CONSUMER ENGAGEMENT WITH COMMUNICATION SERVICES

A QUALITATIVE RESEARCH STUDY

FINAL REPORT

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Contents

1. Executive Summary

1.1 Introduction

In July 2017, Ofcom commissioned Futuresight to conduct qualitative research to better understand why consumers do not engage fully, or at all, with communications markets.

Specifically, this study sought to understand what, if any, barriers exist and what might encourage less engaged consumers to participate more. The research included a task that asked participants to shop around[1] to find the best deal for them personally (in the case of mobile) or for them and their household (in the case of dual play, triple play and standalone Pay-TV).

Over the course of the study as a whole, the particular focus was on:

- Key drivers and barriers to engagement

- Specific methods used to shop around, and any barriers to methods not used

- Response to a range of potential options that may encourage greater engagement.

Full details of the research background and approach can be found in Section 2 of this report and Appendix 4.1. In brief, the key details are as follows:

- This was a qualitative study in the form of introductory and reconvened focus group discussions plus an interactive online diary[2] to monitor participants' 'shopping task' with some participants also asked to undertake the additional task of establishing 'usage'.

- A total of 176 consumer decision-makers took part (66 in the mobile market, 34 in dual play, 33 in triple play and 43 in the standalone Pay-TV market), across all four nations in the UK.

- Of these 176 people, 8 were identified and classified as potentially vulnerable, in terms of low income, low / limited digital skills, or poor literacy / numeracy skills and 4 were people with a disability.

- In addition, 32 participants were identified and classified as business sole-traders, working from home, plus 4 who were identified as owners of micro-businesses, employing 2-10 staff and operating from dedicated business premises.

- All participants in the study were consumers who said they were either not in a contract or were nearing the end of the contract[3]. Throughout this report we have used the terms 'not in contract' or 'end of contract' as this was how consumers tended to talk about the end of their 'minimum contract period' or 'minimum term'. Where these terms are used in the report, this refers to the end of participants 'minimum term' and is based on their stated contractual status.

- The fieldwork was conducted between August and October 2017.

Ofcom's Engagement Index

We used Ofcom's engagement index to achieve a spectrum of differences in relation to existing engagement in the marketplace. These are referred, throughout the report, as Inactive, Passive, Interested and Engaged.

Each of these four engagement types is summarised below, based on a combination of the segment they were recruited to from Ofcom's index and subsequent insight obtained via this research:

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[1] When setting this task, the research participants were encouraged to shop around in whatever way they felt was best for them and that there was no right or wrong way to do it. Care was taken not to direct participants to shop around in any particular way.

[2] A paper version of the diary was provided for n=7 participants who opted out of the electronic monitoring element of the research.

[3] Nearing the end of contract was defined as up to 3 months prior to end of minimum contract term, i.e., a mix of participants who were less than a month, 1-2 months, and up to 3 months.

- **'Engaged'**: May have switched in the last two years and / or made changes to their existing service. Very likely to be currently active in looking for a new provider, or very confident that they already have the best deal. Very open to the idea of switching.

- **'Interested'**: A strong preference to stick rather than switch, to avoid the perceived hassle of switching. Say they would switch if they were unsuccessful in negotiating the best deal with their provider. Will shop around periodically to determine what other deals are available.

- **'Passive'**: Have not switched in the past two years, nor made changes to their service or considered switching. Not currently looking to change their provider and claim that they are not interested in doing so. Will only shop around if there is strong reason to do so, e.g., a major price increase or deterioration in service.

- **'Inactive'**: Very similar in profile to Passive participants, but they have not switched or made changes nor considered switching for a longer period i.e. at least five years, and often for much longer. They too are not interested in changing provider and claim that they would not shop around unless they absolutely had to, e.g., moving house.

A list of other key definitions of terms referred to in this report may be found in Section 2.8.

1.2   Summary of key insights from the research

1.2.1   <u>Prior</u> to the shopping task, engagement tended to be reactive for all but the most engaged

- Of the four consumer segments, only the 'Engaged' shopped around on a proactive and routine basis. The 'Interested' were less engaged by comparison but could occasionally be proactive. When proactive, both groups had a more confident and determined approach. This was often based on past experience engaging in this and other sectors.

- Typically, Engaged participants were prepared to switch or negotiate with their current provider, whichever delivered the best deal for their needs. Among Interested participants, the desired outcome tended to be renegotiation rather than switching.

- Towards the other end of the engagement scale, Passives were typically reactive. Interested participants were also reactive when they were not in the market to renegotiate (this sub-group is referred to as 'less-engaged'). Many in each of these groups required a relatively strong stimulus or reason to shop around, e.g. a substantial and unexpected price rise, a change in need or family circumstances, or a major deterioration in service delivery.

- 'Inactive' participants were largely uninterested and claimed they were unlikely to engage unless there was an unavoidable need to consider changing their provider, e.g., a house move.

1.2.2   Lack of knowledge, understanding and confidence has deterred engagement

- Barriers to engaging in the communications market (in particular for landline, broadband and Pay-TV) were strongly evident among Inactives and the less engaged Passives and Interested participants. Barriers were particularly pronounced among those with limited literacy / numeracy skills[4]. Many in this latter group believed they were paying more than they needed to and lacked the digital skills and experience, to access the full range of channels, tools and sources of information online that might help them to shop around to best effect.

- A range of barriers were mentioned that relate to lack of trust in alternative providers and confidence in finding a better deal. In brief, these were: lack of perceived price transparency and difficulty comparing products and offers due to perceived complexity of deals and lack of comparability. It was made more difficult among the less confident given limited knowledge or understanding of deals and terminology, and that many did not know what they wanted or needed.

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[4] Participants with limited literacy and / or numeracy skills tended to have limited digital skills. The exception, in our sample, were people whose first language was not English.

- These attitudes/ perceptions led to an expectation that considerable time and effort would be required to evaluate products and offers individually, in order to feel sufficiently confident that they were making the right choice. In turn, this increased the perception of low reward or gain when considering potential savings in relation to the time and effort spent.

- There was a strong desire across many participants to stick with their current provider, with only the more confident seeking to negotiate new deals. Low confidence and trust deterred others from doing so. These participants felt that engaging directly with providers (either their own or alternatives), even to simply sign up to a new minimum term if they were aware of this option, would require a level of knowledge regarding their wants / needs that they didn't feel confident about, or that would take a significant amount of effort to obtain. This deterred these participants from engaging for two reasons: lack of trust that they would be sold a suitable product / service and fear of embarrassment due to their lack of knowledge.

- Added to this was a widespread resistance to switching provider among all but the Engaged. Very many in the sample claimed to prefer to stay with the 'devil they knew' given fears and concerns about things going wrong through the process of switching.

- By the same token, high dependency on (and familiarity with) current provision tended to reduce confidence in the potential quality of provision from alternative providers.

1.2.3 Potentially financially vulnerable participants felt a strong pressure to control their costs, some able to engage with confidence, others less so

- These participants comprised younger and older families with low incomes and heavy demands on them to meet their family's needs.   Vulnerability in this group was evident in terms of lack of resources to cope with unexpected changes, e.g., loss of a chief wage earner.

- Some in this group were particularly vulnerable given low confidence and a poor understanding of how to shop around (as highlighted above), these participants were strongly represented in the Passive segment. This meant a considerable reluctance to sign up to a new contract for fear of not knowing how much this would actually cost.

- Others were better placed to protect themselves, by having a strong motivation to overcome the barriers. Typically, this meant greater determination to negotiate or 'haggle' with their current provider - these participants were more strongly represented in the Interested segment.

1.2.4 Of the participants with disabilities, difficulties tended to be the same as those experienced by others, but more pronounced

- Specific forms of disability could be seen to **add** to the same kinds of difficulties that others in the sample had i.e. difficulties assessing deals. Alongside complexity and lack of comparability, as noted above, Price Comparison Websites were considered by the sight-impaired as prohibitive, given their view that these sites made no obvious effort or attempt to comply with standard accessibility guidelines. Those participants with hearing impairments also noted difficulties in busy shopping environments and over the phone.

1.2.5 Businesses in the sample either faced similar difficulties to residential consumers, or were more focused on service quality than price

- Business users who were home-based, occasionally working from home, or conducting business on the move were similar to residential / non-business users in terms of the barriers they faced.

- Like non-business users, difficulties tended to be particularly evident for fixed landline and broadband services.[5]

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[5] These business consumers were invited to discuss Pay-TV as a residential / personal, as opposed to business, consideration. Feedback for Pay-TV from these participants is included alongside that from non-business consumers in all other relevant parts of this report.

- Among the business owners interviewed with staff and dedicated premises, a high premium was placed on service quality and performance, as opposed to price. The tendency was to choose major providers (in terms of size, reputation, resource) on this basis, to increase confidence in terms of reliability.

- The key barrier to engagement for these consumers was a lack of trust or guarantee around service levels of alternative providers. Rather than engaging in the markets with any serious intention to switch, the strong tendency was to stick with 'the devil they knew' and, in some cases, seek to renegotiate terms from time to time.

1.2.6 Despite high levels of engagement[6] with the shopping around task we set, around half were unable to find the best deal for their needs

Just over four in ten (45%) participants said they found the best deal for their needs:

- 12% found a better deal with an alternative provider. The majority of these were Engaged participants. Often, the deal they found was claimed to be substantially better than the deal they currently had.

- 30% found a better deal via discussion or 'haggling' with their current provider. These comprised mainly Interested and some Engaged participants.

- A minority (3%) said they found a cheaper deal that was right for their needs but did not feel that it was worth the perceived risk / hassle of switching to it.[7]

A further 45% said they could not find the best deal for their needs (mainly Passives and Interested):

- 25% (mainly Passives) said they found the process of shopping around to be too difficult, time-consuming and complicated. Difficulties included comparing deals on a like-for-like basis and understanding descriptions/deals. These difficulties with navigation were more evident in the landline, broadband and Pay-TV markets, than for mobile.

- 20% could not find a deal that they felt confident enough was right for their needs. This was particularly evident for Pay-TV (whether purchased as a standalone service or as part of a bundle). Specifically, participants claimed that no two bundles from Pay-TV providers were found to be alike and so price comparisons were not meaningful and direct price comparisons were not possible.

The remaining one in ten said they already had the best deal:

- This group comprised mainly Passives and Inactives, who determined that they already had the best deal with their current provider. In some cases, participants in this category were simply told by their current provider that they had the best deal and this was sufficient for them, others came to this conclusion through some engagement in the market, and so could be categorised alongside those who 'found the best deal'.

- In all, the difficulties experienced by participants during the task meant that most of the less engaged in the sample ended up where they started, often with less confidence about shopping around than they set out with.

1.2.7 Limited use of, and interest in, usage information among the less engaged, with the more engaged using this information routinely

- Overall, outside of the 'usage' task for the less engaged, there was very little / no consideration of tariff costs and usage spontaneously when undertaking the 'shopping around' task. Most simply didn't expect to receive information about their usage and so didn't tend to notice its absence or seek it out.

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[6] By high engagement in the shopping around task, we refer here to the fact that most in the sample put a considerable amount of time and effort into it. This was despite many having limited experience and normally very low motivation to do so if left to their own devices. An example of this was that around 8 out of 10 participants used two or more methods to shop around.

[7] When setting participants with the task of shopping around, we made it clear to all that there was no requirement for them to switch. Please see Section 2.4 for full details on how the task was administered and monitored.

In contrast, this formed part of the natural process for many of the more engaged participants who found this relatively straightforward.

- For those taking part in the 'usage' task some benefits in obtaining this information were noted, primarily in relation to their Pay-TV service, with less interest or impact in other markets.

1.2.8 Participants' suggestions for supporting engagement, related to the need for prompts, and greater ease of searching and assessing

- Participants suggested spontaneously the need to be prompted to engage. Typically, this was in the form of a notification of any price increase or change to their service (if applicable) before it came into effect.

- For the Interested, they said this would reduce the need to be vigilant (towards the end of their contract) when seeking to control costs.

- Among Passives, a pre-notification was valued as a prompt for them to consider the idea of looking around or at least review their current deal. Receiving a notification in advance was said to provide an opportunity to discuss any proposed change to their contract e.g., a price increase, **before** it was made.   It was felt by some to be easier to *prevent* a proposed change than to *reverse* a change that had already taken place.

- A second suggested improvement related to the barriers encountered during the task i.e., greater ease of comparing deals on a like-for-like basis, more transparency and simpler tariff structures, and more standardisation across providers and PCWs. All of these were aimed to reduce time and effort and increase confidence and trust when shopping around.

1.2.9 Among the options shown, automatic sharing of tariff and usage data,[8] and options related to end-of-contract notifications were ranked highest

- A range of potential options for supporting consumers to engage and shop around were devised by Ofcom and participants were asked to consider, discuss and rank them in order of preference, in terms of their ability to encourage and support them to engage in the market.

- These participant rankings were highly consistent across the sample, with the top three fitting well with their spontaneous ideas for improvement prior to sight of them.

- In summary, highest ranking options were automatic sharing of tariff and usage data for comparison, the receipt of an end of contract notification and the provision of additional information as part of this end-of-contract notification.

- For the end of contract notification, there was a universal preference for being informed reasonably well **in advance** of the contract end date. Regarding the provision of additional information, most wanted the notification to include some specific information about add-ons and out of allowance costs / options that may no longer be required. Moreover, notification of any change in the price payable (between the current tariff costs and new tariff costs) was viewed widely as a particularly strong component.

- The option designed to aid like-for-like comparisons was also popular, with many wanting a more explicit focus on cost transparency and standardised wording of key features and for this to be presented in the same way across all PCWs and providers. See Section 3.4.3.4 for further detail.

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[8] In essence, this comprised a 'code' that holds information on their current tariff, average usage and end-of-contract information, in a standard format. In principle, customers would be able to enter this code on a third-party website and enable a comparison with current deals (without having to specify their own current deal). See Section 3.4.3.5 for a detailed definition.

2. Introduction

2.1 Background

Ofcom's principal remit is to make communications work for all consumers. One of its key priorities is to 'promote competition and ensure that markets work effectively for consumers'. Ofcom has widened its focus from the switching process, to engagement with the market more broadly.

In-depth qualitative research among consumers was required to better understand the consumer experience of engagement in the communications markets. Key issues of particular interest include the potential presence of barriers that may deter or prevent consumers from engaging, and specific factors that may impact on consumers' ability to assess their current deal or find a better deal.

In July 2017, Ofcom commissioned Futuresight, a specialist in communications services research, to conduct this research. This report presents the findings of the research study.

2.2 Research objectives

The overall aims of this study were to gain detailed attitudinal and behavioural insights into:

- How consumers currently engage in the communications markets

- The reasons why consumers do not engage fully (or engage at all) with the communications markets

- Actual, 'in-the-moment' experiences of consumers when asked to shop around and find the best deal

- Attitudes towards potential options designed to support or encourage consumer engagement (if found to be needed).

All of the above objectives were applied to each of the following communications markets:

- Mobile: contract and pre-pay

- Dual play: fixed line and fixed broadband, with the same provider

- Triple play: fixed line, fixed broadband and Pay-TV, with the same provider

- Standalone Pay-TV[9].

A more detailed description of these research objectives (and how they were addressed in this study) may be found in Appendix 4.1.

2.3 Method and Sampling

Given the in-depth exploratory nature of this study, a qualitative and behavioural analysis approach was used. This comprised an initial set of introductory focus groups and interviews, the use of an interactive online diary designed to monitor 'in-the-moment' activity and behaviour during the shopping around task that we set them[10], followed by reconvened focus group discussions and interviews to explore experiences and outcomes. There was a total of 165 participants in the entire study i.e. completing all three main stages.[11]

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[9] We defined standalone Pay-TV as subscribers to a paid-for TV service from a different provider to that or those of any other communications services in the household. So-called Over-the-Top (OTT) online TV providers were not included in this study, unless OTT service provision was purchased as an add-on, as part of their paid-for TV service.

[10] A paper-based version of the diary was provided for n=7 respondents who were not comfortable to participate in this element of the research online.

[11] Of the original 176 participants, 11 dropped out after Stage 1, for a variety of mainly personal reasons, leaving 165 participants in total.

Figure 1 below shows the format and main purpose for each of these stages.

Figure 1: Key research stages

Stage:	Format:	Purpose:
Stage 1:	16 x 75-minute focus groups, and 16 x 45-minute individual interviews:	At a spontaneous level, to capture some general background on each participant
		To brief participants on the task we set them for Stage 2: *To have a good go at shopping around for the best deal (for them and / or them and their household)*
Stage 2:	In-the-moment observation:	Use of an online diary to capture actions and thoughts, during the task, in real-time
		Interaction at key moments to seek clarification and elaboration on key actions and thoughts, during the task
Stage 3:	16 x 2-hour reconvened focus groups, and 16 x 1-hour reconvened individual interviews:	Review of experiences and outcomes from the task at Stage 2 and then an in-depth assessment of individual shopping around experiences, as a 'journey'

All participants in the study were consumers who, at the time they were recruited, were:

- The principal or joint decision-maker for communications services (used personally and / or installed in the home or, in the case of micro-businesses, installed at their place of work)

- Not in a contract, out of contract or nearing the end[12] of their contract

- Not working or involved in any way in the communications services industry (including close family and friends).

The sample reflected a good balance of ages, life-stages and male to female ratio.

The sample as a whole was split by communications services:

- Mobile: contract and pre-pay
- Dual play: fixed landline and fixed broadband, with the same provider
- Triple play: fixed landline, fixed broadband and Pay-TV, with the same provider
- Standalone Pay-TV.

The focus groups at Stage 1 and 3 each comprised 10 participants and were conducted across all four nations of the UK, representing both urban and rural locations. 8 in each of these groups comprised personal and residential consumers in the mainstream. 2 in each group were recruited as sole-traders, working at home, or employees occasionally working from home.

An additional 16 people were interviewed individually. 12 were classified as potentially vulnerable and were interviewed at home. The remaining 4 were classified as owners of micro-businesses (with 2-10 employees) and were interviewed at their business premises.

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[12] Nearing the end of contract was defined as up to 3 months prior to end of minimum contract term, i.e., a mix of participants who were less than a month, 1-2 months, and up to 3 months.

Potentially vulnerable consumers and people with a disability[13] were represented in the sample as follows:

- **Potentially financially vulnerable**, i.e., typically younger and older family who have many demands on them and just enough income to meet all of their own and their family's needs

- **Limited / narrow digital skills**, i.e., typically older (65+) people who do not access the internet very often (if at all), either because they do not want to or because they don't feel they have the experience and skills to do so

- **Low literacy / numeracy**, i.e., people who have poor reading and / or arithmetic skills (as a result of poor education and / or English as a second language)

- **Disability**, i.e., people who have a sight, hearing or mobility impairment that limits or prevents full access to the market (either physically or digitally).

Finally, the focus groups and micro-business depth interviews were split by service (mobile, dual play, triple play and standalone Pay-TV) and engagement type ('Inactive', 'Passive', 'Interested' and 'Engaged'), with a particular focus on participants identified as Passive or Interested.

To identify differences in engagement type, we developed a set of pen-portraits in conjunction with Ofcom's engagement scale, created from its Switching Tracker. A summary description for each Engagement type can be found in Section 3.1.2.

Figure 2, below, shows the focus group structure achieved.

Figure 2: Focus group sample structure

	Engagement scale:			
	Inactive	Passive	Interested	Engaged
Mobile	Group 1	Group 2 & Group 3	Group 4 & Group 5	Group 6
50:50 mix of dual play and triple play	Group 7	Group 8 & Group 9	Group 10 & Group 11	Group 12
Standalone Pay-TV	Group 13	Group 14	Group 15	Group 16

Again, using the engagement scale, Figure 3, below, shows how the interviews with micro-business owners were structured:

Figure 3: Individual Interview sample structure with Micro-businesses

	Engagement scale:			
	Inactive	Passive	Interested	Engaged
Mobile		Business depth 1	Business depth 2	
Dual play	Business depth 3	Business depth 4		

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[13] Here, and throughout the report, we draw a clear distinction between people in a potentially vulnerable situation and people with a disability. We do this because it is not the case, of course, that all people with a disability are potentially vulnerable. This said, it can be the case that some people with a disability may be in a potentially vulnerable situation (albeit not necessarily because of their disability).

Figure 4 below shows how the interviews with people in a potentially vulnerable situation, and people with a disability, were structured:

Figure 4: Interview sample structure with people in a potentially vulnerable situation and people with a disability

	Financial	**Digital**	**Cognitive**	**Disability**
	People who are financially stretched and therefore Potentially Financially Vulnerable (PFV)	People who have very limited / narrow internet skills and experience	People with low / limited reading, writing and / or arithmetic ability	People with a sight, hearing and / or dexterity loss or impairment
Mobile	Interview 1	Interview 4	Interview 7	Interview 10
Dual play	Interview 2	Interview 5		
Triple play	Interview 3		Interview 8	Interview 11
Standalone Pay-TV		Interview 6	Interview 9	Interview 12

Finally, the groups and individual depth interviews were conducted in urban and rural / semi-rural locations within and nearby to the locations shown in Figure 5, below:

Figure 5: Fieldwork locations

England		**Wales**	**Scotland**	**Northern Ireland**
Birmingham	London	Carmarthen	Edinburgh	Belfast
Bristol	Manchester	Swansea	Stirling	
Cambridge			Falkirk	

All stages of the fieldwork were conducted between August and October 2017.

2.4 The 'shopping around' task that we set for participants

Towards the end of Stage 1, we asked all of the research participants to undertake a shopping around task and to complete this before reconvening at Stage 3. The task we set was as follows:

For all mobile participants:

To have a really good go at shopping around to find the best tariff / package for you.

For all dual play, triple play and standalone Pay-TV participants:

To have a really good go at shopping around to find the best tariff / package for you and your household.

When setting this task, and monitoring it, a number of critical elements were considered and carefully controlled. These were as follows:

- Capturing participants' actual behaviour and experiences of shopping around, 'in the moment', as opposed to a traditional diary approach that relies unduly on recall and descriptions of behaviour after the behaviour or action has occurred

- Not prescribing how participants should carry out the task, ensuring that they felt entirely free to conduct the task in their own way and in their own time-frame.

