Market Review: Wholesale Voice Call Termination Services Provided at a Fixed Location

Appendix A: Market Research prepared by The Research Perspective Ltd. on behalf of ComReg, August 2012

Consultation and Draft Decision

Reference: ComReg 12/96a

Date: 03/09/2012

ComReg
Fixed voice research

Prepared by The Research Perspective Ltd
On behalf of The Commission for Communications Regulation
August 2012

Background Consumer and Business survey: Background

- ComReg commissioned consumer and business research on the Irish fixed line telephone retail market to support the Market Analysis processes
- This report includes results from the consumer and business research
- Topics included within the research
    - Prevalence and use of voice and other telecommunications services provided over fixed line
    - Prevalence and use of mobile voice and internet services
    - Billing and price plans for fixed line voice telephony services
    - Switching of fixed line voice telephony services
    - Reasons for not having fixed line voice telephony services among households with no fixed line service
    - Price sensitivity testing

Consumer: Background

- Residential survey completed from17th February until 10th March 2012
  - Objective of 1,000 responses
- Face-to-face survey methodology was deployed with interviews occurring at the home of the respondent
- Respondents were decision makers
  - ***If a fixed line was stated as present***, respondent was responsible or jointly responsible for making decisions for the household in terms of choice and spend related to their fixed line phone
  - ***If a fixed line was stated as not present***, respondent was responsible or jointly responsible for making decisions for the household relating to telecommunication services in the home (for instance this could be the decision to get a fixed line phone in the home in the past or future)

Business: Background

- Business survey completed during April 2012
  - Objective of 550 responses

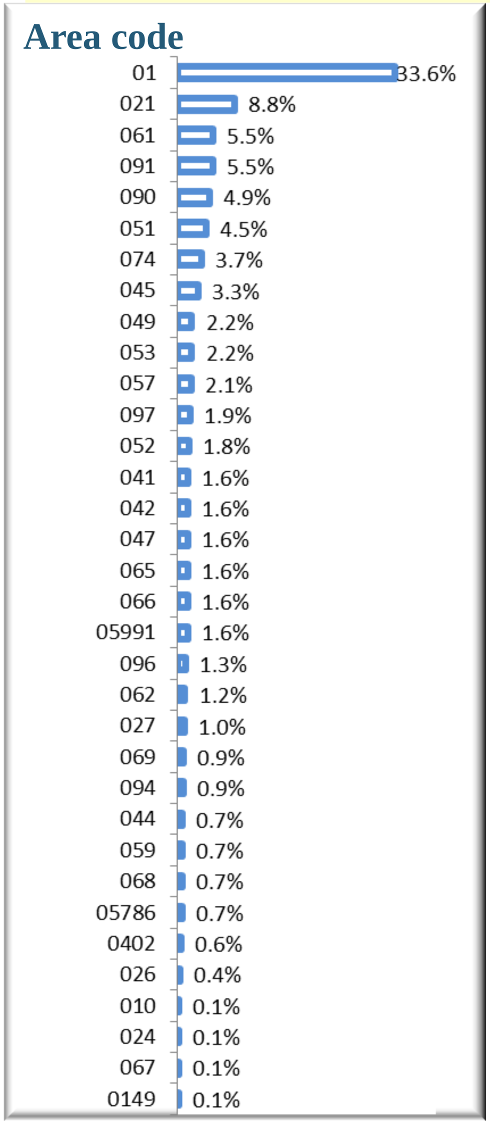
- Surveys conducted using Computer Assisted Telephone Interviewing (CATI) methodology

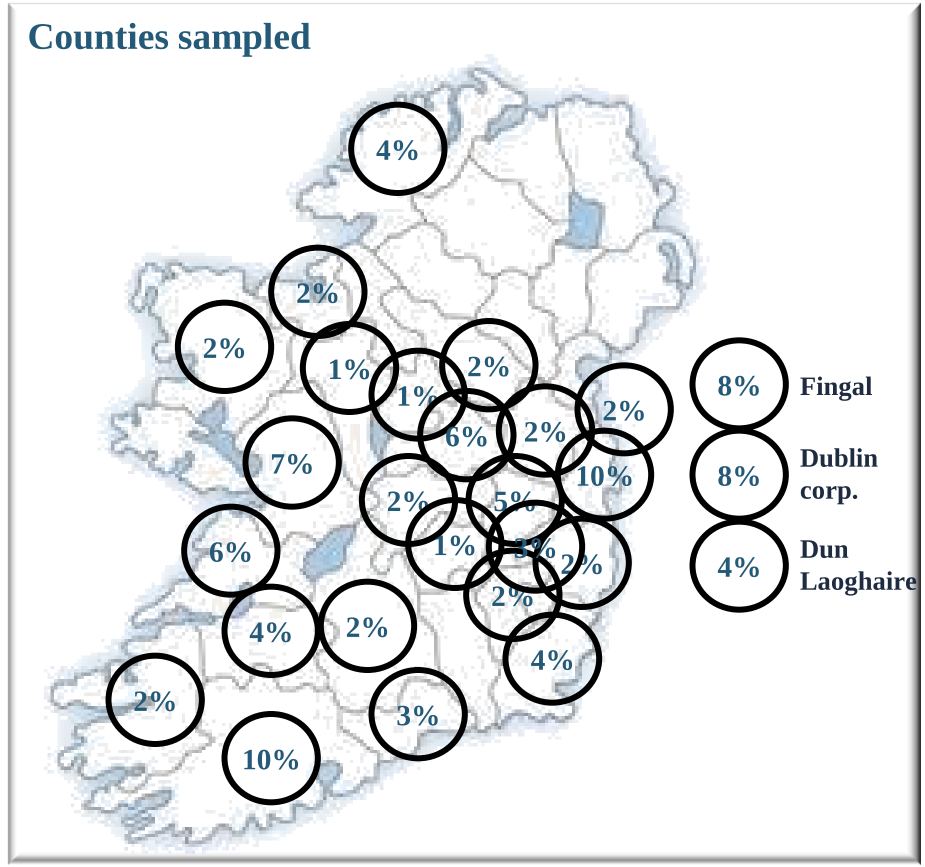
- Respondents are decisions makers
  - Responsible/jointly responsible for selecting current fixed line phone provider and for deciding/managing policies around switching communications service providers
  - In cases where there is no fixed line voice telephony service, responsible for selection of mobile phone provider

Notes on results presented

- Percentage breakdowns are rounded to the nearest whole number to retain accuracy of results. This means that figures presented on charts may not sum to 100% due to rounding
- Results for Meteor and eMobile are merged and reported as Eircom Mobile group
- Survey questions are shown, where appropriate, to remove any ambiguity
  - In some cases, responses from multiple questions are combined to produce the displayed result, in which case all questions are shown

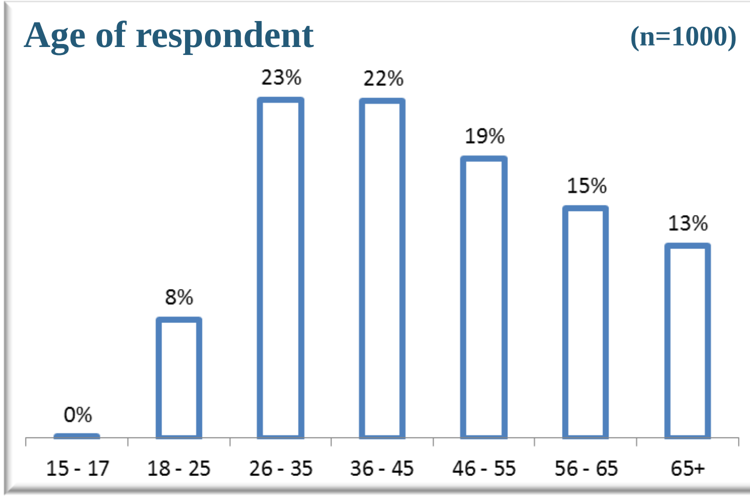
Consumer: Respondent locations

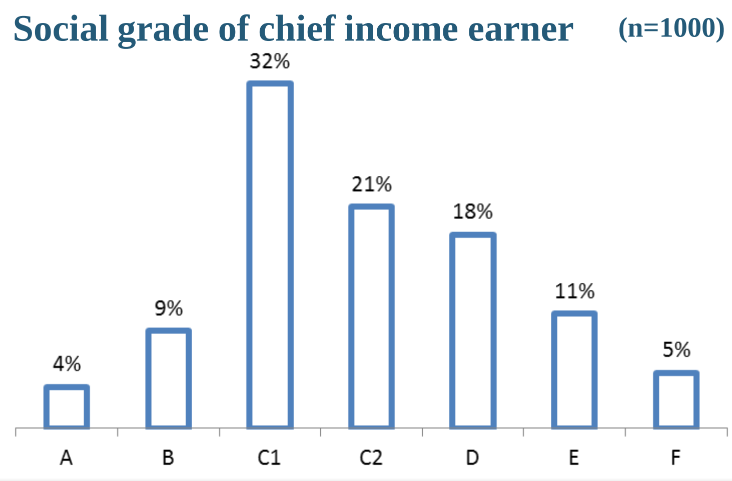




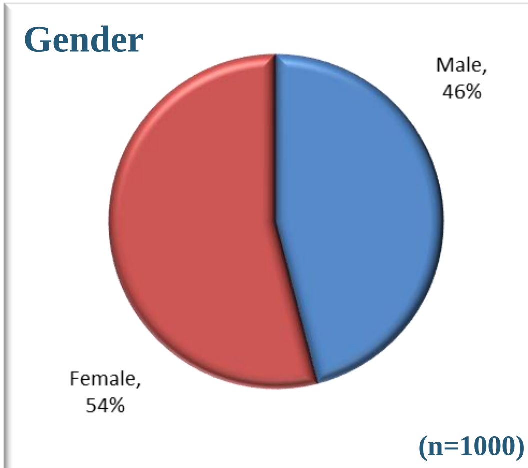
- The objective of the fieldwork was to achieve a representative sample of the population of households
  - 25 out of 29 *counties* sampled

Consumer: Respondent profile





- ❖ Age profile reflecting bill payer/decision maker status of respondents
  - ➢Similar to research published by other regulators with household bill payer surveys
- ❖ Social grade similar to MVCT research results
  - ➢ Differences reflect distinction between mobile phone owner and household bill payer
- ❖ Home owner (78%) and renter (21%) proportions show lower proportion of renter households than national population
  - ➢ 2011 census estimates rental at 27%



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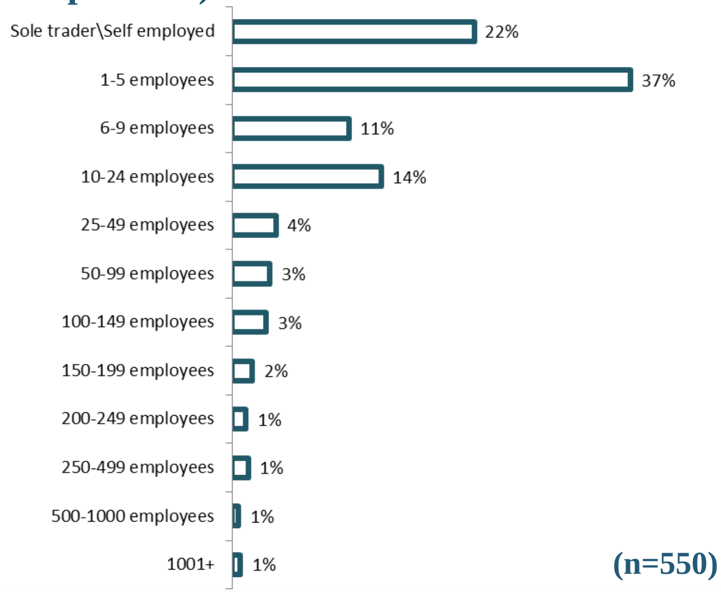
Business: Organisational profile

Number of employees (in area of responsibility of respondent)



(n=550)

SURVEY QUESTIONS:
Q: How many employees are there in your business? If you are not responsible for the entire organisation's communications services, please answer for the part of the organisation for which you have responsibility for communications services.

- Respondents are representative of businesses and business size across sectors and include representation from all counties
- Number of employees reflects employment in ***only*** the part of the organisation in which the respondent is responsible for telecoms decisions

Sector representation

Sector	%
Wholesale and retail trade	24%
Business and Professional Services	20%
Other service activities	13%
Human health and social work activities	8%
Manufacturing	6%
Construction	6%
Accommodation and food service	6%
Education	5%
Public administration	4%
Agriculture, forestry and fishing	2%
Other Transportation and storage	2%

(n=550)

SURVEY QUESTIONS:
Q: What is the nature of your organisation's business? Please describe briefly

Respondent locations

(n=550)

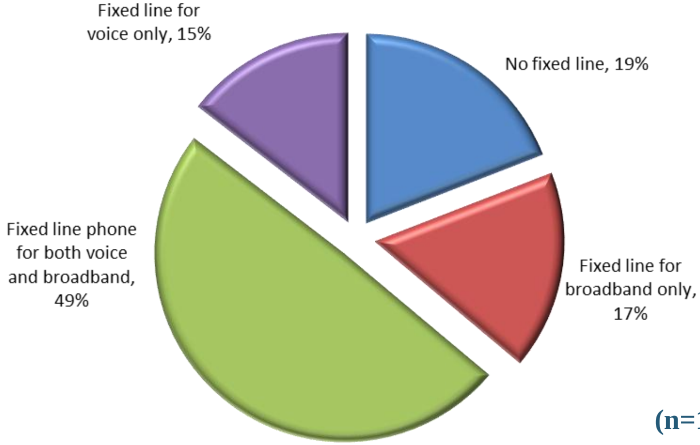
County	% of respondents
Dublin	30%
Cork	10%
Donegal	6%
Galway	5%
Clare	4%
Kildare	4%
Kerry	4%
Limerick	4%

CONSUMER RESULTS

Service and platform use

Prevalence of fixed line connections

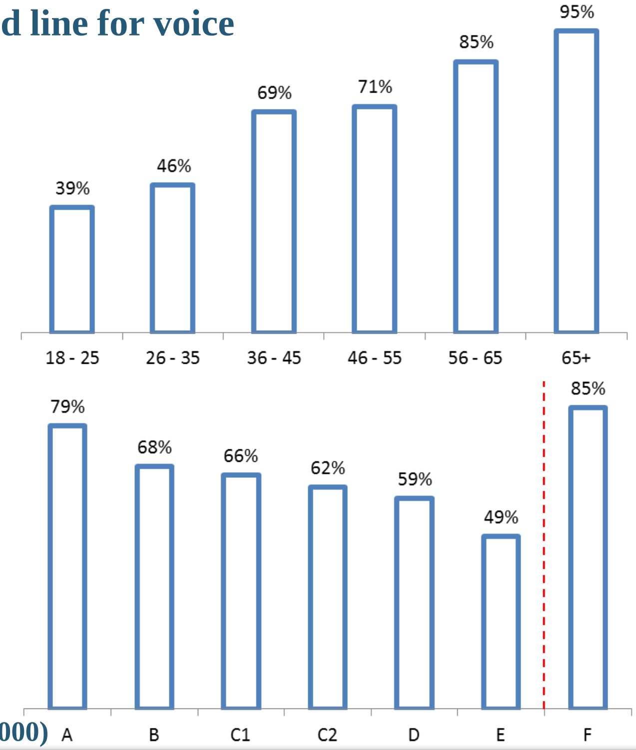
Prevalence of fixed line connections for voice and broadband



(n=1000)

SURVEY QUESTIONS:
Q: In your home, do you have a fixed line phone connection? (This includes corded and cordless handsets and is any phone line with a number starting with an area code or a phone number starting with 076 as distinct from mobile numbers which all start with 08-something. It could also include using a phone line that is used for internet or broadband only.)
Q: Can I confirm that you have a phone connected (either via a corded or cordless handset) to one or more of your fixed line connections
Q: Which of the following are being used in your home? A broadband connection where the internet is always available (This could be accessed using a wi-fi connection or with a wired connection)

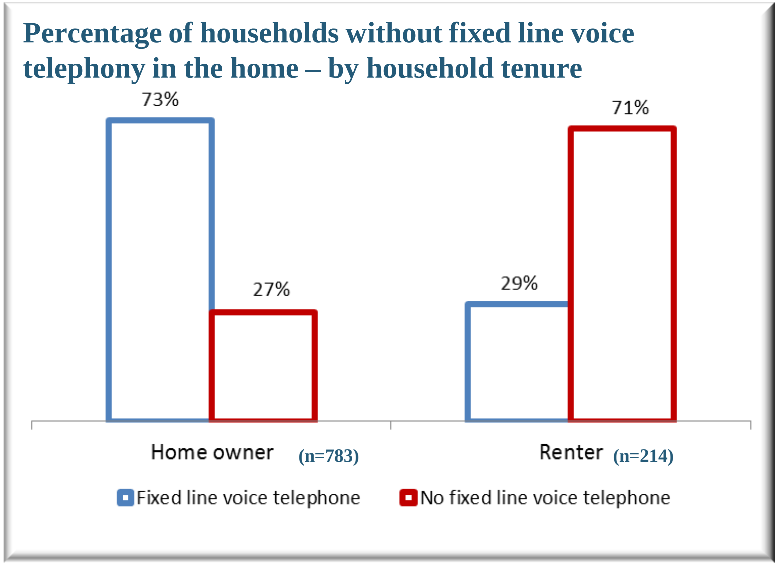
Demographic breakdown of prevalence of fixed line for voice



(n=1000)

- 64% of respondents stated that there was a fixed line phone used for voice telephony
  - 1 respondent stated that they had more than 1 phone line
- There are clear relationships between social grade and age and presence of a fixed line voice telephony service

Prevalence of fixed line voice telephony by household tenure



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Q: Can I confirm that you have a phone connected (either via a corded or cordless handset) to one or more of your fixed line connections

Q: Which of the following are being used in your home? A broadband connection where the internet is always available (This could be accessed using a wi-fi connection or with a wired connection)

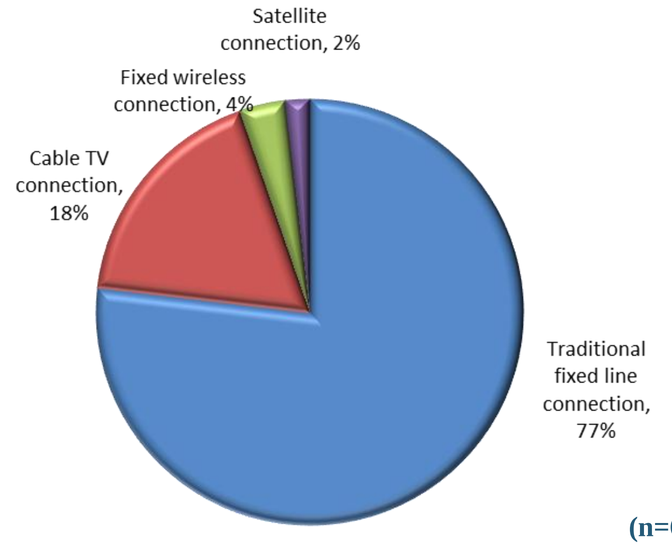
Q: Which of the following best describes your circumstances?

- *I live in the home that I own*
- *I live in the home owned by a family member*
- *I rent my home*
- *Other, pleases specify*

- ❖ Households which live in rented accommodation are less likely to have a fixed line voice telephony service than households which live in accommodation owned by the residents
  - ➢ Compare 29% of households which rent compared to 73% of households which own their home

Platform for fixed line voice telephony service

Platform used for fixed line phone lines



(n=633)

SURVEY QUESTION:

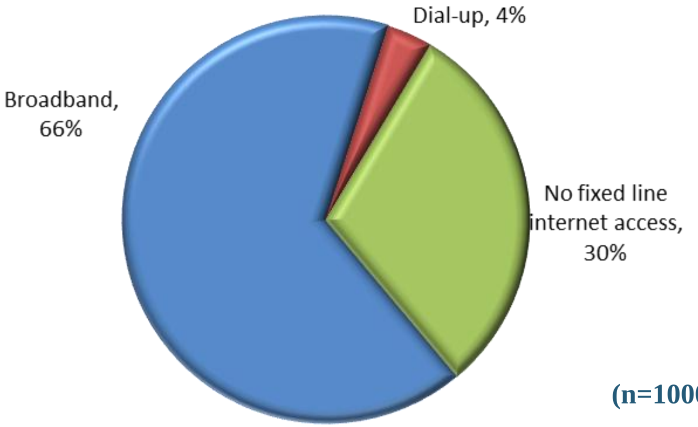
Q: Through which of the following do you use your telephone (used for making or receiving calls)?

- ***Traditional fixed line connection (either using a wired or wireless in-house connection)***
- ***Cable TV connection (either using a wired or wireless in-house connection)***
- ***Fixed wireless connection***
- ***Satellite connection***

- Terminology is not accessible to all respondents and leads to low level of confusion around platform used (FWA and satellite)
  - Responses were validated to remove inconsistent responses and reclassified appropriately
  - Validation reclassified responses which had 1 phone line, and stated use of FWA/satellite and traditional fixed line connection or cable TV connection
  - Due to low level confusion around platform used, level of precision is reduced (for example the 2% stating that they used a satellite connection is probably misattribution to another platform such as FWA)
- PSTN connection remains the most common platform for fixed line voice telephony

Prevalence of fixed line internet access

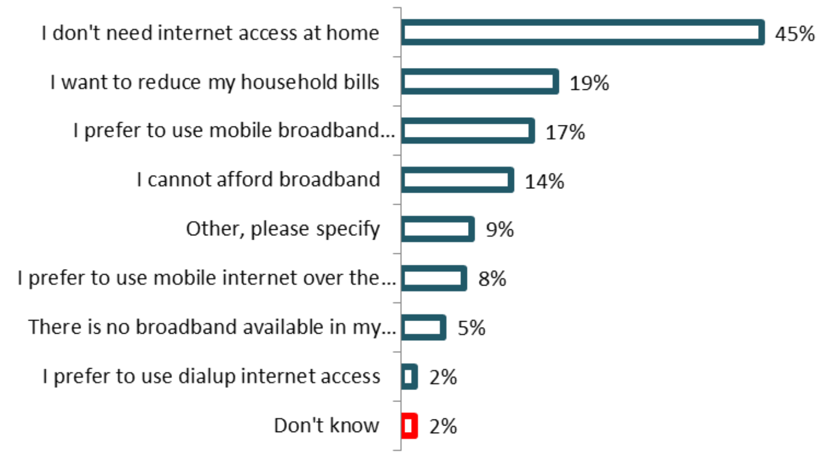
Prevalence of fixed line internet access



(n=1000)

SURVEY QUESTION:
Q: Which of the following are being used in your home?
- ***A broadband connection where the internet is always available (This could be accessed using a wi-fi connection or with a wired connection)***
- ***A dial-up internet connection where you connect to the internet when you want to use it***

Reasons for not having fixed line broadband access

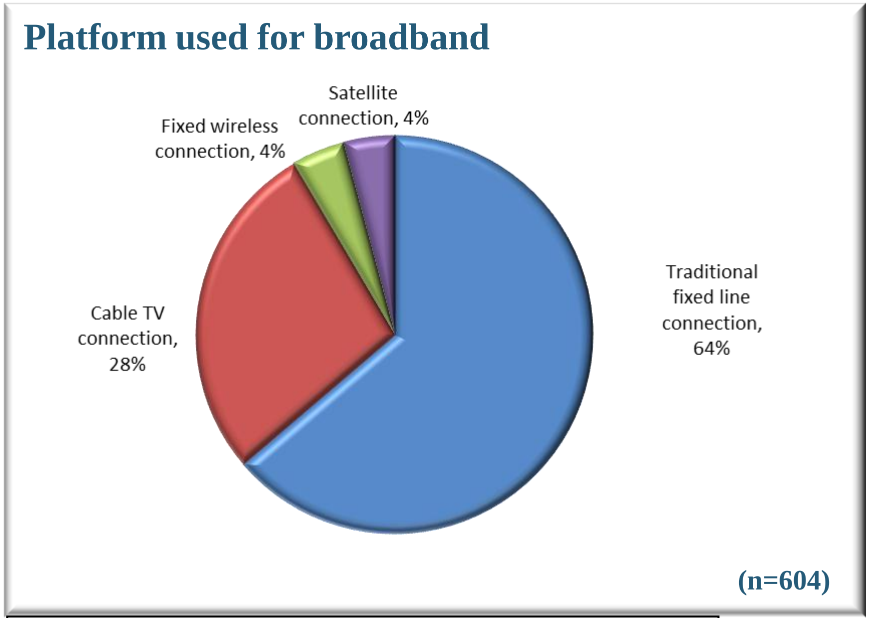


(n=339)

SURVEY QUESTION:
Q: Why don't you have a fixed broadband connection in your home? Select all that apply

- 66% of respondents stated that they had fixed line broadband access in the home
  - the respondent set included a greater proportion of home owner than exist in the overall population and this may have inflated this percentage by a small amount
  - 4% of respondents stated that they used dial-up for internet access. However, this appears to be over-stated and may reflect challenges with understanding the terminology
  - 77% of respondents with fixed line voice telephony service stated that they also had fixed line broadband service
  - 46% of respondents with no fixed line voice telephony service stated that they had fixed line broadband service
- Apart from *not needing internet access*, the most common reason for not having fixed broadband is a wish to reduce household bills

Platform for fixed line broadband

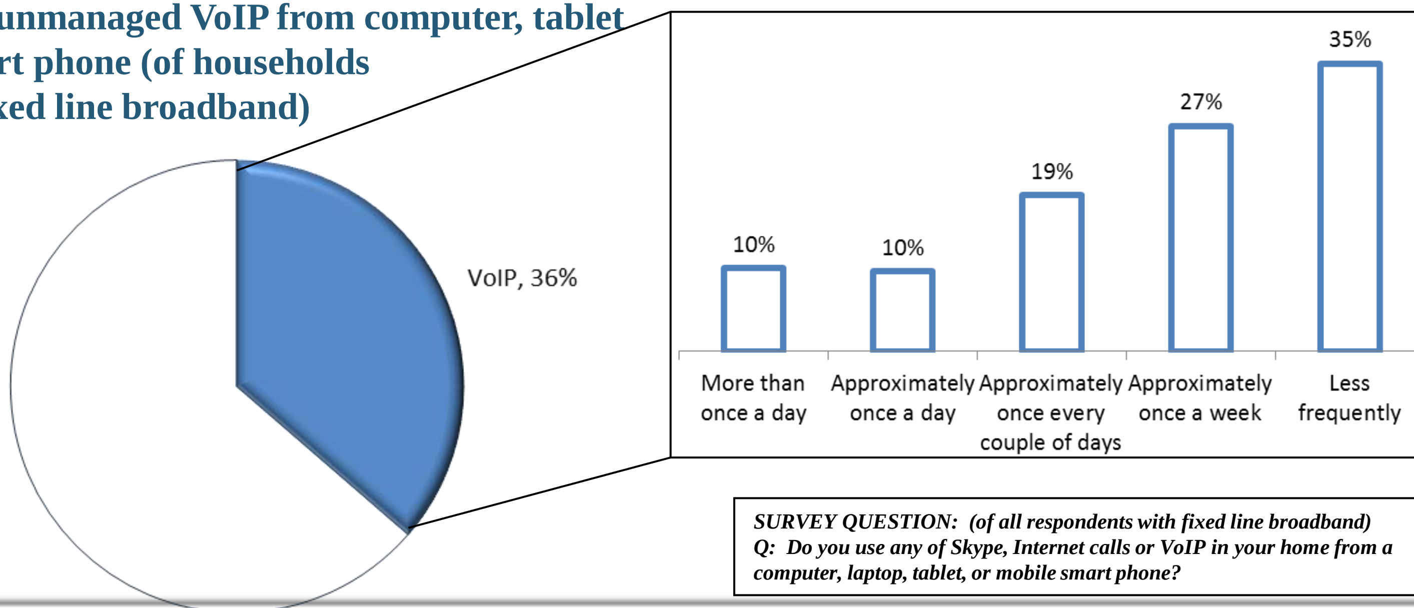


SURVEY QUESTION:
Q: Through which of the following do you receive your broadband connection (used for making or receiving calls?
- ***Traditional fixed line connection***
- ***Cable TV connection***
- ***Fixed wireless connection***
- ***Satellite connection***
- ***Don't know***

❖ With broadband services, a majority of consumers still use the traditional fixed line phone connection for fixed line broadband services

Use of unmanaged VoIP (from home) – among households with fixed line broadband

Use of unmanaged VoIP from computer, tablet or smart phone (of households with fixed line broadband)

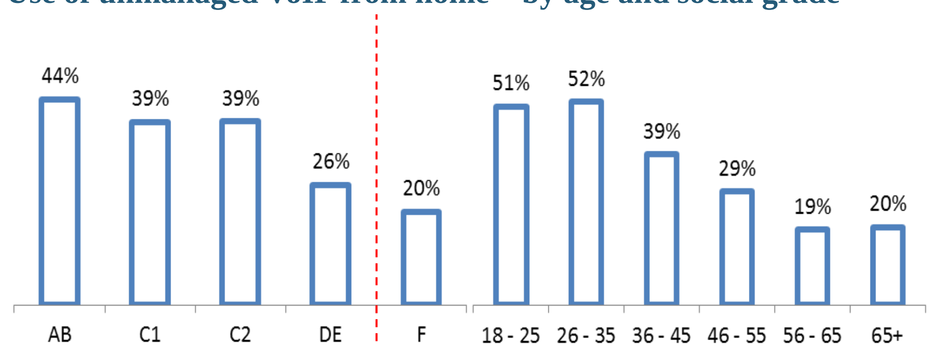


(n=660)

SURVEY QUESTION: (of all respondents with fixed line broadband)
Q: Do you use any of Skype, Internet calls or VoIP in your home from a computer, laptop, tablet, or mobile smart phone?

- 36% of all respondents with fixed line broadband in the home use unmanaged VoIP
- 20% of users of unmanaged VoIP over a fixed line connection use the service once a day
- Use of unmanaged VoIP is linked to age and to a social grade with DE and F reporting lower use.

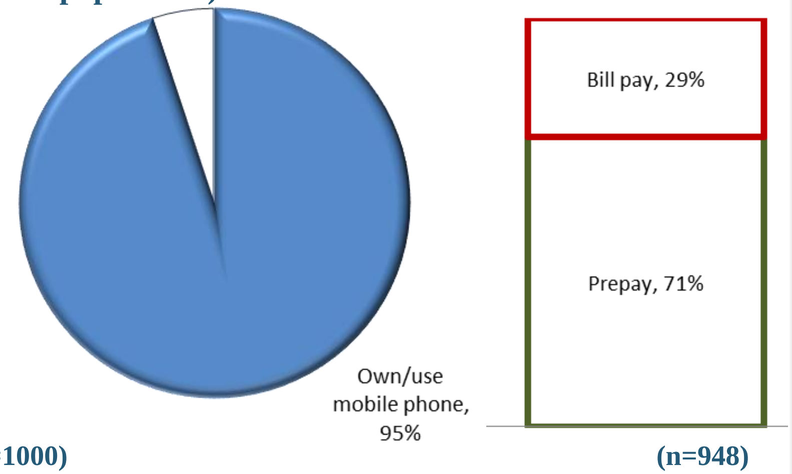
Use of unmanaged VoIP from home – by age and social grade



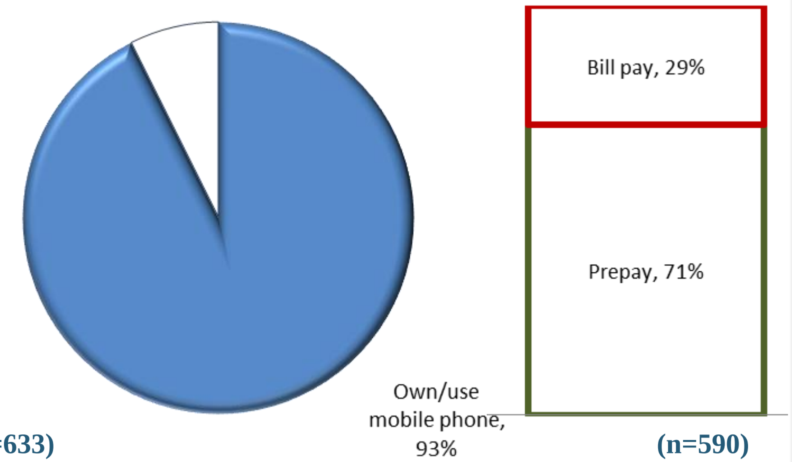
(n=660)

Use of mobile phone

Prevalence of mobile phones and payment method (entire population)



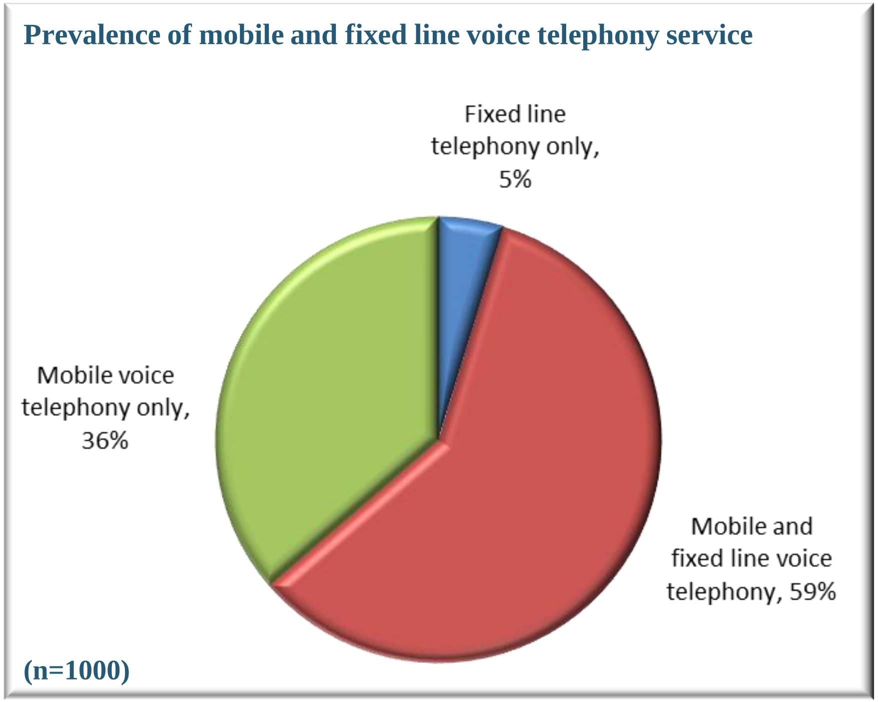
Prevalence of mobile phones and payment method (respondents in homes with fixed line phones)



SURVEY QUESTIONS:
Q: Do you own and use a mobile phone?
Q: Is your mobile plan/package a prepay package (where you buy credit before you can make a call) or bill pay package (where you have a contract with your operator and subsequently receive a bill for calls, texts or other services you used in the previous month)?

- Note: The respondent base differs from MVCT research where respondents were representative of the entire population
  - Reflected in higher proportion of bill pay customers (MVCT research figure: 26%)

Prevalence of fixed and mobile voice telephony services



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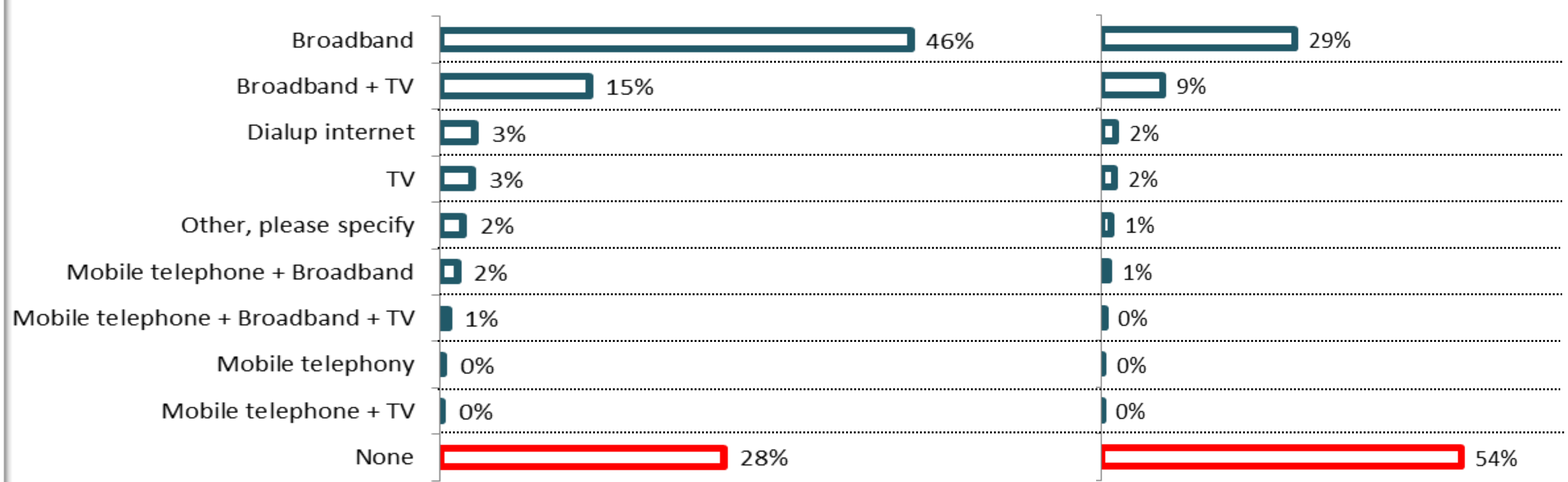
Q: Can I confirm that you have a phone connected (either via a corded or cordless handset) to one or more of your fixed line connections
Q: Do you own and use a mobile phone?

- All respondents had one or both mobile/fixed line voice telephony service in the home
  - 5% had only a fixed line voice telephony service

Prevalence of bundles among consumers with fixed line voice telephony service

Prevalence of bundles

… among consumers with fixed line phone service **… among all consumers**

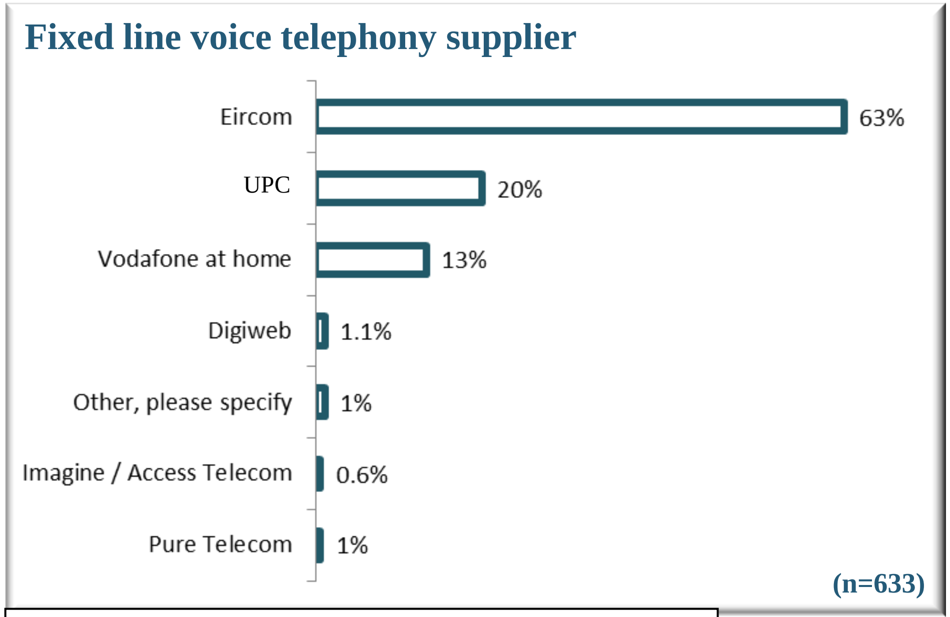


(n=633) **(n=1000)**

SURVEY QUESTION:
Q: Do you buy any of the following services as part of a bundle with your fixed line voice telephone service?

