



# Premium Rate Services Research

## - Presentation of Findings of Quantitative Phase

October 2010



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# Introduction

- The range of premium rate services (PRS) has grown consistently in recent years, allowing access to information, advice and entertainment services as well as facilitating audience participation in TV and radio shows.
- Whilst the Code of Practice introduced by RegTel in 2008 has played a significant role in ensuring fairness for PRS users and many providers appear to be complying with the code in the strictest sense, there are currently approximately 300 complaints a week being received in relation to PRS.
- Following the transfer of PRS regulation from RegTel to ComReg from July 2010, the Code of Practice is due to be updated. Part of this process involves a consultation exercise conducted by ComReg into which consumer research will feed.
- It is with this in mind that ComReg has commissioned Ipsos MRBI to conduct research in two phases:
  - 1) Quantitative Phase: To establish market size, incidence & usage behaviour of PRS
  - 2) Qualitative Phase: To explore PRS usage & issues more in-depth

- Key objectives from this phase of the research are as follows:
  - To understand PRS usage behaviour e.g. types used, method of accessing, frequency of accessing, estimated spend etc.
  - To assess how users find out about PRS/where seen advertised
  - To explore perceived clarity on charges and also if people are aware they can be charged for inbound PRS SMS text messages
  - To determine the degree to which problems are encountered when using PRS and the nature of these problems
  - To measure the incidence of reporting PRS issues and satisfaction with problem resolution
  - To establish awareness levels of the industry Code of Practice and association with ComReg as the regulator of PRS.

- There were two elements to the quantitative phase:

## 1) Telephone Omnibus Research (Market Sizing)

- 1,001 interviews achieved via Ipsos MRBI's Omnipoll. The sample is nationally representative adults aged 15 yrs+ (quotas applied on gender, age, region & social class).
- Fieldwork took place between 14<sup>th</sup>-25<sup>th</sup> September, 2010.
- The margin of error on the total sample is +/-3.1% at a confidence interval of 95%.

## 2) Online Survey (Understanding of PRS & Non PRS Usage)

- 1,197 interviews achieved amongst those aged 11 yrs+, using the *Irish Opinions* access panel
- Weights applied at analysis stage to reflect Irish population (gender, age, region & social class)
- Fieldwork took place between 29<sup>th</sup> September-8<sup>th</sup> October, 2010.
- All respondents had to have use of a mobile phone.
- Parental consent was required for interviews amongst 11-14 year olds.
- The margin of error on the total sample is +/-2.8%. On PRS users (N=537) it is -/-4.2%.

- **General notes: data is from the online survey unless otherwise indicated.**

**Any figures shown by demographic group in this report are statistically significant**

# Findings

## Definition of PRS

Goods & services you can buy by charging the cost to your phone bill.

Examples include:

- TV voting (e.g. Ireland's Greatest)
- Entering competitions by either texting your entry or dialling a number
- Downloading ringtones, games, videos & wallpaper to your mobile phone
- Directory services are excluded
- Getting sports alerts by SMS to your mobile phone
- Chatlines, dating services
- Texting a TV or radio comment line



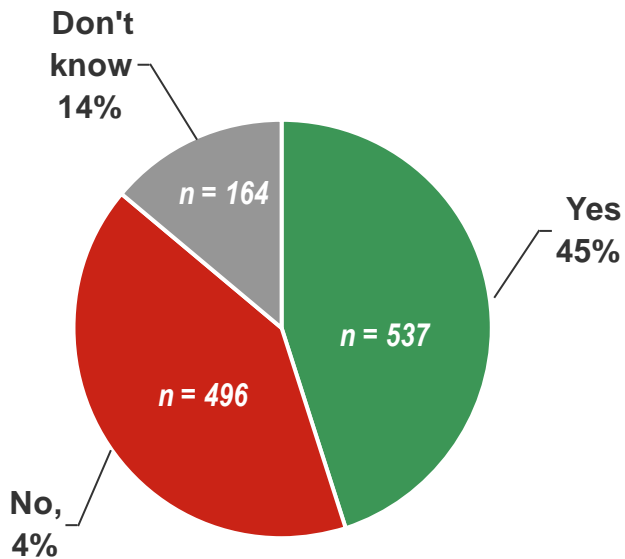
# Incidence Of Ever Using Premium Rate Services

ALL

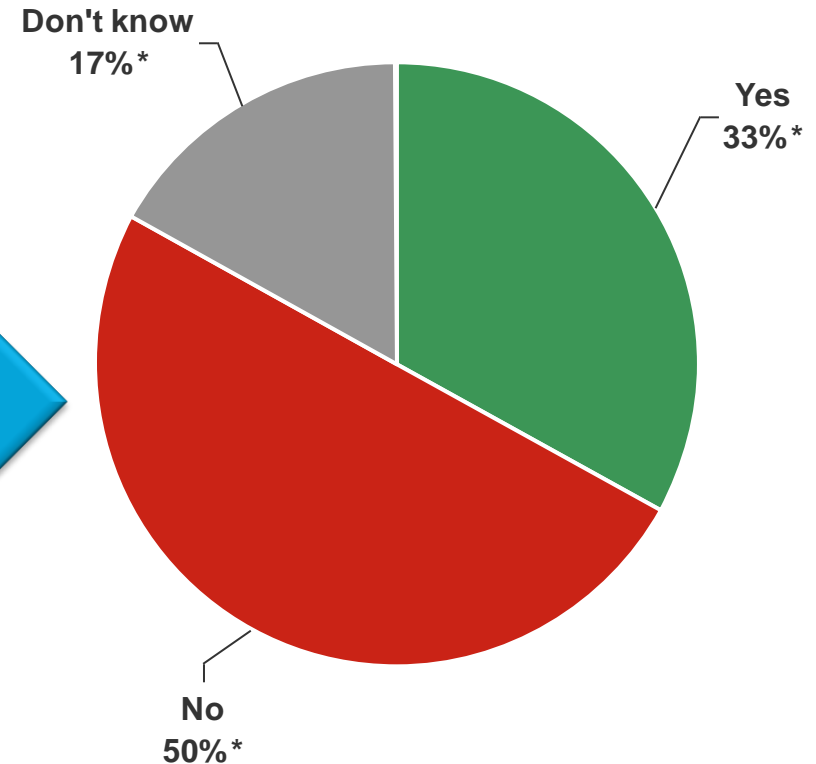
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Q.1 Have you ever used a premium rate service?

Total online response for PRS use



Total online response for PRS use adjusted to be nationally representative

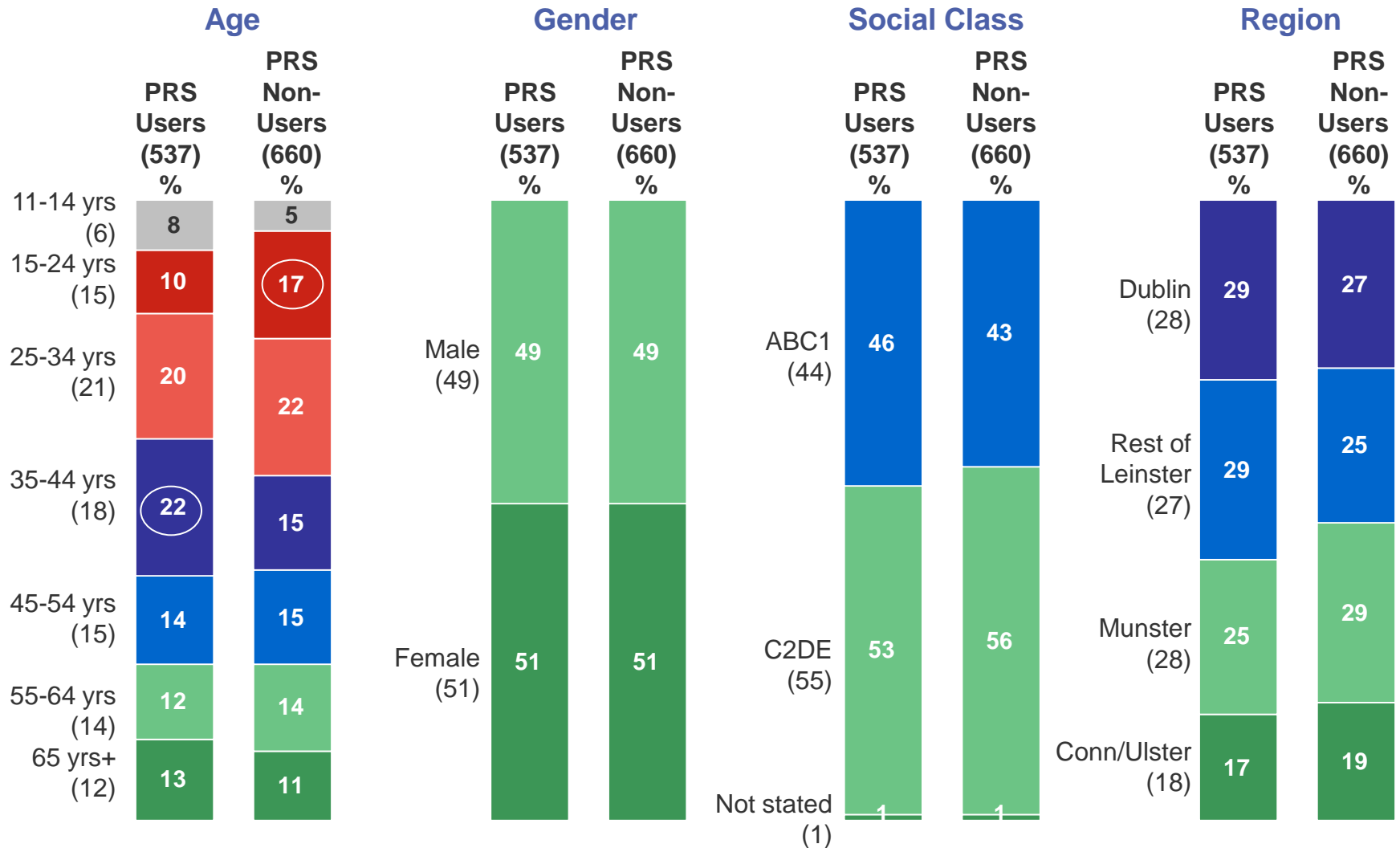


Data weighting applied

- *Figures weighted according to Omnipoll findings, in order to minimise effects of online bias*

1 in 3 of the Irish population over 11 years old are aware they have ever used a PRS.

