulatory arrangements for NTS calls. For consumers, the main concerns are:
  - Consumer protection: some consumers argue that revenue sharing should be stopped completely on 08 numbers, because there are no adequate consumer protection measures in place to prevent consumers potentially being overcharged or otherwise exploited on 08 services. This is particularly the case where callers have no choice over the number called, for example, calls to a public service or an after-sales support service.
  - Price transparency: Ofcom's research shows that consumers have a very low level of awareness of the price of 084 and 087 calls, because most consumers believe that the calls cost much more than is really the case. There is an economic cost associated with this lack of price transparency, because tariff misperceptions give rise to inefficient purchasing decisions.
  - Misleading advertising: the link for customers between the prices of calls to 0845 and 0870 numbers and local and national geographic call charges has broken down, as most customers now pay more for calls to 0845/0870 numbers than they do for geographic calls. This has given rise to the potential for misleading advertising as some 0845/0870 services are advertised as being charged at geographic call rates, when in fact they are more expensive.

- Adult services: there is concern about the growth of adult services on 0870 and 0871 numbers because if consumers wish to bar them, they need to bar access to all 087 numbers as the adult services are not on specific number ranges.
- Internet diallers: there has been an increase in the incidence of rogue internet diallers on 087 numbers which the Independent Committee for the Supervision of Standards of Telephone Information Services ('ICSTIS'), the premium rate services ('PRS') regulator, does not currently regulate.
- Call centre waiting times: many consumers are irritated and annoyed by long call centre waiting times. Where the call centres use revenue sharing NTS numbers, there is an additional concern that waiting times may be deliberately extended in order to gain extra revenue.
- Provision of public services: there has been growing concern over the inappropriate use of revenue sharing numbers by some public services, fuelled by several cases which have attracted a high level of media attention. The problem has been exacerbated by the fact that many NTS numbers may not be accessible from overseas networks, preventing access for UK residents who are overseas or other international callers.

### **Ofcom's NTS Policy Review**

- 2.6 To address these concerns Ofcom issued a consultation in October 2004 entitled Number Translation Services: Options for the Future ('the October 2004 Consultation') in which it proposed changes to the regulatory regime designed to address growing concerns amongst industry and consumer stakeholders about the operation of the current regime.
- 2.7 Responses to the consultation were somewhat polarised and a firm consensus on the best course of action was not apparent. As a result, Ofcom commissioned additional research among residential consumers and businesses in order to gain further understanding of the issues and inform policy decision making. This document reports on the findings of the research.
- 2.8 Ofcom published a further consultation entitled Number Translation Services: A Way Forward on 28 September 2005. A shorter plain English summary is also available. Copies of both documents can be downloaded from Ofcom's website at: [http://www.ofcom.org.uk/consult/condocs/nts\\_forward/](http://www.ofcom.org.uk/consult/condocs/nts_forward/)  
The consultation closes on 6 December 2005.

### **Research Objectives**

- 2.9 The overarching objective of the post consultation research was to provide evidence to inform and guide future options and policy relating to the NTS policy. In particular:
- To understand consumer experience of, and attitudes towards NTS numbers
  - To explore consumer understanding of the cost of NTS calls and 'revenue sharing' benefits for businesses
  - To explore consumer attitudes towards a number of options for NTS
  - To explore and understand business use of NTS lines – especially in relation to call time, revenue benefits & propensity to engage in negative business practices
  - To explore company culture in relation to NTS lines and the extent to which businesses understand the consumer perspective

- To explore the attitudes of businesses towards a number of options for NTS.
- 2.10 In addition to investigating the above objectives, mystery shopping research was also required to investigate the issue of extended call holding and revenue generation from NTS numbers. The need for this research was born from concerns that some businesses may be using NTS numbers as a means of revenue generation by extending call holding times. The principal aim of this strand of the research was to measure the length of time it takes to connect to an operator when using 0800, 0845 and 0870 numbers and to compare results across these three types.
- 2.11 A secondary objective was to quantify other details of calls made to 08XXs, by analysing the call process, for example, the number of steps taken to connect to an operator and the number of options available to the caller in the menu system.

## Research Methodology

- 2.12 The post consultation research was conducted in three stages.
- Qualitative research (residential consumers and businesses)
  - Quantitative research (residential consumers only)
  - Mystery shopping (businesses that have an NTS number)
- 2.13 The initial qualitative stage was designed to explore and understand attitudes and issues amongst consumers and businesses. The key issues identified were quantified in Stage 2. These two stages are reported together in this report.
- 2.14 The mystery shopping stage occurred concurrently to stage 2 and is reported as a separate section in this report.

### Qualitative Stage 1

- 2.15 The qualitative research amongst both businesses and consumers was conducted by HI Europe and fieldwork was undertaken during May 2005.
- 2.16 In total, it consisted of:
- 7 residential consumer groups
  - 2 business groups (SME's)
  - 16 business in depth interviews with telecoms business decision makers (9 small, 2 medium, 5 large)
- 2.17 As well as investigating understanding and experiences of NTS lines, both the consumer and business qualitative samples were presented with four potential options for the future of NTS numbers. These options were rotated through the sample to make sure that order of presentation did not introduce a constant bias. The first option was always presented in the form of a 'dummy press article', with the following three options presented as concepts.
- 2.18 Further details of the groups and the stimulus are annexed to this report (see Annex 1).

## Quantitative Stage 2

- 2.19 The core consumer issues were followed up in a quantitative omnibus. HI Europe managed this stage and used the ICM telephone omnibus.
- 2.20 The quantitative questionnaire was placed on the ICM weekend omnibus on 2nd July 2005. 1039 telephone interviews were conducted with a nationally representative sample of adults aged 16 years and over<sup>1</sup>.
- 2.21 In response to the first screening question on the questionnaire, 762 individuals from the representative sample were responsible for paying the household landline bills. Responses to all other questions on the questionnaire were based on these individuals.
- 2.22 Annex 4 to the report outlines the consumer quantitative data sampling and weighting and provides a profile for the 762 respondents completing the consumer questionnaire.
- 2.23 It should be noted here that in view of the feedback from the qualitative research and the complexity of the proposed options, it was decided that the best way to quantify responses and better inform and guide decisions was to test elements of the options in quantitative research, rather than the options themselves. To this end the elements were presented as a number of agree/disagree statements in the questionnaire (See Annex 2).

## Mystery shopping Stage 3

- 2.24 As already mentioned, the principal aim of this survey was to measure the length of time it takes to connect to an operator when using 0800, 0845 and 0870 numbers and to compare results across these three types.
- 2.25 This survey was carried out by MORI, between the 8th and 27th June 2005. Just fewer than 600<sup>2</sup> calls were made to each of the three 08XX number types. Where numbers were found to be not accessible/unobtainable, replacement telephone numbers were sourced (again at random). The calls were made to a mix of different business type and company size. An additional boost of large businesses was also included in order to provide quantitative evidence to support or reject the hypothesis that large organisations (taken as those with a turnover in excess of £10 million) have a financial incentive to extend NTS call holding times due to the volume of calls.
- 2.26 Full details of the survey including sampling and protocol are detailed in Annex 5.
- 2.27 When quoting results, the total sample is based on 1,708 (i.e. the total number of calls minus those booster records of companies with a turnover £10m+ that were connected). The £10m+ sample is based on a 157 calls.

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<sup>1</sup> The sample was sourced using random digit dialling. Quotas were set on age, socio-economic group, standard geographical regions and housing tenure. To ensure a national representative sample was achieved, the resulting data was weighted to a 56 cell weighting matrix.

<sup>2</sup> The target was 600. The following was achieved – 0800: 606; 0845: 609; 0870: 603. This includes 'booster' sample of those companies using 08XX numbers listed with a turnover of £10m+. When these calls are removed from the main sample the data is based on – 0800: 589; 0845: 553; 0870: 566.

## Section 3

# The Residential Consumer Perspective

## Calling NTS numbers is now an integral part of daily life

- 3.1 Consumers are increasingly using remote methods for ‘personal management’ (e.g. banking, bill paying, goods purchasing etc.) and as such there is an increasing usage of the telephone for such services. This increasing use of the phone (along with the internet) means that consumers contact with NTS numbers is also increasing and calling NTS numbers is now an integral part of daily life.
- 3.2 The quantitative research shows that the majority (69%) of UK adults claim to have made calls to numbers that typically use NTS prefixes in the last 12 months - calling services such as customer help lines, booking train tickets and voting on TV programmes such as Big Brother.