- Most (72%) of consumers with fixed line voice telephone service purchased a bundle from their supplier
  - Voice with broadband is the most popular bundle with 46% of consumers with fixed line voice telephone service purchasing this bundle
  - A further 18% of consumers with fixed line voice telephone service purchased a bundle including broadband, voice and other services
- *Double play* options are held by 52% of respondents with a fixed line voice telephony service

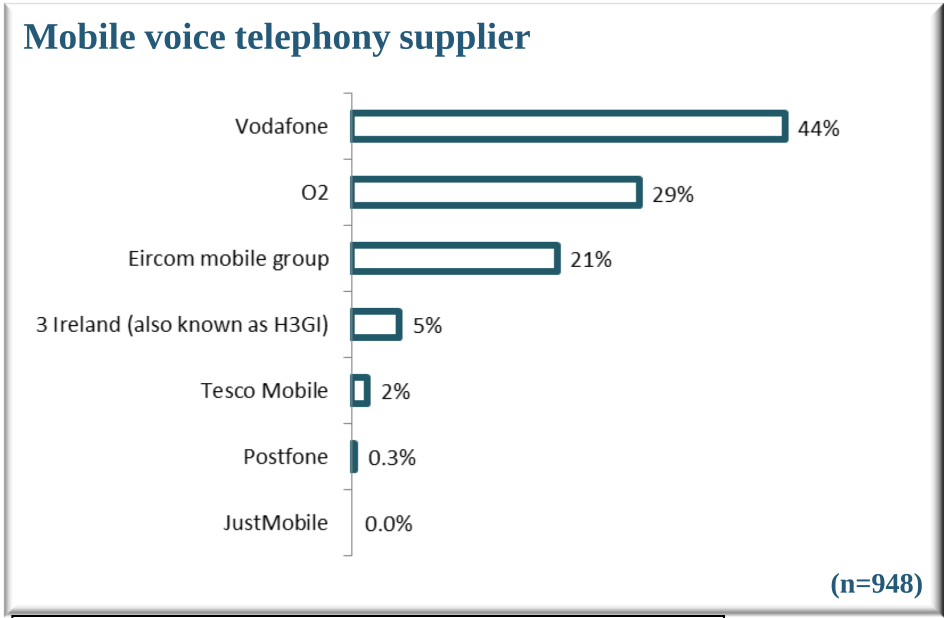
Fixed line voice telephony suppliers



SURVEY QUESTION:
Q: Returning to your fixed line phone, which company provides your fixed line phone?

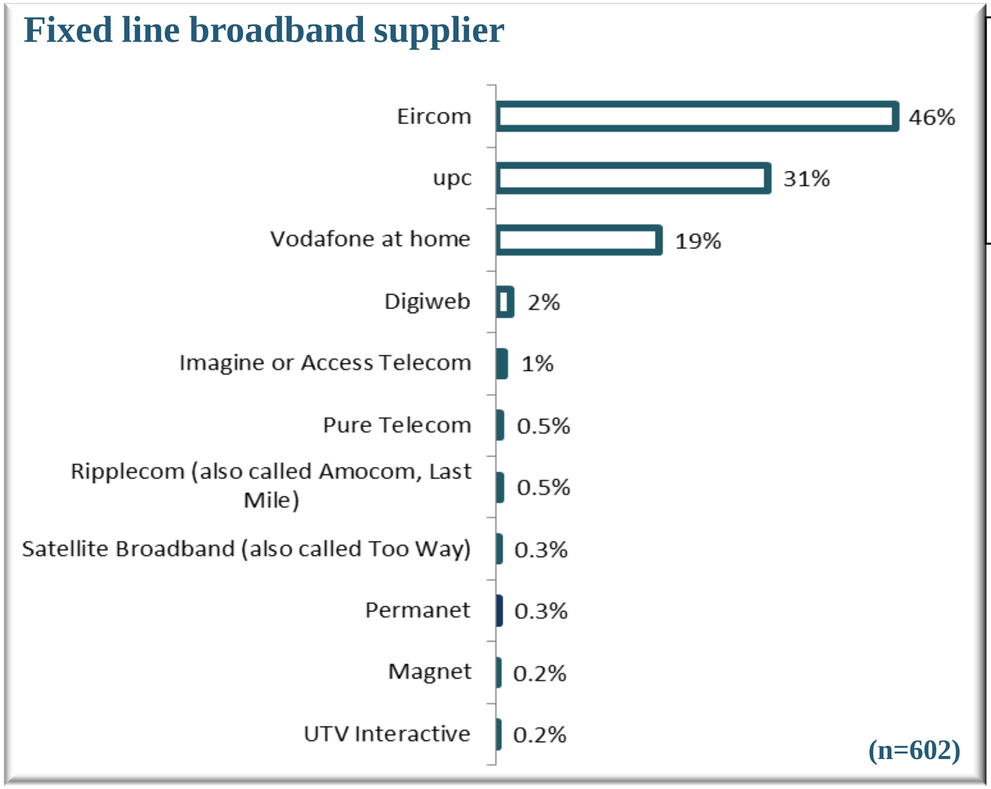
- *Eircom* remains the supplier with largest market share reported by survey respondents with *UPC* ahead of *Vodafone at home*

Mobile voice telephony suppliers



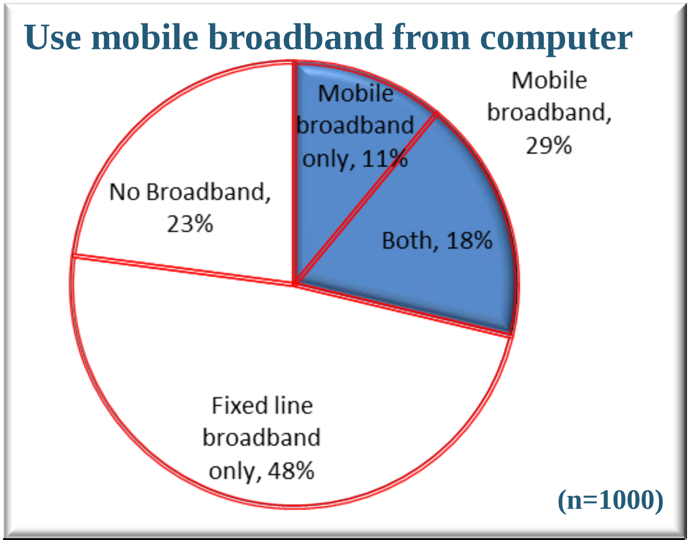
SURVEY QUESTION:
Q: And who is your current mobile phone operator?

Fixed line broadband suppliers

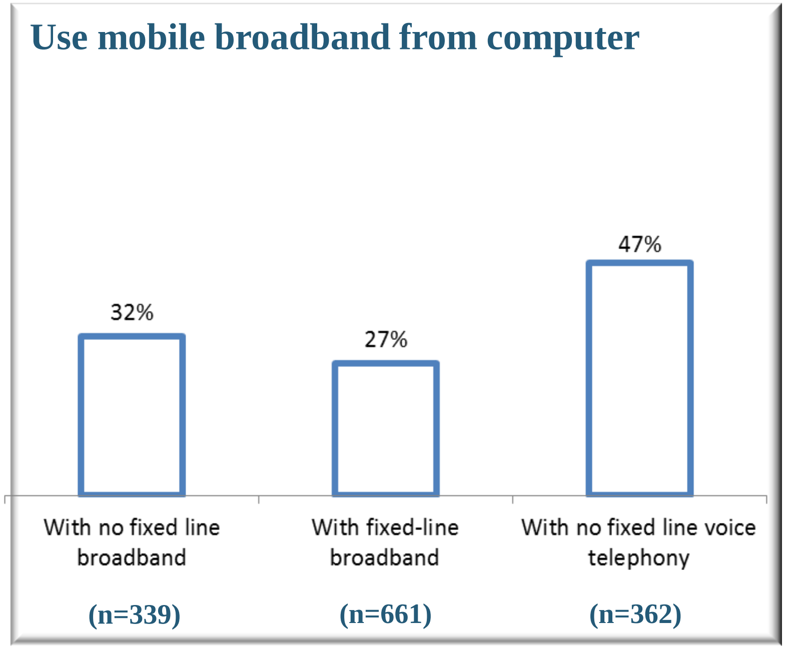


SURVEY QUESTION:
Q: Earlier you said that you had fixed internet access, which supplier provides this service? This doesn't include mobile broadband (where you typically use a USB modem or a dongle which you plug into your computer) supplied by a mobile phone operator or accessing the internet from a smart phone

Prevalence of mobile broadband (from computer)



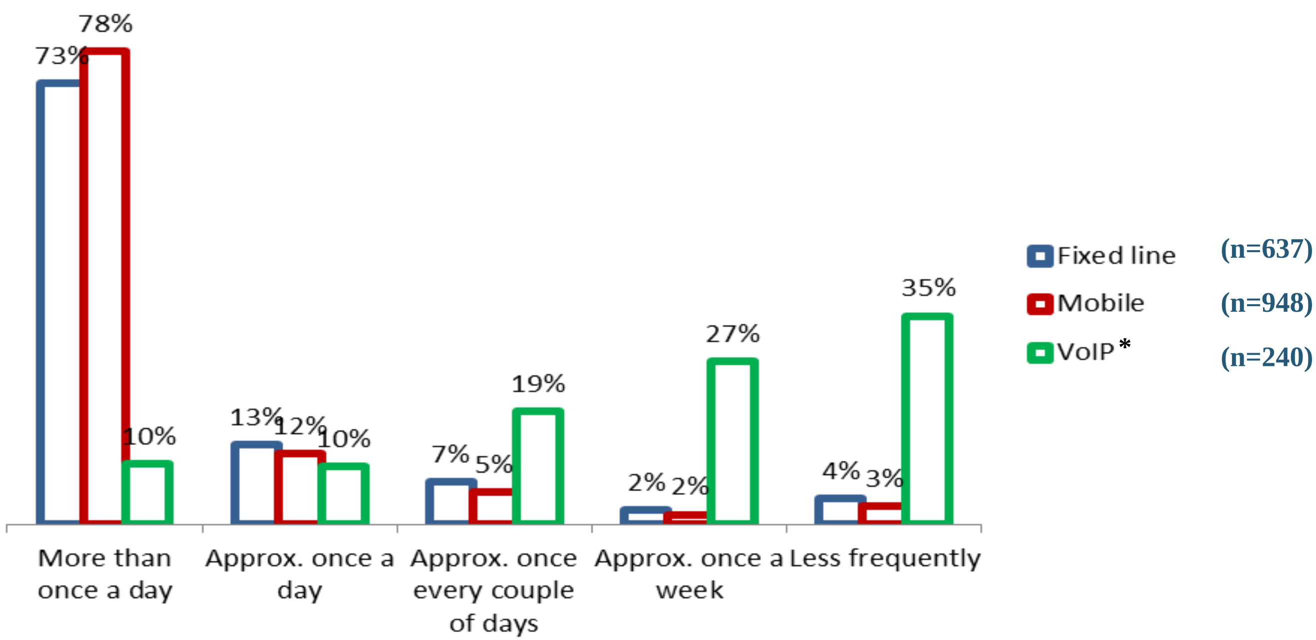
SURVEY QUESTIONS:
Q: Do you access the internet in your home from your computer using mobile broadband (often using a USB modem or a dongle which you plug into your computer) supplied by a mobile phone operator and which can be used wherever your mobile phone operator has network coverage?
Q: Which of the following are being used in your home? - A broadband connection where the internet is always available (This could be accessed using a wi-fi connection or with a wired connection)



- Mobile broadband usage appears complementary to fixed line broadband with similar levels of use in households with or without fixed line broadband
  - 27% of households with fixed-line broadband also use mobile broadband, compared to 32% of households without fixed-line broadband

Usage levels – fixed line, mobile phone and unmanaged VoIP

Reported usage levels (by respondent)



*: Unmanaged VoIP only

SURVEY QUESTIONS:
Q: And how often do you use your fixed line phone for making/receiving calls?
Q. And how often do you use your mobile phone for making/receiving calls in your home?
Q. And how often do you use Skype, Internet calls or VoIP in your home?

❖ Mobile and fixed line calling patterns are similar with unmanaged VoIP (e.g. Skype) much less commonly used

Fixed and mobile usage patterns

Distribution of call types from fixed line phone or mobile phone

Type of call	Fixed line telephone calls	Mobile telephone calls (households with fixed line)	Mobile telephone calls (households without fixed line)
To international phone numbers	10%	4%	6%
To local\national fixed line numbers	66%	26%	20%
To mobile phones	22%	68%	71%
To competition lines, voting lines and other premium rate numbers	2%	2%	2%
To directory enquires	0%	0%	0%

SURVEY QUESTION:
Q: Thinking about the calls made from your fixed line phone/mobile phones in a typical month by all members of your home, please provide an approximate breakdown of the amount of time spent on your fixed line phone for each of the following?

- ❖ Consumers exhibit clear selection of mobile-to-mobile and fixed line-to fixed line calls over mobile-to-fixed and fixed-to-mobile

Preference for use of voice telecommunication services for specified call types

Telecommunications service (n=637)	Fixed line phone in your home	Mobile phone	Skype	No preference	Don't make this type of call	Don't know
Calls to ***local fixed line*** phones	**77%**	16%	4%	3%	0%	0%
Calls to ***national fixed line*** phones	**80%**	13%	2%	3%	2%	0%
Calls to ***mobile phones on the same network*** as your mobile phone	16%	**78%**	1%	3%	2%	0%
Calls to ***mobile phones on a different network*** to your mobile phone	27%	**62%**	1%	7%	3%	1%
Calls to ***international numbers***	55%	12%	11%	4%	16%	1%
Calls to ***premium rate numbers*** such as competition lines, quiz shows, horoscope, etc	21%	8%	1%	13%	54%	3%
Calls to ***directory enquires***	42%	9%	1%	16%	31%	1%
Calls to ***1800 numbers***	35%	11%	0%	20%	32%	1%
Calls to (callsave) 1850 or (lo-call) 1890 numbers	39%	9%	0%	17%	32%	2%

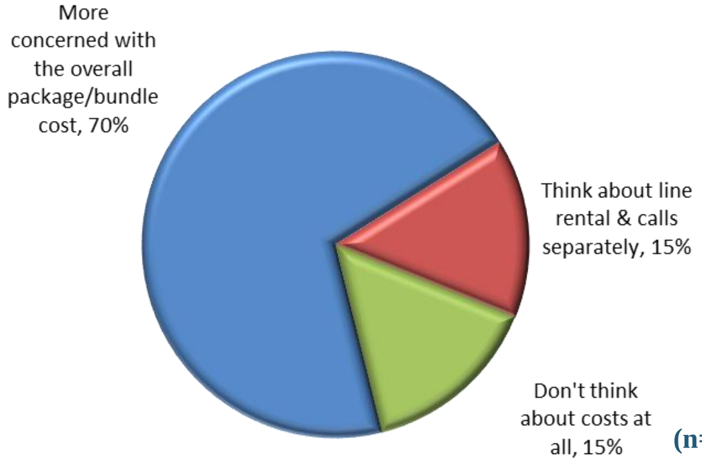
SURVEY QUESTION:
Q: Thinking about the categories of calls you make from your home, please select what you would primarily use for each of the following types of calls. If there are several options which you would primarily use, please select multiple options?

- Preference for fixed-to-fixed and mobile-to-mobile is clear in the direct preference choices
- Fixed line phones are also preferred for other types e.g. directory enquires, 1800 and call save

Billing and costs – fixed line voice telephony services

Engagement with costs for fixed line voice telephony services

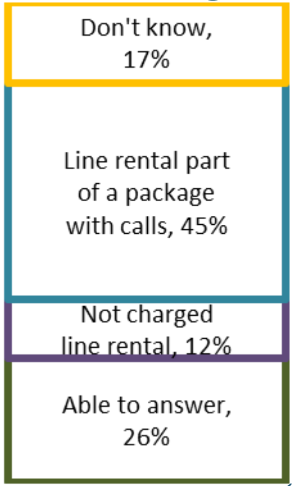
Consumer perspective when assessing the costs of line rental and telephone calls



(n=633)

SURVEY QUESTION:
Q: When you are thinking about the cost of your fixed line telephone, do you think about the cost of the line rental and calls separately?

Consumer awareness of line rental charge



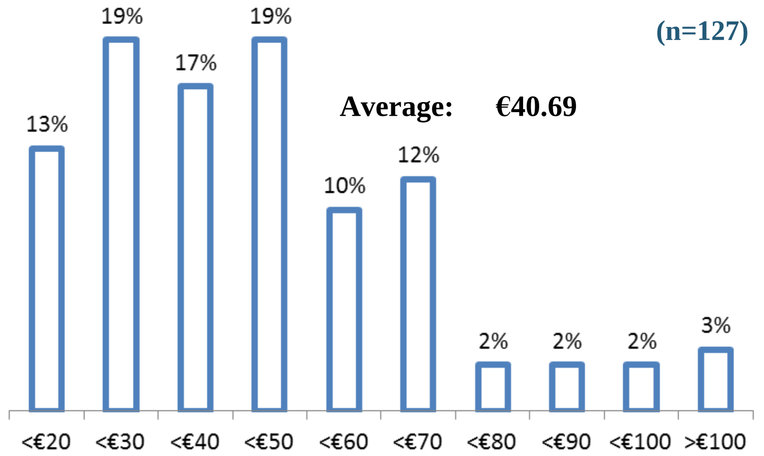
(n=633)

SURVEY QUESTION:
Q: How much do you pay per month for the line rental?

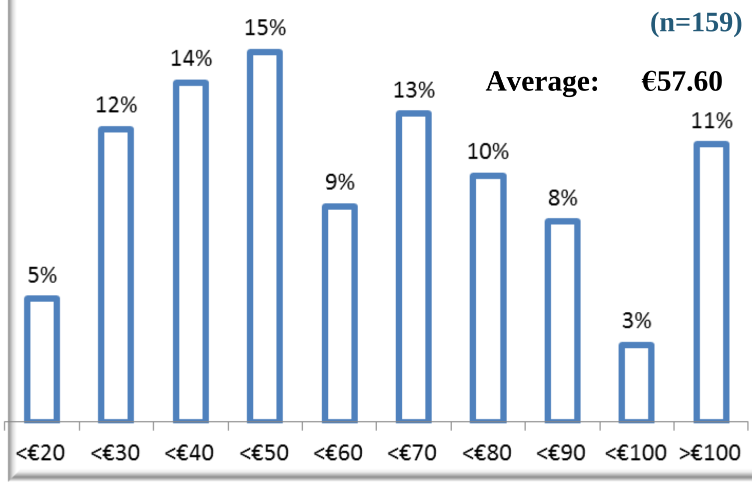
- Most consumers with fixed line phones do not consider the cost of calls and the costs of line rental separately
  - 15% state that they do consider these charges separately
- Approximately ¼ of consumers with fixed line phones were able to estimate the cost of line rental
  - Consumers with cable based service (such as UPC) reported similar levels of engagement with line rental call costs and knowledge of line rental as those with traditional fixed line phone connections

Estimates of monthly costs faced by households purchasing a fixed line calls voice service not bundled with other services

Base cost estimate (monthly)



Total bill estimate (monthly)

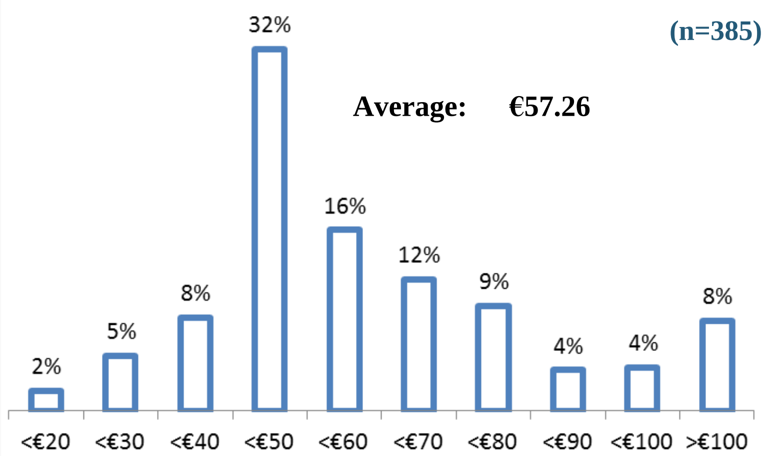


SURVEY QUESTIONS:
Q: How much is the base cost of your package per bill (i.e. the recurring cost of your package before taking into account the cost of any additional calls or other services which are not included in your base price)
Q: How much is the base cost of your bundle per bill (including all options that you chose to pay as part of the bundle)
Q: Approximately how much would your total bill typically be (for example, the base price of the package plus the cost of additional calls or services purchased outside of your base package)?

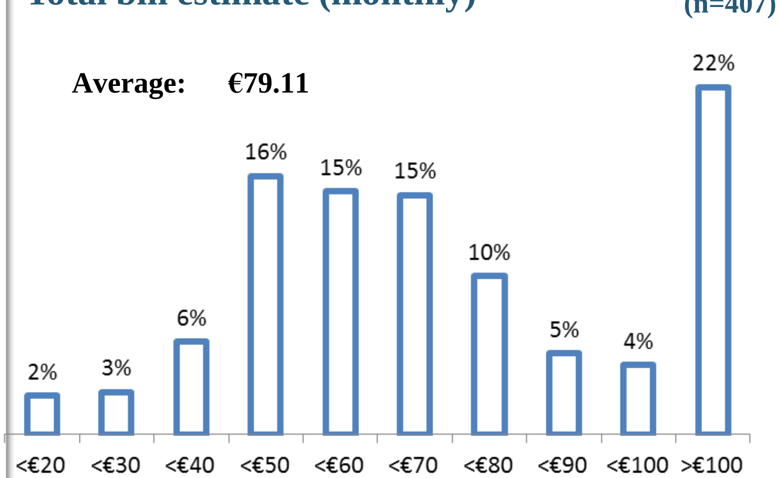
- Figures reflect estimates given by respondents on ***packages*** (i.e. include calls and line rental but no other services such as broadband, TV, etc.)
- Estimates are based on responses to questions on ***per bill*** base cost and total bill rescaled to a monthly cost to reflect frequency of billing
  - i.e. all figures are monthly costs

Estimates of monthly costs faced by households purchasing a fixed line calls voice service as part of a bundle with other services

Base cost estimate (monthly)



Total bill estimate (monthly)



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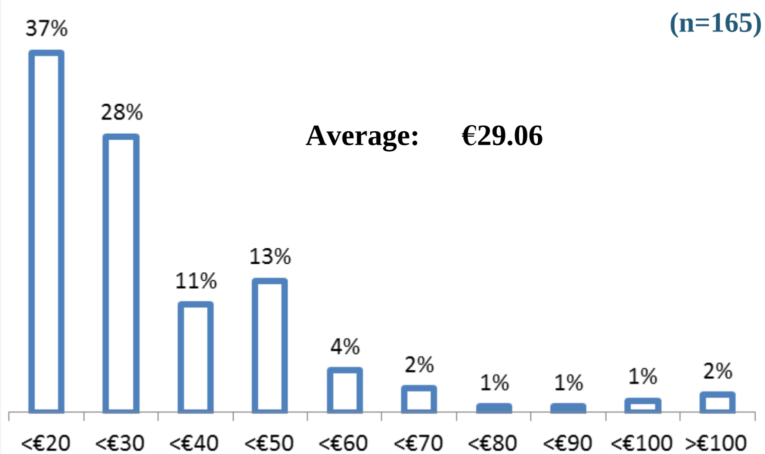
Q: How much is the base cost of your bundle per bill (including all options that you chose to pay as part of the bundle)
Q: Approximately how much would your total bill typically be (for example, the base price of the package plus the cost of additional calls or services purchased outside of your base package)?

- Figures reflect estimates given by respondents on ***bundles*** (i.e. include calls and line rental and one or more other services such as broadband, TV, etc.)
- Estimates are based on responses to questions on ***per bill*** base cost and total bill rescaled to a monthly cost to reflect frequency of billing
  - i.e. all figures are monthly costs

Total estimated monthly spend for households purchasing fixed line voice service either within a bundle or outside of a bundle

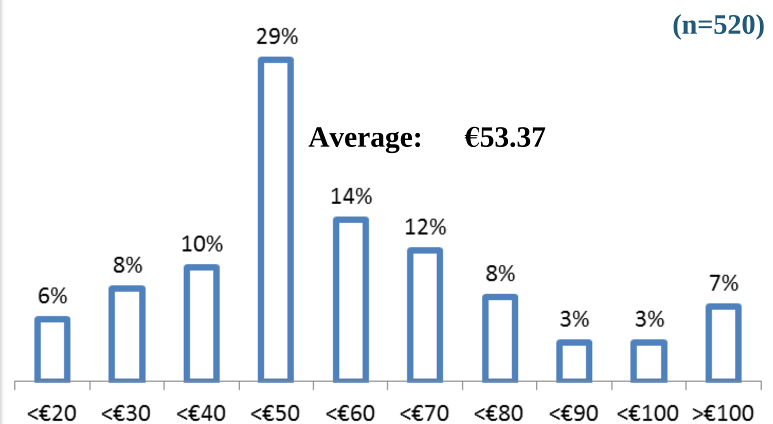
Line rental estimate (monthly)



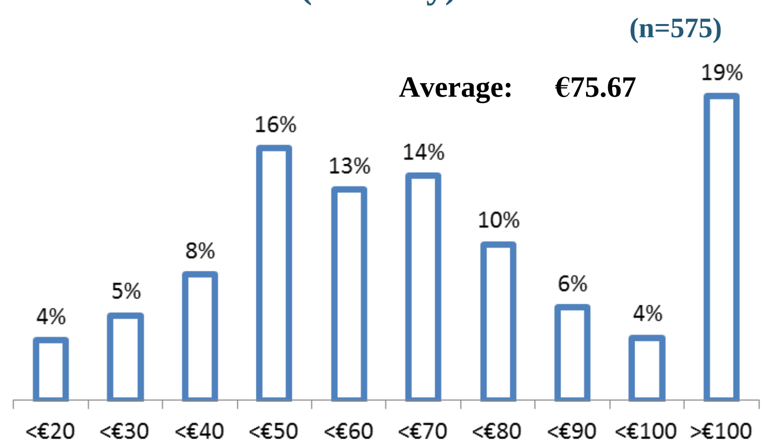
SURVEY QUESTIONS:
Q: How much do you pay per bill for the line rental?
Q: How much is the base cost of your package per bill (i.e. the recurring cost of your package before taking into account the cost of any additional calls or other services which are not included in your base price)
Q: How much is the base cost of your bundle per bill (including all options that you chose to pay as part of the bundle)
Q: Approximately how much would your total bill typically be (for example, the base price of the package plus the cost of additional calls or services purchased outside of your base package)?

- Estimates are based on responses to questions on ***per bill*** line rental, base cost and total bill rescaled to a monthly cost to reflect frequency of billing
  - i.e. all figures are monthly costs

Base cost estimate (monthly)

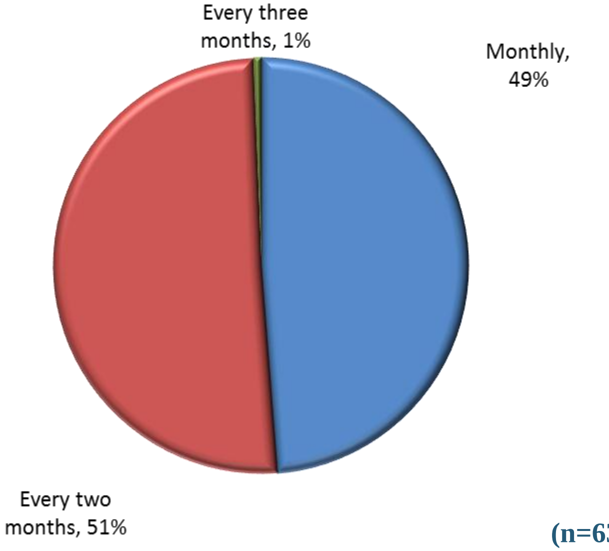


Total bill estimate (monthly)



Billing frequency

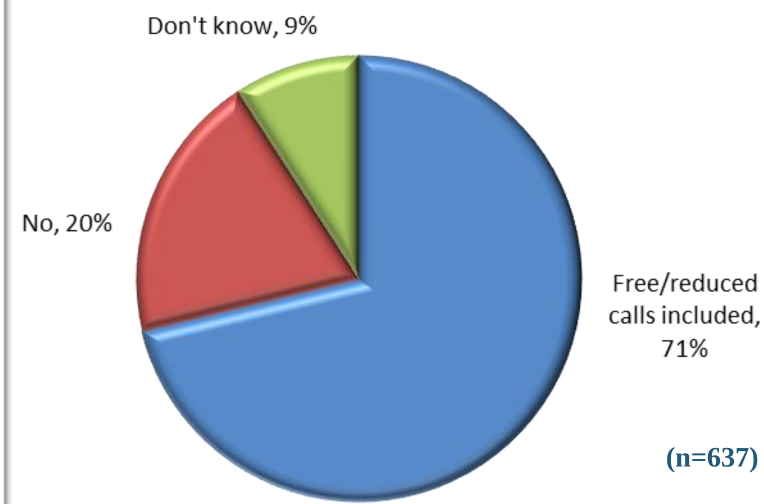
Frequency of billing



(n=637)

SURVEY QUESTION:
Q: How often do you receive a bill from the supplier of your fixed line phone supplier (this can be a printed bill or an online or email bill)?

Features of voice telephony plan



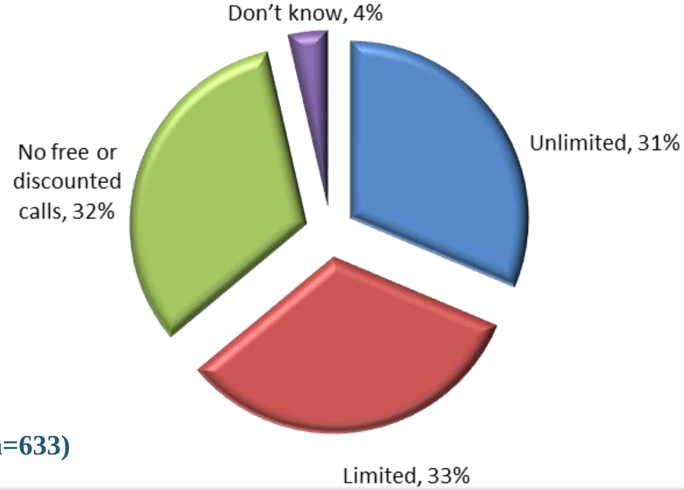
(n=637)

SURVEY QUESTION:
Q: Does your fixed line home phone supplier include free phone calls and/or reduced call costs as part of the package?

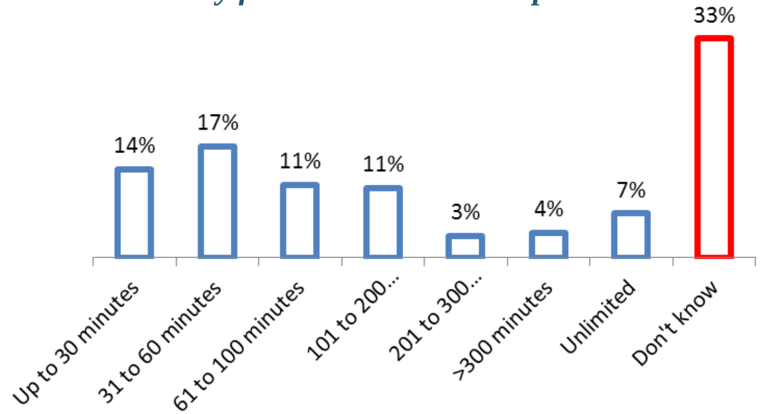
- Billing is evenly split between monthly and bi-monthly
- Most packages (71%) include some free or reduced cost calls
  - This includes free/reduced calls across any category of call

Fixed line voice plan/bundle monthly inclusions: Local calls to a fixed line numbers

Inclusion of local calls to fixed line numbers



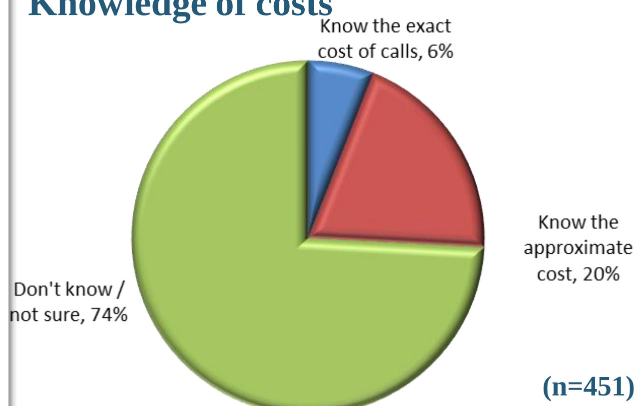
Of those with free/discounted calls of this type, how many free minutes included per month



SURVEY QUESTIONS:
Q: Does your package include free calls or discounted call costs from your fixed line phone to local fixed line phones?
Q: How many minutes per month can be used within your package to make calls from your fixed line phone to other local fixed phone numbers at no extra cost?

- 64% of all households with fixed line phone receive discounted or free minutes for local calls to a fixed line number
  - 33% of all households with fixed line phones receive limited minutes
- Most respondents with plans including free or discounted calls (74%) do not know the cost of local calls to fixed line numbers

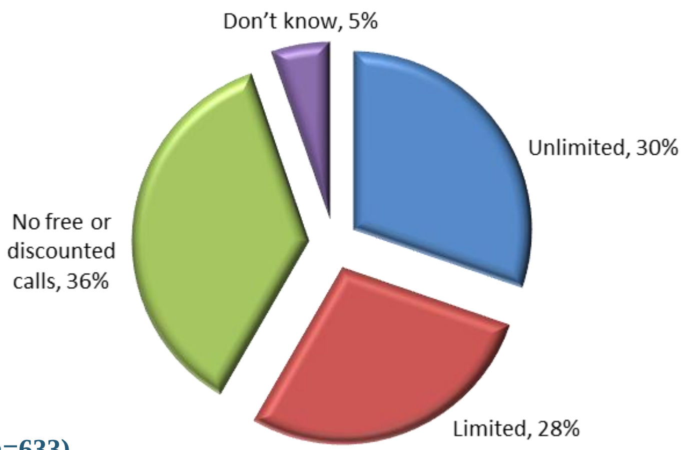
Knowledge of costs



SURVEY QUESTION:
Q: Could you state whether you know the cost of making calls from your fixed line phone to other local fixed line phones in instances where you need to pay for the call?

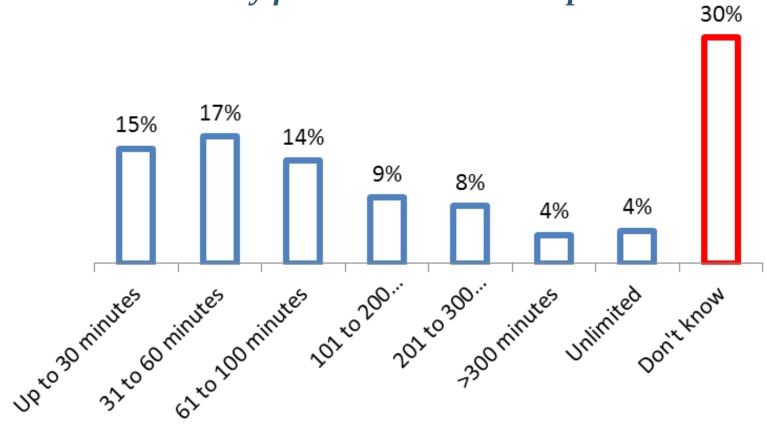
Fixed line voice plan/bundle monthly inclusions: National calls to fixed line numbers

Inclusion of national calls to fixed line numbers



(n=633)

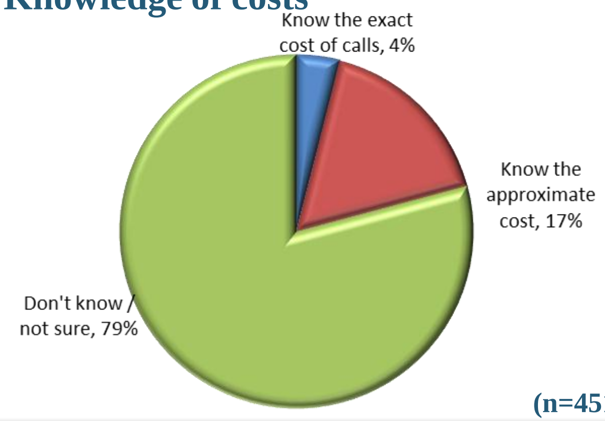
Of those with free/discounted calls of this type, how many free minutes included per month



SURVEY QUESTIONS:
Q: Does your package include free calls or discounted call costs from your fixed line phone to national fixed line phones?
Q: How many minutes per month can be used within your package to make calls from your fixed line phone to national fixed phone numbers at no extra cost?

- Similar proportion of respondents were also provided with free or discounted national calls to fixed line numbers
- A higher proportion of respondents with plans including free or discounted calls (79%) do not know the cost of national calls to fixed line numbers

Knowledge of costs

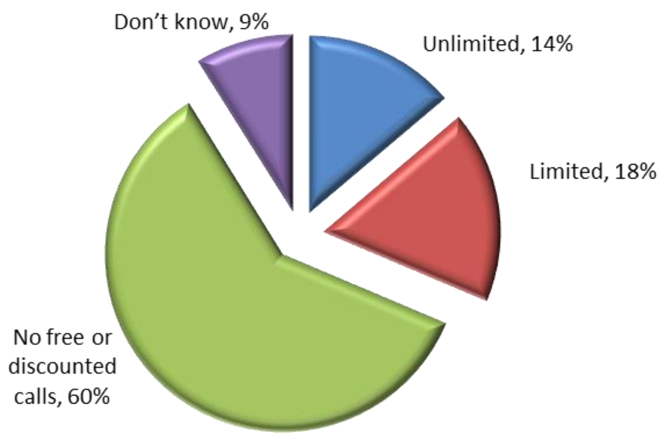


(n=451)

SURVEY QUESTION:
Q: Could you state whether you know the cost of making calls from your fixed line phone to national fixed line phones in instances where you need to pay for the call?

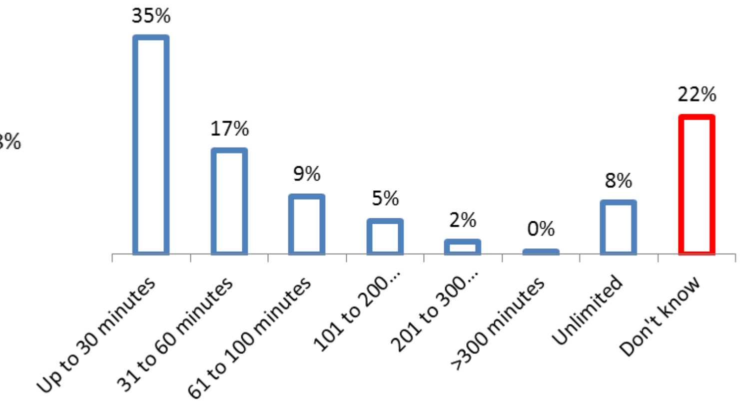
Fixed line voice plan/bundle monthly inclusions: Calls to mobile numbers

Inclusion of mobile calls



(n=633)

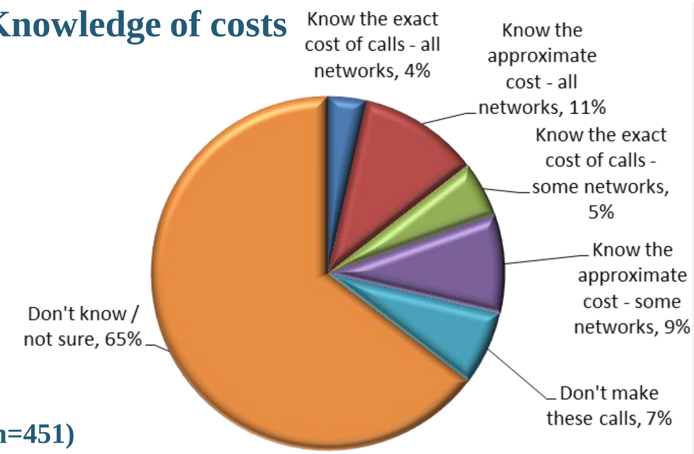
Of those with free/discounted calls of this type, how many free minutes included per month



SURVEY QUESTIONS:
Q: Does your package include free calls or discounted call costs from your fixed line phone to mobile phones?
Q: How many minutes per month can be used within your package to make calls from your fixed line phone to mobile phone numbers at no extra cost?

