

THE PRS CONSUMER REPORT

A report for PhonepayPlus



by





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Introduction

The Annual Market Review surveys a demographically representative sample of UK consumers of premium rate services (PRS) to size the market accurately and the market segments within it. The survey presents an opportunity to test consumers' views of the services they engage with. Some of this data is published as part of the Annual Market Review, while much is not.

This report delves further into this data to understand who uses PRS and why, what they like about services and what they don't. It is designed to give industry and the regulator insight into what attracts consumers and, just as importantly, what drives them away.

Key findings:

- **The PRS user base is skewed towards the young and male** – 58% of users are aged between 18 and 44, and 56% of all users are male. Clearly, the user base can differ across the various services that make up the industry. For example, adult content users are predominately male and young. Voice-based services are more popular among the over-45s.
- **Consumers like the convenience of PRS** seeing it as an ideal way to pay for content. However, PRS trails other payment mechanics, like PayPal and cards, as users' preferred payment channel. In other words, PRS users see PRS simply as a way to pay for services amongst others. While this is a positive for industry, it also highlights the transient nature of consumer engagement with PRS – PRS has not yet built widespread loyalty among consumers.
- **The PRS user experience is good.** 86% of consumers have a positive or reasonable experience of PRS as a payment mechanism. In particular, perception of charity donations, voting and digital content services is positive.
- **And the potential is there.** More than half of PRS users would like to use charge to mobile to pay for a wider variety of products. Despite the average PRS user being young, the over-45s are more naturally inclined towards charge to mobile as a payment channel suggesting they are a largely untapped market.
- On the other hand, **1 in 6 existing PRS users has stopped using the service.** In terms of the total PRS user base that's equivalent to 2.8 million users, or an exodus of nearly 250,000 per month. Of these, older consumers are more likely to leave PRS than younger consumers.
- **1 in 3 use the services less than they had done previously. Price is a key factor.** One third of PRS users cite cost-related issues as a, if not the, reason for using PRS less or not at all. Indeed, only 1 in 4 users think they know the price of PRS. Price is also a factor in consumers leaving PRS. This suggests that content providers should consider their pricing model in the face of increased competition from free content and a price sensitive user base.
- **Trust also remains an issue** that the industry must overcome. A lack of trust is the primary reason why consumers have stopped using PRS. Nearly half of those who have stopped using PRS cited trust – or perceived non-compliance – as the reason for leaving. Whether the service was compliant or not is beside the point; if the consumer doesn't trust a service they are unlikely to engage again. Adult, competitions and directory enquiry services have the most to address.



A quick PRS user overview

The Premium Rate Services (PRS) market is in decline, and has been since 2010 when revenues peaked. Overall revenues have since contracted by a total of 16% up to the end of 2014, as highlighted in the Annual Market Review 2014, Market Outlook 2015.

In the report, MobileSquared introduced an expanded approach to the research to identify the total number of PRS users in the UK and the number of users that have stopped using the service during a given period.

Based on how the consumer research was structured¹, as of January 2014 there were an estimated 19.3 million PRS users, representing 30% of the UK population. On average, there were an estimated 3.14 million users across the 18 services in the revised service taxonomy².

The consumer survey explored PRS usage habits, including frequency, culminating in whether the user had stopped using PRS altogether.

These extrapolations suggest that throughout 2014, the PRS industry lost an average of 233,000 users per month, with a further breakdown of the consumer data revealing that every month 125,000 of those users were leaving for cost, service relevance or content-related issues. But it's the 108,000 users leaving monthly for perceived non-compliant activity that attracted significant attention from industry. In total 1.3 million people stopped using PRS in 2014 because of perceived non-compliant activity. These figures suggest a call-to-action to an industry in decline.

This report will focus on providing a deeper understanding into consumer behaviour and the reasoning behind why 2.8 million people decided to stop using PRS over that 12 month period, but also why people continue to use PRS as a payment mechanism.

Ultimately, this report will provide an understanding of what is the relationship the PRS users have with their service and content providers. This report will not feature the revenues or associated forecasts for the PRS industry. This is all about the consumer.

Therefore, data included in this report features existing PRS users and their usage trends, and does not take PRS first-time users into account or returning lapsed PRS users³.

PRS user growth can only be accurately applied when the consumer research is repeated and published in the Annual Market Review 2015/16.

¹ See methodology

² See Annual Market Review 2014, Market Outlook 2015

³ The three core areas of growth identified in the Annual Market Review 2014, Market Outlook 2015 based on revenues, otherwise known as the 3 Gs of Giving (Charity Donations), Games (and Apps), and Gambling (including Betting, Lotteries etc), do not include user growth in this report.

PART 1

THE PRS USER

Key findings:

- The PRS user base is young – 48% of PRS users are aged 25-44 – and skewed towards males - males aged 25-44 make up more than a quarter of total PRS users.
- Usage declines among older age groups. Although the over 45s remain heavy users of traditional services like DQ.

The majority of PRS users are aged between 25 and 44 years, with the largest user demographic being 25-34 year olds - accounting for 22% of total users. In total, 21% of PRS users may be considered vulnerable on the basis of their age alone, with 9% aged 11-17, and 12% aged 65 and above⁴.

The PRS user base is not nationally representative of the UK population. Overall, there is a greater percentage of 18-44 year olds using PRS (see Fig. 1). This age range accounts for 36% of the total UK population, but represents 58% of PRS users. Equally, and perhaps not surprisingly, the over 45s account for 43% of the total UK population (aged 11+), but just 32% of PRS users.

Based on comparisons between PRS users and the UK population, PRS is deeply entrenched among the 18-44 year olds. The UK has an aging population but PRS remains predominantly youthful.

Fig. 1: PRS user base as percentage of UK population

	UK population breakdown	2015e PRS user breakdown
Age 11-15	6%	7%
Age 16-17	2%	2%
Age 18-24	9%	15%
Age 25-34	14%	23%
Age 35-44	13%	20%
Age 45-54	14%	14%
Age 55-64	12%	8%
Age 65+	17%	10%

Source: PhonepayPlus research, Office for National Statistics

⁴ This is a rigid understanding of vulnerable consumers. In reality, a variety of factors affect whether a consumer may be considered vulnerable or not, some based on characteristic, others on circumstance. For a more detailed discussion of the issue of vulnerability. See: <http://www.phonepayplus.org.uk/blogs/2015/july/vulnerability-an-open-discussion>



Males vs females

On average across all 18 services, males account for 56% of users, and females 44%. Of the 18 service categories, females are more likely to use the service than males in only five cases: Competitions or Quizzes, Games on Social Networks, Tarot or Astrology, Charity Donations, and Customer Service.

The PRS user base is skewed towards males aged between 18 and 44 years. This group of users account for 40% or more of the user base for 11 of the 18 service categories. For adult-related premium rate services this male age group account for almost two-thirds of users.

