



Commission for  
**Communications Regulation**

# **Addendum**

## **Market Review**

### **Retail Access to the Public Telephone Network at a Fixed Location for Residential and Non Residential Customers (ComReg Document 12/117)**

#### **Further input into Consultation**

**Reference:** ComReg 13/08

**Date:** 18/01/2013

**An Coimisiún um Rialáil Cumarsáide**

**Commission for Communications Regulation**

Abbey Court Irish Life Centre Lower Abbey Street Dublin 1 Ireland

Telephone +353 1 804 9600 Fax +353 1 804 9680 Email [info@comreg.ie](mailto:info@comreg.ie) Web [www.comreg.ie](http://www.comreg.ie)

## Additional Information

Document to which this notice relates	12/117, 12/117a, published on 26 October 2012 and 12/133 published 11 December 2012.
---------------------------------------	--

## Legal Disclaimer

This Consultation Paper is not a binding legal document and also does not contain legal, commercial, financial, technical or other advice. The Commission for Communications Regulation (“ComReg”) is not bound by it, nor does it necessarily set out ComReg’s final or definitive position on particular matters. To the extent that there might be any inconsistency between the contents of this document and the due exercise by ComReg of its functions and powers, and the carrying out by it of its duties and the achievement of relevant objectives under law, such contents are without prejudice to the legal position of ComReg. Inappropriate reliance ought not therefore to be placed on the contents of this document.

# Content

Section	Page
1 Introduction.....	5
2 Additional Analysis of Consumer Survey Results .....	7
3 Next Steps.....	8

# Annex

Section	Page
Appendix 1 ComReg Fixed Voice Research – additional analyses of consumer survey results .....	9

# 1 Introduction

- 1 As part of its duties under the European Framework for Electronic Communications,<sup>1</sup> the Commission for Communications Regulation ('ComReg'), like all other national regulatory authorities ('NRAs') across the EU, is required to carry out periodic reviews of relevant electronic communications markets.
- 2 On the 26 October 2012, ComReg, consistent with its regulatory role to review certain electronic communications markets, issued a public consultation ('the FVA Consultation Paper')<sup>2</sup> on its analysis of the retail market for access to the public telephone network at a fixed location for residential and non residential customers<sup>3</sup> (referred to for convenience in the Consultation Paper as the Fixed Voice Access (FVA) market(s)).
- 3 The purpose of the FVA Consultation Paper was to set out ComReg's preliminary analysis of whether or not there is effective competition in the relevant FVA market(s), whether (absent regulation) any undertaking has significant market power in the relevant FVA market(s) and, if so, what appropriate regulatory obligations should be maintained, amended or imposed in order to address competition problems that have arisen or could arise in the relevant market(s).
- 4 As part of this market review, ComReg commissioned market research<sup>4</sup> with a view to informing its understanding of consumer and business attitudes/behaviours in the FVA market (the '**2012 Market Research**'). The 2012 Market Research was published separately, as ComReg Document 12/117a,<sup>5</sup> which sets out in detail the insights derived from the survey analysis and key conclusions. As noted in the FVA Consultation Paper, paragraph 1.25, in general, survey data, although useful, should be treated with caution since actual consumer behaviour will not always precisely co-relate with views expressed in such surveys.

---

<sup>1</sup> European Commission, Revised European Framework for Electronic Communications, 18 December 2009, [http://ec.europa.eu/information\\_society/policy/ecomms/index\\_en.htm](http://ec.europa.eu/information_society/policy/ecomms/index_en.htm).

<sup>2</sup> Market Review – Retail Access to the Public Telephone Network at a Fixed Location for Residential and Non Residential Customers, ComReg Document 12/117, 26 October 2012.

<sup>3</sup> Corresponding to Market 1 listed in the Commission Recommendation 2007/879/EC of 17 December 2007 on relevant product and services markets within the electronic communications sector susceptible to ex ante regulation in accordance with Directive 2002/21/EC of the European Parliament and of the Council on a common regulatory framework for electronic communications networks and services (the "**2007 Recommendation**"), (OJ L 344, 28.12.2007, p. 65).

<sup>4</sup> Attitudinal surveys of retail consumer and business users of fixed telephony services.