**Fig 1: Typical calls made in the last 12 months**

Service	All Consumers	Males	Females
Customer Help Lines	49%	51%	48%
National Rail Enquires	22%	20%	25%
NHS Direct	19%	14%	24%
Home Shopping Company	17%	12%	22%
TV Competition	16%	12%	20%
Voting on TV programme such as Big Brother	12%	10%	15%
Any of the above	69%	66%	72%

Base: All respondents responsible for paying for calls made on their landline (762)

## Claimed awareness of NTS prefixes are high, and 0800 numbers in particular are well known

- 3.3 Overall awareness of NTS numbers is very high with 89% of all adults responsible for paying their landline bills aware of at least one of these numbers.
- 3.4 The most familiar number is ‘0800’ – this is likely to be because the 0800 prefix has been in operation for the longest period of time and is highly publicised, for example by company order lines, is likely to have contributed to this strong awareness.
- 3.5 The second most familiar number was ‘0845’, recognised by almost two thirds (64%) of the consumers in the sample.
- 3.6 The qualitative research indicated that consumers perceive both ‘0800’ and ‘0845’ numbers are trustworthy and beneficial.
- “You know with these numbers there is not going to be a scam at the end of it”
- 3.7 0800 numbers are also seen by some as a means to entice new customers as they are used by many organisations for new customer/enquiry lines. As soon as you become a customer, it is then assumed that the company will then offer you another either geographic or NTS ‘paying’ number once they have ensured your business.

**Fig 2: Awareness of NTS prefixes**

Service	All Consumers
0800	83%
0845	64%
0870	55%
0871	33%
090X X=1,2 etc	29%
0844	15%
Any	89%

Base: All respondents responsible for paying for calls made on their landline (762)

### **Awareness and usage of 0870 and 090X numbers is significantly lower**

3.8 Just over half the sample was aware of 0870 numbers and around a third aware of 090X numbers. Despite lower levels of awareness, there were strong negative perceptions of 0870 and 09 numbers among those who were familiar. 090X numbers had much higher cost expectations and were associated with TV voting and competition lines, and were also more likely to be associated with 'scams' or adult services (along with older numbers such as '0898'). Consumers discussed being put off calling these premium rate numbers because of the perceived costs involved. 0870 numbers are less familiar than 0800 and 0845 numbers. The qualitative research indicated confusion over the cost of these calls and they were thought to fall somewhere between national rate and premium rate.

3.9 Generally consumers relate NTS numbers with the call centre industry; as such they tend to associate the benefits of calls centres such as 'convenience' and ease of use. However, consumers also associate the disadvantages of call centre environments, such as:

- Queuing
- Menu options
- Being passed around
- Irritating music
- Incomprehensible accents

"Before you would have had to have gone to your bank, whereas now you can be updated and it makes it easier to budget and control your finances"

"You listen to so many options you forget which the right one possibly might be at the beginning that you should have pressed and then you discover you are 10th in the queue!"

"I have stopped calling call centres – I'm fed up with not being able to understand what is being said"

### **Consumer perceptions regarding call holding times appear to be driven by an assumption of poor service relating to call centres**

3.10 The same proportion of residential consumers agreed with the following statements:

- When you dial numbers such as 0845, companies deliberately keep you hanging on the phone (56% agree, 30% Strongly)

- All companies, no matter what the dialling code, deliberately keep you hanging on the phone (56% Agree, 31% Strongly)

3.11 This indicates no clear difference in customer perceptions of call holding times between NTS and non NTS numbers.

**Fig 3: Awareness of NTS prefixes by age**

Service	All Consumers	18-24	25-34	35-44	45-54	55-64	65+
0800	83%	77%	90%	90%	82%	88%	68%
0845	64%	81%	80%	76%	66%	61%	37%
0870	55%	65%	69%	60%	54%	49%	39%
0871	33%	30%	37%	38%	38%	35%	21%
090X X=1,2 etc	29%	38%	41%	29%	29%	29%	17%
0844	15%	12%	20%	17%	18%	15%	8%
Any	89%	99%	96%	94%	88%	93%	74%

Base: All respondents responsible for paying for calls made on their landline (762)

3.12 Awareness of individual NTS numbers varies with age. Consumers under 35 were more likely to be aware of NTS numbers than any other age group. Conversely awareness dropped off dramatically for those aged 65 or older (especially '0845' and premium rate numbers such as '090x').

3.13 However, as those aged 65 or over are far less likely to be aware of the NTS numbers, it is potentially this group who are most at risk of misconceiving the price of NTS calls, simply by their lack of familiarity.

### Claimed use of NTS prefixes is high and driven by freephone 0800 numbers

3.14 85% of consumers claimed to have used at least one NTS number in the last 12 months.

**Fig 4: Usage of NTS prefixes**

Service	All Consumers
0800	75%
0845	55%
0870	32%
090X X=1,2 etc	12%
0871	9%
0844	6%
Any	85%

Base: All respondents responsible for paying for calls made on their landline (762)

3.15 '0800' measured the highest level of usage followed by '0845' and '0870'.

3.16 Consumers aged 55 and above were less likely to have used an NTS number in the last 12 months with only 77% claiming to have used an NTS prefix compared to 92% of 25-34 year olds.

**Fig 5: Usage of NTS prefixes by age**

Service	All Consumers	18-24	25-34	35-44	45-54	55-64	65+
0800	75%	65%	80%	78%	79%	74%	67%
0845	55%	73%	65%	67%	59%	44%	31%
0870	32%	24%	44%	37%	33%	21%	22%



<b>090X X=1,2 etc</b>	<b>12%</b>	<b>19%</b>	<b>19%</b>	<b>10%</b>	<b>11%</b>	<b>13%</b>	<b>5%</b>
<b>0871</b>	<b>9%</b>	<b>6%</b>	<b>11%</b>	<b>13%</b>	<b>8%</b>	<b>6%</b>	<b>4%</b>
<b>0844</b>	<b>6%</b>	<b>4%</b>	<b>8%</b>	<b>8%</b>	<b>7%</b>	<b>2%</b>	<b>2%</b>
<b>Any</b>	<b>85%</b>	<b>90%</b>	<b>92%</b>	<b>90%</b>	<b>86%</b>	<b>79%</b>	<b>75%</b>

Base: All respondents responsible for paying for calls made on their landline (762)

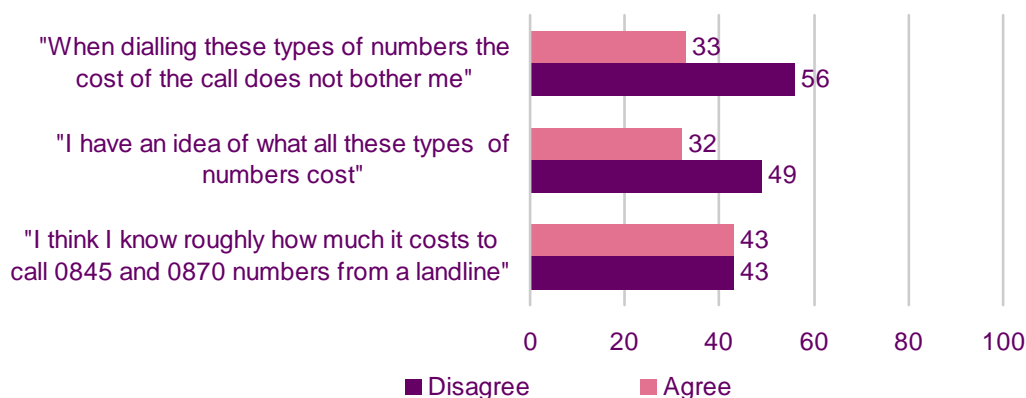
**Just over half of adults responsible for their home landline would think twice about calling an NTS number from home. A similar proportion would avoid calling an NTS number altogether**

3.17 Despite the relatively high awareness and usage of NTS numbers there is limited understanding of NTS call costs and some obvious confusion. Less than half (43%) roughly know how much it costs to call 0845 and 0870 numbers from a land line.

3.18 Only 32% of consumers agree (9% strongly) with the statement “I have an idea what these types of numbers cost.”

**Fig 6: Attitudes towards NTS calls costs**

**Agreement with pricing statements**



Base: All respondents responsible for paying for calls made on their landline (762) Don't knows not shown.

