

PhonepayPlus

Consumers' understanding of MT-billed services



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- 14th July 2010



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Background and Objectives

PhonepayPlus wished to gain a better understanding of consumers' level of comprehension regarding MT-billed services.

There are two main genres of service that use MT billing as a payment mechanism, namely:

- Subscription services (for mobile personalisation, mobile content, quizzes, brain-teasers, IQ tests, Adult Services etc)
- Virtual (Text) Chat services

The primary aim of this research project is to establish:

- Is the service (offered through Subscriptions or Virtual Chat) transparent? If not, what does it need, to be transparent?
- Are customers aware of what they are purchasing and how MT billing works?
- Do customers understand how to terminate the service they have engaged with?

Management Summary (1/4)

Key findings – Management Summary

- ❑ The following target audiences were interviewed:
 - Adults who have bought a Subscription or One-Off MT-billed service
 - Adults who have bought a Text Chat (adult) MT-billed service
 - Children (age 10-15) who have bought a Subscription or One-Off MT-billed service
- ❑ Reasons for engagement with these services
 - For adults, MT-billed services (whether Subscriptions, One-Off or Text Chat) tend to be an impulse purchase and are often described as an 'affordable expenditure.'
 - Time of engagement for such impulse purchases seems to be when the respondents are trying to fill their time. Often the adult respondents were relaxing with little to do, had a bit of time to fill in or were bored. So their state of mind is relaxed and open - not in a fact finding mode but more of a leisure mode. So adult respondents are looking for a bit of fun, or need to cheer themselves up.
 - The results show that adults, irrespective of the service they are using (whether subscription, one-off or text chat) tend to be at home when they engage in such services.
 - For children, MT-billed services (whether subscription or one-off) also tend to be an impulse buy, but children are heavily influenced by the 'latest trends' and by advertisements, especially on TV. Children want to keep up with their peers and to be seen to have the 'coolest' downloads / content etc.
 - Similarly to adults, children tend to be at home when they engage in such services, and they too are looking to entertain themselves with an affordable purchase.
- ❑ Respondents' perceptions regarding transparency of MT-billed services
 - There are two areas that confuse the respondents (irrespective of whether they are adults or children):
 - a) What is a subscription service?
 - b) How much is the cost per text (sent / received) and also the cumulative cost of the service, primarily for subscription & text chat?

Management Summary (2/4)

Key findings – Management Summary

- The major issue with subscription is lack of transparency:
 - More than half of the adults (54%) and children (53%) said that they thought the service they bought was a one-off, but it then turned out to be a subscription. Currently the information provided on subscriptions is considered by the majority of the respondents to be unclear.
 - Respondents stated loud and clear that transparency is required when it comes to subscription services. It is important to make it clear what users are signing up for, by:
 - stating that this is a subscription not a one-off, and what that means
 - specifying exactly what users will be getting, such as how many texts they will receive each week and how much the service will cost, both per message and cumulatively
 - allowing a final confirmation (like purchasing travel tickets) should be introduced – there is a feeling amongst respondents that once they click the button to show that they are interested, they have entered a point of no return
 - providing clear instructions on how to stop
- The cost of service is another area of concern (irrespective of the type of service purchased or whether the respondent is an adult or not)
 - Respondents' awareness of the cumulative cost of the service (particularly for subscriptions and text chat) is foggy (e.g. how much have they spent in total so far, on that particular subscription service or on that specific text chat service)
 - The majority of the respondents (52%) who bought subscription services and spent up to £4.50 per week - irrespective whether they are an adult or child - could not remember whether they received a 'free text' with instructions on a) how much it will cost and b) how to stop. However, what is important is that the respondents who did remember receiving a 'free text' found it just as difficult to estimate the cumulative cost that they have spent on that particular subscription service.

Management Summary (3/4)

Key findings – Management Summary

- ❑ Similarly, for respondents using Text Chat (adult) services:
 - In terms of being reminded how much the service is costing, 69% stated that they were not reminded or could not remember.
 - What is clear however is that currently the Text Chat users are generally not sure when they have spent £10.00 on a text chat service. Even amongst the respondents who remember being reminded, they do not link the reminder with how much they have spent, as it normally refers to the 'cost of using the service per message' (and not 'on a cumulative basis'). An overwhelming 92% of the respondents using Text Chat (adult) services would like to be reminded how much the service is costing, but what they are referring to is not the cost **per message** but the cumulative cost. So for example, if they have spent £10.00 on that particular text chat service, they would like the reminder to state, 'you have now spent £10.00,' not that using the service costs £1.50 per message.
- ❑ Why is there so much 'fogginess' when it comes to respondents recalling how much the service is costing them?
 - The cost of each individual text is fairly low, so not much thought is given. The respondent (generally irrespective whether they are an adult or child, or the service engaged with – but this particularly applies to subscription services) doesn't take much notice of the cost or really care about it, as this tends to be an impulse buy. They initially think the money is such a small amount that they don't really need to pay much attention to any terms and conditions, and generally no investigation is made to find out how the service works. This is because it is considered to be a minor, affordable expenditure.
 - The respondents only become annoyed when they realise the true cost of their engagement
 - On the other hand:
 - The One-Off users (irrespective of whether they are adults or children) tend to have a better idea of how much the service is costing them, as normally this only tends to be one transaction
 - The majority of the Text Chat (adult) users tend to use these services as part of their normal entertainment, so they tend to have a mental budget of how much they are prepared to spend on such services. The major reason for a budget limit is that these respondents feel that their expenditure on text chat can spiral out of control. However, even though they normally have a mental budget, they are not exactly sure when they have reached their budget ceiling
 - Furthermore, there is a lot of uncertainty amongst respondents regarding costs of receiving / sending a text. Respondents on the whole thought they were paying a MT-billed fee for receiving a text but not necessarily for sending one (they expect this to be charged at the standard network provider's rate).

Management Summary (4/4)

Key findings – Management Summary

- ❑ Level of experience
 - When the adult respondents (those who have bought subscriptions, one-off or text chat services) were asked to consider their level of experience in purchasing these kinds of services, the majority described their experience as 'so-so' or 'sufficient'. The children were equally split between those who considered themselves to have sufficient / so-so experience and those considering themselves to have little experience
 - What is interesting is that the results clearly show a lot of confusion amongst the adults and the children, particularly about how much the service is costing. However the adults and children on the whole think that they know what they are doing, but only because they think that the service that they engaged with should be straightforward but in fact there is real confusion and lack of clarity.
- ❑ Building trust
 - The issue of 'trust' was mentioned spontaneously by a number of the Children and Adults (particularly those adults and children who bought subscription services and adults who used text chat). This appears to be an important factor when they are buying these kinds of services. Certainly, when looking at the respondents' satisfaction with the services they used, the users of one-off services – both adults (71%) and children (67%) – were more likely to be satisfied than users of subscription services or text chat (adult).
 - If respondents trusted the service more, they would be more likely to recommend it to a friend or relative. Currently the results show that Adults using Subscription or Text Chat services are less likely to recommend the service than Adults using One-Off services. Similarly, children who use one-off services are more likely to recommend them than the ones who use subscription services.



Methodology

Methodology procedure and recruitment criteria

- ❑ The sample was recruited using the criteria shown below, aiming for a national spread
 - Stage 1 of the interview procedure - 40 in-depth interviews were conducted face to face with users of MT-billed services – this acted as a pilot stage
 - Stage 2 of the interview procedure - 142 interviews were subsequently conducted by telephone with users of MT-billed services

- ❑ We found that both stage 1 and stage 2 had much in common overall; therefore we have merged the data where possible in order to provide a more complete picture of the results

- ❑ The table below shows the respondents' perceptions of their experience during the recruitment stage. What we have often found is that respondents change their minds during the interview regarding how bad or good their experience was with MT-billed services, indicating that users have an instantaneous subconscious reaction about the service used but not much thought goes into how they feel.

	Total	Adult		Adult	Child	
		Subscription	One-off	Text Chat	Subscription	One-off
Total No. of respondents	182	78		75	29	
		57	21		17	12

	Total	Subscription/One-off Adult	Text Chat	Subscription/One-off Child
Total	100%	100%	100%	100%
Good Experience	33%	33%	33%	34%
Bad Experience	33%	33%	33%	34%
In-between Experience	33%	33%	33%	32%

Base: All respondents (182) Single
S1: Which quota the respondent belongs to

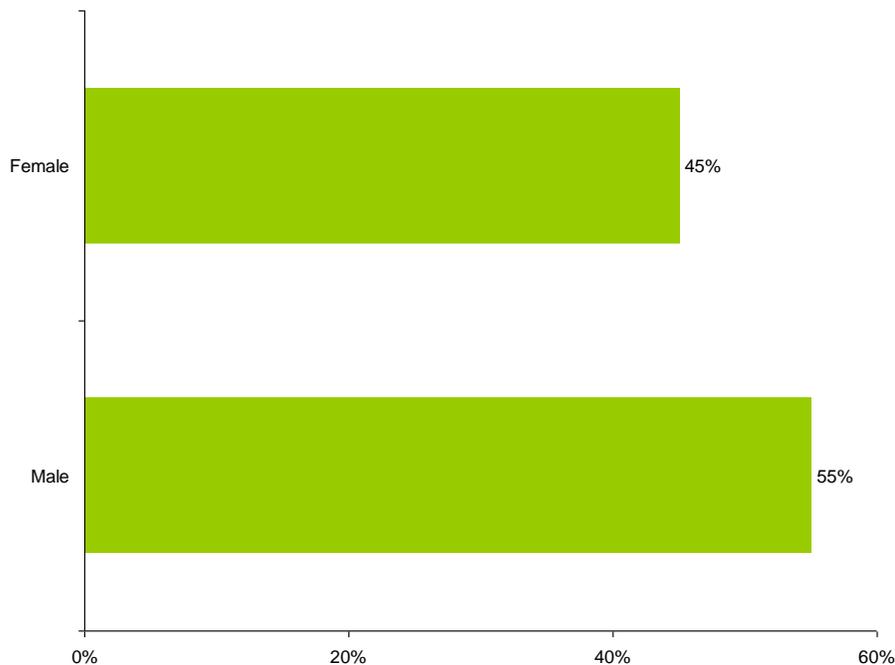


Respondents' Demographics

Respondents - Demographics

- Overall, the respondents were split evenly between male (55%) and female (45%).
 - The split was also fairly even for text chat users, but they were somewhat more likely to be male (60%) than female (40%)

Gender



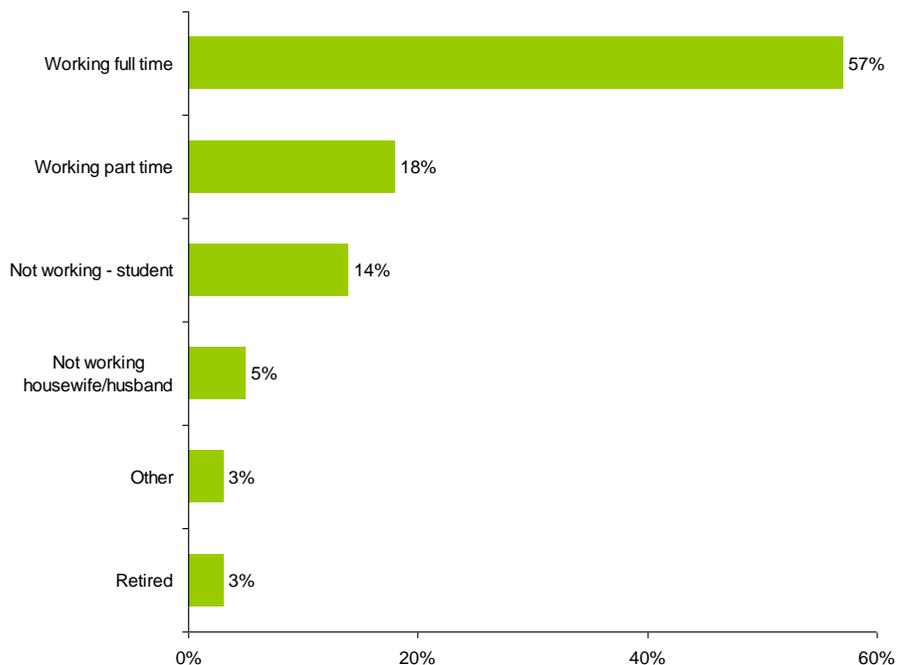
	Total	Adult Subscription / One-off	Text Chat Service	Child Subscription / One-off
Total	182	78	75	29
Female	45%	47%	40%	48%
Male	55%	53%	60%	52%

Base: All respondents (182) Single – Note merged data (qual+quant)
Q17.4: Gender...?

Respondents - Demographics

- The majority of the adult respondents (61% of those who bought a subscription or one-off, and 60% of text chat users) were working full time
 - Only a small minority (16% of those who bought a subscription or one-off, and 18% of text chat users) said they were not working
- The majority of the parents of the children (65%) were working full time or part time

Are you (is your Dad or Mum) working....



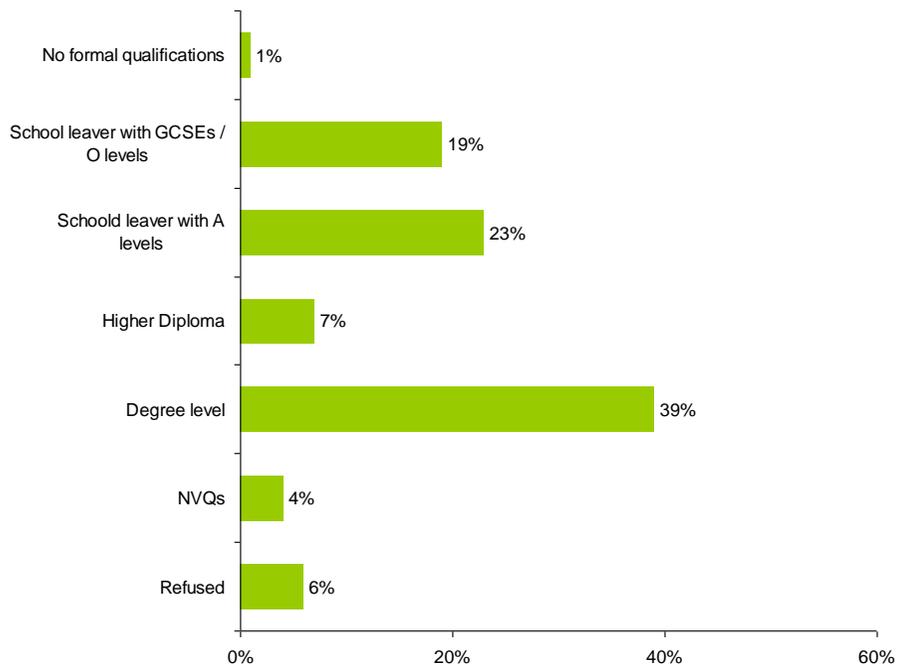
	Total	Adult Subscription / One-off	Text Chat Service	Child's parent(s)
Total	142	62	60	20
Working full time	57%	61%	60%	35%
Working part time	18%	16%	17%	30%
Not working – student	14%	10%	15%	25%
Not working - housewife/husband	5%	6%	3%	5%
Other	3%	5%	-	5%
Refused	3%	2%	5%	-

Base: All respondents (142) Single – only asked in Quantitative stage
Q17.1: Are you (is your Dad or Mum) working.....

Respondents - Demographics

- The majority (73%) of the respondents interviewed in the quantitative stage have been educated to A level standard or higher
- A higher proportion of adults have been educated to degree level compared with parents of the children interviewed

What qualifications do you (your Dad or Mum) have?