Please see Appendix 4.1 for full details on the approach we took when setting the shopping around task.

2.5 Setting a usage exercise, prior to shopping around

In addition to the shopping around task, half the sample in each of the focus groups was asked to conduct a separate usage exercise, prior to shopping around.

This usage task asked participants to find out the details of their current tariff, plus a variety of usage data, e.g., number of call minutes, broadband speed, TV channels watched, etc. Alongside this usage assessment, we asked participants to tell us where they found this information, and how difficult it was to find it. Copies of these usage questionnaires are in Appendix 4.2.

Once this information was captured and returned to us, the participants went on to the main task of shopping around to find the best deal.   We report on the findings and insights on this in Section 3.2.

2.6 Reconvening participants after the shopping and usage exercises

All participants were reconvened after the shopping and usage exercises. The aim of the final stage was to comprehensively identify and assess all and any key drivers and barriers to engagement, identify differences (if any) between participants who had been asked to complete the usage task and those who hadn't, explore suggestions for ways to encourage consumers to engage more proactively, and to capture responses to a range of potential options, if needed.

2.7 A note on interpretation, analysis and reporting of qualitative data

It is important to note that the findings of this report are not statistically representative of the views of the general public. Qualitative research is designed to be illustrative, detailed and exploratory and provides insight into the perceptions, feelings and behaviours of people rather than conclusions drawn from a robust, quantifiably valid sample.

The perceptions of participants make up a considerable proportion of the evidence in this study, and it is important to remember that although such perceptions may not always be factually accurate, they represent the truth for those who hold these views.

As far as possible we have stated the prevalence of feeling about a particular point across the participants, although in some cases it has not been possible to provide a precise or robust indication of the prevalence of a view, due to the small numbers of participants taking part in the research or within individual segments. This is a generally accepted characteristic of qualitative research.

Verbatim comments have been used throughout this report to help illustrate and highlight key findings. Where verbatim quotes are used, they have been anonymised and attributed with relevant characteristics of user-type and location. For example: Male, 44, mobile, Inactive, Belfast.

The verbatim comments we have included reflect both spontaneous views and views after deliberation and, where relevant, we have indicated which types of views are represented. The comments can be taken to reflect genuine views held by participants.

2.8 Terms used in this report and their definitions

Finally, when reading this report, a number of key definitions should be kept in mind:

Service areas:

- **Mobile:** Owner and user of a mobile phone

- **Dual play:** Use of a fixed landline and fixed broadband internet access in a bundle or package from the same provider[14]

- **Triple play:** Use of a fixed landline, fixed broadband internet access and Pay-TV service in a bundle or package from the same provider

- **Standalone Pay-TV:** Use of a service that is not purchased from the same provider as other services. The user may have Pay-TV, landline phone, or broadband internet access, with different providers.

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[14] There are other combinations of dual and triple play bundling. The study focused on fixed landline and broadband as the most common form of dual play, and fixed landline, broadband and Pay-TV as the most common form of triple play.

Customer Engagement types:

We used pen-portraits and Ofcom's engagement scale to assist us in finding a spectrum of differences in relation to existing engagement in the marketplace. These are referred to, throughout the report, as Inactive, Passive, Interested and Engaged.

Details of the key definitions used for recruitment of these types is shown in Section 3.1.2. They are included in that section, alongside our detailed insights from this research for each type.

In summary:

- **'Engaged'**: May have switched in the last two years and / or made changes to their existing service. Very likely to be currently active in looking for a new provider, or very confident that they already have the best deal. Very open to the idea of switching.

- **'Interested':** A strong preference to stick rather than switch, to avoid the perceived hassle of switching. Say they would switch if they were unsuccessful in negotiating the best deal with their provider. Will shop around periodically to determine what other deals are available.

- **'Passive':** Have not switched in the past two years, nor made changes to their service or considered switching. Not currently looking to change their provider and claim that they are not interested in doing so. Will only shop around if there is strong reason to do so, e.g., a major price increase or deterioration in service.

- **'Inactive':** Very similar in profile to Passive participants, but they have not switched or made changes nor considered switching for a longer period i.e. at least five years, and often for much longer. They too are not interested in changing provider and claim that they would not shop around unless they absolutely had to, e.g., moving house.

3. Main Findings

3.1 Customer Context

3.1.1 The nature and perceived importance of communications services

Communications services were seen widely as essential. Mobile, broadband and TV were services that many consumers felt they couldn't live without. They served vital functions in the most fundamental areas of life, related to personal safety, social inclusion, access to information, education and entertainment, and economic well-being.

This essential need has major implications for consumers' engagement in the communications market and willingness to switch, given the weight that consumers place on continuity of service. A defining feature in this study is a resistance to change – among all but the most confident.

3.1.2 Differences across the sample in confidence, ability and motivation to shop around

Major differences were evident in attitudes and behaviour between the four engagement types that were recruited.   The **key characteristics** for each type are noted below and based on the behaviours that determine the 'engagement type' for each participant. The **key insights** describe the attitudes of participants in each particular 'type' and are drawn from this research.

3.1.2.1 Inactives – disengaged and non-reactive

As Inactive, many of these people were 'disengaged' and fixed in their behaviour and views, often based on principle. This made them very different to Passives, who, by contrast, were more open-minded and potentially open to influence.

Inactives
Key insight statement[15]: *I'm perfectly happy with the way things are. I don't see the point of fixing something that isn't broken. It's a false economy to shop around: buy cheap, and you buy twice.*
Key characteristics: • Have not switched their provider for at least the last five years, and often for much longer • Have not actively considered switching, or making any changes to their existing service, in that time • Are satisfied with their service overall, despite not being able to say whether their provider is the best on the market • Have no active interest in changing provider and claim that they would not shop around unless they absolutely had to, e.g., moving house • Believe that a strong focus on price is likely to mean a decrease in service quality.

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[15] This is a description that encapsulates the essential and defining qualities of Inactives, as an engagement type. It seeks to do this in as succinct a way as possible and is formed from an amalgam of common attitudes that were spontaneously expressed by Inactive participants. We provide the same for each of the remaining three engagement types in the sections that follow.

Key insights:

Unwilling to shop around, as a point of principle: • Belief that loyalty is rewarded • Low conviction that shopping around makes you better off • Time is better / more profitably spent on other things • The quality of the service is more important than price • A strong focus on price means a decrease in service quality • High trust and contentment with current provider.	Highly resistant to the idea of shopping around, given: • Low involvement and interest in technology / communications services • Perceived hassle / risk of switching • Perceptions of low gain in relation to effort • Distrust of alternative providers / selling techniques. Some were inactive because they had limited choice due to location, e.g., poor signal coverage from alternative mobile network operators, availability of standard broadband only, etc.

"Honestly, I never give it a thought. I don't care how much it goes up by, or how much I could save elsewhere. Cheaper prices normally mean a poorer standard of service or cutting corners. I don't believe in it."

Male, 34, dual play, Inactive, Edinburgh

3.1.2.2 Passives – less engaged and only weakly reactive

We consider Passives to represent the 'core' of those in the sample who were less engaged. Unlike the Interested and Engaged types, represented in this study, Passives were 'weakly reactive', i.e., it required a relatively strong stimulus or reason, for them to engage in the market.

Passives

Key insight statement[16]:

I'm probably paying more than I need to. I really ought to look at it. But, it's a lot of time, effort and hassle, just to save a few pounds. I just can't be bothered. It's easier to stay with the devil you know.

Key characteristics:
• Have not switched their provider in the past two years (but, unlike Inactives, may have done so in the last three years or more)
• Have not, in the last two years, made any changes to their existing service or considered switching
• Have considered switching in the past, though did not actively shop around for a new provider
• Not currently looking to change their provider and currently claim that they are not interested to do so
• Think that their current provider is probably the best on the market, though they are not absolutely sure of that
• Will only shop around if there is strong reason to do so, e.g., a major price increase or deterioration in service.

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[16] See footnote 16.

futuresight

Key insights:

Unwilling to shop around, given the time, effort and hassle involved:
- Not motivated to look for, or take in, new deal information
- Reactive: typically, strong triggers needed to prompt them, e.g., loss of service, a substantial price hike
- Belief / perception that:
  - Shopping around is laborious: time and effort is needed to assess providers and deals individually
  - Pricing of alternatives is 'much of a muchness' or misleading: *'all that glitters is not gold'*
  - Change is complex / risky: requires time and effort in relation to low gain
- High comfort levels / perceptions of ease and value of current provider
- Reliance on others to 'watch' the market for them
- Typically, more active / experienced in other markets, e.g., car insurance, which are seen as simpler, lower in risk and higher in gain in relation to time / effort.

> *"I really ought to shop around, but it's hard work and I'm lazy!*
> *I'd do it a lot more if it was easier. The dream would be*
> *for someone else to do it for me!"*
>
> Female, 27, triple play, Passive, Edinburgh

Many Passives had not engaged in the market for several years. This was despite awareness among many that they paid more than they needed to – and that they could probably get a cheaper deal if they were to shop around. This was partly due to satisfaction with the service they got but was often more strongly due to lack of confidence and the unknown. More specifically, Passives were disinclined to shop around because of what they perceived to be the difficulties[17] involved. Many claimed that they would need to expend considerable time and effort to ascertain, with confidence, that an alternative deal presented to them was best suited to their needs. This reluctance to shop around could often be compounded by a perception (wrongly or rightly) that savings elsewhere would not merit the time and effort involved.

3.1.2.3 Interested – less engaged, but occasionally proactive

'Interested' participants were, by definition, more open to the idea of shopping around (compared to their Passive counterparts), but less converted to it than the Engaged. This made them reactive for the most part and only occasionally proactive. Unlike the Engaged, Interested participants required a strong stimulus or reason to consider shopping around. Unlike Passives, if there was a strong stimulus or reason to shop around, they would act, typically, with greater confidence.

Typically, what made Interested participants occasionally more proactive was a claimed need for them to be vigilant regarding cost. This related strongly to a lack of trust: Many claimed that without vigilance, their current provider would have more scope to increase the price of their service.

Some were vigilant in this way with all household outgoings, i.e., energy, insurance, etc. Others had been prompted in the past to become vigilant because of a negative experience, e.g., an unexpectedly high bill.

Being vigilant entailed periodic checking and review of costs in relation to (i) needs, (ii) the current price being charged for the service, and (iii) some sense of the 'going rate' for the service.

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[17] See Section 3.1.4 for a complete list of the barriers to engagement that were described by Passives in particular.

Interested
Key insight statement[18]:
I don't want to change. It's a hassle. But you really have to keep an eye on it. When they put the price up, they rely on you not to bother to do anything about it. If you don't ask, you don't get.

Key characteristics:
- May have switched in the last two years, or may have made changes to their existing service in that time
- If not done either of these two things, will have considered changing their provider and actively shopped around for a new provider during that time
- Will almost certainly have switched in the past if not in the last two years
- Are certainly open to the idea of changing, despite claiming to be satisfied with their current provider
- This said, a strong preference to stick (and negotiate) rather than switch (if possible), to avoid the perceived hassle of switching
- Will shop around periodically to determine what other deals are available.

Key insights:

Periodically alert / watchful, with the feeling of a need to be vigilant:
- A strong preference to stick rather than switch, to avoid the perceived hassle and difficulty of switching
- But, a widespread view that sticking rather than switching meant that the provider had no incentive to reduce the price / refrain from increasing the price at contract renewal
- A need, therefore to be vigilant: to control the costs of their current provider, by negotiating with them and, shopping around when necessary, to bolster their ability to negotiate effectively
- Will also engage periodically to keep abreast of developments
- Typically, fairly experienced and knowledgeable as a result
- This said, search / research can be relatively superficial. The main aim is to find a cheaper deal that resembles their own – to strengthen their negotiating arm / boost confidence when 'haggling'.

"The reason I haggle with my current supplier is so that I can get the cost down without having to switch. It's not that I'm averse to shopping around. It's just easier to renegotiate."
Male, 42, Pay-TV, Interested, Stirling

Unlike the Engaged, there was a widespread resistance, among the Interested, to shopping around with a view to switching to a better deal (if one could be found).   Many participants in this group claimed it was much easier to stay with their current provider and seek to control costs by discussing or negotiating a better deal with them. Engagement with alternative providers in the market tended to be weak as a result, i.e., moderate time and effort to check on the pricing of deals elsewhere, with no serious intention to take them up.

This said, if having done this, they found that their current provider would **not** review the deal they had favourably, many claimed that they would then engage with the market more seriously and proactively.

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[18] See footnote 16.

Others were led by this to engage with their current provider more forcefully, i.e., by threatening to leave for example.   When looking elsewhere, some claimed that they would consider switching if they found a comparable quality of service at a lower price elsewhere, if they felt they were able to do so[19].

Overall, the defining characteristic of Interested, was a ready willingness to engage if prompted to do so. Without being prompted, i.e., no change in the quality of the service that they were happy with, and / or no increase in cost, there was felt by many to be no reason to engage.

3.1.2.4 Engaged – routinely proactive

Compared to all other types, Engaged participants embraced the idea of shopping around and treated it as a routine part of their behaviour. They did so, by and large, by virtue of confidence, experience, technical knowledge, diligence and digital savviness.

Many of these participants routinely[20] shopped around for all other outgoings, e.g., energy, insurance, flights, hotels, etc. Most claimed they would switch if they were able to get a better deal. Alternatively, most were only prepared to stay put if the deal they currently had could not be beaten.

This said, some of the Engaged could be inclined to mirror some of the traits of the 'Interested', i.e., having found a deal they were happy with, finding it easier to haggle with their current provider to reduce costs, and avoiding having to proactively seek out a better deal elsewhere. They would though, make a point of looking, often quite diligently, at what the market had to offer before doing this.

Engaged
Key insight statement[21]:   I will always look for a better deal: something better for my needs and cheaper. It's a routine thing. It'd be a hassle, but I'd switch if I have to. There's no reward for loyalty.
Key characteristics: • May have switched in the last two years   • May also have made changes to their existing service   • If not done either of these, will have considered doing so, and have shopped around   • Very likely to be currently active in looking for a new provider   • Or, are very confident that they have the best deal / package because they have checked this against competitor offers   • Claim to be very open to the idea of switching.

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[19] Many of the Interested participants claimed that finding a service of comparable quality elsewhere was difficult. It required time and effort to search. Many also claimed that finding alternatives of comparable quality was not straightforward. This was particularly evident in the Pay-TV market. See a summary of the main Barriers in Section 3.1.4.1.

[20] 'Routinely' means routine engagement at end of contract, or when out of contract. This said, some in the sample (mainly Interested) claimed to review their 'deal' with their CP at key points in time **during** their contract by calling to threaten to downgrade their service if they didn't get a price reduction, e.g., removing add-ons that kept the contract in place and didn't incur an early termination fee. The Engaged were less inclined to do this, during their contract, because they (claimed) very often that they got 'the best deal' from the outset, i.e., no need / scope to reduce the cost further.

[21] See footnote 16.

Key insights:

High involvement, usage, interest and dependency on technology / communications services

- An active relationship, with a strong / developed interest in developments in the marketplace
- Key engagement drivers: distrust, vigilance to avoid price hikes, demand for better features, good performance, functionality and driving down costs to get more value for money
- Engagement can also be driven by resentment, i.e., a belief / awareness that better deals are available to new customers only
- No belief in loyalty, or that there is any reward for loyalty. A largely commoditised view of providers
- Typically, high in confidence, skill and literacy when shopping around, in terms of:
  - Assessing their actual (and changing) needs / usage
  - Knowledge / certainty of what it is that they have / are paying for – and want to buy
  - Keeping track of actual offers / pricing / deals – and their contract end date(s)
  - Understanding of technical language
  - Use of multiple research methods / tools / review and comparison sites
  - Ability / motivation and ease in identifying 'true' contract cost
- Many claimed to have a preference to negotiate with current provider, as easier – but would switch if necessary or beneficial to do so. Like Interested participants, some claimed that they used the threat of leaving as a negotiating tactic.

"I normally shop around but if I find a really good deal, then I will stay with the same provider, unless they up the price."

Male, 22, mobile, Engaged, Manchester

3.1.3 – Summary of the four engagement types

Figure 6 below sets out the four types in terms of their level of engagement in the markets alongside a summary of the similarities and differences in terms of attitudes towards engagement, gained from this research.

Figure 6: the four engagement types:

	Engagement scale:			
	Inactive	Passive	Interested	Engaged
Level of engagement:	Disengaged	Less engaged		Engaged
Driver for engagement:	Largely non-reactive	Weakly reactive	Occasionally proactive	Routinely proactive

Note: throughout the body of this report, when relevant, we refer to sub-groups of participants based on their 'levels of engagement', e.g., Inactive as 'disengaged', Passives and Interested as 'less engaged' and Engaged as 'engaged'. We refer individually to Passives or Interested participants when there is found to be a particular difference or similarity between them.

3.1.4 Existing barriers to engagement (mentioned spontaneously)

In this section, we set out the key barriers mentioned by participants, **prior** to the shopping around task that we set them. It should be noted that the barriers described below were spontaneously described and were most often experienced by disengaged (Inactives) and the less engaged, i.e., Passives and Interested[22]. We refer to responses of the Engaged, when relevant.

3.1.4.1 Overall summary

In summary, barriers to engaging in the communications market (in particular for fixed landline, broadband and Pay-TV) were strongly evident among Inactives and the less engaged Passives and Interested participants. Barriers were particularly pronounced among those with limited literacy / numeracy skills[23]. Many in this latter group believed they were paying more than they needed to and lacked the skills to make use of the full range of channels, tools and sources of information online that might help them to shop around to best effect.

Across the sample of Inactives and the less engaged, a range of barriers were mentioned that relate to lack of trust in alternative providers and confidence in finding a better deal. In brief, these were: lack of perceived price transparency and difficulty comparing products and offers. This was due to perceived complexity of deals and lack of comparability. This was made more difficult among the less confident in the sample given limited knowledge or understanding of deals and terminology.   Many did not know what they wanted or needed.

These attitudes / perceptions led to an expectation that considerable time and effort would be required to evaluate products and offers individually, in order to feel sufficiently confident that they are making the right choice. In turn, this increased the perception of low reward or gain when considering potential savings in relation to the time and effort spent.

There was a strong desire across many participants to stick with their current provider, with only the more confident seeking to negotiate new deals. Low confidence and trust deterred others from doing so. These participants felt that engaging directly with providers (either their own or alternatives) would require a level of knowledge regarding their wants / needs that they didn't feel confident about - or that would take a significant amount of effort to obtain. This deterred these participants from engaging for two reasons: lack of trust that they would be sold a suitable product / service and fear of embarrassment due to their lack of knowledge.

Added to this was a widespread resistance to switching provider among all but the Engaged. Very many in the sample claimed to prefer to stay with the 'devil they knew' given fears and concerns about things going wrong through the process of switching.

By the same token, high dependency on (and familiarity with) current provision tended to reduce confidence in the potential quality of provision from alternative providers.

3.1.4.2 Lack of trust

Lack of trust was pervasive across the sample (particularly among the less engaged) and is both a cause and consequence of all the other barriers that are described below. For the most part, lack of trust was brought about by participants' lack of knowledge and confidence / ability to know what they are buying, together with a strong degree of resistance to change. What was seen as clear and transparent by the Engaged in our sample, was not seen as anything like as such by the less engaged. The latter could not feel confident that what was offered was right for their needs or would not end up costing them more. This lack of trust was evident in other markets, like energy, insurance and banking, but communications services appeared to stand apart among the less engaged, for a number of reasons:

- Many of the less engaged, particularly Passives, had a self-confessed phobia about technology, and claimed to be very easily put off / defeated by the terminology that providers used to describe their products and services

- Shopping around for communications services was often believed to require a level of knowledge and confidence that many did not feel they had

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[22] See Section 3.1.2 for a detailed description of the types and 3.1.3 for a summary.

[23] Participants with limited literacy and / or numeracy skills tended to have limited digital skills. The exception, in our sample, were people whose first language was not English.

- Many claimed that they could not feel certain enough that what was offered was right for their needs, and / or that the price they were given was the actual price they would pay.

> *"I just can't feel sure that it is what it is says it is. It's not knowing what you don't know. It means you have to take things on trust, which I'm not prepared to do."*
>
> Male, 57, Pay-TV, Interested, Cambridge

3.1.4.3 Lack of perceived transparency

Many of the less engaged claimed to have difficulty in accepting headline costs (seen mainly in advertising and online) at face value. This was particularly apparent for bundles (dual and triple play), but confusion and difficulty were evident across all services (whether bundled or standalone).

More generally, these less engaged participants had very limited past experience of shopping around or switching, which made it difficult to know with certainty whether the headline pricing advertised included 'everything'. Many could be convinced, without looking further, that there were 'add-ons' and 'hidden extras' that would only become apparent after taking up the service. Whether this was the case or not, the perceived difficulty in determining their actual costs deterred these participants from even attempting to shop around.

By contrast, the Engaged had greater confidence and claimed to find it easier to accept headline pricing 'as read'. They also had a greater ability to identify any additional costs when looking at the detail of deals advertised.

3.1.4.4 Confusion, uncertainty and lack of trust that stems from price variation

Lack of trust could be compounded, among the less engaged, by the sight of price variation for the same provider across different outlets, channels, media and points of sale (and via word of mouth among friends and family). This could introduce considerable uncertainty. Many did not understand why pricing should vary. This was found to be the case for all service types (i.e., bundles and standalone services).

Some held the view, following the task, that providers were being opportunistic: seeking to charge more, if and when they were able to, by making tariffs unduly complicated and, therefore, reducing levels of comparability across different channels.

Whether this was actually the case or not, the perception had a number of specific impacts: those who were less comfortable shopping online or by phone felt that they were vulnerable to having to pay more in-store.

By contrast, the more strongly Engaged tended to see price variation as a positive, offering more scope to shop around for a 'bargain', and indicating a strong degree of competitiveness among providers – to catch the eye and attract new business.