3.19 When asked to estimate the specific costs for each NTS prefix, 0800 was recognised as a 'free' service by 61% of the sample and only a quarter were unable to give an estimate of the cost. However the costs for all other NTS numbers were exaggerated and significant proportions could not even give an estimate. Approximately 80% of consumers estimated incorrectly or could not give an estimate of '0845'/'0870' charges. This was especially true of the older age groups - approximately 75% of those aged 65 or more could not give an estimate for 0845, 0870 and 090X numbers, this age group also uses NTS numbers the least.

**Fig 7: Summary table of perceived NTS costs**

Cost of call	0800	0845	0870	090X	Local Rate	National Rate
<b>Free</b>	<b>61%</b>	<b>4%</b>	<b>3%</b>	<b>1%</b>	<b>6%</b>	<b>2%</b>
<b>Unable to give estimate</b>	<b>24%</b>	<b>46%</b>	<b>54%</b>	<b>50%</b>	<b>28%</b>	<b>42%</b>
<b>Mean Cost per Minute</b>	<b>8p</b>	<b>26p</b>	<b>36p</b>	<b>61p</b>	<b>8p</b>	<b>20p</b>



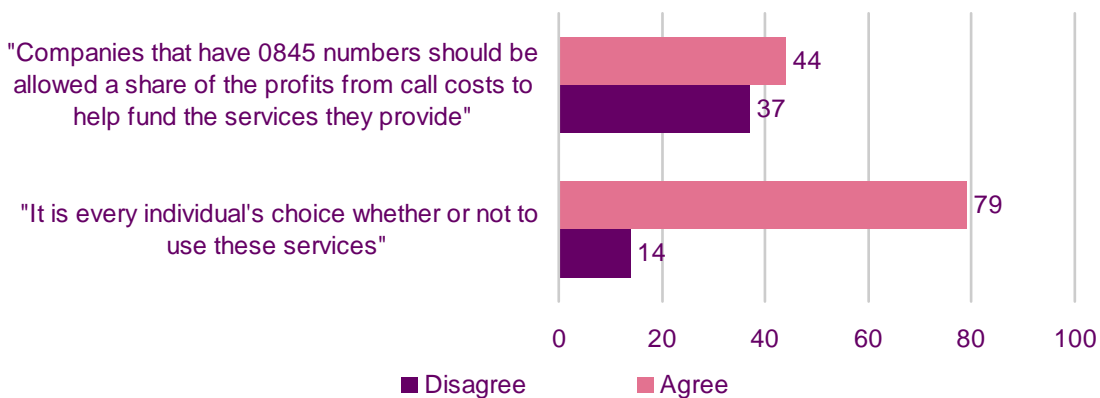
Base: All respondents responsible for paying for calls made on their landline (762)

- 3.20 71% of those who would think twice about calling 0870 numbers from home were concerned about NTS costs compared with 52% of those who would not think twice before calling.
- 3.21 70% of those who would avoid 0870 numbers altogether were concerned about NTS costs compared with 54% of those who would not avoid 0870 numbers. Therefore lack of understanding of NTS costs could drive avoidance for some.
- 3.22 Over half of residential consumers (56%) say they are concerned when making NTS calls. Consumers who stated they would think twice about calling NTS numbers from home or avoid some NTS numbers all together are significantly more likely to be concerned about cost of calls to NTS numbers, particularly 0870 and 090X where the charges are perceived to be higher.

**Awareness of revenue sharing is fairly low and only one third of consumers claimed awareness of this**

- 3.23 Before the interview only 30% of residential consumers were aware that companies who utilise NTS prefixes profit share with telephone providers.
- 3.24 Opinions on whether companies should be allowed to profit share in this way are split with 44% agreeing (11% strongly) with the statement “Companies that have 0845 or 0870 numbers should be allowed a share of the profits from call costs to help fund the service they provide” and 37% disagreeing (16% strongly).

**Fig 8: Agreement with profit sharing statements.**



Base: All respondents responsible for paying for calls made on their landline (762) Don't knows not shown.

- 3.25 The qualitative phase of the research supported the view that consumers felt that the revenue businesses gain from 0845 and 0870 numbers is probably very low.

“I imagine there's little money to be made from an 0845 number, but that could be different for a 0870 number which is charged at a national rate at 10p per minute”

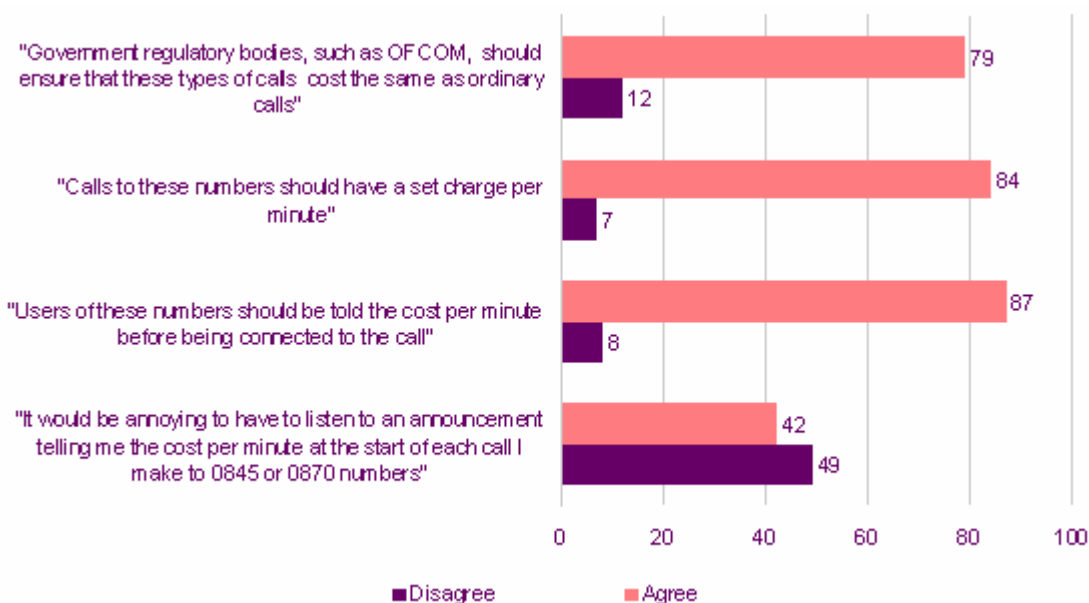
**NTS numbers are however low interest to consumers and awareness and interest is occasionally raised by the media or a negative cost experience**

- 3.26 Indeed the feeling from the qualitative research was that NTS call costs were not really important, the expense of these calls only comes to mind when receiving a bad service experience or a really high call cost on the telephone bill. The majority of consumers agreed that it should be left to the individual to make up their own mind whether to use NTS numbers with 79% agreeing with the statement that “It is every individual’s choice whether or not to use these numbers”.
- 3.27 The age group most strongly opposed to companies profit sharing, was the age group most unlikely to use their services. 45% of those aged 55 or more disagree with companies’ profit sharing in this way.
- 3.28 However, feelings were quite strong that public sector organisations should not benefit from profit sharing.

**Consumers expressed a desire for a reduction in the confusion over NTS call costs, but are not opposed to revenues sharing per se**

- 3.29 With the confusion and misunderstanding about the cost of calls to NTS numbers, consumers appear to welcome the cost of calls being capped to a set charge per minute, reduced to the same cost as ordinary call, or simply being told how much the call will cost before being connected.

**Fig 9: Agreement with possible options**



Base: All respondents responsible for paying for calls made on their landline (762) Don't knows not shown.

- 3.30 Whilst a substantial proportion of consumers were favourable towards being told the cost of NTS calls before being connected, 42% would find an announcement annoying. However, this does not imply that consumers would reject the idea as the qualitative research indicated that despite any minor annoyance, this would at least clarify costs for each call.

- 3.31 Overall the qualitative and quantitative research indicated that consumers are looking for clarity in order to distil the confusion over call costs rather than being concerned about revenue sharing per se. Responses to the options tested in the quantitative stage support taking forward the option shown in the qualitative as Option A and, whilst in the qualitative research there was no clear preference for a single option, A was the one which was preferred by most (see Annex 3 for options). This option was 'safe', in that it maintained the status quo so there were no further complications. Anything which was perceived to complicate matters, or introduced additional or unfamiliar numbers, tended to be rejected. In the qualitative research, for example, consumers were quick to criticise options which introduced 'new' or 'different' numbers (such as 0844), or those which seemed to have complicated call cost systems.