- Fixed telephone packages or bundles often include 'free' local and national calls to landlines, but are less likely to include an allocation of calls to mobile numbers.
- The level of knowledge about the costs of calls to mobile numbers was higher than about costs for local and national calls

Knowledge of costs



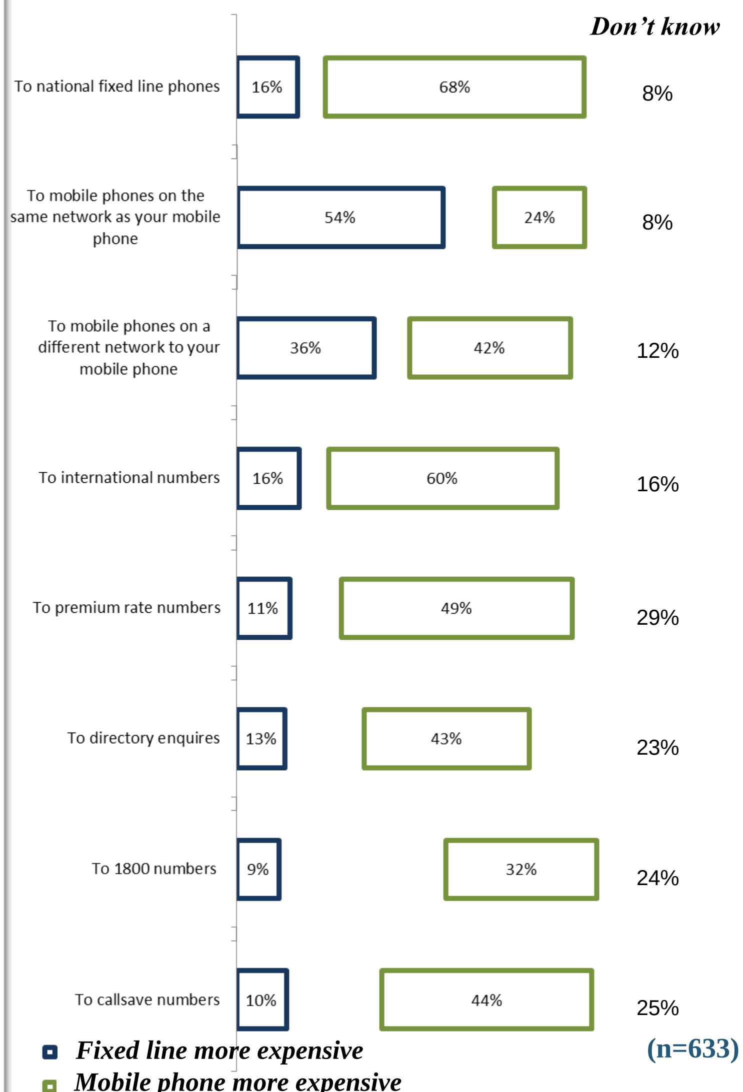
(n=451)

SURVEY QUESTION:
Q: Could you state whether you know the cost of making calls from your fixed line phone to mobile phones in instances where you need to pay for the call?

Prepared by The Research Perspective on behalf of The Commission for Communications Regulation

Perception of relative cost to call from fixed and mobile phones

Which is more expensive to call to …



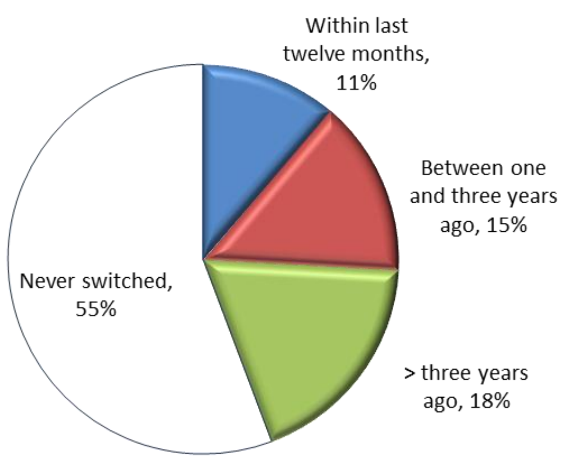
SURVEY QUESTION:
Q: Thinking about the cost of making different types of calls from your home, could you tell me which type of phone – fixed line phone in your home or mobile phone – is most expensive for making each of the following call types? If you are not sure, please could you tell us your impression of the costs?

- ❖ Most respondents believe fixed line phone charges are lower than calls from mobile phones for most call categories
  - ➢ Responses were from households with fixed line voice telephony
  - ➢ Exception being for calls to mobile phones on the same network

Switching fixed line voice telephony services

Switching rates among fixed line voice telephony consumers

Last switched fixed line voice telephony service

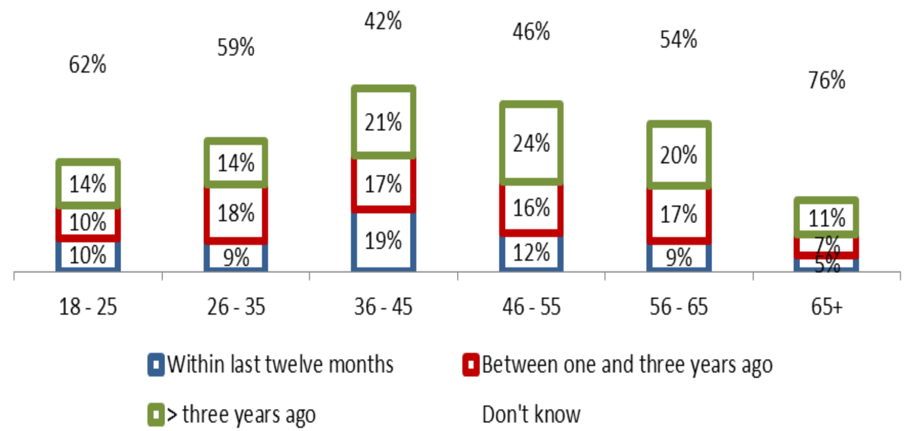


Don't know: 0.5%

(n=633)

SURVEY QUESTION:
Q: Have you switched fixed line service supplier?

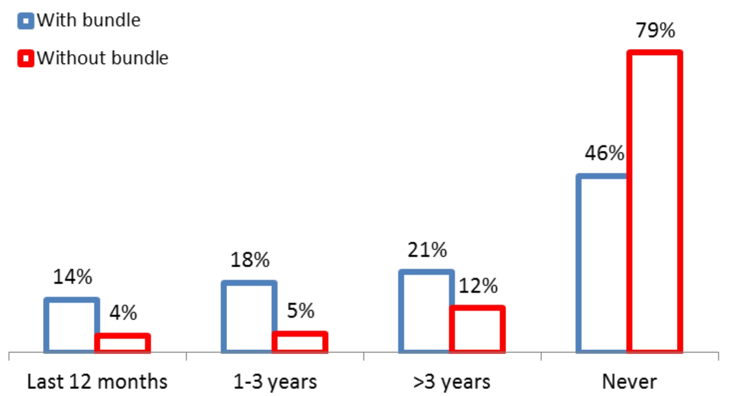
Last switched fixed line voice telephony service – by age cohort



- A majority of respondents with fixed line telephones (55%) indicated that they have never switched
  - Highest level of switchers in the 36 – 45 age cohort. This is inline with utilities switching rates
  - 78% of *Eircom* customers stated that they have never switched compared to 22% of *UPC* and 12% of *Vodafone at home* customers

Switching rates and bundles

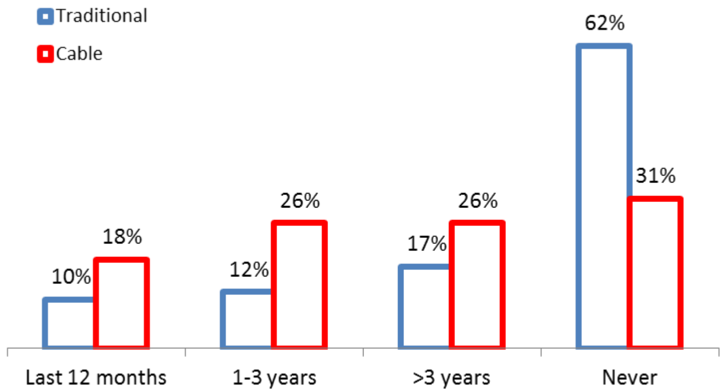
Reported last switch of fixed line voice telephony services among respondents purchasing voice telephony services as part of a bundle and on its own



(n=630)

SURVEY QUESTION:
Q: Have you switched fixed line service supplier?

Reported last switch of fixed line voice telephony services among respondents with traditional and cable fixed line connection



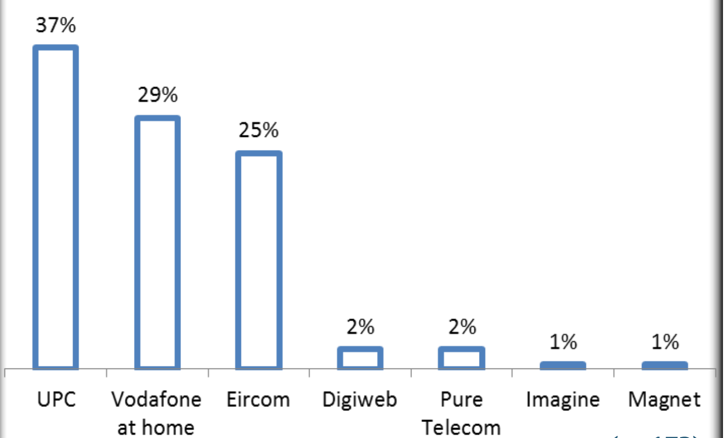
(n=624)

SURVEY QUESTION:
Q: Have you switched fixed line service supplier?

- Respondents who purchase bundled services including fixed line voice telephony are more likely to have switched and likely to have switched more recently than those purchasing fixed line voice telephony separately
  - This may reflect one or more factors such as promotion of packages or the tendency of those purchasing packages to behave differently
- Respondents with 'traditional' fixed line phone connections are much less likely to have switched
  - This may partially reflect more recent availability of cable

Switching patterns for fixed line voice telephony

Switched *to* (up to 3 years ago)

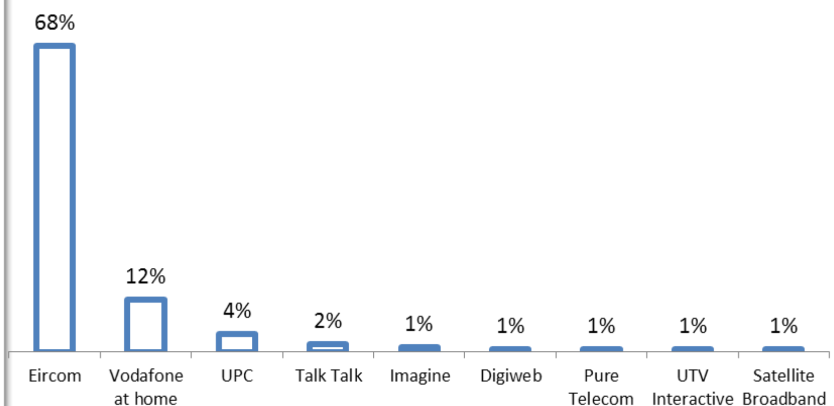


(n=172)

SURVEY QUESTION:
Q: Returning to your fixed line phone, which company provides your fixed line phone?

Switched *from* (up to 3 years ago)

(n=172)

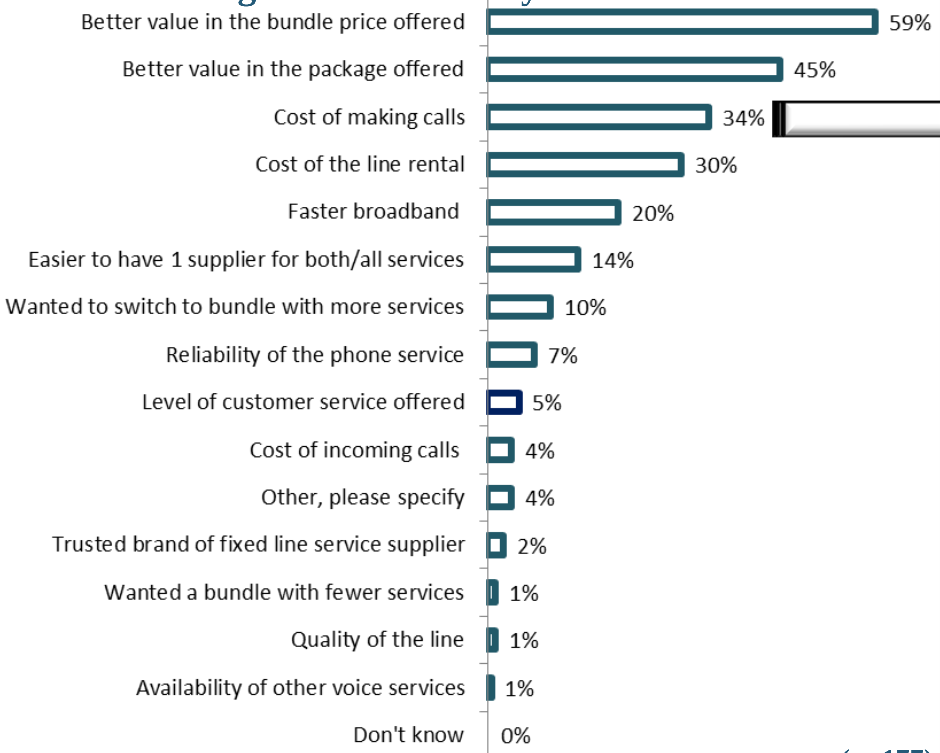


SURVEY QUESTION:
Q: Which fixed line service supplier were you previously with?

- Analysis of switching patterns reflects the market growth of *UPC* over the previous 3 years with 37% of all switchers
  - In contrast, *Eircom* was the switched from supplier for 68% of all switchers
- UPC also retained new customers reinforcing the low level of churn
  - *UPC* acquired 9 new subscribers for every one lost
  - In contrast, *Vodafone at home* acquired 2 for every one lost and *Eircom* lost 3 for every one acquired
- *UPC* has gained most of its switchers from *Eircom* (31% of the 37% of switchers who ***switched to*** *UPC* ***switched from*** *Eircom*)
  - *Vodafone at home* has lost most to *Eircom* (10% of the 12% of switchers who ***switched from*** *Vodafone at home* ***switched to*** *Eircom*)

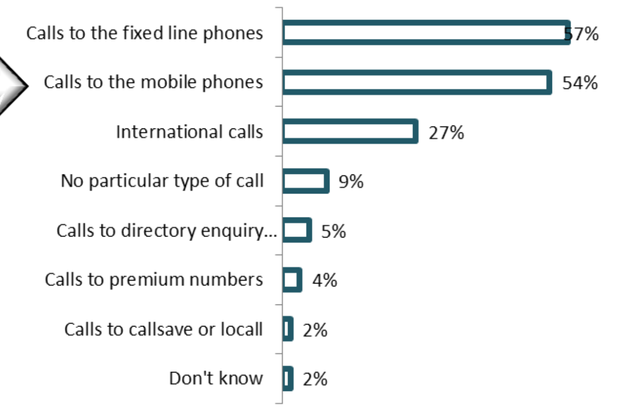
Reasons for switching fixed line voice telephony supplier: Top three reasons

Top three reasons for selecting fixed line phone supplier when switching in the last three years



(n=177)

Cost of making calls - clarification

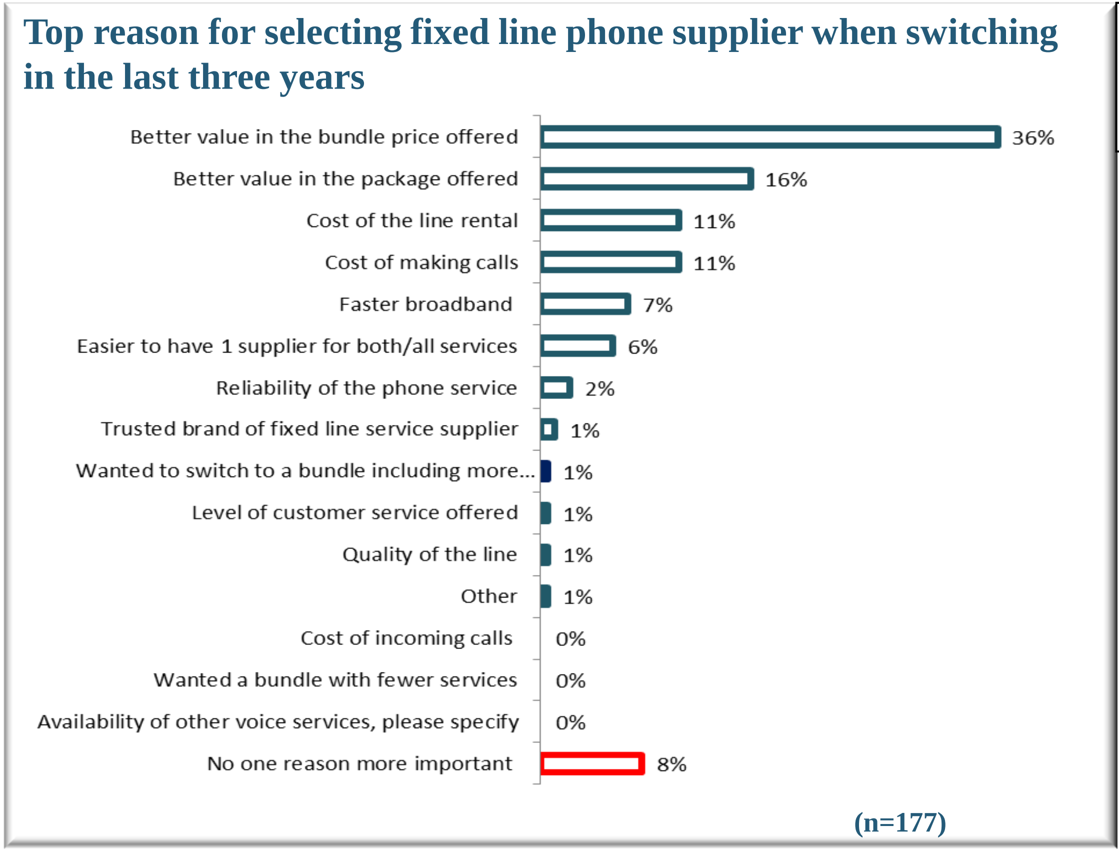


(n=56)

SURVEY QUESTIONS:
Q: Thinking about when you chose your current fixed line phone service supplier, please select the top three reasons out of the following set of possible reasons which were most important to your decision to choose your fixed line phone service supplier? Note that all of the reasons may be relevant to your particular service supplier
Q: You mentioned that the cost of calls was an important reason for switching supplier. Please select the type of call which was of particular importance from the following list

- Among those who switched during the previous 12 months, respondents selected top three reasons from provided list
  - Those who selected cost of making a call, were asked to select types of costs

Reasons for switching fixed line voice telephony supplier: Top reason



SURVEY QUESTION:
Q: Out of those three you have selected which was the most important reason to your decision to choose your fixed line phone supplier?

❖ Cost and value drivers dominate the top reason for selecting a new supplier

Reasons for keeping fixed line phone

Reasons for retaining a fixed line phone in the home

(n=633)

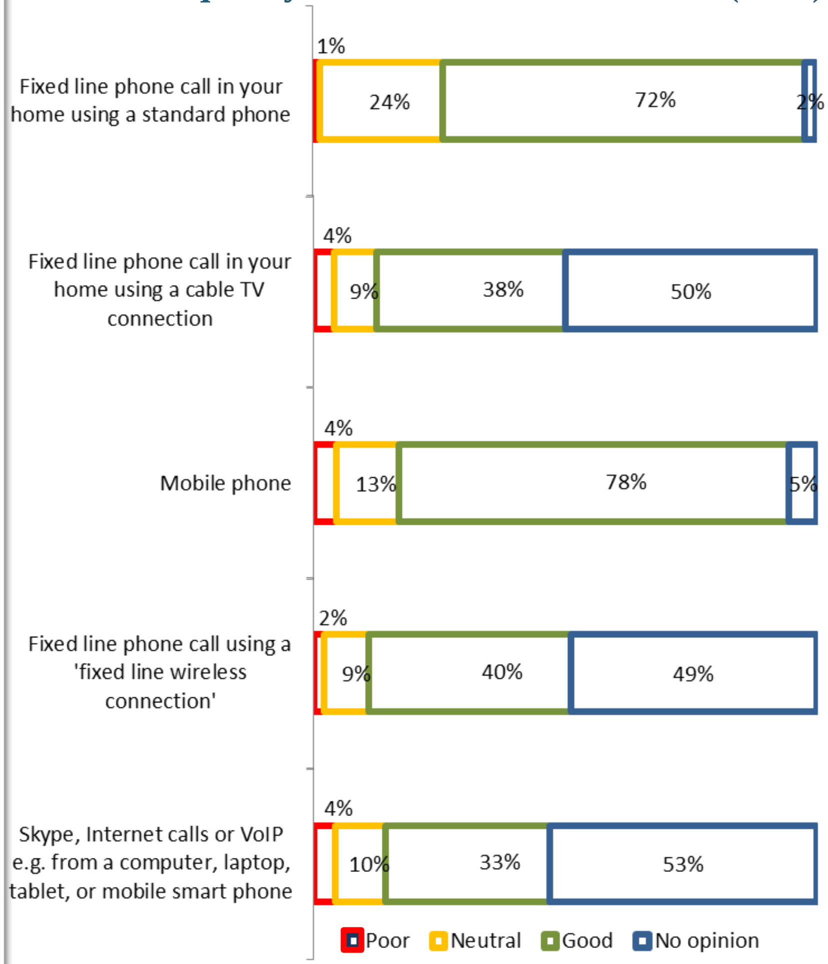
	Like the reason	*Unlike the reason*
It is cheaper to make some types of calls	73%	12%
I prefer to use my fixed line phone rather than my mobile phone when making longer calls	64%	22%
I have always had one and don't see a reason to not have one now	61%	22%
The use of a phone in cases of emergency	58%	23%
The quality of the line during a phone call	55%	30%
Because I need a broadband connection and the phone line is linked to it	54%	33%
It is cheaper for our household to use a single fixed line phone than multiple mobile phones	45%	36%
I need to have a fixed line phone at home for work reasons	25%	64%
There is poor mobile phone coverage in my home - so I need a fixed line phone	23%	59%
The phone is linked to my burglar alarm	22%	70%
Because I receive a social welfare allowance for my fixed line	17%	74%

SURVEY QUESTION:
Q: Thinking of the following reasons why you may still have a fixed line phone in your home, please rate the following potential reasons on a scale of 1 to 5 where 5 is most like your reason for keeping a fixed line phone in your home and 1 is least like the reason for keeping a fixed line phone in your home?

- Respondents with fixed line phones were asked to rate a range of potential reasons for keeping the fixed line phone as being like/unlike their reasons

Assessment of voice telephony platforms

Perceived quality of call connection (n=637)



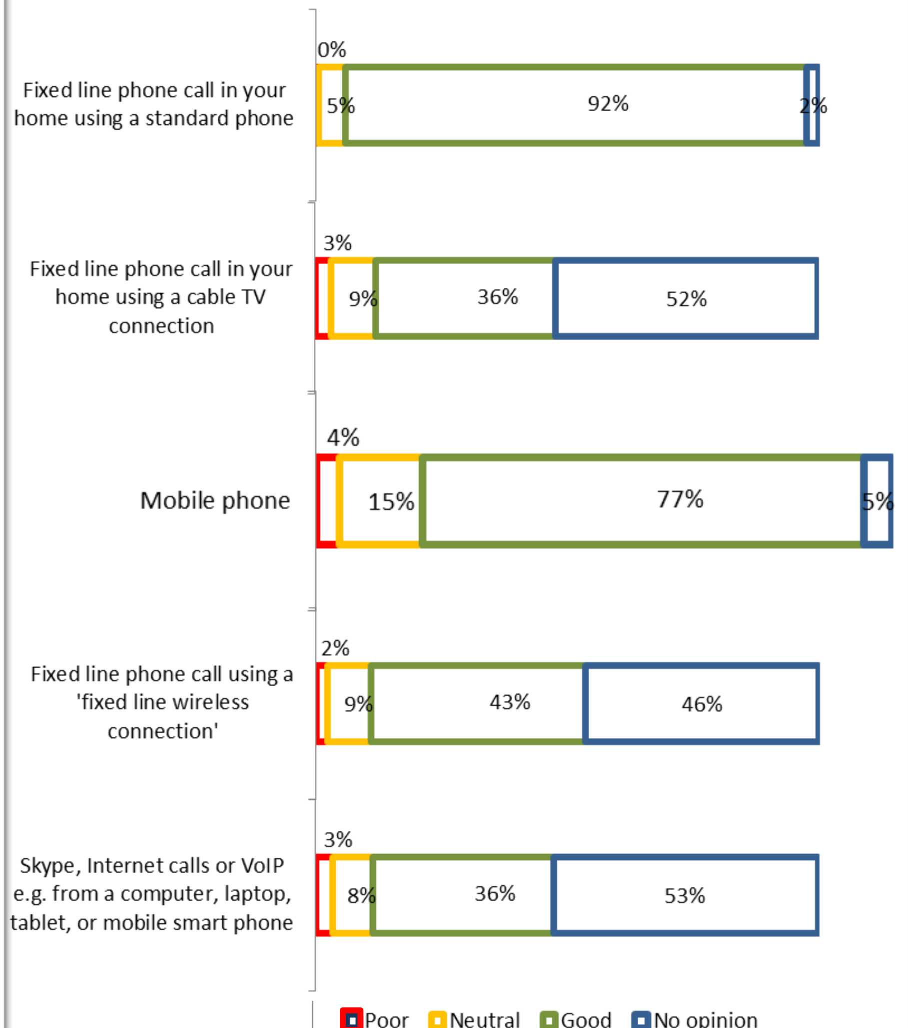
SURVEY QUESTION:
Q: Thinking about the quality of calls (how clear the person is that you are speaking to), rate your perception of how good the quality of call is on each of the following (if you don't have direct experience – rate it on your perception of what the call quality would be like)? Please use a scale of 1 to 5 where 5 is very good and 1 is very poor.

- Respondents assessed the quality of mobile and fixed line calls across all platforms
  - This was to assess perceptions and was answered by all respondents with fixed line phones irrespective of platform currently used
  - However, respondents were unwilling to assess the quality of platforms that they did not personally use
- The low level of ***poor*** rating suggests that there is no perception barrier to take up of alternative voice telephone platforms related to quality of call connection

Assessment of voice telephony platforms

Perceived reliability of call connection

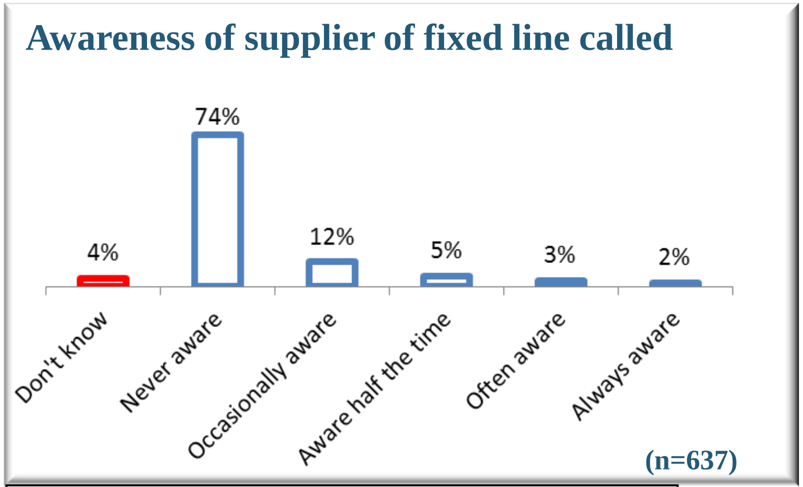
(n=637)



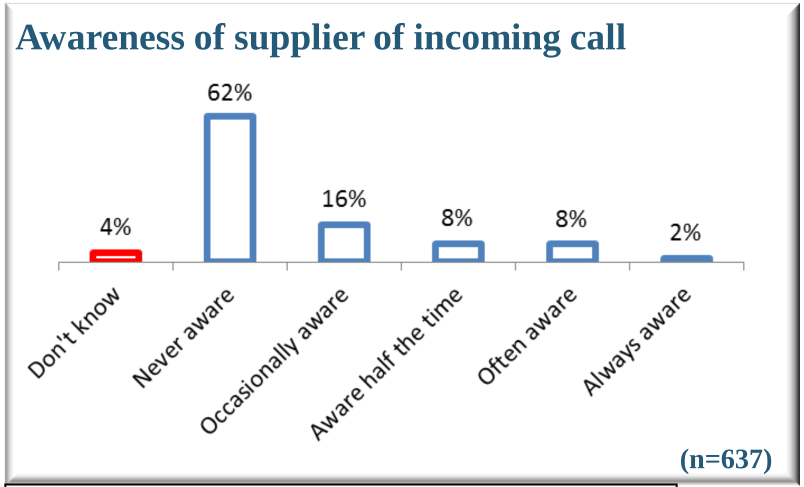
SURVEY QUESTION:
Q: Thinking about the reliability of connection on calls (if the call is dropped in the middle or not, how often you can get through, or any temporary interruptions to the call), rate your perception of how good the reliability of the connection is on each of the following (if you don't have direct experience – rate it on your perception of what the call quality would be like)? Please use a scale of 1 to 5 where 5 is very good and 1 is very poor.

- Respondents assessed the reliability of mobile and fixed line similarly positively
  - However, they were unwilling to assess the quality of platforms that they did not personally use
- The low level of ***poor*** rating suggests that there is also no perception barrier to take up of alternative voice telephone platforms related to reliability of call connection

Awareness of supplier of fixed line phone called or mobile/fixed line calling



SURVEY QUESTION:
Q: When you are calling from your fixed line phone to another fixed line phone, do you know the identity of the supplier that provides the phone that you are calling?

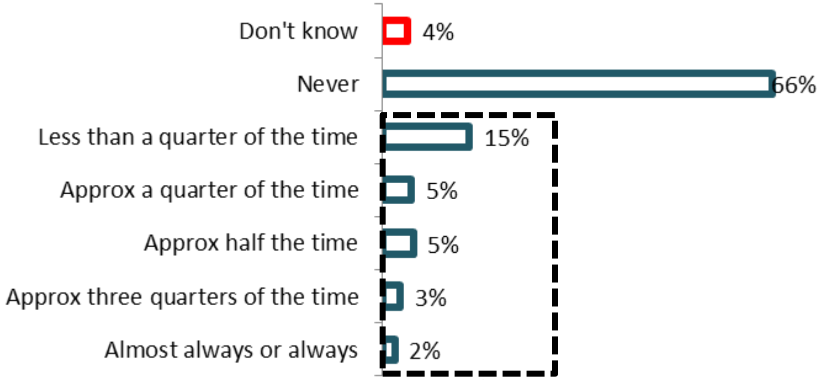


SURVEY QUESTION:
Q: If someone is calling you on your fixed line phone from another fixed line or mobile phone, to what extent do you know what fixed line or mobile network they are calling from?

- Most consumers (74%) state that they are never aware of the supplier of the fixed line phone they are calling when using their fixed line phone to call another fixed line phone number
- Similarly, a majority (62%) state that they are not aware of the source network (either fixed or mobile) from which incoming calls to their fixed line phone originate

Awareness of and impact of cost of incoming call on fixed line voice telephony usage behaviour

Awareness of cost of the call to the calling party when receiving a call on fixed line home phone



(n=637)

SURVEY QUESTION:
Q: When you see an incoming call on the fixed line phone in your home, does awareness of the cost of the call to the person calling you cause you to change how you treat the calls?

- 30% of respondents in households with fixed line voice telephony service stated that they were somewhat aware of the cost of an incoming call to their home fixed line phone
  - These respondents were then asked about specific potential behaviour changes and the potential frequency of each change

Frequency with which action taken

SURVEY QUESTION:
Q: When you see an incoming call on the fixed line phone in your home, does awareness of the cost of the call to the person calling you cause you to change how you treat the calls?

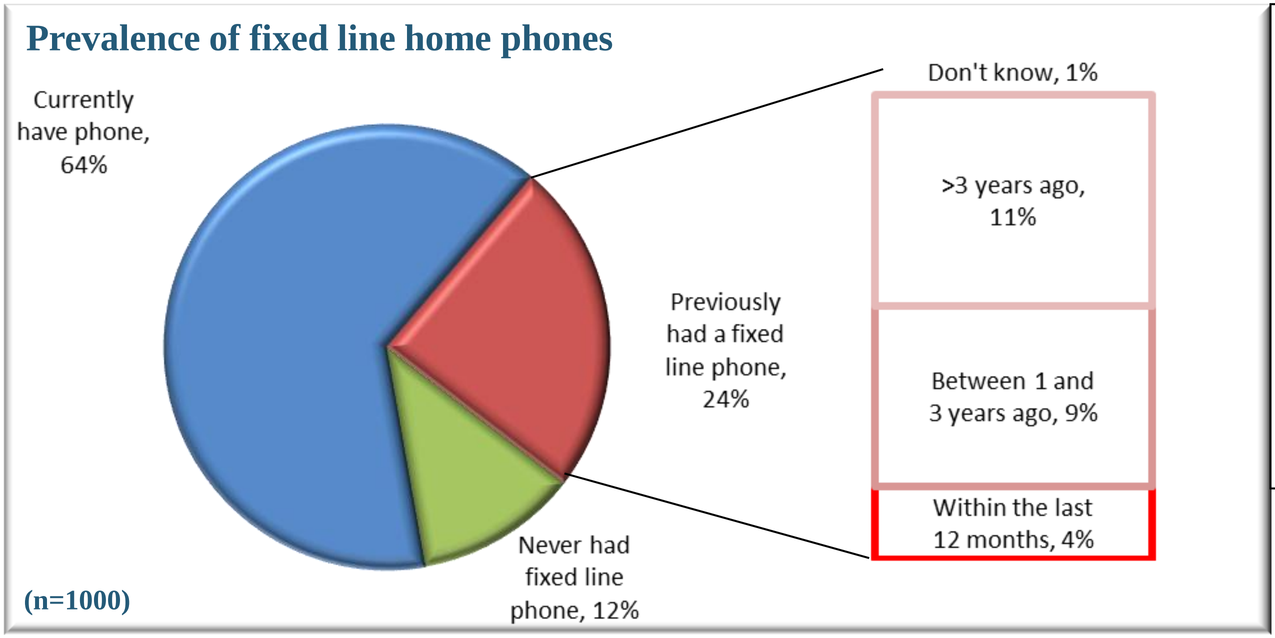
	Almost always or always	Approx ¾ of the time	Approx half the time	Approx ¼ of the time	< ¼ of the time	Never	Don't know
Don't answer the call at all	2.5%	3.1%	3.0%	1.6%	4.4%	14.6%	0.5%
Don't answer their call but phone them back from your fixed line phone	2.8%	3.4%	8.0%	3.7%	6.5%	4.6%	0.6%
Don't answer their call but phone them back from your mobile phone	0.9%	2.8%	6.2%	4.9%	6.8%	6.2%	1.9%
Don't answer their call but use some other method to contact them such as email, skype or a text message	1.2%	3.4%	4.3%	3.7%	3.7%	12.4%	0.9%
Answer their call but shorten the length of the call	3.3%	4.4%	4.7%	4.2%	8.9%	3.3%	0.8%

(n=189)

Non-fixed line phone homes

36% of respondents did not have a fixed line phone in the home for voice calls

Prevalence of landlines in the home

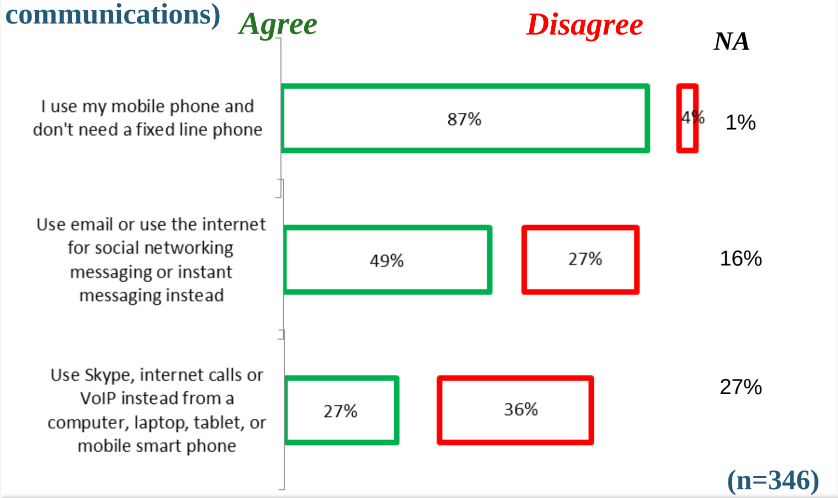


SURVEY QUESTIONS:
Q: In your home, do you have a fixed line phone connection? (This includes corded and cordless handsets and is any phone line with a number starting with an area code or a phone number starting with 076 as distinct from mobile numbers which all start with 08-something. It could also include using a phone line that is used for internet or broadband only.)
Q: Can I confirm that you have a phone connected (either via a corded or cordless handset) to one or more of your fixed line connections
Q: Did you previously have a fixed line phone in your current home?
Q: How long ago did you stop having a fixed line phone in your home?

- 4% of the population claim to have given up their fixed line phone during the previous 12 months

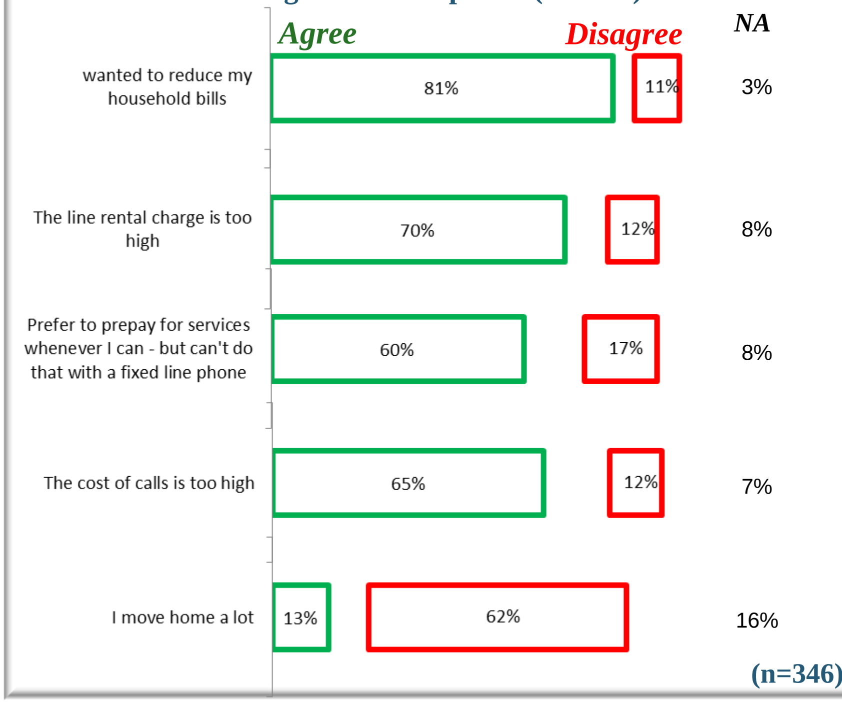
Reasons for not having a fixed line phone

Reason for not having a fixed line phone (alternative communications)



SURVEY QUESTION:
Q: For each of the following possible reasons for why you decided to no longer have a fixed line phone in your home OR For each of the following possible reasons for why you decided not to have a fixed line phone in your home …
please state on a scale of 1 to 5 where is 1 is least like your reason and 5 is most like your reason?