3.1.4.5 Perceived difficulty in comparing

Some of the less engaged claimed that they were not confident enough to compare communications services on a like-for-like basis, given the importance of understanding what it was that they were buying. Comparison was felt to be considerably easier in sectors like car and home insurance.

Communications services were seen widely to be considerably more difficult given a lack of experience among the less engaged, lack of technical knowledge, perceptions of variation in the way that providers described their services and the use of language and terms that were not understood. The fear was that it would take considerable time and effort to understand how services were similar or different between alternative providers. For most, this was compounded by perceptions of a lack of price transparency (as noted in Section 3.1.4.3 above).

Differences were evident to some extent by market. Among those with some reasonably recent past experience, mobile tended to emerge as less difficult, and fixed broadband and particularly Pay-TV as most difficult.

3.1.4.6 Perception of considerable time and effort to evaluate deals combined with low perceived reward / gain

As a consequence of the above perceptions, many of the less engaged believed that shopping around meant the need to assess and understand each deal from alternative providers on a case-by-case basis. This was due to limited confidence, doubts about cost transparency, perceptions of variation and complexity in tariff pricing and presentation, together with expected difficulty in being able to compare on a like-for-like basis. Looking at deals individually was expected to take a considerable amount of time and effort, which was off-putting to many.

Many of the less engaged also held a belief that shopping around was unlikely to offer a major saving. Part of this came from word-of mouth, i.e., if they were to gain significantly, they would 'surely hear of this' from others and didn't tend to. For these participants, only a major gain would justify the perceived 'hassle', time and effort needed to assess deals. Few claimed that they would devote as much time and effort as they perceived was required to make a perceived saving of just a 'few pounds'[24].

The more Engaged, by comparison, felt able to appraise alternatives more quickly, making the task of shopping around considerably less time-consuming and laborious.

3.1.4.7 Fear / uncertainty of changing provider

With the exception of mobile, changing provider (when considered) involved perceived risk, concern and hassle relating to a physical intervention / re-installation in their home, such as downtime, taking time off work, or failed appointments.

> *"It's all the rigmarole, in the back of my mind. Having to take a day off,*
> *and then they may not turn up, and then it may not work.*
> *It's all too stressful. Better the devil you know."*
> Female, 32, triple play, Passive, Edinburgh

For some, these perceptions of risk and hassle were based on past experience. The more Engaged in the sample were, by contrast, more relaxed about switching, given positive past experiences and / or the discovery that switching was not as much of a hassle as they expected.

One other point was that concerns about the perceived risk and hassle of switching[25] normally kicked in later on in the thought process. Participants' initial front-of-mind focus was nearly always on the potential for 'gain', i.e., what was on offer and how much time and effort it took (or was required) to work out whether the gain was 'real' or not.   If the deal looked like it was worth the effort to investigate, only then did additional concerns come into play regarding switching risks and hassles. If, instead, the gain was, or looked to be, poor in relation to time / effort, then switching costs hardly came into the frame at all. Participants claimed to be put off at the first hurdle.

3.1.4.8 Attraction, comfort and appeal of their current provider

Many of the less engaged had high levels of familiarity with their current provider. For many, this could exaggerate their level of satisfaction with the service provided and offset perceptions of the price they were paying. In turn, this could also exaggerate perceptions of alternative providers as different, less trustworthy and harder to become accustomed to.

> *"It works, so don't mend what doesn't need fixing. I'm pretty sure*
> *I'm paying over the odds, but I'd rather stay put. Better*
> *the devil you know, as they say."*
> Male, 72, dual play, Inactive, Belfast

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[24] Very little spontaneous mention was made of service gains. The response tended to be strongly dominated by concerns regarding price.

[25] By perceived switching risks and hassles, we mean concerns expressed about potential 'gaps' and loss of service during the switch, having to have multiple conversations with the alternative provider, and dealing with their current provider regarding the benefits of sticking rather than switching.

Some felt tied to their current provider by some of the idiosyncrasies of their service, while others mentioned these as positive reasons for sticking with their current provider.

This was particularly evident for Pay-TV, where reasons included familiarity with the guide interface, recorded content that would be lost when switching and the channels in their bundle that were not available in alternative bundles (either from their current provider or from different providers).

Some of the less engaged believed that staying with the same provider meant higher priority attention if things were to go wrong. 'Loyalty' was felt to give them more power and leverage to control costs and get a better service level.

By contrast, the more Engaged claimed to have no belief in loyalty. For them, shopping around promised access to savings, better products and services, new technologies and features, that could not be obtained by simply staying put.

3.1.4.9 Limited choice (actual and perceived)

Finally, some in the sample – both Engaged and less engaged – felt that they were prevented from shopping around because of a lack of choice. Key reasons given included a lack of alternative network operators for mobile in their area and non-availability of higher speed broadband (fibre and cable). In addition, for Pay-TV, many felt that they could not opt for an alternative provider because particular channels within their bundle that they wanted were not offered elsewhere.

Overall, all of these barriers can be seen to be inter-related, compounding the belief that it is simpler and easier to stay put, and creating a considerable unwillingness to shop around and switch provider. For the less engaged, this resulted from a combination of low knowledge, poor understanding of providers' deals and offerings, high dependency on current provision, and low certainty of the provision from alternative providers. This caused a low level of motivation or confidence to shop around and engage proactively in the communications markets, or to negotiate a new deal with their current provider. Whether with an alternative provider or their current provider, there was a general reluctance among Passives to enter into a new contract because they didn't know what it entailed or how much it would actually cost them.

This was often in considerable contrast to attitudes and behaviours in other markets such as car or home insurance. Despite often high satisfaction with the product and services, many felt confident enough to engage (or consider engaging) proactively in these markets and to switch if necessary, in order to get a better deal and make a saving.

In the communications markets, engagement was often driven by reactive factors, e.g., a significantly higher than expected bill, a house move, a major change in need or family circumstances, or a serious deterioration in service delivery. Much of this was in contrast to the Engaged who stood apart by seeking to engage with the market proactively, and to switch or negotiate for a range of positive reasons[26]. Unlike the less engaged, this was by virtue of considerably greater confidence, technical knowledge and experience of how products and services were described and presented in the market.

3.1.5 Specific attitudes and behaviours among business users

For the business sample in this study, we represented business users in two ways:

- Home-based and personal mobile users, i.e., sole-traders and employees working from home and conducting business when on the move

- Micro-businesses, i.e., owners of businesses employing between 2 and 10 people and working from dedicated business premises.

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[26] As described in Section 3.1.2.4, the Engaged were motivated to shop around for positive reasons, i.e., better product features, the latest technology, higher performance, more functionality, more value for money, etc., and not just for negative or reactive reasons, e.g., a price increase.

The two types proved to be relatively different in attitude as described in this section.

3.1.5.1 Home-based workers and mobile users for business when on the move[27]

This sub-group were very similar to both residential users of fixed landline and broadband services and personal users of mobile network tariffs.

Sole-traders and employees, working at home and / or making and receiving business calls when on the move, claimed, for the most part, to be using services on a residential and / or personal tariff rather than a business one.

This was mainly because of considerable overlap between personal, household and business use, i.e., a separate line and / or mobile connection for business was not considered to be necessary or justified. Employees in the sample did not seek to charge for their use of their home services or mobile as a business expense. Usage, for the most part, was not extensive enough to merit it.

"I bring work home sometimes and use the Wi-Fi to send and receive emails. It's not something I've really thought about. I don't think of it as an office at home."
Female, Employee, dual play, Passive, Bristol

"Sure, I'll use my mobile for work but it's my own personal phone."
Female, Employee, mobile, Passive, London

Some sole-traders, working permanently from home, claimed to make use of a separate mobile phone – in order to receive business calls to a dedicated number. However, nearly all in the sample were on a personal tariff for this additional phone. This was because a business tariff was believed to be more expensive than a residential or personal tariff.

"I have two phones, a smart phone for me and a really cheap one for work. It's really because of the work I do. A phone can get damaged easily. It's a PAYG and I just top it up. It's not worth having it on the business."
Male, self-employed kitchen fitter, mobile, Interested, Bristol

In all, there were no major differences between non-business users and business users in this sub-group. Much like non-business users, these business users varied in attitude and engagement type, from Inactive to Engaged but this was not directly related to business usage.

3.1.5.2 Micro-business owners with staff and dedicated premises

This sub-group was more marked in difference to the main sample of non-business users. Typically, these participants had dedicated business tariffs for fixed broadband in their business premises.

Tariffs for mobile varied, with some expensing their own mobile phone on the business (for both business and personal usage) and others choosing to expense their phone personally. Among the latter, none in the sample claimed for business use as an expense. For the most part, the cost did not justify the time required to tally usage and make a claim. None in the sample paid for their employees' mobile phones (for either business or personal use).

In addition, and very unlike the less engaged[28] sample of non-business users, a far greater premium was placed on reliability, quality of service performance (e.g., connection speed).

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[27] These home-based workers and mobile users for business were represented in the main focus group sessions, i.e., mixed in with residential and personal users. Larger microbusinesses were interviewed separately, on a one-to-one basis.

[28] The less engaged comprise Passives and Interested. See Section 3.1.2 for more detail on how the types are defined.

As such, a heavy premium was placed on service quality, not price. For the most part, the tendency was to choose major providers (in terms of size, reputation, resource), to increase the certainty of availability and to gain access to higher speeds / connectivity, truly unlimited data and high priority support and response times.

> *"Fixed broadband in the office is critical. You can cope for short periods of downtime for mobile, and for broadband at home, but not for broadband for the business."*
> Male, Owner, IT services company, dual play, Inactive, Edinburgh

These considerations, meant, for most, a greater awareness / knowledge of the underlying issues that determine performance and reliability, e.g., contention, fibre to the premises (versus fibre to the cabinet), asymmetric versus symmetric upload and download speeds, unlimited data etc.

Broadly, these owners of businesses were also different to the majority of the less engaged non-business users, i.e., they were relatively savvy and knowledgeable about communications services.

This was driven mostly by the need to increase the status and profile of their business and present themselves professionally. Communications-wise, this was done by making use of dedicated landline numbers, email and website domain names, facilitating communication with call features / services (e.g., divert, voicemail, internal transfer, messaging, conferencing, hosting, cloud-based services, VPN, VoIP, call minder services, etc.), plus (as far as possible) a similar level of functionality via mobile.

Despite this knowledge, most of this sub-group were unlike their Engaged non-business counterparts. Rather than engaging in the market with a view to shopping around, the strong tendency was to stick with a known and trustworthy supplier.

To this extent, all in this micro-business sub-sample were reluctant to switch, i.e., less engaged.   The key driver for this was to not look to mend what wasn't broken. In no sense was cost a driver, given that (i) the cost of communications services was a relatively small component of their business overheads, and (ii) the perceived risk and costs associated with downtime and / or a substandard service far outweighed any saving to be made by switching.

> *"The cost of downtime is potentially immense. So we don't mess around looking for cheaper deals. We'd rather pay more for higher quality."*
> Female, Owner, Insurance broker, dual play, Inactive, Birmingham

> *"If it works, then definitely don't fix it!"*
> Male, Owner, Agricultural products reseller, dual play, Inactive, Belfast

3.1.6 Specific attitudes and behaviours among people in a potentially vulnerable situation and people with a disability[29]

Three main types of vulnerability were represented in this study:

- People with poor / limited **digital skills** (either excluded from much of the online world or reliant on others to gain fuller access to it)

- People with limited **literacy and numeracy** (either via having English as a second language or poor educational background), and

- People who were **potentially financially vulnerable**.

In addition, we represented people with a disability (i.e., people who had a sight, hearing or mobility impairment that limited or prevented full access to the market (either physically or digitally)).

These four main types are defined in detail in the relevant sections that follow:

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[29] Caution: this sample of the potentially vulnerable (n=8) and people with a disability (n=4) was relatively small.

3.1.6.1 People with limited digital skills and limited literacy / numeracy:

Participants in our sample with limited digital skills overlapped to a strong degree with those with limited literacy and numeracy skills. All were heavily represented in the Passive and Inactive segments.

In summary, the factors deterring the less engaged participants were compounded for those with limited digital/literacy/numeracy skills. Their lack of confidence / level of understanding increased the perception of time and hassle involved in shopping around. In many cases, a lack of trust deterred them from engaging at all.

All in this sub-sample were decision-makers. For limited literacy and numeracy, our sample included people with moderate cognitive deficiencies as opposed to severe[30].

Broadly, these participants were similar to their less engaged counterparts, in the main sample, in terms of low confidence, limited experience, poor familiarity with terminology, etc.   The difference was that their limited digital skills, literacy and numeracy made engagement even more difficult, i.e., it increased the perception of time and hassle.

Overall, people in this sub-sample tended to think they were paying more than they needed to, and, for the most part, did not have access to the full range of channels, tools and sources of information in order to shop around to the best effect. Key limitations in this respect were largely the same as those in the main sample of less engaged, albeit to a stronger degree. Two in the sample had limited reading, writing and numeracy skills, together with limited online experience. This was largely the result of a poor educational background. The key vulnerability in this respect was low / poor access to better deals, advice and guidance online. In turn this meant relatively very limited knowledge and experience of terminology, particularly in what were felt to be more complicated markets, i.e., broadband and Pay-TV bundles.

> *"I'd prefer to go to a shop, but they're young people, who expect you to know what you want and to sell you things you don't need."*
> Female, 62, Mobile, Inactive, Bristol

In large part, this meant low confidence and high inertia, leading to a reduced ability to control / protect against price increases. Vulnerability was also evident in terms of difficulty with calculating the cost of deals, with a sense of being easily overwhelmed by complex tariff structures. The tendency was to avoid the market altogether and stick with their current provider, even if this meant a sub-standard service at a higher than average cost.

One Passive participant, with English as her second language, had under-developed English reading and writing skills but relatively well-developed numeracy and digital skills. Her main limitation was understanding the small print associated with deals, which was usually dense and complex in structure and hard to understand because of its use of formal / legalistic language.

This, in combination with a general level of low confidence when shopping around for communications services, meant a particularly low level of engagement. Her preference instead was to stick with her current provider.

> *"There's a lot of the details I don't understand. I could if I really tried, but it takes too much time. It's complicated and it puts me off."*
> Female, 24, Polish, triple play, Passive, Edinburgh

3.1.6.2 People who are potentially financially vulnerable:

People in this sub-group comprised younger and older families, with relatively low incomes and heavy demands on them to meet their family's needs. They were, to a major extent, just about managing, with little, if any savings, i.e., what came in went out. This meant that they could maintain financial stability provided that their circumstances did not change unexpectedly.

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[30]   If very severe, we considered, during recruitment, that this would most likely mean that decisions would be made by a family member or professional carer.

Vulnerability was evident in the lack of resilience and resources to cope with unexpected changes, e.g., the loss of a chief wage earner, or having to fund a major, essential purchase, like a new boiler. This tended to make them cost conscious and price sensitive when shopping around.

For families with children in the household, participants assumed their spend on communications services was higher than other participants. They cited pressures to provide their children with laptops / tablets for school work, and a mobile phone that matched at least what their friends had.   These devices, along with broadband in the home, were considered to be essential.

Some had sacrificed Pay-TV in order to have more to spend on mobile, tablets or laptops, and Wi-Fi. Others had sacrificed expenditure in other areas to have a reasonably comprehensive Pay-TV service, given the benefits this offered in terms of relatively affordable access to information, education and entertainment (as opposed to going out of the house to find this).

> *"It's hard to reduce it down, because they come in big packages. They're always trying to trade me up."*
>
> Female, 46, dual play, Passive, Birmingham

Overall, in the context of communications services, living on a budget had one of two different consequences: (i) vulnerability to price hikes and a sub-standard service, or (ii) determination to engage in the market to 'haggle' or switch if necessary in order to get a better deal.

Vulnerability tended to result from low confidence and a poor understanding of how best to shop around. This was like others in the sample, coupled with a degree of fear and uncertainty about what signing up to a new contract might mean, e.g., how much this would cost.

> *"The bill went up by £40, out of the blue. That's a lot. So we had to cut down on the TV channels."*
>
> Female, 46, dual play, Passive, Birmingham

By contrast, those determined to engage in the market felt better able to protect themselves, by controlling costs and succeeding to get more from a provider for the same, or less. This was achieved through 'haggling' or switching if necessary. In this, some did not feel that they had anything to lose. Others took a more planned approach: they had developed their negotiating skills and had become more knowledgeable and savvy about technology, technical terminology and places to go online to get advice and guidance.

> *"I know a few tricks of the trade, which gets me what I want for a lot less than others pay. Martin Lewis* [Moneysavingexpert] *is a great one for advice."*
>
> Female, 54, Pay-TV, Interested, Stirling

The more determined also tended to be more conscious of their actual needs and usage, being more adept at saving costs, without sacrificing what they wanted, on elements of the service they did not need.

> *"I got on to SIM-only and made a huge saving. It just occurred to me: why am I spending money on a new phone when the one I've got is perfectly good enough."*
>
> Female, 52, mobile, Engaged, Bristol

Overall, financial vulnerability tended to push these people in one of two directions: (i) weak and often haphazard attempts to engage, ultimately resulting in avoidance of the market, paying more, and having a strong dependency on their current provider, versus (ii) a determination to control costs resulting in a strong motivation to gain confidence and act.

3.1.6.3 People with a disability:

For the most part, participants with a disability were no different to their Engaged or less engaged, non-disabled counterparts, in terms of confidence, experience, familiarity with terminology, etc. But they also experienced additional difficulties largely relating to accessibility.

*"If it's car insurance or home insurance, I go online. But for broadband,
it'd always be on the phone. I don't understand enough about
it and would need to speak to someone to be sure."*
Male, 72, blind, dual play, Inactive, Belfast

People in the sample with a sight impairment reported considerable challenges when shopping around in general. Some claimed that they were able to overcome the difficulties (by, for example, text readers, screen magnifiers, etc.) and others chose to avoid shopping around online by calling or speaking face-to-face to someone in a shop. Either way, shopping around tended to be regarded as effortful and time-consuming.

The main reason for this was that providers (of all kinds, not solely communications services providers) were not felt to be fully supportive. Accessibility to online tools were often limited and related more to use of the products and services themselves, rather than aids to shopping around and decision-making. An example for Pay-TV was a focus on sub-titling and audio-description when viewing, rather than the provider's website itself being designed for the needs of the blind and sight impaired.

Sight-impaired and, in particular, blind participants were, for the most part, reliant on their own tools (via a laptop and / or smartphone), i.e., text readers, screen magnifiers, colour contrast templates etc.

Key problems reported with provider website design, when shopping around, were as follows:

- Moderate to poor / variable adherence to accessibility standards
- Variations in layout, small font sizes, and poor colour-contrasting
- Random use of pop-ups
- Non-intuitive logic / navigation via links
- Poorly designed, non-intuitive menu structures.

Price comparison websites (PCWs) were viewed as particularly poor, and subject to major variation in all of the above terms. The difficulties were so pronounced that none in this sub-sample claimed that they were able to use comparison sites.

*"The comparison sites are a nightmare! They make no effort at all to
comply with the guidelines. Pop-ups, bits and pieces, very jumpy.
Hard to get a text reader to work on them."*
Female, 37, severely sight impaired, triple play, Passive, Birmingham

*"They aren't intuitive. You have to follow the links, which are obvious
to a sighted person. They can go from the general to the particular.
I have to go to the particular and get a read out on every link to
determine what they mean. It's incredibly time-consuming."*
Male, 72, blind, dual play, Inactive, Belfast

Compared to blind participants and those with severe sight impairment, participants with a hearing impairment reported fewer challenges when shopping online. Participants with a hearing impairment faced more difficulty offline, which limited access to stores and call centres. A particular difficulty was communication and comprehension in busy store environments.

Difficulties when shopping around could be compounded by a related disability. For example, in one case, deafness was the result of stroke which, in turn, had an impact on short-term memory. This made it very difficult to retain information when comparing products and services.

3.2 Attitudes and behaviour in relation to the 'shopping around' task

This section sets out the detail of participants' journeys, when asked to shop around to find the best deal (for them / their household). The section starts with a brief summary of their perceptions of the task and expectations regarding its ease or difficulty. It then describes the results / outcomes of the task, before moving on to describe each category of outcome in more detail. In this section, we also describe the methods used by participants. We then devote the remainder of the section to focusing on the difficulties actually encountered by participants.

For the most part, the disengaged (Inactives) and some of the less engaged (i.e., Passives) were most likely to experience difficulties with the shopping around task. Many Interested and Engaged reported specific difficulties in making comparisons. We comment on these where relevant. Finally, we also comment on aspects of the journey that participants claimed to be easier and more productive than expected.

3.2.1 Perceptions of the task and expectations of its ease or difficulty

Typically, perceptions of the task, prior to it, conformed to the key characteristics of each engagement type. The Engaged claimed that the task was expected to be simple, straightforward, with a clear idea of how to go about it. The Interested tended to consider that the task was best conducted by checking on the price, relevance and availability of deals before going to their current provider to determine how they might respond. Passives tended to consider the task to be likely to be difficult and time-consuming. Many of them expressed concerns about how best to go about it – expressing worries that they may not succeed[31]. Many Inactives claimed that they would have difficulties, because of a lack of experience.

3.2.2 Key outcomes, after shopping around

The following summarises the key outcomes after participants had completed the task (or had gone as far with the task as they felt they could):

Just over four in ten (45%) participants said they found the best deal for their needs:

- 12% found a better deal with an alternative provider. The majority of these were Engaged participants. Often, the deal they found was claimed to be substantially better than the deal they currently had

- 30% found a better deal via discussion or 'haggling'[32] with their current provider. These comprised mainly Interested and some Engaged participants

- A minority (3%) said they found a cheaper deal that was right for their needs but did not feel that it was worth the perceived risk / hassle of switching to it.[33]

A further 45% said they could not find the best deal for their needs:

This mainly comprised the less engaged, i.e., Passives and Interested, and breaks down as follows:

- 25% (mainly Passive participants) found the process of shopping around to be too difficult, time-consuming and complicated. Difficulties included comparing deals on a like-for-like basis and understanding descriptions/deals. These difficulties with navigation were more evident in the landline, broadband and Pay-TV markets, than for mobile.