# Profile Of PRS Users Vs. Non-Users



( ) = Total Sample

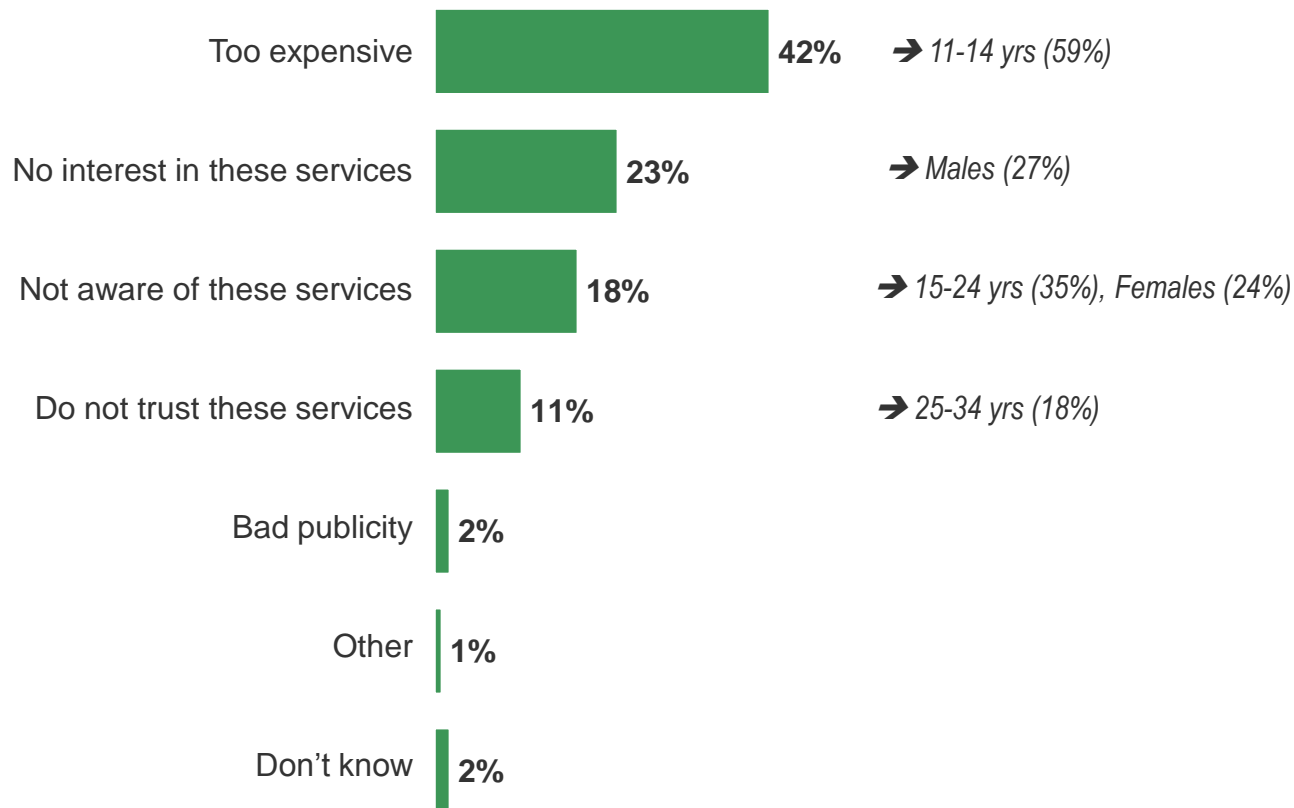
Some differences exist in terms of age but otherwise very similar demographic profiles exist for both PRS users and non users.

# Main Reason For Not Using Premium Rate Services

NON-USERS

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Q.2 What is your main reason for not using premium rate services? (Prompted)



Cost, followed by lack of interest and lack of awareness of PRS are key barriers to usage.

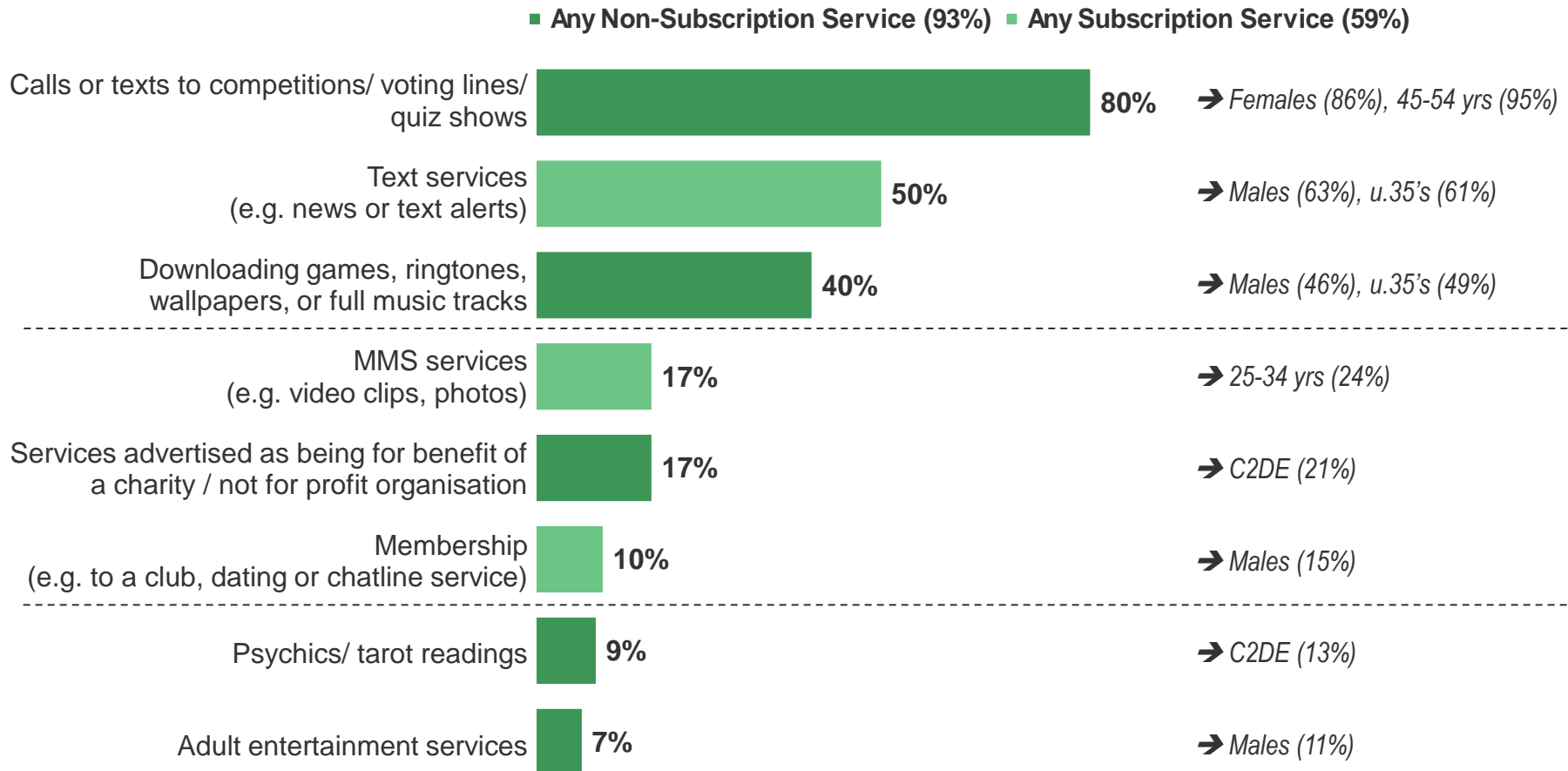
# Usage Behaviour Of Premium Rate Services

# Premium Rate Services Ever Used

USERS

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Q.4 Looking at the following list of different types of premium rate services (PRS), please indicate which you have ever used?



**Calls or texts to competitions/ voting lines/ quiz shows are driving PRS usage, followed by text services and then downloads. In general males have used a wider range of PRS.**

# Methods Used To Access Non-Subscription PRS

USERS

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Q.5 Which of the following methods did you use to access (INSERT SERVICE FROM Q.4)?

	Calls or texts to competitions/ voting lines/ quiz shows	Downloading games, ringtones, wallpapers, or full music tracks	Services advertised as being for benefit of a charity	Psychics/ tarot readings	Adult entertainment services
	(423)	(225)	(92)	(46)*	(31)*
	%	%	%	%	%
Landline telephone	38	-	25	35	36
Mobile telephone – voice call or text message	81	75	73	46	48
Internet via mobile telephone	7	27	5	8	14
Internet via a computer	16	33	19	28	42
Interactive digital TV i.e. using the red button on your TV remote	4	-	1	-	7
Fax	*	-	2	-	-

\*<1%

**Mobile telephone is the dominant access method for all non-subscription PRS, however online/ internet access also key for certain services.**