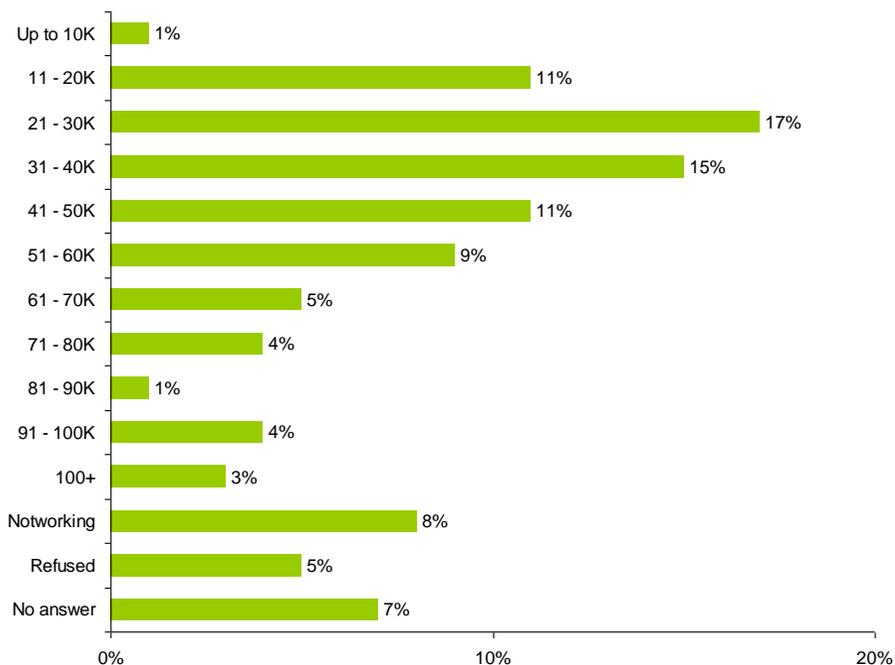
	Total	Adult Subscription / One-off	Text Chat Service	Child's parent(s)
Total	142	62	60	20
No formal qualifications	1%	-	3%	-
School leaver with GCSEs / O levels	19%	21%	17%	20%
School leaver with A levels	23%	24%	22%	25%
Higher Diploma	7%	8%	7%	6%
Degree level	39%	44%	40%	25%
NVQs	4%	-	8%	5%
Refused	6%	3%	3%	-

Base: All respondents (142) Single – only asked in Quantitative stage
Q17.2: Do you know what qualifications you (your Dad or Mum) have?

Respondents - Demographics

- The annual household income of the majority of all respondents (54%) falls in the range £11k to £50K
 - For the majority of text chat users (52%), the annual household income falls in the range £11k to £40k

Roughly speaking what is your household's annual income?



	Total	Adult Subscription / One-off	Text Chat Service	Child's parent(s)
Total £	142	62	60	20
Up to 10K	1%	3%	-	-
11 - 20K	11%	8%	12%	15%
21 - 30K	17%	13%	27%	
31 - 40K	15%	15%	13%	20%
41 - 50K	11%	11%	10%	10%
51 - 60K	9%	11%	8%	5%
61 - 70K	5%	3%	7%	5%
71 - 80K	4%	3%	5%	5%
81 - 90K	1%	8%	2%	-
91 - 100K	4%	5%	-	-
100+	3%	6%	2%	-
Not working	8%	11%	7%	5%
Refused	5%	-	-	5%
No answer	7%	2%	5%	30%

Base: All respondents (142) Single – only asked in Quantitative stage
Q17.3: Roughly speaking what is your household's annual income?



Respondents' Profile

Overview Main Findings – Respondents' profile

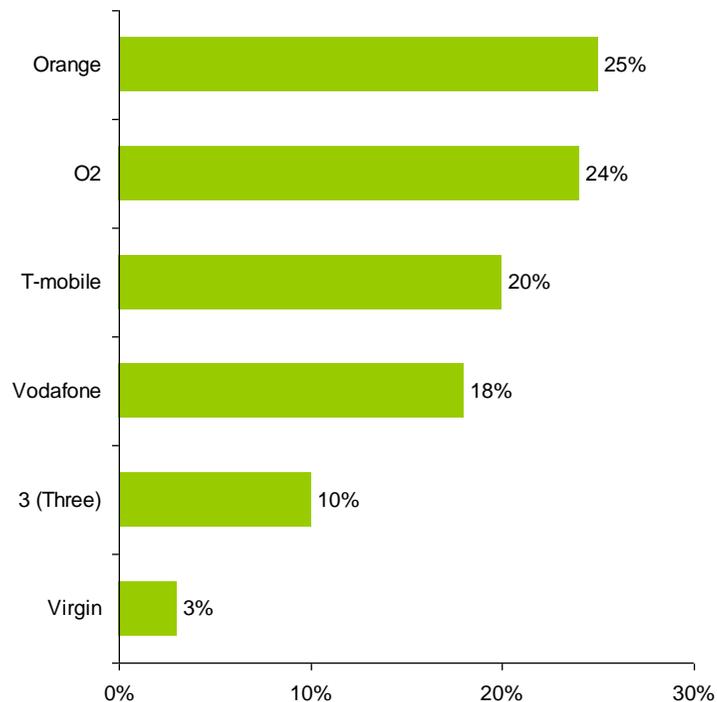
Key findings

- ❑ The adults irrespective of target audience are more inclined to be on contract than the children are
 - Subscription / one-off 69% and Text chat 83% are on contract
 - Children 59% are on contract
- ❑ The users of Subscription / one-offs (both adults and children) are more likely to spend less than £10 per month on such services (which tend to be mobile personalisation and content), whilst
- ❑ Text chatters, when they are engaged in text chat services, are more likely to spend up to £30 per month

Profile - Network Operator

- The adults (age 16+) interviewed use a spread of network operators
 - The 3 (Three) network is used by considerably more children than adults
 - The Virgin network is used by only a small minority of adults and children

Network Operator



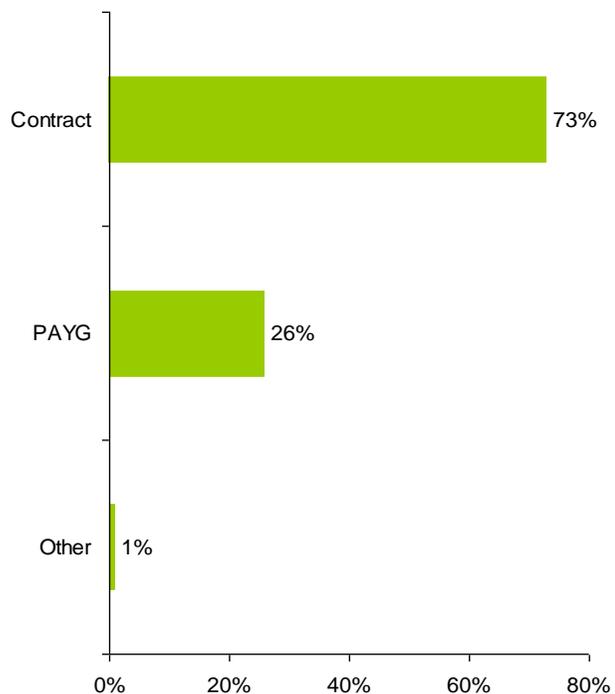
	Adult Subscription/One-off	Adult Text Chat Service	Child Subscription /One-off
Total	14	75	29
Orange	21%	27%	31%
O2	22%	31%	10%
T-mobile	23%	17%	21%
Vodafone	19%	19%	14%
3 (Three)	10%	7%	21%
Virgin	5%	-	3%

Base: All respondents (182) Single
Q1.4 : Which network operator are you with?

Profile - Contract type

- ❑ Overall, a large majority of respondents (73%) have a mobile phone contract, while only a small minority (26%) have a PAYG phone
 - More children than adults have a PAYG phone
 - However, the majority of children have a contract phone rather than a PAYG phone

Contract type



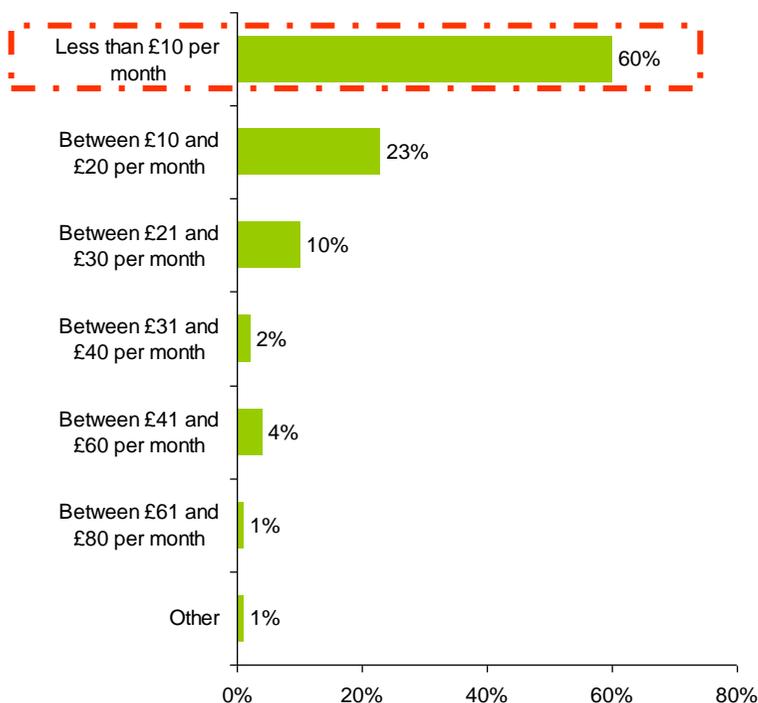
	Adult Subscription / One-off	Text Chat Service	Child Subscription / One-off
Total	78	75	29
Contract	69%	83%	59%
Pay As You Go	29%	17%	41%
Other	1%	-	-

Base: All respondents (182) Single
Q1.5 : Are you Pay as You Go or Contract?

Profile - Money spent

- The majority of users of **subscription / one-off services**, both adult and children, spend less than £10 per month on such services
- In comparison, most users of **text chat services** spend up to £30 per month on such services
 - On average, **text chat users** spend a little over £17 per month on such services

How much do you spend on top of your normal cost on services?



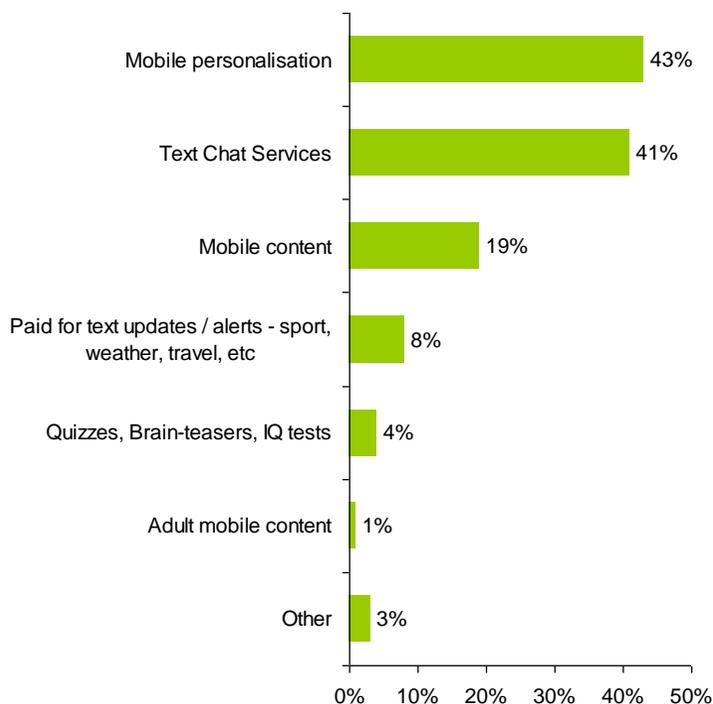
	Adult Subscription / One-off	Text Chat Service	Child Subscription / One-off
Total	78	75	29
Less than £10 per month	71%	38%	90%
Between £10 and £20 per month	19%	32%	10%
Between £21 and £30 per month	6%	17%	-
Between £31 and £40 per month	-	5%	-
Between £41 and £60 per month	2%	7%	-
Between £61 and £80 per month	-	2%	-
Other	2%	-	-

Base: All respondents (182) Multi Answer

Q1.6 : On average how much do you spend on top of your normal cost (including calls / text etc) on mobile entertainment / mobile information services?

Profile – Type of service purchased

- ❑ The majority of users of **subscription / one-off services**, both adult and children, buy mobile personalisation services, such as ringtones, wallpapers and music downloads
 - These services are particularly popular among children
- ❑ A considerable minority of users of **subscription / one-off services**, both adult and children, buy mobile content such as games, pictures and video clips
- ❑ **Text update services** (for sports, travel, etc) are used by only a small minority of users, and **quizzes, brainteasers, etc** by only a very small number



What did you buy?
(overall results)

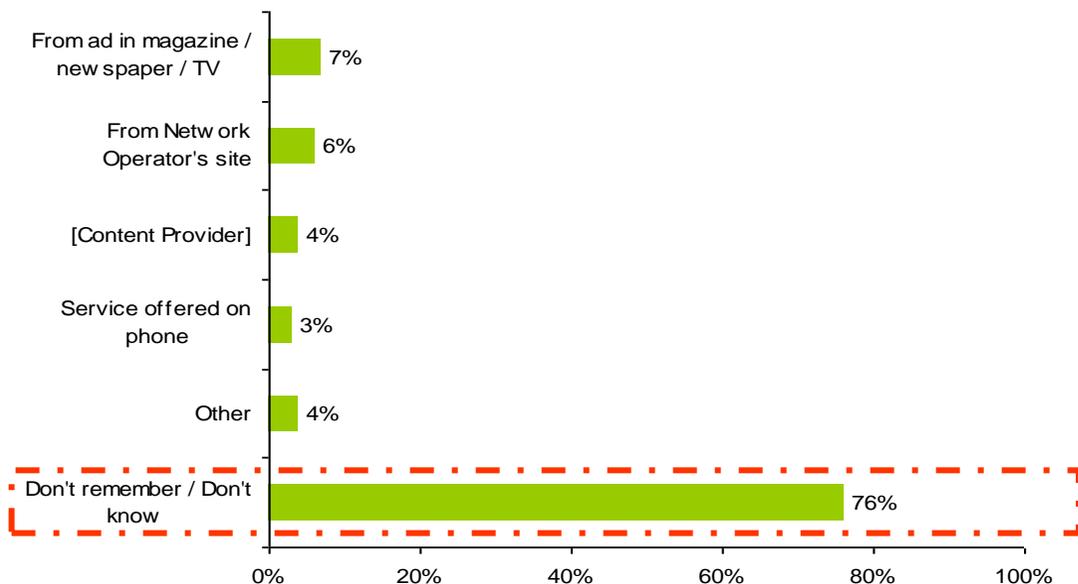
	Adult		Adult	Child	
	Subscription	One-off	Text Chat Services	Subscription	One-off
Total	78		75	29	
	57	21		17	12
Mobile personalisation	68%	52%	1%	94%	91%
Paid text updates	23%	14%	-	18%	-
Quizzes, Brain-teasers, IQ-tests	7%	10%	1%	6%	-
Mobile content	32%	43%	1%	36%	33%
Adult mobile content	-	-	1%	-	-
Text Chat services	-	-	100%	-	-
Other	5%	10%		-	8%

Base: All respondents (182) Multi answer
Q2.1a : What did you buy?

Profile – Service provider used

- ❑ The vast majority of adult users (age 16+) of MT-billed services could not remember the name of the provider they bought the service from
 - A very small minority could remember nothing more than buying the service from an advertiser in the press or on TV, or from their network operator's website
 - The only brand name recalled (by a very small minority) was [a Content Provider]
- ❑ Children had a slightly better recall of the service provider used, but a sizeable minority were unable to remember any details

Which service provider is the service from?



	Adult Subscription / One-off	Text Chat Service	Child Subscription / One-off
Total	62	60	20
From ad in magazine / newspaper / TV	3%	10%	10%
From Network Operator's website	6%	-	20%
[Content Provider]	6%	-	10%
Service offered on phone	2%	4%	10%
Other	2%	3%	10%
Don't remember / Don't know	81%	83%	40%

Base: All respondents (142) Open End question (only asked in Quant stage)
Q2.1c : And which Service Provider is the service from?



