2009 Consumer Decision Making; Methodology

Preface

This volume contains the methodology for the 2009 Consumer Decision Making Survey, which has been run by Saville Rossiter-Base on behalf of Ofcom. The core objectives of the study are:

- to understand consumers' decision-making processes and switching behaviour in the fixed-line, mobile, broadband and multichannel television communications markets;
- to track the extent to which consumers participate in the communications market
- to establish the effects of converged services and bundling on the decision-making process and on switching behaviour

Saville Rossiter-Base interviewed a random sample of 1,601 decision-makers (defined as the person in the household primarily responsible for the communications service). All interviews were conducted by telephone between 13th July and 15th August 2009.

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1.1 Research methodology

All communication services the respondent made decisions about were covered in one questionnaire. This was achieved by first establishing which communications services (i.e. fixed-line phone, mobile phone, broadband, multichannel TV) were available within the household, and of these, which ones the respondent made the decisions about. For a service to be eligible to be covered in the survey, the bill for the service concerned had to be paid within the household.

Where the respondent made decisions about two or more of these four communication services, it was then established whether any of these were bought from the same supplier, either as a subscription with a discount or as a special deal covering the bundle of services. The services were therefore identified as either 'single services' or as 'bundled services'. In cases where a household received more than one service from the same supplier, but the decision-maker did not state that the subscriptions to these services were subject either to a discount or a special bundled deal, the services have been treated as single services.

The questionnaire followed a modular format, with questions asked, as appropriate, about the single services (i.e. fixed line, mobile, broadband, multichannel TV) or the bundle of services that the decision-maker was responsible for within the household. On average, each decision-maker answered questions about 2.4 of the four possible modules within the questionnaire.

The research was conducted by telephone with decision-makers. The telephone numbers called were generated through random digit dialling; where known dialling prefixes are coupled with six randomly generated numbers. Random digit dialling was used for both fixed and mobile numbers, so ex-directory households and households without a fixed line were included in the study.

A total of 1,601 telephone interviews were conducted, with 1,200 of these via a fixed-line random digit dialled number and 400 via a mobile phone random digit dialled number. No quotas were set by communication services to be covered, resulting in the following breakdown of interviews conducted and services covered:

Fixed-line single service	Mobile phone single service	Broadband single service	Multichannel TV single service	Bundled services
781	1231	388	416	631

1.2 Participation Index

A core objective of this study is to measure the extent to which consumers participate in each of the communications markets. Participation in communications markets is measured by looking at a wide range of ways in which consumers can participate in the market, including switching suppliers, negotiating with current suppliers, staying informed, and being aware of changes in the markets.

The metric is created using measures of past and present participation behaviour. Each decision maker was allocated a total score out of 100, based on their previous behaviour (with a maximum score of 50) and their current behaviour (again with a maximum score of 50). The resulting Participation Index score per service is therefore a maximum of 100 and a minimum of zero.

The potential scores for each type of previous and current behaviour are detailed in Figure 1 below:

Figure 1: Calculating the Participation Index score

Previous behaviour (maximum score of 50)	Score
Switched provider in last 4 years	50
Considered switching & shopped in last 4 years	50
Considered switching & did not shop in last 4 years	20
Not switched, but negotiated with current supplier	20
Current behaviour (maximum score of 50)	Score
Very active considerers (actively looking for an alternative provider)	50
Active considerers (open to the idea of a new provider)	35
Not considerers, but happy with current supplier and rate them as definitely the best provider in the market	40
Not considerers, but happy with current supplier and rate them as probably the best provider in the market	25

The Participation Index gives equal weighting to previous and current behaviour, and a score of zero would result if none of the previous or current behaviours detailed in Figure 1 applied to a decision maker for a particular service. Consumers do not have to have switched, or even considered switching, supplier in order to be 'engaged'. Those who are both happy with their current supplier and rate their supplier as either 'definitely' or 'probably' the best provider for that market are judged to be engaged consumers.

When the Participation Index scores associated with the consumer's previous and current behaviour for a given service are added up, the resulting total falls into one of four participation categories, as follows:

- **Inactive** (Participation Index score of 0 out of 100) – consumers may have had some past involvement, but have low interest in the market. This group does not keep up to date with the market.

- **Passive** (Participation Index score of 1-30 out of 100) – more likely than inactive consumers to have participated in the past, and indicate some current interest in the market

- **Interested** (Participation Index score of 31-50 out of 100) – while broadly similar to passive consumers in terms of their past behaviour, they are more likely to keep an eye on the market, looking for better deals

- **Engaged** (Participation Index score of 51 or more out of 100) – the most active group in terms of past behaviour and current interest.

1.3 Weighting

The data are weighted are to correct the number of interviews conducted with those who only have a fixed line and no mobile phone, and those who only have a mobile phone and no fixed line.