# Methods Used To Access Subscription PRS

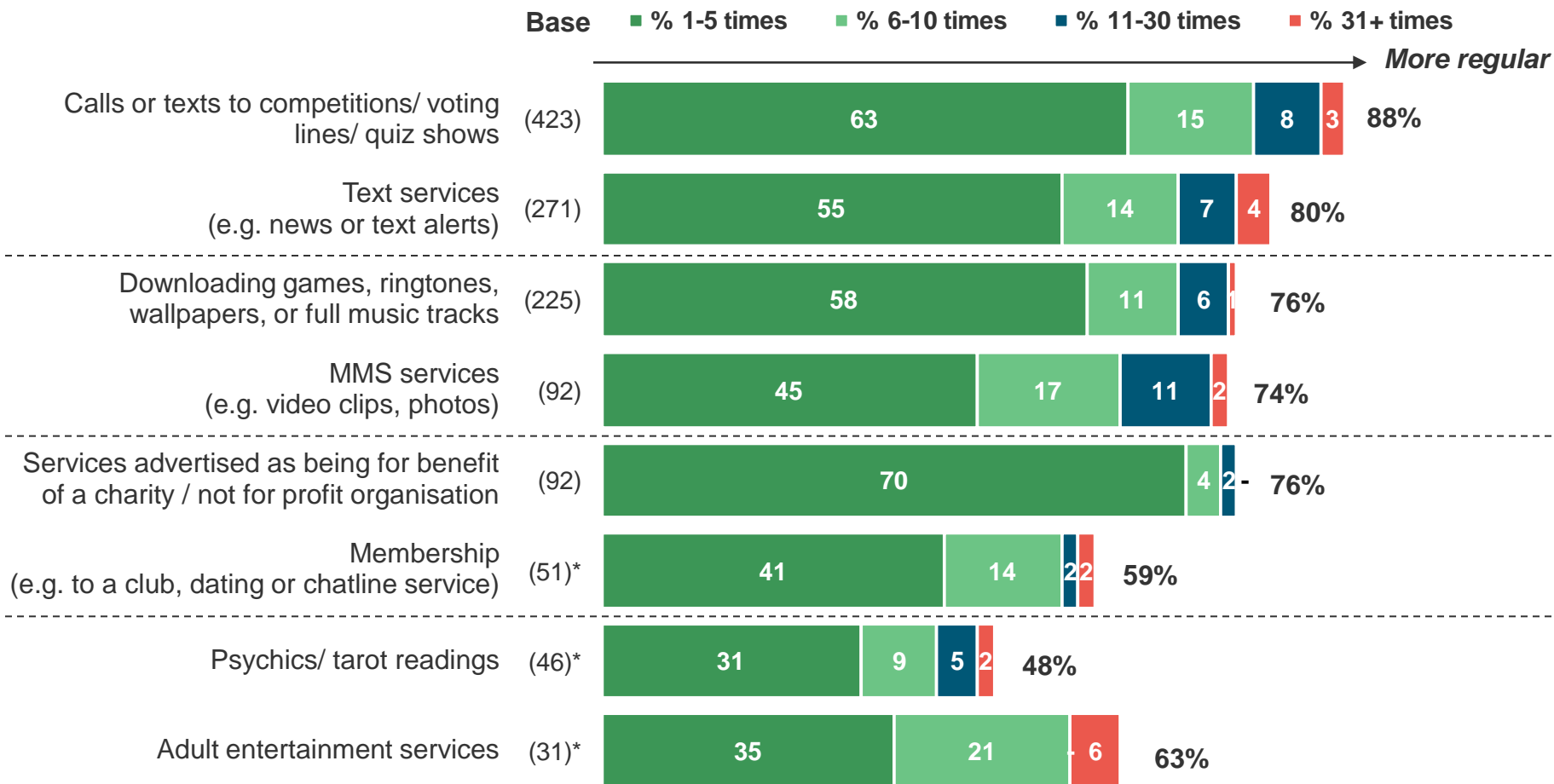
Q.5 Which of the following methods did you use to access (INSERT SERVICE FROM Q.4)?

	Text services (e.g. news or text alerts)	MMS services (e.g. video clips, photos)	Membership (e.g. to a club, dating or chatline service)
	(271) %	(92) %	(51)* %
Mobile telephone – voice call or text message	89	80	40
Internet via mobile telephone	16	19	15
Internet via a computer	25	24	66

Mobile phone is also key for accessing subscription PRS, however to a lesser extent for membership services.

# Frequency Of Receiving/Using PRS In Past 6 Months

Q.6 How many times have you received or used the following services in the past six months?



The more widely used PRS services are more likely to have been accessed in the past 6 months, with varying degrees of frequency.



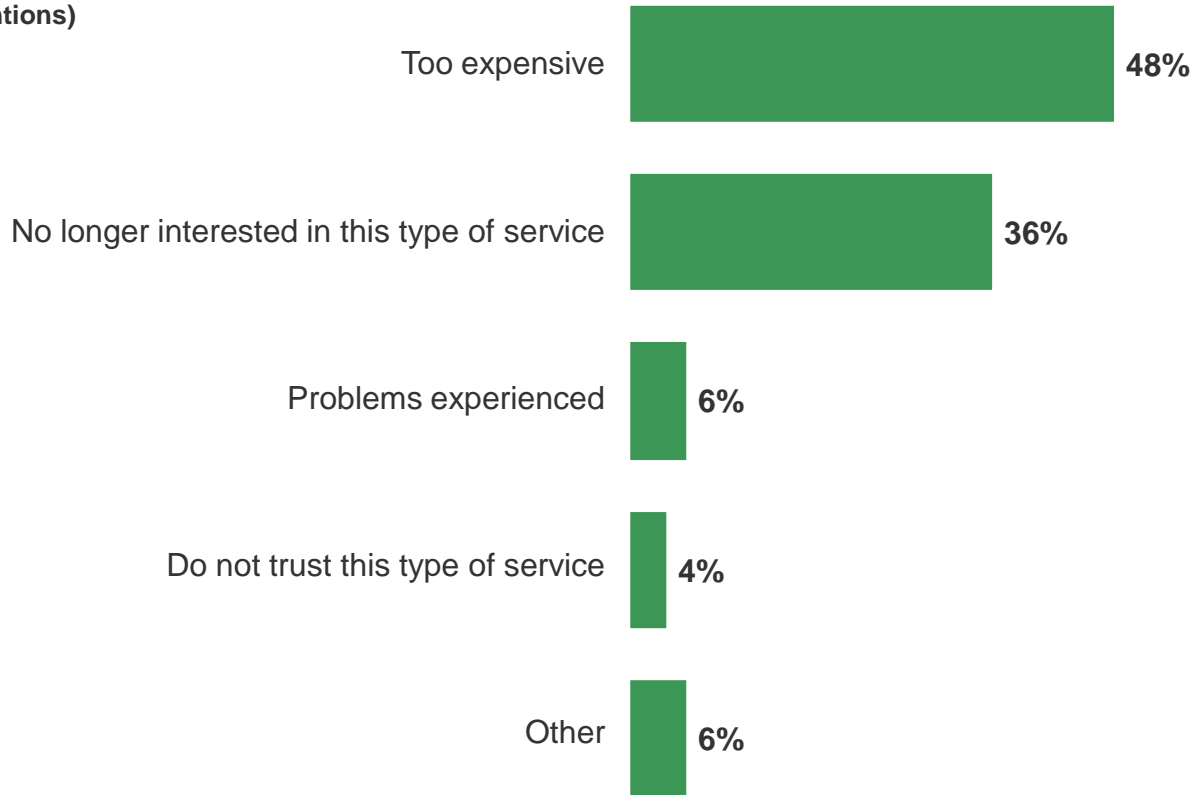
# Main Reason For Not Using PRS In Past 6 Months (Prompted)

LAPSED USERS

Q.8 What is your main reason for no longer using (INSERT SERVICE)?

11% of PRS users have not accessed a PRS in the past 6 months

Combined mentions across all PRS  
(271 mentions)



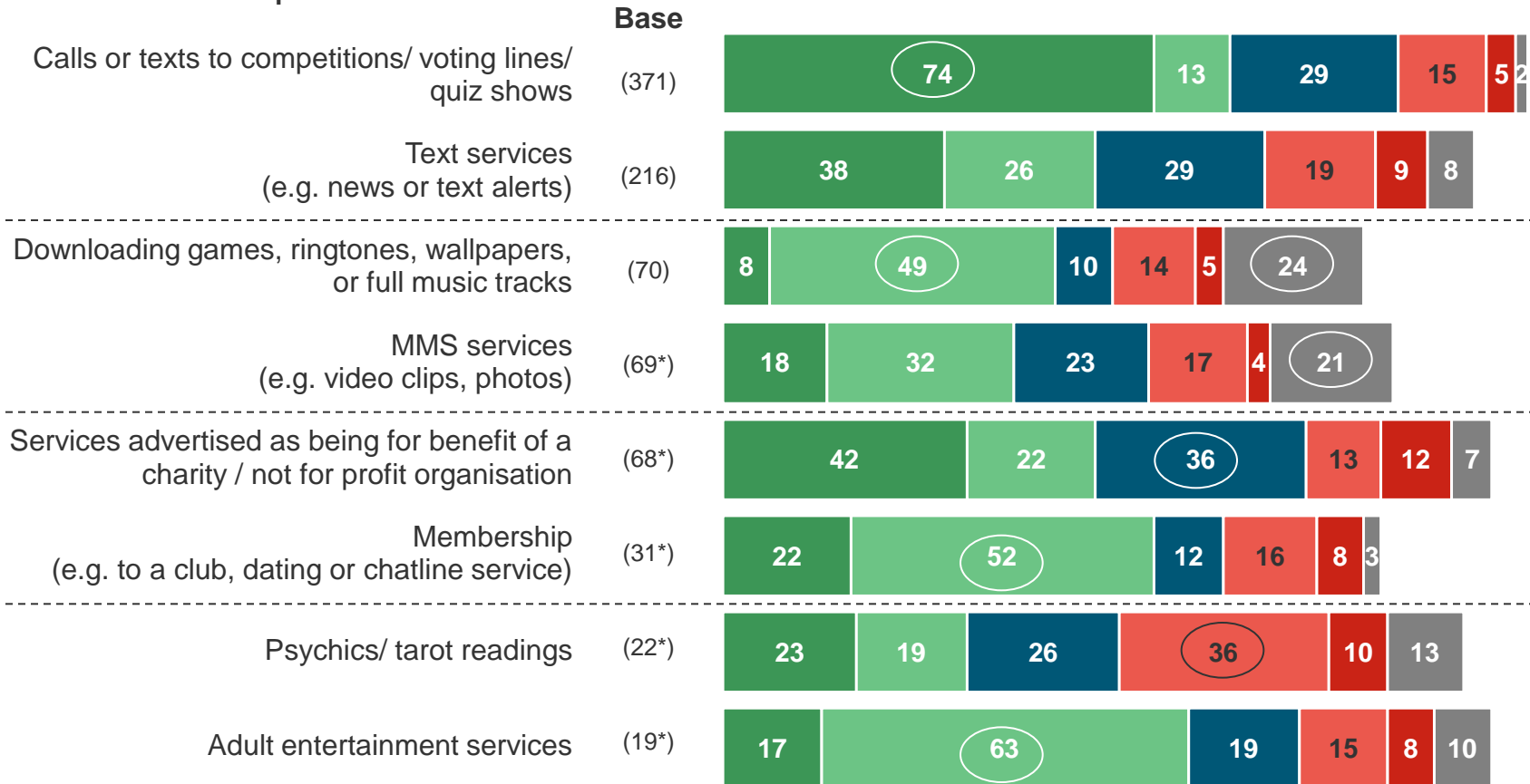
Although expense is still the main barrier, lack of interest is relatively greater amongst lapsed users than amongst non users.