- 20% (mainly Interested participants) could not find a deal that they felt confident enough was right for their needs. This was particularly evident for Pay-TV (whether purchased as a standalone service or as part of a bundle).

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[31] During Stage 1, when setting participants the task, care was taken to invite all in the sample to carry out the task in whatever way they thought best, and that (i) there was no right or wrong way to do it, and (ii) there was no sense in which they can 'fail' at it in some way. Participants were asked simply to have a 'good go at it', and to stop, for any reason, when they felt that it was natural for them to do so.

[32] 'Haggling' was a term used by some participants when describing their interactions with their CP. Typically, haggling meant persistent attempts to re-negotiate or bargain with their CP. By contrast, others in the sample called to 'discuss' their service, with a view to finding out how it might be improved (in terms of the deal itself and the price).

[33] When setting participants with the task of shopping around, we made it clear to all that there was no requirement for them to switch. Please see Section 2.4 for full details on how the task was administered and monitored.

Specifically, participants claimed that no two bundles from Pay-TV providers were found to be alike and so price comparisons were not meaningful and direct price comparisons were not possible.

The remaining one in ten said they already had the best deal

This group comprised mainly Passives and Inactives, who determined that they already had the best deal with their current provider. In some cases, participants in this category were simply told by their current provider that they had the best deal and this was sufficient for them, others came to this conclusion through some engagement in the market.

In all, these difficulties meant that most of the less engaged in the sample ended up where they started, often with less confidence about shopping around.

Taking each of these categories in turn, differences were also evident by communications service, as follows:

3.2.2.1 Those who found the best deal with an alternative provider (12%)

The majority in this category were Engaged participants, with a minority being mainly 'Passive' rather than 'Inactive'. The Engaged claimed that it was relatively easy to find a better deal elsewhere. The less engaged felt that it took more time and effort but what they found in the end was worthwhile.

Typically, in this, the offer from an alternative provider was substantially, rather than marginally, better than their current deal. For the less engaged, it was felt generally that a substantially better deal was required to merit consideration.

In the mobile market, for the Engaged, the 'best deal' amounted to a substantial improvement in the tariff, i.e., considerably 'more' (more data in particular), at a lower cost, and / or a higher specification handset with a low or no upfront payment. By contrast, many of the less engaged claimed to have 'discovered' a substantial saving via SIM-only, being content, for the most part, to keep their existing handset.

> *"I found a deal that gives me 20 GB*
> *of data, for what I'm currently paying for 4 GB."*
> Male, 27, mobile, Engaged, Manchester

> *"Amazingly cheap deal for SIM-only. It's so cheap, it's worth a try."*
> Female, 24, mobile, Inactive, Carmarthen

For Pay-TV, either as standalone or as part of a triple play package, 'best' with an alternative provider typically meant higher value content and / or more features, e.g., extra channels and / or a free multi-room box, together with free installation. Best could also mean a significant cost saving via a decision to downgrade the service in terms of content and features. Some of the less engaged in particular expressed surprise that downgrading did not involve much by way of a sacrifice, i.e., it was more a case of no longer paying for elements that they didn't actually need or make use of.

> *"I'm looking at* [Over-the-Top TV provider]. *It's a lot cheaper than*
> *what I've got, and we can get the main channels we watch."*
> Female, 42, Pay-TV, Inactive, Manchester

Finally for dual play, 'best' quite often meant a substantial improvement in broadband connection speed, typically when moving to cable or fibre.

3.2.2.2 Those who found the best deal by talking to their current provider (30%)

Around 1 in 3 in the sample came to the view that the best deal they could get was via a change in the arrangement they had with their current provider.

For many Passives, this tended to happen more 'by accident' than design, i.e., they called their current provider to check on the details of their current tariff and were offered a better deal without asking for it.

Others, Interested and Engaged, tended to be more proactive, given prior knowledge that 'haggling' with their current provider could mean getting a better deal than they could get elsewhere, i.e., the 'same for less', or perhaps 'more for less'.

Many of the Interested and most, if not all, of the Engaged had a 'rule of thumb': that they could get from their current provider what they could get elsewhere, without the perceived hassle of changing. Some were particularly assertive in this respect and claimed to be prepared to switch if their current provider didn't give them what they wanted. Others were more inclined to 'bluff' that they were 'thinking of leaving'.

> *"It's easy. You pick up the phone and say that you want to cancel. This gets you through to the retention department where you can speak to someone with more discretion to offer you more to convince you to stay. I do it everytime."*
> Female, 58, triple play, Engaged, Birmingham

> *"I'll call and say that I think I'm paying too much and ask them what they can do. Sometimes, they'll reduce the cost or throw in an extra channel. I'll get more pushy if they've put the price up, because then I've got a good reason to complain."*
> Male, 34, Pay-TV, Interested, Birmingham

Passives claimed to be considerably less confident to 'haggle', compared to their Interested and Engaged counterparts.

Many had never considered haggling, believing that the price that is quoted is the price you pay. A few were aware that others haggled, e.g., friends, relatives, but did not feel that they would have succeeded if they had tried it themselves.

> *"I don't feel comfortable doing it. My friend does it, but she's a lot more in the know than me. I think I'd be rubbish* [at haggling].*"*
> Female, 24, Pay-TV, Passive, Birmingham

> *"I tried it once. I called to say I was leaving. I was put through and the chap on the phone asked me what date I wanted to be disconnected. I put the phone down! I reckon he knew I was bluffing."*
> Male, 64, dual play, Inactive, Edinburgh

> *"I'd have to do some shopping around to get some figures, to bolster my confidence. You need to know what you are doing if you're going to try to negotiate."*
> Female, 44, Pay-TV, Passive, Birmingham

> *"I just pay what I'm told to pay, and if it's what I want to pay then I will pay it. If not, I won't."*
> Female, 74, mobile, Inactive, Stirling

Finally, those who sought to negotiate, or 'haggle', as a matter of routine, tended to be less demanding of price transparency and comparability when shopping around. Many were less discriminating because they were not actually looking to switch. What they wanted was 'just enough' evidence of a deal elsewhere in order to (i) give them an idea of the 'going rate', (ii) pick up on headline pricing for a deal that 'looked' similar to their own, and / or (iii) use the information as a bargaining chip.

> *"I'll have a quick look around, to be sure I can argue my case."*
> Female, 32, mobile, Interested, Bristol

> *"A bit of information from looking around bolsters my confidence."*
> Female, 44, mobile, Interested, Belfast

> *"If I'm honest, I'll make it up, to save the bother."*
> Male, 32, triple play, Engaged, Swansea

3.2.2.3 Those who found a cheaper deal that was right for their needs but did not feel it was worthwhile switching to it (3%)

A very small number of partcipants claimed that they found the best deal in terms of a lower cost. However, they also claimed that it was not worth the perceived risk or hassle of switchng to it. As such, the perception of switching costs tended to rule out any genuine consideration (were they to have come across the deal themselves, as opposed to coming across when conducting the shopping around task).

3.2.2.4 Those who did <u>not</u> succeed to find the best deal (45%)

Just over four in ten of the sample claimed that they could not find the 'best deal'. This was despite time and effort on the part of many to try to find one. Just over half of these participants claimed that they got to a point where they felt that it was not worthwhile to continue because the task of searching was too difficult, too time-consuming or too complicated and confusing.

Most of these people who 'gave up', were Passive participants and seeking to find the best deal in the dual play, triple play or standalone Pay-TV markets.

"Just not worth my time. It was overwhelming.
Just too confusing for words."
Female, 43, triple play, Passive, London

For the remaining participants, difficulties in finding the best deal were particularly evident in the Pay-TV market. Many Interested participants, and some of the Engaged, felt that it that it was impossible to compare TV offers on a like-for-like basis, ruling out the ability to choose on the basis of price.

"I'm looking at different TV packages at different prices, rather
than being able to look at different prices for the same package."
Male, 54, Pay-TV, Engaged, Bristol

In general, finding the best deal for Pay-TV (either as a standalone offer or as part of a triple play bundle), was felt to be complex. Rather than simply price, choice was based on the perceived value of content and features. These were not uniformly available from alternative providers.

In addition, finding the best deal was found to be very difficult when seeking to compare one package or deal with another. In particular, the way in which TV packages were bundled was considered by many to make it impossible to compare like-for-like.

"You can't get the same channels from the different companies."
Female, 34, triple play, Interested, London

Dual play was also considered by many to be difficult to compare. While in some cases this was related to the perceived complexity of call packages, it was more often related to the difficulty of comparing broadband connection speeds.

Specifically, an 'up to' broadband speed provided no certain indication of whether an alternative provider was 'better' than their current provider. Some participants were quoted an 'estimate' but this was rarely felt to be reassuring enough, given the perceived consequences of switching to an alternative provider who turned out to be slower and / or less reliable in some way.

"Up to, doesn't tell me anything. It's a con."
Female, 32, dual play, Interested, Cambridge

Comparatively, mobile appeared to be less complex among a greater proportion of the sample. This said, Passives and some Inactives appeared to struggle with terminology, and with confusion about what this terminology referred to. A key example was Gb as a term, and the use of Gb as both a measure of storage / memory on the handset and Gb as the amount of data that can be downloaded.

More generally, many of the less engaged complained of difficulties with understanding terminology, lack of perceived cost transparency and the time and effort required to understand and calculate the actual cost of deals. We explore these issues in greater detail in Section 3.2.4.

3.2.2.5 Those who felt that they already had the best deal with their current provider (10%)

Just under 1 in 10 of the sample claimed that they already had the best deal with their current provider. This was particularly prevalent for mobile and normally meant the best value in terms of minutes, texts, data and handset specification in relation to the cost per month.

Some, mainly Engaged, in this category clearly demonstrated (when we were monitoring behaviour in real time) that they looked elsewhere for deals to determine that they had the best deal with their current provider. Others, typically the less engaged[34], came to the view that they had the best deal because their current provider 'told them' this was so. Rather than check elsewhere, this was claimed to be sufficient reassurance that they were already on the best deal.

"I spoke to [current provider] *and they said I was on the best tariff. Maybe it was what I wanted to believe, but I trust what they say."*
Female, 27, triple play, Passive, Edinburgh

"I've so much loyalty to [Current Provider] *I thought, surely, they can offer me more than anyone else."*
Male, 22, mobile, Inactive, Carmarthen

3.2.3 Main search activity and methods used

Failing to find the best deal, was, for the most part, not through want of trying. Around 8 in 10 of the total sample in this study searched for the best deal using two or more methods, while over 4 in 10 used between three and five methods. The most common combinations of methods, in order of popularity, were as follows:

- A generic online search and then one or more Price Comparison websites (PCWs)
- One or more PCWs and then visits to alternative providers online
- Calls to alternative providers and then a call to their current provider
- A call to their current provider, a generic online search and then visits to alternative provider sites
- Consulting with family and friends, visits to one or more PCWs, and then calling alternative providers.

Around a fifth of the sample used one method only. In order of popularity, single methods used were a PCW, visits to alternative provider sites, visits to alternative provider stores, calls to alternative providers and a generic online search.   People in this sub-group comprised a mix of those who 'gave up' (majority) and those who found a better deal elsewhere (minority).

Less common, across the sample, was:

- Seeking guidance / advice from consumer champions / consumer advice sites
- Reference to advertising (press, TV, direct mail, etc.).

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[34] As a reminder, we define the less engaged as Passives and Interested, with the core of the less engaged comprising Passives. See Section 3.1.2 for a detailed description of these types and a summary in Section 3.1.3.

3.2.4 Detailed experiences of the 'shopping around' task among the less engaged[35]

This section focuses in-depth on the experiences of the less engaged. This sub-group mostly comprised Passives, as 'weakly reactive', and Interested participants as only occasionally proactive.

The section describes the stages in their journey, focusing on specific obstacles encountered, and pinpoints when participants chose to exit from the task, prior to finding the best deal. The section also covers the experiences of those (a minority of the less engaged) who had a positive journey, leading either to negotiating a better deal with their current provider, or finding the best deal elsewhere.

3.2.4.1 Overview

Broadly, the overall finding was that the majority found the task to be as difficult as they anticipated it would be (and in some cases more difficult than expected). Only a small minority claimed that it was easier, with most of them searching for a deal in the mobile market.

Key words used spontaneously by the less engaged in the sample indicated the experience of much confusion, difficulty and frustration, particularly in the dual play, triple play and standalone Pay-TV markets:

Dual play, triple play, Pay-TV: **Mobile:**
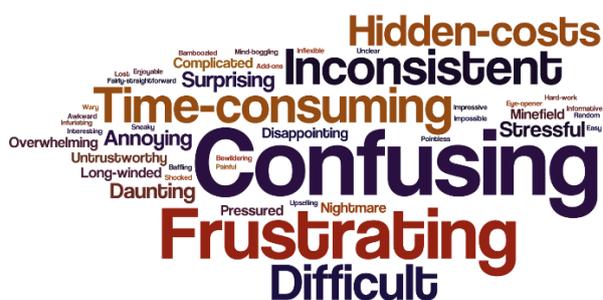
"Way too much time is needed."

Male, 32, triple play, Passive, Belfast

"Easy to search, but more difficult to find what I needed."

Male, 29, mobile, Passive, Edinburgh

For many of the less engaged, the normal course of action (outside the context of the task we set them) was to not take any action at all. This is represented by the **green journey** in Figure 7, overleaf.

The **blue journey**, in Figure 7, overleaf, is the journey that many of the less engaged **actually** took, when pursuing the task we set them, and shows the main difficulties they faced:

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[35] Passives were seen to represent the 'core' of the less engaged. Some 'Interested' participants, who tended to be more reactive than proactive for the most part, were also included in this group of less engaged.

Figure 7 – Customer journeys and key difficulties encountered when shopping around
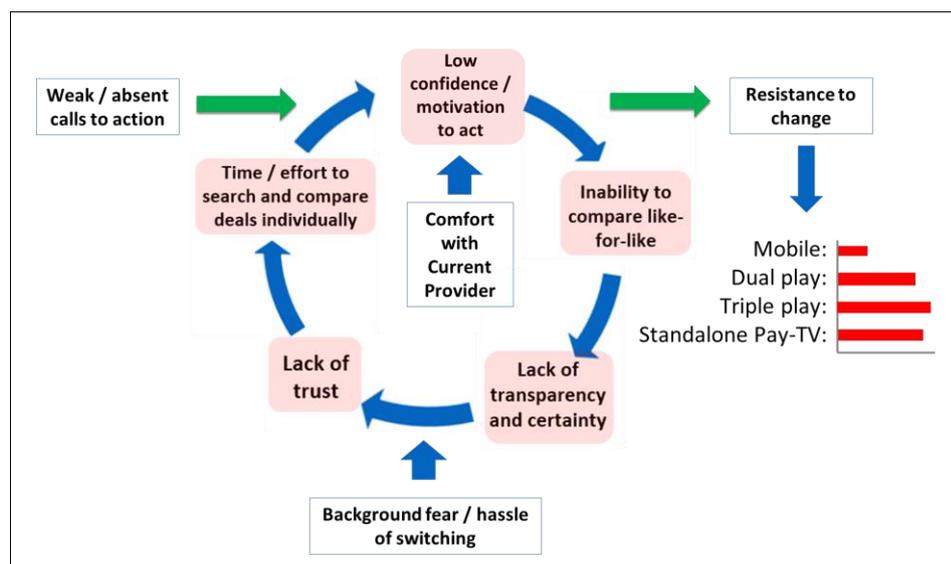
As indicated in Figure 7, above, the journey for the less engaged was a non-virtuous circle, leading largely to the same place that they started, i.e. low confidence / motivation to act. This group comprised the majority of the 45% of the total sample who 'gave up', having failed to find the best deal.

3.2.4.2 Ability to compare like-for like

During the task, many of the less engaged claimed to find it very difficult to compare deals on a like-for-like basis. This was partly due to a lack of knowledge of the components of their own service and how these corresponded with those of an alternative. It was also due to a perceived variation in the way that providers described and presented their services, leading to the need to devote time and effort to understand – not just how their current service compared to an alternative service, but how services differed among providers.

> *"They are clever because there isn't anything like-for-like, there are so many differences between them it makes you have to carry on looking."*
> Female, 24, mobile, Inactive, Carmarthen

More specifically, the key difficulties experienced were as follows:
- Confusing, unfamiliar terminology
- Use of different terms, measures and descriptions of features
- Few, if any, bundles seen to be the same as others
- No breakdown of costs for bundle elements
- No option to select and compare the same bundle elements
- Typically, a significant compromise required to find packages that match.

Some participants coped better with variation, depending on service type and the extent to which they took a planned approach by, for example, getting advice before starting their search. This gave them more confidence to choose a package on the basis of need, and comparing this to what they paid already, rather than on the basis of how the price compares to other deals. Others were overwhelmed and defeated easily by complexity and variation.

For mobile, the process was found by more of the less engaged to be simpler, i.e., fewer variables and a more standardised set of key measures for minutes, texts and data. This said, some struggled with terminology:

> *"I get confused with giga . . . whatever they are.*
> *Is it how much you can store on your phone?"*
> Female, 52, mobile, Passive, London

Others complained of difficulty in comparing because they could not find a deal that was sufficiently similar to their own. The perception was that most deals offered more, by way of data for example, than was actually needed.

"Most of the deals are well in
excess of what I actually need."
Female, 63, mobile, Inactive, Carmarthen

Broadband presented particular difficulties in terms of making connection speed comparisons. Considerable confusion was evident in two main ways: (i) the names used to describe broadband speed, e.g., 'fast broadband', 'faster broadband', 'superfast broadband', 'unlimited broadband', 'fibre', 'standard broadband', etc. and (ii) the primary measure used, i.e., 'up to xx Mb/s', or an 'estimated' range of Mb/s. 'Mb/s' was itself confusing, with some thinking that it referred to data storage rather than speed.

In essence, neither names nor Mb/s measures from different providers offered a basis for comparison. Nothing was conveyed about the actual speed provided, and there was no basis for determining whether what was offered was better or worse than what they currently had. Compounding this was the fact that few of the less engaged actually knew what their current speed was.

"What's the difference between fast broadband
and broadband unlimited? I have no idea."
Female, 34, mobile, Passive, Edinburgh

"'Up to' could be any speed couldn't it?."
Male, 33, triple play, Passive, Edinburgh

Providing a range estimate was felt, by some, to be better (by comparison to 'up to'), but still not sufficiently reassuring.

"You could go by an estimate if it wasn't something you were
tied into for 2 years. I need to be sure what I'm taking on."
Female, 34, dual play, Interested, Cambridge

A few referred to a 'minimum guaranteed speed'. When considered, this was felt to provide more certainty. The phrase made it clear what they would actually get, at a minimum, and offered the reassurance that they could hold the provider to account if it was below the minimum. It was also seen to provide a meaningful basis for comparison.

"Guaranteed tells you what you are going to get.
It could be more, but it says it can't be less."
Female, 28, triple play, Interested, Belfast

For Pay-TV, direct comparison was difficult for many across the sample, including the most Engaged. The critical difficulty was that no two bundles from Pay-TV providers were found to be actually alike.

"You can't get the same channels from the
different companies."
Male, 44, Pay-TV, Inactive, Manchester

"All I can do is look at different packages. You
can't compare them!"
Male, 32, Pay-TV, Engaged, Bristol

"What you see [on a Price Comparison website] *is a list of different*
packages, not different prices for the same package."
Male, 47, Pay-TV, Engaged, Bristol

This leads to a major conclusion in this research that comparison on the basis of price for Pay-TV does not appear to be meaningful, whether purchased on its own or as part of a bundle.

3.2.4.3 Perceived benefits and drawbacks of Price Comparison websites

Many in the sample used one or more PCWs. Some went directly to a PCW, as their first port of call. Others came across one via a generic search online, finding that one or more appeared prominently in the rankings. Among many of the less engaged, PCWs were not a natural port of call for communications services. Rather, PCWs were associated more strongly with car insurance, home insurance and energy.

Based on experience during the task of shopping around, PCWs were found to have both advantages and disadvantages. On the plus side, PCWs offered ease and convenience, promising to make the initial task of finding product and tariff information relatively quick and simple. Some offered advice and guidance in addition to pricing information. For some participants, this helped increase confidence when assessing the deals on offer.

Key drawbacks of PCWs related mainly to lack of experience and familiarity with product descriptions and the way that tariff information was presented. This was made more difficult, and more confusing, when visiting more than one PCW, given variations in layouts and terminology, together with different methods of filtering and different filter ranges.

Filtering proved to be problematic for many, particularly for dual play, triple play and standalone Pay-TV. In essence, filtering did not work well to provide a short-list of alternatives that could then be compared on the basis of price. The alternatives offered were either too different to each other or did not correspond well enough to wants / needs. Many expressed frustration, i.e., if they were to filter too specifically then few if any deals appeared. If they were then to filter more broadly, 'too many' deals appeared, making the task of searching through them feel onerous.

> *"If I choose all the things I want, it comes up with nothing. So what do you do? I start taking things away, which shows more deals, but then there's loads of them in there I don't want."*
> Male, 57, triple play, Inactive, Edinburgh

This was often compounded by variation in the way that pricing was presented, with different levels of prominence of 'one-off' costs, e.g., for installation and / or delivery, different methods of showing total costs and how these were linked to cost breakdowns, together with different ways of presenting cost breakdowns themselves.

Many of the more strongly Engaged claimed to have no great difficulty with variation, given more experience. However, complaints were made that PCWs were poor in supporting comparisons for all communications services except mobile. Some, with more experience, were also sceptical about the rankings on PCWs, given the presence of sponsored entries appearing at the top (that didn't match with their search criteria). Concerns were expressed more generally by some that PCWs were 'commission-based', which tended to undermine trust. Among these more Engaged people, the tendency was to treat PCWs more circumspectly, as a 'start-point' rather than a point of sale.