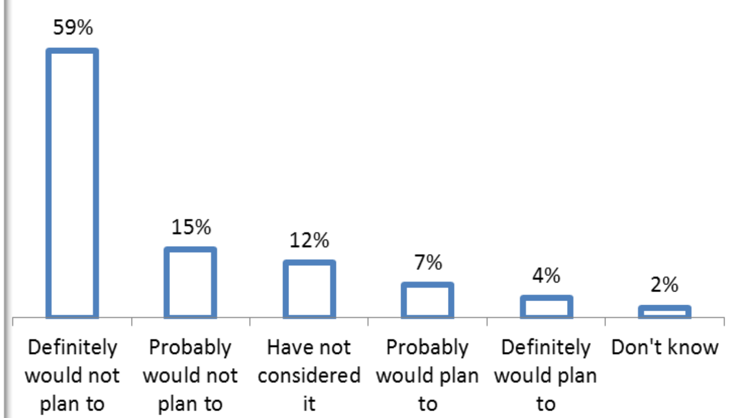
Reason for not having a fixed line phone (drivers)



- ❖ The alternative of using a mobile phone was most often selected as the reason for not having a fixed line voice telephony service
  - ➢ Note that reasons are divided into alternative communications(where an alternative communications mechanism removes the need for a fixed line service) and drivers (where other factors lead to the decision not to have a fixed line service)
- ❖ Among non-alternative communications reasons, wanting to reduce household bills was the most often cited reason for not having a fixed line phone

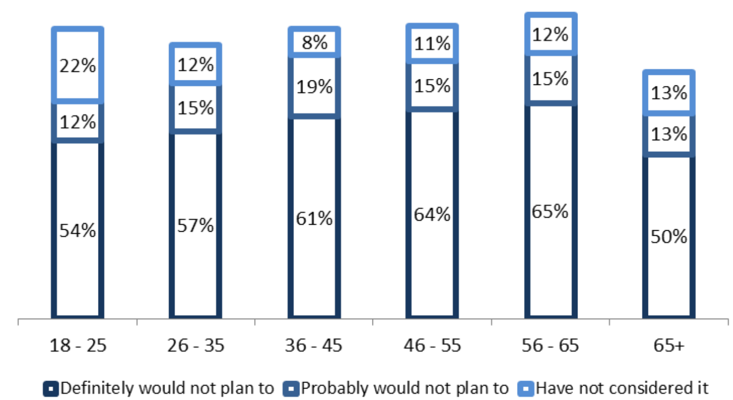
Future intentions to install a fixed line phone

Future intentions to have a fixed line phone in next 3 years



(n=346)

Future intentions by age breakdown



(n=346)

SURVEY QUESTION:
Q: Would you consider getting a fixed line in the next three years, using a scale of 1 to 5 where 1 is definitely would not plan to and 5 is definitely would plan to?

- Most respondents (74%) without a fixed line phone would definitely or probably not have a fixed line phone over the next three years
  - This pattern does not vary greatly by age cohort and therefore it is unlikely that there will be an increase in fixed-line take-up among younger age groups as they progress through their life stages
- Note that this question focuses only stated future interest in installing a fixed line phone
  - While not explicitly stated in the question, it is likely that the focus of responses will be on voice and therefore will not reflect other drivers for installation of a fixed line phone such as for broadband

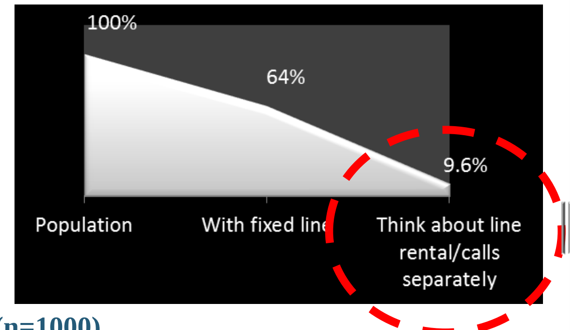
Fixed line voice telephony service:
Price sensitivity tests

Testing price sensitivity

- ❖ Objective
  - ➢ Determine the degree of sensitivity among retail consumers to increased charges and any resultant impact on potential switching to different communications methods or cancelling subscriptions
    - Price increases tested were chosen to reflect significant increases on current costs – in the case of bundles, the increase tested was not directly coupled to underlying increases in voice telephony elements of the bundle
- ❖ Methodology
  - ➢ **Scenario presented:** If your fixed line provider increases costs (10% increases over current charges), would the consumer
    - Notice the change
    - Change behaviour
    - How behaviour would change (rated from list of potential changes)
  - ➢ **Permutations tested:**
    - Respondents aware of call costs and line rental separately, asked about increases in line rental charges and increase in call costs
    - Respondents not aware of access and calls charges separately, asked about increase in the total cost of access/calls bill
    - Respondents on bundle, asked about increase in the bundle price
- ❖ Note: These are statements based on a hypothetical scenario only, and do not represent actual switching and should be analysed in that context.
    - The level and frequency of switching behaviour is likely to be influenced by factors such as switching costs, the availability of cost-effective and alternative products of similar quality/characteristics, and the degree of awareness on the part of consumers of call and package prices (highlighted earlier in the report)
    - Reported hypothetical behavioural responses predicted by consumers should be analysed in that context
    - The number of respondents to sub-scenarios is based on small numbers

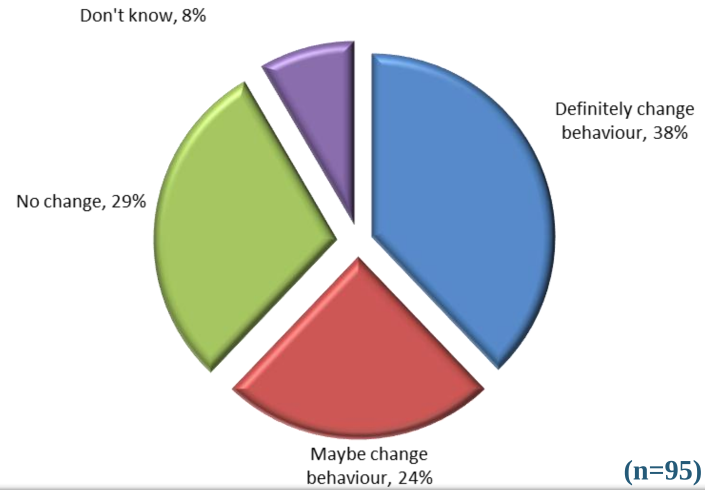
Line rental price sensitivity

Targeted population



(n=1000)

Reaction to 10% increase in line rental



(n=95)

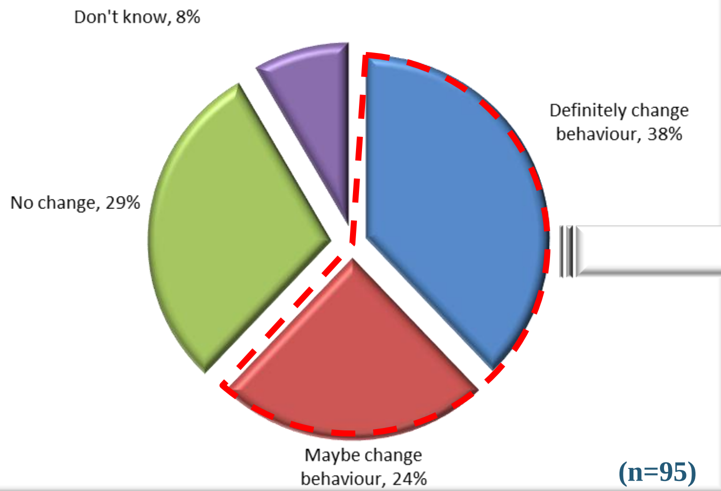
SURVEY QUESTION:
Q: Imagine if your fixed line supplier increased the cost of your line rental by 10 %. Assume that only the price of your phone line rental would be affected – costs of calls and other services within the package or bundle would not change.

- Figures presented as a percentage of the 9.6% of respondents who think about line rental/calls separately
  - It is reasonable to assume that this greater level of knowledge reflects a greater degree of price sensitivity
- Of these (n=95), 62% stated that they would definitely or maybe change behaviour

Line rental price sensitivity

(including both definitely and maybe change behaviour)

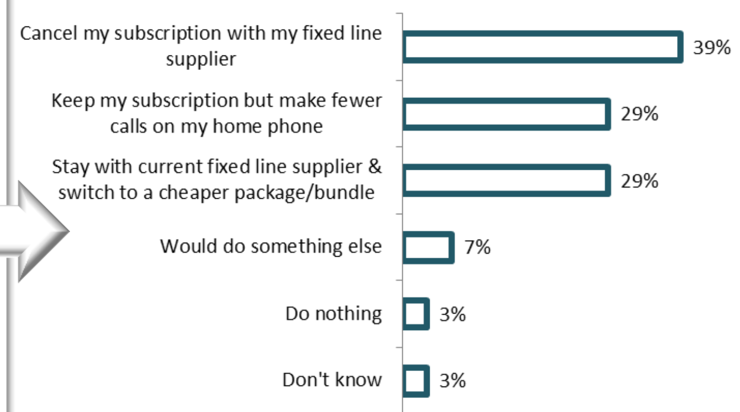
Reaction to 10% increase in line rental



(n=95)

SURVEY QUESTION:
Q: Imagine if your fixed line supplier increased the cost of your line rental by 10 %. Assume that only the price of your phone line rental would be affected – costs of calls and other services within the package or bundle would not change.

Potential actions

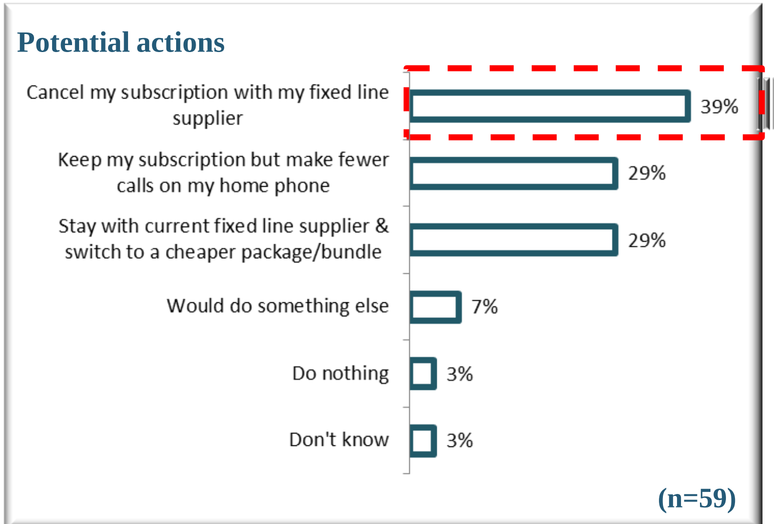


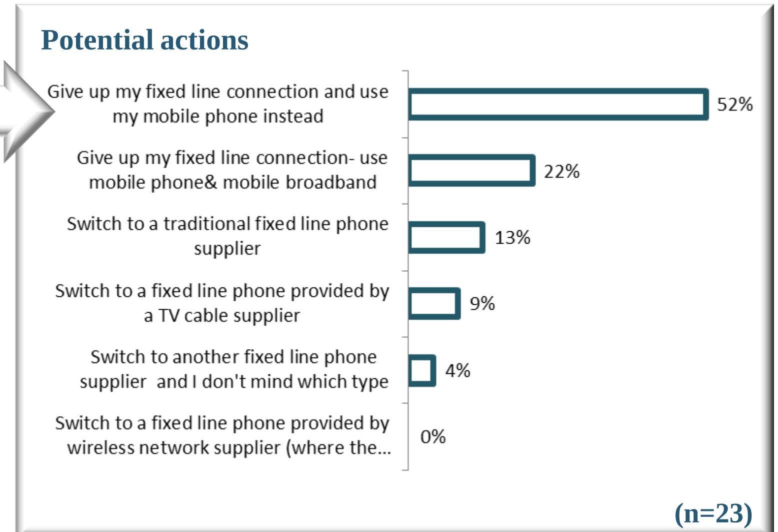
(n=59)

SURVEY QUESTION:
Q: . In what ways would you change your behaviour?

- Of the respondents who would definitely or maybe change behaviour (n=59), 39% (n=23) stated that they would cancel their subscription in response to a 10% price increase in line rental

Line rental price sensitivity
(including both definitely and maybe change behaviour)



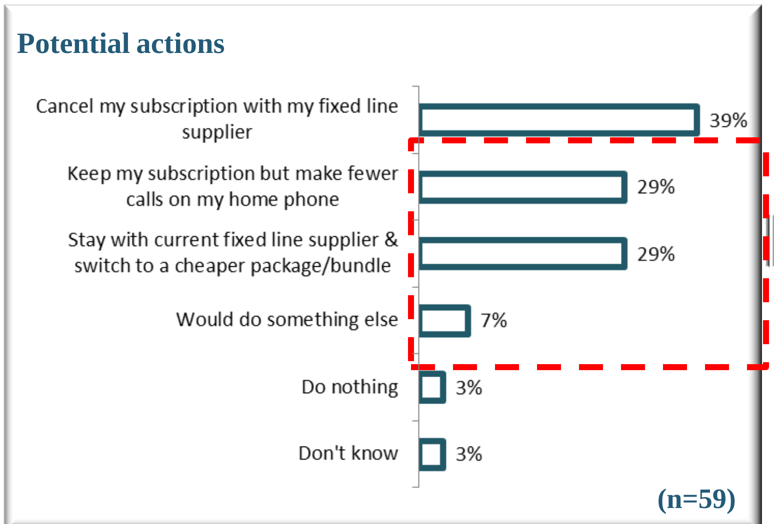


SURVEY QUESTION:
Q: . In what ways would you change your behaviour?

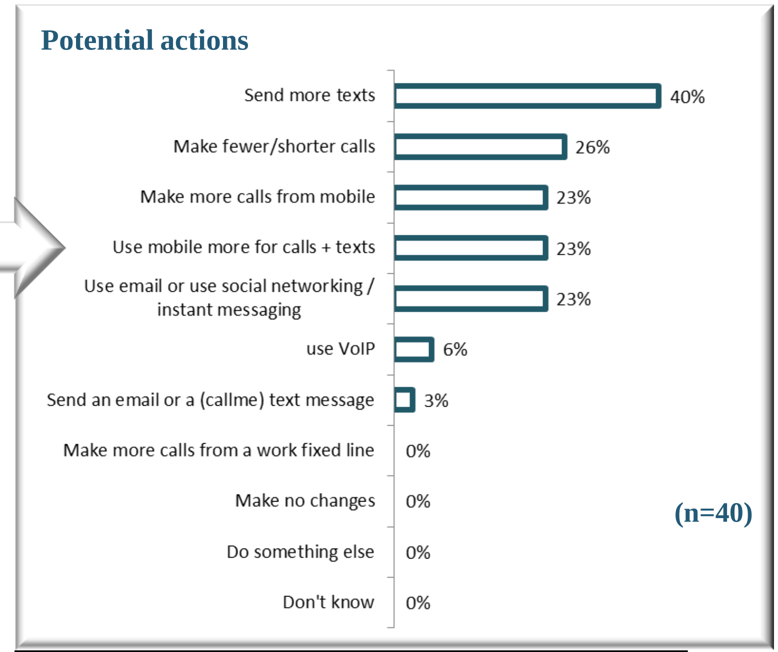
SURVEY QUESTION:
Q: . You have just said that you would cancel your fixed subscription, what would you be most likely to do instead?

- Of the 23 respondents who stated that they would cancel their subscription, 52% of these (n=12) stated that they would use their mobile phone instead

Line rental price sensitivity
(including both definitely and maybe change behaviour)



SURVEY QUESTION:
Q: . In what ways would you change your behaviour?



SURVEY QUESTION:
Q: . Which of the following would you do instead when you need to communicate with other people while at home?

- Among those who stated that they would make fewer calls or switch to a cheaper bundle (n=40), 40% stated that they would send more texts

Probability of potential behaviour changes: Line cost price sensitivity

(including both definitely and maybe change behaviour)

Reaction to 10% increase in line rental: Behaviour changes

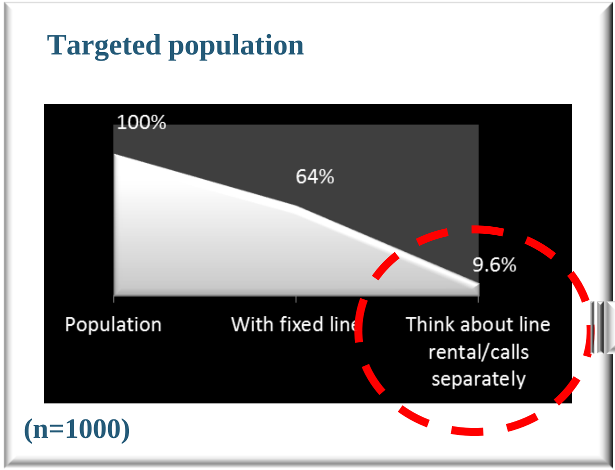
	More mobile calls	More texts	More calls+texts	More email+social	Email/call-me text message	Shorter/fewer fixed line calls
Never	0.0%	1.7%	0.0%	1.7%	0.0%	1.7%
Occasionally less than a quarter of the time	3.4%	6.8%	3.4%	1.7%	1.7%	0.0%
Approximately a quarter of the time	5.1%	6.8%	3.4%	1.7%	0.0%	0.0%
Approximately half the time	0.0%	3.4%	5.1%	6.8%	0.0%	8.5%
Often Around three quarters of the time	0.0%	5.1%	0.0%	1.7%	0.0%	3.4%
Almost always or always	3.4%	0.0%	1.7%	0.0%	0.0%	1.7%
Don't know	1.7%	0.0%	0.0%	0.0%	0.0%	0.0%

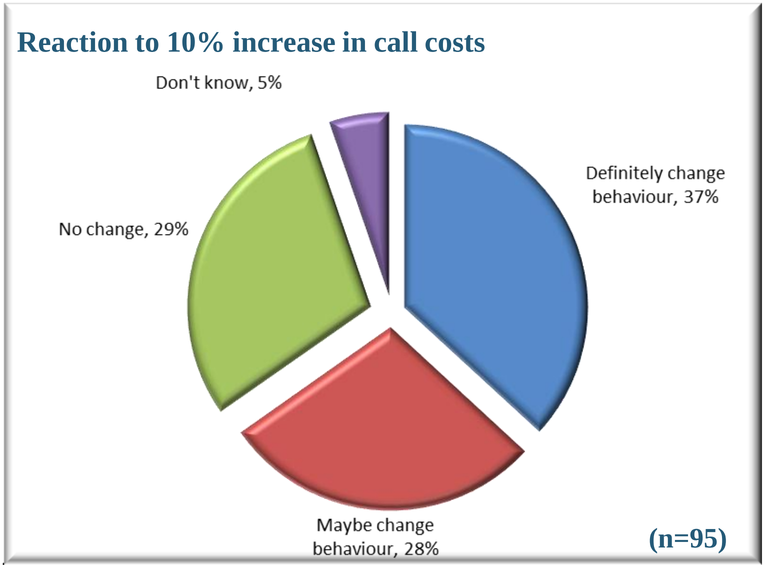
(n= 59)

SURVEY QUESTION:
Q: . Which of the following would you do instead when you need to communicate with other people while at home?
Q: How often would you …

Percentage of those who stated that they would definitely/maybe change behaviour in response to a 10% increase in line rental (n=59)

Call price sensitivity



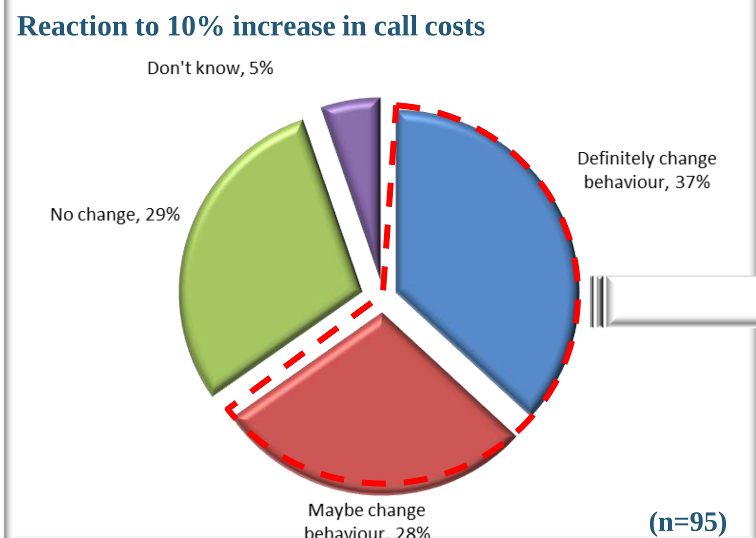


SURVEY QUESTION:
Q: Imagine if your fixed line supplier increased the cost of your home phone calls by 10 %. Assume only the price of your calls would be affected – costs of line rental and other services within the package or bundle would not change.

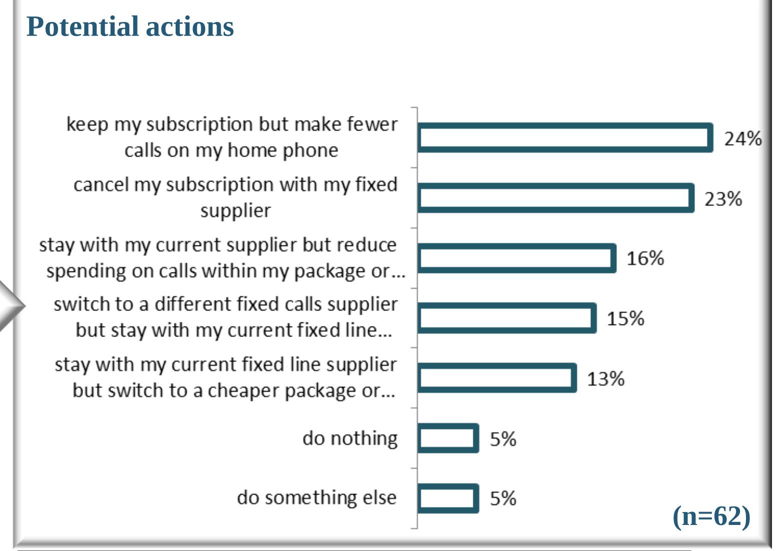
- Figures presented as a percentage of 9.6% of respondents who think about line rental/calls separately
  - It is reasonable to assume that this greater level of knowledge reflects a greater degree of price sensitivity
- Of these (n=95), 65% stated that they would definitely or maybe change behaviour

Call price sensitivity

(including both definitely and maybe change behaviour)



SURVEY QUESTION:
Q: Imagine if your fixed line supplier increased the cost of your home phone calls by 10%. Assume that only the price of your phone line rental would be affected – costs of calls and other services within the package or bundle would not change.

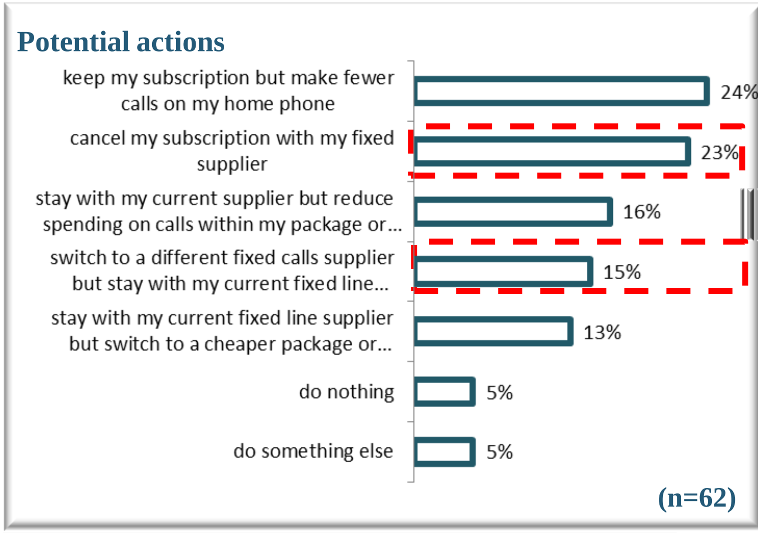


SURVEY QUESTION:
Q: . In what ways would you change your behaviour?

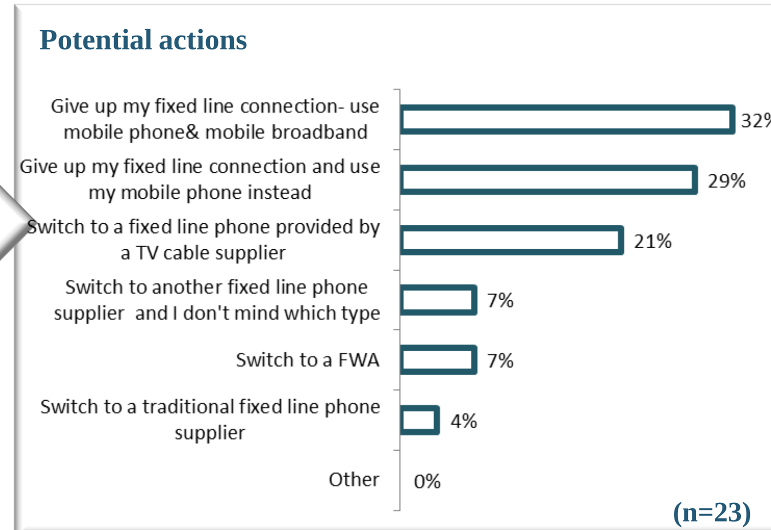
- Of the respondents who think about line rental/calls separately and who stated that they would definitely or maybe change behaviour (n=62), 23% stated that they would cancel their subscription in response to a 10% price increase in call charges
  - Note that these questions were only asked of the 9.6% of consumers who stated that they thought about call costs and line rental separately

Call price sensitivity

(including both definitely and maybe change behaviour)



SURVEY QUESTION:
Q: . In what ways would you change your behaviour?



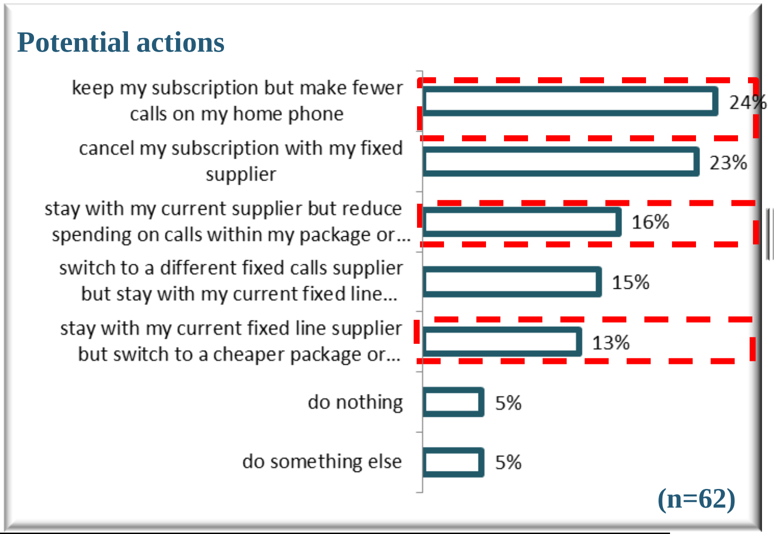
SURVEY QUESTION:
Q: . You have just said that you would cancel your fixed subscription, what would you be most likely to do instead?

- 38% (n=23) stated that they would cancel their subscription or switch call provider with 61% of these (n=14) stating that they would use mobile phone / mobile broadband options instead

Prepared by The Research Perspective on behalf of The Commission for Communications Regulation

Call price sensitivity

(including both definitely and maybe change behaviour)



SURVEY QUESTION:
Q: . In what ways would you change your behaviour?

SURVEY QUESTION:
Q: . Which of the following would you do instead when you need to communicate with other people while at home?

- Of respondents who stated that they would definitely or maybe change behaviour, 53% (n=33) specified that they would make fewer calls, of these 36% (n=12) stated that they would send more texts
  - Note: Respondents were able to select multiple approaches to reducing usage

Probability of potential behaviour changes: Call cost price sensitivity

(including both definitely and maybe change behaviour)

Reaction to 10% increase in call costs: Behaviour changes

	More mobile calls	More texts	More calls+texts	More email+social	Email/call-me text message	Shorter/fewer fixed line calls
Never	0.0%	1.6%	0.0%	1.6%	0.0%	1.6%
Occasionally less than a quarter of the time	3.2%	6.5%	3.2%	1.6%	1.6%	0.0%
Approximately a quarter of the time	4.8%	6.5%	3.2%	1.6%	0.0%	0.0%
Approximately half the time	0.0%	3.2%	4.8%	6.5%	0.0%	8.1%
Often Around three quarters of the time	0.0%	4.8%	0.0%	1.6%	0.0%	3.2%
Almost always or always	3.2%	0.0%	1.6%	0.0%	0.0%	1.6%
Don't know	1.6%	0.0%	0.0%	0.0%	0.0%	0.0%

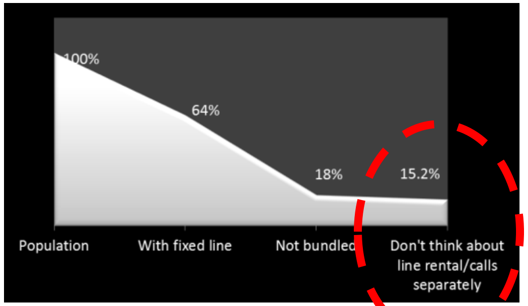
(n= 62)

SURVEY QUESTION:
Q: . Which of the following would you do instead when you need to communicate with other people while at home?
Q: How often would you …

Percentage of those who stated that they would definitely/maybe change behaviour in response to a 10% increase in call costs

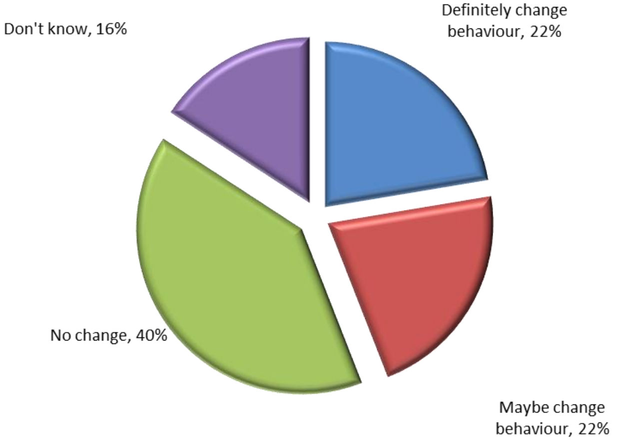
Total bill price sensitivity

Targeted population



(n=1000)

Reaction to 10% increase in total bill

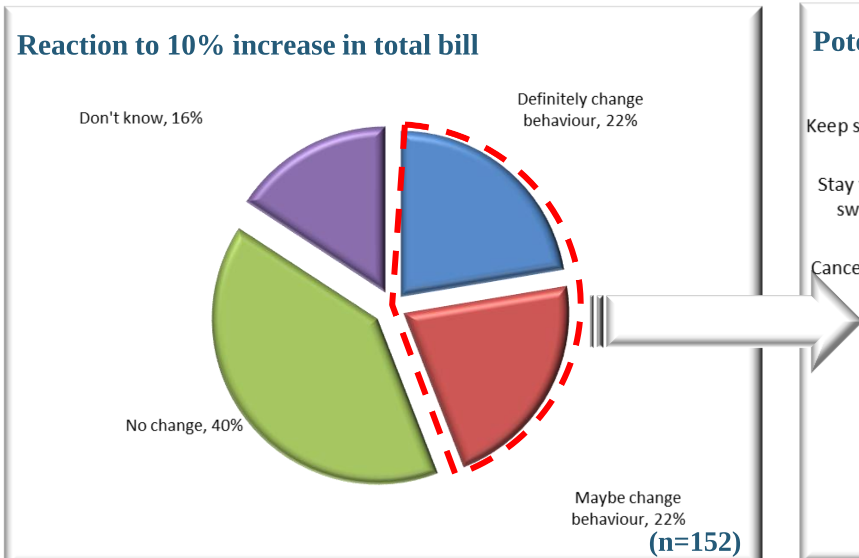


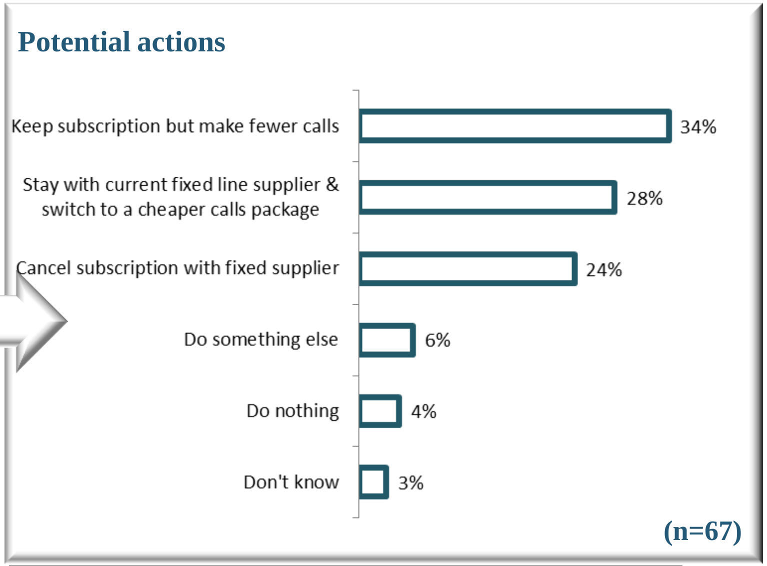
(n=152)

SURVEY QUESTION:
Q: You mentioned earlier that you purchase a fixed line phone as well as calls from your fixed line supplier. Imagine if your fixed line supplier increased the total cost of your bill by 10%.

- Figures presented as a percentage of 15.2% of respondents who don't think about line rental separately and are not on a bundle

Total bill price sensitivity
(including both definitely and maybe change behaviour)





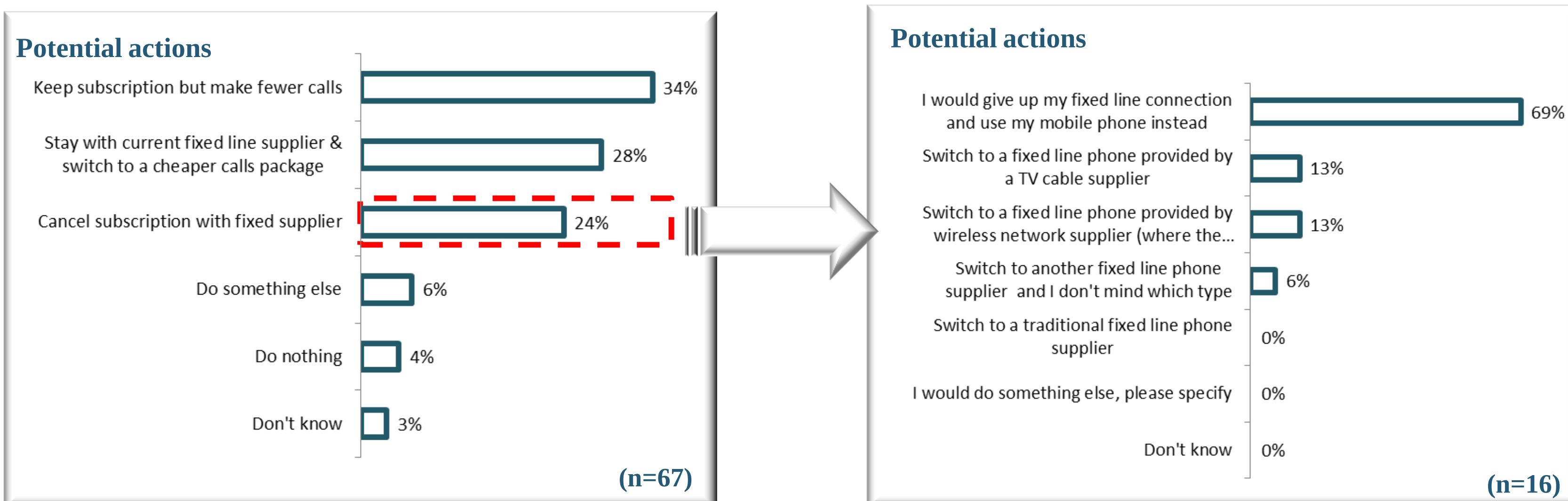
SURVEY QUESTION:
Q: You mentioned earlier that you purchase a fixed line phone as well as calls from your fixed line supplier. Imagine if your fixed line supplier increased the total cost of your bill by 10%.

SURVEY QUESTION:
Q: . In what ways would you change your behaviour?

- Of the 15.2% of respondents who don't think about line rental separately and are not on a bundle (n=152), 44% stated that they might change behaviour and of these (n=67) 24% stated that they would cancel their subscription

Total bill price sensitivity

(including both definitely and maybe change behaviour)



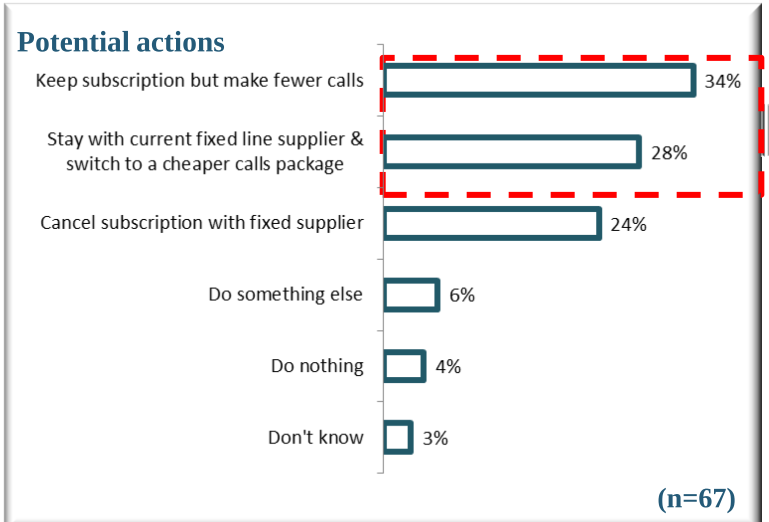
SURVEY QUESTION:
Q: . In what ways would you change your behaviour?

SURVEY QUESTION:
Q: . You have just said that you would cancel your fixed subscription, what would you be most likely to do instead?

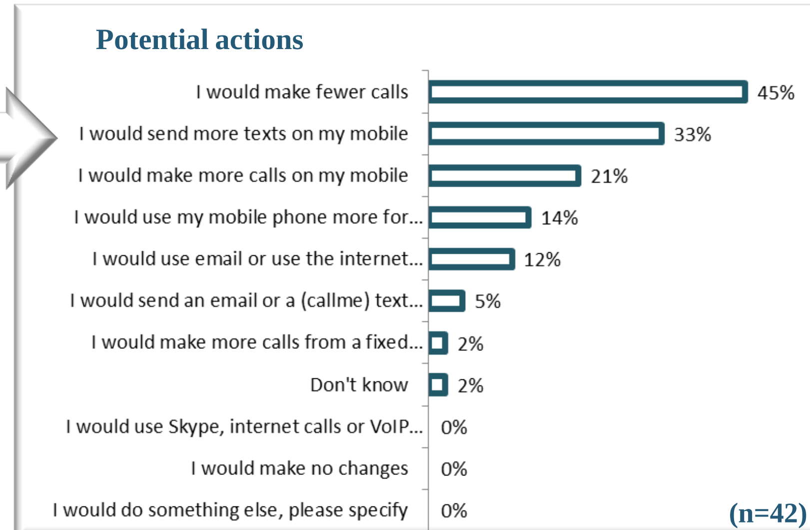
- Of the 24% who stated that they would cancel their subscription (n=16), 69% of these stated that they would use mobile instead

Total bill price sensitivity

(including both definitely and maybe change behaviour)



SURVEY QUESTION:
Q: . In what ways would you change your behaviour?



SURVEY QUESTION:
Q: . Which of the following would you do instead when you need to communicate with other people while at home?