# Sources of Information Regarding PRS

USERS PAST 6 MTHS

Q.7 For each service used in the past 6 months, please indicate all the sources of information that led you to use that service?

- Number advertised as part of a TV/radio prog
- TV advert
- Other promotional literature
- Advert on a website
- Newspaper/ magazine advert
- Other



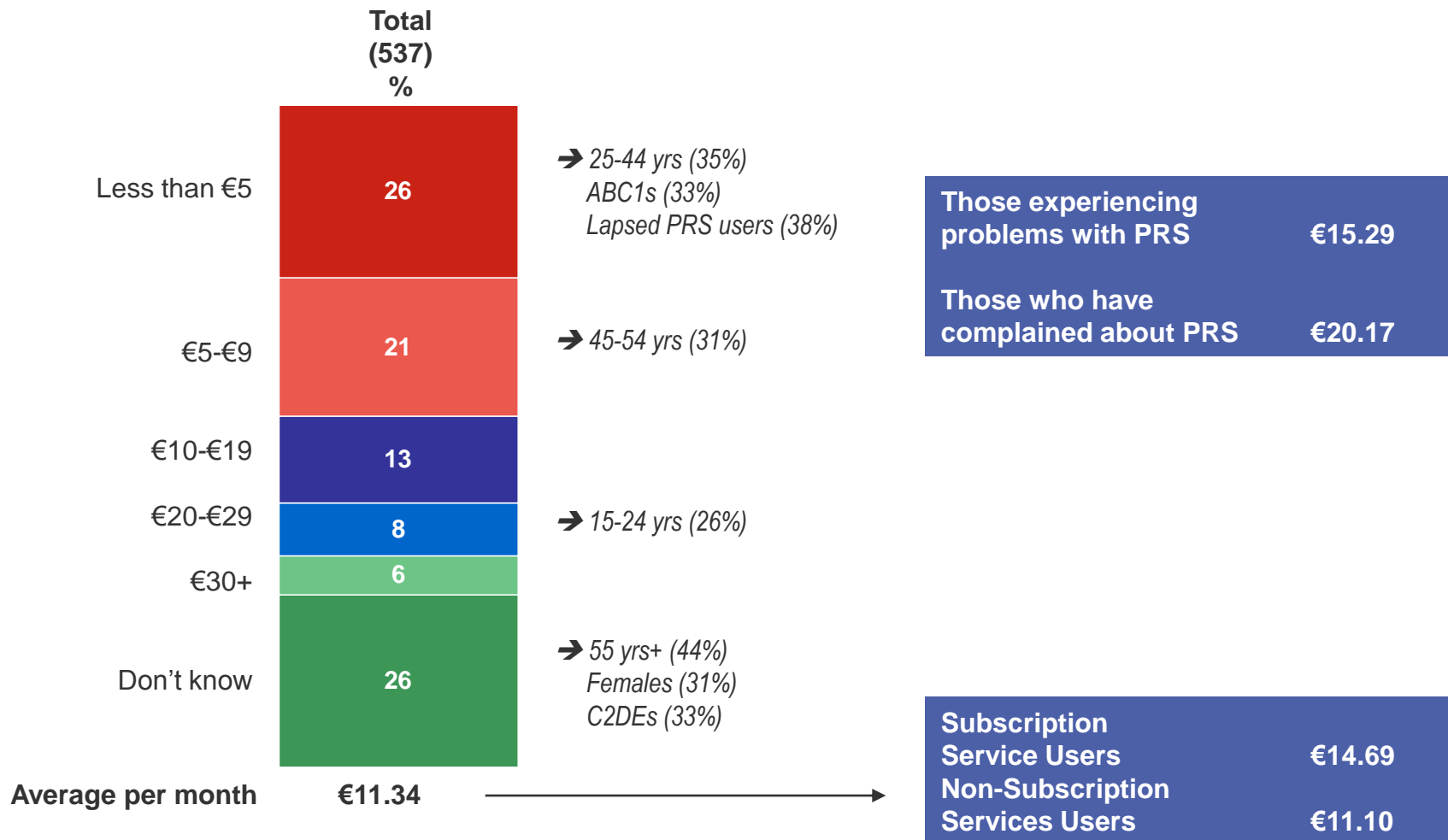
Most PRS reliant on one or two key media channels. Information on text services however is derived from a relatively even mix of sources.

# Claimed Monthly Spend On Premium Rate Services

USERS

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Q.11 Roughly what is/ was\* your total average spend per month on premium rate services?



Just over 1 in 4 users are not aware of their spend on PRS

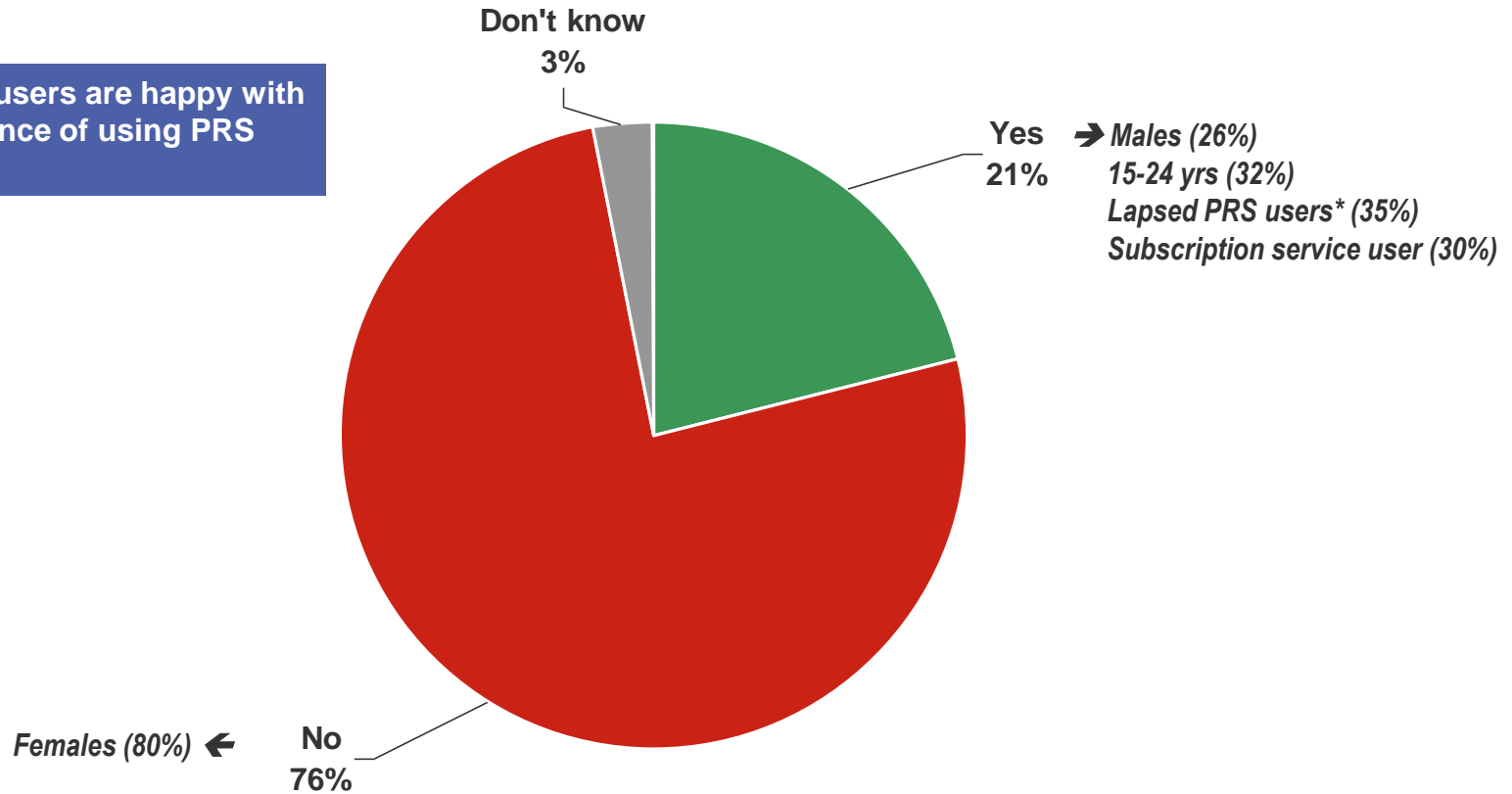
\* Wording for lapsed users

# Difficulties Experienced Using Premium Rate Services

# Incidence Of Experiencing Difficulties With PRS

Q.12 Have you ever encountered any difficulties with any premium rate services you have used in the past 6 months/ in the past\*?  
Q.2 Were you happy with the service you received (Omnipoll)

75% of PRS users are happy with their experience of using PRS (Omnipoll)



1 in 5 PRS users have experienced difficulties – this is significantly higher amongst those using subscription services and those not using PRS in the past 6 months.