Appendix A - Guide to Statistical Reliability

The variation between the sample results and the “true” values (the findings that would have been obtained if everyone had been interviewed) can be predicted from the sample sizes on which the results are based, and on the number of times that a particular answer is given. The confidence with which we can make this prediction is usually chosen to be 95%, that is, the chances are 95 in 100 that the “true” values will fall within a specified range. However, as the sample is weighted, we need to use the effective sample size (ESS) rather than actual sample size to judge the accuracy of results. The following table compares ESS & actual samples for some of the main analysis groups.

	Actual	ESS
Total	1,601	1,176
GENDER: MALE	764	575
GENDER: FEMALE	837	601
AGE: 16-24	96	89
AGE: 25-44	513	444
AGE: 45-64	622	551
AGE: 65-74	218	197
AGE: 75+	129	119
SEG - AB	326	274
SEG - C1	591	468
SEG - C2	292	233
SEG - DE	321	244
FIXED LINE SINGLE SERVICE	781	606
MOBILE SINGLE SERVICE	1231	913
BROADBAND SINGLE SERVICE	388	310
MULTICHANNEL TV SINGLE SERVICE	837	653

The table below illustrates the required ranges for different sample sizes and percentage results at the “95% confidence interval”:

Approximate sampling tolerances applicable to percentages at or near these levels

Effective sample size	**10% or 90%** ±	**20% or 80%** ±	**30% or 70%** ±	**40% or 60%** ±	**50%** ±
1,176 (All respondents)	1.7%	2.3%	2.6%	2.8%	2.9%
606 (Fixed line single service)	2.4%	3.2%	3.6%	3.9%	4.0%
575 (Male)	2.5%	3.3%	3.7%	4.0%	4.1%
468 (SEG C1)	2.7%	3.6%	4.2%	4.4%	4.5%

For example, if 30% or 70% of a sample of 1,176 gives a particular answer, the chances are 95 in 100 that the “true” value will fall within the range of ± 2.6 percentage points from the sample results.

When results are compared between separate groups within a sample, different results may be obtained. The difference may be “real”, or it may occur by chance (because not everyone has been interviewed). To test if the difference is a real one – i.e. if it is “statistically significant” – we again have to know the size of the samples, the percentages giving a certain answer and the degree of confidence chosen. If we assume “95% confidence interval”, the difference between two sample results must be greater than the values given in the table below to be significant:

Differences required for significant at or near these percentages					
Sample sizes being compared (sub-groups or trends)	**10% or 90%** ±	**20% or 80%** ±	**30% or 70%** ±	**40% or 60%** ±	**50%** ±
575 v 601 (male vs. female)	3.4%	4.6%	5.2%	5.6%	5.7%
274 v 468 (SEG AB vs. C1)	4.5%	6.0%	6.8%	7.3%	7.5%

3.1 Appendix B: Questionnaire

Comment: If text is blue, then this is note to interviewer. If black, then part of questionnaire read out to responent.

SAMPLE INFORMATION

SQ1...

SAMPLE TYPE

1) Landline RDD
2) Mobile RDD

SAMPLE INFORMATION

SQ3...

REGION

1) North East England
2) North West England
3) Yorkshire and the Humber
4) East Midlands
5) West Midlands
6) East of England
7) London
8) South East England
9) South West England
10) Scotland
11) Wales
12) Northern Ireland
0) Not shown

ASK ALL

INTRODUCTION: SAY TO THE PERSON ANSWERING THE TELEPHONE

Good evening. My name is..... and I'm calling from …, an independent market research agency. We're conducting research on behalf of Ofcom - the regulator for the UK communications industries.

The purpose of this survey is to understand how people make decisions about which providers to use for their different communications services - such as home phones, mobile phones, TV services and the internet.

Could I please ask you a few questions to check whether we can conduct this research with you?

IF NECESSARY - Please be assured that this is genuine research being conducted on behalf of Ofcom, we are not trying to sell you anything, and there will be no sales follow-up as a result of contacting you.

IF ANY MENTION OF EX-DIRECTORY/ TELEPHONE PREFERENCE SCHEME/ TPS - READ THE RELEVANT STATEMENT TO THE RESPONDENT

1) OK TO CONTINUE
2) NOT OK TO CONTINUE

ASK ALL

QS0...

Firstly, can I just check, do you or anyone else in your household currently work in any of the following professions?

READ OUT - ANY OF CODES 1-5 WILL CLOSE

1) Advertising or public relations
2) Marketing or market research
3) Media, including TV, radio, newspapers, magazines
4) Mobile phone manufacture or sale
5) Telecommunications, including internet service provision
0) None of these

SKIP TO DQS1 IF QS0 IS NOT CODED 1-5

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