By contrast, the less engaged rarely expressed concerns about 'commission', tending to instead consider PCWs as 'neutral' in the provision of product and service information. Their concerns related instead to perceived complexity from variation, i.e., variation between PCWs and between PCWs and provider websites in terms of how pricing is presented. This could lead to low trust and low willingness to accept headline pricing at face value. Many could not satisfy themselves that additional costs weren't 'hidden' in among the perceived complexity that lay behind the headline price.

> *"It's overwhelming."*
> Female, 34, dual play, Passive, Belfast

> *"For me it wasn't like comparing anything else. There were so many different variables to take into account."*
> Male, 47, Pay-TV, Inactive, Manchester

Many of the less engaged, and particularly disengaged, claimed that they would normally give up at this point. Most continued because they were taking part in this study.[36] Those who started with PCWs went on to look at deals individually, mainly by going to individual provider sites in the first instance. Some felt the need to call individual providers instead, feeling that a two-way exchange would give them more certainty about what was being offered and what it actually cost. Some didn't want to make calls, because of the time required, but also because of the fear of being 'talked into' taking a deal that wasn't right for them. It was a quandary for many.

3.2.4.4 Ability to identify actual deal / tariff costs

A key theme in this study relates to the difficulty participants have in accepting headline costs at face value. Many could be convinced, without looking further, that there were 'add-ons' and 'hidden extras' that would only become apparent after taking up the service.

During the task, many of the less engaged became convinced of this view, which tended to lead to further distrust and a belief in the need to have to spend considerable time checking each deal individually.

The key concern was not being able to easily identify the true cost of deals.

"There's more to it than meets the eye."
Female, 28, triple play, Inactive, Edinburgh

"It isn't what it says on the tin."
Male, 41, triple play, Passive, Bristol

"It gets quite confusing in the small print. You're thinking hang on, there's a cap on there, but it doesn't say that in the big print."
Male, 53, mobile, Inactive, Carmarthen

Some additional costs were relatively easy to identify. For example, installation and delivery costs were mentioned relatively more prominently and were easier to locate.

Upfront costs of handsets in mobile were also more easily taken into account. Other costs, and the way that they were presented, were often thought of as potentially misleading in relation to the main monthly cost shown as a headline, e.g.,

- Discount periods during the contract, after which the monthly cost increases

- The total cost of the contract for the first year (rather than for the full length of the contract)

- An automatic increase in the monthly cost, at the end of the contract

- Additional costs outside of allowances (for business services and international calls)

- Add-ons, e.g., insurance.

While some of these additional elements were actually discretionary, some of the disengaged and less engaged were not convinced of this, such was their level of caution and distrust. Confusion and lack of certainty, over what was mandatory and discretionary, was very common. This was particularly so for more complex dual and triple play tariff structures.

Overall, rather than being seen as actually 'cheaper', the perception among many was that providers sought to make their offers **look** cheaper.

"It's all too good to be true. Somewhere down the line, you end up paying more."
Female, 44, dual play, Passive, Birmingham

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[36] Four participants dropped out of the study early on during the task. This was partly for personal reasons and partly because of an unwillingness to complete the task for the purposes of this study.

By contrast, the more Engaged in the sample had more experience and felt able to 'look beyond' the methods used by providers to present costs, with greater ability and confidence to identify the true cost of deals.

In addition, while other costs were avoidable, e.g., by switching again at the end of the contract, the prospect of doing so, in order to avoid the price rise, was a barrier in itself. (Switching once was already considered by many to be a hassle and risk.)

Whilst some of the more engaged[37] were less concerned (believing that they could negotiate the price down at the end of the contract), many of the less engaged (particularly Passives) were not confident that they could do this. Some did not consider negotiating at all.   Moreover, it did not occur to many that, once out of the minimum term of their contract, they could sign up to a new contract with their current provider at a lower monthly cost.

As such, many of the less engaged considered a price rise at the end of the contract, something they just had to put up with given the perceived difficulties in switching.

3.2.4.5 Time and effort required to search and compare reliably

Difficulties in comparing like-for-like, plus doubts over perceived and actual lack of cost transparency, led many to feel the need to have to spend time and effort examining the detail of deals on a case-by-case basis. Many claimed that they would give up at this stage, given the time and effort involved (if they were not being asked to conduct this task for the study).

This said, some of the less engaged in the sample were more naturally inclined to compare by assessing individual providers on a case-by case basis. This was claimed to be because of a lack of trust in headline costs. Many were not at all confident that they could understand the differences and similarities without looking at what each individual provider actually offered. This could be online, by telephone or via visits to physical stores.

Key advantages to assessing individual providers on a case-by-case basis were access to more detail and explanation of what was being offered. PCWs (for those who went to them initially, or in addition), were felt to be too 'high level' by comparison.

> *"[PCWs] don't give me enough information. I feel I have to look at each supplier and talk to them to get to know what they actually offer."*
> Female, 42, triple play, Passive, Bristol

Individual providers offered scope for dialogue, either via webchat or (more commonly) over the phone. By the same token, online assessment offered the advantage of reviewing the detail of deals anonymously, without obligation. Typically, individual providers helped some of the less engaged to understand more and learn about what was on offer.

> *"Useful. I learned a bit about what other suppliers have to offer."*
> Male, 53, triple play, Inactive, Belfast

Despite these positives, many felt that there were considerable drawbacks to assessing providers and deals on an individual basis. The main difficulty was the time and effort required, together with the perceived problem of being persuaded to buy, when in direct contact with alternative providers.

The more Engaged, by comparison, felt able to appraise alternatives more quickly, making the task of shopping around considerably less time-consuming and laborious.

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[37] By 'more engaged', we mean 'interested' participants when proactive and those classified as 'Engaged'.

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Figure 8, below, summarises the key advantages and disadvantages of direct channels.

Figure 8 – Key advantages and drawbacks via direct channels

Method	Main advantages	Main drawbacks
In-store:	• Face-to-face interaction / dialogue • Promise of in-depth advice and understanding	• Waiting times • Fear of 'up-selling' • Feeling of need to know what you want
Telephone:	• Ease / convenience (compared to stores) • Promise of in-depth advice and understanding • Ease of 'exiting' if dissatisfied	• Waiting times / 'getting through' • Communication difficulties (overseas call centres) • Fear of up-selling • Feeling of need to know what you want
Online site visits:	• Ease / convenience (compared to stores and telephone) • 24/7 access	• No dialogue • Hard to accept deal / headline pricing at face value
Webchat:	• Promise of dialogue / ability to question • Greater control / freedom from obligation	• Variable availability • Feeling of need to know what you want

For the most part, the drawbacks were enough to put many of the less engaged off, irrespective of the requirements that we made of them for this study. The ultimate 'show stopper' was a final view that too much time and effort was required to find a deal that they could feel confident was the best for them or their household.

3.2.4.6 Use of tariff and usage information when shopping around

Proactive demand and use of information was limited to the most Engaged in our sample. Many of the less engaged claimed that they did not refer to tariff and particularly usage information, even when it was made available to them.

Among the most Engaged, active and regular reviews were often made of exactly what was paid for, i.e., how the amount per month broke down in terms of any use outside of allowances, and any 'add-ons' that were no longer used, e.g., multi-room boxes, or channels, in the case of Pay-TV.

These Engaged participants claimed to be active in making use of this type of information (made available to them by providers), in their billing information and via apps. Some of the most Engaged actively requested information from their provider, if it was not automatically made available.   They claimed that their aim, primarily, was to use this information to review their needs with their current provider, negotiate a reduction, or shop around with a view to getting a better deal in relation to their actual needs.

Some of the most strongly Engaged called for more details from providers, complaining that what was currently available was limited in terms of time-frame, i.e., a 'snapshot' or set of current totals, and / or limited in terms of breakdown, e.g., a total for all 'out of allowance' calls, rather than a breakdown by type.

For some, this was based on experience of receiving more detailed breakdowns and analysis in other markets, particularly energy.

"I'd like to have more detail that shows breakdowns and projections across the contract, so I can see the highs and lows for each month. Summaries would be good as well, so you can see the stats at a glance. It's not much use to get an average of the last quarter, because it might be one month that's out of the ordinary."
Male, 29, mobile, Engaged, Manchester

The response among the less engaged was very different. Many were **not** conscious of a need to consider their usage, unless there was an obvious need to do so. For many Passives and Inactives, tariff and usage information were rarely considered unless the amount they paid per month changed unexpectedly. This was normally noticed in the form of a change to the total amount taken from their bank account, via Direct Debit, rather than any kind of regular inspection of their bill. In some instances, the less engaged would be more conscious to check on use made by other family members that they paid the bill for, i.e., teenagers living at home.

"I keep an eye on what my son uses. He's gone over on his data once before and that cost me. As for myself, no, it's not something I look at."
Male, 46, mobile, Passive, Edinburgh

For the most part, few of the less engaged considered it necessary to track usage. This 'passivity' was strengthened by the fact that the tariffs most of these participants were on were unlimited, i.e., unlimited data in the case of broadband and unlimited minutes and text in the case of mobile. In addition, for mobile, allowances for data tended to be well in excess of need. This gave many a feeling of comfort which further precluded the need to check on usage.

What was evident was that very few with Pay-TV, either as a standalone or as part of a triple play bundle, thought to check their usage of 'add-ons'. Some claimed that additional multi-room boxes, HD, and additional on-demand digital service subscriptions were 'easy to forget', or were easy to overlook, given low diligence in not checking what their tariff consisted of.

3.2.4.7 The impact of the usage exercise

In addition to the shopping around task, half of the participants in each of the focus groups in the study were asked to conduct a separate usage exercise, prior to the task of shopping around.

This usage task asked participants to find out the details of their current tariff, plus a variety of usage data. For example, if a participant had a calls package, we asked them to find out the average number of minutes spent making calls to other standard UK landline numbers, to UK mobiles, to business service 08 numbers and international calls. For broadband, we asked participants to find out their average connection speed. For Pay-TV, we asked them to list out the channels they and their family watched, plus any 'add-ons' they paid for, e.g., multi-room, on-demand and pay-per-view.

Copies of these usage questionnaires may be found in Appendix 4.2.

In terms of impact, it was clear in the response from these participants that consideration of tariff costs and actual usage, **prior** to shopping around, had the most impact on the less engaged for Pay-TV, either as part of a triple play bundle or as a standalone service. The effect of raising awareness of tariff costs and usage was much less marked for landline calls, broadband and mobile.

What this 'impact' meant was raised awareness of elements in their package that were not used at all, or under-utilised. A common example was consideration of a multi-room box that was no longer used, because a child had grown up and left home. Another related to channels not watched and an HD subscription not actually made use of.

"It's a bit of an eye-opener. My daughter moved out last year and there's a box in her old room that's just stitting there. It makes you think about what else we're paying for and don't need."
Male, 48, triple play, Passive, Belfast

This tended to motivate some of the less engaged to devote more time and effort to shopping around, given greater perceived need / justification to do so. This did not necessarily mean success in finding a better deal as participants encountered other issues when shopping around, e.g., difficulty in comparing like-for-like, lack of transparency, etc.

Figure 9, overleaf, shows a summary of the main differences, among the less engaged who were asked to conduct the usage exercise, by service type, in terms of existing need / demand and claimed impact on the task of shopping around.

Figure 9 – Summary of impact of tariff and usage information, by service type:

Dual-play (Landline & Broadband)	Pay-TV (Triple-play & standalone)	Mobile
Interest in tariff cost and usage information when considered:		
LOW	**MODERATE TO HIGH**	**VERY LOW**
• Unlimited data • Low usage of out-of-allowance calling • Broadband connection speed is claimed to be adequate / 'good' for many	• Discovery of 'add-ons' not needed / no longer used • Key examples: multi-room boxes, channels not watched, HD subscription and pay-per-view	• Unlimited voice & text • High Gb data allowance = low concern / need to monitor
Claimed impact when shopping around:		
LOW	**MODERATE TO HIGH**	**VERY LOW**

• Out-of-allowance calls are normally known / not unexpected
• Experience of low speed is a prompt in itself (many claim that they don't need to know Mb/s
	• Prompts review
	• Aids renegotiation with current provider
	• Impact is particularly high in conjunction with a change in circumstance, e.g.,
	  ▪ Child / children leaving home
	  ▪ Loss of a chief wage-earner
		• Hard to find low limited deals (actual and perceived)
		• Dislike of limitation – fear of going over

Overall, outside of the 'usage' task, for the less engaged there was very little / no consideration of tariff costs and usage spontaneously when undertaking the 'shopping around' task. Most simply didn't expect to receive information about their usage and so didn't tend to notice its absence or seek it out. In contrast, this formed part of the natural process for many of the more engaged participants. For those taking part in the 'usage' task some benefits in obtaining this information were noted, primarily in relation to their Pay-TV service.

3.2.4.8 Overall outcomes: levels of confidence / motivation to engage

Having set participants on a journey, it was the case that most ended up where they started in terms of their mindset. For the less engaged, the initial state of mind was low confidence and motivation to engage. This was largely the same at the end of their journey.

Many claimed that they did not enjoy the task. Some felt that they had learned things along the way, though this tended to increase their resolve not to engage, rather than change it. A few were more positive, finding that the experience was easier or simpler than expected[38].

The Engaged in the sample were also largely unchanged by the experience. They went into the task expecting it to be relatively straightforward, and came out of it feeling that it was either the same or better than expected. This was particularly evident for mobile. For the most part, it was relatively straightforward because the more Engaged had greater confidence in knowing what they wanted or needed, greater confidence when talking to providers and when navigating / searching.

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[38] It must be kept in mind that all participants were asked to carry out the task and that many of the less engaged and nearly all of the disengaged would not normally choose to do so, in the normal course of their lives. As such, finding the task to be easier than expected was not a reason for them to engage in the future.

Unlike the less engaged, this came from an inherent interest / motivation to learn about technology, an element of digital nativism (amongst younger participants), greater sophistication in use / adoption of technology, etc.

There were definite exceptions to this among the Engaged, i.e., disappointment in not actually being able to find a better deal (in all markets), and a more widespread frustration of difficulty in comparing like-for-like for Pay-TV.

For others, typically the Interested, the outcome was largely as expected, in terms of getting the best deal with their current provider, through review and negotiation. This tended to be seen as the 'easiest' way to gain (what they felt they could gain elsewhere) without the perceived hassle and risk of switching. By contrast, 'haggling' for a better deal with their current provider was **not** a well-developed practice or norm among Inactives and Passives.

3.2.4.9 Awareness of staggered contracts

Understanding and awareness of staggered contracts was explored among dual play and triple play participants. By staggered contracts we mean situations where customers have contracts of different lengths for services with the same provider[39]. This may be brought about by one contract being extended or 're-set' in duration by the provider, or at Point of Sale. This can occur when the customer makes a change to one or more of their services (e.g., an upgrade) or adds an additional service at Point of Sale.

This can mean that contracts with the same provider are no longer aligned, i.e., one or more of the contracts comes to an end sooner than the revised or added one. This, in turn, means that an exit fee would likely be payable if the customer chooses to leave the provider before the end of the longest contract.

Most in the sample, including many Engaged, claimed that they were not aware of this possibility. The assumption instead was that they always had one contract end date with their provider, not that they could potentially have two (in the case of dual play) or three (in the case of triple play). For those who had made a change, mid-contract, this happened in the context of wanting to sign-up to a new service / product or upgrade and continue with their provider.

These participants claimed that, whether they were informed or not (that their contract for the revised service was now longer), there would be no reason to object to a lengthening or non-alignment of their contracts at the time. Customers seeking to make changes normally did so because they wished to continue with their current provider. At that time, they had no interest in switching, and were satisfied with the service they received. When considered, some also felt 'relaxed' about the change given a belief that they could negotiate a reduction in the future, should anything 'go wrong'.

> *"I never gave it a thought at the time. Why would I?*
> *I wanted the upgrade and was happy to continue. I don't*
> *recall that they said that the contract would be longer, but*
> *I don't think I would have minded if they did."*
> Female, 32, triple play, Engaged, Potentially Financially Vulnerable, Falkirk

Problems were reported further down the line, for some, when (i) experiencing a higher than expected bill, due to one or more of the shorter contracts coming to an end, (ii) finding that their current provider was unwilling to negotiate a reduction to the raised price of the shorter contract(s) that had now expired, and / or (iii) being told that an exit fee would apply until the longest contract had expired if the customer wished to switch.

> *"What I'm sure I wasn't told was that the price of the shorter contracts*
> *would go up and that I'd be unable to do anything about it, unless*
> *I paid a penalty for leaving them."*
> Female, 32, triple play, Engaged, Potentially Financially Vulnerable, Falkirk

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[39] Providers may sometimes have separate contracts for each service taken with them, and these may have different end dates. Participants were not aware that some providers do this and (if this was the case) were not aware if they had these types of contracts with the same provider.

"They give you the illusion that you have one contract."
Male, 42, Pay-TV, Interested, Stirling

Two case studies are provided in Figure 10, below, which provide further detail of experiences and concerns raised about staggered contracts. Among these people, including some of the more strongly Engaged, there were calls for providers to make it clear, **prior to sign-up**, that the price of their shorter contracts either will or won't be fixed over the duration of the longest contract.

Figure 10 – Difficulties caused by staggered contracts – two case studies

Louise 32, triple play, Engaged, Potentially Financially Vulnerable, Falkirk	John 42, Pay-TV, Interested, Stirling
• Louise has heavy family demands for mobile, TV and broadband. She lives on a relatively tight budget • When she signed up with her triple play provider, she was under the impression she had a single contract with them, for all three services • Halfway into the contract, Louise ordered an extra multi-room box • Three months later, her bill suddenly increased by £40 • She called her current provider and was told that her landline calls package ended a month ago • Her provider refused to reduce the cost and quoted an exit fee of c. £800 if she wished to leave • On querying this, Louise was told that the exit fee applied to the TV element which was reset when she ordered her multi-room box • After further calls and escalation, her current provider agreed to align the contracts by lengthening the fixed landline and broadband elements • Louise was happy with this, mainly because it brought the overall cost back to what it was originally.	• Mid-contract, John was called by his current provider and offered a free upgrade, i.e., a new set top box • He accepted it • When approaching what he thought was the end of his contract, John discovered that he could not switch without an exit fee • This exit fee was linked to his TV contract • At the same time, the cost of his landline and broadband rose • John came across the same potential problem when shopping around: an alternative provider was offering a 12 month contract for landline and broadband, and 18 months for TV • John claimed that, if he is to engage in the market again, he wants all contracts to be aligned, even if this lengthens them.

3.2.5 Key outcomes among Business users (with and without dedicated business premises)

Outcomes for business users in the sample were very similar in pattern and nature to their non-business counterparts. Sole-traders and employees working occasionally at home reacted in much the same way. They were confronted by the same issues and difficulties (if, by nature, they were disengaged or less engaged, i.e., Passive as weakly reactive, or Interested as only occasionally proactive) and largely satisfied and enabled by the experience (if, by nature, they were Engaged).

The pattern of outcomes for owners of microbusinesses was more similar than different to their inactive non-business counterparts. Some caution is needed, given a small sample (4 participants), but broadly, these owners went into this study with a relatively low level of motivation to engage, and came out of it feeling largely the same. Unlike their non-business counterparts, the reasons for this did not relate to low confidence in being able to find the best deal. All in our micro business sample were comparatively more tech and communications savvy. Rather, they failed to find a deal that was better in terms of service level, with a price saving not being a major motivating factor. These business users claimed they wanted reassurance regarding service quality, and the barrier to engagement was low trust and no guarantee of this with other providers. This led nearly all to consider it best to 'stay with the devil they knew'.

> *"There's a fair number of cheaper deals, but none I'd go for. Cheaper doesn't fill me with confidence."*
> Owner, IT services company, dual play, Inactive, Edinburgh

> *"What I've got works fine for me, and it's not worth it to change, just to save a few pounds. I'm very happy with the company I'm with."*
> Owner, building company, mobile, Inactive, Birmingham

3.2.6 Key outcomes among potentially vulnerable participants and people with a disability

For the most part, outcomes for the potentially vulnerable in our sample were in line with what these participants expected at the outset.

Potentially financially vulnerable participants were in either the Interested or Engaged groups prior to the task. Two found a better deal with their current provider (for mobile and triple play) either via negotiation with their current provider or by looking elsewhere, and one claimed to be confident that they were already on the best deal (for dual play), after speaking to their current provider.

Those in the sample who had limited digital, literacy and numeracy skills, demonstrated least confidence when shopping around, and gave up relatively quickly. For the most part, these participants did not feel that they had the experience or confidence to consider alternatives and, instead, claimed that they had the best deal with their current provider – in some cases simply confirming this was the case by speaking to their provider.[40] Overall, with this group, key difficulties were very strongly evident, and related to poor understanding of terminology used by providers (i.e., technical terms and lack of plain English), relatively very low trust levels regarding the way that pricing was presented, and not knowing what they want or need.

For people with a disability, there were differences in terms of existing engagement, prior to the task, i.e. Inactive, Passive and Interested, which carried through in the task itself, but were not due to the disability itself. Two gave up and two renegotiated a better deal with their current provider.

The key issues for participants with a disability were the channels available to them for shopping around. Online was particularly difficult and time-consuming for the participants with sight-impairments, when shopping around in general. Store environments were difficult for those with hearing-impairment.

Overall, specific forms of disability could be seen to **add** to the same kinds of difficulties that others in the sample had i.e. difficulties assessing deals.

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[40] Some in this group demonstrated (when we were monitoring them) that their search was superficial, e.g., going to a PCW and then coming away very quickly with a view that it was very confusing. Some of these people were among those who said they could not find the best deal (and 'gave up') and some were among those who claimed that they already had the best deal with their current provider.

3.3 Participants' spontaneous suggestions for addressing the difficulties faced when engaging

This section reports on participants' spontaneous views and ideas on how they feel their engagement could be strengthened and their success in searching improved. This includes ideas suggested spontaneously by participants that tackle the main issues identified, i.e., low motivation to act, difficulty in finding comparable deals, and poor (perceived and actual) cost transparency.