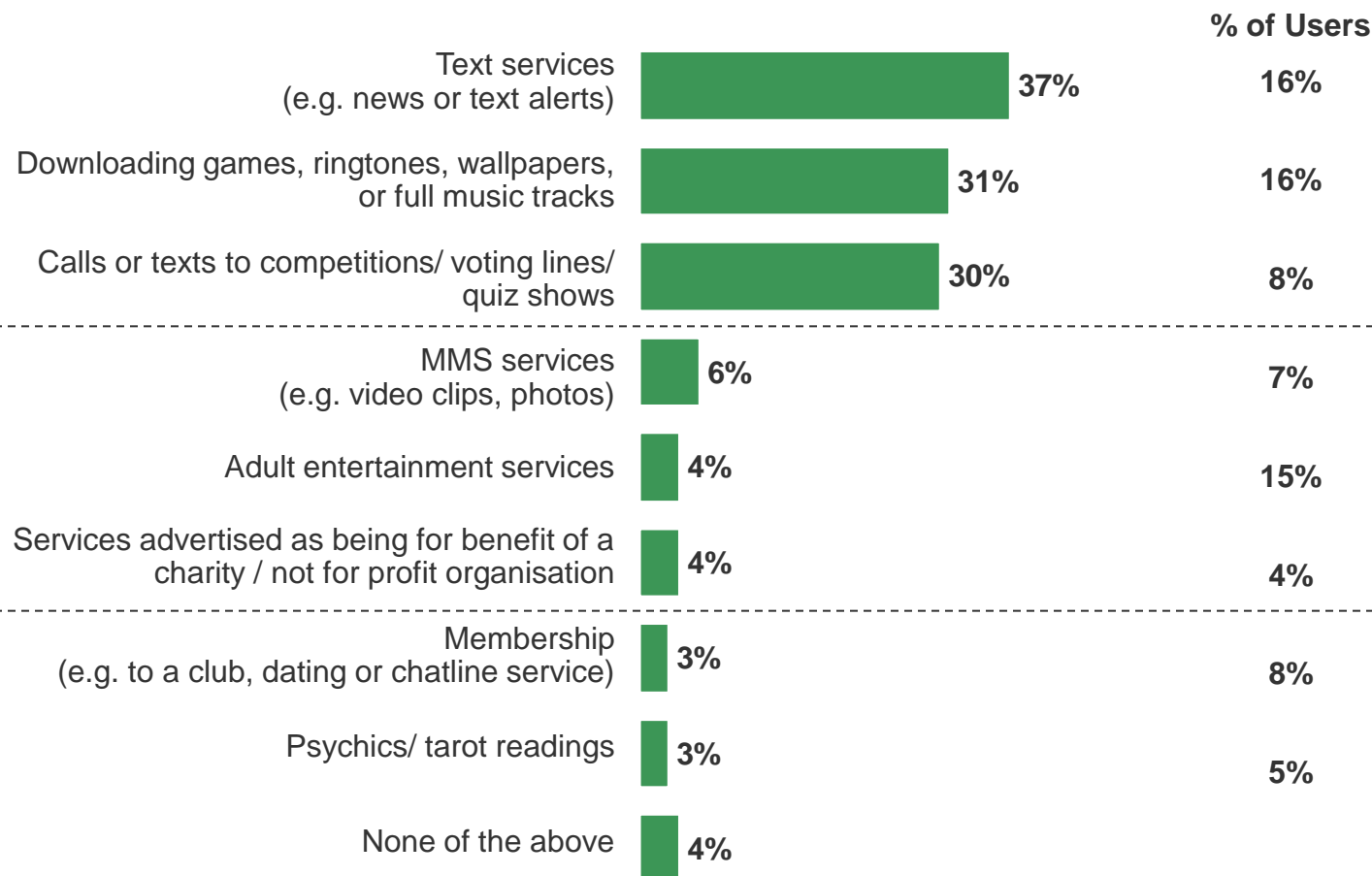
\* Wording for lapsed users

# Types Of PRS Where Experienced Difficulties

USERS

22

Q.13a With which of the following types of premium rate service have you encountered difficulties in the past 6 months/ in the past\*?



\* Wording for lapsed users

**Users of text, download and adult entertainment services are twice as likely to experience difficulties compared with users of other PRS.**

# Nature Of Difficulties Experienced With PRS – Spontaneous (I)

Q.13b Please provide as much detail as possible of the nature of the difficulties you experienced with ...?

## Text Services (e.g. News or Text Alerts)

Base: 43

	No. of Mentions*
Couldn't unsubscribe/cancel/difficult unsubscribing/unsubscription text didn't work	23
Continually being sent texts/texts by third parties and charged for them	10
Misled/did not know it was a subscription service/inability to view small print	9
More expensive than advertised	6
Used up all my credit	3
Other	6
Don't know	5

## Downloading games, ringtones, wallpapers or full music tracks

Base: 35

	No. of Mentions*
Didn't receive the download/download froze/not working	17
Couldn't unsubscribe/cancel/difficult unsubscribing/unsubscription text didn't work	8
Misled/did not know it was a subscription service/inability to view small print	4
More expensive than advertised	3
Used up all my credit	1
Other	5
Don't know	1

# Nature Of Difficulties Experienced With PRS – Spontaneous (II)

Q.13b Please provide as much detail as possible of the nature of the difficulties you experienced with ...?

## Calls or texts to competitions/voting lines/quiz shows

Base: 37

	No. of Mentions*
Misled/did not know it was a subscription service/inability to view small print	12
Couldn't unsubscribe/cancel/difficult unsubscribing/unsubscription text didn't work	7
Continually being sent texts/texts by third parties and charged for them	7
Not getting through/delayed on the line/charged while waiting to get through	6
More expensive than advertised	4
Didn't receive what was promised/download/price	3
Other	4
Don't know	5

*\*Base sizes too small for more detailed analysis of issues with other types of PRS*



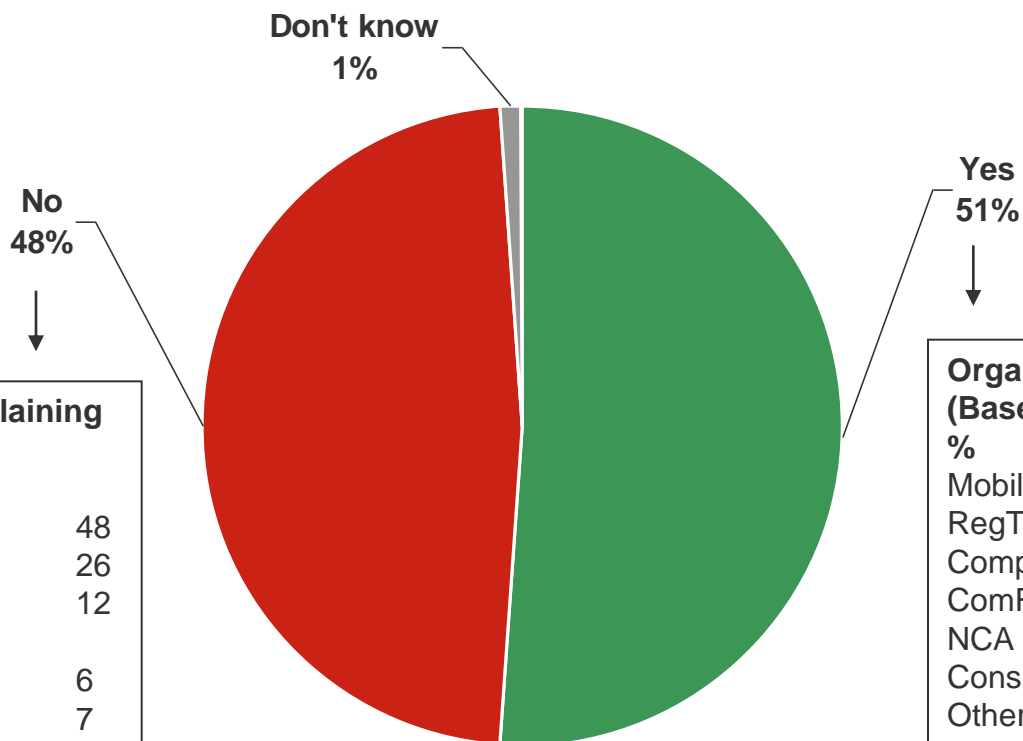
# Complaints About Difficulties Experienced With PRS

Q.14a Did you make a complaint about these difficulties you experienced when using premium rate services?

Q.14b Why did you not make a complaint about these difficulties experienced when using premium rate services? (prompted)

Q.15 To whom did you complain regarding these difficulties? (prompted)

## Whether Complained



No  
48%

Don't know  
1%

Yes  
51%

### Reasons for not complaining (Base: 57\*)

%	
I didn't know how to	48
I couldn't be bothered	26
I never thought of it	12
Cancelled service/ unsubscribed	6
Other	7

### Organisation(s) complained to (Base: 54\*)

%	
Mobile operator	75
RegTel	16
Company subscribed to	14
ComReg	9
NCA	6
Consumer Assoc. of Ireland	4
Other	2

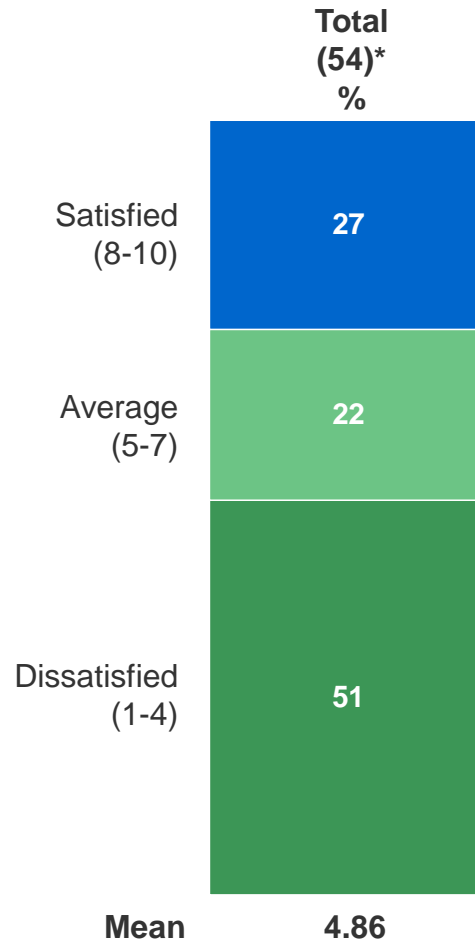
Only half of those experiencing difficulties with a PRS complained. Incidence is not significantly different between subscription (54%) and non subscription services (49%).