- Of the 62% of respondents who would make fewer calls or switch to a cheaper calls package (n=42),
  - 45% stated that they would make fewer calls
  - 33% stated that they would use their mobile more (for texts)

Probability of potential behaviour changes: Total bill price sensitivity
(including both definitely and maybe change behaviour)

Reaction to 10% increase in total bill cost: Behaviour changes

	More mobile calls	More texts	More calls+texts	More email+social	Email/call-me text message	Shorter/fewer fixed line calls
Never	0.0%	0.0%	0.0%	0.0%	0.5%	0.5%
Occasionally less than a quarter of the time	0.0%	0.9%	1.4%	1.8%	0.9%	0.5%
Approximately a quarter of the time	1.4%	0.5%	0.0%	0.5%	0.0%	0.0%
Approximately half the time	1.8%	2.3%	1.8%	0.5%	0.0%	0.5%
Often Around three quarters of the time	1.8%	0.0%	0.9%	0.9%	0.9%	0.0%
Almost always or always	0.5%	0.0%	0.5%	0.0%	0.0%	0.0%
Don't know	0.0%	0.5%	0.0%	0.0%	0.0%	0.0%

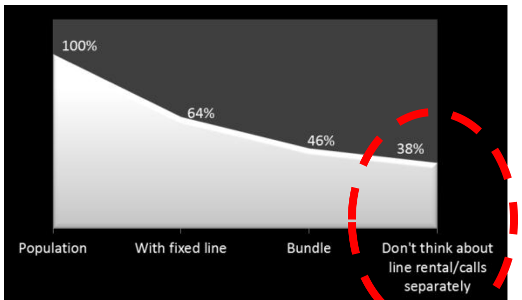
(n= 67)

SURVEY QUESTION:
Q: . Which of the following would you do instead when you need to communicate with other people while at home?
Q: How often would you …

Percentage of those who stated that they would definitely/maybe change behaviour in response to a 10% increase in total bill price

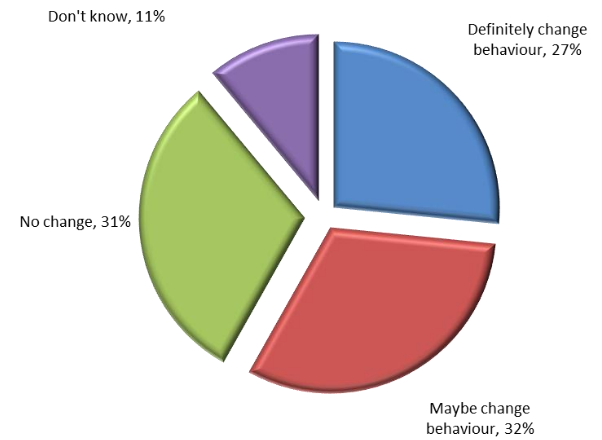
Bundle price sensitivity

Targeted population



(n=1000)

Reaction to 10% increase in total bill

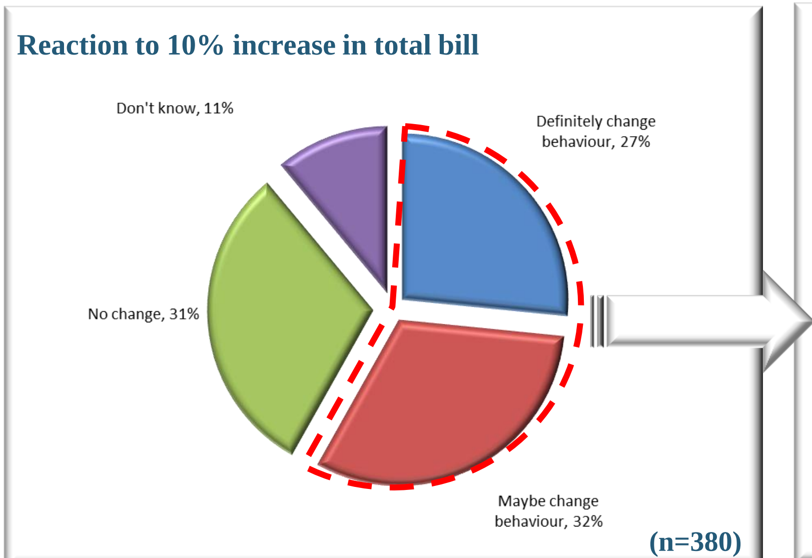


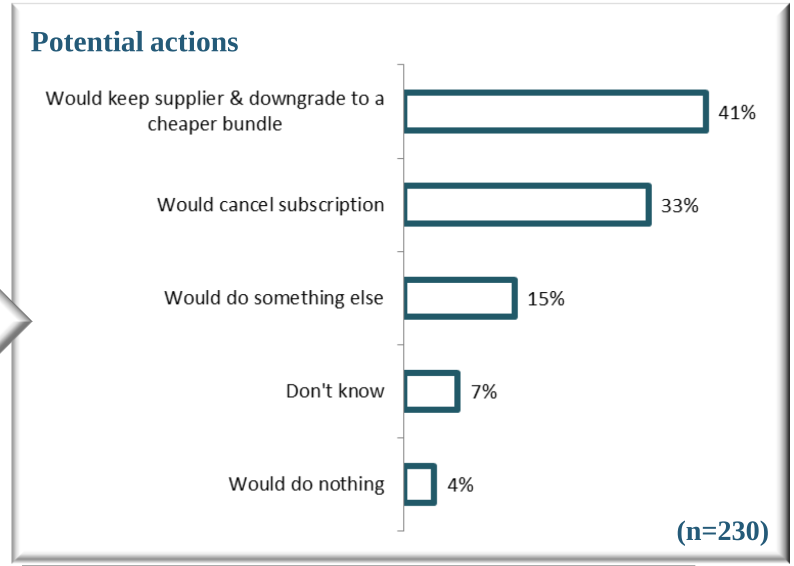
(n=380)

SURVEY QUESTION:
Q: You mentioned earlier that you purchase a fixed line phone as well as other services as a bundle from your fixed line supplier. Imagine if your fixed line supplier increased the cost of your bundle by 10%.

- Figures presented as a percentage of 38% of respondents who don't think about line rental/calls separately and who are on a bundle

Bundle price sensitivity
(including both definitely and maybe change behaviour)





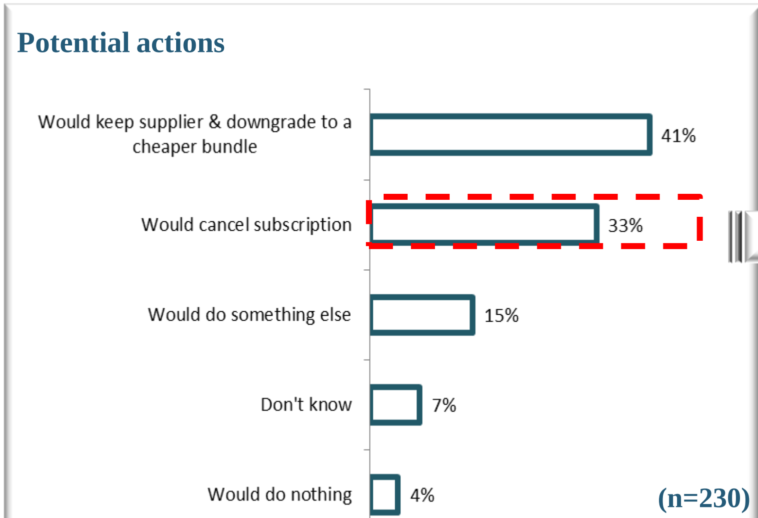
SURVEY QUESTION:
Q: You mentioned earlier that you purchase a fixed line phone as well as other services as a bundle from your fixed line supplier. Imagine if your fixed line supplier increased the cost of your bundle by 10%.

SURVEY QUESTION:
Q: . In what ways would you change your behaviour?

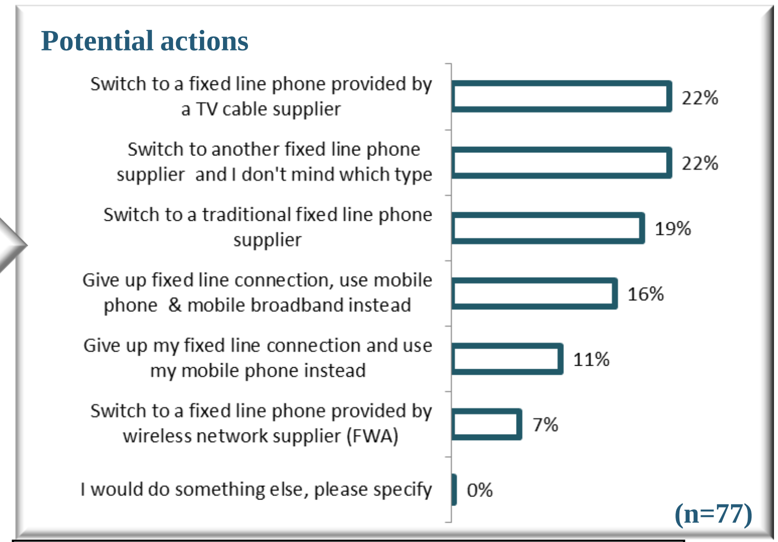
- In response to the bundle price change, of those who might make a change (n=230), 41% would downgrade to a cheaper bundle, 33% would cancel their subscription

Bundle price sensitivity

(including both definitely and maybe change behaviour)



SURVEY QUESTION:
Q: . In what ways would you change your behaviour?

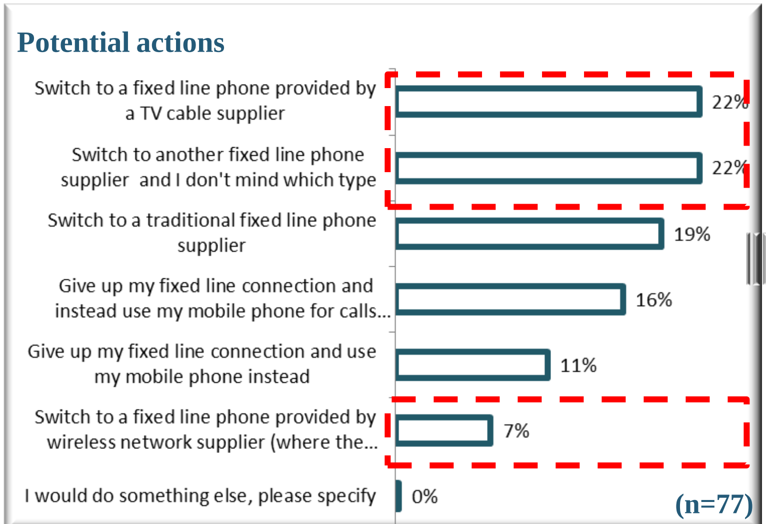


SURVEY QUESTION:
Q: . You have just said that you would cancel your fixed subscription, what would you be most likely to do instead?

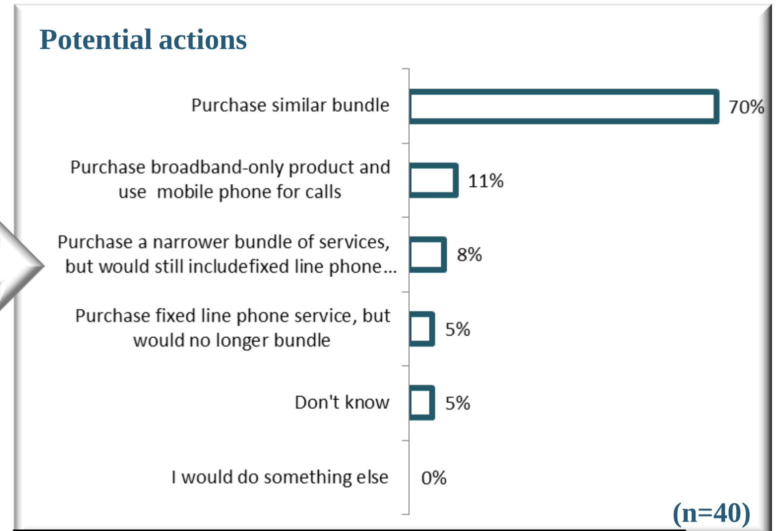
- ❖ Of the 33% who stated that they would cancel their subscription (n=77), 70% of these stated they would switch to alternative fixed line voice telephony suppliers

Bundle price sensitivity

(including both definitely and maybe change behaviour)



SURVEY QUESTION:
Q: . You have just said that you would cancel your fixed subscription, what would you be most likely to do instead?



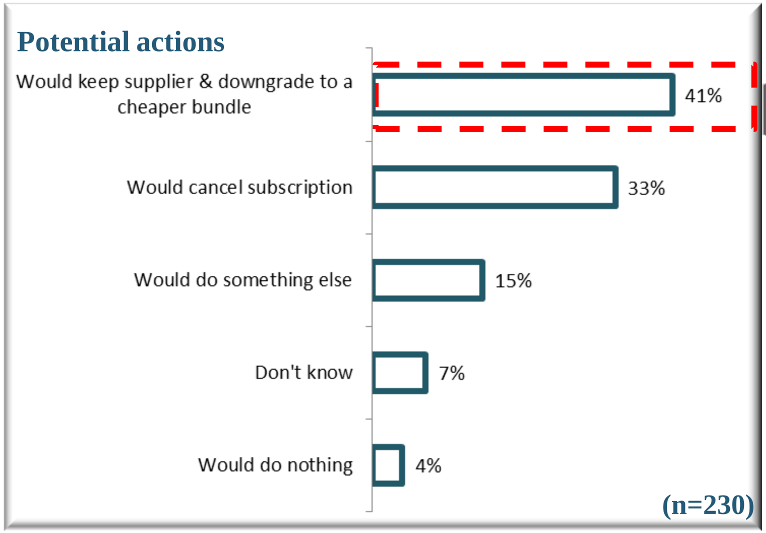
SURVEY QUESTION:
Q: You have just said that you would switch to an alternative fixed line phone supplier. If you were to do so, would you be likely to..?

- Of the 51% who stated that they would switch supplier (n=40), 70% of these stated they would purchase a similar bundle

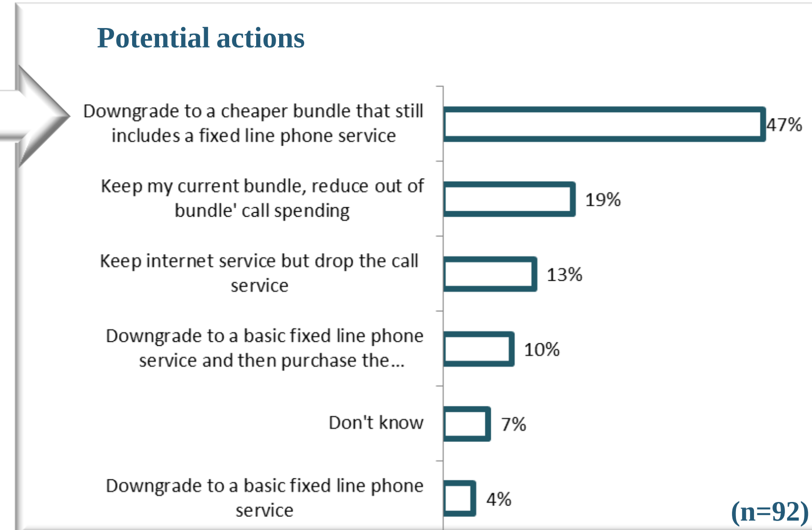
Prepared by The Research Perspective on behalf of The Commission for Communications Regulation

Bundle price sensitivity

(including both definitely and maybe change behaviour)



SURVEY QUESTION:
Q: . In what ways would you change your behaviour?

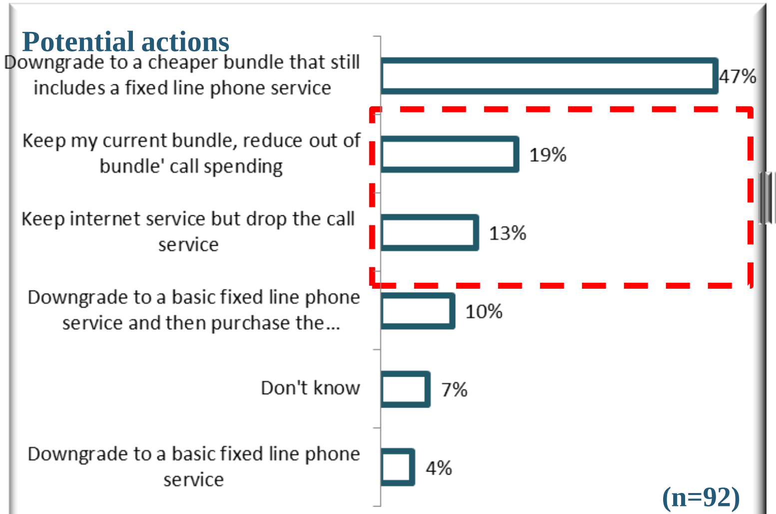


SURVEY QUESTION:
Q: How would you change how you purchase the services from your current supplier?

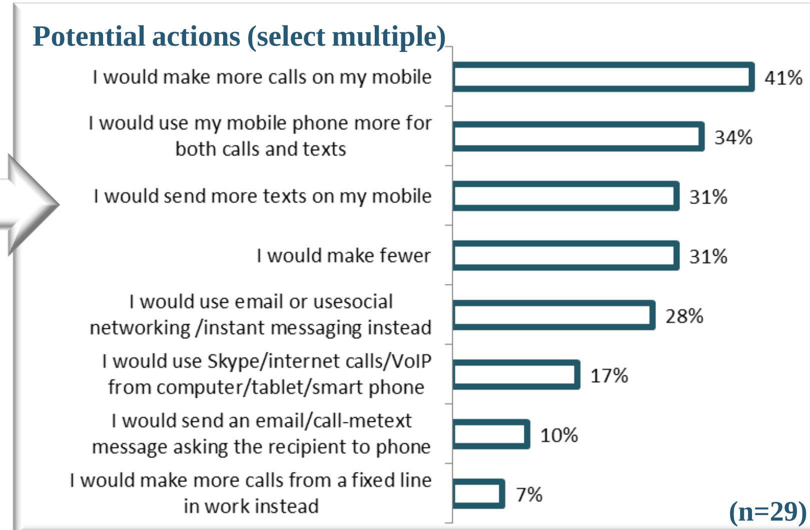
❖ Among those who would consider downgrading to a cheaper bundle (n=92), most would continue to include the fixed line phone service

Bundle price sensitivity

(including both definitely and maybe change behaviour)



SURVEY QUESTION:
Q: How would you change how you purchase the services from your current supplier?



SURVEY QUESTION:
Q: . Which of the following would you do instead when you need to communicate with other people while at home?

- Among the 32% who would consider reductions in calls (n=29), substitution to mobile phones for voice is the most popular (75%)

Probability of potential behaviour changes: Bundle price sensitivity

(including both definitely and maybe change behaviour)

Reaction to 10% increase in bundle cost: Behaviour changes

	More mobile calls	More texts	More calls+texts	More email+social	Email/call-me text message	Shorter/fewer fixed line calls
Never	0.0%	0.0%	0.0%	0.0%	0.5%	0.5%
Occasionally less than a quarter of the time	0.0%	0.9%	1.4%	1.8%	0.9%	0.5%
Approximately a quarter of the time	1.4%	0.5%	0.0%	0.5%	0.0%	0.0%
Approximately half the time	1.8%	2.3%	1.8%	0.5%	0.0%	0.5%
Often Around three quarters of the time	1.8%	0.0%	0.9%	0.9%	0.9%	0.0%
Almost always or always	0.5%	0.0%	0.5%	0.0%	0.0%	0.0%
Don't know	0.0%	0.5%	0.0%	0.0%	0.0%	0.0%

(n= 221)

SURVEY QUESTION:
Q: . Which of the following would you do instead when you need to communicate with other people while at home?
Q: How often would you …

Percentage of those who stated that they would definitely/maybe change behaviour in response to a 10% increase in bundle price

CONCLUSIONS I

- 64% of households have a fixed line telephone, the majority of which also purchase broadband over the fixed line connection (77%).
- Nearly three quarters (73%) of home owners have a fixed line voice service, compared with only 29% for renting tenants.
- Most households with a fixed line phone service purchase the service over the traditional connection (77%), with 18% of households purchasing fixed line voice services over a cable network
- Most households with a fixed line telephone purchase calls and broadband as part of a product bundle (64%)
- Two thirds of households have a fixed broadband connection (66%), and over a third of those households occasionally use unmanaged VOIP services such as Skype (36%)

CONCLUSIONS II

- ❖ Only 5% of residential respondents have only a fixed telephone (no mobile), whereas 36% of residential respondents have a mobile telephone but no fixed line.
- ❖ Eircom is the largest supplier of fixed line voice telephone calls with 63%. Followed by UPC on 20% and Vodafone on 13%.
- ❖ 11% of households rely on mobile broadband alone for broadband access, whereas 18% of households have both a fixed broadband connection and a mobile broadband connection and 48% have a fixed broadband connection only.
- ❖ Consumers most often use a fixed line phone or a mobile phone to make calls
- ❖ Most fixed line telephone services include an allocation of free minutes to local and national landlines.
- ❖ Most consumers are more concerned with overall bundle/package cost of their fixed line services, and do not know the individual cost of fixed line telephone calls

CONCLUSIONS III

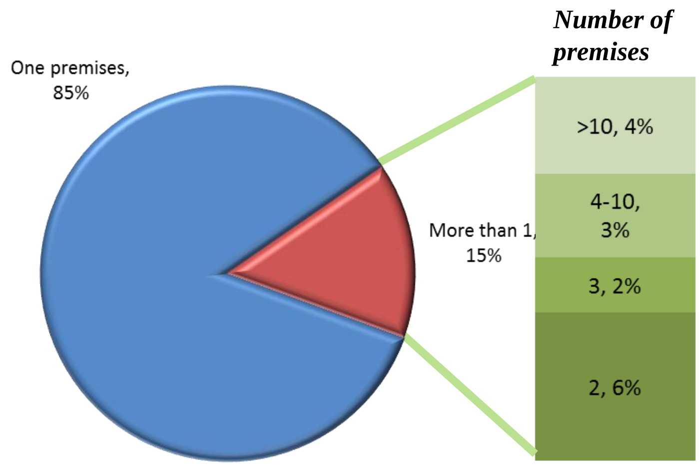
- Consumer calling patterns indicate that consumers prefer to make fixed-to-fixed and mobile-to-mobile calls rather than mobile-to-fixed and fixed-to-mobile calls
- 66% of consumers are never aware of the cost of an incoming call to the called party, with a further 15% being aware less than a quarter of the time. Those who are aware of incoming call costs are only occasionally likely to take any action to reduce this cost. Overall, consumers are unlikely to be sensitive to the price of incoming calls.
- Only 26% of respondents had switched supplier in the last 3 years, with UPC attracting 37% of all switchers
- The top reason cited for retaining a fixed phone is that it is cheaper for making certain types of calls
- The top reasons cited for no longer retaining a fixed phone are use of a mobile phone and wanting to reduce household bills

BUSINESS RESULTS

Organisational profile

Organisational profile

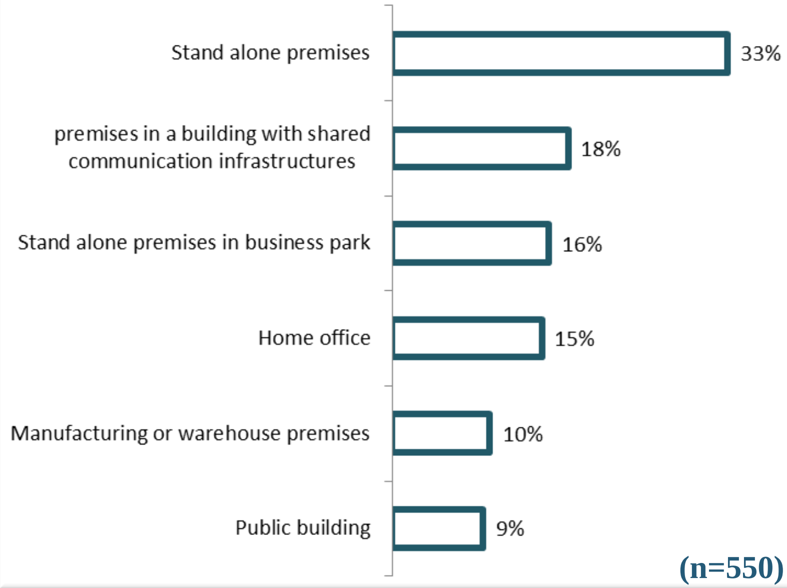
Number of sites in respondent organisation



(n=550)

SURVEY QUESTIONS:
Q: How many premises does your business have in Ireland (not including any in Northern Ireland)?

Type of premises respondent has responsibility for



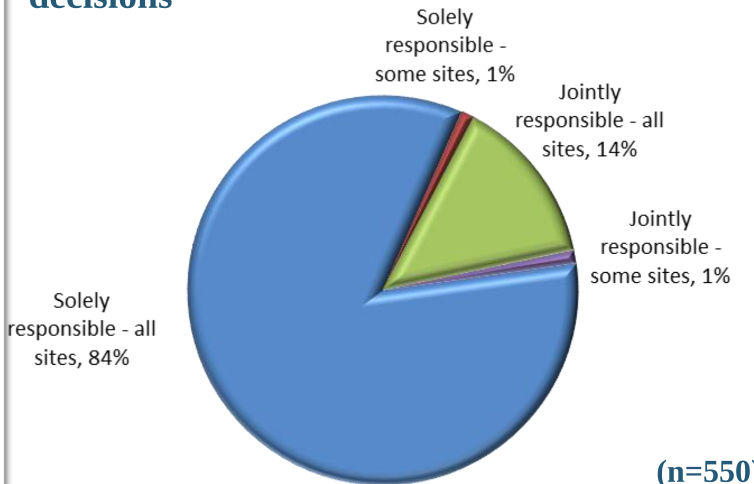
(n=550)

SURVEY QUESTIONS:
Q: Which best describes the business premises for which you are responsible for selecting communication services?

- Most organisations are based in a single premises
  - This reflects the proportion of smaller business in the national population of businesses
- There is representation of all categories of office
  - The most common type of premises is a standalone premises (outside of a business park - 33%)

Role of respondent

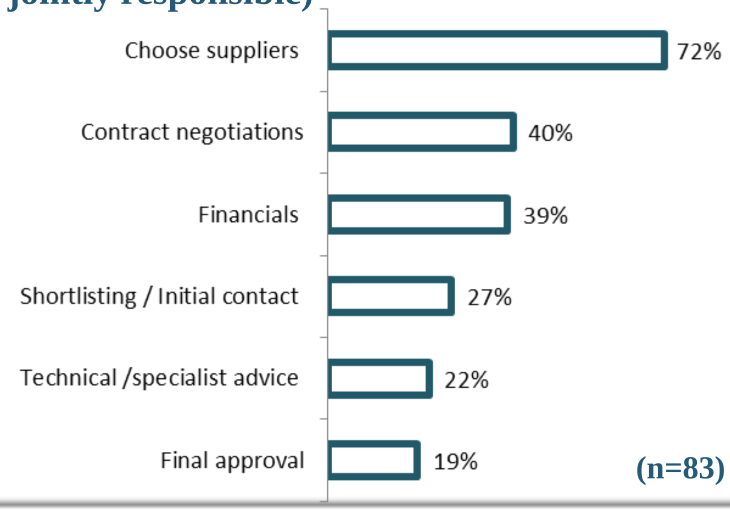
Responsibility for telecommunications decisions



(n=550)

SURVEY QUESTIONS:
Q: **Are you responsible for decision-making on telecommunication services at some or all of the sites your business has?**

Responsibilities held (among respondents jointly responsible)



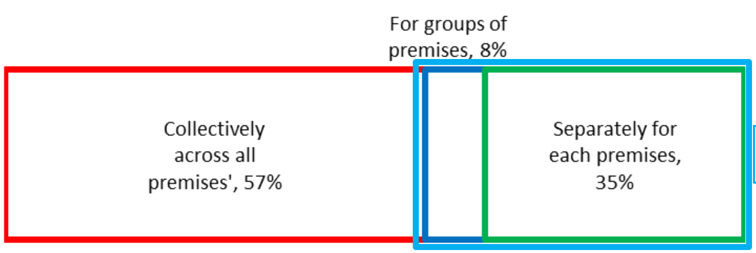
(n=83)

SURVEY QUESTIONS:
Q: **You mentioned that you are jointly responsible for telecoms decision-making including fixed calls and access. What role do you play when choosing a telecoms provider or telecoms services?**

- All respondents stated that they were responsible or jointly responsible for selecting the current fixed line phone service provider
- More generally, 85% have sole responsibility for decisions around telecommunication services
  - Where responsibility is shared, most commonly the joint responsibility is the choosing of telecoms suppliers (72%)
  - Note: More than one area of responsibility can be held by those jointly responsible

Role of respondent – multi-site

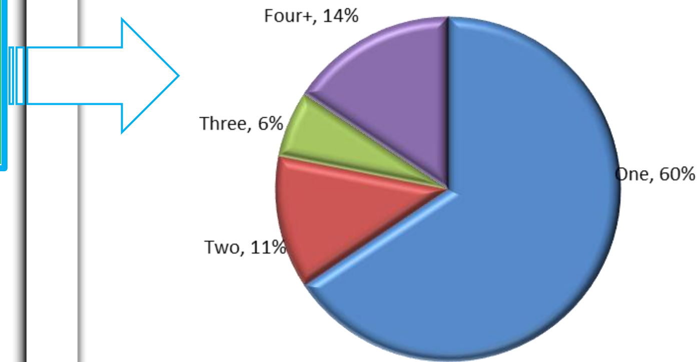
Approach to decision making



(n=78)

SURVEY QUESTIONS:
Q: Are decisions around communication services (such as the selection of suppliers) made separately for different premises in Ireland or across all of the premises in Ireland as a single unit?

Number of sites over which respondent has authority (for multi-site organisations without centralised decision making)



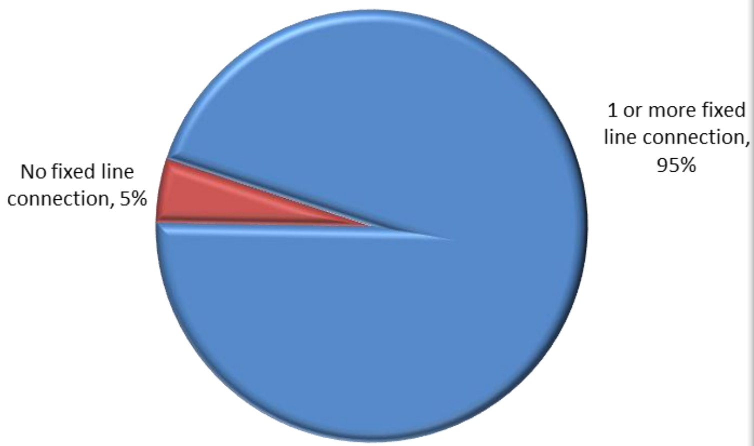
(n=35)

SURVEY QUESTIONS:
Q: [IF DECISIONS MADE SEPARATELY/GROUPS] how many premises in Ireland do you have responsibility for communications services, including for deciding and managing policies around switching communications service providers?

- Among the 15% of organisations that have more than 1 premises, 57% make decisions centrally with the rest making decisions separately or for groups of premises
- Respondents in the organisations without centralised decision making were typically responsible for decisions at one location

Presence and number of fixed voice telephony connections

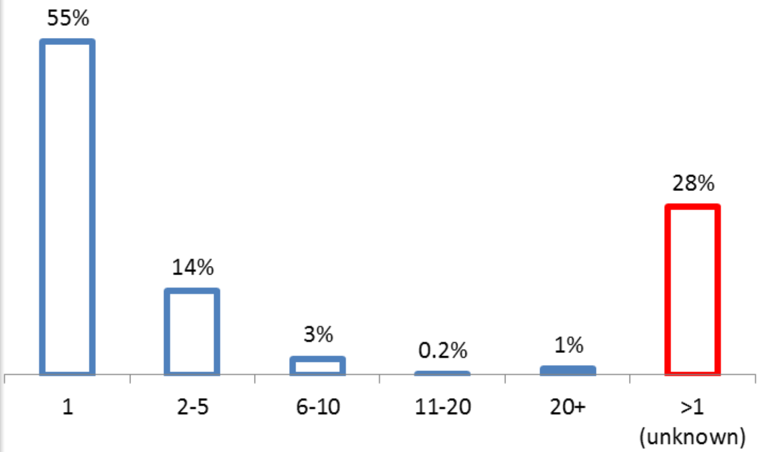
Presence of fixed voice telephony connections



(n=550)

SURVEY QUESTIONS:
***Q:* Does your business have a fixed line phone connection?**

Number of phone lines



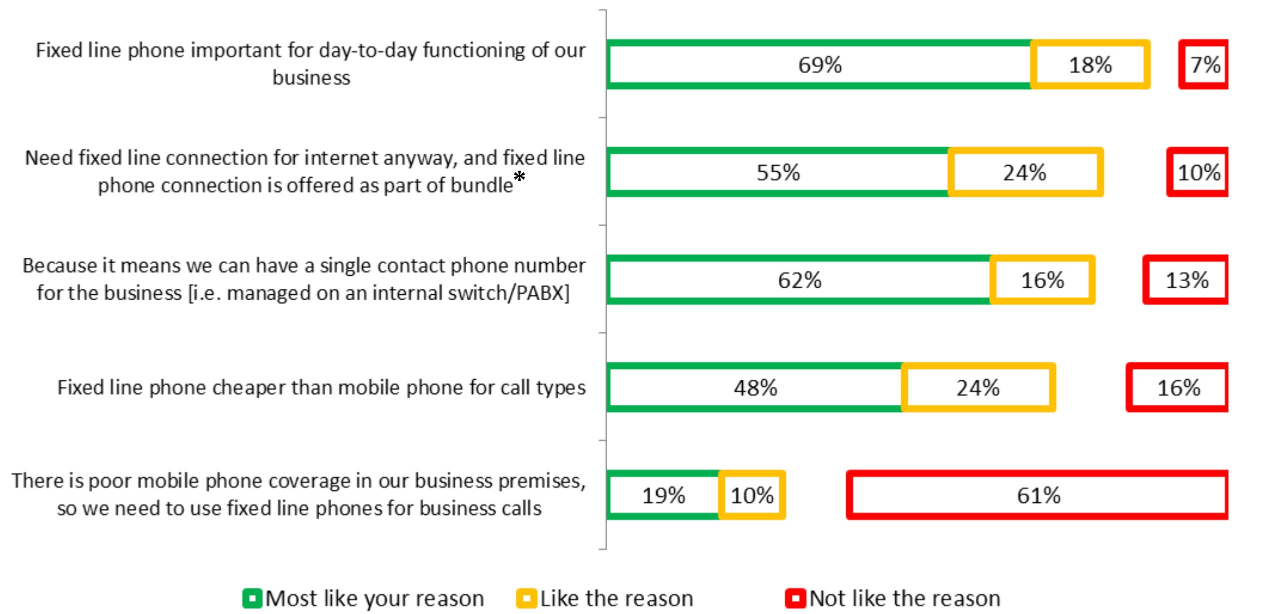
(n=524)

SURVEY QUESTIONS:
***Q:* In your business, do you have more than 1 fixed line phone connection? [CAPTURE NUMBER]**

- 95% of business have at least one voice phone line
  - 45% have more than one voice phone line with 1% reporting more than 20
  - 28% reported more than one but did not provide the number
  - Note: Dedicated fax or internet lines are excluded from this summary

Reasons for retaining a fixed line phone

Reasons for retaining a fixed line phone



***: Businesses on bundles only** (n=524)

SURVEY QUESTIONS:
Q: **Thinking of the following reasons why you may still have a fixed line phone in your business, please rate the following potential reasons on a scale of 1 to 5 where 5 is most like your reason for keeping a fixed line phone in your business and 1 is least like the reason for keeping a fixed line phone in your business.**

- ❖ The perception that a fixed line phone is important to the day-to-day functioning of the business is the reason most often selected (69% stated it was *most like the reason* with an additional 18% rating this as *like the reason*)
- ❖ Poor mobile coverage is not a primary driver for retention of a fixed line phone
  - ➢ Only 19% stated that this was most like the reason their business retains a fixed line

Businesses without fixed line voice telephony service

Proportion of businesses without fixed line voice telephony service

(n=550) (n=122) (n=425)

SURVEY QUESTIONS:
Q: **Does your business have a fixed line phone connection?**

Reasons for not having a fixed line phone

Like your reason…	%
Mobile phones are used instead	73%
Employees can make calls using unmanaged VoIP	54%
The cost of line rental is too high	50%
The cost of calls from a fixed line phone are too high	35%
The cost of installation or connection is too high	31%

(n=26)

SURVEY QUESTIONS:
Q: **For each of the following possible reasons for why you decided to no longer have a fixed line phone in your business premises, please state of on a scale of 1 to 5 where is 1 is least like your reason and 5 is most like your reason**

- A small proportion of businesses have no fixed line voice telephony service in their premises
  - This is higher among sole traders
- A very small proportion of businesses have cancelled their fixed line phone within the last three years
  - 20% of the 5% of businesses without fixed line voice telephony service
- Most businesses without a fixed line rely on mobile phone or (unmanaged) VoIP to make and receive calls

Service/platform use and bundles

Types of service and platforms

Fixed line services used in organisation

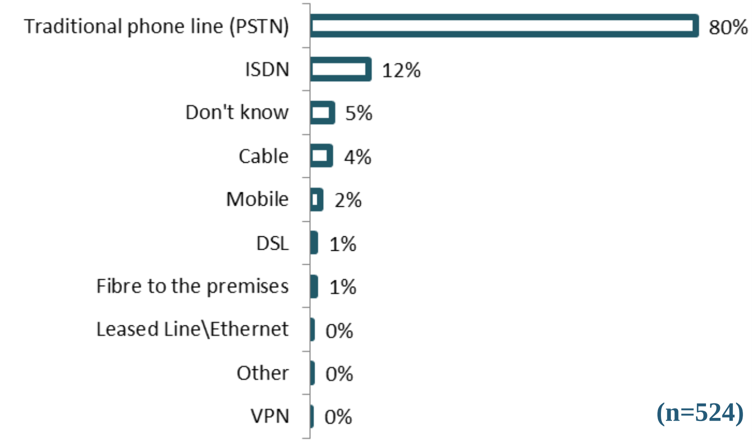
Service	%
Voice (not including unmanaged VoIP)	95%
Broadband/data	73%
Dial up internet	2%

(n=550)

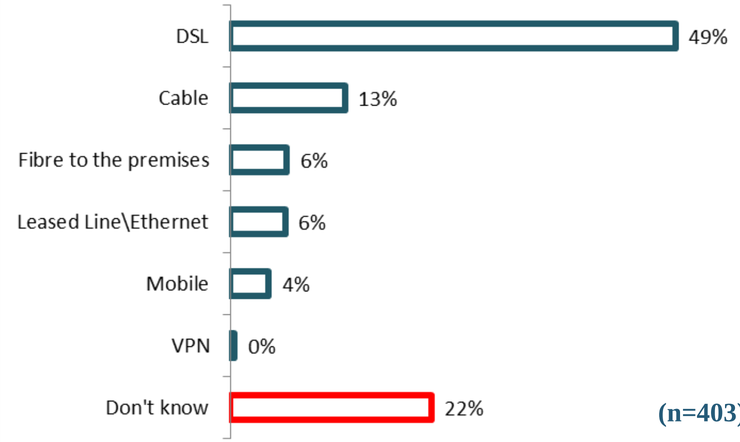
SURVEY QUESTIONS:
Q: **Please identify the communications services purchased and being used by your business ?**

- ❖ A large proportion of respondents use the combination of PSTN and DSL
  - ➢ Note that the proportion stating use of leased line/ethernet for broadband is potentially overstated due to terminology misunderstanding among some respondents. This confusion was addressed through clarification of the wording during fieldwork

Platform for fixed line voice telephony service



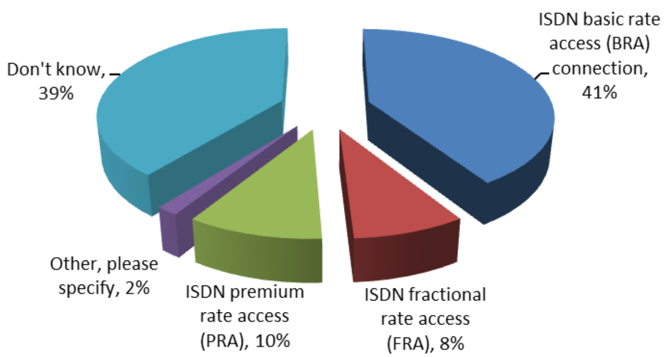
Platform for broadband service



SURVEY QUESTIONS:
Q: **Please identify the communications services purchased and being used by your business ?**

ISDN

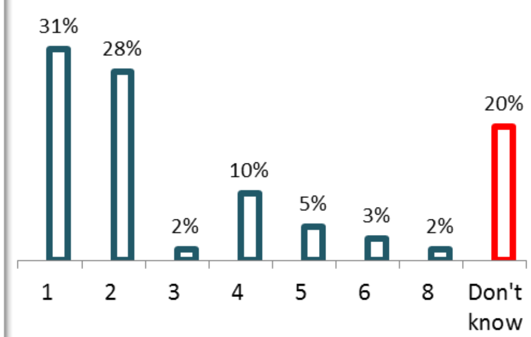
Type of ISDN in use



(n=61)

SURVEY QUESTIONS:
[IF ISDN LINE PRESENT[
***Q:* Which of the following best describes your ISDN line connection?**

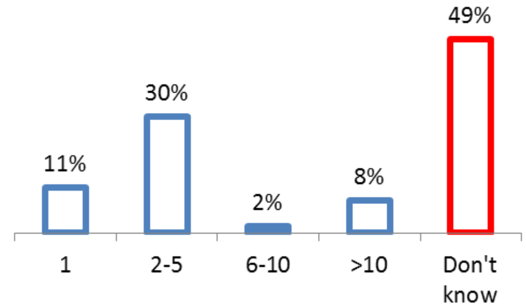
Number of lines



(n=61)

SURVEY QUESTIONS:
[IF ISDN LINE PRESENT[
***Q:* How many ISDN lines does your business have?**

Channels over ISDN



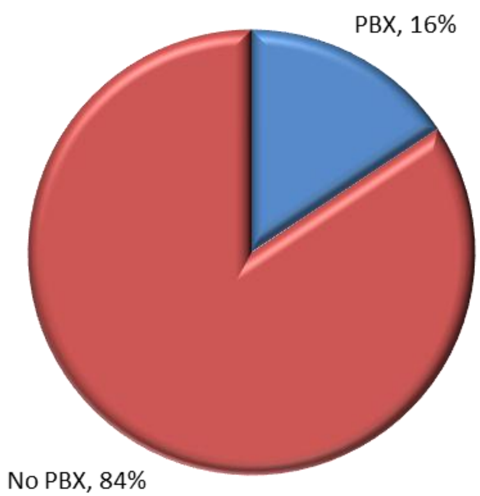
(n=61)

SURVEY QUESTIONS:
[IF ISDN LINE PRESENT[
***Q:* And how many channels are there across your main ISDN line?**

- ❖ 12% of organisations with fixed line voice phone connections stated that they have ISDN connections
- ❖ Of these, ISDN basic rate connection was most common
  - ➢ 39% did not provide an answer reflecting a lack of engagement with the technical details of the service provided
- ❖ Most businesses with ISDN have 1 or 2 lines
- ❖ Among those respondents who knew how many channels that they had over ISDN (51%), most had between 2 and 5 (30%)

PBX

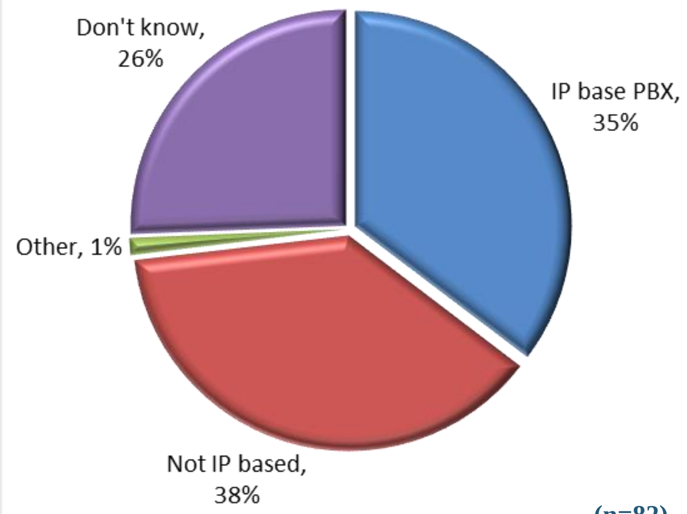
Use of PBX in business



(n=524)

SURVEY QUESTIONS:
[IF FIXED LINE PHONE CONNECTION PRESENT]
Q: Does your business use a PBX to manage/aggregate calls?