## Section 4

# The Business Perspective

**The main reasons businesses use NTS prefixes are for ease of routing calls, number portability and to aid customers' memory of the numbers**

"If we did not have an NTS number customers would have 20 or so different numbers to remember"

"We relocated and it was such a seamless transition, because all we had to do was take the numbers with us. Imagine if you had your normal number and the upheaval involved in telling people your number had changed"

"We successfully moved location ... no concerns were voiced about service levels or the cost of the system"

- 4.1 Few businesses interviewed gave alternative geographic numbers to consumers as a matter of course. Those who did divulge these numbers felt that doing so built a better customer relationship.

"We don't [give out geographic numbers] – we prefer to keep things simple and not add to the confusion."

"Customers like to be given the geographic number because it inspires more trust and helps build a good supplier relationship."

- 4.2 0800 and 0845 numbers are also used to try to gain a competitive advantage within a broader market, and reduce staff expenses or avoid fraudulent claims.

"The 0800 and 0845 numbers avoid the cost going to the user, costs are paid centrally. This avoids employees having to claim back on expenses and also can avoid fraudulent claims"

- 4.3 If you're advertising in a particular medium where your competitor is advertising a cheaper number and you've got a 0870 or 0121 number, they're more likely to go to the 0800 one"

"If I had a Birmingham number I'd probably only get business from Birmingham"

- 4.4 NTS numbers were perceived to benefit businesses and consumers alike. Only one or two businesses felt that consumers were reticent about using the numbers and had, therefore, provided alternatives. Over the whole qualitative sample though, the provision or publication of geographic alternatives was rare.

- 4.5 There was little difference between the small and larger businesses in the sample, with smaller businesses perhaps more likely to see NTS numbers as a real asset than their larger counterparts.

- 4.6 Many businesses had sought out NTS numbers themselves but the information was readily to hand as suppliers adopt very proactive marketing and 'better deals' are always on offer. A number of different suppliers of NTS numbers were represented

in the sample, indicating a fragmented market which was price driven. Switching suppliers is not unknown, the main reason for switching being 'a better deal'.

- 4.7 Switching NTS numbers was far less common-place and most of the sample had only one type of NTS number. The most frequently used numbers were 0845 or 0870. A minority had 0800 numbers.
- 4.8 Few businesses monitored customer feedback on NTS numbers in any systematic way. However, gross negatives were recognised and responding to specific consumer concerns was the norm.

### **Businesses acknowledge consumer confusion over NTS numbers**

- 4.9 Broadly businesses felt that NTS numbers were a benefit for customers. However, they did recognise that there was some consumer confusion in relation to the numbers. They felt that this was focused on the actual cost of the calls, rather than any consumer concerns about revenue sharing.

"The 0870 number is still registered in our name, but we don't actually go public with it at all. We don't plan to phase it out completely until people are aware that 08 numbers are not a premium rate number - it is a good number to have"

"If we were given the choice again we wouldn't opt for a 0800 number because it has caused some confusion [elderly confuse it with a mobile number] and makes for an impersonal relationship. Customers prefer to know they're dealing with a local company"

- 4.10 The businesses themselves rarely had the information they needed on call costs to be able to pre-empt any customer queries or proactively flag exact costs. Many welcomed being able to provide this information. Instead they were communicating general information on costs such as the link with local rate calls for 0845 numbers and national rate for 0870.

### **There does not appear to be a profit motive for use of NTS numbers, particularly among the small and medium businesses**

- 4.11 Revenue sharing on NTS numbers is not "front of mind" to business, and some are not even aware of this benefit until they get the number.
- 4.12 Most businesses do not associate the small revenue gained from 0845 or 0870 numbers as actual income and most would not miss it if it was not there. To a great extent, the businesses interviewed lacked knowledge and sophistication in relation to NTS numbers, employing them for a specific purpose and not looking beyond that.
- 4.13 Revenue generation appeared to be a negligible consideration when deciding whether to use an NTS number or not

"Revenue generation was very secondary to the decision to use an NTS number, however it would be a bonus if we were able to generate more"

"The primary aim of the 0870 number is to provide a customer service. We'd certainly not consider switching to an 09 premium rate number to generate more revenue"

- 4.14 The highest revenue generated by a company covered in the research was £500 per month and the majority of businesses were generating revenue in only double figures – these figures were discussed as not high enough to make significant impact on their bottom line. Indeed, some of the sample claimed to have rejected 0870 numbers in favour of 0845 numbers in order to offer customers cheaper calls.
- 4.15 The main benefit of revenue share discussed was to reverse out any cost of purchasing/running the NTS number itself, so that overall, NTS numbers cost businesses' little, if anything. None of the businesses involved in the research claimed they actively sought to increase the revenue generated from NTS numbers.

**There was some knowledge of 'scams' but most felt these stories were associated with 09 numbers**

- 4.16 They were aware that it was possible to increase revenue by extending the length of the call, but felt that this tactic would be counter-productive. The reasons for this are: the income from these calls was negligible (most of the companies did not generate enough calls for the income to be considered as a revenue stream per se); no systematic monitoring of NTS revenue (except via the monthly bill) and it would impact on customer loyalty (it would be short sighted to perceive customers buying products or services as loyalty is worth far more than generating a few pence on a phone call).

“Some customers would be horrified if they thought we were making money out of their phone calls as well as charging them for their time AND it would be at greater cost to us through updating business cards etc”

“We would not want to be seen as ripping off our customers”

“You're not going to deliberately wind up your customers by trying to generate a few pence of revenue when your original product is worth thousands of pounds”

- 4.17 Public service organisations were particularly strong on the need for transparency in relation to NTS income.

“We do not make a per call gain from our number, and this has been a key query asked of us under FoI (Freedom of Information) requests”

- 4.18 However, it was discussed that some organisations probably do adopt negative business practices to generate more revenue. The feeling was that this could only really apply to very large companies who receive the call volume to make this worthwhile.
- 4.19 Following more discussion, the qualitative research revealed that one or two businesses would be more open to adopting such tactics under certain circumstances. These businesses focused on service calls which take up time and expensive resource to man. However, this very small minority were more likely to opt for switching NTS numbers to 087X or 09X in order to bump up revenue, than to prolong calls per se. Conversely, there were as many in the sample who would avoid this – they felt it was wrong to “charge customers” in this way. In line with consumer views, they felt that some types of organisation (high profit commercial businesses,

such as banks or government funded bodies) should not be allowed to profit from calls.

**The majority of businesses want to stay with their existing NTS numbers and would forgo revenue share to do this but would not wish to incur prohibitive costs**

- 4.20 Like consumers, the businesses interviewed did not reach a consensus on their preferred option (see Annex 3 for options). Overall, options 2 and 4 were preferred over the other two options. The reasons for this were that Option 2 was fair and businesses were happy about the rate capping that this option entailed. Further, the main advantage was that businesses would not be required to change their NTS numbers. This is something that all businesses were seeking to avoid as the costs and upheaval to the business would be prohibitive – it would entail changes in literature, marketing communications and for some discussions with professional bodies.
- 4.21 However, Option 2 was seen as fairly complicated and to some extent, Option 4 simplified matters. There would no revenue share and no hidden charges. Most businesses interviewed did not really have an issue with revenue share being abolished, as the revenue they currently received was negligible. Further, few said that they would change their NTS numbers in order to opt for one which would continue to receive revenue share.
- 4.22 As with consumers, businesses were looking for a solution that made things simpler rather than more complicated. However they felt that the options were not tackling the real issues – consumer confusion and lack of price transparency. Instead they were focusing on revenue share and putting the onus on businesses. Overall it was felt that the options would do little to stop any ‘cheating’ or call delays. Businesses intent on doing this would simply switch to more expensive numbers or recover the costs from consumers in other ways.