Subscription / One-off Service

Overview Main Findings – Subscription / One-off service

Key findings – Subscription

- ❑ More than half of the adults (54%) and the children (53%) said that they thought the service they bought was a one-off, but it then turned out to be a subscription. The biggest issue with subscriptions is transparency. Currently the information provided on subscriptions is considered by the majority of the respondents to be unclear.
 - Respondents stated loud and clear that transparency is required from subscription services. It is important to make it clear what users are signing up for by:
 - stating that this is a subscription not a one-off, and what that means
 - stating exactly what users will be getting, such as how many texts they will receive each week
 - having very clear instructions in the advertisements (irrespective of where they are shown)
 - having clear instructions on how to stop
- ❑ Almost half (43% overall - 38% PAYG / 42% Contract) of the adult respondents who found themselves in this situation did not realise they had subscribed for at least 1 – 4 weeks
- ❑ Only a small minority of adults (17% overall – 31% PAYG / 10% Contract) realised they had signed up for a subscription within 7 days of subscribing, compared with almost a third of children (31% overall - 28% PAYG / 34% Contract)
- ❑ Only a minority of both adults and children (23% overall; adults – 31% PAYG / 18% Contract; children - 14% PAYG / 33% Contract) realised straight away, when they received a confirmation text
- ❑ Overall, customers on PAYG (both adults and children) tended to realise that they had signed up for a subscription more quickly than those on Contract – in days rather than weeks
- ❑ The main reason given by adults for not realising they had bought a subscription was that they only discovered the truth when they received their bill (25%), or their phone credit dropped (14%)
- ❑ However the main reason given by children for not realising they had bought a subscription was that they didn't take much notice of what they were getting into (29%)

Suggestion

- ❑ How subscriptions are promoted needs to be made clearer. This is also supported by the advertisement test conducted in Stage 1 Qualitative Stage (see *Visual & Layout section*)

Service type – Subscription or One-off?

- The following table shows users who bought either a subscription service or a one-off
 - Of those who used a subscription service, more than half of the adults (54%) and the children (53%) said that they thought the service they bought was a one-off, but it then turned out to be a subscription
 - The remainder (both adults and children) said they knew it was a subscription

"I only found out when I ran out of credit, rang my phone and found the ringtone gone. Then when I put more credit on the phone, the money immediately went out again, and so I rang [My Network] and they explained that it was a subscription. That hadn't been clear when I signed up." Subscription, Adult

"I thought it was a one-off as I saw it on the TV and it was too quick to read the small print.." Child

"I looked at the information carefully on the webpage on my phone before buying." Child

What type of service is it?

	Adult		Child	
	Subscription	One-off	Subscription	One-off
Total	78		29	
	57	21	17	12
Subscription – (I knew it was) A Subscription	46%	-	47%	-
Subscription – I thought it was a One-off, but I then found it was a Subscription	54%	-	53%	-
One-off (I knew it was) A One-off	-	100%	-	100%

Base: Respondents who used subscription / one-off service (107) Single – Note merged data (qual+quant)
Q3.1 : Considering the service that you bought was it a subscription or one-off??

Service type – How long users took to realise that they had bought a subscription not a one-off

- ❑ Of the majority of subscription service buyers who thought they had bought a one-off:
 - A minority (adults – 31% PAYG / 18% Contract; children - 14% PAYG / 33% Contract) discovered that they had in fact bought a subscription service as soon as they received a text that said so
 - Apart from these, only 10% of adults on Contract realised they had signed up for a subscription within 7 days of subscribing, compared with 31% of adults on PAYG
 - However, among children who thought they had bought a one-off, 34% on Contract realised they had signed up for a subscription within 7 days of subscribing, compared with 28% on PAYG
 - Irrespective of whether they were on PAYG or Contract, a substantial minority (38% PAYG and 42% Contract) of the adult respondents who found themselves in this situation did not realise they had subscribed for at least 1 – 4 weeks
- ❑ Please note that the base for each of these sub-groups is very low, so this information should be viewed as indicative only

"It took a bit of time, maybe 2 or 3 weeks as I just have an overall budget, I don't check every pound I spend."
Subscription, Adult on PAYG

How long did it take you to realise?

"I realised in a couple of days. I check how much I spend regularly because I don't get much pocket money."
Subscription, Child on PAYG

Contract Type	Adult (subscription only)		Child (subscription only)	
	PAYG	Contract	PAYG	Contract
Total	13	22	7	6
I knew as soon I got text back that said so	31%	18%	14%	33%
Less than 24 hours	8%	-	14%	-
1 - 2 days	-	5%	-	17%
3 - 7 days	23%	5%	14%	17%
Over 1 week – 2 weeks	-	14%	29%	-
Over 2 weeks – 3 weeks	15%	23%	14%	-
Over 3 weeks – 4 weeks	23%	5%	14%	-
Over 1 month – 2 months	-	14%	-	-
Over 2 months – 3 months	-	9%	-	-
Don't remember	-	9%	-	33%

Base: Respondents who didn't realise it was a subscription (48) Single - Note merged data (qual+quant)
Q3.2b : How long did it take you to realise that you actually were on a subscription service?

"I didn't realise until I got my bill." Subscription, Adult on Contract

Service type – What made users think it was a Subscription or One-off?

- The following chart shows users who bought either a subscription service or a one-off
 - Most respondents (both adults and children) who knew whether they had used a subscription or a one-off service (from the outset) said they knew this from the wording of the ad
 - The main reason given by adults for not realising they had bought a subscription was that they only discovered the truth when they received their bill (25%), or their phone credit dropped (14%)
 - However the main reason given by children for not realising they had bought a subscription was that they didn't take much notice of what they were getting into (29%)

Users who knew the type of service they bought - Why do you think that is the case?	Adult		Child	
	Subscription	One-off	Subscription	One-off
Total	78		29	
	57	21	17	12
Subscription				
It said that it was a subscription in the ad	30%	-	24%	-
It said that it was a subscription on the web page (etc) when I signed up	4%	-	6%	-
It said that it was a subscription in the text confirmation that I received	2%	-	-	-
It said that it was a subscription in the Terms and Conditions	-	-	6%	-
Did not realise it was a subscription				
I only found out it was a subscription when I received my bill	25%	-	-	8%
It was an impulse buy, I did not take much notice of what I was getting involved in	7%	-	29%	-
I only noticed it was a subscription when my credit was gone / or dropped unexpectedly	14%	-	-	-
I didn't take much notice of the ad / information received	7%	-	12%	8%
One-off				
It said in the ad that it was a one-off	2%	52%	6%	50%
I was only charged for one item so I knew it wasn't a subscription	2%	29%	-	17%
Other				
It was clear from the website	-	5%	-	8%
I phoned / texted to info / help and found out	-	5%	-	-
I paid fixed amount pre week / month	2%	-	-	-
Other	5%	5%	18%	8%
Don't know / Not sure	2%	5%	-	-

Base: Respondents who used subscription / one-off service (107) Multi – Note merged data (qual+quant)
Q3.2a : Why do you think that is the case?



Subscription – what is spent
- less or more than £4.50 per week
Reminder
Joining fee

Overview Main Findings – Reminder text and joining fee

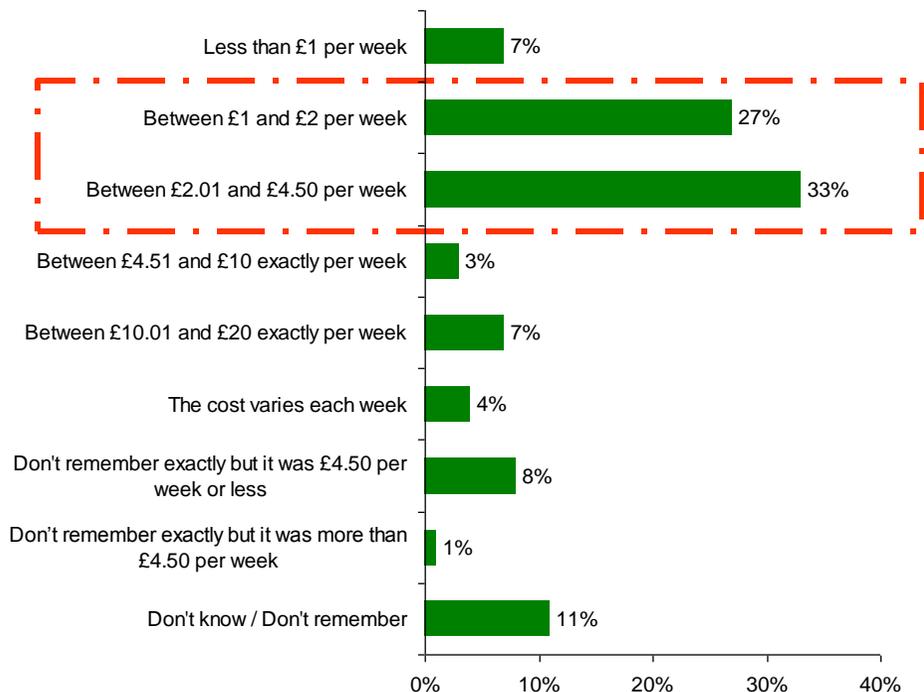
Key findings – reminder text and joining fee

- ❑ Respondents who bought a subscription (irrespective of target audience - whether child or adult, including respondents who bought subscriptions thinking it was one-off) stated that they normally spend between £2.00 and £4.50 per week on subscription services
- ❑ Of the adult respondents who used a subscription service that cost £4.50 per week or less, which was the majority (67%).
 - 48% of these respondents stated that they did remember receiving a 'free text' with instructions on a) how much it will cost and b) how to stop.
 - The remainder (52%) stated that they could not remember or they did not receive any such information.
- ❑ Similarly, of the children who bought a subscription service that cost £4.50 per week or less (approximately 50% of the children taking part in the research)
 - approximately 38% stated that they did not remember or did not receive any Free Text with instructions
 - whilst the remainder (62%) stated that they did receive a free text with instructions on a) how much it will cost and b) how to stop.
- ❑ Very few respondents who spent £4.51 per week or more on subscription services said that they remembered receiving a free text with instructions
- ❑ Only 5% of the respondents stated that they had to pay for a joining fee

Subscription – How much is the weekly fee?

- The majority of respondents who bought a subscription (irrespective of target audience - whether child or adult) stated that they normally spend between £1.00 and £4.50 per week on subscription services.

How much does the weekly (any given seven days) subscription fee cost?



	Adult (subscription only)	Child (subscription only)
Total	57	17
Less than £1 per week	9%	-
Between £1 and £2 per week	31%	12%
Between £2.01 and £4.50 per week	28%	53%
Between £4.51 and £10 exactly per week	2%	6%
Between £10.01 and £20 exactly per week	9%	-
The cost varies each week	5%	-
Don't remember exactly but it was £4.50 per week or less	9%	6%
Don't remember exactly but it was more than £4.50 per week	-	6%
Don't know / Don't remember	9%	18%

Base: Respondents who use subscription service (74) Single – Note merged data (qual+quant)
Q5.1: So how much does the weekly (any given seven days) subscription fee cost?

Subscription service and cost is £4.50 per week or less

- ❑ Of the adult respondents who used a subscription service that cost £4.50 per week or less, which was the majority (68%):
 - Almost half of these respondents (48%) stated that they did remember receiving a 'free text' with instructions. The remainder (52%) stated that they could not remember or they did not receive any such information.
- ❑ Similarly, of the children who used a subscription service that cost £4.50 per week or less (approximately 50% of the children taking part in the research), approximately 38% stated that they did not remember or did not receive anything, whilst the remainder (62%) stated that they did receive a free text
- ❑ Please note that the base for this question is very low, so this information should be viewed as indicative only

"They told me the subscription would be £2.99 per month, but not that I would have to pay to receive texts." Subscription, Adult

Did you receive a FREE text which had the following instructions? (answered YES)

	Adult (subscription only)	Child (subscription only)
Total	39	8
Yes - How much it will cost	36%	38%
Yes - How to STOP	38%	25%
I have not received any notification text	13%	13%
Don't remember	39%	25%

Base: Respondents who use subscription service and cost is £4.50 per week or less and had received a notification text (47) Multi – only asked in Quantitative stage
 Q6.2a: Before entering into the subscription service did you receive a FREE text which had the following instructions?

Subscription service and cost is more than £4.50 per week

- ❑ Of the respondents who stated that they used a subscription service that cost more than £4.50 per week, only 5 adults and 2 children said that they received a Free text which stated a) how much it will cost and / or b) how to stop.
- ❑ None of the respondents stated that they needed to reply to confirm the subscription
- ❑ However we are unable to make any concrete judgement based on such a small number of responses.

**Did you receive a FREE text which had the following instructions?
(answered YES)**

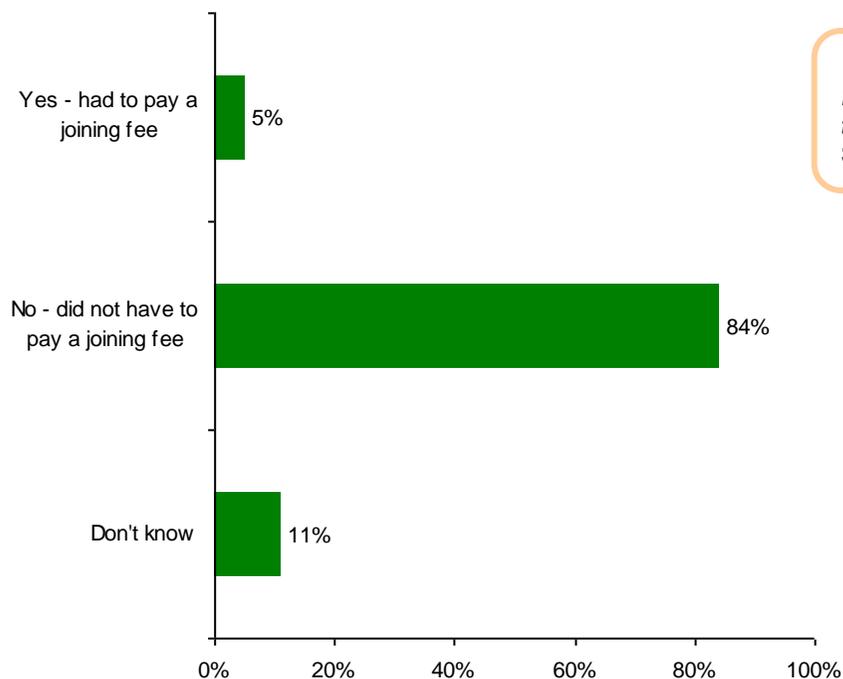
	Adult (subscription only)	Child (subscription only)
Total	5	2
Yes - How much it will cost	4	1
Yes - How to STOP	5	2
Yes – that I needed to reply to confirm subscription	-	-

“The text only said how much it costs. But I wasn't clear about how to stop it at that stage, because I thought it was a one-off.”
Subscription, Adult

Subscription – Joining fee

- Only a tiny minority (5% overall) stated that they needed to pay a joining fee, however the majority (84%) stated that they did not need to pay a joining fee.
- On average (irrespective of whether the user was an adult or child) the joining fee was approximately £2.00. In general, the users were not concerned about paying, as the service they wanted was a specialist one, e.g. r'n'b ringtone downloads. Therefore (overall) they are willing to pay the joining fee.

Did you have to pay a joining fee, when you started to use this service?



"I didn't know about it in advance, though it might have been there in their small print. I used my PC to read the small print, but it was still very small."
Subscription, Adult

	Adult (subscription only)	Child (subscription only)
Total	57	17
Yes – had to pay a joining fee	5%	6%
No – did not have to pay a joining fee	88%	71%
Don't know	7%	24%

Base: Respondents who use subscription service (74) Single – Note merged data (qual + quant)
Q6.3: Did you have to pay a joining fee, when you started to use this service?



Text Chat Services User

Overview Main Findings – Text Chat (adult) services

Key findings – Text Chat (adult)

- ❑ The majority of respondents discussing Text Chat services felt that they were informed how such services worked in terms of activating and terminating the service. They felt comfortable with the methods used to engage with the service (91% stated that they used shortcodes and 7% stated that they use long numbers). In addition, the Text Chat (adult) users were very aware of how to terminate the service (85%), stating that they knew exactly what to do, which was either to send STOP (stated by 73%) or Not to do anything (stated by 12%).
 - Confirmation of age was not universal; only 51% stated that they needed to confirm their age. What is encouraging is that when confirmation of age is requested, it is normally required at the sign up stage. However, 43% stated that they were able to text-chat without confirming their age.
 - A similar result was obtained when text chat users were asked about the number of texts received before having the chance to send one back. 55% of the respondents stated that they have sent one message and got one message back, whilst 37% of the respondents stated that they received more than one text before they had a chance to send one back.
 - Overall, receiving more texts than sending was not acceptable by 43% of the respondents, who often complained about the cost implications. A further 36% of the respondents were not too sure how they felt (in terms of receiving more texts than sending), indicating that it did not really bother them. The remaining 11% stated that they did not mind receiving more than one text before sending one back, as they were expecting this or knew that this would happen.
 - In terms of being reminded of how much the service is costing, 31% stated that they did remember being reminded. However, 69% stated that they were not reminded or could not remember.
 - What is clear however is that currently the Text Chat users are generally not sure when they have spent £10.00 on a text chat service. Even amongst the respondents who remember being reminded; they do not link the reminder (which normally refers to the 'cost of using the service per message', not what they have spent on a cumulative basis) with the fact that they have now spent £10.00.
 - An overwhelming 92% would like to be reminded how much the service is costing, but what they are referring to is not the cost **per** message but the cumulative cost. What is interesting is that 49% stated that they would like to be reminded when they reach £10.00 (by this they mean that once they reached £10 spent they should be told 'you have now spent £10.00 on X service'). A further 31% would like to be reminded but for them to be able to set the limit of how much they should spend. The Text Chatters tend to use these services as part of their normal entertainment; they tend to have a mental budget of how much they want to spend on such services and some (as shown by the results) feel that they should be in charge of what their budget should be and set their own reminder limits. A small number (7%) stated that they do not want to be reminded, the main reason being that 'it would spoil the experience.'