Type of PBX in use



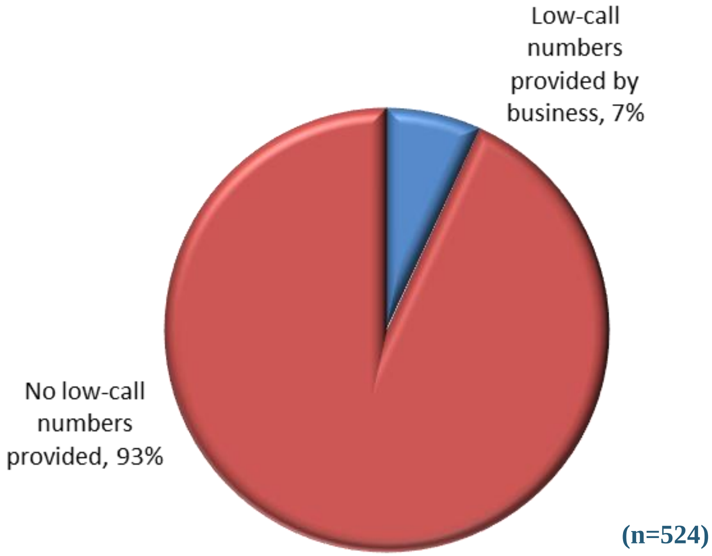
(n=82)

SURVEY QUESTIONS:
[IF PBX PRESENT]
Q: Is your PBX an internet protocol (IP) based service?

- ❖ PBXs are in use in 16% of businesses
- ❖ Of these 35% are identified IP-based
  - ➢ ¼ of respondents were not able to provide an answer to this question reflecting lack of engagement with technical aspects of the services

Low call numbers

Proportion of businesses providing low call numbers for customers and/or employees

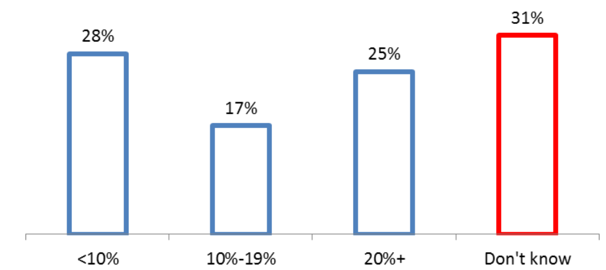


(n=524)

SURVEY QUESTIONS:
[IF FIXED LINE PHONE CONNECTION PRESENT]
Q: Does your business provide any low call numbers such as 1800, 1850, 1870 etc – for use by customers (or employees)?

- ❖ 7% of respondents stated that their business provided a low-call number

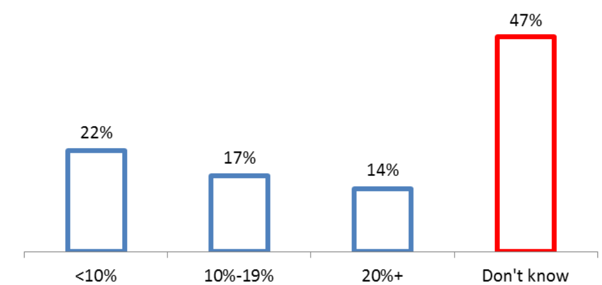
Proportion of all incoming calls on low call numbers



(n=36)

SURVEY QUESTIONS:
[IF FIXED LINE PHONE CONNECTION PRESENT]
Q: What proportion of the incoming calls to your business is on these low call numbers?

Proportion of all telecommunication costs related to low call numbers

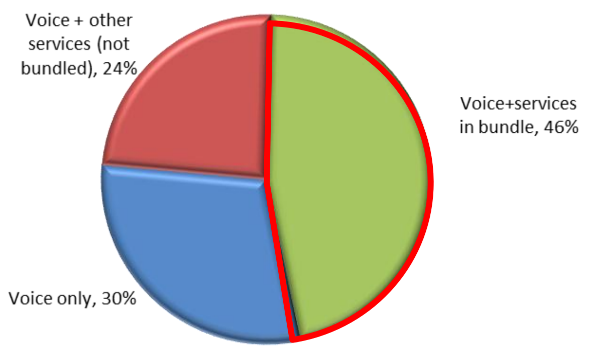


(n=36)

SURVEY QUESTIONS:
[IF FIXED LINE PHONE CONNECTION PRESENT]
Q: What proportion of your total communications cost is related to these low call numbers?

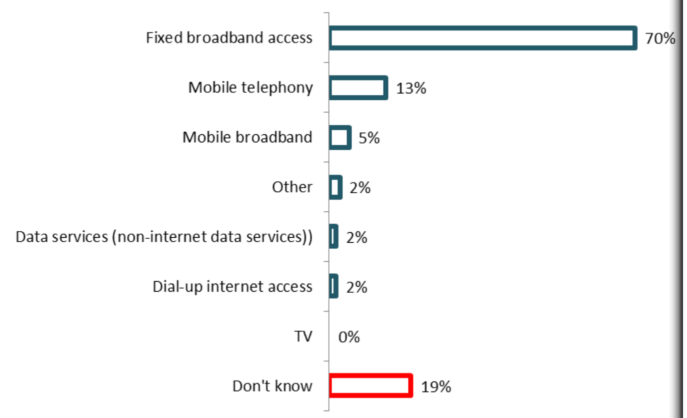
Prevalence of bundled and unbundled services

Prevalence of bundled and unbundled services combined with fixed line voice



(n=524)

Prevalence of services in bundle



(n=242)

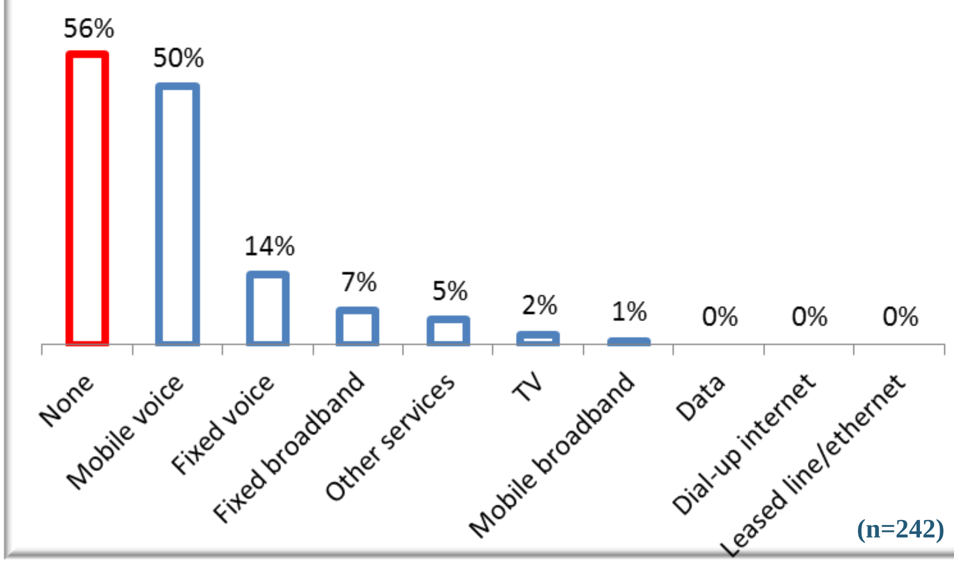
SURVEY QUESTIONS:
[IF FIXED LINE PHONE CONNECTION PRESENT]
Q: Please identify the communications services purchased and being used by your business
[IF SERVICES APART FROM VOICE TELEPHONY IDENTIFIED]
Q: **Does your business purchase fixed voice telephony (calls and line rental) as part of a bundle including other telecommunications services (e.g. broadband or mobile telephony) from the same supplier (i.e. a single price for several products)?**

SURVEY QUESTIONS:
[IF BUNDLE PURCHASED]
Q: **What other services are included in this bundle in addition to your fixed voice telephony service?**

- Almost half of organisations purchased other services as well as their fixed line voice telephony as part of a bundle
  - 24% purchased other services but not part of a bundle including voice telephony
- Fixed broadband access was the most common additional service purchased

Services used outside of a bundle

Prevalence of services outside of the bundle – among businesses with a bundle including fixed line voice telephony



SURVEY QUESTIONS: [BUSINESSES WHICH PURCHASED BUNDLES]
Q: **What additional or other communications services, if any, do you purchase that are not included in your fixed voice telephony bundle or package?**

- A majority of businesses using a bundle of services purchase no services outside of the bundle (56%)
  - This is equal to 26% of entire population (56% of 46% with bundles)
- The service most often purchased outside of a bundle was mobile voice
  - 14% stated they purchased another fixed line voice service in addition to the fixed voice service included in the bundle

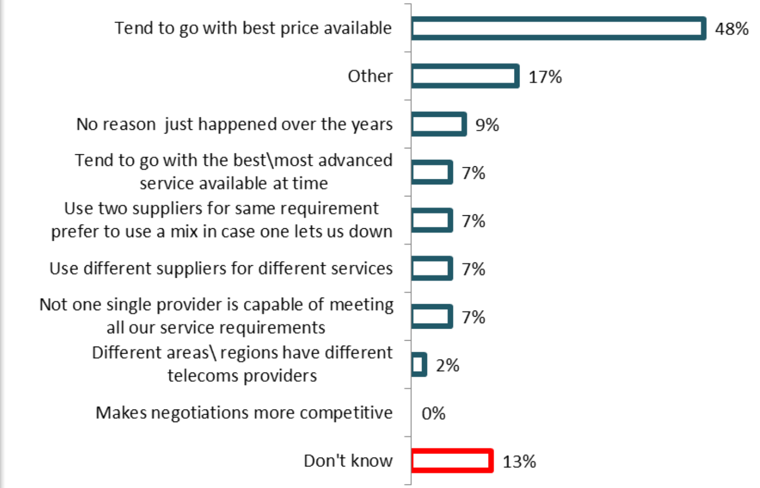
Reasons for purchasing services as part of bundle or outside of a bundle

Reasons for having a single supplier

(n=235)

SURVEY QUESTIONS: MULTIPLE RESPONSES POSSIBLE
Q: You said you used only one supplier for your business fixed telecommunications services. Why does your company use only one supplier for your fixed telecommunications services? OPEN ENDED RESPONSES – CODED TO CATEGORIES

Reasons for having more than 1 supplier – outside the bundle



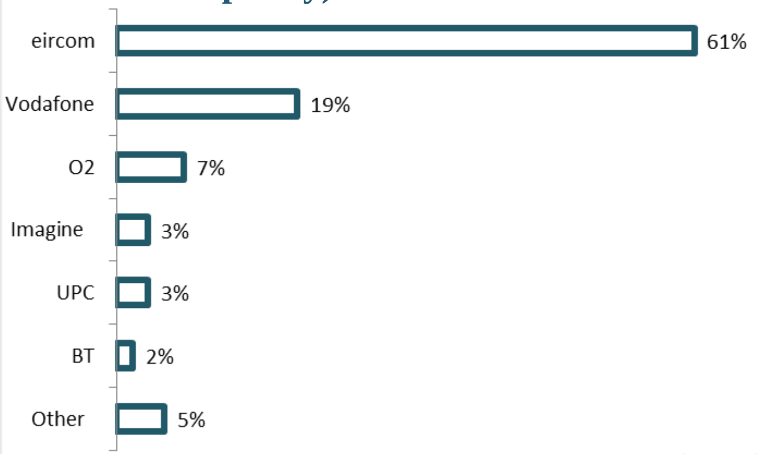
(n=289)

SURVEY QUESTIONS : MULTIPLE RESPONSES POSSIBLE
Q: Why does your company use more than one supplier for your fixed telecommunications services? OPEN ENDED RESPONSES – CODED TO CATEGORIES

- Most commonly identified reasons for using a single supplier were ease of management (54%) and the ability to negotiate a better discount (40%)
- Most commonly identified benefits for using multiple suppliers was also ability to get a best price

Service Suppliers

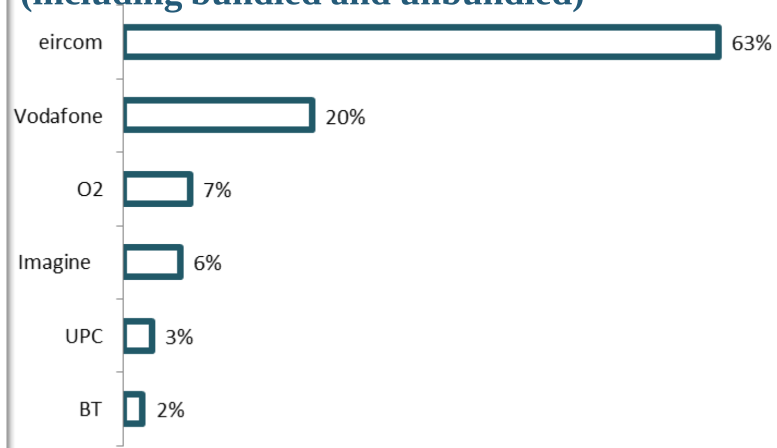
Supplier of bundle of services (including fixed line voice telephony)



(n=242)

SURVEY QUESTIONS:
Q: **Who provides you with this bundle of services**

Supplier of fixed line voice telephony services (including bundled and unbundled)



(n=524)

SURVEY QUESTIONS:
Q: **Who provides you with this bundle of services**
Q: **Who provides you with fixed voice telephony services**

Review and procurement of fixed line voice telephony services

Review and procurement

Proportion reviewing bill in detail

n=524

SURVEY QUESTIONS:
Q: Do you or does somebody else in your organisation check in detail the fixed phone bills that your business receives (either electronically or in the post)?

Reviewed element of bill	%
The total amount	90%
If the amount is greater than the bundle price	40%
The cost of calls to mobile phone numbers	33%
The cost of calls to local or national phone numbers	32%
The cost of international phone calls	19%
The cost of premium rate numbers and calls to directory enquiries	18%
The cost of the line\connection	13%
None of these	0%

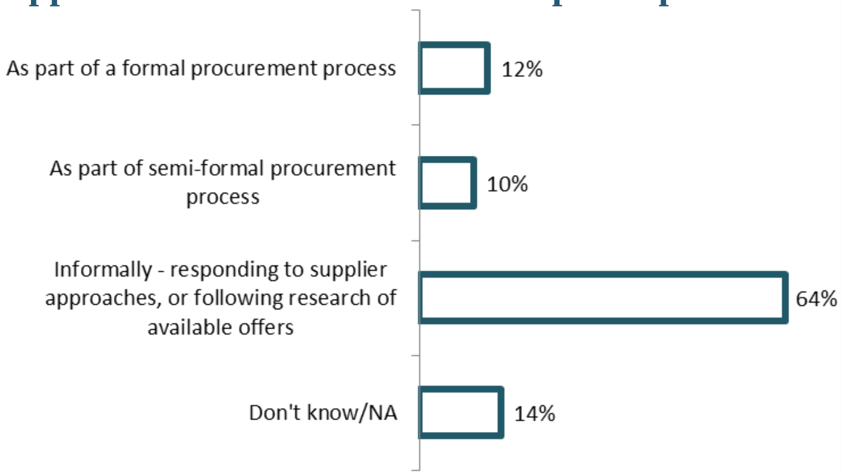
(n = 386)

SURVEY QUESTIONS:
[IF BILL REVIEWED]
Q: Which of the following are checked on each bill?

- A majority of businesses review their fixed line phone bills in detail (74%)
- The main focus of the review is the total amount (90%)
  - 40% review the amount if greater than the bundle price

Procurement processes: Approach to selection of a fixed line phone supplier

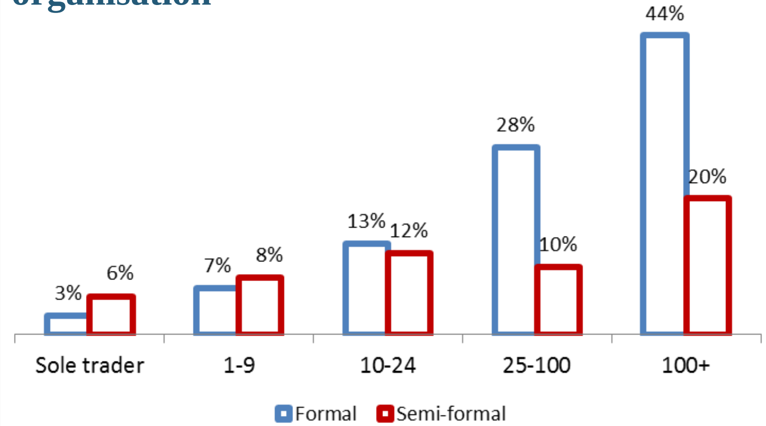
Approach to selection of fixed line phone provider



(n=524)

SURVEY QUESTIONS:
Q: **Thinking about your business' approach to selecting a fixed line phone supplier, which of the following statements best captures its approach?**

Approach taken – breakdown by size of organisation



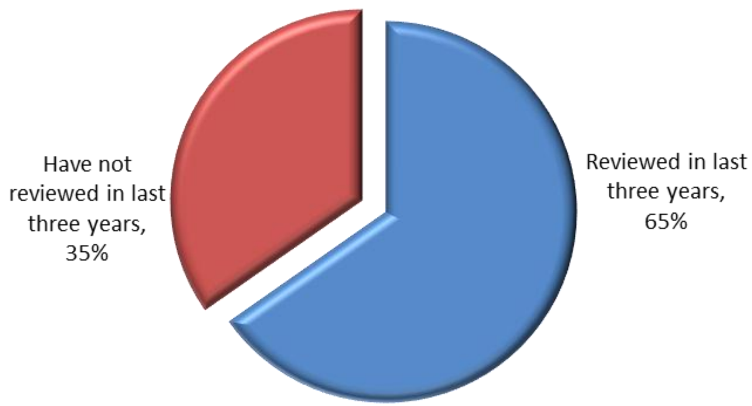
(n=524)

SURVEY QUESTIONS:
Q: **Thinking about your business' approach to selecting a fixed line phone supplier, which of the following statements best captures its approach?**

- A minority of businesses have formal or semi-formal procurement policies
  - The *don't know/NA* correspond to businesses where no review has taken place recently and therefore no process has been pursued
- The proportion of businesses with a formal process in place is related to the size of the organisation
  - 44% of businesses with over 100 employees have a formal process compared to 7% of businesses with 1-9 employees

Review of provider

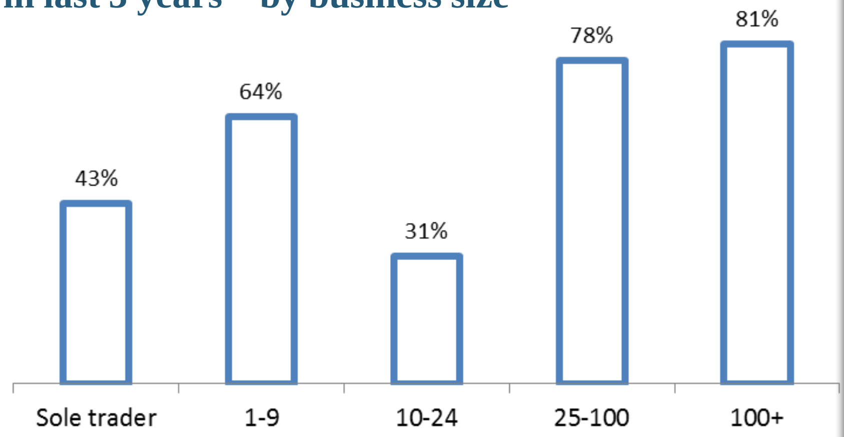
Reviewed telecommunications provider in last 3 years



(n=524)

SURVEY QUESTIONS:
Q: **Has your business reviewed its telecommunications services provider arrangements within the last 3 years?**

Reviewed telecommunications provider in last 3 years – by business size



(n=524)

SURVEY QUESTIONS:
Q: **Has your business reviewed its telecommunications services provider arrangements within the last 3 years?**

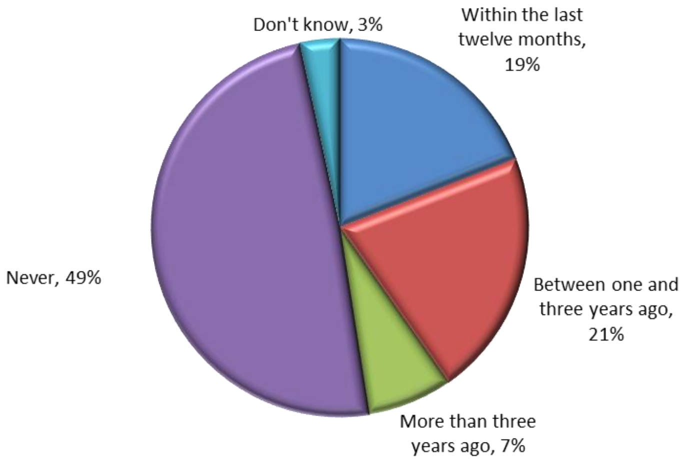
- ❖ A majority of businesses claimed to have reviewed telecommunications provider during the previous 3 years
- ❖ Reviews are most common in businesses with more than 25 employees
  - ➢ Over ¾ quarters of businesses of this size have reviewed provider

Prepared by The Research Perspective on

Switching fixed line voice telephony services

Switching history and drivers

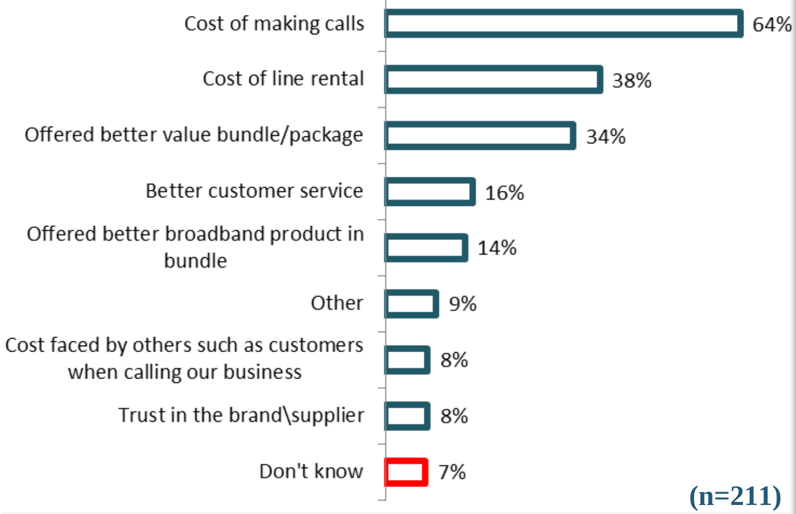
Switching history



(n=524)

SURVEY QUESTIONS:
Q: **Have you switched fixed line phone service supplier? (if you have more than one fixed line phone supplier, please consider if you have switched any supplier)**

Top *three* reasons for selection of current supplier (switched within 3 years only)



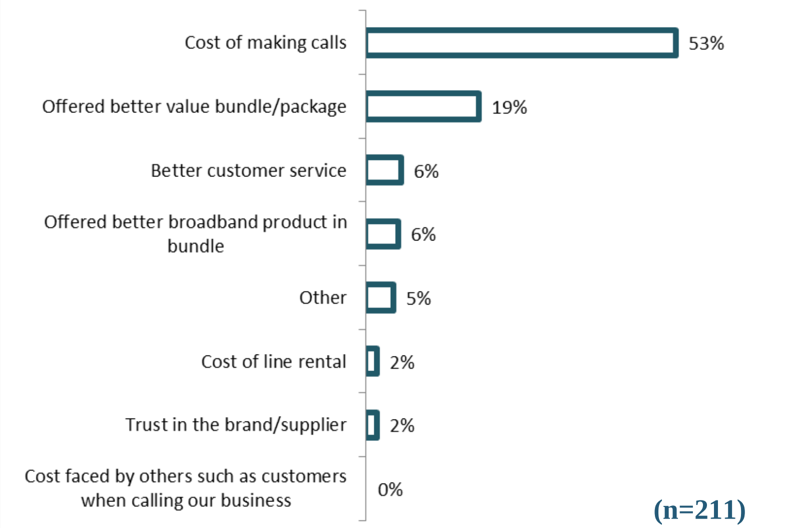
(n=211)

SURVEY QUESTIONS: [IF SWITCHED WITHIN LAST 3 YEARS]
Q: **Thinking about when you chose your current fixed line phone service supplier, please select the top three reasons out of the following set of possible reasons which were most important to your decision to choose your business' fixed line phone service supplier. Note that not all of the reasons may be relevant to your particular service supplier**

- Approximately half of all business stated that they had never switched
  - While 19% have switched during the previous year
  - Switching is slightly higher among businesses on bundles (although 44% of these have never switched)
- The main reasons for selection of the current fixed line phone service provider is cost/value

Most important driver of switching fixed line phone service provider

Top reason for selection of current supplier

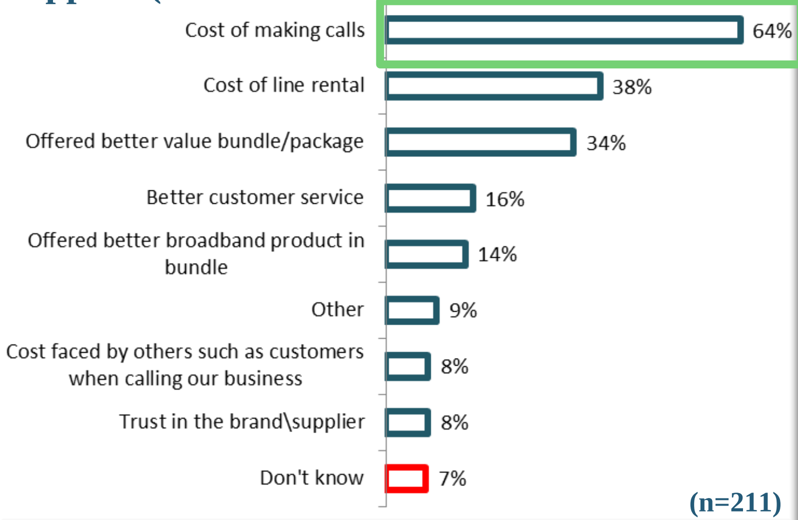


SURVEY QUESTIONS: [IF SWITCHED WITHIN LAST 3 YEARS]
Q: **Thinking about when you chose your current fixed line phone service supplier, please select the top three reasons out of the following set of possible reasons which were most important to your decision to choose your business' fixed line phone service supplier. Note that not all of the reasons may be relevant to your particular service supplier. READ OUT ENTIRE LIST AND ASK FOR TOP 3, RECORDING EACH IN ORDER, STARTING WITH MOST IMPORTANT REASON**

- The focus on call costs is clearer when respondents were asked to select a single reason
  - 53% selected *call costs* while the number selecting *line rental* was only 2%
  - 19% selected *offered better value bundle/package*

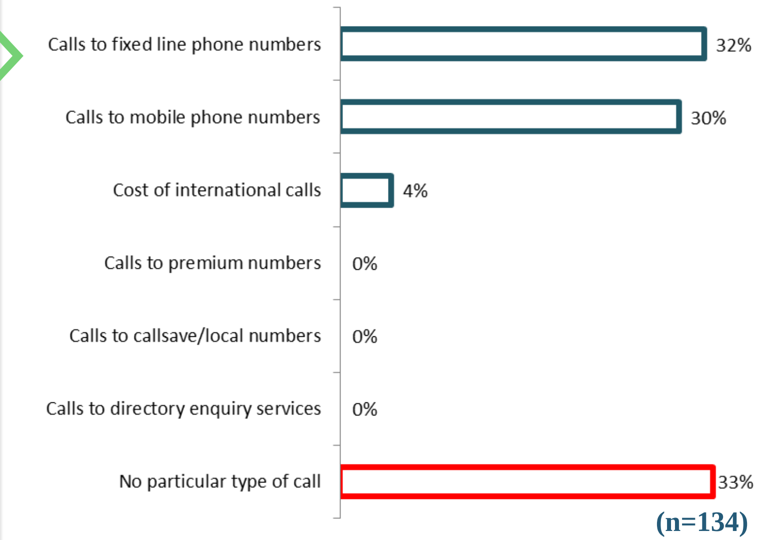
Switching history and drivers

Top three reasons for selection of current supplier (switched within 3 years only)



SURVEY QUESTIONS: [IF SWITCHED WITHIN LAST 3 YEARS]
Q: Thinking about when you chose your current fixed line phone service supplier, please select the top three reasons out of the following set of possible reasons which were most important to your decision to choose your business' fixed line phone service supplier. Note that not all of the reasons may be relevant to your particular service supplier. READ OUT ENTIRE LIST AND ASK FOR TOP 3, RECORDING EACH IN ORDER, STARTING WITH MOST IMPORTANT REASON

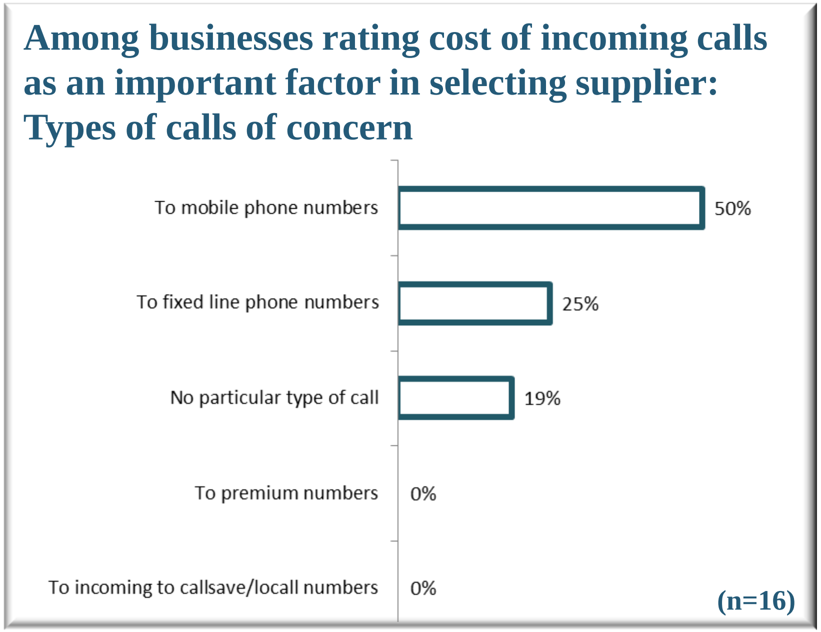
Most important cost related reasons



SURVEY QUESTIONS: [IF COST OF MAKING CALLS SELECTED AS REASON FOR SWITCHING]
Q: You mentioned that the cost of making calls was an important reason for switching supplier. Please select the type of call which was of particular importance from the following list?

- Among respondents which identified the cost of making calls as a driver for the selection of their current service supplier, approximately 1/3 identified no particular type of call
  - Approximately 1/3 identifying calls to fixed line phone numbers and 1/3 identified calls to mobile phone numbers
  - Only 8% identified costs faced by others when calling our business as one of their top three reasons

Switching history and drivers



SURVEY QUESTIONS: [IF SWITCHED WITHIN LAST 3 YEARS & [IF COST FACEDBY OTHER SUCH AS CUSTOMERS WHEN CALLING OUR BUSINESS SELECTED AS REASON FOR SWITCHING]
Q: **You mentioned that the cost of calls faced by others when calling your business was an important reason when choosing your supplier. Please select the type of call which was of particular importance from the following list?**

- Among respondents who identified the cost of calls customers make to the business' phones (only 8%, n=16), calls to the business' ***mobile*** and ***not*** fixed line phones were of most concern
  - Calls to the business' mobile phones were of most concern to 50% of this group of respondents
  - Note: These are based on a small sample size

Business phone usage

Employee usage pattern

Type of phone used for call categories made from business premises

	Platform primarily used to make the call				
Type of call	Fixed line	Mobile phone	VoIP	No pref	Don't Know
Calls to local fixed line phones	81%	10%	0%	5%	4%
Calls to national fixed line phones	80%	9%	0%	7%	4%
Calls to mobile phones on the same network as your mobile phone (such as other employees on the same mobile network)	49%	43%	0%	5%	3%
Calls to mobile phones on a different network to your mobile phone	53%	36%	0%	8%	3%
Calls to international numbers	73%	7%	3%	11%	5%

(n=524)

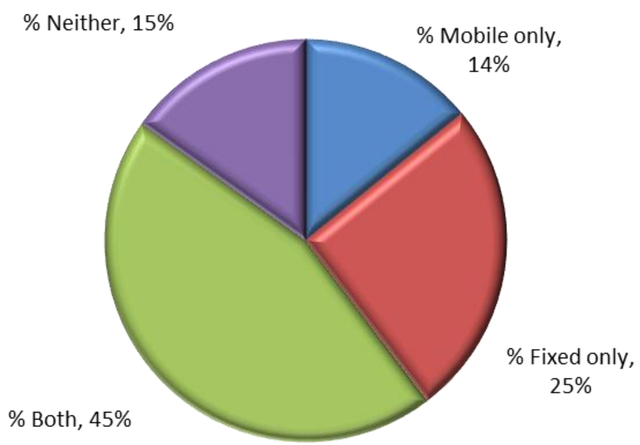
SURVEY QUESTIONS: MULTIPLE

Q: **Thinking about the categories of calls employees make from your business premises, please select what your employees would primarily use for each of the following types of calls. If there are several options which your employees would primarily use, please select multiple options**

- ❖ Fixed lines are preferred for all categories of calls
  - ➢ While mobiles are mostly used to call other mobile numbers, a majority still stated that their employees would use fixed line phones in the case of calls to mobiles

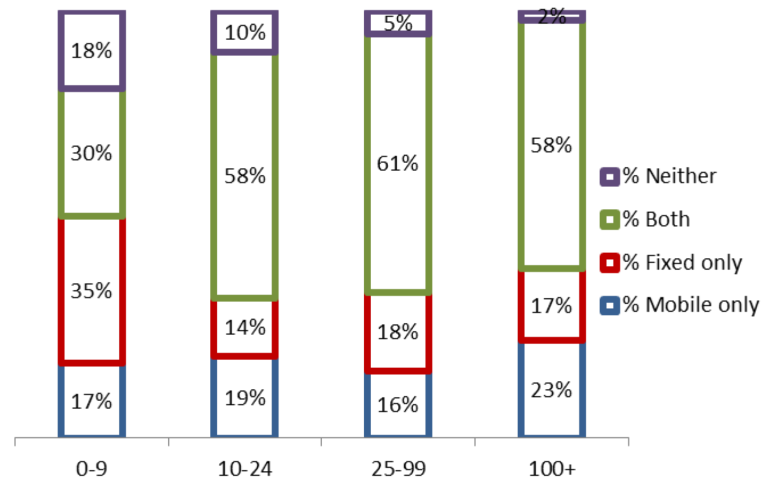
Provision of phones to employees

% of businesses providing phones to employees



(n=505)

% of businesses providing phones to employees – by company size

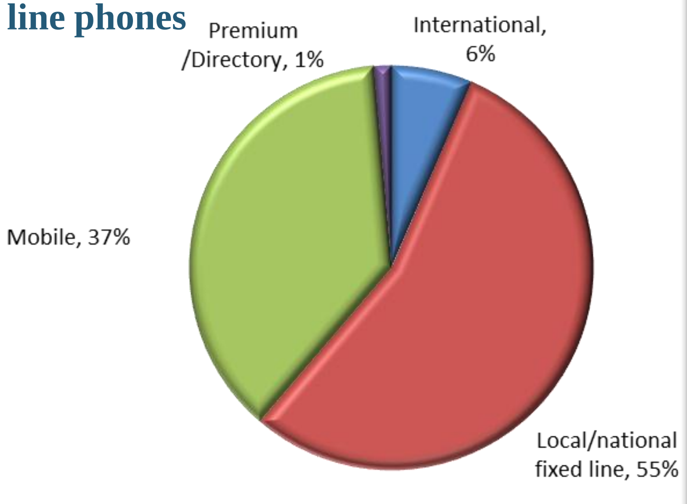


SURVEY QUESTIONS:
Q: **What proportion of employees have a mobile phone number provided by the business (as distinct from claiming expenses based on the use of their own personal mobile phone for business purposes), a fixed line phone primarily for their use in the premises (as distinct from a phone shared between employees), both or neither?**

- A quarter of businesses provided only fixed line phone to employees
  - 15% provided no phone access
  - Note: These figures represent the percentage of businesses providing any fixed line or mobile phones to employees