It is males aged 25-44 years that are by far the most active users of PRS, accounting on average for 26% of total users. Similarly, females aged 25-44 years are the most active female users. In total, 25-44 year olds on average account for 48% of total users per service category.

Males are more likely to use PRS as a payment mechanism. But in order to establish a lasting user base for the PRS industry, it is critical that it consolidates its position as a viable payment mechanism among the 25-44 year olds, and uses this age group as a foundation for prolonged service usage and growth.

The PRS demographic divide

Typically, the number of users per service type increases with age up to 44 years, after which, the number of users subsides dramatically for the majority of services. This trend is not applicable to Customer Service, Directory Enquiries, Charity Donations, Competitions or Quizzes, and Broadcaster Voting or Interaction.

Customer Service is the only category where the over 45s account for more than 50% of total users (54%), although usage is evenly matched for Directory Enquiries (with over 45s accounting for 49.6%). However, they also represent the largest proportion of users in Charity Donations (47%), Competitions or Quizzes (42%), and Broadcaster Voting or Interaction (38%).

The over 45s find traditional voice-based PRS-based services, such as Customer Service and Directory Enquiries, more appealing than newer service types. Overall, they are considerably less likely to use PRS, and the demographic most likely to stop using the services.

Therefore, services with a high concentration of over 45 year olds will be at most risk of revenue decline, compared to services with a larger concentration of users aged 25-44.

But the PRS industry must also look to understand why there is a user drop-off point over the age of 44. By addressing this trend, industry could expand its sustainable user base and potentially slow down or reverse the revenue decline.



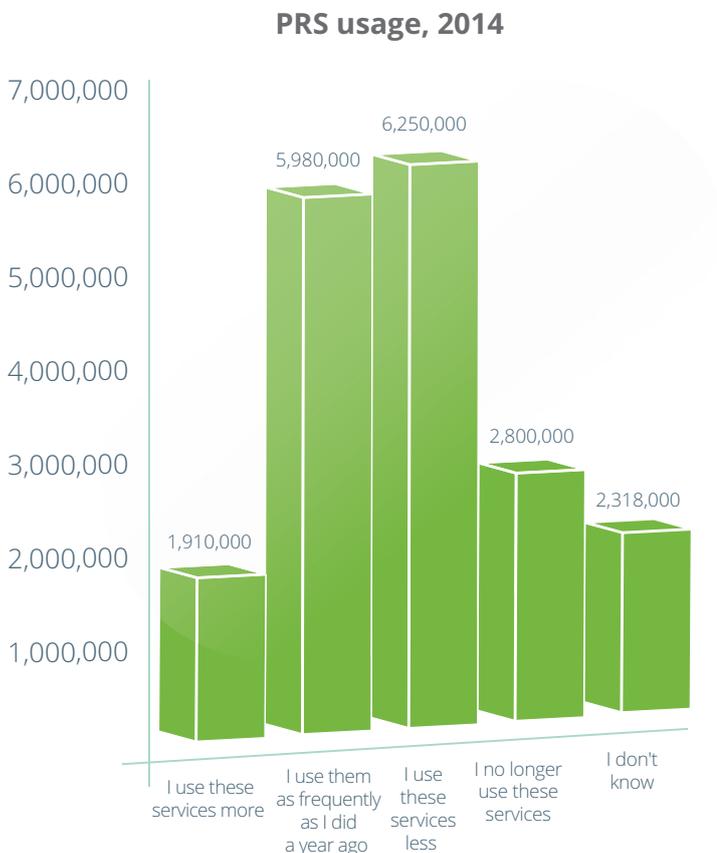
A breakdown of PRS users 2015e

Frequency of PRS usage provides insight into how consumers might behave in the forthcoming period. For example, according to the consumer research, 10% of PRS users claimed to have increased their usage during 2014, with 31% stating that their usage remained the same (see Fig. 2). In total, 41% of PRS users either maintained or increased their usage in 2014 and can therefore be categorised as satisfied or extremely satisfied with their PRS experience. Provided all factors remain equal in the forthcoming period, these users are unlikely to change their behaviour.

One-third of users said they were using the services less, with 15% stopping using the services altogether during 2014. That means 48% of PRS users reduced their consumption of the service, or stopped using them altogether. Clearly, factors are at play to reduce or stop using PRS. Whether these are based on PRS dissatisfaction or external factors will be explored later in this report.

The key point remains that 15% of the user base stopped using PRS in 2014, and 33% reduced their usage. And it is this one-third of PRS users that will potentially represent the next tranche of people stopping using PRS in 2015 (or later).

Fig. 2: PRS usage, 2014



Source: PhonepayPlus quantitative consumer survey, December 2014-January 2015. Q33. Has your usage of these paid services changed over the last 12 months? Base n=3,000.



Having lost 2.8 million PRS users during 2014, January 2015 had an estimated total PRS user base of 16.5 million. The average PRS service in 2015 was estimated to have 2.8 million users. Based on the breakdown of usage, it reveals that the average PRS service had 638,000 very satisfied users, 1.2 million satisfied users, and 954,000 potentially dissatisfied users or users seeking alternative providers for their content and services away from PRS.

Until the consumer research is repeated, the total PRS user numbers and users by service category remain estimates. Based on these estimates, there is no projected change at the top of the PRS users by service type year-on-year, with Customer Service expected to maintain its position as the largest PRS category by users, followed by Broadcaster Voting & Interaction, and Charity Donations.

PART 2

WHAT DO CONSUMERS LIKE ABOUT PRS?

Key findings:

- Convenience of payment, valued content and affordable pricing are the key reasons consumers like PRS.
- The majority of consumers like PRS as a payment mechanism but PRS is not consumers' payment mechanic of choice.
- This is of particular relevance because PRS is no longer seen as the best way to access content – in other words, content and payment mechanic are no longer inextricably linked in the mind of consumers.
- The majority of existing PRS users would welcome the opportunity to charge more to their mobile. This is particularly prevalent in the over 45 age bracket.

Convenience

The main reason consumers continue to use PRS is the convenience of paying. However, this was closely followed by consumers claiming that there isn't a specific service that they use regularly. Other reasons for using PRS was because the content or service was from a trusted brand, or that they believed they received good value for money.

Just 11% of consumers stated that PRS is the best way to access that particular piece of information or entertainment, which indicates that the unique selling point that once attracted consumers to use the service has predominantly dissipated. Clearly, free content available on the internet and alternative payment methods – as outlined in the main Annual Market Review report⁶ – are impacting on user opinion.

Fig. 3: Why do you make repeat use of PRS?

The way I'm paying is convenient	24%
The service is good value for money	15%
It comes from a brand I trust	17%
It's the best way to get this sort of information or entertainment	11%
I can pay discreetly and/or anonymously	10%
There isn't a specific service I use regularly	23%

Source: PhonepayPlus quantitative consumer survey, December 2014-January 2015. Q.37. Why do you make repeat use of this service? Base n=2,525.