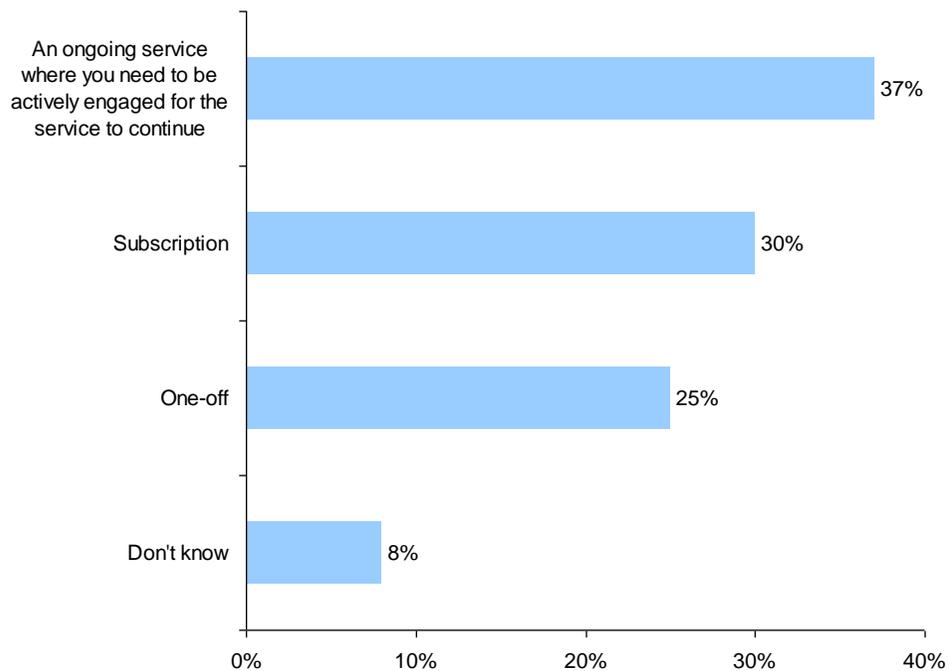
Suggestion

- ❑ The reminder text of how much the user has spent on Text Chatting should state the 'total cumulative cost' e.g. you have now spent £10.00 not just that the cost per text received is £1.50.

How would you best describe this service?

- The majority of the respondents using Text Chat (62%) described the service used as 'ongoing' or 'a one-off.' The remainder (30%) described the service as a subscription.

How would you best describe this service?



	Text Chat Services
Total	60
An ongoing service where you need to be actively engaged for the service to continue	37%
Subscription	30%
One-off	25%
Don't know	8%

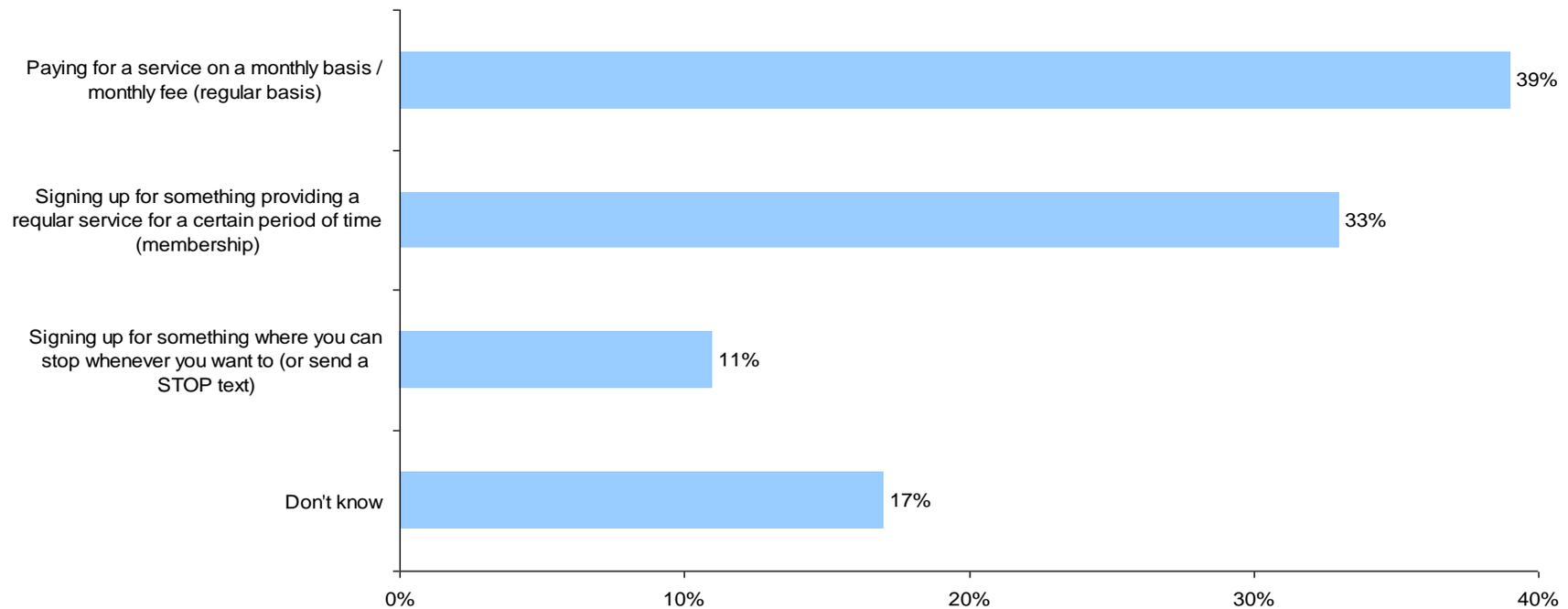
Base: Respondents who use a text chat service (60) Single - only asked in Quantitative stage
 Q3.2c : You said that you bought a text chat service. How would you best describe this service?

Type of service

□ The chart below shows how Text Chatters described what a subscription means to them.

“Making a regular weekly or monthly payment giving you an opportunity to chat.” Text Chat, Adult

What does the term subscription mean to you?

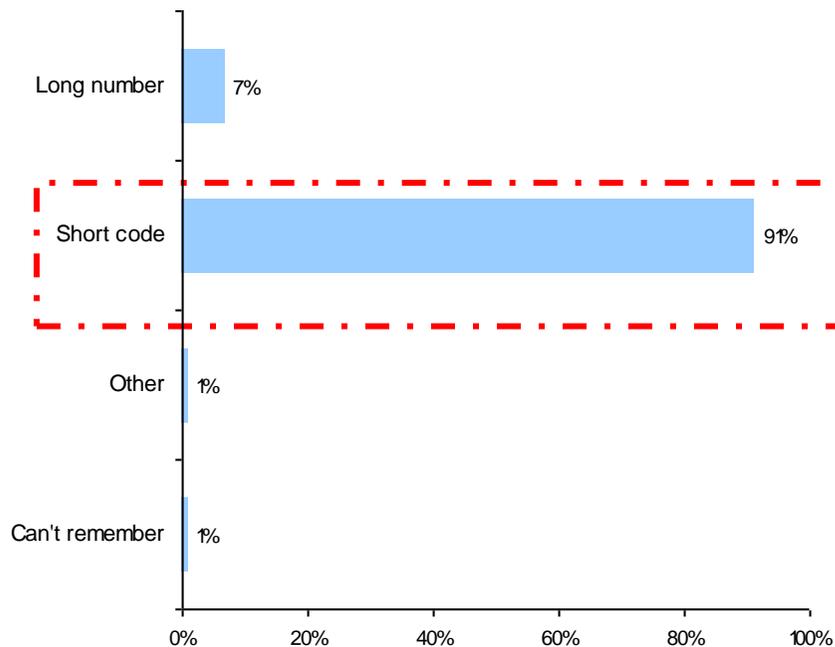


Base: Respondents who bought a subscription to text chat service (18) Open End question - only asked in Quantitative stage
Q3.2d: What does the term subscription mean to you?

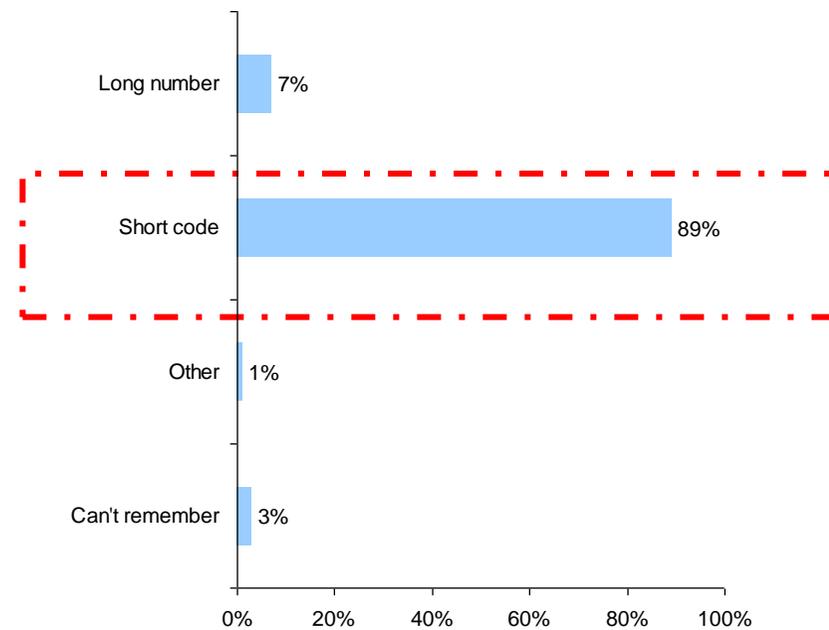
Shortcode / a long number

- The majority of the respondents using Text Chat sent and received texts via 'shortcodes'.
 - 91% of the respondents sent texts by using 'shortcodes' (which normally have 4,5 or 6 digits).
 - Only 7% of Text Chat users stated that they sent out texts using a 'long number' (like an ordinary mobile number)

Did you send your text to a long number or shortcode?



When you received a chargeable text chat message, was it sent from a shortcode or a long number?



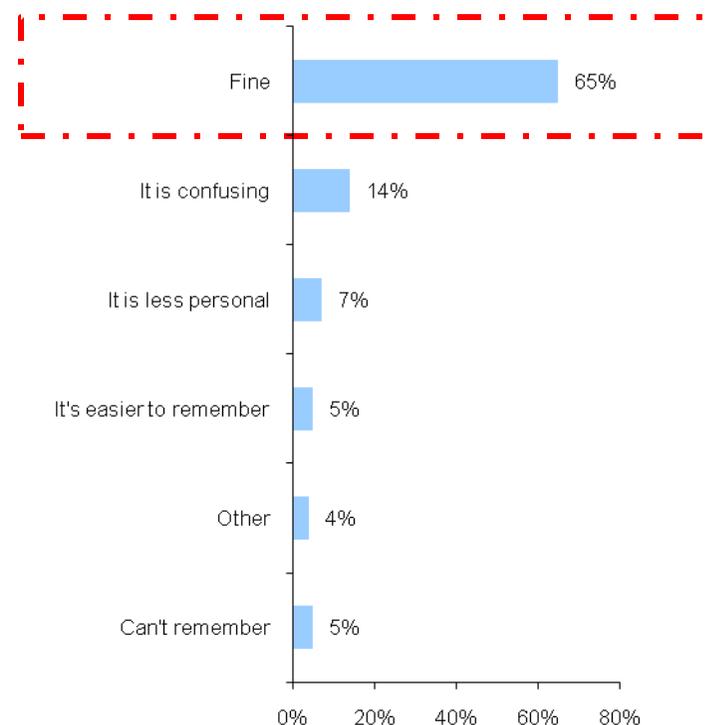
Base: Respondents who use Text Chat Services (75) Single – Note merged data (qual+quant)
 Q8.1a: When you first sent out a text for the Text Chat (Adult) service that you have used – Did you send your text to a long number (like an ordinary mobile number) or was it a shortcode (normally has approximately 4,5 or 6 digits)?

Base: Respondents who use Text Chat Services (75) Single – Note merged data (qual+quant)
 Q8.1b: And when you received a chargeable text chat message, was it sent from a shortcode or a long number?

Using a 'shortcode' to receive / send texts

- Irrespective of method used (whether shortcode or long number), Text Chat (adult) users are fine with the method
 - Text Chat (adult) users overall are fine with using shortcodes (the chart below shows the results from the 91% who stated that they use shortcodes)
 - 7% of the Text Chat (adult) respondents who stated that they use 'long numbers' to send and receive texts were also fine with this process (see slide 37)

Perceptions of using shortcodes



"I am ok with it. At least I know who the message is coming from. Shortcode gives me an element of privacy which is a plus for me." Text Chat, Adult

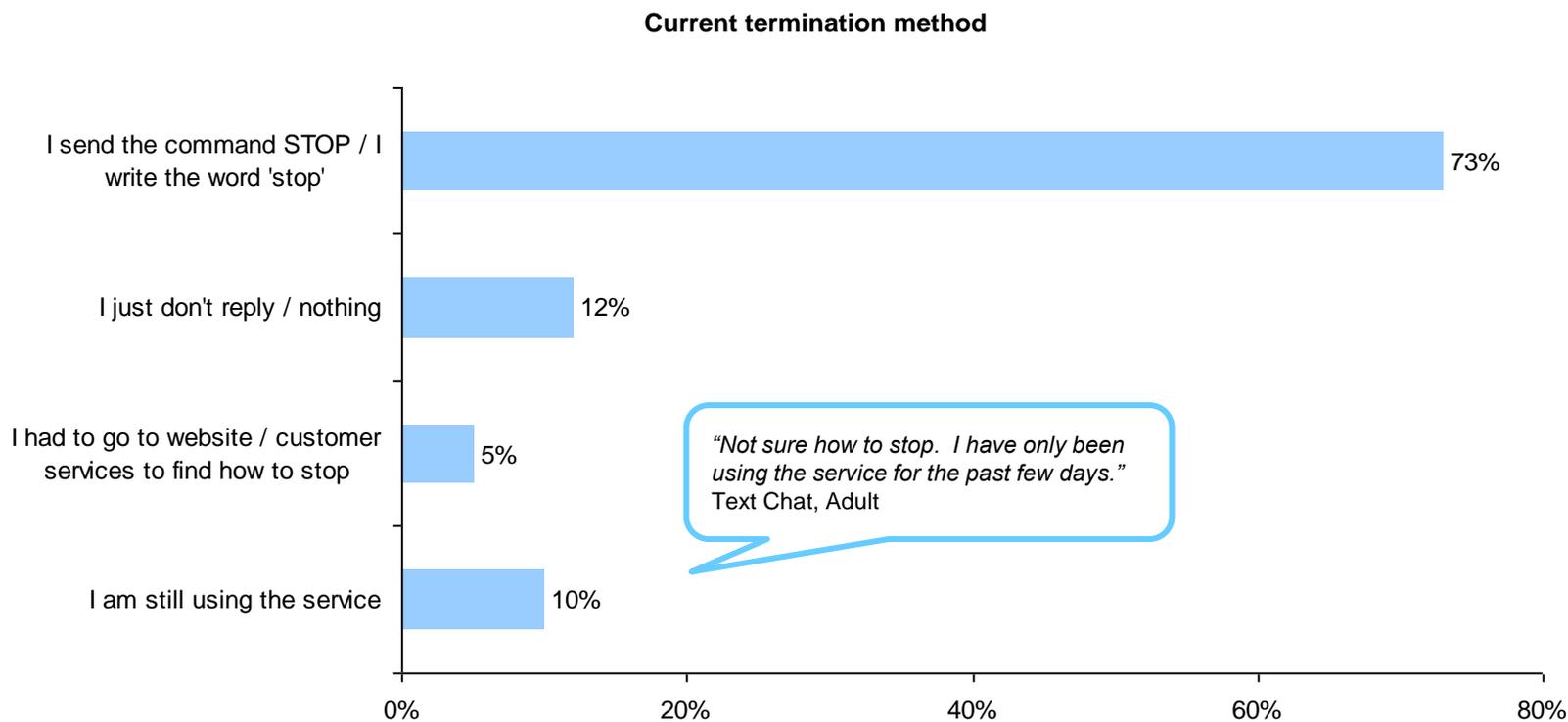
"It did not concern me" Text Chat, Adult

"It's confusing, because I thought that I'd been passed on to another company, that there was some mistake." Text Chat, Adult

Base: Respondents who use Text Chat Services and receive or send texts from / to shortcode (70) Single – Note merged data (qual+quant)
Q8.2: What do you think of this?