# Satisfaction With How PRS Issues Were Resolved

USERS

26

Q.16 How satisfied or not are you with how these issues were resolved, using a scale of 1 to 10 where 1 is not satisfied at all and 10 is extremely satisfied



Indications of a high level of dissatisfaction with how issues were resolved



\*Caution: Small Base

Base: All PRS users who have experienced difficulties & complained: 54\*

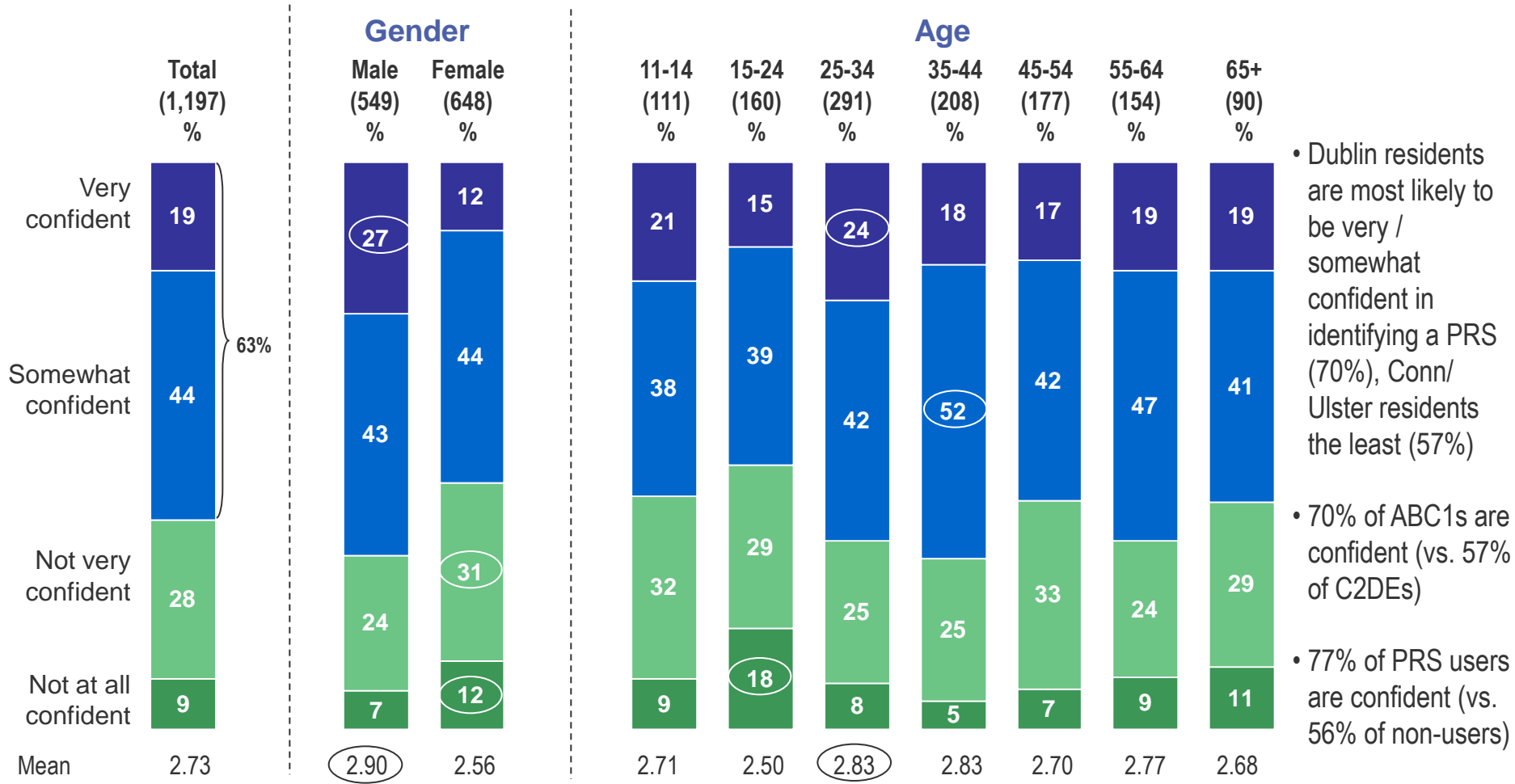
Ipsos MRBI

# General Attitudes Towards Premium Rate Services

# Confidence In Ability To Identify A PRS

ALL

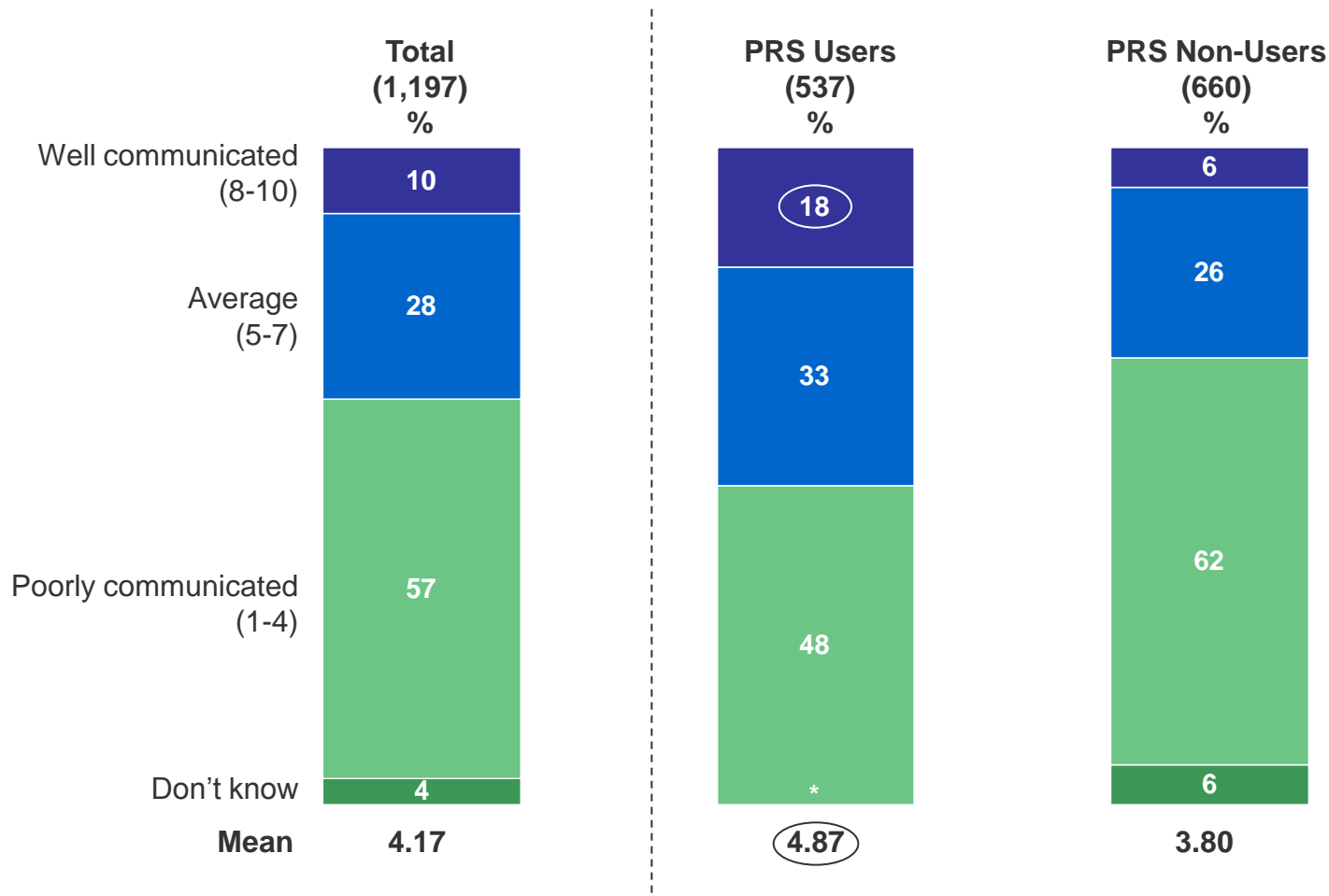
Q.3 How confident or not do you feel in your ability to identify a premium rate service?



Over one third are not confident in their ability to identify a PRS

# Perceived Clarity Regarding Communication of PRS Charges

Q.9 In your opinion, how clearly communicated do the charges involved in using premium rate services tend to be, on a scale of 1 to 10 where, 1 is very unclearly and 10 is very clearly?



- Those aged 45-54 yrs most likely to consider communication of PRS charges as poor (66%)
- Opinion is similar across gender, region and social class
- Two thirds (67%) of those who are not confident in their ability to identify a PRS, rate communications re. charges as poor.