3.3.1 Methods that prompt participants to engage

To increase engagement, many felt that they needed to be 'awakened' to do so. This was evident among the less engaged (Passives who were 'weakly reactive') and 'Interested' who were only normally prompted to engage by a significant price increase (i.e., a higher than expected bill). This included sole traders and home workers. It also included many participants in a potentially vulnerable situation who claimed that they were in particular need to be informed proactively i.e., many did not feel confident doing something 'off their own bat'. Inactives, as largely disengaged, claimed that a considerable stimulus or reason would be required to prompt them to engage, e.g., an extended period of service loss, a house move, etc. The exceptions, in some cases, were owners of micro-businesses with dedicated business premises. Some claimed that they would not be prompted to shop around unless there was a reason to do so on the basis of service quality.

Passive participants in particular claimed, spontaneously, that they would be prompted to engage if they were notified of a price increase **before** it was imposed.   Some reported that they felt that they could be 'caught out', by a price increase. This was claimed to be due to not being notified before it was imposed[41], or receiving a notification and not acting on it by the time that their new or revised contract was in place. In these circumstances, it was felt widely that it then became a 'hassle' to either challenge it, or that it would entail a cost in the form of an exit fee to consider an alternative provider.

For the most part, the price increase was not claimed to be high enough to merit major effort, but it was mentioned widely that the cumulative effect, over time could be significant.

> *"The thing is that I'm lazy. The contract rolls on and you don't notice that the price has gone up, until it's too late."*
> Female, 34, dual play, Passive, Belfast

> *"It's easy to get caught out, but it's too much hassle. They [CPs) are clever, they up the price just a little bit, so it's not worth the effort. It's only when you look at how it's gone up over the years that it's actually quite a lot."*
> Female, 32, triple play, Passive, Edinburgh

Any notification or awareness of a price change prompted a more confident and determined reaction from the Engaged (and the occasionally more proactive Interested participants). Many claimed that they have been successful (and would be likely to be successful) in 'correcting' any imposed change in the deal, via discussion and negotiation with their provider.

During these discussions, some participants referred spontaneously to other sectors, e.g., car insurance or home insurance, claiming that it was usual for them to look out for and receive a notification in sufficient time (prior to the end of their contract) to be able to then decide on whether to continue with it, or look elsewhere.

> *"With my car insurance, I get a renewal letter every year. I'll look at it and decide if I need to shop around. For* [broadband]*, you don't get that, do you? It just rolls on."*
> Male, 34, triple play, Passive, Bristol

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[41] It is, of course, entirely possible that participants had received a notification but failed to pay attention to it. It is obviously not possible to know.

"It's a bit odd. It's the norm for other suppliers, like gas and electricity. It should be the norm for phone and internet companies."
Female, 37, Pay-TV, Interested, Stirling

"You don't think of it for your broadband and TV. You just sign up and forget about it. As long as it works! For car insurance, home insurance, electricity, my wife and I, we're all over it when it comes to the time for reviewing it."
Male, 43, triple play, Passive, Belfast

An exception was mobile in relation to handset upgrades. Some participants said they were aware of their contract end date. Some claimed that they kept a note of it in their calendar / diary. For the most part, this awareness was driven by interest / excitement around getting a new handset. For the less engaged, this acted more strongly as a prompt to contact their current provider to arrange for an upgrade, rather than a spur to shop around.

"I know when my contract comes to an end. I'm looking out for it so that I can get a new phone. I'll call [current provider] and get the best deal I can for the phone I want."
Female, 22, mobile, Interested, Bristol

3.3.2 Suggested improvements to comparable information sources

Once participants were engaged, those with greater confidence and understanding (i.e. the Engaged) were more likely to find their 'shopping experience' easy. To improve the experience for the less engaged i.e. to bolster confidence to choose on the basis of price, increase trust in comparisons, and reduce the time and effort required, calls were made for more consistency and standardisation. These were strongest for dual play (landline and broadband) and Pay-TV (as a triple play bundle or standalone).

Greater consistency and standardisation was wanted across PCWs and across providers at the point of sale. Participants, of all types in the study, wanted aggregators and individual providers to reduce confusion by making it easier and simpler to compare one package with another.

"It should be standardised across everybody. Everyone should have to set it out in the same way, so there isn't any confusion."
Male, 34, Pay-TV, Passive, Birmingham

"I think standardisation across all the sites would make it easier. If you had two windows and two sites you could then compare deals across the two."
Male, 43, mobile, Inactive, Carmarthen

Some of the less engaged made spontaneous suggestions for supporting comparisons and improving transparency with the use of more 'side-by-side' comparisons. As things stood, many in the sample complained of the need to look at each deal (on a PCW or at Point of Sale) individually, line by line. Those shopping around offline felt it was a particularly difficult task, to collect information from each individual store, and then to have to either try to 'hold it in the head' or write it down.

Some went to the lengths of drawing up columns on paper, or in a spreadsheet, to better cope with assessing the number of different variables, seeking to make less prominent costs more equally prominent so that they could be compared more easily. What this indicates is low trust in simple rankings on PCWs (based on a monthly cost) which, for the most part, are not seen to reflect the true cost of the deal.

More specifically, participants suggested the following:

- An ability, when comparing, to hold all variables constant and then to change only one variable at a time (given that some provider sites and PCWs were not thought to allow this)

- All selected options and upfront costs shown separately and explicitly

- Showing the total cost of the contract (rather than the total for the first year of the contract)

- The monthly cost that applies at the end of the contract.

For mobile, some participants (particularly the Engaged) wanted to know the price of the handset. This, they felt, would help them to assess whether to keep their existing handset (or purchase one outright) and opt for SIM-only.

For broadband, some participants suggested the use of a minimum guaranteed speed, as an alternative to an 'up to' or 'estimated' speed. Stating a minimum was seen to provide a more reliable indicator.

By comparison to fixed landline and broadband, and particularly mobile, it was harder for participants to suggest improvement to search and comparison for Pay-TV (in the context of either triple play or standalone). There was felt to be no obvious means of standardising, given that bundles were not similar enough to be comparable. This led to some calling spontaneously for more choice and flexibility via unbundling, i.e., more options to choose individual channels, and to 'pick & mix' them.

This said, some feared that this would mean that deals would be more expensive, i.e., they would be paying for a smaller number of 'premium' channels rather than a mix of premium and standard channels. The addition of reviews / star ratings was also suggested to enable choice to be based on perceptions of value for money, service quality etc.

In overall terms, with bundling sold as it is currently, a single cost comparison was not seen as meaningful.

"If you use the filters to select what you actually want, then nothing comes up. You have to compromise a lot before you see offers to compare, but even then they are different to each other."
Male, 52, triple play, Passive, Bristol

"I can only think that the answer would be to be able to choose individual channels rather than packages. But that could be expensive I guess."
Male, 32, Pay-TV, Engaged, Bristol

3.4 Responses to potential options to increase engagement

A range of potential options for supporting consumers to engage and shop around were devised by Ofcom. Full versions of these potential options are shown in the relevant sub-sections below. The main headings for each are summarised as follows:

Knowing when to look for better offers:
Option 1.1: Informing you about your contract end date
Option 1.2: Providing additional information in your end of contract notification
Option 1.3: Helping alternative providers to reach you

Finding the right offers to meet your needs:
Option 2.1: Informing you about your tariff and usage
Option 2.2: Making like-for-like comparisons
Option 2.3: Automatic sharing of your tariff and usage data
Option 2.4: Finding out about the experiences of others
Option 2.5: Joining a Switching Club

Ease of leaving your current contract:
Option 3: Unlocking handsets within a reasonable, or specified, timeframe (mobile).

3.4.1 Overall ranking, when potential options are presented individually

Participants were asked, individually, to rank the potential options, depending on the impact that they were felt to have. By 'impact', this meant the extent to which the option was felt to motivate participants to engage in the market. The rankings were collated for the overall sample to produce an overall ranking, as shown in Figure 11, overleaf.

Figure 11 – Overall ranking of potential options to increase engagement, when shown individually
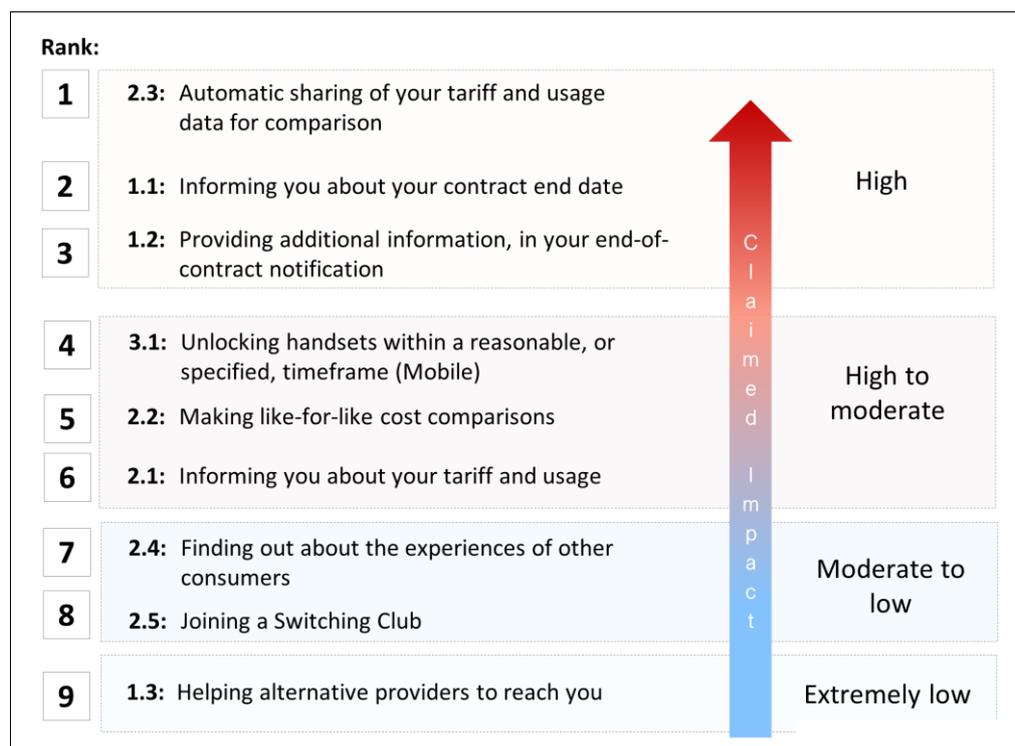
Caution is required given that the rankings are based on **claimed** future intentions rather than actual behaviour. This said, the rankings were highly consistent across the sample, which provides an indication of likely impact and effect, i.e., participants from all parts of the sample (i.e., engagement types, business, non-business, vulnerable, people with a disability, etc.) came to similar views, independently of each other, about what was needed to motivate them or to improve their 'search' experience.

As can be seen above, the automatic sharing of tariff and usage data for comparison[42] was ranked highest, overall. The option resonated particularly strongly because participants envisaged it addressing one of the highest barriers to engagement, i.e., the perceived time and effort involved to understand the true nature and cost of deals offered.

A close second was the idea of receiving an end of contract notification, sent to them in advance of the contract end date, offering them an opportunity to review their relationship with their current provider and shop around. This was seen to have potential to 'awaken' people to a possible need to consider whether the deal they have is the best for their needs.

Receiving additional information, as part of this end of contract notification, was felt by many to add to the potential impact. In particular, being simultaneously informed about their current and new tariff costs would provide a stronger prompt to shop around, if the increase in costs was significant.

After this, the options moved from high to moderate in impact. Next in the rankings was the idea of providers unlocking handsets within a reasonable or specified timeframe, after they had been paid for (normally via a contract). This had more variable appeal, depending on the inclination to want to upgrade the handset at the end of the contract. Some, who planned to move to SIM-only, were more strongly motivated, given greater ease in switching to an alternative network.

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[42] Caution is required with this option given the difficulties and uncertainties that many participants had in envisaging how this option would or could actually be implemented. This, in turn, made it difficult to determine whether participants interpreted it in a similar and consistent way. Unlike the other options shown (with the exception, in many cases, of Switching Clubs), participants did not have familiar and well-established reference points to be able to draw upon in order for us to determine the option's motivational impact reliably. Please refer to Section 3.4.3.5 below for a more detailed description of participants' response to this option.

Enabling like-for-like comparisons was particularly strong in principle but was ranked as moderate in impact. This was because many participants viewed it as impossible to compare some services on a like-for-like basis, and so felt this was not a realistic option. A key example was comparisons for Pay-TV, it being found by many participants to be impossible to compare, given that bundles were different in composition to each other. What many participants wanted to see was a statement of how this impracticality could be overcome (by unbundling, for example). We revisit and report on a re-developed and refined version of the option (that worked to stronger effect) in the next section.

Being informed about tariff and usage information prompted mixed views. The most engaged in the sample claimed that making tariff and usage information more easily and comprehensively available was very positive. Many felt that they could use the information to good effect, when shopping around. By contrast, many of the less engaged did not see the benefit of this information unless they were looking to switch. (More detail on this is covered in Sections 3.2.4.6 and 3.2.4.7). In summary: making this information available for access required a level of motivation to seek it out, that many did not have. Except for the most strongly Engaged, few in the sample spontaneously considered their actual usage and the possibility that they may be paying for elements of their service that they did not in reality make use of. A major factor in this was the prevalence of unlimited tariffs that were often well in excess of need, and 'add-ons' (sometimes no longer needed) that had been 'forgotten about'. As such, making information available for customers to access was not effective. Most of the less engaged were not motivated to seek it out.

We revisit this option in the next section to show how a revised version of it – that involves the automatic sending of information to customers (as opposed to making it available for customers to access) can be seen to increase the motivation to engage among the less engaged.

The remaining options were moderate to extremely low in claimed impact.

3.4.2 Overall ranking, when options were re-combined and refined by participants

After the initial ranking, participants in the focus groups were encouraged to recombine elements of the options and to suggest changes / refinements to wording, with a view to increasing the strength of their impact in terms of motivating them to engage in the market.

The overall ranking of the options when recombined, are shown in Figure 12, below, together with details of how particular options were reworded and refined.

Figure 12 – Overall ranking, when options are recombined and refined
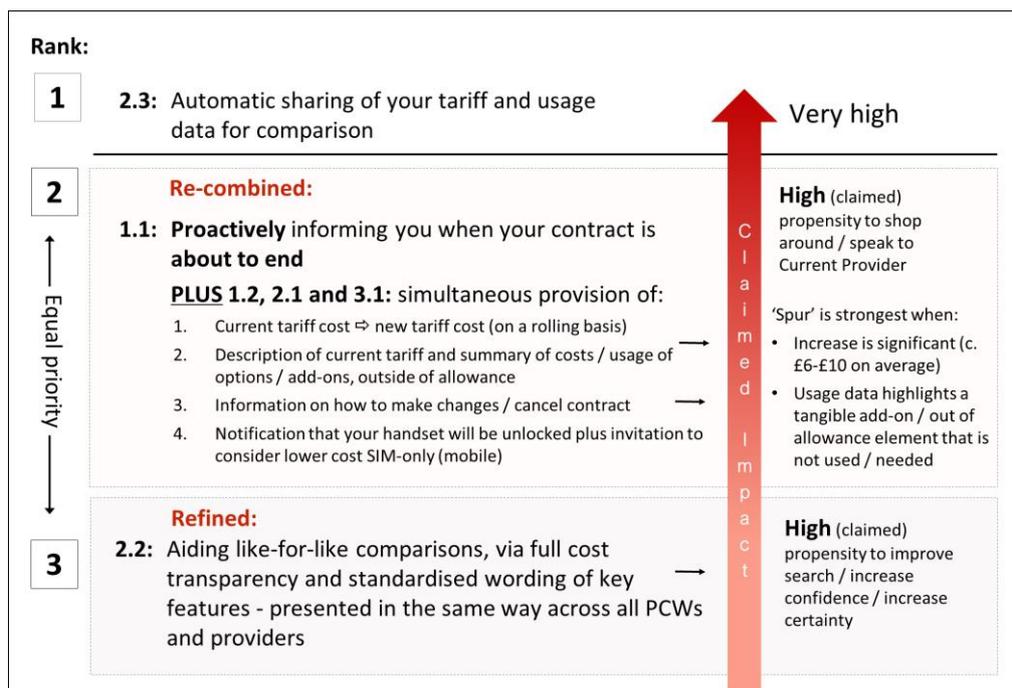
As Figure 12 above shows, when recombined and refined, automatic sharing of tariff and usage information remains at the top of the rankings. This was consistent across the sample.

Ranking second was the end-of-contract notification along with simultaneous provision of a range of additional information, that when combined, had a more powerful claimed impact on motivations to engage. This additional information, in order of priority, consisted of their current tariff and new tariff cost, a description of their current tariff and a breakdown of their usage outside of allowances, plus any add-ons and options, and information on how to make changes or cancel their contract.

Together, these additional pieces of information, when proactively sent by the provider, at a time when there is an opportunity to act (i.e., towards the end of their contract), were claimed to have a strong impact on many of the less engaged, particularly Passives and Interested.

For mobile, the simultaneous addition of a notification that their handset would be unlocked within a reasonable or specified time-frame, plus an invitation to consider SIM-only, was also ranked as high in impact.

A close third to this was a refinement to the comparison option. Making comparisons easier was felt widely to require PCWs and individual providers at Point of Sale to adopt and adhere to standardised wording of key features and variables, and present full cost transparency in the same way.

3.4.3 Specific responses to each individual potential option

In this final section, we pull out some additional detail in the response to each of the options, to support the overall rankings given in Sections 3.4.1 and 3.4.2.

3.4.3.1 Informing you about your contract end date

For this option, presented to participants and shown in Figure 13, below, there was a universal preference for notification to be towards the end of their contract, rather than at the end.

Figure 13 – Option 1.1:

For those already out of contract, calls were made for an annual notification, as a reminder, that they remained out of contract and that they were free to review their needs and their tariff, without an exit penalty.

If sent proactively and routinely, it was felt widely, that this would change the way that the communications services markets were viewed; moving away from non-conscious, non-proactive consideration, towards active and routine review. It was considered that it may not result in switching, and, would likely have no effect on many of the disengaged, i.e., Inactives. However, there was a general sense that it could prompt the less engaged, i.e., Passives and Interested, to shop around and review the deal they have with their current provider. Some felt that, over time, a more proactive stance on the part of current providers, to encourage customers to shop around, would build more trust in the market as a whole.

"We get renewal notices for other things, like car insurance, and so it should be the same."
Female, 27, triple play, Interested, Cambridge

*"It makes you think. This is all about the companies doing the chasing,
rather than me having to do the chasing. It's how it should be."*
Female, 24, triple play, Passive, Belfast

"Changes it from sneaky to more honest."
Male, 43, Pay-TV, Passive, Cambridge

For those in contract, many wanted to receive the notification at least a month before the end of their contract. Some wanted the notice period to be two months, to ensure that they had time to review their arrangements before the need to provide around 30 days' notice[43] (in the event that they chose to leave). Some wanted two notifications, one in advance and a second closer to the end as a reminder, to reduce the chances of the original notification being missed.

Some also wanted to receive the notification via a choice of communication channel / methods, again to reduce the chances of missing it. Text was the most common method called for, and after that, a choice of email or post was requested.

Irrespective of the medium, some felt that it was important for the notification to stand out and apart from 'sales and marketing' collateral they receive, so that it would not be discarded by accident. Adding the words: 'Important information inside' to a mailing or 'Important account information' in the subject line of an email or text, was thought to work well.

*"I think it'll need to look formal in some way. There's so much
bumph and junk that comes through that I just delete and bin."*
Male, 42, dual play, Inactive, Edinburgh

Finally, an end of contract notification was seen to have stronger potential for impact in the dual play, triple play and standalone Pay-TV markets than for mobile. This was due to a more widespread interest / desire to upgrade mobile handsets, which, in turn, meant a stronger level of awareness and anticipation of their contract end-date. For the other markets, it was often the case, among the less engaged, that participants had no idea of where they were in the contract, and / or whether they were still in contract.

3.4.3.2 Simultaneous notification of additional usage and tariff information

For this option, presented to participants and shown in Figure 14, overleaf, the addition of their current tariff cost and new tariff cost was singled out by many as more impactful, particularly if there was a significant difference in price.

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[43] The length of any existing notification period may vary by provider.

Figure 14 – Option 1.2:

> ## Providing additional information
> **Communications Providers to provide customers with a notification that your contract is coming to an end / is at an end, plus simultaneous provision of:**
>
> 1. Tariff / costs and usage data
> 2. The cost of your current tariff and new tariff
> 3. Suggestions on where to go to compare your tariff / costs, and usage , e.g., a list of price comparison sites
> 4. Advice on how to change / cancel your service
>
> For dual-play and triple-play:
> 1. Suggestions on where to go to check your broadband connection speed
>
> For mobile:
> 1. Advising that you have paid off your handset and can drop down to a SIM only package
> 2. Advising you that you can have your handset unlocked

By 'significant'; a price difference of between £6 and £10 per month was most often mentioned, as the 'tipping point' (among those paying over £50 per month). This was most strongly evident among the less engaged in the mobile and dual play markets, plus landline and broadband in triple play.

> *"I wouldn't be bothered if it was a pound or two.*
> *£10 and I'd definitely want to do something about that."*
> Male, 33, dual play, Interested, London

For Pay-TV, choice factors could be more complex, making it less likely that a simple price rise would strongly motivate any serious shopping around. Rather, many claimed that it would prompt the need to call their current provider to question the rise and to seek a reduction.

> *"I know I'm already paying too much, but I love my* [Pay-TV provider]*. If it went up a lot, I'd get on the phone to threaten to leave. I'm pretty sure they'd reduce it down, but if they didn't, I'd have to put up with it."*
> Female, 37, Pay-TV, Inactive, Manchester

Receiving simultaneous information about their tariff and usage impacted on some more than others. Much depended on whether the tariff and usage data revealed items and expenditure that were seen as superfluous. The discovery of an add-on that cost £x per month that was not actually being used, was typically motivational. Sight of monthly costs within their allowance had little if any impact.