**Section 5**

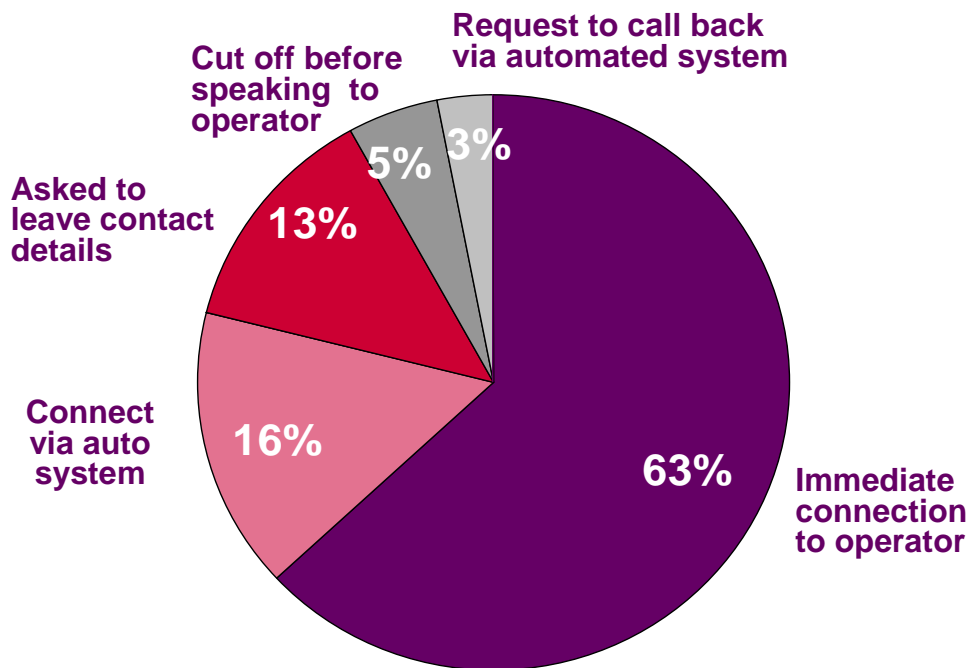
# The Mystery Shopping

5.1 The principal aim of the mystery shopping was to measure the length of time it takes to connect to an operator when using 0800, 0845 and 0870 numbers and to compare results across these three types in order to understand if there were any significant differences.

**The majority of call were connected straight to an operator**

5.2 Two-thirds (63%) of the numbers dialled (that were recognised) got straight through to an operator on connection and a further 16% connected to a person via a menu system. A fifth of all calls did not result in contact with a person; 13% of calls were asked to leave their contact details and others were cut off (which would normally result in their recalling the number) or asked to ring back at another time – see chart below.

**Fig 10: Outcome of calls to 0800, 0845 and 0870 numbers**



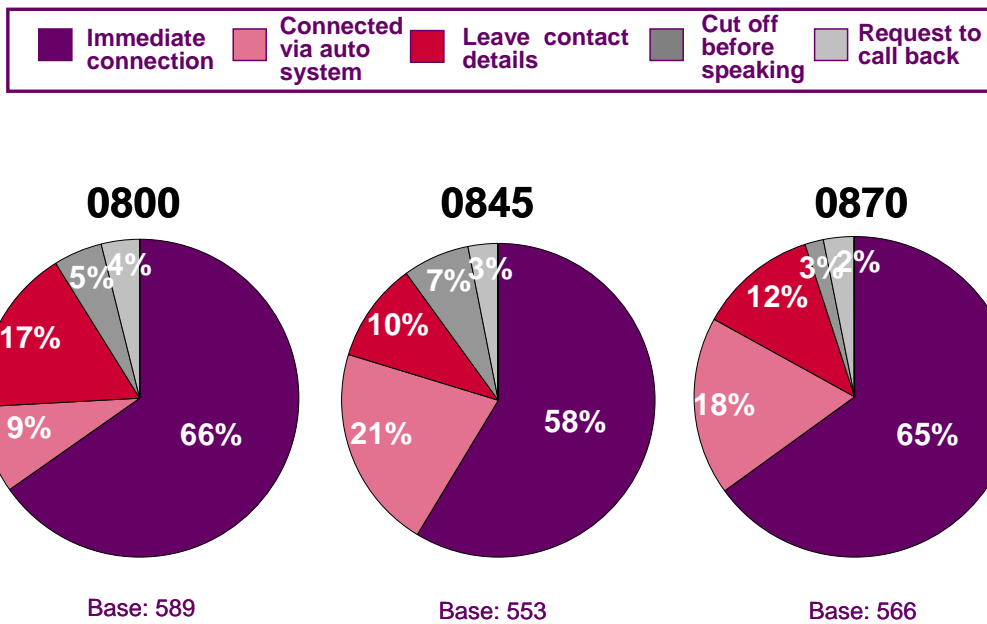
Base: All main sample excluding unobtainable numbers (1,708)

**0800 numbers were less likely to connect via an automated menu system**

5.3 There were differences in call outcome across the 08XXs assessed: 0800 numbers were more likely to be answered by an operator (ie without going via an automated system or announcement) and 0845 and 0870s were more likely to connect via an automated menu system. All three number types had a similar level of non-connection.



**Fig 11: Outcome of calls broken down by 08XX number type**



Base: All main sample excluding unobtainable numbers (1,708)

**0800s had a slightly shorter connection time when not connecting via menu system**

5.4 0800 numbers had a mean connection time of 11 seconds, 0845 numbers had a connection of 17 seconds and 0870s a connection time of 13 seconds.

**0845 and 0870 numbers connected more quickly than 0800 numbers when connected via automated number systems**

5.5 For those calls which were connected via an automated system, 0800s had a mean connection time of 96 seconds, 0845s 64 seconds and 0870s 59 seconds. Thus the revenue sharing (0845 and 0870) numbers processed calls more quickly via their automated menu systems than was the case with 0800 numbers.

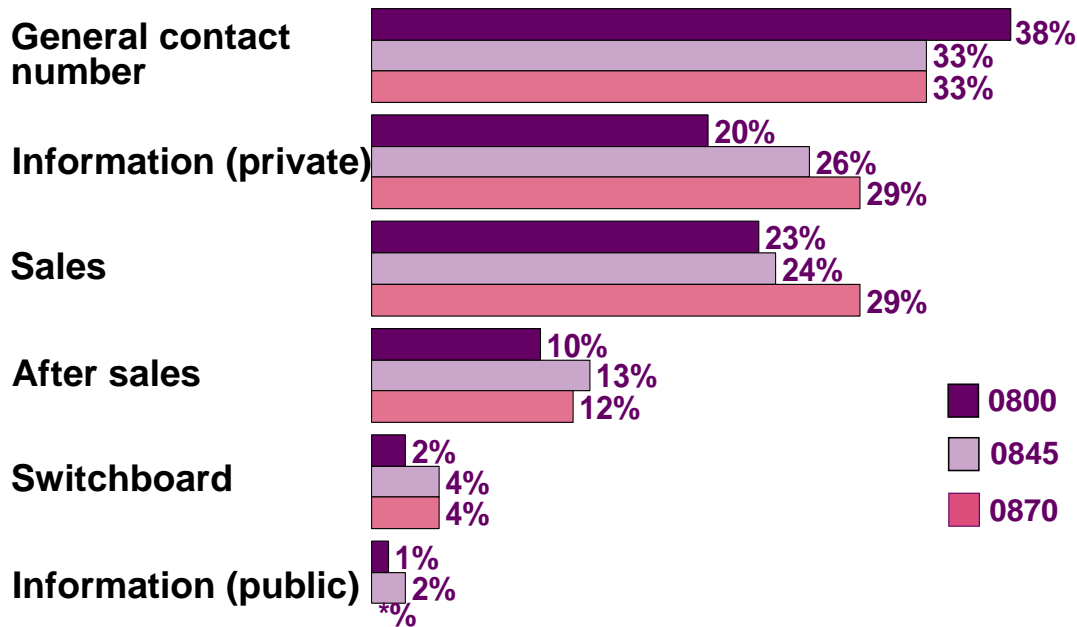
5.6 Of those calls that connected to an operator at all (ie excluding those calls which invited the caller to call again at another time and those that cut off the caller) most were answered by an operator in the first instance (80%). 7% of calls to 08XX numbers took in excess of one minute to connect to an operator, and 2% took more than two minutes to get through to a person.

5.7 The overall pattern across 08XX number types shows some differences. 0800s were more likely to be answered by an operator (as noted previously) and 0845 and 0870 numbers were more likely to take up to two minutes to connect to a person (24% of 0845s compared to 9% of 0800s). The proportion of calls that took in excess of two minutes to reach a person was 2% and was consistent across 08XX numbers.