⁶ Annual Market Review 2014, Market Outlook 2015



Interestingly, given the rapid rise in Charity Donations as one of the pillars of growth within PRS, attributed by industry to the convenience of payment via SMS, only 28% of consumers making charitable donations selected convenience of payment. In fact, the convenience of payment for Charity Donations, like the majority of the service categories, was only the second most popular option behind consumers claiming that there isn't a specific service that they use regularly.

This indicates that PRS is not foremost as a payment mechanism in the majority of PRS users' minds when making a one-off transaction. For a significant number of PRS users, it is viewed as a payment mechanism for impulsive purchases, and highlights the transient relationship these users have with PRS. This finding is exacerbated when the data is broken out by age.

For example, on average 32% of respondents selected "There isn't a specific service I use regularly", however, other than a minor dip in the 18-24 year olds' responses, the appeal of this category increased as users got older. To such an extent, that 47% of 55-64 year olds and 51% of users aged 65 and over selected it. This was also the top response for all age groups of 35 and over.

In responding "There isn't a specific service I use regularly", users are effectively stating that convenience plays a part in their decision-making process, which could also be influenced by impulsive behaviour, or PRS being the only payment option available. Convenience as an option was also the second most popular category by age.

On average 24% of each age group selected convenience, which only deviated in response by 7% between 20% and 27%. That said, convenience was only the most popular response for the 11-15 year olds, and for the most active PRS users, the 25-34 year olds.

That leaves a trusted brand as the most important factor driving repeat transactions for 16-24 year olds.

For companies offering PRS to a younger demographic, developing a brand will be critical in cementing that relationship on an ongoing basis, especially from a longer term outlook, considering the importance of users aged 25-44 for the PRS industry. For those users aged over 25 convenience is key.

The PRS purchase experience

PRS users have a positive view of the payment mechanism. On average, 12% of users said that their PRS purchasing experience was excellent, with Charity Donations highest (28%), followed by Low-Cost International or Reverse Charge Calling (20%). Just over one-third of users (36%) said their experience was good, and a slightly higher percentage (38%) said their experience was reasonable (see Fig. 4).

In total, just 14% of users had had a negative experience during their purchasing process, with 9% saying it was poor, and 5% stating that it was never-to-be-repeated.

This indicates that the majority of users like using PRS as a payment mechanism, and further indicates that people that have stopped using PRS are doing so for non-payment-related reasons.



Fig. 4: Please rate your purchasing experience using PRS

	DQ	Voice-based info services	Low cost int'l or reverse charge calling	Adult content	Competitions or quizzes	Broadcaster voting or interaction	Internet-based info services	Off-handset purchases	Dating or flirt chat service	Gambling	Games or apps charged to my bill	Games on social networks	Virtual gifts	Music or video content	Tarot or astrology	Ringtones, ringtones, wallpapers	Charity donations	Customer service
Excellent	5%	11%	20%	12%	10%	13%	6%	15%	15%	12%	12%	11%	12%	13%	10%	10%	28%	4%
Good	19%	47%	35%	43%	34%	35%	33%	50%	30%	38%	44%	35%	40%	37%	36%	36%	42%	18%
Reasonable	47%	29%	32%	31%	39%	41%	49%	27%	33%	37%	38%	44%	42%	40%	42%	42%	25%	43%
Poor	15%	4%	12%	10%	11%	7%	8%	8%	13%	10%	5%	6%	2%	6%	9%	9%	2%	24%
Never-to-be repeated	14%	9%	1%	5%	7%	3%	4%	0%	9%	3%	1%	4%	4%	3%	3%	3%	3%	12%

Green denotes – above average response

Source: PhonepayPlus quantitative consumer survey, December 2014-January 2015. Q.29. How was your experience for paying for these goods and services using PRS? Base n=3,000.

Despite its convenience, PRS (referred to as “direct to your phone bill”, or charge to mobile, in this instance) trails PayPal (34%) and debit card (24%) as the consumer’s preferred payment channel (on 20%). Certainly, PRS is viewed as a more favourable payment channel than credit cards for PRS users of all ages (see Fig. 5).

While the over 45s are the most likely to stop using PRS, they are also the age group that would prefer using charge to mobile. Clearly, this highlights a significant disconnect between industry and consumers aged over 45 years, with these users attracted to PRS by its ease of use and convenience, but deterred from using the service because of pricing- or content-related reasons.

Fig. 5: If you could pay for services via any payment channel, which would be your preferred choice?

	Age								Avg
	11-15	16-17	18-24	25-34	35-44	45-54	55-64	65+	
Debit card	17%	46%	31%	25%	24%	18%	20%	13%	24%
Credit card	5%	10%	10%	12%	10%	12%	13%	18%	11%
PayPal	38%	30%	36%	40%	36%	36%	29%	27%	34%
Direct to your phone bill	22%	4%	13%	14%	19%	25%	28%	32%	20%
Virtual currency	5%	0%	6%	4%	4%	2%	1%	1%	3%
Pre-purchased credit	11%	9%	5%	5%	6%	7%	7%	5%	7%
Other	2%	1%	0%	0%	1%	1%	2%	4%	1%

Source: PhonepayPlus quantitative consumer survey, December 2014-January 2015. Q.29. If you could pay for services via any payment channel, which would be your choice? Base n=3,000.

Pricing & content

In total, an affordable pricing strategy accounted for 15% of total PRS users continuing to use the service, with males, in particular, more likely to sustain their usage as a direct result of affordability.

When broken down, affordability was cited as the main reason for increasing PRS usage, followed by an increase in disposable income. Across the service taxonomy, for five of the services there was an above average response with regard to affordability as the main reason for people increasing their usage of PRS. These included Voice-Based Information Services, Low-Cost International or Reverse Charge Calling, Adult Content, and Music or Video Content.

Clearly affordability of the service coupled with the user's perception of price is the key factor driving increased usage of the service, compared to, for example, how much a user likes the service.

For PRS users that maintained a consistent level of usage, a price-based response was the primary reason influencing their behaviour. In this instance, it was the content and service providers maintaining their existing price rate that had the greatest impact on consumers. Price was also the key determining factor for maintaining usage levels for a handful of services, including Adult Content, Tarot and Astrology, Voice-Based Information Services and Off-Handset Adult-Related Purchases.

Continued usage of PRS for content-related reasons accounts for 13% of total PRS users. Content has a greater impact on users maintaining their existing usage, rather than increasing usage.

Across the service taxonomy, for nine of the services there was an above average response with regard to people liking the content or service. A liking for the content or service ranked highly among gamers on social networks, music or video content, games or app users, competition users and ringtones, ringback tones and wallpaper users.

Content was the key determining factor for maintaining usage levels for a number of services, such as Dating or Flirt Chat, Low-Cost International or Reverse Charge Calling, Competitions, Broadcaster Voting & Interaction, Games or Apps, Music or Video Content and Ringtones, Ringbacks and Wallpapers.



PART 3

WHY ARE YOU USING PRS LESS?