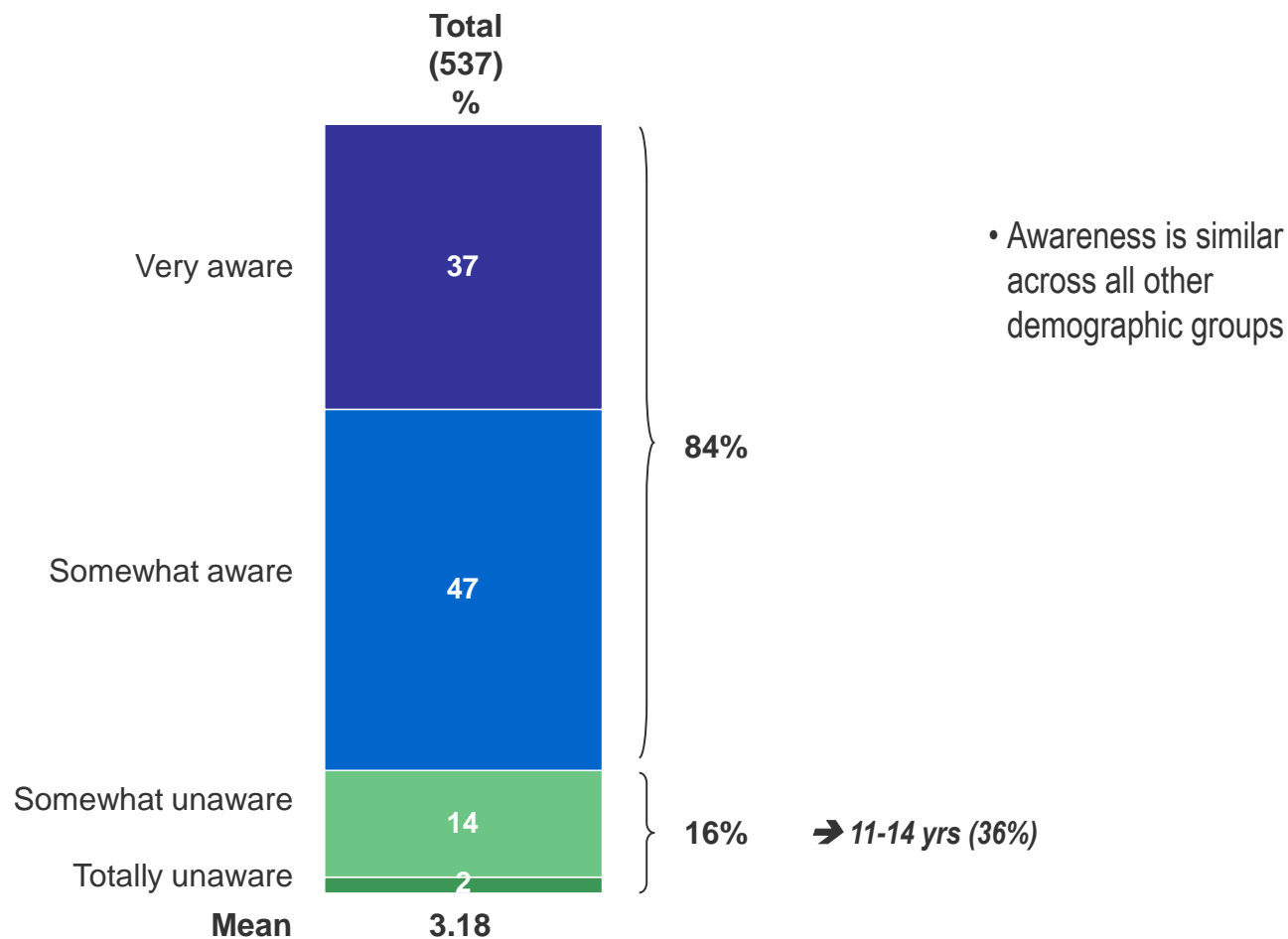
Communication regarding PRS charges generally regarded as unclear and are also impacting peoples' ability to identify a PRS.

# Awareness Of Charges Involved Before Using A PRS

USERS

30

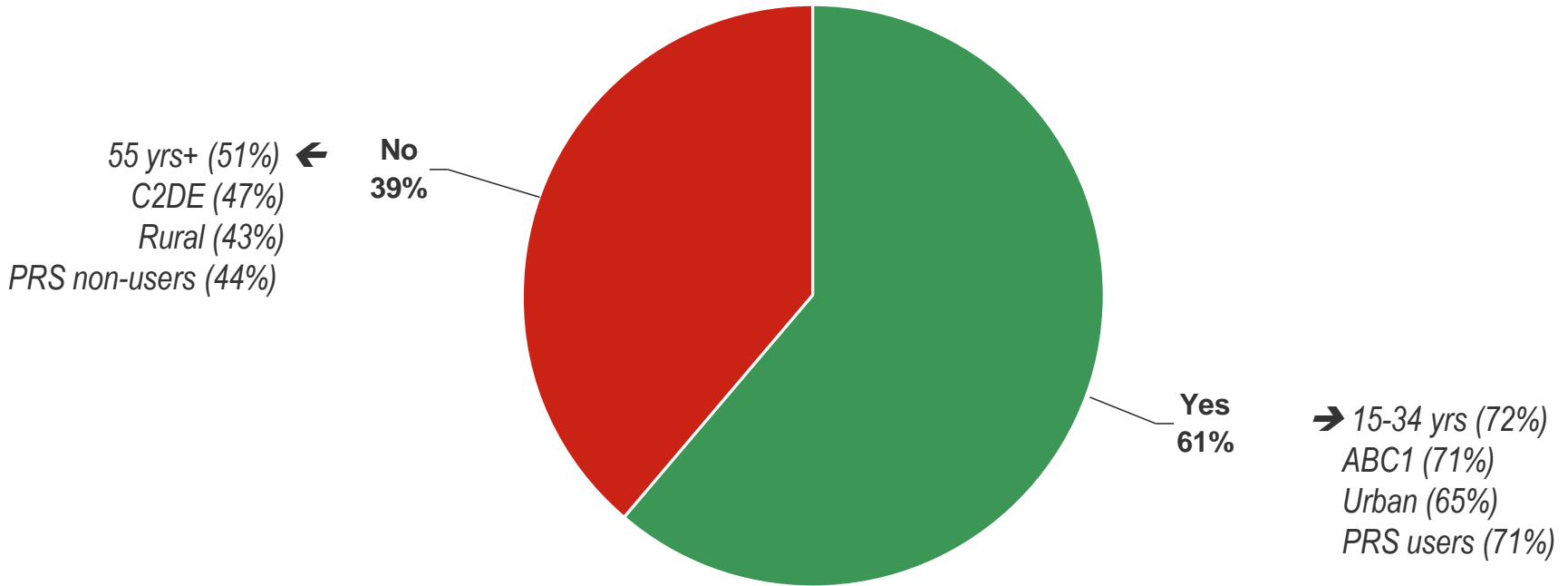
Q.10 Before you use a particular premium rate service, how aware or not do you tend to be regarding the charges involved?



Whilst a high proportion of PRS have at least some awareness, there is potential for further improvement in promoting clearer awareness of charges.

# Whether Aware Can Be Charged For Receiving A PRS SMS Text Message

Q.4 Still thinking of Premium Rate Services such as the ones described previously, are you aware that you can be charged for receiving a Premium Rate SMS text message on your mobile phone (as opposed to sending one)?



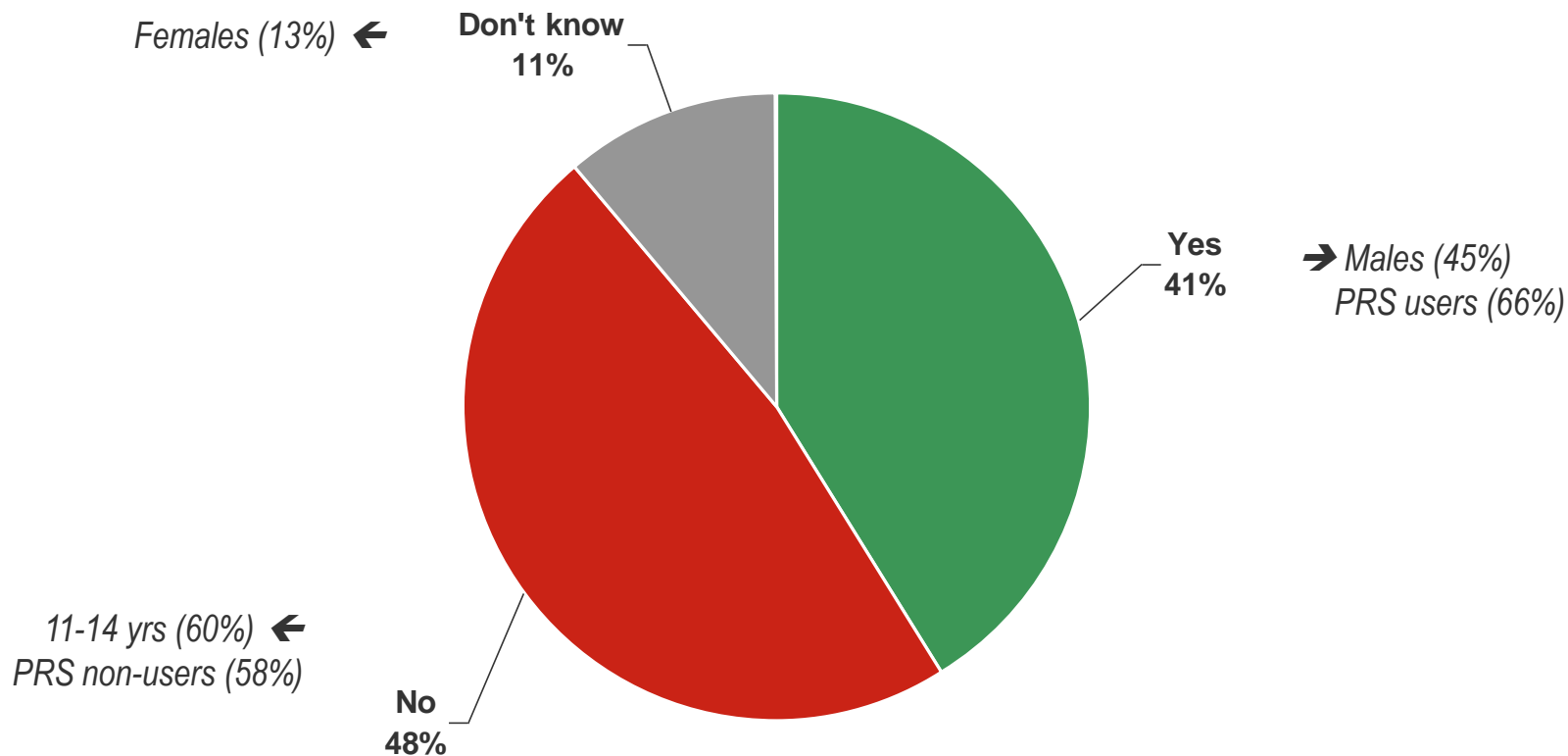
Further awareness building of incoming text charges is needed.

# Whether Know How To Stop An Unwanted PRS

ALL

32

Q.17 Do you know how to stop an unwanted premium rate service?



Further communication is also needed regarding this.