> *"If there was something in there that I'd forgotten about*
> *– that I don't need anymore, then that would be useful."*
> Male, 42, triple play, Passive, Bristol

Advice on how to change their service, or cancel, was welcomed, particularly by some of the least confident and knowledgeable.

This said, if it was to have any perceived significance, the advice needed to be combined with a solid reason to consider changing service, i.e., an unexpected price hike.

Finally, provision of a list of PCWs had weaker, more variable impact. The less engaged had a limited experience of PCWs, and their overall experience of these sites during the task that we set them in this study was not positive, as covered in Section 3.2.4.3.

> *"No harm including it, but I don't think it's got the*
> *same effect as the price rise* [notification]*."*
> Female, 27, Pay-TV, Passive, Birmingham

Advice to mobile users about SIM-only and handset unlocking was also variable, depending on who it addressed. For some, it proved to be a bit of a 'revelation', having not previously considered a SIM-only solution, with contract renewal tending to dominate their thinking. For others, it had limited impact, given a desire / determination to upgrade / get a new handset. On the other hand, discovering that the handset they have now paid for may remain locked aroused some resentment. For many, it did not seem right or fair that their current provider should keep it locked after the end of the contract.

> *"That's not right. It's like buying a house and then finding*
> *out that the previous owner still has the deeds."*
> Male, 24, mobile, Passive, London

Finally, the provision of simultaneous suggestions, among fixed broadband users, on where to go to check their broadband speed, had a weak impact. Many of the Engaged knew already how to do this. Most of the less engaged didn't see the point, unless they had a reason to complain to their current provider about a slow connection. For the most part, participants felt that knowing their average connection speed had very limited usefulness when they knew nothing about the speed that was actually available from alternative providers.

> *"If I can compare what I've got with what I can get, then maybe,*
> *but pretty useless if you've just got an 'up to' number."*
> Male, 44, dual play, Interested, Cambridge

3.4.3.3 Informing you about your tariff and usage (outside of your end of contract notification)

For this option, presented to participants and shown in Figure 15, below, making tariff and usage information available to customers outside of an end of contract notification, had weaker and more variable impact.

Figure 15 – Option 2.1:

Informing you about your tariff and usage

Communications Providers to provide customers with their tariff / costs and usage data

For example: what your package includes, how much you have used in the last month, etc.

This information would be contained in a standard format that would be comparable across providers and with Price Comparison websites and other third-parties like Carphone Warehouse

The indications are that the impact could be strengthened, if this information is proactively sent to customers on a regular basis. Making it available 'on request', was unlikely to lead to a change in behaviour among the less engaged, unless they had a particularly strong reason to request it, e.g., an unexpected increase in their bill. In those circumstances, many claimed that they would normally do this anyway, and doing it did not motivate them to shop around.

In all, the clear indications are that proactive 'push' communications of tariff and usage information would have a bigger impact on behaviour than simply making this available to consumers. In particular, less engaged consumers said they were unlikely to make any serious effort to 'pull' down information, unless they already had a strong reason to want to switch, e.g. a major cause for complaint. As such, timing (if proactive) and ready availability would be key considerations.

> *"I'd need it sent to me. I'm going to forget about it otherwise."*
> Female, 38, mobile, Passive, London

> *"I'd rather it was sent. Too much like hard work to go and find it."*
> Female, 54, mobile, Inactive, Carmarthen

*"Takes the work out of it. [Current provider] is doing the
work for me, rather than me having to chase for it."*
Female, 24, triple play, Passive, Belfast

*"I'd prefer it to be available on request, but that's
probably because I'm not really interested in it!"*
Male, 48, Pay-TV, Passive, Cambridge

3.4.3.4 Making like-for-like comparisons

For this option, presented to participants and shown in Figure 16, below, the idea of standardising information and using a specific format that is comparable across all providers, was strong and positive in principle. However, this was hard for many to envisage working in practice, based on the experiences they had during the shopping around task that we set them.

Figure 16 – Option 2.2:

Making like-for-like cost comparisons

Communications Providers and other relevant bodies (e.g., Price Comparison websites) to:

- Publish **standardised** information on the price and features of products and services
- Use a specific format for this information that is comparable **across all providers**

As reported in Section 3.2.4.2, comparison for Pay-TV bundles (for participants with either a triple play or standalone Pay-TV package) was not seen to be possible. The same concerns were evident among those who sought to compare broadband speeds. Standardised information was not seen to help, unless bundles were unbundled and speed measures were guaranteed.

Many felt that it was more realistic to focus on price transparency, to better support comparisons, along with standardisation of wording and use of plain English for key features that could be compared. An example of the latter was 'minimum guaranteed speed', as opposed to 'faster broadband' from one provider and 'fibre' from another. The issues around price transparency are reported on in Section 3.2.4.4, and centre around the need to make all payable costs prominent, using a format that is the same across all aggregators and individual providers.

In all, discussion within the focus groups led to a suggested refinement to Option 2b, as shown in Figure 17, overleaf:

Figure 17 – Revised / refined version of Option 2.2:

Aiding like-for-like cost comparisons

Communications Providers and other relevant bodies (e.g., Price Comparison websites) to:

- Present all payable costs transparently
- Use standardised wording for all key features
- Use a specific format for this information that is the same across all providers and other relevant bodies

3.4.3.5 Automatic sharing of your tariff and usage data

For this option, presented to participants and shown in Figure 18, below, the essential idea was the use of a 'code'[44]. At face value, at least, the idea of using this code to 'do the shopping around on their behalf', was very positive, across most of the sample.

Figure 18 – Option 2.3:

Automatic sharing of your tariff and usage data for the purposes of comparison

Communications providers to:

Provide you with a 'code' that holds information on your current tariff, average usage and end-of-contract information, in a standard format

You can enter this code into a third-party website, e.g., Price Comparison site, alternative provider, Carphone Warehouse

This will enable a comparison of current deals, based on your existing tariff, costs and usage

In principle, this was attractive to many participants because it was thought to take the burden of responsibility away from them, i.e., the responsibility to find a deal that was right for them. Rather than them, it was widely envisaged that their current provider would do the work of creating the code, and that alternative providers (or other third parties) would do the work to provide comparable deals in relation to this code. It was also said by many that the code might take the anxiety away in not requiring them to understand the jargon or cope with what they felt they didn't know.

---

[44] This option was presented exactly as worded in Figure 18, i.e., as a conceptual idea. No examples of it, that showed ways in which the code could be used or implemented, were shown. As such, caution is required, given that actual methods of implementation may change how the concept itself is responded to.   Caution is also required with regard to participants' perceptions of ease and removal of the burden of responsibility for finding the best deal. Whilst the code might actually assist in identifying possible deals on their behalf, few if any participants spontaneously considered that the code might not overcome the other difficulties in comparing such deals (as identified in this research). As such, it is possible that the code might not, in reality, take all of the work out of the task of shopping around. Given the conceptual nature of this option, it was not possible to explore this possibility.

"Bliss, it's like someone else doing it all for me."
Female, 27, triple play, Passive, Edinburgh

"11 out of 10. Brilliant idea."
Female, 43, triple play, Passive, London

On consideration, some had doubts about the idea, regarding control and efficacy. Some of the more Engaged wanted to shop around themselves, believing that they were best placed to make judgments about deals. The code also threatened to take away their opportunity to haggle. Some of the less engaged expressed concerns about privacy and accuracy. Did it contain personal information that could be passed on to third parties? How do they know that the offers presented to them are actually the right ones?

"Very good, so long as I can still haggle."
Male, 32, mobile, Engaged, Manchester

"Will it contain the right information?"
Female, 27, Pay-TV, Passive, Birmingham

"Does it contain any personal information? That'd be a no-no."
Male, 62, triple play, Inactive, Edinburgh

Overall, the initial response was highly positive, based on the core benefit of burden relief. However, this could give way to concerns about how the technology would actually work in practice. Some ultimately wanted to reserve judgment.

3.4.3.6 Finding out about the experiences of others

For this option, presented to participants and shown in Figure 19, below, there was strong and widespread appeal in principle, but some scepticism of its actual value in practice.

Figure 19 – Option 2.4:

> # Finding out about the experiences of other consumers
>
> Communications providers to provide information on the quality of services that have been experienced, on average, by **typical consumer groups**
>
> For example: customer satisfaction data or the actual broadband speeds achieved.

In principle, the idea of being able to gain easy access to someone else's experience was very positive. It reminded many of review sites, in a variety of markets, helping consumers to make better decisions by being drawn to products and services that were well reviewed, and steering clear of those that were poorly reviewed. In this, many participants were well versed in making judgments based not just on the ratings themselves, but the number of ratings. Higher numbers, showing a similarly good or poor rating, were reassuring. Low numbers, whether the ratings were good or bad, were perceived as untrustworthy.

The idea behind option 2.4, was potentially positive in the same way, if the numbers were high and ratings consistent. Views of this were very much dependent on the level of the rating. High interest was evident for general service quality measures, e.g., call response times. If the numbers were high and the rating consistent, this would provide valuable information about the performance of different providers.

Much lower interest was evident for high level ratings for services that varied significantly at a very local level. Broadband speeds and mobile signal coverage were two key examples mentioned. Many were sceptical that the experiences of 'typical consumer groups' would have any bearing on their decision to switch to another provider, at this very local level.

> *"Not sure it would work. I've got a slow speed and my friend who lives less than a mile away, has got a very fast speed."*
> Female, 46, dual play, Passive, Birmingham

For Pay-TV, experiences were felt by many to be more complex and not just about higher-level service quality indicators, but about subjective and intangible likes and dislikes, programme quality and 'repeats', usability of features and interfaces. It would seem to be difficult to rely on 'typical consumer groups', unless rating attributes were very tangible and restricted, again, to higher level service quality indicators.

Even then, some participants felt that this could be misleading, given sometimes their own experience of being prepared to tolerate poor service quality (and high cost) because of their 'love' of the content that is only available from that provider.

> *"Everyone's different. I prefer my own personal experience, or people I know."*
> Male, 42, Pay-TV, Interested, Stirling

> *"It's hard to know what people are basing their experiences on. People can be real whingers and moan about the oddest of things."*
> Female, 52, mobile, Passive, London

3.4.3.7 Joining a Switching Club[45]

For this option, presented to participants and shown in Figure 20, below, there was generally very low awareness of the underlying idea. As such, the option required a lot of explanation in order for people to be able to reach a view about it.

Figure 20 – Option 2.5:

Joining a Switching Club

The set-up of **Switching Clubs**: an independent third-party (not a communications provider) that uses consumer data (and other relevant information) to select the best offer on the market for you

They would also sign you up for this (with your permission)

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[45] Switching Clubs have been used in other sectors. For example, for energy and gas. In these sectors, broadly, they work as follows: (i) customers register by inputting their energy consumption information using a recent energy bill or annual statement, (ii) energy companies offer prices for the collective: a one-day auction takes place, and the company offering the lowest energy price wins, (iii) the customer then gets a personal offer, (iv) the customer chooses whether to accept the offer or not – there is no obligation to switch.

Once understood, views were generally very mixed. Some found it difficult to see how it could work for triple play and Pay-TV in particular, given lack of like-for-like comparability and choice being based on the value of content and features, and not purely price.

"It's not just about price. I can't see it working for TV."
Male, 32, triple play, Engaged, Swansea

Others were put off by the time and effort required to have to input their tariff and usage data. Many of the less engaged did not feel particularly confident and well qualified to do this. In any event, this idea tended to presuppose an interest in switching. Many of the less engaged had no interest in switching.

By the same token, a Switching Club held more appeal among the most strongly Engaged in the sample, who, by definition, saw the benefit of gaining a better deal though collective buying power.

Ultimately, most saw the concept as relevant to highly commoditised markets, like energy, which entailed much lower risk and hassle of switching. Some acknowledged that this could be a function of lack of familiarity.

3.4.3.8 Helping alternative providers to reach you

This option, presented to participants and shown in Figure 21, below, was roundly rejected.

Figure 21 – Option 1.3:
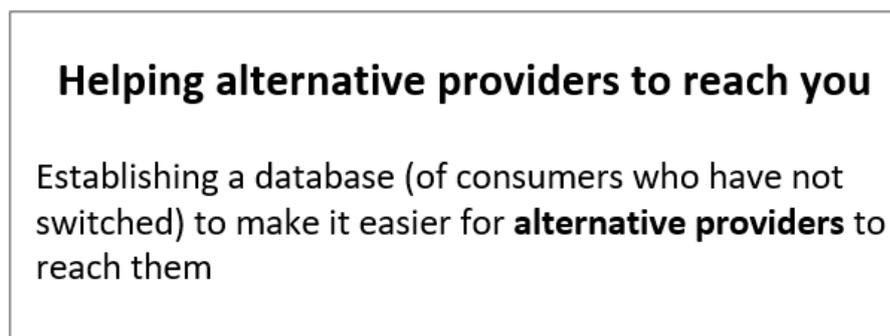
It held particularly negative associations with 'cold-calling' and nuisance calls. This led to a fear of being bombarded and 'hounded' by all and every kind of alternative provider. Concerns were also expressed about the security of the data collected, with further fears that the personal details could fall into the hands of other kinds of third parties.

These perceptions appeared to be very difficult to challenge.

"No way. No. Absolutely not. It's an open invitation to be bombarded."
Female, 32, mobile, Interested, Belfast

"Definitely not. Put it in the bin."
Male, 57, Pay-TV, Passive, Cambridge

3.4.4 Overall summary of responses to the options when recombined and refined by the participants

In all, and by way of conclusion, the indications suggest strongly that the following options had the strongest potential impact on support and motivations to engage:

- 1.1 (notification of contract end date) in combination with:

  - o 2.1 information about their current and new tariff

  - o 1.2 summary of usage, and help on how to make changes / cancel

  - o 3.1 in the case of mobile, information on handset unlocking (plus an invitation to consider a lower-cost SIM-only alternative)

- A revised version of 2.2 (aiding like-for-like comparisons via cost transparency and standardised wording of key features across providers and PCWs).

2.3 (automatic code) can also be seen, in principle, to have potential, but caution is required, given the conceptual nature of this option. See footnote 46.

4. Appendices

Contents

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4.1 Approach adopted in the focus groups and individual interviews

The following documents show in detail the approach we took in the focus groups and individual interviews that we conducted at Stage 1 and Stage 3:

Stage 1 – Barriers to Engagement

_____

Re-cap of Objectives for Stage 1:

Overall:

- To gain and develop understanding of the background and context to engagement, at an unprompted level

- To capture this understanding in the form of a set of benchmarks for comparison after the Stage 2 task in our discussions at Stage 3

- To brief respondents on their use of the diary for the in-the-moment capture of engagement experiences during stage 2.

In detail:

Benchmarking: To gather spontaneous, unaided views on the following:

- Their current comms services / packages (Mobile and at home)
- Reasons / rationale for choosing their current [MOBILE / DUAL / TRIPLE-PLAY / STANDALONE PAY-TV] package and provider
- CURRENT engagement, if any
- BARRIERS and DRIVERS to engaging, if any
- Attitudes to EXISTING and potential, ALTERNATIVE providers

Briefing: To brief them on the task for Stage 2:
- ALL: To shop around for the best deal for them
- HALF of each group: to assess their usage, prior to shopping around for the best deal

Stage 1 – Benchmarking and briefing
Discussion / Interview Guide – Final – 10th August 2017

1.   INTRODUCTION
• Who we are, what we do, our independence
• Explain the 'journey' that they are embarking upon – what we will be doing and why
• Put them at ease: informal, no right or wrong, not a test, etc.
• Answer any basic questions they ask
• Explain the room, i.e., audio and video recording
5 mins
2.   PARTICIPANT INTRODUCTION
VERY BRIEFLY, go around the table, one at a time . . .
• Work (if relevant)
• Home, family (household composition)
• What they and others in the household make use of, communications and technology-wise, i.e., house phone, fixed broadband, Pay TV, devices, etc.
• **CHECK:** Personal use only? Or business use as well?
10 mins
3. WARM UP – MOBILE GROUPS:

Let's talk about the mobile phone you have
- What kind of phone is it (brand, model, OS, network service provider)
- What do you do on your phone?
- What don't you do? Why?
- How long have you had the phone / been with your current phone network service provider?
- What is their package? How do they describe it (Pre-pay, post-pay, minutes, SMS / text, data, length of contract (if post-pay)? Or in other terms?)
- If PAYG, do they purchase a bundle up front (no contract) or do they top-up as they go?
- **WRITE DOWN:** What do you pay per month (roughly)?

CHECK: Personal and business users in the group:
- o   Are they on a business or personal tariff?
- o   What, if anything, is different about a business tariff?
- o   What difference, if any, does a personal tariff make when using your phone for business?

10 mins

3. WARM UP -DUAL / TRIPLE-PLAY GROUPS:
Let's talk about the landline and broadband (and TV) package you have
- For your landline, your usage? For calls? How often, if at all?
- For broadband, what do you have it for? How do you feel about the speed? How would you describe it? (probe if necessary for superfast, Infinity, standard, fibre, etc.)
- For Triple-Play, what TV package do they have? (Do they subscribe to additional, higher-cost, channels, e.g., sports, movies, kids channels)
- How long have you had your package with your current provider?
- **WRITE DOWN:** What do you pay in total per month, including all elements, (typically)

CHECK: Personal and business users in the group:
- o   For their landline and broadband, are they on a business or personal tariff?
- o   What, if anything, is different about a business tariff?
- o   What difference, if any, does a personal tariff make when using your landline and broadband for business?

10 mins

3. WARM UP – STANDALONE PAY-TV GROUPS:
Let's talk about PAY TV package you have
- What TV package do you have, and which provider? (Do you subscribe to additional, higher-cost, channels, e.g., sports, movies, kids)?
- How long have you had your package with your current provider?
- Who (if at all) do you have your broadband (and landline) service with?   Why is this / are these a different provider to your PAY-TV service?
- **WRITE DOWN:** for your PAY-TV service, including all elements, what do you pay per month (typically)?

10 mins

4. FOCUS ON GENERAL DECISION-MAKING
Explain: Let's start by asking you to think about the deal / package you currently have.

Understanding their contract:
- Let's start by telling me what you have in your package
- How well do you understand what it is that you are paying for?
- How, if at all, do you keep track of this?

Why choose the deal / package you have?
- When did you take up the package you currently have?
- What made you choose the package you have? What else?
- What was the **most important** factor that you considered? Why?
- What now seems, in retrospect, to be less important? Why?

How did you make the decision?
- Did you decide yourself?
- If not who else was involved? Who did you turn to / rely on, for help / advice? Why did you feel the need to seek help from others?

- What other sources of help / information did you seek out? What did you find to be really useful? Why?
- What was easy about the process? Why?
- What was difficult?

Level of confidence about the choice you have made
- How confident are you that you have made the right choice? **(SCORE – mark out of 10)**
- If not confident, why not?
- If confident, how do you know this?
- How **confident** are you that you are not paying more for your package than you need to?
- Does this matter? Why? Why not?
- If confident, how do they know?
- If not confident, why do they not consider changing?

Comparing what you have with what else is available
- Do you compare what you have with other packages that are available?
- If yes:
  - How often do you do this?
  - How **easy** or **difficult** is it to do this? **(SCORE – mark out of 10)**
  - If easy, what makes it easy?
  - If difficult, what makes it difficult?
- If no, why not? What stops you from doing this?

What they do by way of comparing in <u>other</u> markets
- **Check:** do you compare deals / bundles in **other** markets? Which ones? Why do you do that? Why don't you do that?
- For [car insurance / home insurance / energy], is your approach to comparing the same or different to comms?
- If different, in what way? Is it easier? Why? Is it more difficult? Why?
- If you don't compare in other contexts, why not?

OVERALL, taking everything into account, your level of certainty that you have got the BEST deal / package for you / your household

(Important here to keep them focused on the <u>deal / package</u>, <u>not</u> the provider at this stage)

- How certain are you that you have the best **deal** / package? **(SCORE – mark out of 10)**
- If uncertain, does this matter? Why? Why not?
- If certain, how do you know? What tells you this?
- **CHECK:** What does **'BEST'** mean? What are they thinking when we say 'best'

NOTE differences across the types (Inactive, Passive, Interested, Engaged), but do NOT PROMPT.

	20 mins

5. FOCUS ON THEIR <u>CURRENT</u> PROVIDER
Let's talk (a little more) about who you're with for your [mobile phone network service / landline and broadband / landline, broadband and Pay-TV/ Pay-TV only] package . . .

- How **satisfied** are you with your current provider? (**Get SCORE (mark out 10) from each participant**)
- Why this score? **(focus discussion on / between subgroups who give different score ranges)**
- How **confident** are they that their **provider** is the 'best' on the market? **(GET SCORE - Mark out of 10)**
  - Why this score **(focus on subgroups who give different score ranges)**
  - If confident, how do they know / determine that their provider is best?
  - **What does 'BEST' mean? (Explore this fully)**
  - If not confident, how do they feel about this?

	5 mins

6. FOCUS ON <u>ALTERNATIVE</u> [MOBILE NETWORK OPERATORS / LANDLINE & BROADBAND / LANDLINE, BROADBAND & PAY-TV / PAY-TV ONLY] PROVIDERS

Explain: What are your thoughts and feelings about other providers of your service(s) . . .

What, if anything, you know about other providers:
- How much do you feel you know about other providers?
- How do you know? How do you pick up on information about them?

How you feel about other providers
- How trustworthy are they? Why do you say this?
- Which ones are trustworthy / less trustworthy / not trustworthy at all?
- What makes one more trustworthy than another?

Comparing other providers with your current provider
- Do you compare you provider with others that are out there?
- If yes:
  - How often do you do this?
  - How **easy** or **difficult** is it to do this? **(SCORE – mark out of 10)**
  - If easy, what makes it easy?
  - If difficult, what makes it difficult?
- If no, why not? What stops you from doing this?