Key findings:

- Cost, trust and content-based reasons are the key factors in consumers reducing or halting PRS usage – this group accounts for approximately one third of the PRS user base.
- The availability of free content is affecting the industry. DQ, adult, information services and low-cost calling have suffered.
- Trust remains an issue for many users.
- The over-45s accounted for two thirds of leavers.

Cost-related issues of “free content elsewhere”, “less disposable income” and “affordability” are the main reasons consumers are using PRS less. These users account for approximately one-third of all users, or 5.5 million. On average, 890,000 users per service category have reduced their consumption (see Fig. 6).

Aside from free content elsewhere and affordability, the third most popular reason for both Voice-Based Information Services and Internet-Based Information Service users was no longer seeing value in the service (ahead of less disposable income, and also lack of interest for both services). Given that free content elsewhere is a pricing-related category, pricing and perceived pricing were the main reasons for using the service less.

Fig. 6: What are your reasons for reducing PRS usage?

	DQ	Voice-based info services	Low cost int'l or reverse charge calling	Adult content	Competitions or quizzes	Broadcaster voting or interaction	Internet-based info services	Off-handset purchases	Dating or flirt chat service	Gambling	Games or apps charged to my bill	Games on social networks	Virtual gifts	Music or video content	Tarot or astrology	Ringtones, ringbacks, wallpapers	Charity donations	Customer service	AVG
I can get content free elsewhere	288,000	65,000	108,000	117,000	163,000	338,000	194,000	37,000	56,000	196,000	204,000	127,000	18,000	176,000	61,000	88,000	291,000	685,000	178,444
I have less disposable income	178,000	32,000	82,000	98,000	225,000	410,000	105,000	55,000	51,000	192,000	225,000	132,000	16,000	148,000	74,000	97,000	295,000	430,000	158,056
I can't afford them anymore	178,000	56,000	98,000	78,000	255,000	410,000	131,000	18,000	67,000	196,000	247,000	127,000	27,000	173,000	68,000	95,000	307,000	461,000	166,222
I wasn't aware how much I was spending on these services	89,000	29,000	38,000	20,000	65,000	115,000	61,000	-	46,000	82,000	107,000	65,000	7,000	74,000	27,000	41,000	129,000	228,000	67,944
I'm using other paid services - like non-PRS mobile apps	8,000	3,000	13,000	13,000	9,000	24,000	3,000	9,000	10,000	20,000	38,000	20,000	2,000	25,000	14,000	7,000	24,000	35,000	15,389
I'm not as interested in the services anymore	93,000	32,000	63,000	33,000	110,000	344,000	105,000	9,000	36,000	106,000	177,000	79,000	16,000	102,000	27,000	36,000	150,000	303,000	101,167
The services are not as good as they were	55,000	21,000	22,000	39,000	50,000	90,000	41,000	27,000	31,000	59,000	48,000	45,000	11,000	41,000	27,000	18,000	89,000	167,000	48,944
I pay for these services using other means e.g. credit card	8,000	9,000	10,000	20,000	15,000	24,000	13,000	18,000	15,000	31,000	38,000	20,000	4,000	25,000	14,000	11,000	61,000	40,000	20,889
I no longer see value in these services	165,000	44,000	57,000	78,000	125,000	247,000	124,000	-	51,000	110,000	150,000	96,000	16,000	113,000	41,000	52,000	190,000	399,000	114,333
I don't know	4,000	-	16,000	26,000	30,000	42,000	10,000	-	5,000	16,000	32,000	14,000	-	16,000	14,000	9,000	20,000	88,000	19,000

Green denotes - above average response

Source: PhonepayPlus quantitative consumer survey, December 2014-January 2015. Q36. What reason/reasons can you attribute for using these services less? Base n=967



For Broadcaster Voting & Interaction, it was content- and price-related reasons for reducing use of the service, with a lack of interest replacing free content elsewhere as the top three reasons.

The services at most risk, with an above average number of users reducing their consumption of the service are Customer Service (45% of total users), Directory Enquiries (41%), Competitions (41%), Broadcaster Voting & Interaction (38%), and Gambling (38%).

As one of the 3 Gs of growth, Gambling could be considered a surprise inclusion in the high-risk category. However, given the gambling industry's intention of converting users onto card payments, PRS can be viewed as an entry payment mechanism, and therefore their use of PRS would potentially be a fleeting one with a high number of users encouraged to pass through the service and away from the daily and monthly spend caps associated with PRS.

But pricing cannot be considered the only culprit negatively impacting PRS usage.

Free content is the single largest factor attributing to the reduction in usage in Directory Enquiries, Voice-Based Information Services, Low-Cost International or Reverse Charge Calling, Adult Content, Internet-Based Information Services, Gambling, Music or Video Content, and Customer Service, although the remaining services are impacted primarily by affordability issues.

Why have you stopped using PRS?

The consumer research revealed that 2.8 million people stopped using PRS during 2014.

The service category that suffered the greatest loss in actual users was Customer Service (which lost 1.43 million users). In percentage-of-total-user terms, both Customer Services and Internet-based Information Services lost 16%.

After Customer Service, the service categories that lost the most actual users were Charity Donations (12% of total users), Broadcaster Voting and Interaction (8% of total users), and Internet-based Information Services (16%). In terms of percentage of actual users, after the top two were Gambling (14%), Directory Enquiries (14%), Competitions (13%) and Games on Social Networks (13%).

On average, each service category lost 368,000 users during 2014. A lack of trust featured as the number one reason for stopping using the service for nine categories, and did feature as a top three reason in all-but-one category.

Trust

A lack of trust is the primary individual reason why people have stopped using PRS (See Fig. 7).

Consumers implied their trust was breached most in adult-related services, as this accounted for 29% of the people that stopped using Off-Handset Purchases for Adult Content, and 25% of the Adult Content users that stopped using the service.

Across the industry, on average a lack of trust accounted for 18% of people that stopped using PRS across each service category. Other than the Adult-related categories already listed, the services that had an above average number of people leaving because of trust issues were Directory Enquiries, Competitions or Quizzes, Broadcaster Voting or Interaction, Internet-based Information Services, Gambling, Games or Apps, Charity Donations, and Customer Service.

Fig. 7: What are your reasons for stopping PRS usage?