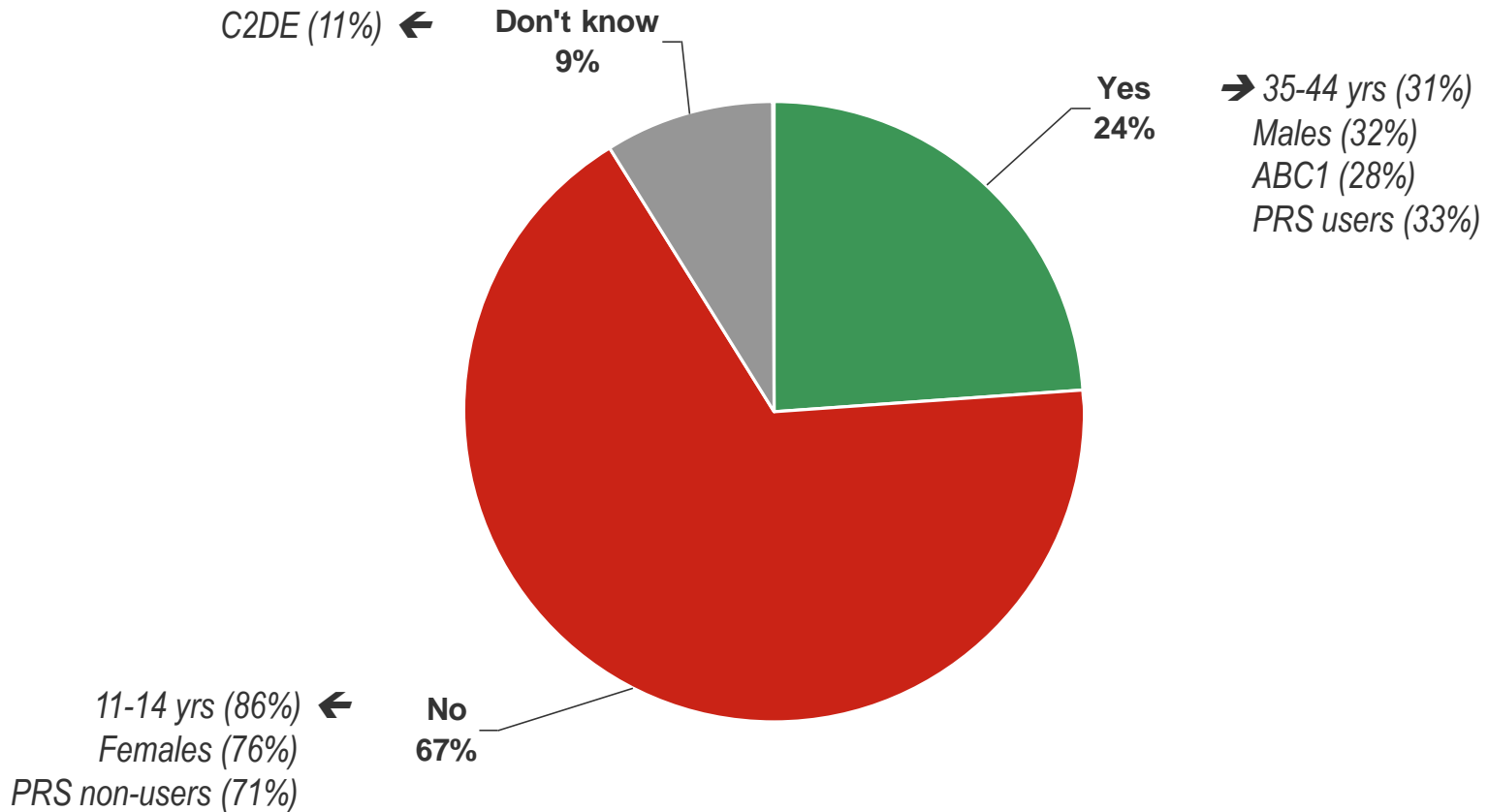


# Awareness Of the PRS Industry Code Of Practice

ALL

33

Q.18 Are you aware that premium rate services are regulated via an industry Code of Practice?



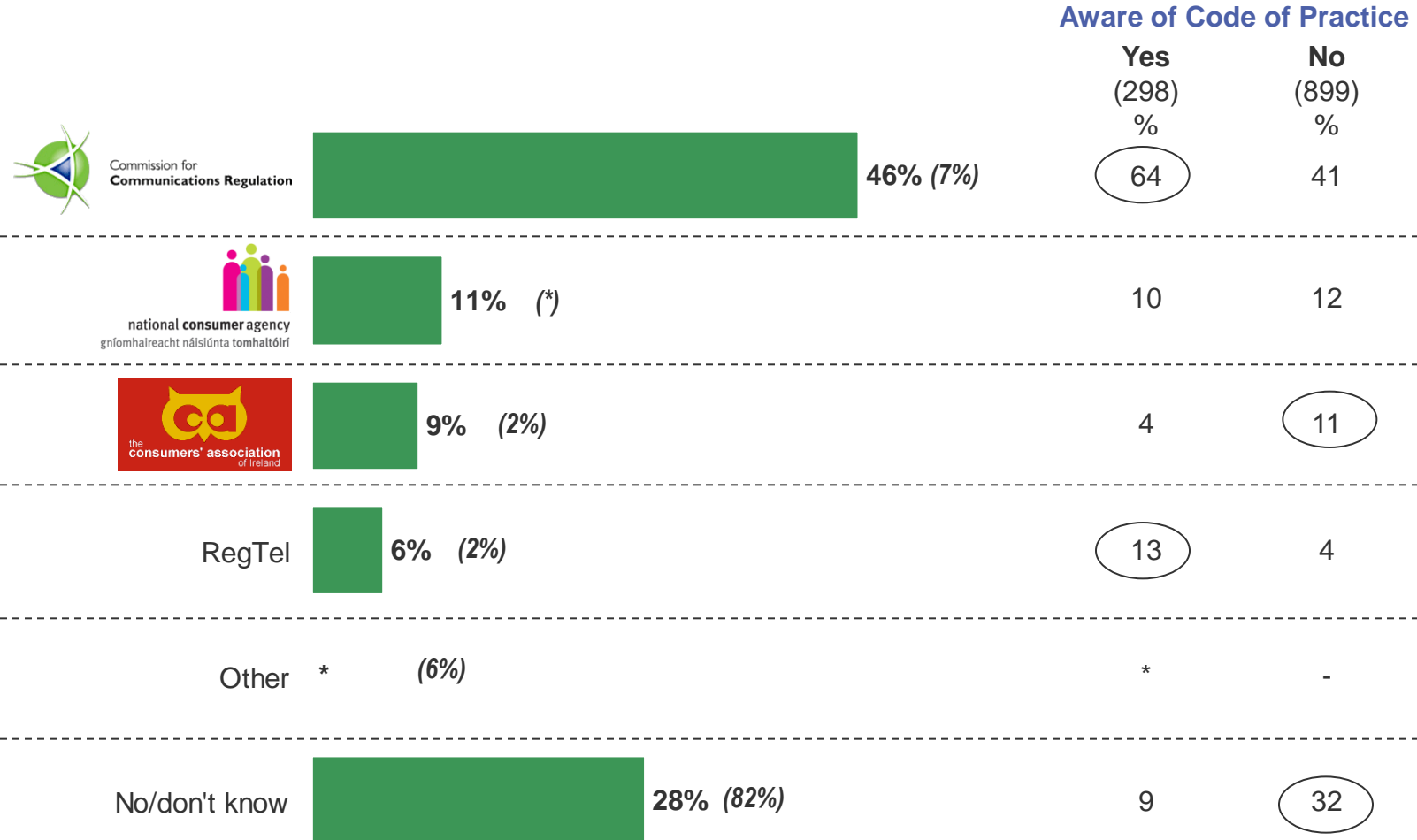
Overall, only around 1 in 4 are aware of the PRS code of practice, increasing to 1 in 3 PRS users

# Awareness Of Organisation Responsible For Code Of Practice (Prompted)

ALL

34

Q.19 And which organisation would you say is responsible for establishing and implementing this code of practice?



( ) = Ominipoll findings – spontaneous awareness

Reasonable levels of association with ComReg amongst those aware of the code of practice (this group represents 16% of the population aged 11yrs+)

Base: Online Study All Respondents 11 yrs+: 1,197  
Ominipoll Study All Respondents 15 yrs+: 1,001

# Conclusions

# Conclusions – PRS Quantitative Study (1)

- One third of the Irish population have ever used a Premium Rate Service (PRS)
- Cost is the main barrier cited for never having availed of a PRS (42%), followed by a lack of interest (23%) and a lack of awareness (18%) in such services.

## USERS

- The most popular types of PRS used are:
  - Calls or texts to competitions/ voting lines/ quiz shows: 80%
  - Text services (e.g. news or text alerts): 50%
  - Downloading games, ringtones, wallpapers or full music tracks: 40%
- Mobile telephone is the dominant access method for most types of PRS, with online/ internet access also key for certain types of service such as membership (e.g. to a club, dating or chat line) or adult entertainment services.
- 11% of users have not availed of a PRS in the past 6 months, with cost (48%) and lost interest (36%) given as key reasons.
- A wide range of information sources are being used to find out about PRS. Most PRS rely on one or two key channels e.g. calls or texts to competitions/ voting lines/ quiz shows are mainly advertised as part of the TV/ radio programme, whereas downloads are large promoted via the Internet.

# Conclusions – PRS Quantitative Study (2)

- Three quarters of users have an idea of what they spend on PRS, reporting a claimed average monthly spend of €11.34. Those using any subscription services tend to spend more (€14.69 per month on average).
- Three quarters of users are satisfied with PRS services received. 21% of PRS users have experienced difficulties with these services, increasing to 30% amongst subscription service users. Incidence is higher still amongst lapsed PRS users/ those not using PRS in the past 6 months (35%)
- Users of text, download and adult entertainment services are twice as likely to experience difficulties compared with users of other PRS
- Half of those (51%) of those experiencing PRS difficulties have complained. Three quarters of complainants approached their mobile phone company (vs. Regtel at 16% and ComReg at 9%).
- Lack of awareness of how to complain was cited by 48% as their main reason for not complaining
- Problem resolution amongst those who have complained is considered largely unsatisfactory (51% dissatisfied)

## GENERAL ATTITUDES

- Over one third (37%) of the population does not feel confident in their ability to identify a PRS (this tends to be higher amongst females and those aged 25-34years).
- Communication regarding PRS charges is generally considered unclear and is also impacting peoples' ability to identify a PRS. In addition, only 37% of users are fully aware of the charges involved before using a PRS.
- Further communication amongst the public is needed in terms of highlighting:
  - That you can be charged for receiving a PRS SMS text message (39% unaware of this)
  - How to stop an unwanted PRS (59% don't know how to)
  - The existence of a PRS code of practice (76% unaware of one) and ComReg as the organisation responsible for its implementation (54% unaware)