<sup>5</sup> Market Review – Retail Access to the Public Telephone Network at a Fixed Location for Residential and Non Residential Customers (Appendix A), ComReg Document 12/117a, 26 October 2012 at [http://www.comreg.ie/publications/market\\_review\\_\\_\\_retail\\_access\\_to\\_the\\_public\\_telephone\\_network\\_at\\_a\\_fixed\\_location\\_for\\_residential\\_and\\_non\\_residential\\_customers\\_appendix\\_a.583.104220.p.html](http://www.comreg.ie/publications/market_review___retail_access_to_the_public_telephone_network_at_a_fixed_location_for_residential_and_non_residential_customers_appendix_a.583.104220.p.html)

- 5 Further, ComReg would also note that the 2012 Market Research findings set out in ComReg Document 12/117a were only one element of the evidence considered by ComReg in drafting its consultation. Empirical evidence from a range of other sources was also considered in arriving at the preliminary views set out in the FVA Consultation Paper.

## 2 Additional Analysis of Consumer Survey Results

- 6 On the 11 December 2012, ComReg published the deployed residential and business survey questionnaires used in compiling ComReg Document 12/117a.<sup>6</sup> ComReg considered that these documents could be expected to inform an operator's view in relation to the 2012 Market Research and the wider preliminary analysis set out in the Consultation Paper.
- 7 In addition, in the context of the FVA consultation process, ComReg has very recently commissioned additional specific analyses of ComReg's consumer survey results which were not included in the original 2012 Market findings but which it considered may nonetheless be usefully explored by interested parties for the purpose of this consultation process.
- 8 On review of the additional analysis, ComReg's preliminary view is that small sample sizes associated with the additional breakdowns do not appear to provide a robust statistical basis for drawing additional insights or conclusions from additional analyses of the consumer survey results. Having considered the additional consumer survey results, ComReg preliminary views on its analysis of the relevant FVA market(s) as set out in the FVA Consultation Paper are unchanged by the additional analysis.
- 9 ComReg invites all interested parties to respond to the questions set out in FVA Consultation Paper, and/or to comment on any other aspect of the Consultation Paper including the initial survey research findings set out in ComReg Document 12/117a as well as the additional analyses of the consumer survey results, which is attached at Appendix 1.
- 10 Finally, it is noted that the additional analyses attached at Appendix 1 should be read in conjunction with the main survey results (ComReg document 12/117a) and the FVA Consultation Paper.

---

<sup>6</sup> Information Notice 12/133, ComReg grants extension to consultation period for ComReg Document 12/117 and publishes associated documents to ComReg Document 12/117a. 11 December 2012.

### 3 Next Steps

- 11 The original response date to the FVA Consultation Paper, which was published on ComReg's website [www.comreg.ie](http://www.comreg.ie) on 26 October 2012, was 5.00pm, Friday, 21 December, 2012.
- 12 On the 11 December, 2012, ComReg, in view that the issues under consideration in the FVA Consultation Paper were of a complex and dynamic nature, extended the original deadline for the submission of responses to its FVA Consultation Paper by one month.<sup>7</sup>
- 13 ComReg is now making publicly available the additional analysis of the consumer survey findings, attached at Appendix 1. In order to provide all interested parties with time to explore this additional information, ComReg is granting a further extension of 4 days. The further extension means that the deadline for responses is now on or before 5.00pm, Friday, 25, January 2013.
- 14 All responses should be sent by post, facsimile or email to the address below to arrive on or before 17:00 on Friday 25 January 2013. Any responses received after this date may not be considered.

Ms. Claire Kelly  
Commission for Communications Regulation  
Irish Life Centre  
Abbey Street  
Freepost  
Dublin 1  
Ireland  
Ph: +353-1-8049666  
Fax: +353-1-804 9680  
Email: [claire.kelly@comreg.ie](mailto:claire.kelly@comreg.ie)

---

<sup>7</sup> Information Notice 12/133, ComReg grants extension to consultation period for ComReg Document 12/117 and publishes associated documents to ComReg Document 12/117a. 11 December 2012.