	DQ	Voice-based info services	Low cost int'l or reverse charge calling	Adult content	Competitions or quizzes	Broadcaster voting or interaction	Internet-based info services	Off-handset purchases	Dating or flirt chat service	Gambling	Games or apps charged to my bill	Games on social networks	Virtual gifts	Music or video content	Tarot or astrology	Ringtones, ringbacks, wallpapers	Charity donations	Customer service	AVG
I can get content free elsewhere	99,000	14,000	22,000	12,000	54,000	71,000	92,000	3,000	9,000	64,000	76,000	58,000	3,000	67,000	8,000	15,000	113,000	243,000	56,833
I have less disposable income	63,000	5,000	12,000	-	39,000	44,000	46,000	6,000	9,000	57,000	67,000	32,000	3,000	36,000	12,000	18,000	76,000	130,000	36,389
I can't afford them anymore	66,000	12,000	24,000	6,000	67,000	79,000	72,000	3,000	22,000	74,000	85,000	64,000	4,000	58,000	20,000	35,000	110,000	188,000	54,944
I wasn't aware how much I was spending on these services	33,000	7,000	6,000	6,000	26,000	35,000	26,000	3,000	4,000	27,000	9,000	30,000	2,000	26,000	12,000	10,000	34,000	68,000	20,222
I'm using other paid services - like non-PRS mobile apps	-	-	2,000	-	2,000	4,000	5,000	-	4,000	3,000	-	-	3,000	5,000	-	2,000	3,000	7,000	2,222
I'm not as interested in the services anymore	33,000	12,000	22,000	23,000	61,000	79,000	67,000	3,000	13,000	70,000	45,000	45,000	4,000	36,000	8,000	13,000	79,000	168,000	43,389
The services are not as good as they were	10,000	5,000	6,000	-	11,000	4,000	10,000	3,000	9,000	13,000	9,000	6,000	1,000	2,000	4,000	3,000	17,000	27,000	7,778
I pay for these services using other means e.g. credit card	10,000	-	2,000	-	2,000	13,000	8,000	-	-	-	13,000	-	-	2,000	4,000	2,000	24,000	17,000	5,389
I no longer see value in these services	63,000	16,000	14,000	17,000	67,000	44,000	84,000	6,000	22,000	67,000	54,000	41,000	7,000	46,000	12,000	17,000	93,000	188,000	47,667
I had problems with a service, so I don't want to use them anymore	26,000	7,000	10,000	17,000	11,000	40,000	14,000	3,000	17,000	20,000	27,000	15,000	4,000	22,000	4,000	8,000	24,000	79,000	19,333
I don't trust these services anymore	76,000	13,000	36,000	29,000	67,000	124,000	84,000	12,000	25,000	67,000	76,000	56,000	3,000	50,000	26,000	25,000	120,000	264,000	64,056
I don't know	2,000	-	3,000	5,000	11,000	15,000	5,000	-	-	28,000	15,000	16,000	-	20,000	-	3,000	11,000	49,000	10,167

Green denotes above average

Source: PhonepayPlus quantitative consumer survey, December 2014-January 2015. Q36. What reason/reasons can you attribute for using these services less? Base n=470



From a total of 12 reasons as to why people stopped using PRS, the primary reason people attributed to Directory Enquiries was “I can get content free elsewhere”. This was followed by “I don’t trust these services anymore,” and “I can’t afford them anymore”.

When the 12 individual reasons were categorised into “content”, “price” and “perceived non-compliant activity”, price came out as the main reason for people stopping using the service, with 40%.

“I can get content free elsewhere” was the main reason people stopped using Voice-Based Information Services, Internet-Based Information Services, and Music or Video Content. In fact, when the options were categorised, price once again was the overriding reason.

For services such as Gambling, Games or Apps, Games on Social Networks, and Ringtones, Ringback Tones and Wallpapers, the main reason for stopping using them was once again price-related: “I can’t afford them any more”.

This explanation was also one of three main reasons for people stopping using Competitions or Quizzes, along with “I no longer see value in these services” and “I don’t trust these services anymore”.

“I don’t trust these services any more”, was singled-out as the principle reason people stopped using PRS across eight services: Low-Cost International or Reverse Charge Calling, Adult Content, Broadcaster Voting or Interaction, Off-Handset Purchases, Dating or Flirt Chat, Tarot or Astrology, Charity Donations, and Customer Service.

While a lack of trust was the main individual reason people stopped using PRS in 2014, when responses were categorised, price was the dominant issue.

Of the consumers that stopped using PRS in 2014, 1.3 million consumers attributed this to their perceived non-compliant activity, while 1.5 million consumers primarily stopped using PRS for price-related reasons. While a breach of trust is difficult to repair, a pricing strategy can be adapted to address these consumer departures.

7 Breakdown of the three categories:

1. Content-based = “I can get content free elsewhere”, “I’m not as interested in the services anymore”, “The services are not as good as they were”
2. Price-based = “I have less disposable income”, “I can’t afford them anymore”, “I wasn’t aware how much I was spending on these services”, “I pay for these services using other means, e.g. credit card”, “I no longer see value in these services”
3. Perceived non-compliant activity = “I had problems with a service, so I don’t want to use it anymore”, “I don’t trust these services anymore”



Top reasons for leaving PRS, by age

It was the over 65s that stopped using PRS en masse, accounting for 30% of total users that no longer use PRS. This was followed by the 55-64 year olds (18%), and the 45-54 year olds (16%). In total, the over 45s accounted for 64% of users leaving the PRS industry.

On a user-by-user basis during 2014, the average PRS service lost 18,000 of under 18 users, 114,000 18-44 year olds and 237,000 over 45s. It is clear that the PRS mass exodus is being precipitated by the over 65s and that is filtering down – to a lesser extent – through the younger demographics (see Fig. 8).

That said, there are two demographics that the PRS industry should focus its attention on. Firstly, the largest user group across all service categories is the 25-34 year olds, followed by the 35-44 year olds. Secondly, those aged 24 and under appear to be less likely to join the mass exodus, as they only accounted for 13% in 2014.

This can be viewed as encouraging by industry as the obvious next-generation of PRS users are the demographic less likely to stop using it. Therefore, the PRS industry should look to nurture this relationship and look to develop content and services targeted for the Millennials. After all, it is the Millennials that represent the long-term future of all industry, and not just PRS. And as the largest user group, it is the 25-44 year olds that represent stability for PRS usage in the mid- to long-term.

Fig. 8: Exodus of PRS users (average) by service, broken out by age

Age 11-15	11,000
Age 16-17	7,000
Age 18-24	29,000
Age 25-34	51,000
Age 35-44	34,000
Age 45-54	58,000
Age 55-64	65,000
Age 65+	114,000

Source: PhonepayPlus quantitative consumer survey, December 2014-January 2015. Q36. What reason/reasons can you attribute for using these services less? Base n=470



Males aged 34 and under are leaving PRS for a variety of reasons. Those aged 11-15 years state "I cannot afford them anymore", while males aged 16-17 said both "I can get content free elsewhere" and "I have less disposable income" as the primary reasons. "I had problems with a service, so I don't want to use it any more," was the number one reason for males aged 18-24, whereas "I can get content free elsewhere" was key for 25-34 year olds.

Trust is clearly not a major factor for males aged under 34 years. "I don't trust these services any more" did not feature higher than the third reason for stopping using PRS for all of the age groups.

For the over 35s, it's an altogether different story. A lack of trust was the primary reason for stopping using PRS for all male age groups over 35 years.