Current termination methods

- Respondents who use Text Chat (adult) services, appear to have a comprehensive understanding of how to terminate the service they are using. A minority of 5% stated that they had to consult the website or contact customer services in order to find out, whilst 7% stated they were not sure.

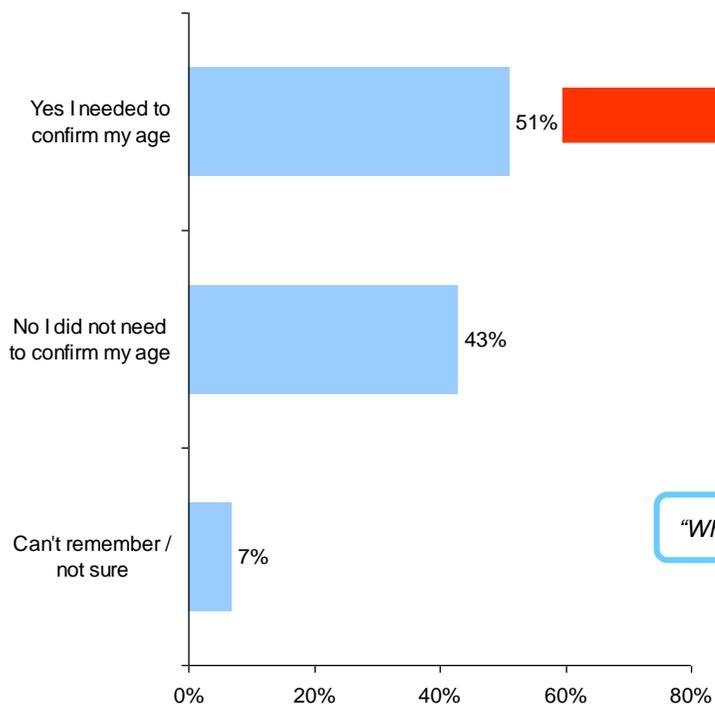


Base: Respondents who use Text Chat Services (60) Single – only asked in Quantitative stage
Q8.14.a: Can I just check, how do you currently terminate the (text chat) service?

Confirmation of age

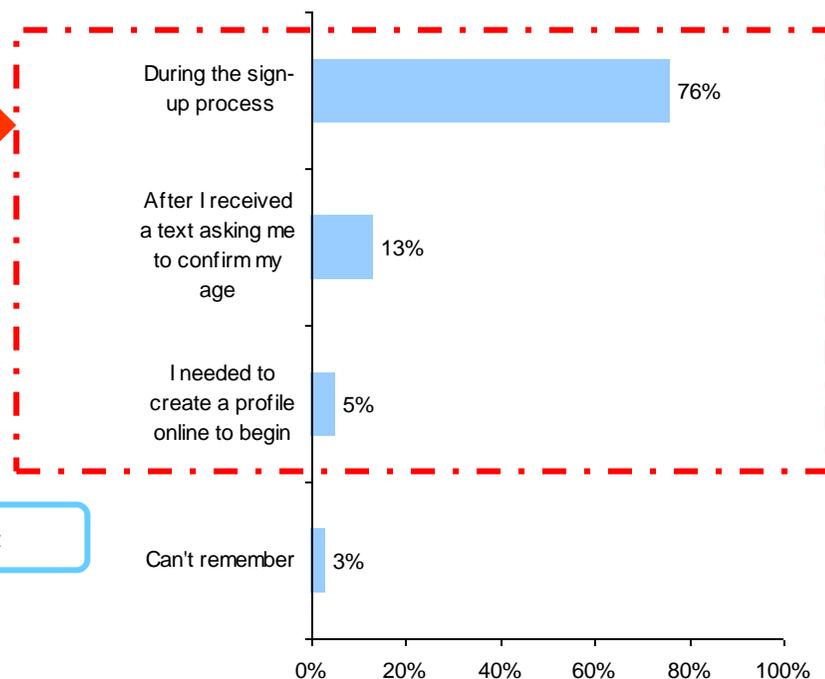
- Among the Text Chat users, the majority (51%) needed to confirm their age to use Text Chat services
 - Of these, the vast majority (94%) needed to confirm their age right from the outset. Furthermore these respondents stated that they did not receive a charged message until they confirmed their age.
- However 43% of the Text Chat users stated that they did not need to confirm their age to enter into a Text Chat.

Do you remember if you had to confirm your age?



When did you send a confirmation of your age or date of birth?

"When I signed up." Text Chat, Adult



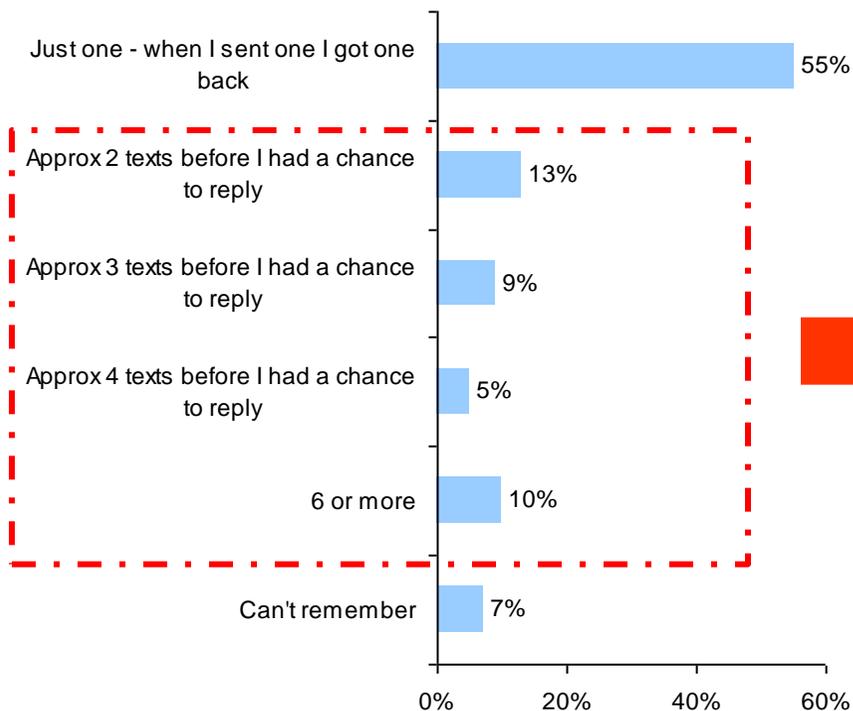
Base: Respondents who use Text chat Services (75) Single – Note merged data (qual+quant)
Q8.3: Do you remember if you had to confirm your age?

Base: Respondents who use Text Chat Services & had to confirm their Age (38)
Single – Note merged data (qual+quant)
Q8.4: When did you send a confirmation of your age or date of birth?

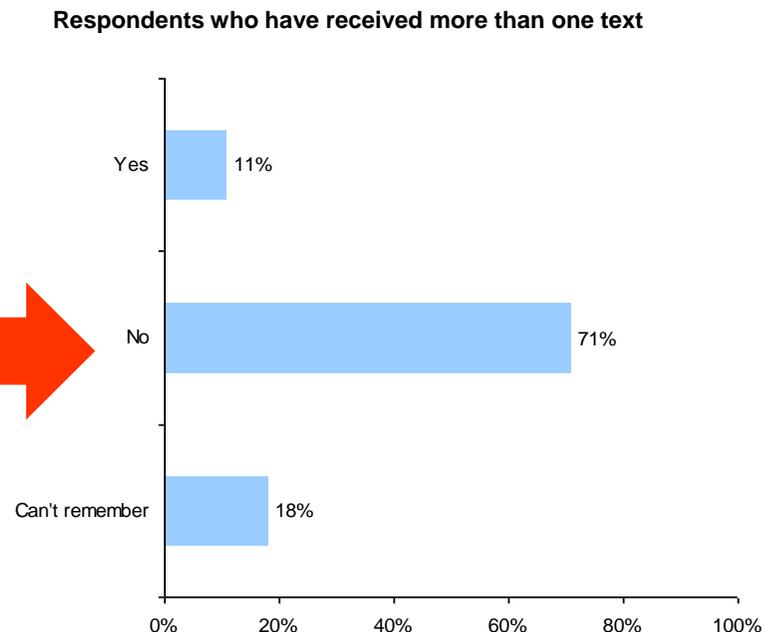
Number of texts received before replying

- When asked whether they received more texts than they sent
 - 55% stated that they received one text (they sent one and got one back)
 - 37% stated that they received more than one text before having the chance to send one back, and the majority (71%) of the respondents who received more than one text were not aware that this would happen

How many texts did you receive before replying?



Were you aware that you could receive more texts than you sent?



Base: Respondents who use Text Chat Services (75) Single – Note merged data (qual+quant) Q8.6: Do you remember when you sent a chat text, how many texts did you receive before replying?

Base: Respondents who use Text Chat Services and have received back more texts than sent (28) Single – Note merged data (qual+quant) Q8.7: Were you aware that this could happen, before you opted in to such a service?

Receiving more than one text before sending one back

- How the respondents felt when receiving more than one text before having the chance to send one back
 - 43% were not happy, mainly due to the fact that they were receiving chargeable texts
 - 11% were fine to receive more than one text before sending one back.
 - 36% were not too sure how they felt, they did not really give it much thought

"It did not surprise me. I had signed up for that type of service I suppose." Text Chat, Adult

"I was quite happy until I knew what I was paying!" Text Chat, Adult

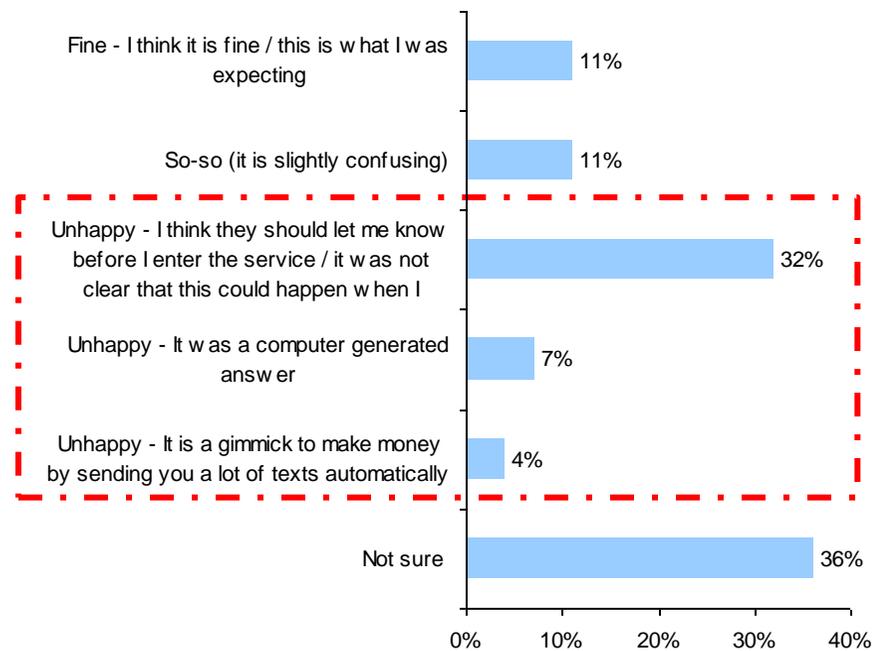
"It was very misleading." Text Chat, Adult

"It took me by surprise, but at the time I wasn't worried, because I didn't realise that you had to pay £1.50 to receive texts as well as to send them. So I wasn't aware of that, and it was costing twice what I thought." Text Chat, Adult

"It's a rip-off. You should just get a contact number of someone in your area close to you, so you can meet up." Text Chat, Adult

How do you feel about receiving more texts than you send?

Respondents who have received more than one text



Base: Respondents who use Text Chat Services and have received back more texts than sent (28) Single – Note merged data (qual+quant)
Q8.8: How do you feel about such a service (receiving more texts than sending)?

Reminder – Recollection of cost reminder

- 69% of the respondents who had used a Text Chat (adult) service stated that they were not reminded or could not remember seeing a reminder,
- 31% of the respondents remembered being reminded

Do you remember if you were reminded of the cost of using the service (for example £1.50 per message received)?

	Text Chat Services
Yes	31%
No	36%
Not sure / can't remember	33%

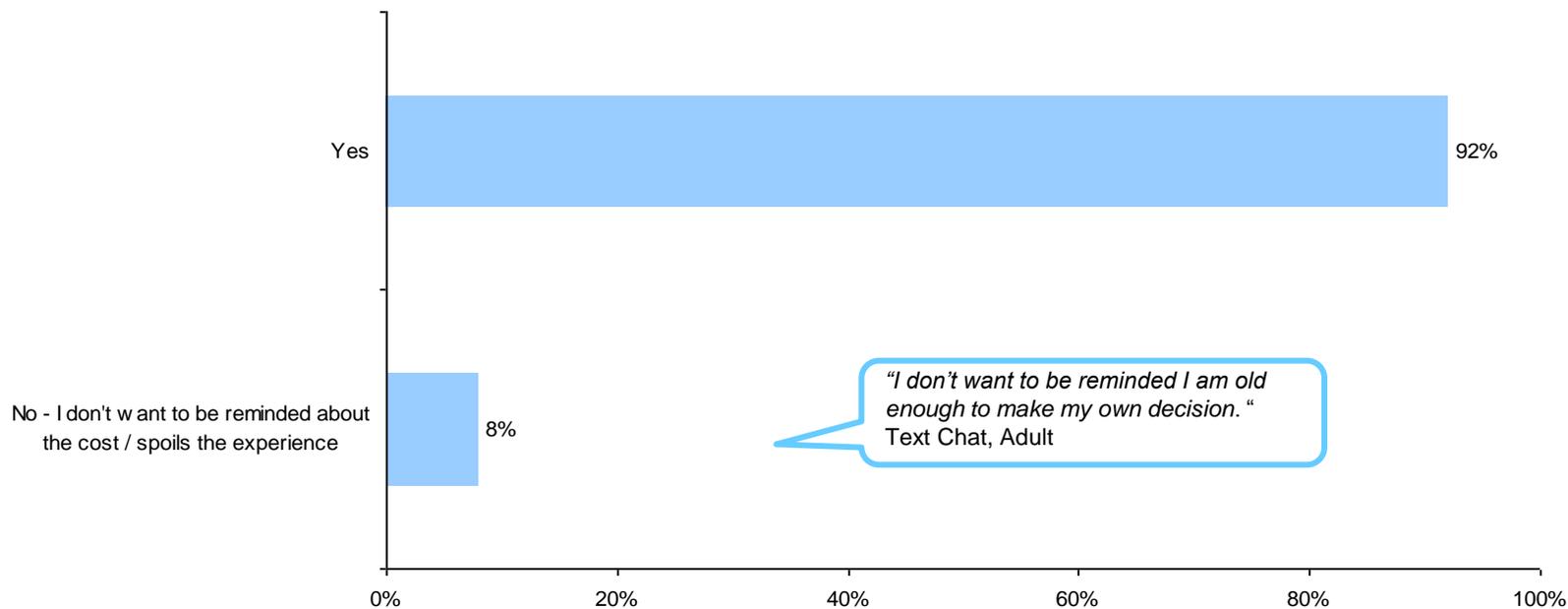
Base: Respondents who use Text Chat Services (75) Single – Note merged data (qual+quant)

Q8.9: When text chatting, do you remember if you were reminded of the cost of using the service (for example £1.50 per message received)?