10 mins

7. FOCUS ON CURRENT ENGAGEMENT (IF ANY)

Explain: When we asked you to attend today, we went through a series of questions about what you have done in the past, and what your current thinking is about changing provider, or reviewing your deal / package with your current provider

- **[Engaged group]** – what makes you **active**ly interested in looking around / checking on alternatives / reviewing what your current provider has to offer?
- **[Interested group]** – What makes you **open** to the idea of changing your provider / reviewing what your provider offers? What, if anything, stops you from going further, to actually make a change, at this time? What, if anything, is difficult about it?
- **[Passive group]** – Why no interest in looking around / checking on alternatives / reviewing what your provider offers, given that you have done so in the past? What drove you before, but stops you now? What, if anything, is difficult about it?
- **[Inactive group]** – Why no interest in changing your provider, looking around for alternatives / reviewing what your provider has to offer?   What stops you? What, if anything, is difficult about it?

5 mins

8. BRIEFING FOR STAGE 2

MODERATOR: Explain – when we part company today – and before we come back together, we want you to have a really good go at:
- *Shopping around to find the best tariff / package for you*

EMPHASISE: we need you to report to us, through a diary, **what** you do **at the time** that you do it and your experience of this, and to be sure we understand your thinking.   We need to be able to follow what you do, and understand how what you have done allows you, at the end, to be certain that you have found the best tariff / package for you.

NOTE ALSO: There is no right or wrong way to do this. We make absolutely no judgement about this. Please do whatever you think is best. All we want to do is to follow and understand what you do. This is not a test!

STRESS: You do **not** have to switch or extend your existing contract!! There is no obligation for you to do so. If you decide to sign a new contract, we must make it clear that it is entirely your own decision to do so.

CHECK first on who is online and who is not online (and brief for the online and paper-based diary accordingly)

5 mins

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9. ADMINISTER THE ADDITIONAL TASK

ASK HALF THE GROUP TO LEAVE

For the REMAINING HALF, explain: BEFORE you go off and start shopping around, we would like you to check on your USAGE first:

HAND OUT ADDITIONAL SHEET:

FOR MOBILE – HAND OUT SHEET:
Please have a read through this. As you will see, there are some questions about the usage you make of your phone. What we are asking you to do is to go and find out what you actually use.

WE WILL BE IN TOUCH TO CHECK ON WHERE YOU ARE WITH THIS. PLEASE LET US KNOW WHEN YOU HAVE COMPLETED THESE QUESTIONS. WE WILL THEN SET UP YOUR DIARY FOR YOUR SHOPPING AROUND TASK

5 mins

Stage 3 – Assessment of Barriers to Engagement (after the 'shopping around' task)
_____

Re-cap of Objectives for Stage 3

- 'Deep-dive' sessions to capture the full range of experiences after participants have been asked to engage in the market (at Stage 2)

- A full and comprehensive assessment of the key barriers, limitations and drivers for engagement. Compare experience to expectations cited in Stage 1.

- Understand the experience of less engaged consumers when navigating the market to find the best deal

- Specific assessment of 'rules' and methods used to shop around and barriers to those methods not used

- Brainstorming for spontaneous ideas (prior to assessing responses to the proposed options) with the aim to improve the experience of comparing and seeking the best deal and encourage engagement among those less inclined to do so.

- Testing, assessment and development of the proposed options.

Stage 3 – Master version – Reconvened focus Groups

Discussion / Interview Guide – FINAL – 16[h] September 2017

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1. INTRODUCTION / ORIENTATION
- Welcome
- Describe what we will cover in the session today: To learn about their experiences when conducting the task, get their ideas of ways in which shopping around for the best deal could be improved, and to get their views on some suggested improvements
- Remind: no right or wrong, not a test, etc.
- Answer any basic questions they ask
- Remind: audio and video recording

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2. FOCUS ON THE TASK AND THEIR EXPERIENCES

2a. Key start-points, planning and usage assessment

Open up for general discussion – keep at a high level

- Opening question: How did the experience of doing the task compare with what you expected? Easier? The same? More difficult? **(Go around the table)**

- **THEN:** key **WORDS** to describe their experience. **(Shout them out – no detailed at this stage – key top-of-mind thoughts and feelings – write up on flip chart)**

Focus on key words that emerge (positive and negative) and probe for elaboration – brief examples

- What were the key, standout difficulties?
- What was particularly surprising / easier than expected?
- Check on **scores** for certainty - that they found the best deal **– and how this compares to Stage 1 (check against scores given at Stage 1)**
    - o If not certain – why?
    - o If certain – what tells them this?
- Was this a better deal than their own? Or did they discover that their current deal was the best?
- **Would they do this again (off their own bat)? Why? Why not?**

7 mins

2b. Focus on planning, approaches and methods of shopping around
Let's take it step by step, starting from the very beginning of the task

Planning (VERY BRIEFLY!):
- How much planning did they do before they started assessing the market? **(Refer to diary record)**
- Did they stick to this plan? If not, why? **(Refer to key patterns from diaries)**
- Any specific difficulties when planning? Frustrations? What? How?
- What rules, if any, did they apply when thinking of the approach they would take? Why? **Probe for their thinking / reasoning behind the approach they took**
- Did they think about their needs? What they used? Why? Why not?
  Check for any spontaneous mention of usage assessment (and note this for later)

Let's look at the different approaches you took:

For each method undertaken (and their order), probe for:
- Why this method? Why more than one method?
- **Check:** was this the first time they tried this? How confident did they feel?
- Why this order? What 'rules' did they apply?
- What motivated them to keep looking?
- What was off-putting / made them stop, or made them adopt a different approach / method? Why?

Focus on reasoning / pros / cons of key patterns (see opposite)
- Online only
- Online and then offline
- Conversations
- Offline only
- Advice first- (reviews, friends and family)
- Current provider first
- Current provider last

Probe further for specifics (PROs and CONS) for each method – (randomise order) – KEEP BRIEF AND HIGH LEVEL
- Comparisons sites
- Review / guidance / recommendation sites
- Visiting stores
- Specific comparison tools (e.g., Broadband Unbundled)
- Advice / experience of friends and family
- Visiting provider sites directly
- Visiting / calling their current provider

Overall (bring them back to a higher level):

- How did the method(s) they chose compare with expectations?
- Was the information they obtained useful? Understandable?
- If certain, what tells them this?
- If uncertain, why?

10 mins

2c. Focus on detail of methods <u>not</u> considered

Explain: May we just look again at these methods that (some / most / all of) you did not use:

- Why not choose this method?
- **Prompt if necessary:** Lack of awareness? Perceived difficulty / hassle? Low confidence that it would deliver a result? Or what?

In all of the above, NOTE differences across the types (Inactive, Passive, Interested, Engaged)

5 mins

2d. Focus on their experience of alternative providers
Explain: Let's talk about any alternative providers you had any contact with . . .

Then probe:

- **Why** choose particular providers?

    o   How serious were you about actually considering moving to them?

    o   If not serious, why look at them?

- **How** did they choose them? What 'rules' did they apply? (e.g., largest, most reputable, most strongly recommended)

- What were the key factors that you were assessing these alternative providers against?

    The deal / package, e.g., coverage, speed, allowances, channel content, etc.

    - 'Like-for-like specifics of your current deal ('same for less')
    - Any additions to your current deal ('more for the same money' / 'more for less')
    - What were these additions, and what impact did they have? (e.g., free gifts, music subscription, Netflix for a period of time, additional channels, etc.)

    The service level (e.g., service quality, reputation, recommendation, etc.

    - How did you assess these? (check this against list opposite)
    - Did you compare these against your current provider? How?

- Overall, what was most easy and most difficult to assess and compare?

- What, if any aspects did you want to assess and compare, but couldn't? Why?

- Any change in your view of them? **Check on trust levels**

10 mins

2e. Focus on the role, if any, of their current provider
Explain: Tell me about any contact you had with your current provider . . .

CHECK: did they contact their current provider? Was this first, mid-day, or at the end of their task? Why at this point?

Then probe - BRIEFLY:

- Why contact your current provider? What was your reasoning / thinking?

- What did they want / expect / discuss? Were they enticed to stay? What were they offered? What impact did this have?

- Does any kind of loyalty scheme apply? What impact does it have, if any?

- What difference, if any, did this make when it came to finding the best deal?

- Satisfaction now? **(compared to Stage 1) - SCORE**

3 mins

2f. Focus on usage information

Explain – when we met last time, I gave half of you a short questionnaire, asking about your usage. May I talk to you first and then I will come to those who did not fill in the questionnaire [ROTATE the order of this across the groups]

For those who were asked to obtain usage information (prior to the task)

- **How** did you go about finding out your usage? What did you use? Contact provider, check on phone, account, billing? Why these?

- How **easy or difficult** was it to obtain? Which specific things were difficult? Why?

- **How**, at all, did the consideration of your usage help? Did it help to find the best deal? In what way? Why not?

- Did you assess your own package against your usage? Why? Why not? What did you find?

    IMPORTANT: Check:

- Did you find you were already on the best deal for your exact needs?

- Or, did you / will you make changes to reduce costs, **whilst still meeting your needs,** (e.g., drop to a lower speeds package, removing channels you never watch, etc.)?

- Did you make any changes? What? Why? Why not?

- What would make you change?

- Did you think of 'unbundling' in any way? (e.g., switching from one provider to separate providers for each service? Why? Why not?

For those who were <u>not</u> asked to obtain usage information (prior to the task)

- Did you consider your actual usage at any time during the task? How? Why? Why not?
    If so, apply probes above: In retrospect: in what way might consideration of your actual usage have helped? Why? Why not?

7 mins

2g. Focus on contract end dates
DUAL & TRIPLE PLAY only

Quick checklist of probes:
- Do you know what your contract end dates are?
- Do they all end at the same time?
- Who, if anyone, has experience of services with different contract end dates / or some services in, and some out of contract – with the same provider?

- **IF SO:**
    - Were you notified of this – before you agreed to it?
    - What else were you told?
    - Have there been any problems / concerns with it? Has the price increased with any of the other contracts?

IF NECESSARY: provide an example:
You buy a new service, to add to the ones you have, from the same provider. You then upgrade or downgrade one of the services you already have. Upgrading or changing one of the services extends the length of the contract for that service
You must then wait to the end of the longest contract to switch, to avoid an exit fee. One alternative is that you pay for your landline rental for 12 months upfront and the broadband service with the same provider is in contract for 18 months.

4 mins

2g. Overall outcome

Explain: let's take a step back from the detail.   BRIEF REFLECTION OF THE OVERALL TASK EXPERIENCE

Looking back, how do you feel about the whole of the exercise?

- Key things that were **easier** than expected?

- Key things that were **more difficult**? (What was the nature of the difficulties?)

- Would you do it regularly now? Why? Why not?

- What would be the benefit of doing this regularly?

IMPORTANT, overall:

- What **currently works best to prompt you** to assess your current deal, search for a better one, or negotiate with their provider?

- What **currently works best to improve** your search? (Make it easier, more successful, simpler, faster)?

5 mins

2h. Conduct BRIEF brainstorming exercise

Explain: I've got some ideas to show you in a minute, but first, let's do a bit of brainstorming to see what ideas you can come up with. GET THINKING GOING FOR:

1) Ideas that **could work best to prompt you** to assess your current deal

2) Ideas that **could work best to prompt you** to search for a better one, or negotiate with your provider?

3) Ideas that could **work best to improve** your search? (Make it easier, more successful, simpler, faster)?

5 mins

3.   FOCUS ON PROPOSED OPTIONS

3a. Show proposed options, one at a time

Explain: Let me show you some ideas that Ofcom have developed. These are rough ideas – and I would like your views on each of them and any suggestions you have for improving them.

MODERATOR:

Show each option, one at a time (CHECK order of BOARDS)

CHECK ORDER / ROTATIONS

THROUGHOUT, PROBE:

1) What, if anything, **works best to prompt them** to assess their current deal

2) What, if anything, **works best to prompt them** to search for a better one, or negotiate with their provider?

3) What, if anything, **works best to improve** their search? (Make it easier, more successful, simpler, faster)?

GENERIC PROBES FOR <u>EACH</u> BOARD:

Obtain spontaneous views to begin with and then probe:

- What 'problem' is this idea trying to solve? **(prompt with Barrier (back of board), if uncertain)**
- How easy is it to grasp / understand? **Check by asking them to describe it in their own words)**
- How might this idea be **improved**? What could be added or changed?
- **OVERALL – Get SCORES** for the idea's importance, and its ability to solve a problem

   CHECK BACK OF BOARD:
   ALWAYS apply <u>specific</u> probes for each individual remedy
   Facilitate, if necessary, with additional detail / explanation

<u>**FOR THE BUILD Exercises:**</u>
2.2 – Making Like-for-like comparisons
2.1 – Informing you about your tariff and usage
2.1a – Providing additional information

FOR EACH:
- **Show Board first – and apply specific probes**
- **FOR 2.2 – HAND OUT PCW SCREEN SHOT – to facilitate discussion of like-for-like cost comparisons**
- **Then hand out WRITE DOWN exercise – check Option number and group (Mobile, DP, TP and STV)**
- **CHECK that they understand the question AND EXPLAIN FURTHER IF NECESSARY**
- **Discuss their responses and encourage them to BUILD on this – what ELSE is important / has an impact**

62 mins

3c. FINALLY, CONDUCT OVERALL SORTING TASK

Explain: Now that we have looked at each of these, I'd like to finish by putting each them into one of three piles:

- Works well
- Could do with improvement / refinement
- Doesn't work for me

3 mins

Thank and close
_____

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4.2 Usage exercise – questionnaires

The following sub-sections include a copy of the exercise for each service type that we placed with half of the participants in each focus group at the end of Stage 1:

4.2.1 Usage questionnaire for Mobile users

PLEASE <u>FIND OUT</u> AND TELL US ABOUT THE ACTUAL USAGE YOU MAKE OF YOUR MOBILE

BEFORE, you conduct the diary exercise I have just described, please find out about your actual usage, as follows:

Q1.   Please **find out** how much use, on average, you make of your mobile for each of the following:

	On average, per month:	**Please write in, below:**
A	The number of **minutes** you use when making calls to mobiles or standard landline numbers	
B	The number of SMS texts you send	
C	The number of MMS (pictures, clips, etc.) you send (using your network operator's service, **not** via WhatsApp or other online message services)	
C	The number of minutes you use when calling any 08 numbers (084, 087)	
D	The number of minutes you use to make international calls	
E	The amount of data (Gb) you use	

Q2.   Where did you go to find this information? Please list one or more places that you went to.

_____

_____

_____

Q3.   Overall, how easy or difficult was it to find this information (at Q1)?

A	Very easy	
B	Fairly easy	
C	Neither easy nor difficult	
D	Fairly difficult	
E	Very difficult	

Q4.   In all of the above, What, if anything, was **most** difficult to find?

_____

Q5. How often do you travel abroad, each year?

A	Never	**THAT'S IT – WE WILL CONTACT YOU TO ASK YOU FOR THIS INFO, ONCE YOU HAVE COLLECTED IT**
B	Once a year	
C	2-3 times a year	
D	4-6 times a year	**PLEASE GO TO Q6**
E	6-12 times a year	
F	More than 12 times a year	

Q6. On the occasions that you travel abroad, how frequently do you use your mobile, i.e., by setting it to roaming?

A	Always	
B	Nearly always	
C	Occasionally, when necessary	
D	Rarely, if at all	
E	Never	

THAT'S IT – WE WILL CONTACT YOU TO ASK YOU FOR THIS INFO, ONCE YOU HAVE COLLECTED IT

4.2.2 Usage questionnaire for Dual-Play participants

PLEASE FIND OUT AND TELL US ABOUT THE ACTUAL USAGE YOU AND YOUR FAMILY MAKE OF YOUR LANDLINE AND BROADBAND SERVICE AT HOME

BEFORE, you conduct the diary exercise I have just described, please find out about your household's actual usage of your landline and broadband, as follows:

Q1. Please **find out** what your average connection speed is for your fixed broadband. By this, we mean your **actual** average connection speed, **not** the advertised speed:

		Please write in:
A	Your actual average connection speed in Mbits/s:	

Q2. Where did you go to find this information? Please list one or more places that you went to.

_____

Q3. How easy or difficult was it to find this information (at Q1)?

A	Very easy	
B	Fairly easy	
C	Neither easy nor difficult	
D	Fairly difficult	
E	Very difficult	

Q4. **Typically,** (in an average day and evening) which of these statements best describes **how frequently** all in your household (including yourself) access the internet at home?

A	Almost all of the time	
B	Several times an hour	
C	Around once an hour	
D	Less than once an hour but more than 6 times per day	
E	Between 6 and 3 times per day	
F	Once or twice a day	
G	Less often than once per day	

Q5. At most, how many devices in your home (e.g., mobiles, tablets, laptops, PCs, smart TVs, games consoles, etc.) that access Wi-Fi **at the same time**?

A	One	
B	Two	
C	Three	
D	Four	
E	Five or more	

Q6. Which, if any, of the following **streaming activities** do you and your family spend time doing? **PLEASE TICK ALL THAT APPLY**

A	Streaming film (e.g., watching Netflix on TV, tablet, laptop, etc.)	
B	Streaming music	
C	Streaming for games (via a games console or computer)	
D	Any other kind of streaming? (Please write in)	
E	No – don't stream	

Q7. Please **find out** how much your home landline is used each month for the following:

	On average, each month:	Please write in, below:
A	The number of minutes spent making calls to other standard UK landline numbers (01, 02 and 03)	
B	The number of minutes spent making calls to any standard UK mobile	
C	The number of minutes spent making calls to any business service 08 numbers (084, 087)	
D	The number of minutes spent making international calls	

Q8. Where did you go to find this information? Please list one or more places that you went to.

_____

Q9. How easy or difficult was it to find this information (at Q7)?

A	Very easy	
B	Fairly easy	
C	Neither easy nor difficult	
D	Fairly difficult	
E	Very difficult	

Q10. What, if any, additional services do you subscribe to, for your landline service?

A	Caller ID	
B	Call re-direct	
C	Voicemail	
D	Call-barring (to prevent nuisance calls)	
E	Other (PLEASE WRITE IN)	

Q11. In all of the above, What, if anything, was **most** difficult to find?

_____

THAT'S IT – WE WILL CONTACT YOU TO ASK YOU FOR THIS INFO, ONCE YOU HAVE COLLECTED IT

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4.2.3 Usage questionnaire for Triple-Play participants

PLEASE <u>FIND OUT</u> AND TELL US ABOUT THE ACTUAL USAGE YOU AND YOUR FAMILY MAKE OF YOUR LANDLINE, BROADBAND AND PAID-FOR TV SERVICE AT HOME

BEFORE, you conduct the diary exercise I have just described, please find out about your <u>household's</u> actual usage of your landline, broadband and paid-for TV, as follows:

Q1. Please **find out** what your average connection speed is for your fixed broadband. By this, we mean your **actual** average connection speed, **not** the advertised speed:

		Please write in:
A	Your actual average connection speed in Mbits/s:	

Q2. Where did you go to find this information? Please list one or more places that you went to.

_____

Q3. How easy or difficult was it to find this information (at Q1)?

A	Very easy	
B	Fairly easy	
C	Neither easy nor difficult	
D	Fairly difficult	
E	Very difficult	

Q4. **Typically,** (in an average day and evening) which of these statements best describes **how frequently** all in your household (including yourself) access the internet at home?

A	Almost all of the time	
B	Several times an hour	
C	Around once an hour	
D	Less than once an hour but more than 6 times per day	
E	Between 6 and 3 times per day	
F	Once or twice a day	
G	Less often than once per day	

Q5. At most, how many devices in your home (e.g., mobiles, tablets, laptops, PCs, smart TVs, games consoles, etc.) that access Wi-Fi **at the same time**?

A	One	
B	Two	

C	Three	
D	Four	
E	Five or more	

Q6. Which, if any, of the following **streaming activities** do you and your family spend time doing? **PLEASE TICK ALL THAT APPLY**

A	Streaming film (e.g., watching Netflix on TV, tablet, laptop, etc.)	
B	Streaming music	
C	Streaming for games (via a games console or computer)	
D	Any other kind of streaming? (Please write in)	
E	No – don't stream	

Q7. Please **find out** how much your home landline is used each month for the following:

	On average, each month:	**Please write in, below:**
A	The number of minutes spent making calls to other standard UK landline numbers (01, 02 and 03)	
B	The number of minutes spent making calls to any standard UK mobile	
C	The number of minutes spent making calls to any business service 08 numbers (084, 087)	
D	The number of minutes spent making international calls	

Q8. Where did you go to find this information? Please list one or more places that you went to.

_____

Q9. How easy or difficult was it to find this information (at Q7)?

A	Very easy	
B	Fairly easy	
C	Neither easy nor difficult	
D	Fairly difficult	
E	Very difficult	

Q10. What, if any, additional services do you subscribe to, for your landline service?

A	Caller ID	
B	Call re-direct	
C	Voicemail	
D	Call-barring (to prevent nuisance calls)	
E	Other (PLEASE WRITE IN)	

Q11. In all of the above, What, if anything, was **most** difficult to find?

_____

Q12. Please find out and make note of which paid-for channels (e.g., movies, sports, kids, etc.) TV services (e.g., multi-room, Sky Go, etc.), on-demand (e.g., Netflix) or pay-per-view services, you and members of your household watch.

_____

4.2.4 Usage questionnaire for standalone Pay-TV participants

PLEASE <u>FIND OUT</u> AND TELL US ABOUT THE ACTUAL USAGE YOU AND YOUR FAMILY MAKE OF YOUR PAID-FOR TV SERVICE AT HOME

BEFORE, you conduct the diary exercise I have just described, please find out about your <u>household's</u> actual usage of your paid-for TV channels and services, as follows:

Q1. Please find out and make note of which paid-for channels (e.g., movies, sports, kids, etc.) TV services (e.g., multi-room, Sky Go, etc.), on-demand (e.g., Netflix) or pay-per-view services, you and members of your household watch.

_____

_____

_____