"I don't trust these services any more" was the main reason for stopping using PRS for the majority of female age groups, however, those aged between 35 and 54 years stated "I can get content free elsewhere" and "I can't afford them anymore" as the main reasons.

When the individual responses are categorised once again within "content-based", "price-based", or "perceived non-compliant activity", the latter was the primary reason for stopping using PRS for females aged 18-24 years. In fact, perceived non-compliant activity accounted for 48% of users in this age group, which was significantly higher than all other age groups for both males and females, and well above the average of 27%.

Females aged 16-17 years said both perceived non-compliant activity and content-based as the main reasons in equal measure.

Otherwise, price was the determining factor for the majority of males and females. The exception were males aged 35-44 years, and females aged 11-17 years, which both opted for content-based as the number one reason.



CONCLUSIONS

This report intended to look into the PRS consumer and their user experience. Using existing survey data from the most recent Annual Market Review, the report reveals who uses PRS and why.

The data reveals that the PRS user base is skewed towards the young and male – and this is particularly true in the case of certain service types. This is positive for the industry in that they are less likely to leave PRS than the over 45s, suggesting services that are popular with younger consumers will continue to be valued. Indeed, younger consumers cited a trusted brand as the most important factor in repeat purchase.

But this does not mean that the PRS industry should ignore an older demographic. Despite accounting for two thirds of leavers, they are more likely to have a positive view of charge to mobile. In other words, they see the potential for far more goods and services to be paid for on their mobile phone. With growth in smartphone ownership being driven by older demographic groups, there is a potentially captive market that PRS is not serving particularly well.

The data reveals what consumers like about PRS. Convenience is an important draw across the PRS consumer base regardless of age. The consumer research also reveals that users that have increased their usage of PRS have done so primarily because they found it affordable, had more disposable income, and continued to like the content or service. Those that maintained their existing usage level of the service was because of consistent pricing models, as well as continuing to enjoy the content or service.

The data also sheds light on why consumers are choosing not to continue to use PRS as they once did. And therefore sheds light on the issues that the industry may need to address in order to secure its long term future. The PRS consumer is clearly price sensitive. Not only is price the primary reason for those that continue to use services it is also the primary reason for many leaving PRS when separated out by service category. In the face of competition from free content, the industry should consider its pricing model.

If PRS providers want to build sustainable, long term relationships then they will have to address the consumer trust issue. It doesn't matter if a service is compliant with the PhonepayPlus Code of Practice or not, if the consumer feels like it is unfair or they've had an issue with it, they are unlikely to use it or another PRS again.

Total breakdown of PRS users by service type

Data based on 2014-2015 consumer research

	DQ	Voice-based info services	Low cost int'l or reverse charge calling	Adult content	Competitions or quizzes	Broadcaster voting or interaction	Internet based info services	Off-handset purchases	Dating or flirt chat service
Total PRS users 2014	3,449,000	1,084,000	1,854,000	1,972,000	3,300,000	6,636,000	3,113,000	1,176,000	1,544,000
What are the reasons for your increased usage of PRS in the last 12 months?									
	DQ	Voice-based info services	Low cost int'l or reverse charge calling	Adult content	Competitions or quizzes	Broadcaster voting or interaction	Internet-based info services	Off-handset purchases	Dating or flirt chat service
I use these services more	401,000	233,000	349,000	409,000	389,000	910,000	462,000	420,000	428,000
I use them as frequently as I did a year ago	1,159,000	355,000	632,000	671,000	1,121,000	2,362,000	959,000	434,000	428,000
I use these services less	1,152,000	309,000	555,000	566,000	1,106,000	2,188,000	851,000	210,000	419,000
I no longer use these services	481,000	91,000	159,000	115,000	418,000	552,000	513,000	42,000	134,000
I don't know	256,000	96,000	159,000	211,000	266,000	624,000	328,000	70,000	135,000
TOTAL USERS 2015	2,968,000	993,000	1,695,000	1,857,000	2,882,000	6,084,000	2,600,000	1,134,000	1,410,000
What are the reasons for maintaining your usage of PRS in the last 12 months?									
	1,159,000	355,000	632,000	671,000	1,121,000	2,362,000	959,000	434,000	428,000
I pay a monthly subscription	185,000	77,000	133,000	115,000	158,000	323,000	146,000	92,000	78,000
The price has remained the same	412,000	149,000	227,000	318,000	409,000	849,000	334,000	184,000	140,000
I continue to enjoy them as I did	357,000	96,000	231,000	221,000	417,000	913,000	362,000	158,000	171,000
I don't know	205,000	33,000	41,000	17,000	137,000	277,000	117,000	-	39,000
What are the reasons for reducing your usage of PRS in the last 12 months?									
	1,066,000	291,000	507,000	522,000	1,047,000	2,044,000	787,000	173,000	368,000
I can get content free elsewhere	288,000	65,000	108,000	117,000	163,000	338,000	194,000	37,000	56,000
I have less disposable income	178,000	32,000	82,000	98,000	225,000	410,000	105,000	55,000	51,000
I can't afford them anymore	178,000	56,000	98,000	78,000	255,000	410,000	131,000	18,000	67,000
I wasn't aware how much I was spending on these services	89,000	29,000	38,000	20,000	65,000	115,000	61,000	-	46,000
I'm using other paid services - like non-PRS mobile apps	8,000	3,000	13,000	13,000	9,000	24,000	3,000	9,000	10,000
I'm not as interested in the services anymore	93,000	32,000	63,000	33,000	110,000	344,000	105,000	9,000	36,000
The services are not as good as they were	55,000	21,000	22,000	39,000	50,000	90,000	41,000	27,000	31,000
I pay for these services using other means e.g. credit card	8,000	9,000	10,000	20,000	15,000	24,000	13,000	18,000	15,000
I no longer see value in these services	165,000	44,000	57,000	78,000	125,000	247,000	124,000	-	51,000
I don't know	4,000	-	16,000	26,000	30,000	42,000	10,000	-	5,000
What are your reasons for stopping usage of PRS in the last 12 months?									
	481,000	91,000	159,000	115,000	418,000	552,000	513,000	42,000	134,000
I can get content free elsewhere	99,000	14,000	22,000	12,000	54,000	71,000	92,000	3,000	9,000
I have less disposable income	63,000	5,000	12,000	-	39,000	44,000	46,000	6,000	9,000
I can't afford them anymore	66,000	12,000	24,000	6,000	67,000	79,000	72,000	3,000	22,000
I wasn't aware how much I was spending on these services	33,000	7,000	6,000	6,000	26,000	35,000	26,000	3,000	4,000
I'm using other paid services - like non-PRS mobile apps	-	-	2,000	-	2,000	4,000	5,000	-	4,000
I'm not as interested in the services anymore	33,000	12,000	22,000	23,000	61,000	79,000	67,000	3,000	13,000
The services are not as good as they were	10,000	5,000	6,000	-	11,000	4,000	10,000	3,000	9,000
I pay for these services using other means e.g. credit card	10,000	-	2,000	-	2,000	13,000	8,000	-	-
I no longer see value in these services	63,000	16,000	14,000	17,000	67,000	44,000	84,000	6,000	22,000
I had problems with a service, so I don't want to use them anymore	26,000	7,000	10,000	17,000	11,000	40,000	14,000	3,000	17,000
I don't trust these services anymore	76,000	13,000	36,000	29,000	67,000	124,000	84,000	12,000	25,000
I don't know	2,000	-	3,000	5,000	11,000	15,000	5,000	-	-
There isn't a specific service I use regularly	212,000	367,000	374,000	777,000	1,621,000	627,000	174,000	261,000	610,000
Number of people stopped using the service in 2014	481,000	91,000	159,000	115,000	418,000	552,000	513,000	42,000	134,000
% decrease	14%	8%	9%	6%	13%	8%	16%	4%	9%
Estimated PRS users 2015									
Total PRS users 2015	2,968,000	993,000	1,695,000	1,857,000	2,882,000	6,084,000	2,600,000	1,134,000	1,410,000
Male age 11-15	93,000	49,000	43,000	-	139,000	337,000	103,000	-	-
Male age 16-17	14,000	14,000	18,000	-	12,000	63,000	38,000	-	-
Male age 18-24	160,000	120,000	141,000	353,000	169,000	380,000	249,000	235,000	219,000
Male age 25-34	304,000	139,000	208,000	409,000	256,000	701,000	312,000	260,000	227,000
Male age 35-44	279,000	138,000	199,000	360,000	243,000	570,000	286,000	192,000	304,000
Male age 45-54	337,000	67,000	132,000	153,000	180,000	393,000	168,000	-	135,000
Male age 55-64	284,000	62,000	103,000	20,000	132,000	266,000	153,000	10,000	22,000
Male age 65+	238,000	30,000	91,000	52,000	208,000	478,000	189,000	5,000	-
Female age 11-15	59,000	39,000	34,000	-	108,000	309,000	70,000	-	-
Female age 16-17	4,000	10,000	14,000	-	45,000	58,000	33,000	-	-
Female Age 18-24	79,000	50,000	113,000	106,000	140,000	384,000	168,000	79,000	123,000
Female age 25-34	258,000	111,000	253,000	233,000	295,000	522,000	326,000	164,000	169,000
Female age 35-44	247,000	92,000	157,000	139,000	255,000	474,000	211,000	150,000	161,000
Female age 45-54	281,000	56,000	79,000	34,000	348,000	421,000	147,000	38,000	35,000
Female age 55-64	164,000	13,000	23,000	-	131,000	261,000	75,000	-	15,000
Female age 65+	168,000	3,000	86,000	-	219,000	467,000	74,000	-	-