**There are significantly fewer information and sales lines for 0800 numbers**

5.8 Just over a third (35%) of 08XX numbers were for ‘general business contact numbers’ which increased to 38% for 0800 numbers. There were fewer dedicated information or dedicated sales line numbers which started with a 0800 prefix, in comparison to those with 0845 and 0870 prefixes.

**Figure 12. Services offered by the various 08XX number types**



Base: All main sample (1,708)

5.9 The majority of 08XX numbers only offered one menu system with two or three options, which were found to be easy to navigate. 0845 numbers had more menu systems (18% had two or more sets of options) and had more options per set (an average of three per set). In comparison, only 7% of 0800s had two or more sets of options and tended to have fewer options per set.

## Section 6

# Large Company Sample

## Mystery Shopping

- 6.1 In previous research Ofcom identified the potential for large organisations to benefit from using 08XX numbers rather than using standard geographic numbers. To investigate this hypothesis, a subset of the sample was dedicated to companies with a turnover in excess of £10m. This allowed the comparison between companies with a turnover of £10m+ and the 08XX average. The mean (average) connection time for companies with a turnover of £10m+ was 42 seconds compared to the overall 08XX average of 14 seconds. For those connecting via a menu system, the average was 95 seconds compared to 68 seconds.
- 6.2 Companies with a turnover of £10m+ where call revenue sharing occurs (ie 0845s and 0870s) took longer to connect to a person than the overall equivalent (96 seconds vs 62 seconds).
- 6.3 Companies with a turnover of £10m+ were less likely than 08XX numbers overall to get through to an operator immediately on connection. Correspondingly, they were more likely to take up to two minutes to connect to an operator. In all, the proportion of calls taking in excess of two minutes to connect was 6% £10m+ (compared to 2% overall).
- 6.4 No differences were apparent in the times taken to connect to revenue sharing numbers (0870 and 0845 numbers) and the £10m+ sample as a whole.

## Annex 1

# Qualitative Methodology

## Residential consumers

A1.1 In total seven consumer groups were conducted, spread geographically as shown in the table below. Each group lasted around one and a half hours and respondents were recruited to the groups via in street recruiters.

A1.2 Respondents were recruited to the groups on the basis of age, domicile and having access to a landline at home. The Dial up group included respondents who had dial up internet connections at home.

### Location of Residential consumer groups

Age	England	Wales	Scotland	N. Ireland	Total
20-29	Manchester	-	Glasgow	-	2
30-54	London	-	-	Belfast	2
55+	Birmingham	Cardiff	-	-	2
	Dial Up	-	-	-	1
<b>Total</b>	<b>4</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>7</b>

## Businesses

A1.3 Two groups (each lasting one and a half hours) were conducted amongst SMEs. The definition of SMEs used in this study was up to 250 employees. Businesses were recruited to the groups by telephone using the Dun & Bradstreet database of businesses with NTS numbers as the data source. One group was conducted in Birmingham and one in London in a central venue. In total 18 respondents were involved in the groups.

A1.4 In addition to the groups, 16 face to face in-depth interviews (each lasting around one hour) were conducted. These were carried out in the respondent's place of work in the following areas London, Birmingham, Manchester, Cardiff, Belfast and Glasgow. The depths covered businesses of the following size:

- 9 amongst small businesses (defined as up to 100 employees)
- 2 medium sized businesses (defined as 101 to 250 employees.)
- 5 large businesses (defined as over 250 employees)

A1.5 The respondent interviewed in both the business groups and depths was the person in the business who had been involved in decisions to move to NTS numbers and in supplier choice. Businesses interviewed covered the service sector (e.g. IT, hospitality, wholesale & distribution, cleaning services, property management), charities, manufacturing and the public sector.

**Annex 2**

# Quantitative Consumer Questionnaire

**Q1 Are you responsible for paying for calls made on your home landline? READ OUT - SINGLE CODE**

- Yes solely  1 Continue
- Yes jointly  2
- No  3 Skip Section

**Q2 How do you currently pay for calls made on your home landline? READ OUT - SINGLE CODE**

**RANDOMISE LIST**

- Monthly by cash or cheque  1
- Quarterly by cash or cheque  2
- Monthly by direct debit  3
- Quarterly by direct debit  4
- Don't know  5 FIX

**Q3 Which company do you pay for the actual calls made from your home landline? UNPROMPTED. CODE ALL THAT APPLY.**

- BT  1
- Cable & Wireless  2
- NTL  3
- Telewest  4
- Talk Talk  5
- Other (Specify): \_\_\_\_\_  6 FIX
- Don't know (SP)  7 FIX

**Q4 Are you connected to the internet at home? UNPROMPTED. SINGLE CODE**

- Yes  1
- No  2
- Don't know  3 FIX

**Q5 How are you connected to the internet at home? READ OUT LIST – SINGLE CODE**

**RANDOMISE LIST**

- Dial up connection/phone line and I pay as I go  1
- Dialup connection/phone line – I pay a set fee every month  2
- Broadband  3
- Other: (Please specify) \_\_\_\_\_  4 FIX
- DO NOT READ OUT
- Don't know – DO NOT READ OUT  5 FIX

**Q6** I am going to read out a list of telephone calls that people typically make, can you please tell me which of the following types of call you have made in the last 12 months? **READ OUT LIST. CODE ALL THAT APPLY.**

**RANDOMISE LIST**

- |  |                          |              |
|--|--------------------------|--------------|
| Customer help-lines/Customer services        | <input type="checkbox"/> | 1            |
| NHS Direct                                   | <input type="checkbox"/> | 2            |
| National Rail Enquires                       | <input type="checkbox"/> | 3            |
| Home shopping company                        | <input type="checkbox"/> | 4            |
| Entering a TV competition                    | <input type="checkbox"/> | 5            |
| Voting on a TV programme such as Big Brother | <input type="checkbox"/> | 6            |
| None (DO NOT READ OUT. SP)                   | <input type="checkbox"/> | 7 <b>FIX</b> |

**Q7** Usually, when calling these numbers, instead of using an area dialling code like 020 for some London numbers [IF NOT 020 AREA ADD or [INSERT DIALLING CODE OF RESPONDENT] for your area] they use a different type of number. Which of the following types of numbers have you heard of?  
**READ OUT LIST - RANDOMISE LIST. CODE ALL THAT APPLY.**

**Q8** And which of the following numbers have you used in the last 12 months?  
[CARRY FORWARD RESPONSES FROM Q7] **READ OUT LIST. CODE ALL THAT APPLY.**

**RANDOMISE LIST**

- |                            | <b>Q7</b>                  | <b>Q8</b>                  |
|----------------------------|----------------------------|----------------------------|
| 0800                       | <input type="checkbox"/> 1 | <input type="checkbox"/> 1 |
| 0844                       | <input type="checkbox"/> 2 | <input type="checkbox"/> 2 |
| 0845                       | <input type="checkbox"/> 3 | <input type="checkbox"/> 3 |
| 0870                       | <input type="checkbox"/> 4 | <input type="checkbox"/> 4 |
| 0871                       | <input type="checkbox"/> 5 | <input type="checkbox"/> 5 |
| 090X - (X=1,2 etc)         | <input type="checkbox"/> 6 | <input type="checkbox"/> 6 |
| None (DO NOT READ OUT. SP) | <input type="checkbox"/> 7 | <input type="checkbox"/> 7 |

**Q9a** Which of these numbers would you think twice about calling from home?  
[CARRY FORWARD RESPONSES FROM Q7] – **READ OUT LIST. CODE ALL THAT APPLY.**

**RANDOMISE LIST**

- |                            |                          |              |
|----------------------------|--------------------------|--------------|
| 0800                       | <input type="checkbox"/> | 1            |
| 0844                       | <input type="checkbox"/> | 2            |
| 0845                       | <input type="checkbox"/> | 3            |
| 0870                       | <input type="checkbox"/> | 4            |
| 0871                       | <input type="checkbox"/> | 5            |
| 090X - (X=1,2 etc)         | <input type="checkbox"/> | 6            |
| None (DO NOT READ OUT. SP) | <input type="checkbox"/> | 7 <b>FIX</b> |

If code 7 at Q9a skip Q9b and ask Q10.