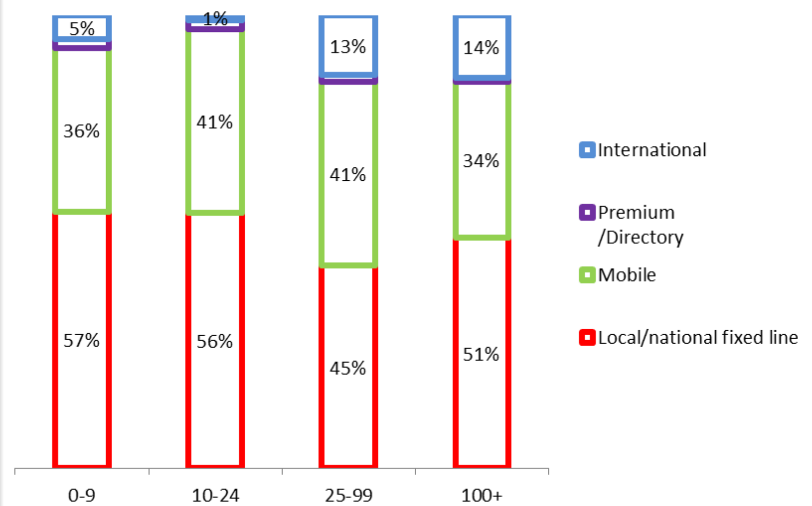
Usage of fixed line phones by employees

Mix of calls from business fixed line phones



(n=446)

Mix of calls from business fixed line phones – by company size

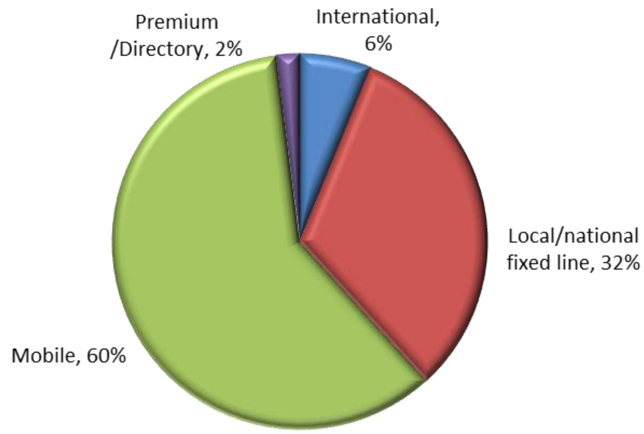


SURVEY QUESTIONS:
Q: **Thinking about the calls made from your business' fixed line phone in a typical month by all employees, please provide an approximate breakdown of the amount of time spent on your business' fixed line phone for each of the following?**

- Majority of calls from a businesses fixed line phones are made to other fixed line phones
  - In larger businesses (25+), there is an increased proportion of calls made to international numbers
  - Note: These proportions reflect the average business usage

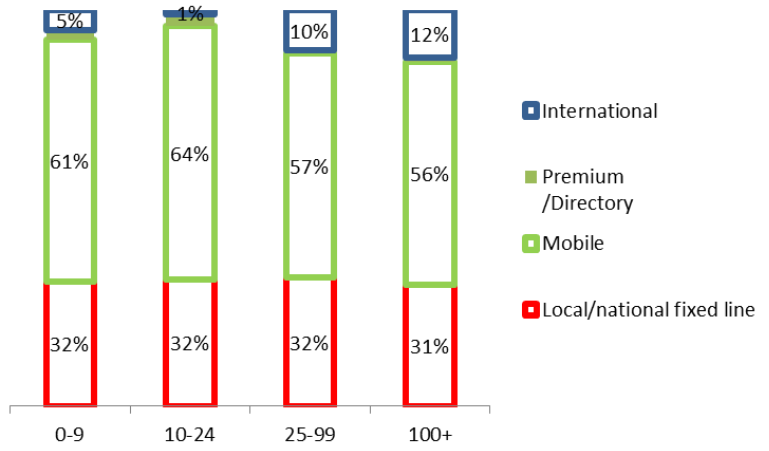
Usage of mobile phones by employees

Mix of calls from business mobile phones



(n=324)

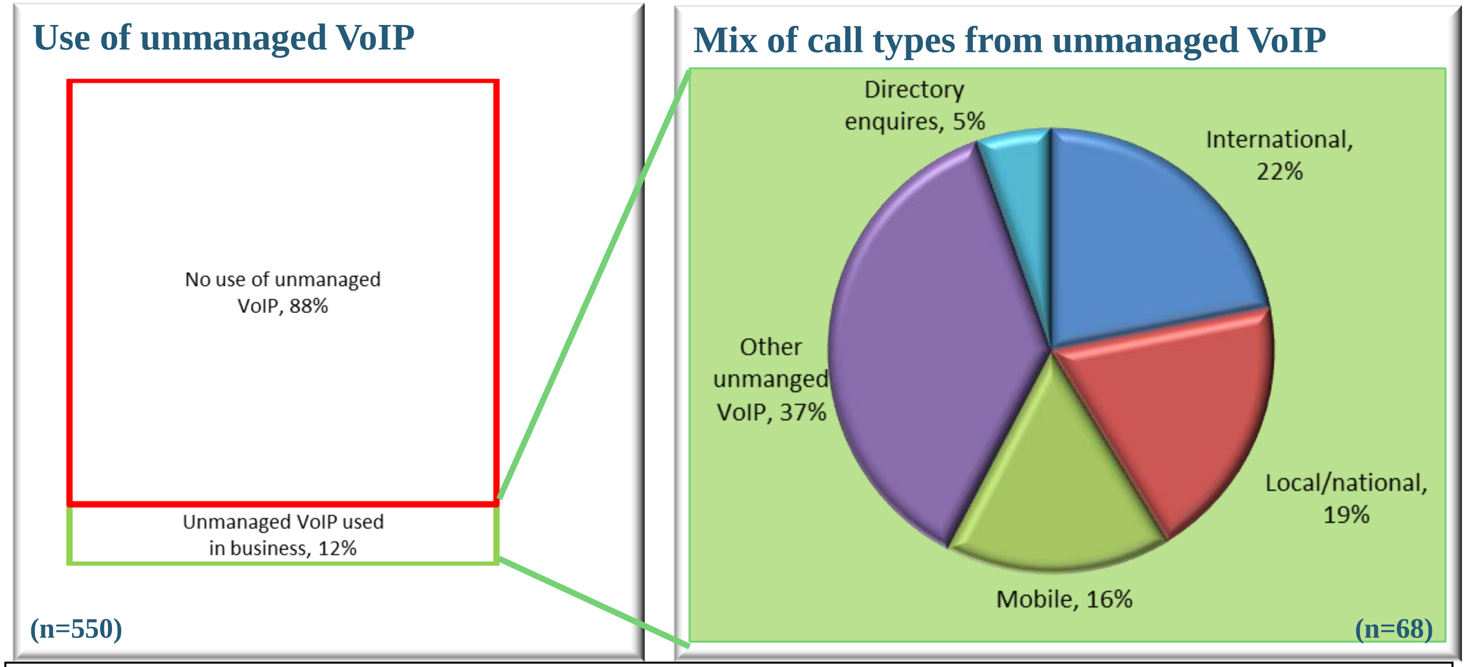
Mix of calls from business mobile phones – by company size



SURVEY QUESTIONS:
Q: **. Thinking about the calls made from your business' mobile phones in a typical month by all employees, please provide an approximate breakdown of the amount of time spent on your business' mobile phones when in the business premises for each of the following? This includes only calls made from mobile phones when in the office.**

- A majority of calls from a businesses mobile phones are made to other mobile phones
  - Note: These proportions reflect the average business usage
- Pattern of calls to international are similar to that for fixed line phones
  - Larger businesses (25+) make a higher proportion of calls to international numbers

Employee usage of unmanaged VoIP

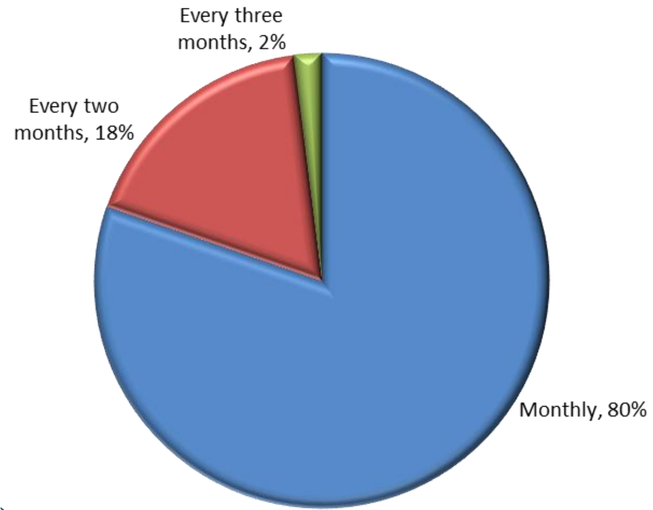


SURVEY QUESTIONS:
Q: Thinking about the calls made using Skype or other internet-based voice applications in a typical month by all employees; please provide an approximate breakdown of the amount of time spent on skype or other internet-based voice applications for each of the following?

- 12% of businesses report use of unmanaged VoIP by employees
- While 37% of these calls are made to other unmanaged VoIP connections, a significant proportion were to international (22%), fixed line (19%) or mobile (16%) connections

Billing frequency and awareness of costs

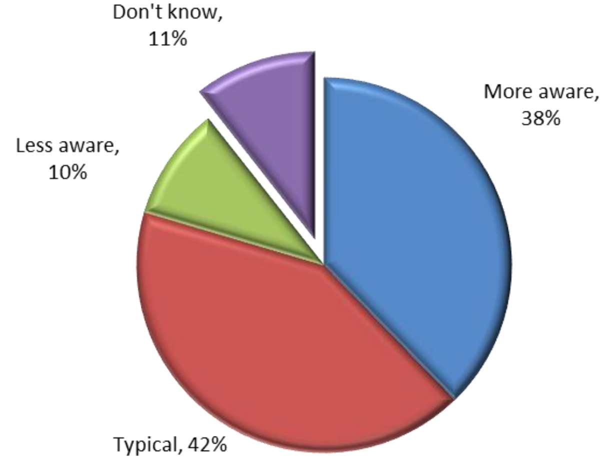
Bill frequency



(n=524)

SURVEY QUESTIONS:
Q: How often do you receive a bill from the main supplier of your fixed line phone supplier (this can be a printed bill or an online or email bill)?

Knowledge of respondent of fixed line call costs compared to typical employee (with a fixed line phone



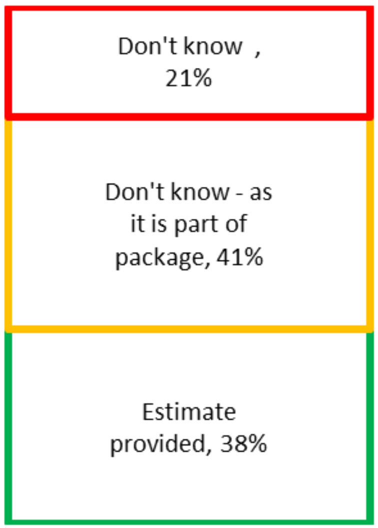
(n=387)

SURVEY QUESTIONS:
Q: Thinking about your knowledge of the cost of calling particular types of numbers from your business fixed line phone, e.g. calling local\national numbers, mobile numbers, etc. do you think that..?

- Bills are typically provided monthly
- 52% respondents stated that they had the same or lower awareness of fixed line call costs than other employees
  - Figure based on businesses with one or employees

Monthly line rental charges

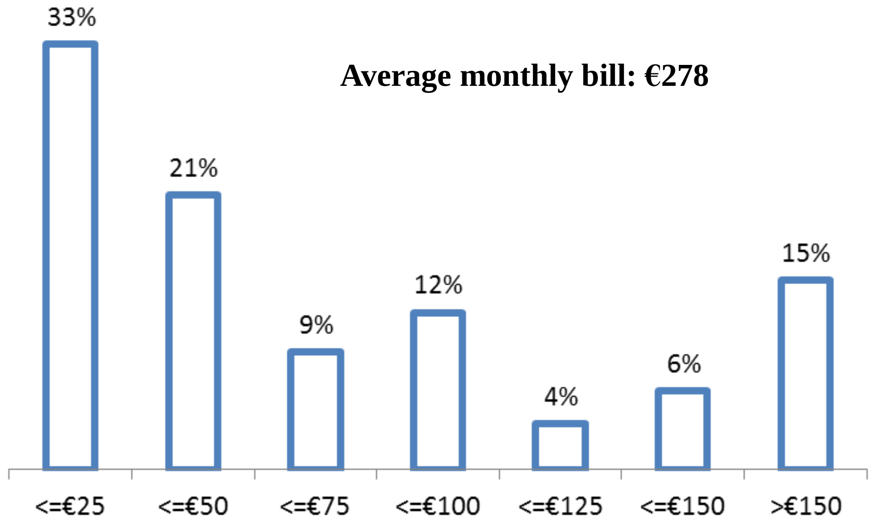
Estimate provided



(n=524)

Estimates of monthly line rental spend (to fixed line voice telephony service provider)

(n=197)

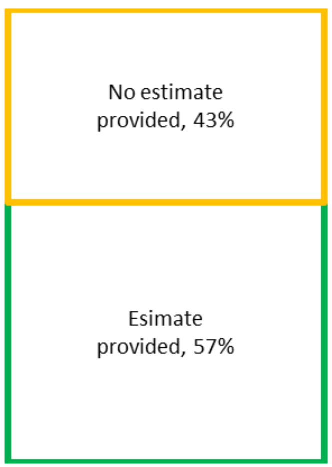


SURVEY QUESTIONS:
Q: How much do you pay per bill for the line rental for all lines\circuits used for calls?

- 38% of respondents provided an estimate of monthly line rental charge
  - 41% stated that it was part of their package and they didn't know
  - This is the *total* monthly line rental cost and therefore depends on the number of phone lines as well as the plan/package that the business is on
- The estimated range varies greatly reflecting the diversity of respondents and the average is impacted by a small number of large users
  - Removing the largest user reduces the average from €278 to €167

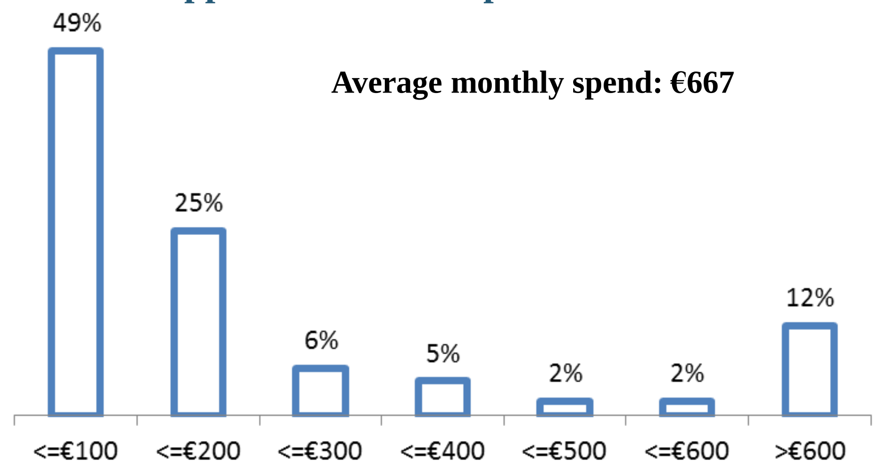
Total monthly spend on telecommunications services

Estimate provided



(n=524)

Estimates of total monthly telecommunications spend with main supplier of fixed line phone services



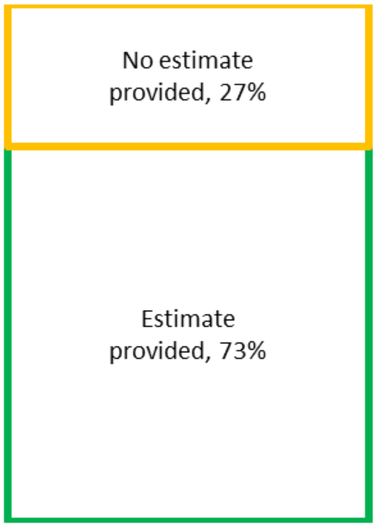
(n=301)

SURVEY QUESTIONS:
Q: How often do you receive a bill from the main supplier of your fixed line phone supplier (this can be a printed bill or an online or email bill)?
Q: And what would you total bill typically be for your communications services from your main supplier of fixed line phone services?

- 57% of respondents provided an estimate of the total monthly telecommunications spend with the main provider of fixed line voice telephony services
- As with the estimate of the line rental, reflecting the diversity of respondents, the range varied greatly and the average is impacted by a small number of large users
  - Removing the largest user reduces the average monthly cost from €667 to €516

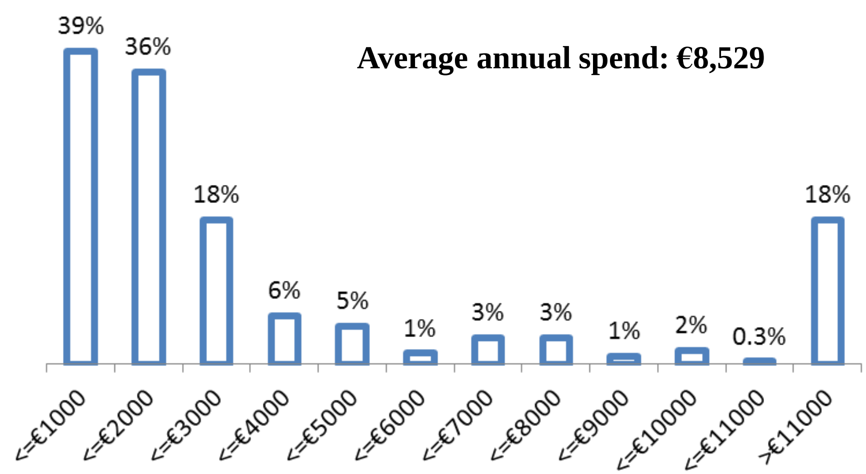
Total annual spend on telecommunications services

Estimate provided



(n=550)

Estimates of annual telecommunications spend



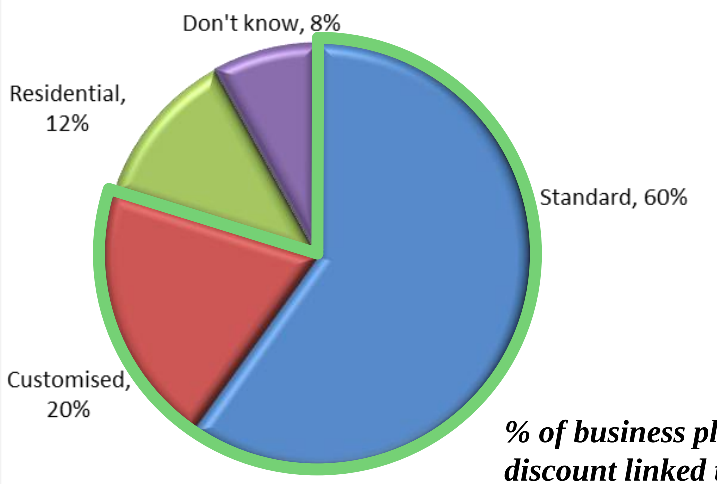
(n=399)

SURVEY QUESTIONS:
Q: And approximately how much would the total annual business spend on telecommunications services be - such as fixed line and mobile phones, internet access and other related services - for the part of the business\organisation over which you are responsible for selecting suppliers?

- 73% of respondents provided an estimate of the total annual spend across all telecommunications services included fixed line and mobile voice telephony and internet access as well as related services
- The range of spend varies greatly and includes a small number of high spending organisations
  - 1% reported spending over €100,000 per annum

Contract type and duration

Type of contract

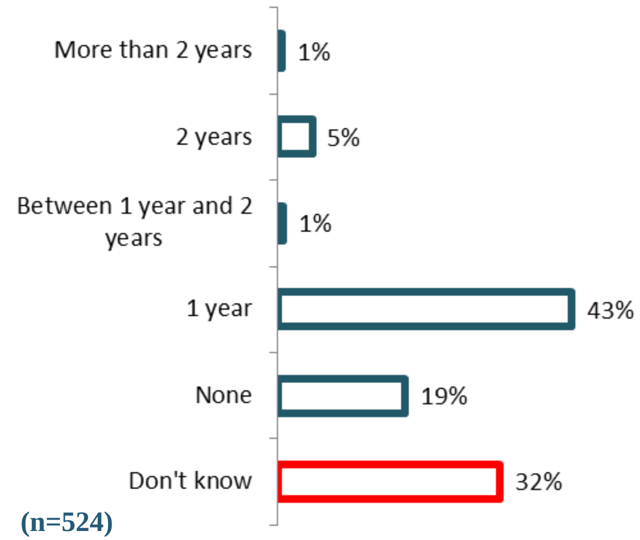


% of business plans with a discount linked to a minimum spend: 16%

(n=524)

SURVEY QUESTIONS:
Q:Which best describes the service agreement between the supplier of your fixed line telephone service and your business? If you have more than one supplier, please consider your main supplier
Q: As part of your main business' package for fixed line calls, are discounts related to a commitment for a minimum monthly spend?

Length of current contract



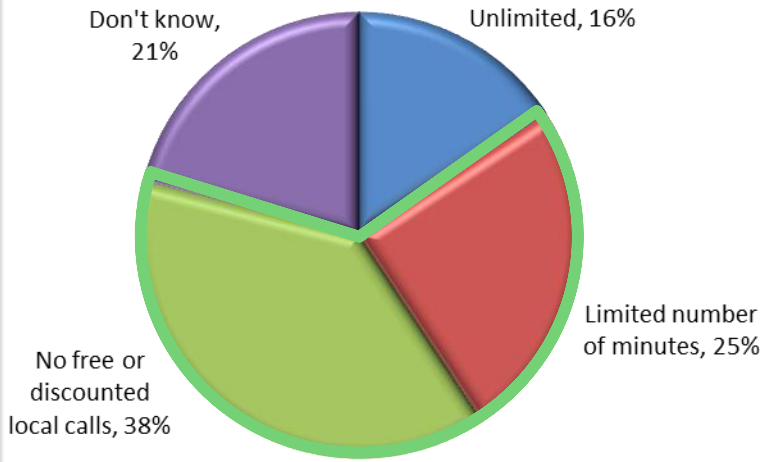
(n=524)

SURVEY QUESTIONS:
Q:What is the length of your current contract for the provision of your fixed line phone service?

- ❖ 80% stated that their business was on a business package
- ❖ Of these 16% included a minimum commitment
- ❖ The majority of businesses are on a one year contract with their fixed line phone service

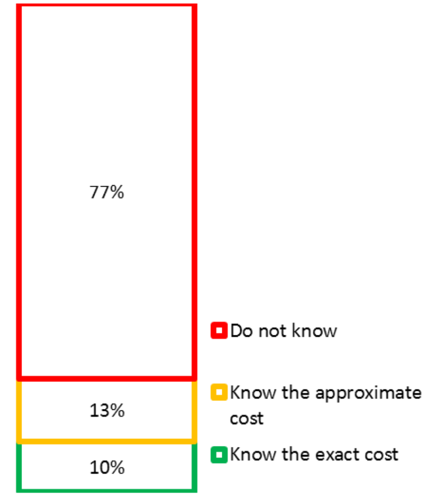
Business contract (no minimum commitment): local calls to fixed line numbers – level and knowledge of inclusions and costs

Inclusions: Local calls to fixed line numbers from business' fixed line numbers



(n=457)

Knowledge of cost of local calls to fixed line numbers from a business fixed line numbers (among those who are aware that they pay for calls)



(n=289)

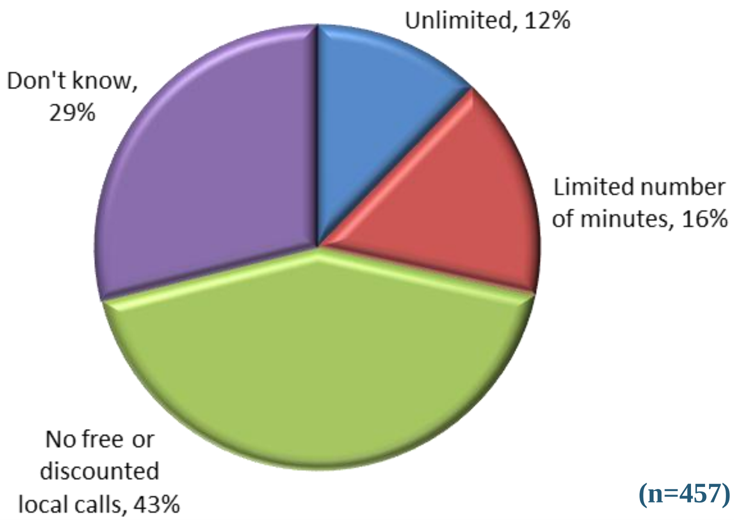
SURVEY QUESTIONS: [IF WITH BUSINESS CONTRACT WITHOUT MINIMUM COMMITMENT]
Q:**Thinking about your main supplier of fixed line calls, does your package include free calls or discounted call costs from your business' fixed line phones to local fixed line phones?**

SURVEY QUESTIONS: [IF WITH BUSINESS CONTRACT WITHOUT MINIMUM COMMITMENT AND PAY FOR SOME/ALL LOCAL CALLS]
Q:**Could you state whether you know the cost of making calls from your business' fixed line phone to other local fixed line phones in instances where you need to pay for the call?**

- 41% of respondents stated that they were on plans which included limited or unlimited **local** calls to fixed line numbers
  - 18% of respondents on contracts which included a limited number of free or discounted minutes for **local** calls to fixed line phone numbers could provide an estimate of the limit
- Of the 63% of businesses which are aware that they pay for some local calls, 77% could not provide an exact or approximate cost

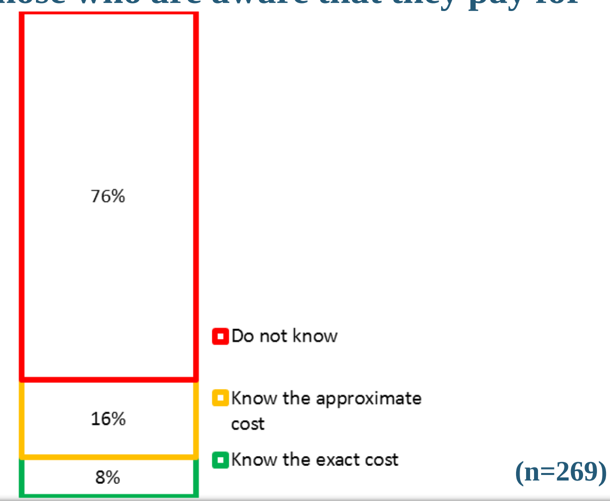
Business contract (no minimum commitment): national calls to fixed line numbers – level and knowledge of inclusions and costs

Inclusions: National calls to fixed line phone from business' fixed line numbers



SURVEY QUESTIONS: [IF WITH BUSINESS CONTRACT WITHOUT MINIMUM COMMITMENT]
Q:Thinking about your main supplier of fixed line calls, does your package include free calls or discounted call costs from your business' fixed line phones to national fixed line phones?

Knowledge of cost of national calls to fixed line phone from a business fixed line numbers (among those who are aware that they pay for calls)

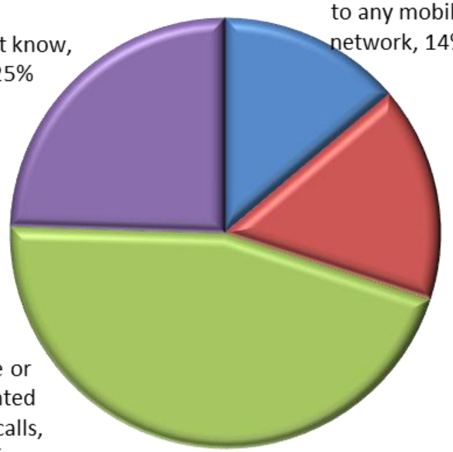


SURVEY QUESTIONS: [IF WITH BUSINESS CONTRACT WITHOUT MINIMUM COMMITMENT AND PAY FOR SOME/ALL NATIONAL CALLS]
Q:Could you state whether you know the cost of making calls from your business' fixed line phone to national fixed line phones in instances where you need to pay for the call?

- 28% of respondents stated that they were on plans which included limited or unlimited **national** calls to fixed line numbers
  - 24% of respondents on plans which included a limited number of free or discounted minutes for **national** calls to fixed line phone numbers could provide an estimate of the limit
- Of the 59% of businesses which are aware that they pay for some national calls, 76% could not provide an exact or approximate cost

Business contract (no minimum commitment): <u>mobile phones numbers</u> – level and knowledge of inclusions and costs

Inclusions: Calls mobile phones from business' fixed line phone



(n=457)

SURVEY QUESTIONS: [IF WITH BUSINESS CONTRACT WITHOUT MINIMUM COMMITMENT]
Q:Does your package include free call minutes or discounted call costs to mobile phone numbers?

Knowledge of cost of calling to mobile phone from a business fixed line phone (among those who are aware that they pay for calls)

Knowledge	%
Know exact cost to all mobile phone networks	11%
Know approximate cost to all mobile phone networks	13%
Know exact cost to <u>some</u> mobile networks	4%
Know approximate costs to <u>some</u> mobile networks only	11%
Do not know	61%

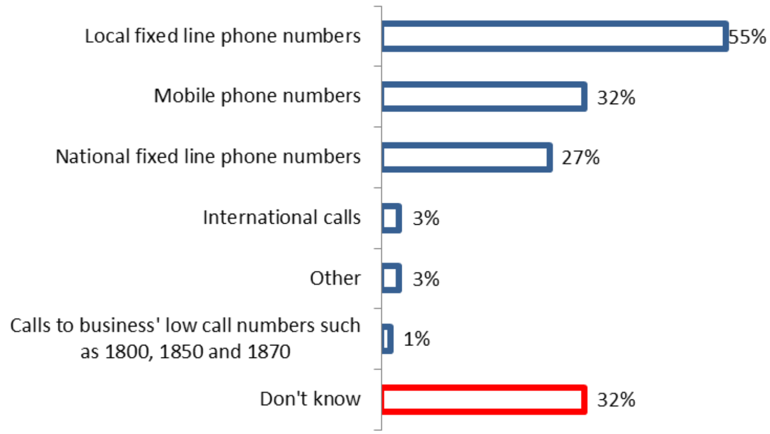
(n=137)

SURVEY QUESTIONS: [IF WITH BUSINESS CONTRACT WITHOUT MINIMUM COMMITMENT AND PAY FOR SOME/ALL LOCAL CALLS]
Q:Could you state whether you know the cost of making calls from your business' fixed line phone to mobile phones (outside of any free minutes included in the package)?

- ❖ 30% of respondents stated that they were on plans which included limited or unlimited calls to **mobile** phone numbers
  - ➢ 11% of respondents on plans which included a limited number of free or discounted minutes to **mobile phone** stated that they knew the exact cost to all mobile networks
  - ➢ 61% of respondents on plans which included a limited number of free or discounted minutes were not able to provide any estimate of the cost of these calls

Business contract (minimum commitment): inclusion of calls

Discounted call types – once minimum spend reached



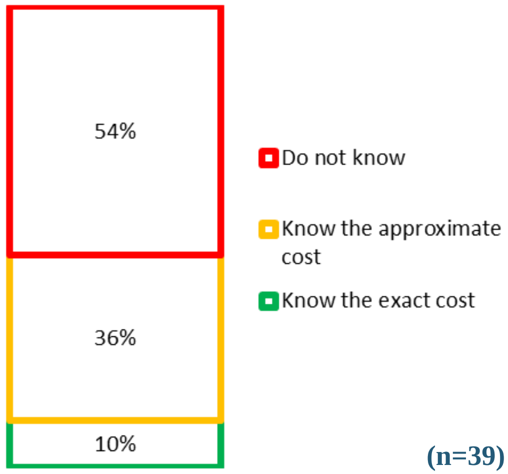
(n=71)

SURVEY QUESTIONS: [IF WITH BUSINESS CONTRACT WITH MINIMUM COMMITMENT]
Q:**Please select which of the following call types are available at a discounted rate if the minimum monthly spend is achieved?**

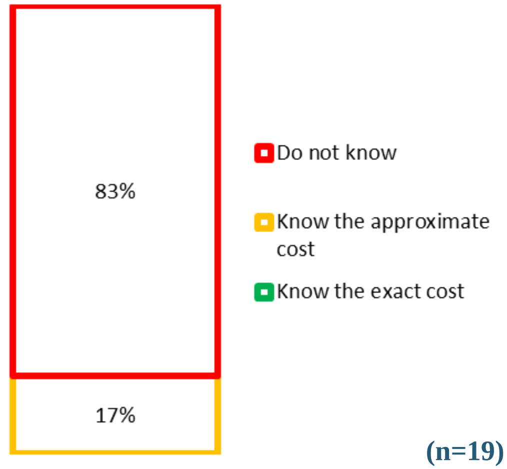
❖ Among the 16% of businesses on business contracts with minimum spend commitments, a majority (55%) stated that it included local calls to fixed line phone numbers

Business contract (minimum commitment): Knowledge of costs of calls

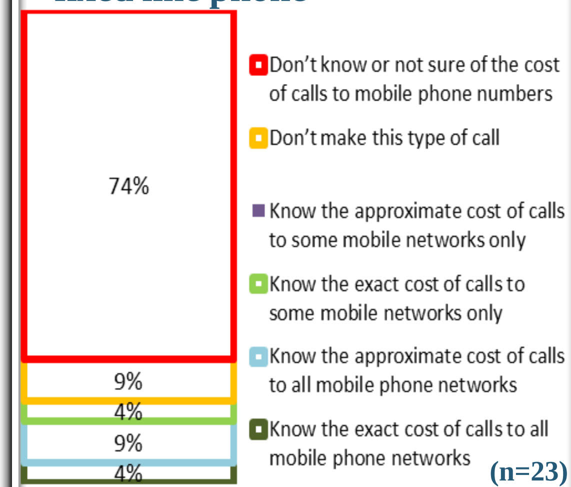
Knowledge of cost of calling to local fixed line phone from a business fixed line phone



Knowledge of cost of calling to national fixed line phone from a business fixed line phone



Knowledge of cost of calling to mobile phone from a business fixed line phone



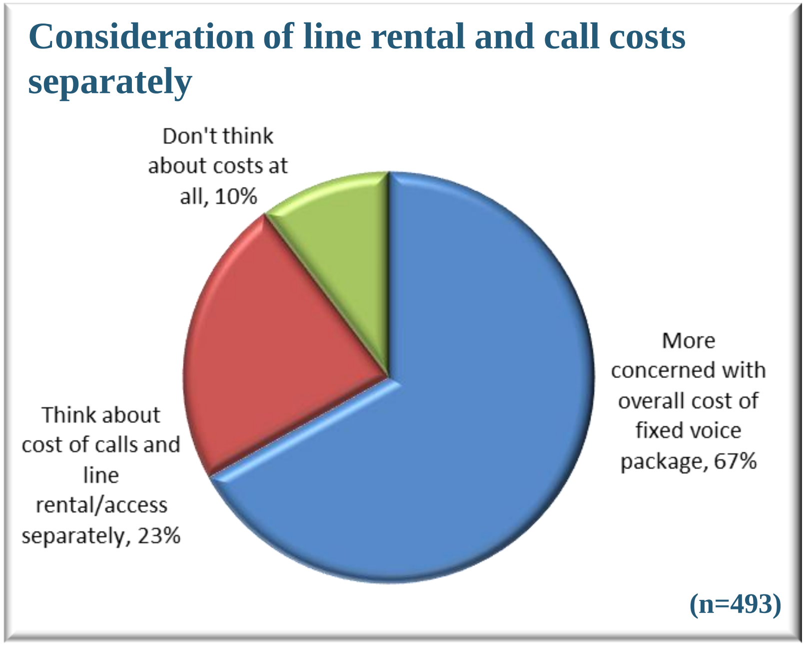
SURVEY QUESTIONS: [IF WITH BUSINESS CONTRACT WITH MINIMUM COMMITMENT]
***Q:*. Could you state whether you know the cost of making calls from your business' fixed line phone to other local fixed line phones in instances where you need to pay for the call?**

SURVEY QUESTIONS: [IF WITH BUSINESS CONTRACT WITH MINIMUM COMMITMENT]
***Q:*. Could you state whether you know the cost of making calls from your business' fixed line phones to national fixed line phones in instances where you need to pay for the call?**

SURVEY QUESTIONS: [IF WITH BUSINESS CONTRACT WITH MINIMUM COMMITMENT]
***Q:*. Could you state whether you know the cost of making calls from your business' fixed line phone to mobile phones (outside of any free minutes included in the package)?**

- Businesses on contracts with minimum spend also exhibited a low level of knowledge of the cost of calls

Consideration of overall line and call costs



SURVEY QUESTIONS:
Q. When you are thinking about (and reviewing) the cost of the fixed business telecommunications services, do you think about the cost of calls and line rental/access separately?

- ❖ Most businesses (67%) are more concerned about the overall cost and do not think about line rental and the cost of calls separately

Prepared by The Research Perspective on

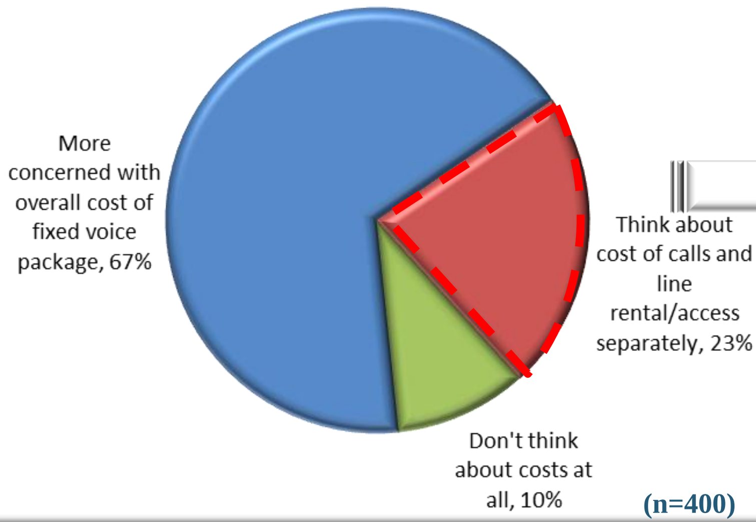
Price sensitivity

Testing price sensitivity

- Objective
  - Determine the degree of sensitivity among businesses to increased charges and any resultant impact on potential switching to different communications methods or cancelling subscriptions
    - Price increases tested were chosen to reflect significant increases on current costs
- Methodology
  - **Scenario presented:** If your fixed line provider increases costs (10% increases over current charges), would the consumer
    - Notice the change
    - Change behaviour
    - How behaviour would change (rated from list of potential changes)
  - **Permutations tested:**
    - Respondents aware of call costs and line rental separately and used PSTN/ISDN connections, asked about increases in line rental charges
    - Respondents aware of call costs and line rental separately, asked about increases in call costs
    - Respondents not aware of access and calls charges separately, asked about increase in the total cost of bill
- Note: These are statements based on a hypothetical scenario only, and do not represent actual switching and should be analysed in that context.
    - The level and frequency of switching behaviour is likely to be influenced by factors such as switching costs, the availability of cost-effective and alternative products of similar quality/characteristics, and the degree of awareness on the part of businesses of call and package prices (highlighted earlier in the report)
    - Reported hypothetical behavioural responses predicted by businesses should be analysed in that context
    - The number of respondents to sub-scenarios is based on small numbers

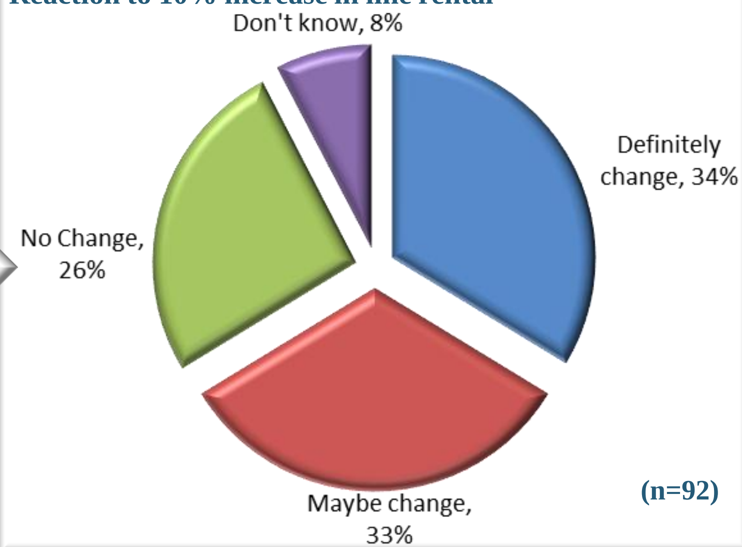
Line rental price sensitivity

Targeted population:
Businesses with PSTN/ISDN line which think about cost of calls and line rental/access separately



SURVEY QUESTIONS: [WITH FIXED LINE PHONE CONNECTION OVER PSTN/ISDN
Q. When you are thinking about (and reviewing) the cost of the fixed business telecommunications services, do you think about the cost of calls and line rental/access separately?