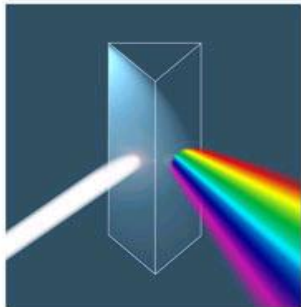


# **Appendix 1 ComReg Fixed Voice Research – additional analyses of consumer survey results**

# **ComReg Fixed Voice Research**

**Residential survey results  
- additional analyses**

**The Research  
Perspective**



**Prepared by The Research Perspective Ltd  
On behalf of The Commission for Communications Regulation  
January 2013**

# Background

- ❖ The additional analyses should be read in conjunction with the main survey results prepared by The Research Perspective Ltd on behalf of ComReg (ComReg document 12/117a) and the retail fixed voice access consultation paper (ComReg document 12/117)
- ❖ Small sample sizes associated with the additional breakdowns may result in no additional insights or conclusions drawn from the further breakdown and do not provide a robust statistical basis for drawing such conclusions
- ❖ Note: The statements related to price sensitivity tested are 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 (also highlighted 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

# Reasons for retaining a fixed line phone: Social Welfare Payment - Breakdown by age

## Reasons for retaining a fixed line phone in the home: Social Welfare allowance – by age

Q1500 (10)vs. Age Q 410	1	2	3	4	5	N/A
15-25	21	2	0	2	0	1
26-35	67	9	6	6	0	2
36-45	112	16	7	4	6	1
45-55	96	7	5	9	6	5
55-65	86	9	7	13	8	2
65+	29	12	17	13	41	4
Refused	0	0	2	0	0	0

(n=633)

### **SURVEY QUESTIONS:**

**Q:** *May I ask what age category you were on your last birthday? \*INT - PROMPT WITH AGE BANDS IN NECESSARY*

**Q1500 (10):** *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?*

*- Because I receive a social welfare allowance for my fixed line*

- ❖ There is a higher proportion of 65+ rating this reason as most like their reason for retaining the fixed line phone than other age groups
  - The other age groups show a similar profile

# Reasons for retaining a fixed line phone: Social Welfare Payment - Breakdown by bill size

## Reasons for retaining a fixed line phone in the home: Social Welfare allowance – by bill size

2. Bill Size						
Q1500 (10)vs. Age Q 410	1	2	3	4	5	DK
Up to €20	8	1	2	0	10	3
31-40	17	1	2	5	11	2
41-50	25	11	4	6	10	1
51-60	73	12	3	9	10	0
61-70	113	18	13	7	9	4
71-80	37	5	3	4	4	1
>80	112	6	11	12	4	3
Don't know	9	0	1	0	0	0
No answer	17	1	5	4	3	1

(n=633)

### SURVEY QUESTIONS:

*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)?*

### IF NOT ESTIMATE GIVEN

*Q: Approximately how much would your total bill typically be (for example, the base cost of the package plus the cost of additional calls or services purchased outside of your base package)?*

- Up to €20
- Between €21 and €30.
- Between €31 and €40
- Between €41 and €50.
- Between €51 and €60
- Between €71 and €80
- Between €81 and €90
- Between €91 and €100
- Between €101 and €121
- Between €121 and €140
- Between €141 and €160
- Between €161 and €200
- Between €201 and €240
- Between €241 and €280
- More than €280
- Don't know

*Q1500 (10): 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?*

*- Because I receive a social welfare allowance for my fixed line*

- ❖ The respondents with bill size estimates of less than 50 euro appear more likely to identify as most like their reason for retaining the fixed line phone
  - This may also be correlated with age

# Bill size breakdown by age category

## Breakdown of bill size by age

Age Q 410 vs. Q540 bill size	15-25	26-35	36-45	45-55	55-65	65+	Refused
Up to €20	0	1	2	3	4	14	0
31-40	0	8	5	2	4	19	0
41-50	2	12	10	6	10	17	0
51-60	4	19	30	25	17	12	0
61-70	11	28	35	35	33	20	2
71-80	0	7	15	9	13	10	0
>80	6	12	37	41	36	16	0
Don't know	2	0	5	2	1	0	0
No answer	1	4	10	5	7	8	0