If codes 1-6 on Q9a ask Q9b

**Q9b** Why would you think twice about calling these numbers from home?

**WRITE IN**

**Q10 And which, if any, would you avoid calling altogether?**

**[CARRY FORWARD RESPONSES FROM Q7] – READ OUT LIST. CODE ALL THAT APPLY.**

**RANDOMISE LIST**

0800	<input type="checkbox"/>	1
0844	<input type="checkbox"/>	2
0845	<input type="checkbox"/>	3
0870	<input type="checkbox"/>	4
0871	<input type="checkbox"/>	5
090X - (X=1,2 etc)	<input type="checkbox"/>	6
None (DO NOT READ OUT. SP)	<input type="checkbox"/>	7 <b>FIX</b>

**Q11 How much do you think it costs to call the following types of telephone numbers from your fixed line phone at home during the daytime on a weekday?**

**SINGLE CODE. PROMPT WITH RESPONSE CODES IF NECESSARY**

**Rotate order of A,B,C&D, E&F - but A,B,C&D must always both be asked before E&F**

	Free	1-5p per minute	6-10p per minute	11-25p per minute	26-50p per minute	51p-£1 per minute	Over £1 per minute	Don't know DO NOT READ OUT
<b>A. Numbers that begin with 0800</b>	<input type="checkbox"/>	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5	<input type="checkbox"/> 6	<input type="checkbox"/> 7	<input type="checkbox"/> 8
1								
<b>B. Numbers that begin with 0845</b>	<input type="checkbox"/>	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5	<input type="checkbox"/> 6	<input type="checkbox"/> 7	<input type="checkbox"/> 8
1								
<b>C. Numbers that begin with 0870</b>	<input type="checkbox"/>	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5	<input type="checkbox"/> 6	<input type="checkbox"/> 7	<input type="checkbox"/> 8
1								
<b>D. Numbers that begin with 09</b>	<input type="checkbox"/>	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5	<input type="checkbox"/> 6	<input type="checkbox"/> 7	<input type="checkbox"/> 8
1								
<b>E. A local phone number (e.g. with the same dialling code as your phone number)</b>	<input type="checkbox"/>	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5	<input type="checkbox"/> 6	<input type="checkbox"/> 7	<input type="checkbox"/> 8
1								
<b>F. A national phone number (e.g. within the UK but with an area code outside your local call dialling area)</b>	<input type="checkbox"/>	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5	<input type="checkbox"/> 6	<input type="checkbox"/> 7	<input type="checkbox"/> 8
1								

**Q12** I am now going to read out some statements that people have made about the cost of telephone calls from landlines. Please can you tell me if you agree strongly, agree, neither agree nor disagree, disagree or disagree strongly with each statement?  
**READ OUT. SINGLE CODE.**

<b>RANDOMISE STATEMENTS – TOP-BOTTOM ROTATION OF CODE FRAME</b>	<b>Agree Strongly</b>	<b>Agree</b>	<b>Neither agree nor disagree</b>	<b>Disagree</b>	<b>Disagree Strongly</b>	<b>Don't know</b>
I always check my phone bill, so I know how much calls cost	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5	<input type="checkbox"/> 6
When you dial numbers such as 0845, companies deliberately keep you hanging on the phone	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5	<input type="checkbox"/> 6
I have an idea what all these types of numbers cost	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5	<input type="checkbox"/> 6
I enjoy entering telephone competitions	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5	<input type="checkbox"/> 6
All companies, no matter what the dialling code, deliberately keep you hanging on the phone	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5	<input type="checkbox"/> 6

**READ OUT: “AT THE MOMENT, COMPANIES THAT USE THE DIALLING CODE (PREFIX) OF 0845, 0844, 0870 ARE ABLE TO SHARE A PERCENTAGE OF THE PROFITS FROM THESE CALLS TO HELP PAY FOR THE SERVICE PROVIDED”**

**Q13** Before today, were you aware that companies shared the profits in this way with their telephone provider? **SINGLE CODE**

- Yes  1
- No  2
- Don't know  3



**Q14** I am now going to read out some statements that people have said about 0845 and 0870 numbers. These numbers are charged at around four pence per minute for 0845 and 10 pence per minute for 0870 from landline phones. Please can you tell me to what extent you agree or disagree with the following statements.  
**READ OUT. SINGLE CODE.**

<b>RANDOMISE STATEMENTS – TOP-BOTTOM ROTATION OF CODE FRAME</b>	<b>Agree Strongly</b>	<b>Agree</b>	<b>Neither agree nor disagree</b>	<b>Disagree</b>	<b>Disagree Strongly</b>	<b>DK/NA</b>
<b>Government regulatory bodies, such as OFCOM, should ensure that these types of calls cost the same as ordinary calls</b>	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5	<input type="checkbox"/> 6
<b>Companies that have 0845 or 0870 numbers should be allowed a share of the profits from call costs to help fund the services they provide</b>	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5	<input type="checkbox"/> 6
<b>It is every individual's choice whether or not to use these services</b>	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5	<input type="checkbox"/> 6
<b>Calls to these numbers should have a set charge per minute</b>	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5	<input type="checkbox"/> 6
<b>Users of these numbers should be told the cost per minute before being connected to the call</b>	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5	<input type="checkbox"/> 6
<b>When dialling these types of numbers the cost of the call does not really bother me</b>	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5	<input type="checkbox"/> 6
<b>I rarely phone 0845 or 0870 from my mobile</b>	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5	<input type="checkbox"/> 6
<b>It would be annoying to have to listen to an announcement telling me the cost per minute at the start of each call I make to 0845 or 0870 numbers</b>	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5	<input type="checkbox"/> 6
<b>I think I know roughly how much it costs to call 0845 and 0870 numbers from a landline</b>	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5	<input type="checkbox"/> 6

## Annex 3

# Options shown in the qualitative stage

## Option 2

In future, the cost of calls to 084 and 087 numbers will change. The companies you call will set the price of the call within limits set by Ofcom.

The company you call will continue to receive a share of the money made from these calls as they do now.

### Option 2 Call Costs

Number Type	Cost of Call	What's Changed?
0800	Free	
0844	Up to 5p per minute	
0845	Up to and including 4p per minute	Price capped
0870	Up to and including 8p per minute	Price capped
0871	Up to 10p per minute	
09	Premium Rate	

These prices apply to BT customers: other operators may set their own price but are likely to follow BT to remain competitive.

## Option 3

In future, only Internet Service providers will be able to receive a share of the money made from 084 and 087 numbers.

There will be an end to call cost sharing for other businesses that you call using these numbers. These companies can choose to either:

- keep their current 084 or 087 numbers if they wish to continue to use them without receiving a share of the call cost
- move their current 084 and 087 numbers to 09 numbers in order to continue to share the money made from the calls.

### Option 3 Call Costs

Number Type	Cost of Call	What's Changed?
0800	Free	
0844	The price of a normal call to a landline	Except for ISPs, the company no longer gets a share of the money*
0845		
0870		
0871		
09	Premium Rate	

- Only Internet Service Providers can still use these numbers for Internet access and receive a share of the money from the calls.
- These prices apply to BT customers: other operators may set their own price but are likely to follow BT to remain competitive.

### Option 4

In future, companies that you call on 084 or 087 numbers, will no longer get a share of the call cost.

Under this scheme, the companies that you call for the service can choose to either:

- keep their current 084 or 087 numbers if they wish to continue to use them without receiving a share of the call cost
- move their current 084 and 087 numbers to 09 numbers in order to continue to share the money made from the calls.

### Option 4 Call Costs

Number Type	Cost of Call	What's Changed?
0800	Free	
0844	The price of a normal call to a landline	The company you call no longer gets a share of the money
0845		
0870		
0871		
09	Premium Rate	

## Option D

In future, companies that you call on 0845 or 087 numbers will no longer be able to receive a share of the money made from the call. Only companies that you call on 0844 or 09 numbers will be able to receive a share of the call cost.

Call cost sharing on 087 numbers will be withdrawn as soon as possible and call cost sharing on 0845 numbers will be withdrawn after 12-18 months.

Under this scheme the companies you call for the service can choose to:

- keep their current 0845 or 087 numbers if they wish to continue to use them without receiving a share of the call cost
- move their current 0845 and 087 numbers to 0844 or 09 numbers in order to continue to share the money made from the calls.