Reminder (Text Chat) – Would like to be reminded of cost

- The vast majority (92%) would like to be reminded of how much the service is costing them.

Would you like to be reminded of how much the service is costing you?



Base: Respondents who use Text Chat Services (60) Single – only asked in Quantitative stage
 Q8.12.b: Would you like to be reminded of how much the service is costing you?

How Text Chat users would like to be reminded

- 49% stated that they would like to be reminded once they reach £10.00, the remainder stated that although they like the idea of having a reminder, they would like to set their own limit.
- 13% would like to be reminded per message spent
- 7% would like to be reminded but have no idea of the limit

Reminded once reached £10

"£10 - that's about right."
Text Chat, Adult

"That is definitely a good idea so that I do not exceed my limit"
Text Chat, Adult

"That would be handy, because when you're chatting, the last thing you think about is how much it will cost you. Some months I don't text that much, but it would give me the freedom not to go above my maximum. It would be brilliant."
Text Chat, Adult

"I like the idea of a regular reminder. It is like an arm around my shoulder slowing me down / making me ease up from time to time."
Text Chat, Adult

Set their own reminder spend limits

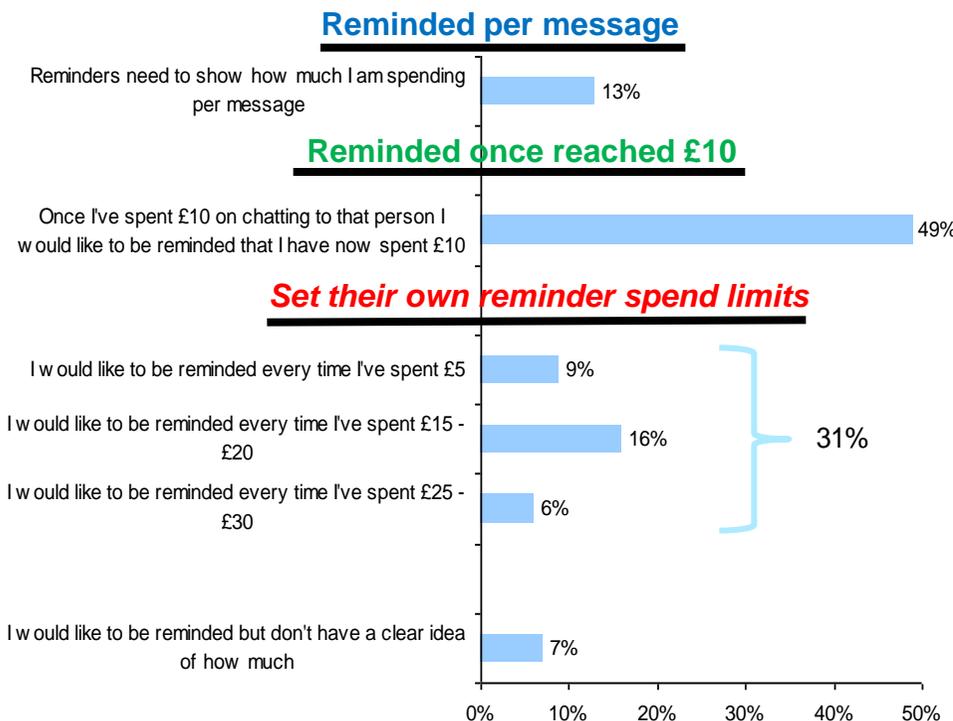
"£10 is too little. It costs £3 to exchange anything at all."
Text Chat, Adult

"£20 figure is more realistic - what is £10? Sandwich and a coffee?"
Text Chat, Adult

"Having a limit is a good idea but I should be able to set the limit at the beginning of the service before signing up. I should have a choice to choose when I should be reminded."
Text Chat, Adult

"A good idea, but I think it should be when you've spent £5."
Text Chat, Adult

Which 2 ways would you like to be reminded?

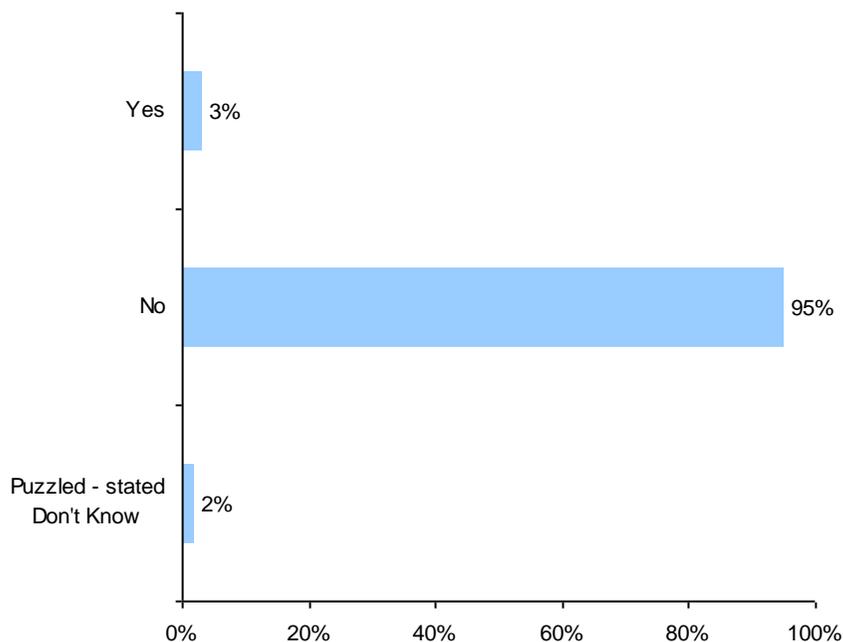


Base: Respondents who use Text Chat Services and would like to be reminded of how much service is costing (69) Single – Note merged data (qual+quant)
Q8.13: I am going to read out 2 ways of being reminded and would just like you to tell me which one you prefer

Awareness – Reminder at £10 / not to be charged unless re-engaging

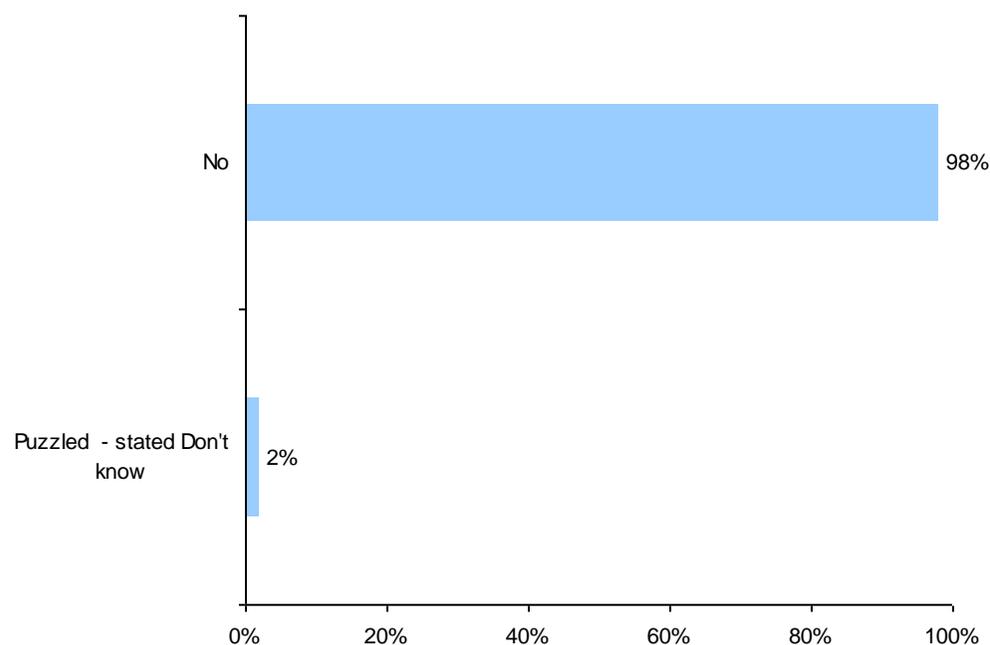
- ❑ The vast majority of the respondents using Text Chat (adult) services were not aware that every time they spent £10 on a Text Chat Service, they should have been sent a reminder. As shown above (slide 43), 31% of the respondents remembered being sent a reminder, however what they don't remember is when they have spent £10.00. They do not link the reminder (which normally refers to the 'cost of using the service per message', not what they have spent on a cumulative basis) with the fact that they have now spent £10.00.
- ❑ Furthermore, it appears that all the respondents using Text Chat (adult) services are unaware that once they have spent £10, they should not be charged any more (e.g. they should not receive further chargeable texts) unless they re-engage with the text chat service.

Did you know that every time you spend £10 on Text Chat Services a text should be sent to remind you how much the service costs to use?



Base: Respondents who use Text Chat Services (60) Single – only asked in Quantitative stage Q8.14.b: Did you know that every time you spend £10 on Text Chat Services a text should be sent to remind you how much the service costs to use?

Are you aware that you should not be charged any more unless you re-engage with the text chat?



Base: Respondents who use Text Chat Services (60) Single – only asked in Quantitative stage Q8.14.c: Once you have spent up to £10 (no more than £10) text chatting – are you aware that you should NOT be charged any more unless you re-engage with the text chat?



Frequency of usage - service used and other services

Overview Main Findings – Frequency of usage

Key findings – frequency of use of the service used and other services

- ❑ The majority of Subscription / One-off users (adults - 52% subscription / 58% one-offs; children - 48% subscription / 75% one-offs) buy such services at least once every 2 months
- ❑ In contrast, Text Chatters appear to be less frequent users, with only 31% of them buying such services every 2 months
- ❑ The majority (irrespective of target audience) have bought other services.
- ❑ The services mentioned most often by those who had bought other services were mobile personalisation and mobile content
- ❑ Of those who had bought other services, the frequency of buying such services was:
 - Every 1-4 months for the majority of adult users of subscriptions (58%) and one-offs (56%)
 - Up to every 2 months for the majority of text chat users (50%)
 - Once every 6 months or less often for the majority of the children who used subscriptions (57%) and one-offs (43%) who could remember

Frequency of purchase

- ❑ The majority of Subscription / One-off users (adults - 52% subscription / 58% one-offs; children - 48% subscription / 75% one-offs) buy such services at least once every 2 months
- ❑ In contrast, Text Chatters appear to be less frequent users, with only 31% of them buying such services every 2 months

How often do you buy services such as the one that we have been discussing?

	Total	Adult		Adult	Child	
		Subscription	One-off	Text Chat service	Subscription	One-off
Total	182	78		75	29	
		57	21		17	12
Several times a week	3%	-	-	4%	6%	-
Once a week	6%	9%	-	5%	6%	17%
Every 2 weeks	9%	14%	10%	4%	6%	17%
Every month	19%	25%	38%	7%	18%	33%
Every 2 months	8%	4%	10%	11%	12%	8%
Once every 3 - 4 months	4%	-	10%	3%	-	8%
Once every 6 -12 months	11%	6%	10%	16%	18%	-
This is the only time I have bought a service such as this	31%	28%	14%	43%	24%	8%
I've stopped now / no longer do it	3%	5%	-	3%	-	-
Pretty infrequently	3%	-	5%	1%	6%	8%
Don't know / Can't remember	6%	11%	5%	4%	6%	-

Base: All respondents (182) Single – Note merged data (qual+quant)
Q15.1: How often do you buy services such as the one that we have been discussing?

Purchase of other MT-billed services

- ❑ The majority of the respondents interviewed (irrespective of target audience) had bought other services.
- ❑ The services mentioned most often by those who had bought other services were:
 - Mobile personalisation
 - Text updates / alerts
 - Mobile content
- ❑ Interestingly, more than a third of adult subscription users had not bought any other services; this may be related to the proportion of such users who had a bad experience with a subscription

Have you bought any other services by paying through your mobile?

	Total	Adult		Text Chat service	Child	
		Subscription	One-off		Subscription	One-off
Total	182	78		75	29	
Mobile personalisation – ringtone(s) / wallpaper(s) / Music download(s) / personalised caller ring-back tone(s)	49%	57	21	71%	17	12
Text updates / alerts – sport, weather, travel, betting service, horoscope, tarot, car quote, etc	30%	30%	48%	44%	18%	17%
Mobile content – game(s) / picture(s) / video clip(s)	22%	19%	15%	24%	47%	16%
Adult mobile content – pictures, video clips	2%	-	-	4%	-	-
I stopped	1%	2%	-	1%	-	-
No / Nothing	25%	35%	24%	20%	12%	25%
Can't remember / Don't know	15%	17%	10%	11%	24%	25%

Base: All respondents (182) Multi – Note merged data (qual+quant)

Q15.2: Have you bought any other services by paying through your mobile where you pay for text messages that you receive?

Frequency of purchase of other MT-billed services

- Of those who had bought other services, the frequency of buying such services was:
 - Every 1-4 months for the majority of adult users of subscriptions (58%) and one-offs (56%)
 - Up to every 2 months for the majority of text chat users (50%)
 - Once every 6 months or less often for the majority of the children who used subscriptions (57%) and one-offs (43%) who could remember

How often do you buy these other services?

	Total	Adult		Adult	Child	
		Subscription	One-off	Text Chat service	Subscription	One-off
Total	112	43		50	19	
Several times a week	5%	29	14	6%	12	7
Once a week	8%	6%	-	14%	-	-
Every 2 weeks	8%	3%	7%	4%	8%	14%
Every month	21%	10%	7%	18%	8%	14%
Every 2 months	8%	31%	21%	8%	8%	14%
Once every 3 – 4 months	13%	7%	7%	8%	-	-
Once every 6 -12 months	22%	20%	28%	26%	41%	29%
I just did it once / twice	6%	3%	-	6%	16%	14%
I stopped it because of the expense / I used to buy them regularly but stopped it	5%	-	14%	6%	-	-
Don't know / Can't remember	5%	3%	7%	4%	17%	14%

Base: Respondents who buy other services (112) Single – Note merged data (qual+quant)
Q15.3: How often do you buy these other services?



What customer expected to receive and what they received

Overview Main Findings – What customers expected and what they received

Key findings – what customers expected and what they received

- ❑ Irrespective of target audience, what respondents were expecting from such a service was to get what they signed up for; specifically for the Subscription / One-off (adults), Text Chat (adult) and Children 'to get what it said in the ad.'
- ❑ In terms of what they received, opinions were fairly divided between Subscription and Children; with half stating that they received what they expected while half did not. However, the Text Chatters (adult) were more likely to state that they received what they expected
- ❑ How users are charged is an area where there is a lot of uncertainty and confusion.

What customers expected to receive

- Irrespective of target audience, what respondents were expecting from such a service was to get what they signed up for; specifically for the Subscription / One-off (adults), Text Chat (adult) and Children 'to get what it said in the ad.'

What were you expecting from such a service (Subscription / One-off / Text Chat)?

"I expected to get games that were compatible with my phone. Once you start downloading, you can't stop if you change your mind. There's a place where they ask 'do you want to continue with the download?' and even if you say 'No' they carry on with the download and there's no way of cancelling it." Subscription / One-Off, Adult

	Total	Adult Subscription / One-off	Text Chat Service	Child Subscription / One-off
Total	182	78	75	29
Good Value for money	14%	19%	15%	-
To get exactly what it said in the ad / when I signed up	48%	54%	32%	72%
An indication of how many texts I would receive per day / per week (subscription)	6%	15%	-	3%
To receive the product complete, without any technical issues / compatible with my mobile	30%	53%	1%	26%
I just expected a one-off / nothing else	5%	9%	-	7%
Chat / flirt with a specific person whose picture I saw in the ad	2%	NA	4%	NA
Chat / flirt with people	18%	NA	45%	NA
Chat / flirt with the same person time after time	2%	NA	4%	NA
Chat / flirt with someone local / in my area and maybe meet up	13%	NA	32%	NA
I expected to chat with a real person not a computer generated response	6%	NA	15%	NA
I was aware I might be chatting with someone working for a business / in a call centre / home worker (and I'm fine about that)	3%	NA	7%	NA
Not sure	9%	13%	9%	3%

"I just wanted match scores at halftime and full time"
Subscription / One-Off, Adult

Base: All Respondents (182) Multi – Note merged data (qual+quant)
Q9.1: I would like you to consider your experience with (Subscription / One-off / Text Chat). What were you expecting from such a service?