(n=637)

### SURVEY QUESTIONS:

*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)?*

### IF NOT ESTIMATE GIVEN

*Q: Approximately how much would your total bill typically be (for example, the base cost of the package plus the cost of additional calls or services purchased outside of your base package)?*

- Up to €20
- Between €21 and €30.
- Between €31 and €40
- Between €41 and €50.
- Between €51 and €60
- Between €71 and €80
- Between €81 and €90
- Between €91 and €100
- Between €101 and €121
- Between €121 and €140
- Between €141 and €160
- Between €161 and €200
- Between €201 and €240
- Between €241 and €280
- More than €280
- Don't know

*Q: May I ask what age category you were on your last birthday? \*INT - PROMPT WITH AGE BANDS IN NECESSARY*

❖ No additional insights from this breakdown

# Switching history by area code

## Switching history by area code categories

Q1020/Q50	Area Codes 01, 021, 051, 061, 091	Other Area Codes	No Area Code
Response 1 – within 12 months	48	23	0
Response 2 – 1 to 3 years	60	32	0
Response 3 - > 3 years	74	42	0
Response 4 – never	186	165	0

(n=630)

### SURVEY QUESTIONS:

*Q: Have you switched fixed line service supplier?*

### IF FIXED LINE PHONE IN HOME

*Q What is the area code of your phone line?*

\_\_\_\_ [CAPTURE]

- ❖ The original conclusion that the majority of respondents have never switched is clearly seen and no additional insights identified from this breakdown

# Price sensitivity tests

## **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. do you believe that you would change your behaviour (including potentially switching to an alternative supplier)?*

1. YES – definitely would change behaviour
2. Yes – maybe change behaviour
3. NO

## **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. Do you believe that you would change your behaviour (including potentially switching to an alternative supplier)?*

1. YES – definitely would change behaviour
2. Yes – maybe change behaviour
3. NO

## **SURVEY QUESTION:**

**Q13010:** *. In what ways would you change your behaviour?*

1. I would do nothing
2. I would cancel my subscription with my fixed line supplier
3. I would keep my subscription but make fewer calls on my home phone
4. I would stay with my current fixed line supplier but switch to a cheaper package or a bundle of telecommunication services
5. I would do something else \_\_\_\_\_[CAPTURE]

## **SURVEY QUESTION:**

**Q14030:** *. In what ways would you change your behaviour?*

1. I would do nothing
2. I would cancel my subscription with my fixed supplier
3. I would switch to a different fixed calls supplier but stay with my current fixed line rental supplier
4. I would keep my subscription but make fewer calls on my home phone
5. I would stay with my current supplier but reduce spending on calls within my package or bundle of services
6. I would stay with my current fixed line supplier but switch to a cheaper package or bundle
7. I would do something else \_\_\_\_\_[CAPTURE]

- ❖ The following tables are based on the four price sensitivity tests
- ❖ Results include all respondents who stated that they would definitely or maybe change behaviour in response to the hypothetical price change
- ❖ 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



# Price sensitivity tests (cont)

## **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%. Do you believe that you would change your behaviour (including potentially switching to an alternative supplier)?

1. YES – definitely would change behaviour
2. Yes – maybe change behaviour
3. NO

## **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%. Do you believe that you would change your behaviour (including potentially switching to an alternative supplier)?

1. YES – definitely would change behaviour
2. Yes – maybe change behaviour
3. NO

## **SURVEY QUESTION:**

**Q15010:** . In what ways would you change your behaviour?

1. I would do nothing
2. I would cancel my subscription with my fixed supplier
3. I would keep my subscription but make fewer calls on my home phone
4. I would stay with my current fixed line supplier but switch to a cheaper calls package
5. I would do something else \_\_\_\_ [CAPTURE]

## **SURVEY QUESTION:**

**Q16020:** . In what ways would you change your behaviour?

1. I would do nothing
2. I would cancel my subscription with my fixed supplier
3. I would keep my current supplier but downgrade to a cheaper bundle
4. I would do something else \_\_\_\_ [CAPTURE]