Total breakdown of PRS users by service type

Data based on 2014-2015 consumer research

	Gambling	Games or apps charged to my bill	Games on social networks	Virtual gifts	Music or video content	Tarot or astrology	Ringtones, ringbacks, wallpapers	Charity donations	Customer service
Total PRS users 2014	3,481,000	4,772,000	2,730,000	549,000	3,262,000	1,472,000	1,523,000	5,813,000	8,805,000
What are the reasons for your increased usage of PRS in the last 12 months?									
	Gambling	Games or apps charged to my bill	Games on social networks	Virtual gifts	Music or video content	Tarot or astrology	Ringtones, ringbacks, wallpapers	Charity donations	Customer service
I use these services more	496,000	814,000	432,000	129,000	518,000	368,000	299,000	718,000	766,000
I use them as frequently as I did a year ago	1,167,000	1,706,000	829,000	220,000	1,066,000	466,000	468,000	2,126,000	2,658,000
I use these services less	1,061,000	1,351,000	773,000	126,000	948,000	393,000	482,000	1,657,000	3,077,000
I no longer use these services	490,000	476,000	363,000	34,000	370,000	110,400	151,000	704,000	1,428,000
I don't know	267,000	425,000	333,000	40,000	360,000	135,000	123,000	608,000	876,000
TOTAL USERS 2015	2,991,000	4,296,000	2,367,000	515,000	2,892,000	1,361,000	1,372,000	5,109,000	7,377,000
What are the reasons for maintaining your usage of PRS in the last 12 months?									
	Gambling	Games or apps charged to my bill	Games on social networks	Virtual gifts	Music or video content	Tarot or astrology	Ringtones, ringbacks, wallpapers	Charity donations	Customer service
I pay a monthly subscription	128,000	223,000	130,000	44,000	153,000	80,000	74,000	206,000	282,000
The price has remained the same	461,000	598,000	311,000	84,000	390,000	216,000	175,000	793,000	1,010,000
I continue to enjoy them as I did	500,000	726,000	314,000	90,000	450,000	91,000	195,000	689,000	721,000
I don't know	78,000	159,000	74,000	2,000	73,000	79,000	24,000	438,000	645,000
What are the reasons for reducing your usage of PRS in the last 12 months?									
	Gambling	Games or apps charged to my bill	Games on social networks	Virtual gifts	Music or video content	Tarot or astrology	Ringtones, ringbacks, wallpapers	Charity donations	Customer service
I can get content free elsewhere	196,000	204,000	127,000	18,000	176,000	61,000	88,000	291,000	685,000
I have less disposable income	192,000	225,000	132,000	16,000	148,000	74,000	97,000	295,000	430,000
I can't afford them anymore	196,000	247,000	127,000	27,000	173,000	68,000	95,000	307,000	461,000
I wasn't aware how much I was spending on these services	82,000	107,000	65,000	7,000	74,000	27,000	41,000	129,000	228,000
I'm using other paid services - like non-PRS mobile apps	20,000	38,000	20,000	2,000	25,000	14,000	7,000	24,000	35,000
I'm not as interested in the services anymore	106,000	177,000	79,000	16,000	102,000	27,000	36,000	150,000	303,000
The services are not as good as they were	59,000	48,000	45,000	11,000	41,000	27,000	18,000	89,000	167,000
I pay for these services using other means e.g. credit card	31,000	38,000	20,000	4,000	25,000	14,000	11,000	61,000	40,000
I no longer see value in these services	110,000	150,000	96,000	16,000	113,000	41,000	52,000	190,000	399,000
I don't know	16,000	32,000	14,000	-	16,000	14,000	9,000	20,000	88,000
What are your reasons for stopping usage of PRS in the last 12 months?									
	Gambling	Games or apps charged to my bill	Games on social networks	Virtual gifts	Music or video content	Tarot or astrology	Ringtones, ringbacks, wallpapers	Charity donations	Customer service
I can get content free elsewhere	64,000	76,000	58,000	3,000	67,000	8,000	15,000	113,000	243,000
I have less disposable income	57,000	67,000	32,000	3,000	36,000	12,000	18,000	76,000	130,000
I can't afford them anymore	74,000	85,000	64,000	4,000	58,000	20,000	35,000	110,000	188,000
I wasn't aware how much I was spending on these services	27,000	9,000	30,000	2,000	26,000	12,000	10,000	34,000	68,000
I'm using other paid services - like non-PRS mobile apps	3,000	-	-	3,000	5,000	-	2,000	3,000	7,000
I'm not as interested in the services anymore	70,000	45,000	45,000	4,000	36,000	8,000	13,000	79,000	168,000
The services are not as good as they were	13,000	9,000	6,000	1,000	2,000	4,000	3,000	17,000	27,000
I pay for these services using other means e.g. credit card	-	13,000	-	-	2,000	4,000	2,000	24,000	17,000
I no longer see value in these services	67,000	54,000	41,000	7,000	46,000	12,000	17,000	93,000	188,000
I had problems with a service, so I don't want to use them anymore	20,000	27,000	15,000	4,000	22,000	4,000	8,000	24,000	79,000
I don't trust these services anymore	67,000	76,000	56,000	3,000	50,000	26,000	25,000	120,000	264,000
I don't know	28,000	15,000	16,000	-	20,000	-	3,000	11,000	49,000
There isn't a specific service I use regularly	788,000	487,000	73,000	593,000	306,000	237,000	1,675,000	2,864,000	
Number of people stopped using the service in 2014	490,000	476,000	363,000	34,000	370,000	110,000	151,000	704,000	1,428,000
% decrease	14%	10%	13%	6%	11%	8%	10%	12%	16%