What customers received

- The majority of respondents stated that the reason behind their expectation of what they would get was because that is what it said in the original advertisement that stimulated their wish to purchase the service

What made you expect this?

"I was expecting a free trial, because that's what it said they were offering in the ad."
Subscription / One-off, Adult

	Total	Adult Subscription / One-off	Text Chat Service	Child Subscription / One-off
Total	182	78	75	29
Because It said so in the ad / website / Ts&Cs	66%	68%	63%	58%
From my experience	11%	4%	14%	6%
It was for fun, so I didn't expect anything	2%	3%	3%	-
Not sure	26%	20%	26%	34%

Base: All respondents (182) Multi – Note merged data (qual+quant)
Q9.2: What made you expect this?

Did you get what you were expecting?

- ❑ Overall, more than half of the respondents (irrespective of target audience) stated that they did receive what they were expecting.
- ❑ However, for both Subscription/One-off (adult) and the Children, opinions were divided, with approximately half stating that they did receive what they were expecting, and approximately half stating they did not.
- ❑ Users of Text Chat (adult) were less divided, with the majority (59%) stating that they did get what they were expecting, but more than a third of these users said they did not
 - The major complaint from Subscriptions and One-off users (irrespective whether they were adults or children) was that the product or service purchased was incomplete or that they had technical issues
 - For Text Chatters (adult), they were looking to chat to one particular person at a time and have a bit of fun, and 32% of the Text Chatters stated that they were hoping to potentially meet up with the person that they were chatting with.

Did you get what you were expecting (in terms of product?)

"They don't ask when you're downloading it what model your phone is, and I downloaded a game that was incompatible with my [mobile]. Another one disappeared when I'd downloaded it."

Subscription / One-off, Adult

"He turned out to be a wacko. Could have been someone in a call centre. I was afraid he'd get my personal details, and stalk me. All I'd wanted was flirty chat -- I wasn't bothered by who it was with. But I didn't want a pervert." Text Chat, Adult

	Total	Adult Subscription / One-off	Text Chat Service	Child Subscription / One-off
Total	182	78	75	29
Yes	57%	46%	59%	48%
No	37%	49%	36%	45%
Can't remember	6%	5%	5%	7%

"No - I only got one wallpaper! I thought it was a technical problem."

Subscription / One-off, Adult

"You never know with those short numbers whether the person you're chatting to is local. I used the same shortcode twice, and found that I was chatting with two different people. It's a big con."

Text Chat, Adult

"I was expecting to chat to people in my area, but they were from as far away as London. The style of the chat didn't match the photos, and I suspect the texts came from someone just typing into a computer somewhere. It could have been the woman next door."

Text Chat, Adult

How do you think the charges for these services work?

- In terms of how users of such services are charged, there is a significant amount of guesswork, with 40% of Subscription / One-Off users and 44% of Children stating that they do not know.

How do you think the charges for (Subscription / One-off / Text Chat) services work?

"The price of the actual games is low, so it's pure profit. I think they sell on lists of mobile numbers to other companies." Subscription / One-off, Adult

	Total	Adult Subscription / One-off	Text Chat Service	Child Subscription / One-off
Total	182	78	75	29
I get charged for every text I send	30%	29%	41%	3%
I get charged for every text I receive / alert received	29%	28%	39%	7%
I had an idea from the ad / website / Ts&Cs	15%	11%	15%	27%
The service provider gets part of the fee & another part goes to the Network Operator	9%	15%	1%	7%
By sending unnecessary texts which they charge you for and which they make a profit from	8%	3%	8%	-
It starts out free (or minimum charge) to tempt you and draw you in then starts charging	3%	3%	4%	-
I found out as I went along	3%	3%	-	10%
A fixed fee for a fixed number of texts	3%	5%	1%	3%
A fixed fee for a variable number of texts	10%	1%	1%	-
I have no idea / not sure / don't know / guessing how it works	37%	40%	36%	44%

"I don't have itemised billing on my mobile, as that would cost £5 extra, so I don't know exactly what I'm paying for." Subscription / One-off, Adult

"They keep you talking, those people who might not be other users, but might be part of the company. They don't warn you how much it's costing you." Text Chat, Adult

Base: All respondents (182) Multi – Note merged data (qual+quant)
Q9.5: How do you think the charges for (Subscription / One-off / Text Chat) services work?

What do you think about how you are charged

- In terms of charges, the respondents were fairly divided.
 - The adults - both for Subscription / One-off and Text Chat (adult) - are more inclined to state that the charges were fair, because they are regarded as affordable; however, what concerns them is the cumulative charge
 - Children were more inclined to state that the charges are expensive.

What do you think about how you are charged?

"It was shocking the sheer volume of texts coming in." Subscription / One-off, Adult

"There are a lot of grey areas. This whole thing about 'mobile charges may vary' – well they vary a lot!" Subscription / One-off, Adult

"Bordering on fraud." Text Chat, Adult

"It's a scam; it says in the ad it costs 50p per text, but it was £1.50, and I didn't realise you had to pay to receive texts too." Text Chat, Adult

"I was never told the full story. Texts kept coming and I didn't realise that I would be charged for them." Child

	Total	Adult Subscription / One-off	Text Chat Service	Child Subscription / One-off
Total	182	78	75	29
It's fair / clear	45%	43%	51%	35%
Expensive / Extortion	37%	34%	34%	45%
Confusing / not clear	37%	46%	32%	20%
Not sure / Don't know	11%	7%	12%	17%

Base: All respondents (182) Multi – Note merged data (qual+quant)
Q9.6: And what do you think about how you are charged?



The cost of service – Subscription / One-off / Text chat

Overview Main Findings – Cost of receiving / sending texts & value for money

Key findings – cost of receiving / sending texts & value for money

- ❑ Overall, respondents using Text Chat services appear to be more aware of the cost of sending and receiving texts than Subscription / One-off users (both adults and children) are
 - Children were more inclined to state that they considered they received ‘very or fairly good’ value for money.
 - Adult users of subscriptions or text chat are more likely to state that value for money was ‘very or fairly bad’.
 - Only adults who had bought a one-off service considered value for money to be ‘fairly or very good’.

Cost of Service – Sending a text

- Around a third of adults who used a **subscription (30%)** or **one-off service (34%)** did not know the cost of sending a text to the service they engaged with
- Among children, this increased to two thirds who did not know the cost of sending a text to the service they engaged with (65% for those who bought a subscription and 67% for those who bought a one-off)
- However only a small minority of **text chat users (17%)** were unaware of the cost of sending a text to the service they engaged with
- Among the majority who knew the cost, the answer given most often fell in the range between £1.01 and £1.50

How much do you pay when you SEND OUT a text?

	Adult		Text Chat Services	Child	
	Subscription	One-off		Subscription	One-off
Total	78		75	29	
Less than 25p each	57	21	11%	17	12
Between 25p and 50p each	5%	5%	12%	6%	-
Between 51p and £1.00 each	7%	-	4%	12%	8%
Between £1.01 and £1.50 each	9%	5%	39%	-	17%
Between £1.51 and £2.00 each	30%	19%	4%	-	-
Between £2.01 and £3.00 each	4%	5%	-	-	-
Between £3.01 and £5.00 each	2%	-	4%	-	-
More than £5.00 each	2%	19%	3%	-	-
Once set up it was free to send	-	-	4%	6%	8%
Initially in a bundle at between 25p and £1 each, but then went up to £1 to £3 each	11%	10%	3%	-	-
The first 5 were free; after that £1.50 for every 5	-	5%	-	-	-
It was a buy one get one free deal	-	-	2%	-	-
Don't know	2%	-	30%	34%	65%
	30%	34%	17%	65%	67%

Base: All respondents (182) Single – Note merged data (qual+quant)

Q4.1: Considering the service you have just described – how much do you pay when you SEND OUT a text?

Cost of Service – For receiving a text

- ❑ A third of adults who used a **one-off service (33%)** did not know the cost of receiving a text from the service they engaged with, while for children this was only a quarter (25%).
- ❑ The results are very similar with children who have bought a subscription – 24% did not know how much it cost to receive a text
- ❑ Among the majority of adults and children who knew the cost, the answers given most often fell in the range either between £1.01 and £1.50 or between £3.01 and £5.00
- ❑ The majority of **text chat users (89%)** were aware of the cost of receiving a text from the service they engaged with
 - Among those who knew the cost, the answer given most often fell in the range between £1.01 and £1.50

How much do you pay when you RECEIVE a text?

"I only know I got a big bill of £120!!"
Text Chat, Adult

	Adult		Text Chat Services	Child	
	Subscription	One-off		Subscription	One-off
Total	78		75	29	
	57	21		17	21
Less than 25p each	5%	5%	3%	-	-
Between 25p and 50p each	21%	5%	5%	12%	8%
Between 51p and £1.00 each	7%	5%	7%	12%	-
Between £1.01 and £1.50 each	33%	19%	57%	35%	42%
Between £1.51 and £2.00 each	7%	5%	5%	6%	-
Between £2.01 and £3.00 each	7%	5%	3%	-	-
Between £3.01 and £5.00 each	4%	19%	1%	12%	25%
More than £5.00 each	-	5%	1%	-	-
Once set up it was free to receive	2%-	-	1%	-	-
Initially in a bundle at between 25p and 50p each, but then went up to £1.00 to £3.00 each	-	5%	4%	-	-
First five were free, then between 30p and £1 each	-	-	2%	-	-
Don't know	14%	33%	11%	24%	25%

Base: All respondents (182) Single – Note merged data (qual+quant)
Q4.2: How much do you pay when you RECEIVE a text?

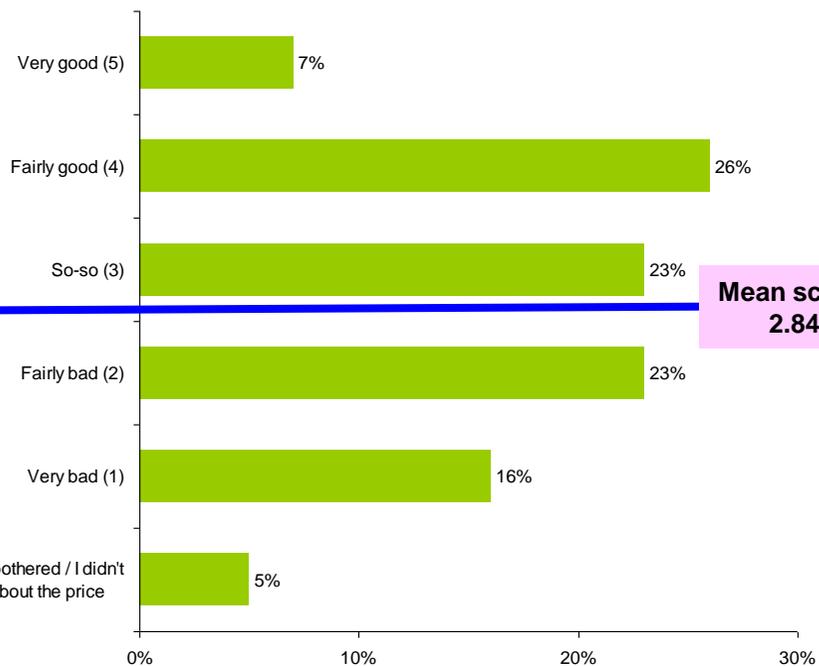


Value for money

Service used – Views on value for money

- ❑ Adult purchasers of subscription services were more inclined to state that the value for money of the service they bought was ‘very or fairly bad’ (46%)
- ❑ In contrast, children who purchased subscription services were more inclined to state that the value for money of the service they bought was ‘very or fairly good’ (45%)
- ❑ Adult purchasers of one-offs were more inclined to state that the value for money of the service they bought was ‘very or fairly good’ (50%)
- ❑ The majority of children who purchased one-offs (55%) thought the service they purchased provided ‘very or fairly good’ value for money
- ❑ Text chat users were more inclined to state that the value for money of the service they bought was ‘very or fairly bad’ (45%)
- ❑ Irrespective of target audience, only a very small minority of the respondents (5% overall) said they were ‘not bothered about price’

How would you rate this service in terms of value for money?



	Total	Adult		Adult	Child	
		Subscription	One-off	Text Chat service	Subscription	One-off
Total	142	62		60	20	
		48	14		11	9
Very good	7%	4%	14%	7%	9%	11%
Fairly good	26%	27%	36%	18%	36%	44%
So-so	23%	19%	21%	25%	18%	44%
Fairly bad	23%	31%	21%	20%	18%	-
Very bad	16%	15%	-	25%	9%	-
I wasn't bothered / I didn't care about the price	5%	4%	7%	5%	9%	-
MEAN SCORE	2.84	2.74	2.90	3.46	3.20	3.67

Base: All respondents (142) Single – only asked in Quantitative stage

Q16.2.b : Thinking about the price you paid related to the service you received, how would you rate this service in terms of value for money?



STOP

Overview Main Findings – STOP

Key findings - STOP

- ❑ Overall, how to stop the service was understood; however there is a significant number of both adults and children who are not exactly sure how to stop. Overall 42% of the respondents did not know the difference between STOP and STOP ALL.
- ❑ The results in terms of the respondent's perceptions regarding whether they saw the STOP / STOP ALL instructions were very similar, irrespective of target - Subscriber (adult), Text Chat (adult) and Children. In total 69% (overall) did see the STOP command.
- ❑ 17% of the Subscribers (adult) and 29% of the Children remember sending the STOP command after their credit ran out. What is evident is that respondents had no idea that this was happening. The majority of these respondents found out only when they topped up their phone and saw that they were still receiving chargeable texts, which caused frustration and anger.

STOP commands

- ❑ The table below shows how the respondents would stop the service they were discussing. It is interesting to note that the majority of adults who were discussing One-Off services also bought subscription services. These respondents tended to buy both One-Offs and Subscription services, primarily as impulse buys.
- ❑ In addition, the Children tend to buy both subscription and specific 'one-off' services on the whole. Although there was a minority of children who appear to focus on specific 'one-off' services, and these children on the whole had a good idea of how to use the stop command, the majority did not need to use it as it did not apply to One-Off services. This is one of the reasons why over half of the Children were not exactly sure how to stop.
- ❑ Similarly the respondents discussing Text chat (adult) services were also users of Subscription services and One-offs. The majority of these respondents were aware of how to stop both subscription services and one-offs.
- ❑ 30% of the Children stated that they needed to go to the network operator / website or service provider to sort out how to stop the service.

"After sending a number of texts asking them to just stop sending me more texts, I got a text asking me to confirm whether I wanted to Opt out ... I objected to being sent a confirmation that I wanted to Opt out. It is just another text that I am being charged for!"

Text Chat, Adult

How did you stop the service / or how would you stop such service?

"Eventually went to the website to find out more" Child

	Total	Adult		Adult	Child	
		Subscription	One-off	Text Chat service	Subscription	One-off
Total	182	78		75	29	
Text STOP	49%	56%	24%	55%	53%	24%
Went to Network Operator / Service provider / Website	23%	17%	10%	16%	30%	-
One-off / stopped automatically (for one-off)	10%	-	33%	11%	6%	25%
Text STOP ALL	2%	4%	-	1%	-	-
Used commands but did not work e.g. STOP, UNSUBSCRIBE, DECLINE	7%	7%	5%	8%	-	-
Not sure	14%	12%	19%	10%	28%	51%

"Only when I rang [My Network], and they gave me a short-code to text STOP to. They told me that would cost me £5., just to stop the service."

Text Chat, Adult

"For wallpaper I think I keyed STOP. For ringtones it was more difficult; I texted STOP and it didn't work, so I rang my operator and they said to text STOP ALL. I did that, and it worked." Subscription / One-off, Adult

"I just typed in STOP" Text Chat, Adult

"The only concern I have is that when I send STOP I just hope it stops." Subscription / One-off, Adult

Base: All respondents (182) Multi – Note merged data (qual+quant)
Q10.1.a: So tell me how did you stop the service / or how would you stop such services?

STOP commands – Difference between STOP and STOP ALL

- The results in terms of the respondents' perceptions regarding STOP and STOP ALL were very similar, irrespective of target audience - Subscriber (adult), Text Chat (adult) and Children. In total:
 - Overall 42% of the respondents do not know the difference between STOP and STOP ALL, whilst
 - 33% of all respondents described STOP ALL as the command to use that would stop all services from that particular service provider

"Never head of Stop All"
Subscription / One-off, Adult

"I am guessing, a friend told me once
but can't remember" Text Chat, Adult

"Never heard of STOP
ALL. Don't know what
that's for." Child

Perception of the difference between STOP and STOP ALL?