Reaction to 10% increase in line rental



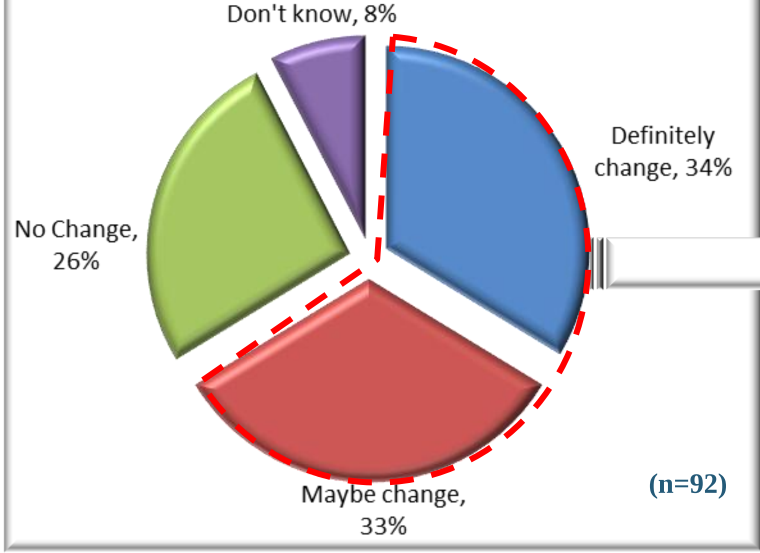
SURVEY QUESTION:
Q: **Imagine if your fixed line supplier increased the cost of line rental by 10% (insert value based on previous question). Assume that only the price of your phone line rental bill would be affected – costs of calls and other services provided over that connection would not change. As a consequence of this increase in the cost of line rental, do you believe that the business would change its purchasing behaviour?**

- Figures presented as a percentage of 23% of respondents whose business have a PSTN/ISDN fixed line phone connections and who think about line rental/calls separately

Line rental price sensitivity

(including both definitely and maybe change behaviour)

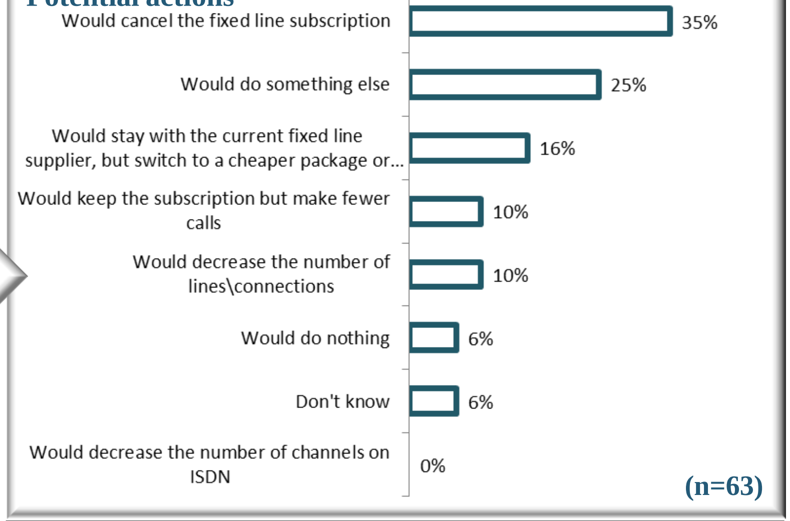
Reaction to 10% increase in line rental



SURVEY QUESTION:

***Q:* Imagine if your fixed line supplier increased the cost of line rental by 10% (insert value based on previous question). Assume that only the price of your phone line rental bill would be affected – costs of calls and other services provided over that connection would not change. As a consequence of this increase in the cost of line rental, do you believe that the business would change its purchasing behaviour?**

Potential actions



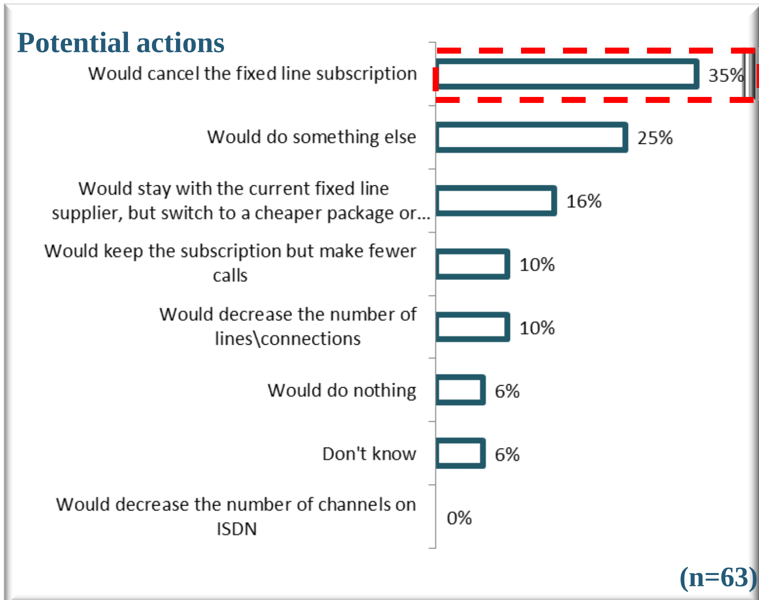
SURVEY QUESTION:

Q: . In what ways would the business change its purchasing behavior?

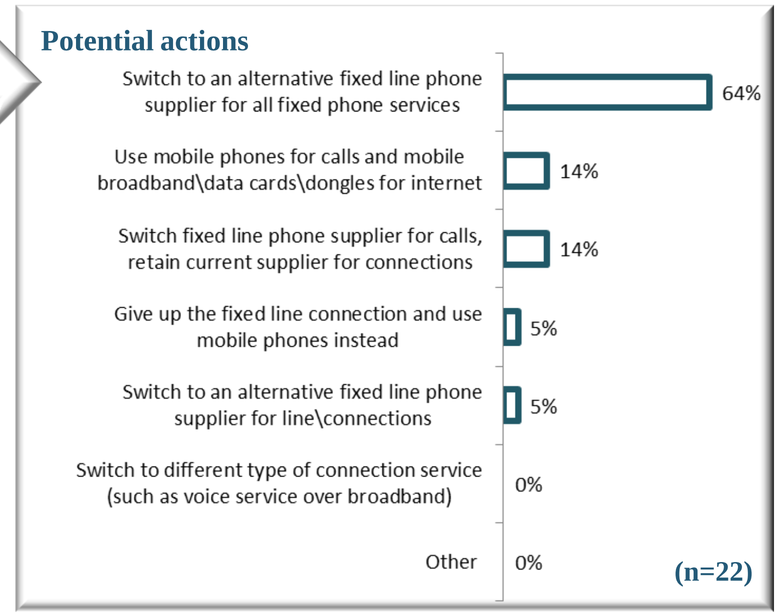
- In response to the line rental price change, 35% of those who would potentially make a change would cancel their fixed line subscriptions
  - 25% stated that they would take alternative behaviours but not those listed

Line rental price sensitivity

(including both definitely and maybe change behaviour)



SURVEY QUESTION:
Q: . In what ways would you change your behaviour?

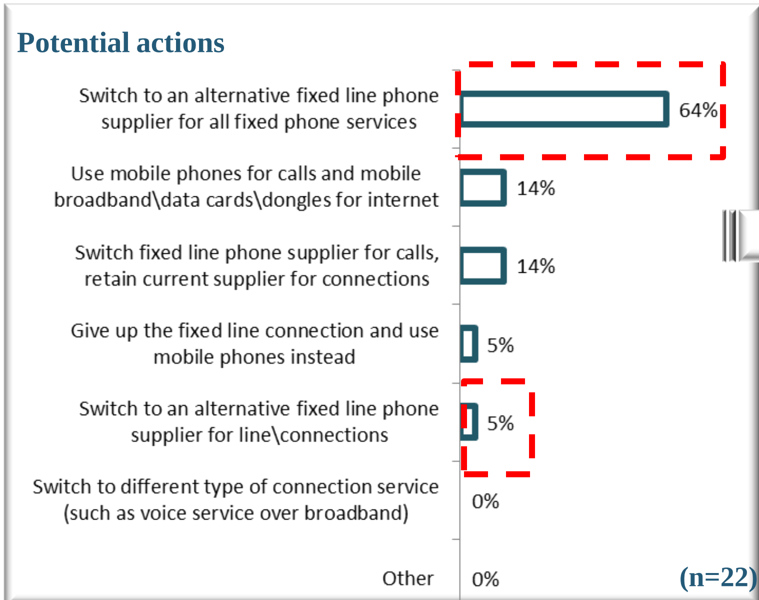


SURVEY QUESTION:
Q: . You have just said that you would cancel your fixed subscription, what would you be most likely to do instead?

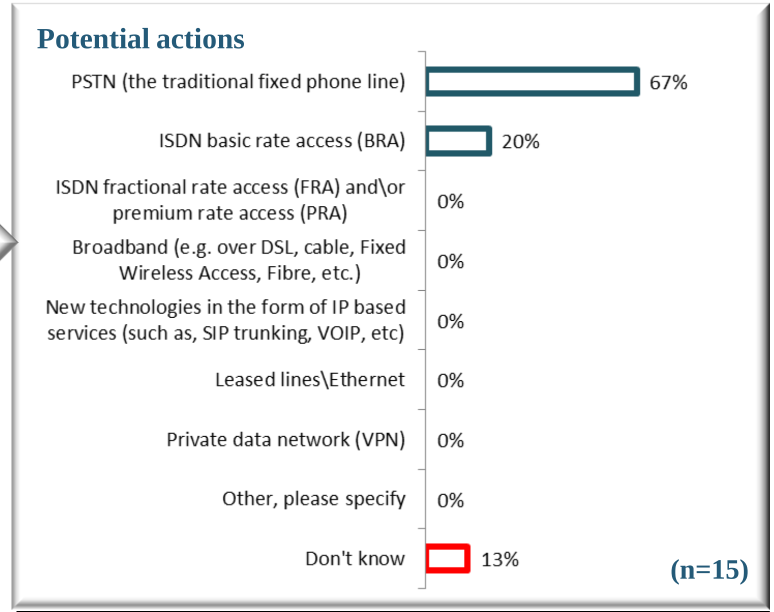
- Of the 35% who stated that they would cancel their subscription (n=22), 64% of these stated they would switch to alternative fixed line voice telephony suppliers

Line rental price sensitivity

(including both definitely and maybe change behaviour)



SURVEY QUESTION:
Q: . In what ways would you change your behaviour?

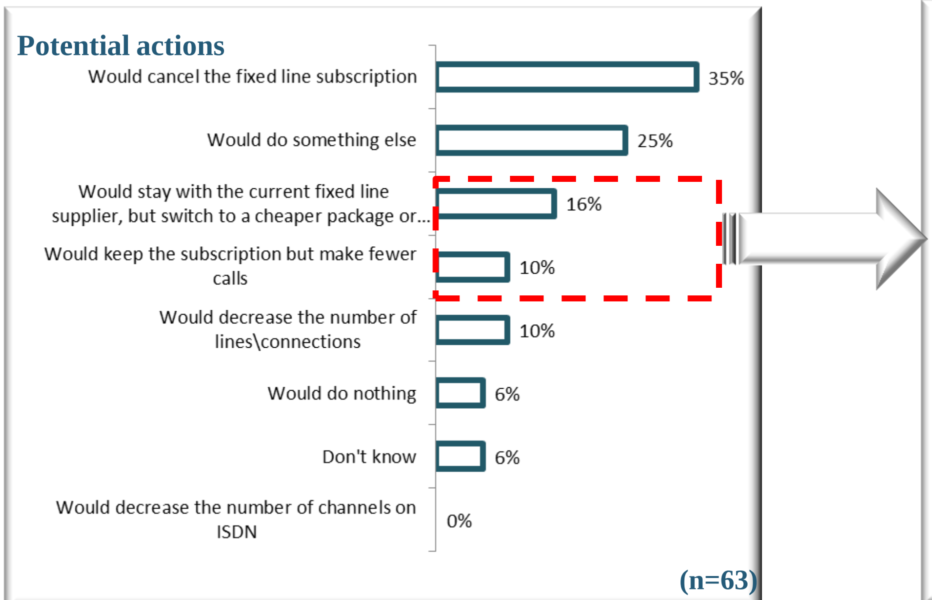


SURVEY QUESTION:(MULTIPLE)
Q: . If you were to switch, what type of alternative fixed line connection would you switch to?

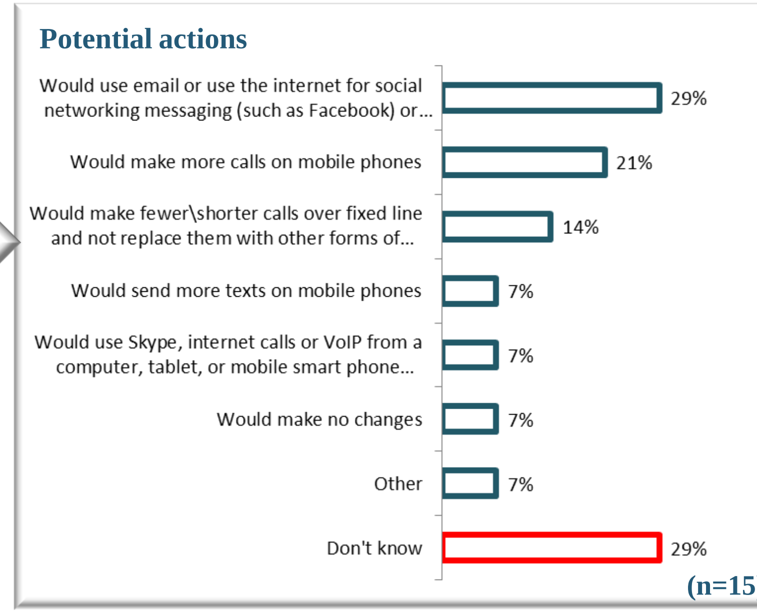
- Of the 69% who stated that they would switch to an alternative fixed line phone provider for all fixed line phone services or for line and connections (n=15), 67% of these stated they would switch to a PSTN based service with 20% stating that they would switch to a ISDN basic rate access based service

Line rental price sensitivity

(including both definitely and maybe change behaviour)



SURVEY QUESTION:
Q: . In what ways would you change your behaviour?

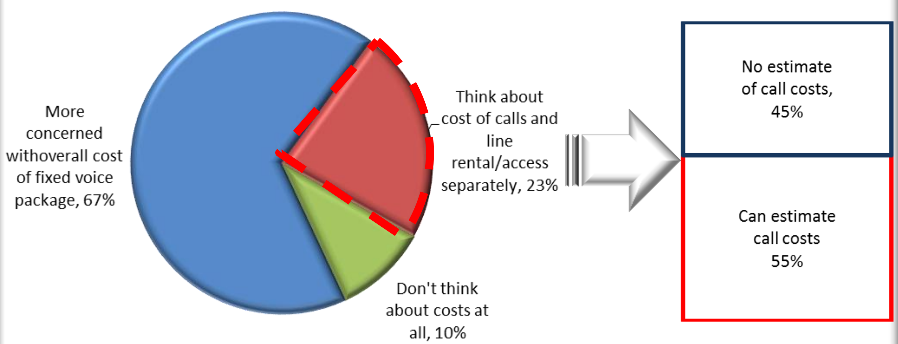


SURVEY QUESTION: (MULTIPLE)
Q: . If you were to switch, what type of alternative fixed line connection would you switch to?

❖ Of the 26% who stated that they would make fewer calls or switch to a cheaper calls package (n=15), 29% stated that they would use email/messaging instead with an additional 21% stating that their business would make more calls on mobile phones

Call cost price sensitivity

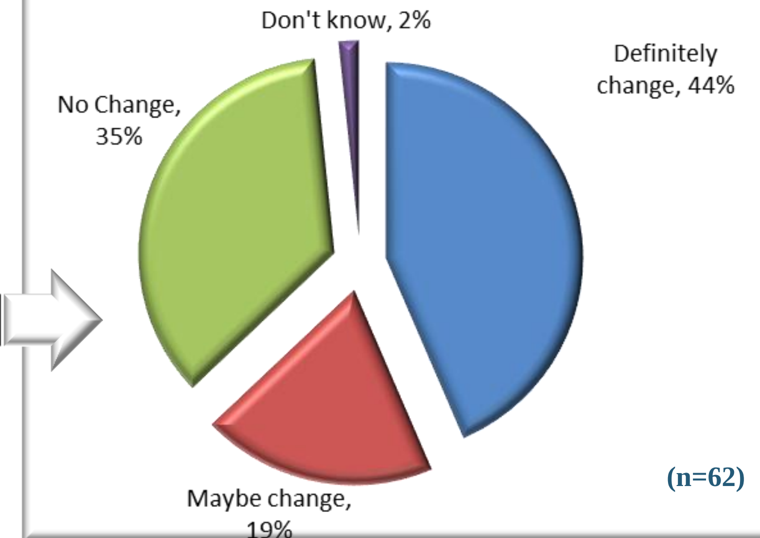
Targeted population:
Businesses with an PSTN/ISDN fixed line phone connection and that think about cost of calls and line rental/access separately and can estimate call costs



(n=487) **(n=112)**

SURVEY QUESTIONS: [WITH FIXED LINE PHONE CONNECTION OVER PSTN/ISDN]
Q. When you are thinking about (and reviewing) the cost of the fixed business telecommunications services, do you think about the cost of calls and line rental/access separately?
Q. What is your average fixed line calls bill for your business?

Reaction to 10% increase in call costs



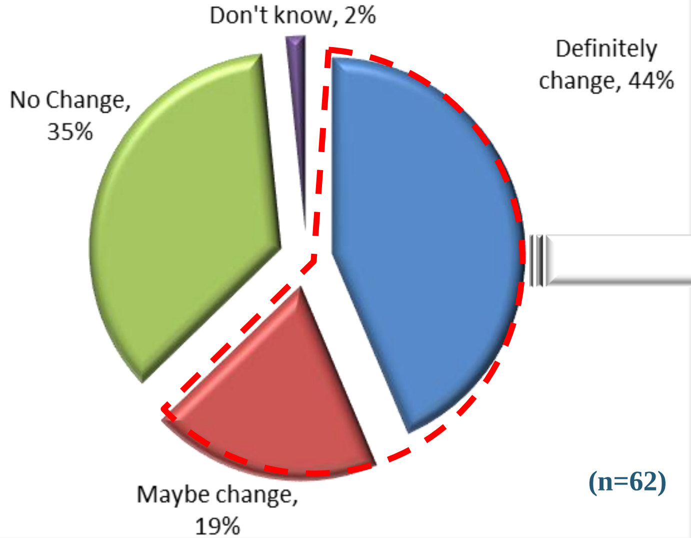
(n=62)

SURVEY QUESTION: [WITH FIXED LINE PHONE CONNECTION OVER PSTN/ISDN AND THINK ABOUT CALLS SEPARATELY AND CAN ESTIMATE TOTAL CALL COSTS BILL]
Q: Imagine if your fixed line supplier increased the cost of your business phone calls by 10%. Assume that only the price of calls would be affected – costs of line rental and other services included in your telecommunications package would not change.
As a consequence of this increase in the cost of calls, do you believe that the business would change its purchasing behaviour 10% of average calls bill, taken from previous question?

- Figures presented as a percentage of 23% of respondents who think about line rental/calls separately, purchase calls and line rental from a single supplier and can estimate the cost of calls

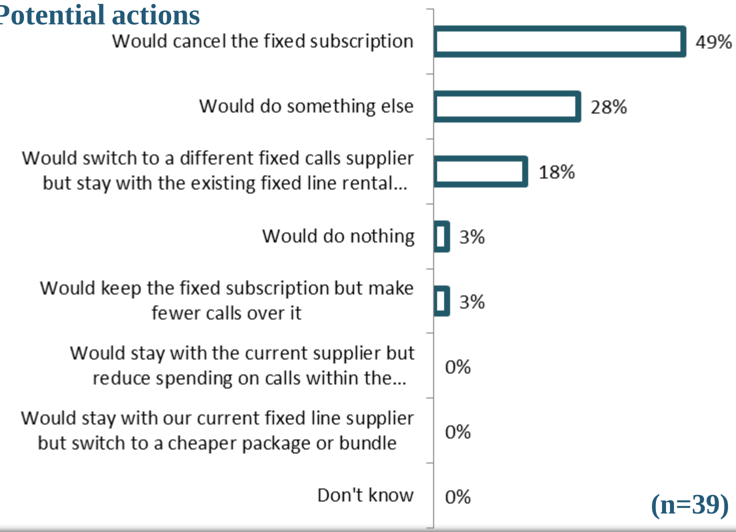
Call cost price sensitivity
(including both definitely and maybe change behaviour)

Reaction to 10% increase in call costs



SURVEY QUESTION: [WITH FIXED LINE PHONE CONNECTION OVER PSTN/ISDN AND THINK ABOUT CALLS SEPARATELY AND CAN ESTIMATE TOTAL CALL COSTS BILL]
Q: Imagine if your fixed line supplier increased the cost of your business phone calls by 10%. Assume that only the price of calls would be affected – costs of line rental and other services included in your telecommunications package would not change.
As a consequence of this increase in the cost of calls, do you believe that the business would change its purchasing behaviour 10% of average calls bill, taken from previous question?

Potential actions

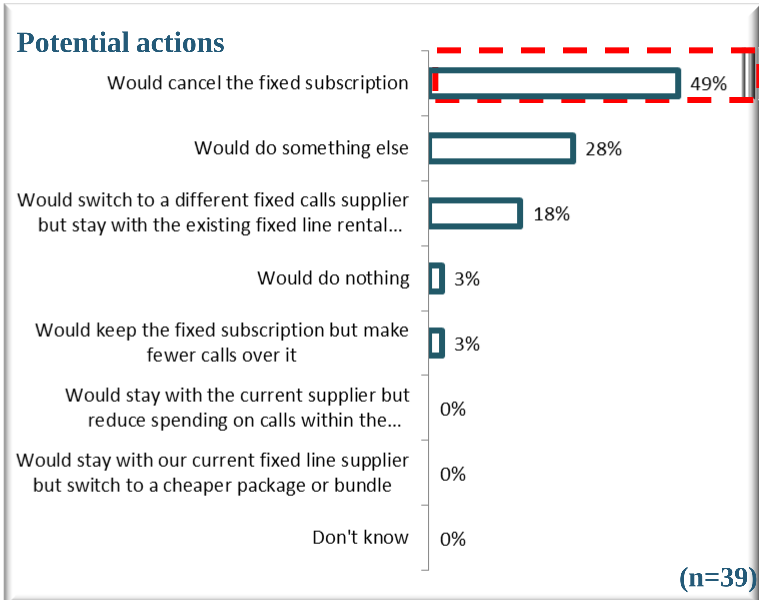


SURVEY QUESTION: [DEFINITELY/MAYBE CHANGE BEHAVIOUR]
Q: . In what ways would the business change its purchasing behavior?

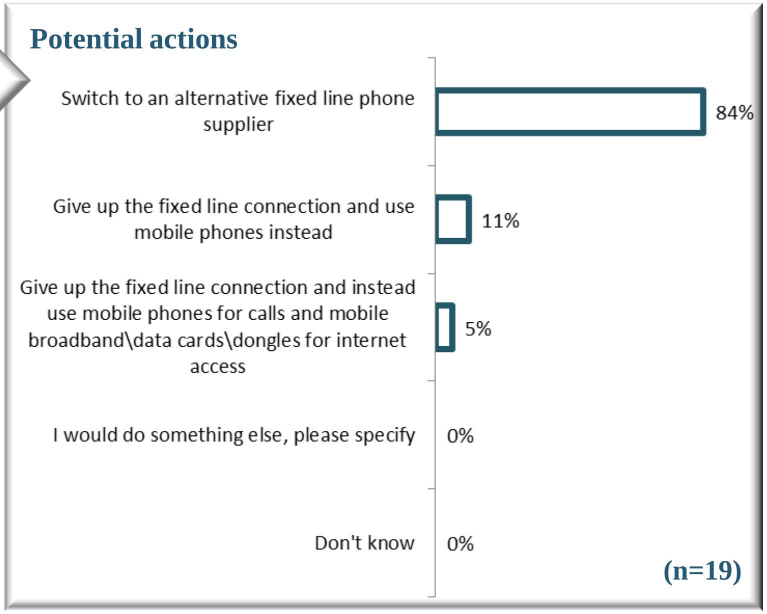
- In response to the call costs price change, 49% of those who would potentially make a change would cancel their fixed line subscriptions
  - 28% stated that they would take alternative behaviours but not those listed

Call cost price sensitivity

(including both definitely and maybe change behaviour)



SURVEY QUESTION:
Q: . In what ways would you change your behaviour?

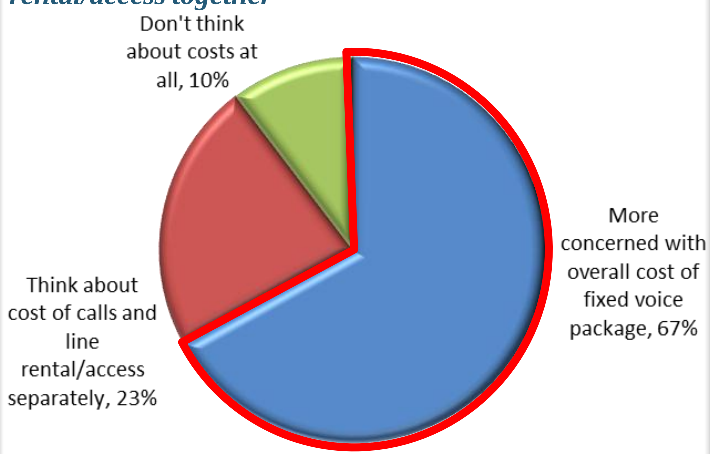


SURVEY QUESTION:
Q: . You have just said that you would cancel your fixed subscription, what would you be most likely to do instead?

- Of the 49% who stated that they would cancel their subscription (n=19), 84% of these stated they would switch to alternative fixed line voice telephony suppliers

Total cost price sensitivity

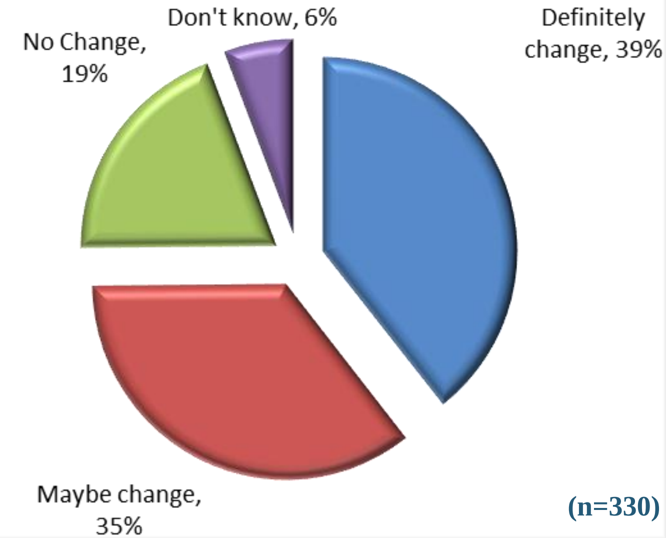
Targeted population:
Businesses think about cost of calls and line rental/access together



(n=493)

SURVEY QUESTIONS: [NOT INCLUDED IN PREVIOUS PRICE SENSITIVITY TESTS]
Q. When you are thinking about (and reviewing) the cost of the fixed business telecommunications services, do you think about the cost of calls and line rental/access separately?

Reaction to 10% increase in total bill

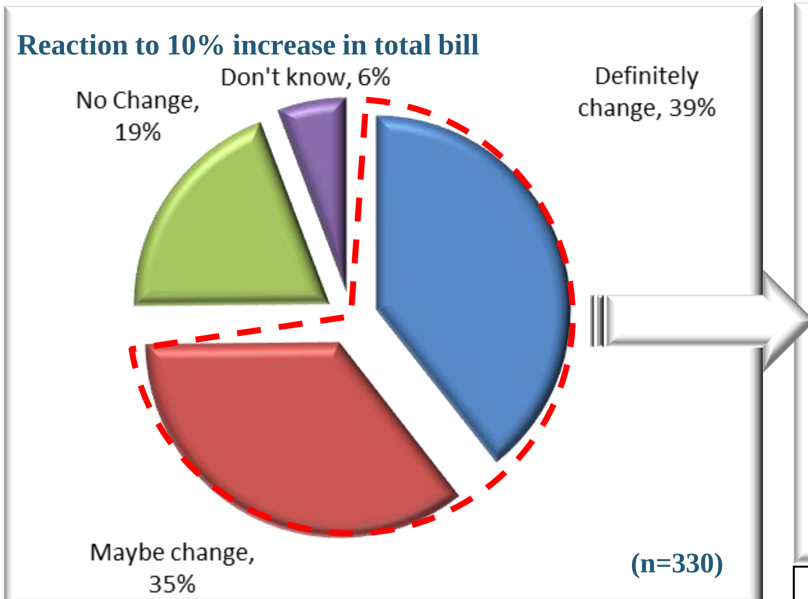


(n=330)

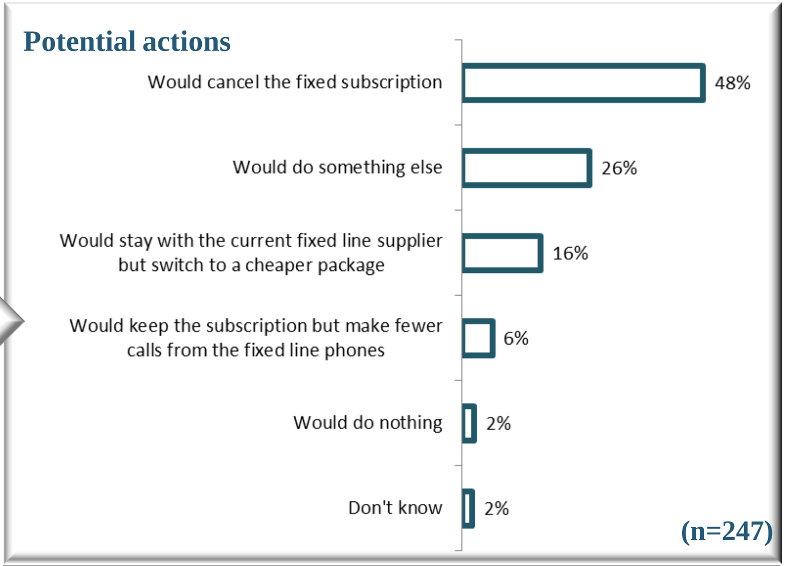
SURVEY QUESTION:
Q: Imagine if this fixed line supplier increased the total cost of your bill by 10 %. As a consequence of this VALUE increase in the total cost of your bill, do you believe that the business would change its purchasing behaviour (including potentially switching to an alternative supplier)?

- Figures presented as a percentage of 67% of respondents who are more concerned with the overall cost of the fixed voice package and who purchase line rental and call cost services from a single supplier

Total cost price sensitivity
(including both definitely and maybe change behaviour)



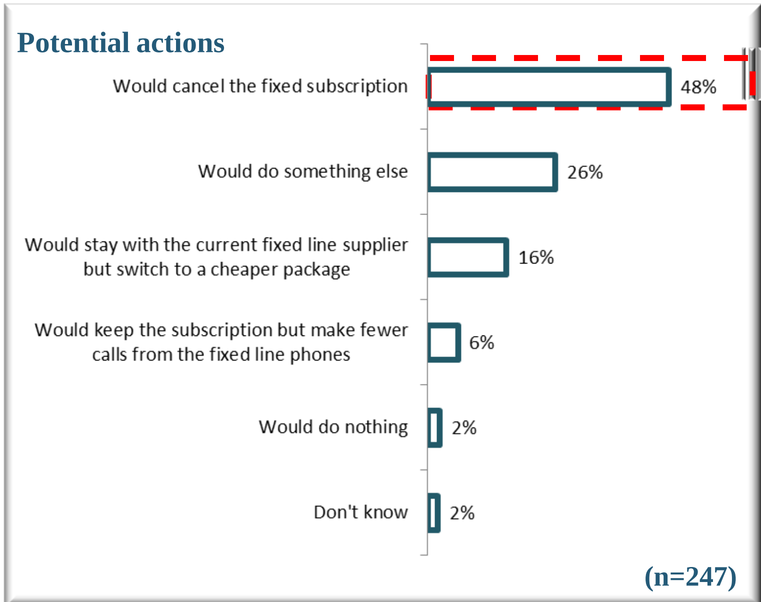
SURVEY QUESTION:
Q: Imagine if this fixed line supplier increased the total cost of your bill by 10 %. As a consequence of this VALUE increase in the total cost of your bill, do you believe that the business would change its purchasing behaviour (including potentially switching to an alternative supplier)?



SURVEY QUESTION:
Q: . In what ways would the business change its purchasing behavior?

- In response to the total bill price change, 48% of those who would potentially make a change would cancel their fixed line subscriptions
  - 26% stated that they would take alternative behaviours but not those listed

Total cost price sensitivity
(including both definitely and maybe change behaviour)



SURVEY QUESTION:
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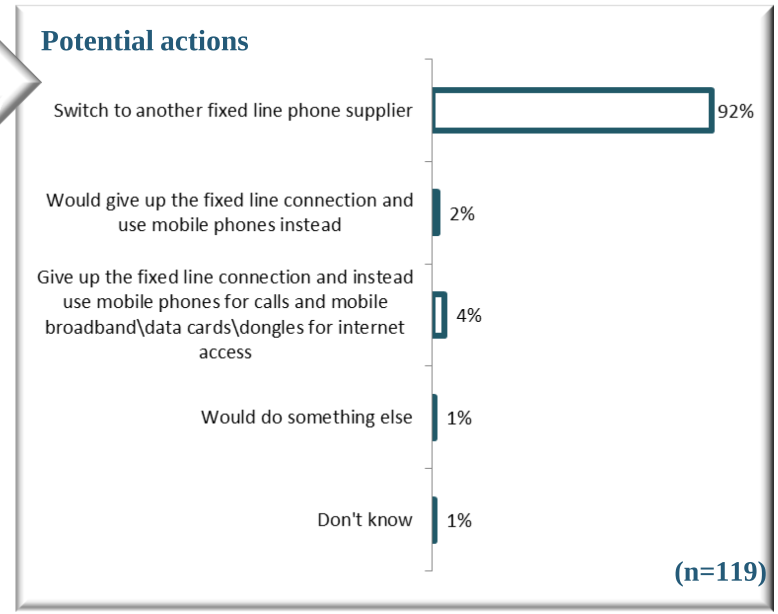
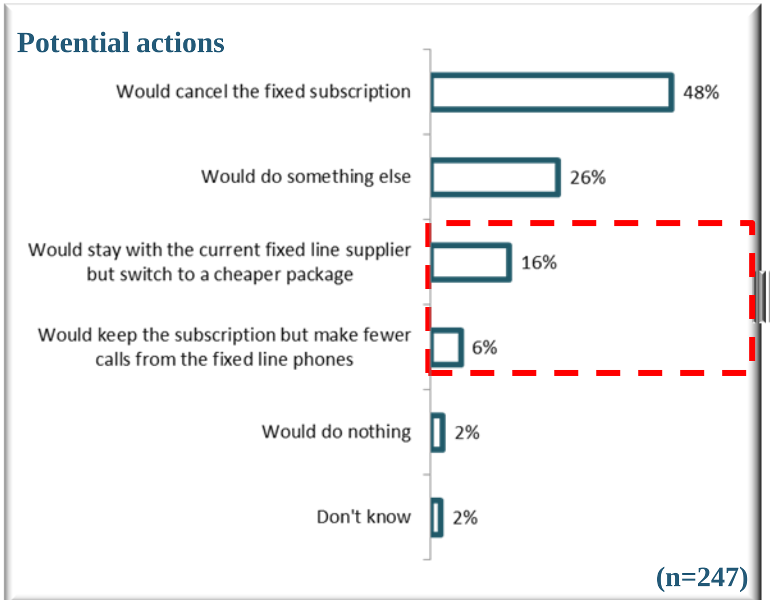


SURVEY QUESTION:
Q: . You have just said that you would cancel your fixed subscription, what would you be most likely to do instead?

❖ Of the 48% who stated that they would cancel their subscription (n=119), 92% of these stated they would switch to alternative fixed line voice telephony suppliers

Total cost price sensitivity

(including both definitely and maybe change behaviour)



SURVEY QUESTION:
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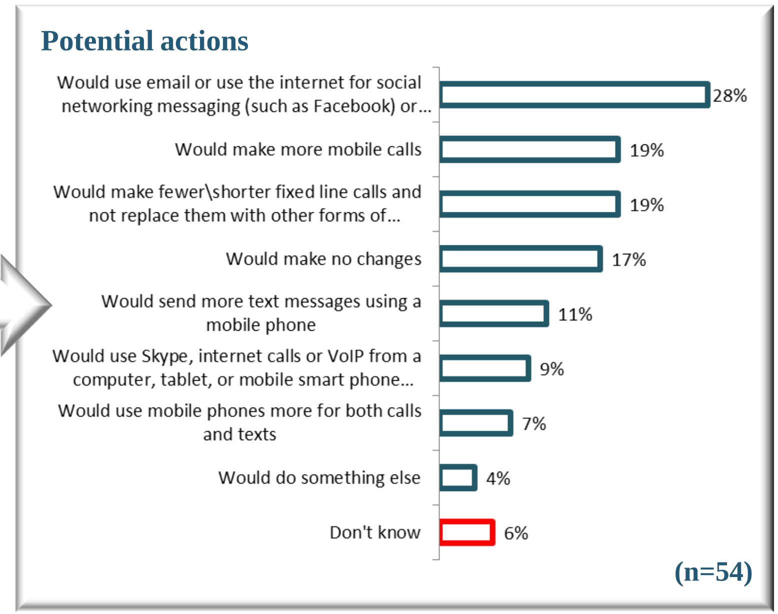

SURVEY QUESTION:
Q: . You have just said that you would cancel your fixed subscription, what would you be most likely to do instead?

- Of the 22% who stated that they would cancel their subscription (n=54), 28% stated that their business would use email/internet messaging more and 19% stated that their business would make more mobile calls

Conclusions I

- A high proportion of Irish businesses are SME
  - Nearly half (48%) of businesses operate from a stand-alone office or home-office (i.e. not in a business park or shared building/premises)
- 95% of businesses have one or more fixed line telephones. The most common reason given for having a fixed line phone is the importance of having a fixed line phone for the everyday functioning of the business
- 92% of business fixed line telephone connections are provided over traditional phone lines (PSTN or ISDN), whereas only 4% of business telephone services are provided over a cable network
- Nearly half (46%) of business telephone subscriptions are purchased in a bundle, most commonly with broadband services
- Eircom is reported by survey respondents to provide 63% of all (both standalone and bundled) retail business voice services, and 61% of retail business bundles including voice

Conclusions II

- There is generally low awareness amongst businesses about the cost of calls and access. For example, 43% are unable to estimate their average monthly spend. Most business are unable to estimate the per-minute charge that they face when making local or national calls.
- Large firms typically have a formal procurement process for choosing a telecommunications provider, whereas small firms normally have an informal process.
- 65% of businesses have reviewed their telecommunications provider in the last three years, and 40% of businesses have switched providers over that time.
- The cost of incoming calls is not considered one of the most important factors for most businesses when selecting their current supplier, while the cost of making costs was rated as their top reason

Conclusions III

- Businesses tend to prefer using fixed line telephones to make calls, irrespective of the call type.
- On average 55% of fixed line calls made by businesses are to local or national landlines, while 37% are to mobile numbers.
- On average 60% of mobile calls made by businesses are to mobile numbers.
- 12% of businesses use unmanaged VOIP (e.g. Skype)
- Most businesses purchase fixed access and fixed line calls from the same provider.

END