# Potential behaviour change – by area code

## Response to price sensitivity behaviour change questions by area code

Area Codes 01, 021, 051, 061, 091	1						
Question/response	1	2	3	4	5	6	7
13010	0	11	13	11	2	na	na
14030	2	6	7	10	6	6	1
15010	2	5	11	9	2	na	na
16020	6	45	65	22	9	na	na
Other Area Codes	2						
Q1020/Q50	1	2	3	4	5	6	7
13010	2	12	4	6	2	na	na
14030	1	8	2	5	4	2	2
15010	1	11	12	10	2	na	na
16020	3	28	25	11	7	na	na
No Area Code	3						
Q1020/Q50	1	2	3	4	5	6	7
13010	0	0	0	0	0	na	na
14030	0	0	0	0	0	0	0
15010	0	0	0	0	0	0	0
16020	0	0	0	0	0	na	na

### SURVEY QUESTIONS:

IF FIXED LINE PHONE IN HOME

Q What is the area code of your phone line?

\_\_\_\_ [CAPTURE]

Q	n=
13010	63
14030	62
15010	65
16020	221

- ❖ Small sample size related to Q13010, Q14030 and Q15010 are small when broken down by area code means that no conclusions can be drawn
- ❖ Q16020 shows similar patterns in both first and second table

# Potential behaviour change – breakdown by Reasons for retaining a fixed line phone: Social Welfare Payment a reason or not

## Response to price sensitivity behaviour change questions by degree of influence of Social Welfare Payment as reason for retaining a phone

For respondents less influenced by social welfare allowance (Response 1 to Q1500 reason 10 – or no response to reason 10)

Question/response	1	2	3	4	5	6	7
13010	0	9	4	6	2	na	na
14030	0	3	3	7	5	5	2
15010	0	2	2	4	1	na	na
16020	1	31	37	17	5	na	na

For respondents influenced by social welfare allowance (Response 2-5 to Q1500 reason 10)

Question/response	1	2	3	4	5	6	7
13010	1	6	5	2	0	na	na
14030	1	4	3	2	1	1	0
15010	0	2	0	1	0	na	na
16020	2	12	12	6	1	na	na

### SURVEY QUESTIONS:

*Q1500 (10): 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?*

*- Because I receive a social welfare allowance for my fixed line*

Q	n=
13010	21
14030	25
15010	9
16020	91

- ❖ Small sample size related to all questions when broken down by response to question on importance of Social Welfare payment to retaining fixed line phone means that no additional conclusions can be drawn from this breakdown

# Potential behaviour change – breakdown by current fixed line phone provider

## Response to price sensitivity behaviour change questions by current fixed line phone provider

### For eircom (response 1 to Q120)

Question/response	1	2	3	4	5	6	7
13010	2	14	10	8	3	na	na
14030	2	11	5	9	4	3	1
15010	3	14	23	16	4	na	na
16020	5	32	53	12	11	na	na

### For upc (response 2 to Q120)

Question/response	1	2	3	4	5	6	7
13010	0	3	4	4	0	na	na
14030	1	1	3	1	4	2	0
15010	0	1	0	3	0	na	na
16020	1	18	20	9	3	na	na

### For Vodafone at home (response 3 to Q120)

Question/response	1	2	3	4	5	6	7
13010	0	3	3	4	0	na	na
14030	0	0	1	5	2	2	0
15010	0	0	0	0	0	na	na
16020	3	21	12	10	1	na	na

### For other (response 3 to Q120)

Question/response	1	2	3	4	5	6	7
13010	0	3	0	1	1	na	na
14030	0	2	0	0	0	1	2
15010	0	1	0	0	0	na	na
16020	0	2	5	2	1	na	na

### SURVEY QUESTIONS:

Q. Returning to your fixed line phones, which company provide the fixed line phone you mainly use for personal calls?

Q	n=
13010	63
14030	62
15010	65
16020	221

- ❖ Small sample size related to questions Q13010, Q14030, Q15010 (and Q16020 for ‘other providers’) when broken down by current fixed line phone provider means that no additional conclusions can be drawn from this breakdown
- ❖ While some variations appear for Q16020 between eircom, upc and Vodafone at home customers, the size of the sample means that no reliable conclusions can be drawn

**END**