Estimated PRS users 2015									
	Gambling	Games or apps charged to my bill	Games on social networks	Virtual gifts	Music or video content	Tarot or astrology	Ringtones, ringbacks, wallpapers	Charity donations	Customer service
Total PRS users 2015	2,991,000	4,296,000	2,367,000	515,000	2,892,000	1,362,000	1,372,000	5,109,000	7,377,000
Male age 11-15	-	354,000	191,000	36,000	180,000	82,000	130,000	103,000	97,000
Male age 16-17	-	96,000	41,000	-	64,000	9,000	23,000	37,000	36,000
Male age 18-24	321,000	504,000	240,000	85,000	290,000	180,000	117,000	279,000	332,000
Male age 25-34	510,000	663,000	267,000	85,000	378,000	136,000	124,000	419,000	502,000
Male age 35-44	474,000	534,000	290,000	63,000	327,000	141,000	163,000	370,000	558,000
Male age 45-54	325,000	193,000	92,000	4,000	200,000	60,000	82,000	390,000	662,000
Male age 55-64	206,000	69,000	23,000	7,000	113,000	25,000	44,000	294,000	597,000
Male age 65+	134,000	31,000	-	-	50,000	-	42,000	445,000	800,000
Female age 11-15	-	253,000	197,000	33,000	212,000	11,000	117,000	121,000	68,000
Female age 16-17	-	75,000	31,000	2,000	67,000	24,000	6,000	79,000	58,000
Female age 18-24	166,000	420,000	196,000	37,000	277,000	126,000	66,030	259,000	381,000
Female age 25-34	356,000	493,000	277,000	86,000	309,000	188,000	154,000	569,000	694,000
Female age 35-44	285,000	427,000	202,000	50,000	229,000	226,000	140,000	491,000	660,000
Female age 45-54	140,000	157,000	188,000	24,000	167,000	115,000	122,000	460,000	823,000
Female age 55-64	19,000	21,000	86,000	3,000	30,000	40,000	38,000	321,000	463,000
Female age 65+	54,000	5,000	46,000	-	-	-	5,000	471,000	646,000



Methodology

Mobilesquared were commissioned by PhonepayPlus to conduct the 2014 PRS Annual Market Review, and to provide an outlook for 2015. The aim of the report was to accurately size the market for PRS and the sectors within it, assess year-on-year trends, and assess how consumers' engage with PRS. The report was published in July 2015 based on qualitative industry research, and both qualitative and quantitative consumer research. Due to the scale of the latter, significant sections of data were unused. In September 2015, Lightspeed GMI, the company commissioned to conduct the quantitative consumer research, was approached to deliver the data in even more granular detail to provide the Premium Rate Service Industry with greater insight into consumer behaviour.

Consumer: Quantitative research

The quantitative research was based on an online survey to a nationally-representative sample in the UK aged between 11 years and older. Parental permission was sought for participants aged 16 and under. Questions in relation to adult entertainment, dating and gambling did not go out to the under 18s. In total, 8,538 panellists started the survey, with 5,538 screened out for claiming to have not used at least one premium rate service over the previous 12 months, leaving 3,000 PRS panellists to complete the survey and share their PRS habits, expenditure, emerging trends, and future requirements.

The consumer survey went live on the afternoon of 19/12/2014 and closed on the evening of 07/01/2015.

Quantitative research demographic breakdown							
11-15	16-17	18-24	25-34	35-44	45-54	55-64	65+
180	90	300	450	450	510	390	630

The quantitative survey was conducted by Lightspeed GMI, part of Kantar.

Data from the nationally-representative consumer survey when applied to latest UK population data of residents aged 11 and over, was used to extrapolate a total PRS user base for the UK, applicable to the start of January 2014; this resulted in a PRS user base of 19.3 million people.

The total PRS user base was then broken down by service by calculating the weightings for over- and under-stated use that have been applied to the rest of the model. All references to PRS users or usage will be based on the consumer research findings, unless stated otherwise.

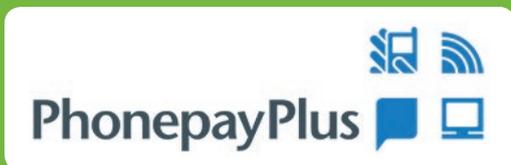
Based on the consumer data gained during the research process, the total PRS user base and subsequent breakdown by service type was updated for 2015.



About mobile squared

mobile squared provides intelligence and insight on the mobile sector. We've been analysing the mobile space for two decades, so our expertise has been earned, not learned. Our instinctive ability to ask the right questions uncovers invaluable nuggets of insight, which we interpret to help shape truly effective strategy for our clients. Our experience is recognised by the industry - we sit on judging panels for the prestigious GSMA Awards, EMMA awards, and the MEFFYs.

For more information go to www.mobilesquared.co.uk



About PhonepayPlus

PhonepayPlus is the UK's independent regulator of premium rate services (PRS).

Premium Rate Services (PRS) are the goods and services that you can buy by charging the cost to your phone bill or pre-pay account.

They include directory enquiries, voting on TV talent shows, donating to charity by text or downloading apps on your mobile phone.

Our regulation is open, fair, and robust, underpinned by a Code of Practice approved by Ofcom.

As the telecoms, internet and payments sectors continue to grow globally at an unprecedented rate, PhonepayPlus takes action to safeguard consumers and help cutting-edge providers of digital content and services to thrive.

Our vision is that anyone can use premium rate services with absolute confidence in a healthy and innovative market.