### Option D Call Costs

Number Type	Cost of Call	What's Changed?
0800	Free	
0844	Up to 5p per minute	ISPs are likely to move to these numbers
0845	The price of a normal call to a landline	The company you call no longer gets a share of the money
0870		
0871		
09	Premium Rate	

**These prices apply to BT customers: other operators may set their own price but are likely to follow BT to remain competitive.**

## Annex 4

# Consumer Quantitative Technical Appendix

A4.1 1039 telephone interviews with a random sample of adults aged 16+ were conducted during weekend of 2nd July

### Quotas

A4.2 Quotas were set on age, socio-economic group, standard geographical regions and housing tenure. To ensure a national representative sample was achieved, the resulting data was weighted to a 56 cell weighting matrix. This matrix is made up of gender, age, tenure and socioeconomic group within region, together with separate weights on work status, car ownership and involvement in foreign holidays in the last three years.

### Sampling Method

A4.3 Within each government office region, a random sample of telephone numbers was drawn from the entire BT database of domestic telephone numbers. Each number so selected, was subjected to randomisation its last digit randomised – in order to provide a sample including both listed and unlisted numbers.

### Data weighting

A4.4 Data were weighted to the profile of all adults aged 18+ (including non telephone owning households). The following criteria were used for weighting: gender, age, socioeconomic grouping, household tenure, work status, terminal education age, number of cars in the household and whether or not the respondent had taken a foreign holiday in the last 3 years.

A4.5 Targets for the weighted data were derived from the National Readership survey - a random probability survey comprising 34,000 random face-to-face interviews conducted annually.

A4.6 In response to the first screening question on the questionnaire, 762 individuals from the representative sample of 1039 adults 16+ years were responsible for paying the household landline bills. Responses to all other questions on the questionnaire were based on these individuals. The table below shows the profile of these respondents in terms of gender, socioeconomic group and age.

## Annex 5

# Methodology and Sample

## Fieldwork

A5.1 Interviews were carried out by MORI, between the 8th and 27th June 2005.

A5.2 All calls were made from MORI's telephone centre in Scotland. Calls were made from landlines. In the event of a number being unobtainable, that number was immediately redialled to check for misdialling in the initial instance.

## Sampling – purchasing the telephone numbers

A5.3 Telephone numbers were purchased from Dun & Bradstreet. The total sample available for each number type was:

- 0800 numbers: 2,761
- 0845 numbers: 6,187
- 0870 numbers: 7,788

A5.4 Leads were randomly selected for each number type.

## Sample size

A5.5 Just over 600<sup>3</sup> calls were made to each of the three 08XX number types. Where numbers were found to be not accessible/unobtainable, replacement telephone numbers were sourced (again at random).

## Quotas - consistency between number types

A5.6 The time of day/day of the week that 08XX numbers are called has the potential to affect the length of time it takes to get through to an operator (due to variance in call volumes by time and day). Therefore, these factors were kept consistent between number types (0800, 0845, 0870). In order to do this, every call was specified to be called on a particular day of the week and at a specific time of the day. Call progress was monitored closely throughout the fieldwork period. The following table shows the schedule of calls broken down by time of day/day of week.

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<sup>3</sup> The target was 600, the following was achieved – 0800: 606; 0845: 609; 0870: 603. This includes 'booster' sample of those companies using 08XX numbers listed with a turnover of £10m+. When these calls are removed from the main sample the data is based on – 0800: 589; 0845: 553; 0870: 566.

**Total number of calls to be made to each 08XX number type broken down by time of day and day of week**

	Monday	Tuesday	Wednesday	Thursday	Friday	Total
9-10am	15	15	15	15	15	75
10-12pm	30	30	30	30	30	150
12-2pm	30	30	30	30	30	150
2-4pm	30	30	30	30	30	150
4-5pm	15	15	15	15	15	75
<b>Total</b>	<b>120</b>	<b>120</b>	<b>120</b>	<b>120</b>	<b>120</b>	<b>600</b>

**Quotas – selection by turnover**

A5.7 One of the key findings from Ofcom’s qualitative research was that large organisations may have more to gain from increasing the length of time a connected call takes to get through to an operator, than smaller organisations. It was therefore necessary to provide some quantitative evidence to support or reject this hypothesis, by assessing any differences between the time it took to connect to a person for large organisations (taken as those with a turnover in excess of £10 million) and NTS users as a whole.

A5.8 Dun & Bradstreet’s database was not comprehensive in its coverage of turnover (only 16% of 08XX records had this information). Where possible the number of calls to organisations with a turnover of £10m+ was increased which allowed as robust as possible an assessment of larger organisations using NTS. Figure 2 shows the number of organisations with turnovers of £10m+ selected and called in the study.

**Number of records used and calls made in the £10m+ booster sample**

	0800s	0845s	0870s	Total
<b>Total number of £10m+ records held by Dun &amp; Bradstreet</b>	36	85	330	451
<b>Number of £10m+ records selected at random within original sample</b>	11	12	28	51
<b>Number of £10m+ records included in booster</b>	25	63	47	135
<b>Total number of £10m+ records included</b>	36	75	75	186
<b>Total number of £10m+ records with “live” numbers</b>	28	68	61	157

A5.9 When quoting results, the total sample is based on 1,708 (i.e. the total number of calls minus those booster records of companies with a turnover £10m+ that were connected). The £10m+ sample is based on a 157 calls.

**Calls made to each telephone number**

A5.10 Each 08XX number was called only once during the mystery shopping exercise.

**Caller Line Identification (CLI)**

A5.11 Even though each 08XX number was contacted only once, mystery callers manually dialled 141 before every call. This was to avoid the call operators being able to identify the source of the call and the potential of the source of the survey being revealed.

Mystery callers were made aware of the need to do this before each call via an instruction on the paper script.

### **Length of call – recorded via CATI**

A5.12 Call length was recorded using the CATI (Computer Aided Telephone Interviewing) system. This allowed the recording of the exact time at the end of dialling (by a single keystroke on the CATI system); and the exact time on reaching an operator (again by a single keystroke). At the analysis stage, one time was subtracted from the other to calculate time taken to connect to an operator. Mystery callers did not enter the time at various points; they simply pressed a button which recorded the time electronically.

A5.13 All other details of the mystery calls were initially recorded on paper scripts which allowed flexibility in the order in which information could be taken down - see Annex A for an example of the 'call outcome questionnaire'. Data recorded during each call were immediately transferred on to a CATI system from which subsequent analysis was run.

### **Consistency in call handling**

A5.14 A set of 'call handling rules' was created, to ensure consistency in the way each call was handled. The importance of treating each call in as similar a way as possible was stressed to mystery shoppers. See the Annex C for a copy of the call handling rules.

### **Consistency in recording call outcomes**

A5.15 A set of 'call outcome rules' was also created to ensure consistency in the way each call outcome was recorded. See Annex D for a copy of the call outcome rules.

### **Background noise and contact with operator - reducing scope for identification**

A5.16 Background noise was only an issue when the mystery shopper spoke to the operator, not during the holding time or selection of menu options. The MORI telephone centre is specially designed to reduce the ambient noise and mystery callers made their phone calls from "booths". Mystery shopping calls were also staggered so that no two adjacent mystery callers called at the same time.

A5.17 The length of time spent speaking to the operator on any call was kept to an absolute minimum without being disrespectful, thus the scope for identification was very low.

### **Complying with mystery shopping best practice**

A5.18 In order to comply with MRS guidelines (which state that where service levels are being examined, it is ethical to ensure that the industry understands that this method of appraising will be used), Ofcom noted on their website that the research was to take place.

A5.19 All calls were conducted in accordance with the mystery shopping guidelines outlined by the Market Research Society and ESOMAR. Calls were not recorded, nor was the nature of the call revealed which ensured the continued objectivity of the research project.

### **Weighting applied**



A5.20 The final number of calls made (excluding the booster interviews) was slightly in excess of that which was initially envisaged, due to the effects of replacing unobtainable numbers from the sample with active numbers. Thus data from the total number of calls from the main sample (1,708 calls) were weighted to the proportions shown in the table below. These proportions were based on 525 calls to each 08XX type (ie excluding the £10m+ calls). Data were weighted by time of day and day of week.

**Proportional weighting matrix for calls in the main sample. Weights set on time of day and day of week**

	Monday	Tuesday	Wednesday	Thursday	Friday	Total
9-10am	13	13	13	14	14	67
10-12pm	26	26	26	26	26	130
12-2pm	26	26	26	26	26	130
2-4pm	26	26	26	26	26	130
4-5pm	13	13	14	14	14	68
<b>Total</b>	<b>104</b>	<b>104</b>	<b>105</b>	<b>106</b>	<b>106</b>	<b>525</b>