	Total	Adult		Adult	Child	
		Subscription	One-off	Text Chat service	Subscription	One-off
Total	182	78		75	29	
		57	21		17	12
Send STOP ALL would stop all services from that particular service provider	33%	39%	24%	27%	35%	42%
Sending STOP ALL would stop ALL premium rate services (so I will not get anything from any provider)	18%	19%	15%	22%	24%	-
Sending STOP ALL stops the marketing messages	9%	11%	5%	9%	18%	25%
Don't know what is the difference between STOP and STOP ALL	42%	37%	58%	44%	24%	33%

"Not sure what the differences are
between Stop and Stop All"
Subscription / One-Off, Adult

"I am not familiar with the terms, why
isn't there just one STOP message?
Don't need two."
Subscription / One-Off Adult

Base: All respondents (182) Multi – Note merged data (qual+quant)
Q10.2 Is there any difference between STOP and STOP ALL?

STOP commands - Awareness

- The results in terms of the respondents' perceptions regarding whether they saw the STOP / STOP ALL instruction were very similar irrespective of target audience - Subscriber (adult), Text Chat (adult) and Children. In total:
 - 69% (overall) did see the STOP command

Did you see the STOP / STOP ALL instructions?

"Yes I remember seeing it somewhere"
Subscription / One-Off, Adult

	Total	Adult		Adult	Child	
		Subscription	One-off	Text Chat service	Subscription	One-off
Total	182	78			29	
Yes – I saw 'STOP'	69%	67%	62%	73%	82%	42%
Yes – I saw 'STOP ALL'	3%	4%	-	1%	6%	8%
No - I needed to go to their Website / Network Provider	21%	17%	19%	20%	12%	50%
It was a one-off	2%	-	10%	4%	-	-
Can't remember / not sure	8%	13%	10%	3%	6%	8%

Base: All respondents (182) Multi – Note merged data (qual+quant)
Q11.1: Did you see the STOP / STOP ALL instructions?

STOP command – If saw STOP command

- ❑ The table below shows where the respondents expect to see the STOP / STOP ALL command. The majority of adults (irrespective whether they were discussing Subscription, One-Off or Text Chat services) stated that they saw the STOP / STOP ALL command in a text that they received.
- ❑ The majority of children (irrespective of whether they are discussing subscription or one-off services) stated that they saw the STOP / STOP ALL command in the original advertisement (whether on TV, website or press).
- ❑ For both adults and children, purchasing MT-billed services is very much based on impulse. However these groups of children appear to take their time in ensuring that they look at the advertisement closely.

Where did you see it? (IF saw STOP / STOP ALL Command)

“On [Content Provider’s] website and in small print on TV” Child

	Total	Adult		Adult	Child	
		Subscription	One-off	Text Chat service	Subscription	One-off
Total	128	53		56	19	
In the text that I received	60%	65%	62%	67%	45%	20%
In the original ad e.g TV, website, press	36%	33%	46%	27%	65%	80%
Not sure / Can’t remember	12%	13%	-	11%	7%	20%

“In a newspaper ad”
Text Chat, Adult

Base: Respondents who saw STOP / STOP ALL instructions (128) Multi – Note merged data (qual+quant)
Q11.2: Where did you see the instructions?

STOP command – If PAYG and use subscription

- 17% of the Subscribers (adult) and 29% of the Children remember sending the STOP command after their credit ran out.
- What is evident is that respondents had no idea that this was happening. The majority of these respondents found out only when they topped up their phone and saw that they were still receiving chargeable texts, which caused frustration and anger.

"I was very annoyed, it was an inconvenience to me. But it was my fault. I had signed up to it all. I knew what I was getting into."

Subscription, Adult

Have you ever sent the STOP command when your credit ran out?

"I had 50p credit left, used it on a phone call, then texted STOP and the money still came off when I topped up." Child

	Total	Adult PAYG and use Subscription (only users)	Child PAYG and use Subscription (only users)
Total	25	18	7
Yes	20%	17%	29%
No	56%	67%	71%
Don't know	15%	17%	-

"Upset but I guess it was my fault for getting into this on impulse!" Subscription, Adult

"I was very annoyed but I realised it was their way of making money. It is "cheeky" the way they do it." Child

Base: Respondents who use PAYG and are using subscription services (25) Single – Note merged data (qual+quant)

Q12.1: Have you ever sent the STOP command when your credit ran out, but the texts (that are charged) were still being sent when you topped up your phone?



Respondents' level of experience & satisfaction with current service

Overview Main Findings – Level of experience and satisfaction with current supplier

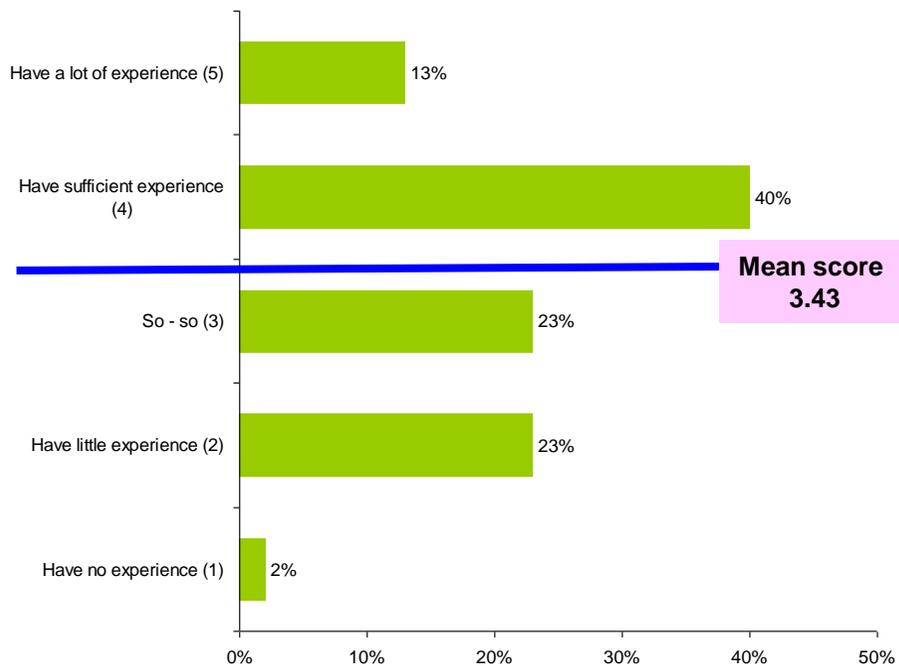
Key findings – level of experience and satisfaction with current supplier

- ❑ When asked to consider their level of experience in purchasing these kinds of services, the majority described their experience as 'so-so' or 'sufficient'
- ❑ When asked how they felt about their experience of the service they used, there was a fairly even split between satisfied and dissatisfied, with only a minority choosing a 'so-so' answer
- ❑ However, users of one-off services – both adults (71%) and children (67%) – were more likely to be satisfied than users of subscription services

Respondents' level of experience

- When asked to consider their level of experience in purchasing these kinds of services, the majority described their experience as 'so-so' or 'sufficient'
- The exception was the small number of child one-off users, where the majority thought they had little experience

How would you describe yourself?



	Total	Adult		Adult	Child	
		Subscription	One-off	Text Chat service	Subscription	One-off
Total	182	78		75	29	
Have a lot of experience	13%	57	21		17	12
Have sufficient experience	40%	42%	57%	33%	47%	25%
So / so	23%	23%	24%	27%	18%	8%
Have little experience	23%	19%	14%	20%	35%	50%
Have no experience	2%	2%	5%	3%	-	-
MEAN SCORE	3.43	3.60	3.33	3.48	3.12	3.08

Base: All respondents (182) Single – Note merged data (qual+quant)

Q15.4: Considering the level of experience you have in purchasing such services, how would you describe yourself?

Respondents' level of experience

- When asked to expand on their views on their level of experience, the majority of respondents said they believed they had sufficient knowledge due to their experience with such services, or that they know how they work and therefore know what to look out for

Why do you say that?

	Total	Adult		Adult	Child	
		Subscription	One-off	Text Chat service	Subscription	One-off
Total	182	78		75	29	
		57	21		17	12
I believe that I have sufficient knowledge due to my experience with such services	37%	46%	44%	30%	30%	41%
I know what to look for in order not to get conned / I know how they work	49%	62%	44%	48%	42%	24%
I've only done this once / fairly inexperienced	22%	11%	34%	22%	30%	33%
Don't know / Can't remember	5%	4%	-	9%	-	-

Respondents' level of experience

Confident

"I have no problem in using these services. I have made enough mistakes by now to know how to use them without getting completely ripped off"
Text Chat, Adult

"I've used this sort of thing for a long time; I think I am pretty experienced"
Subscription / One-Off, Adult

"I have downloaded a lot of stuff- I share a lot of this knowledge with friends" Child

"I've learnt the pros and cons of how they charge. I think that what's the most important for me is knowing when to stop." Text Chat, Adult

"I understand enough to help/explain to others. I can tell them what to look out for. I usually scan the Ts and C's for numbers, figures, costs and amount of time a sub could cover" Child

"I have experience enough to know better what to avoid. I try to make sure I try to read all the small print, and look at the full details on websites. These companies are aware that people don't read the Ts and Cs." Child

Not so Confident

"I wouldn't say I've got lots and lots of experience. I subscribe to the odd thing now and again. I wouldn't say I'm a pro, I don't do it every day. After what I've been through, I wouldn't jump in so easily."
Text Chat, Adult

"I am always slightly worried when I press the button" Child

"I only buy ringtones and horoscopes, haven't really used the others" Child

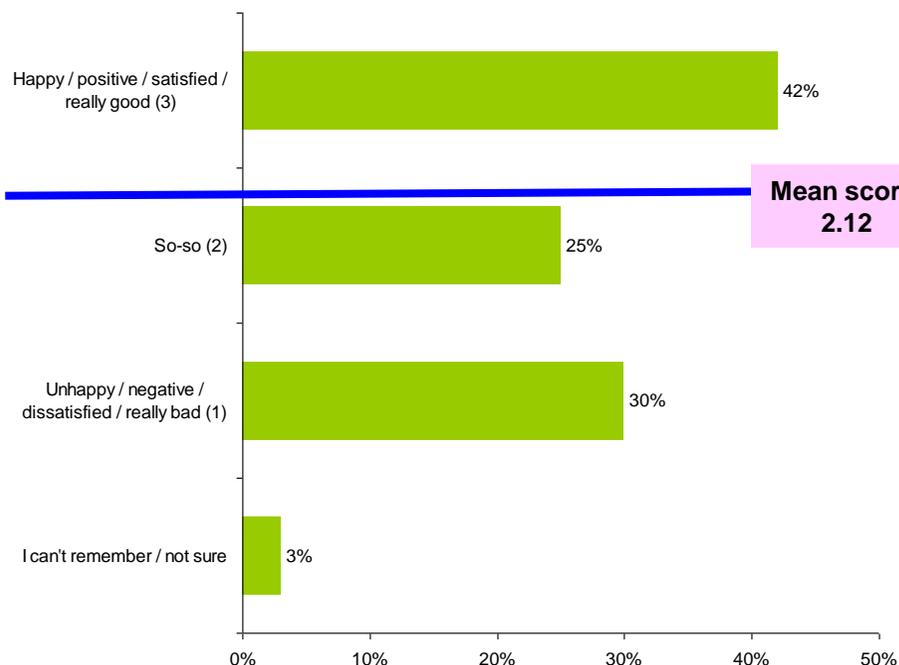
"I think I know something about downloads but I'm always a little bit worried about these downloads as I have to tell them my mobile phone number and I'm not sure what they might do with that"
Subscription / One-Off, Adult

"I know how to download a ringtone. I prefer to do it on the computer these days...it is easier to see what you are doing. I can then read the T & Cs better" Child

Respondents' experience of the service they used - All

- When asked how they felt about their experience of the service they used, there was a fairly even split between satisfied and dissatisfied, with only a minority choosing a 'so-so' answer
 - However, users of one-off services – both adults (71%) and children (67%) – were more likely to be satisfied than users of subscription services

How do you feel about your experience of this service?



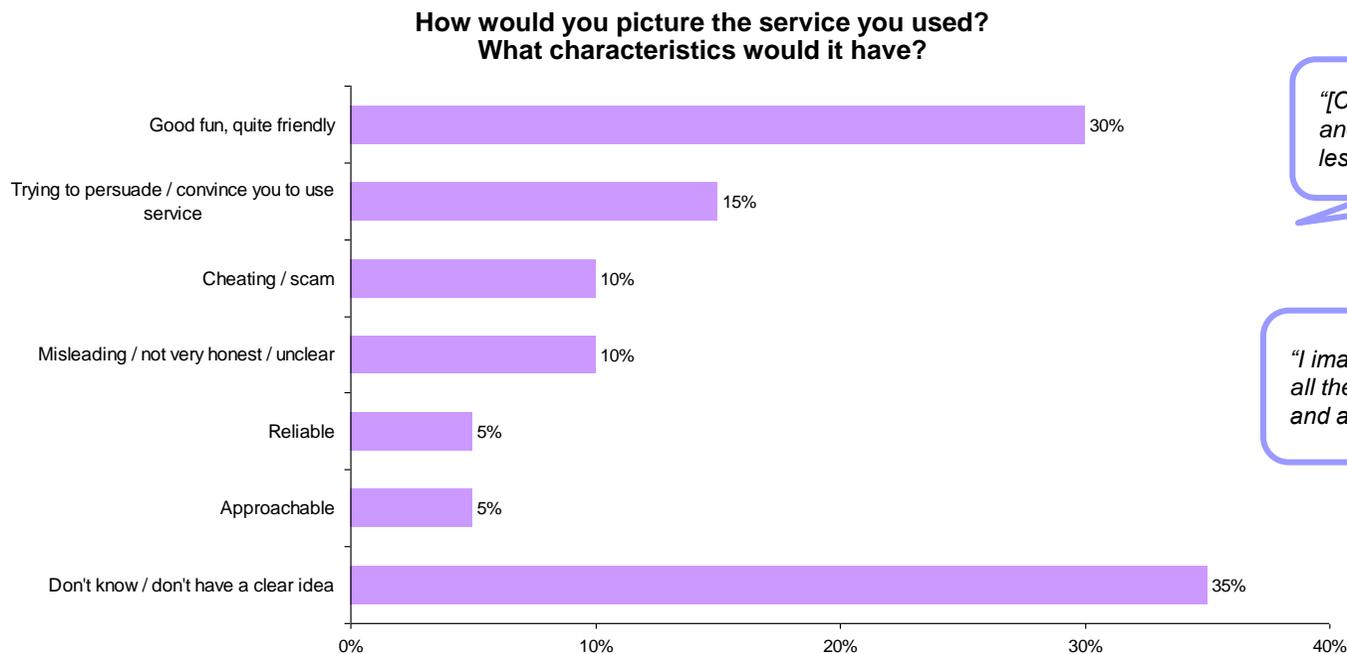
	Total	Adult		Adult	Child	
		Subscription	One-off	Text Chat service	Subscription	One-off
Total	142	62		60	20	
		48	14		11	9
Happy / positive / satisfied / really good	42%	29%	71%	42%	45%	67%
So-so	25%	33%	14%	22%	18%	22%
Unhappy / negative / dissatisfied / really bad	30%	33%	14%	33%	36%	11%
I can't remember / not sure	3%	4%	-	4%	-	-
MEAN SCORE	2.12	1.96	2.57	2.09	2.09	2.56

Base: All respondents (142) Single – Only asked in Quantitative stage
 Q16.1.a: Considering everything, how do you feel about your experience of this service?

Respondents' experience of the service they used – children

- The children who were asked how they would characterise the service they used were evenly divided into those with a positive view, those with a negative view and those without a clear idea
 - More than a third described the service as 'good fun / quite friendly' or 'reliable'
 - However another third were suspicious about the service, using terms such as:
 - trying to persuade you or convince you to use their service
 - cheating / a scam
 - misleading / not very honest / unclear
 - The final third did not have a clear idea

"[Content Provider]-style companies operate in a 'Hansel and Gretel' way. Users are lured into their House of Gingerbread!" Child



"[Content Provider] is generally lively and fun, but other similar services less so." Child

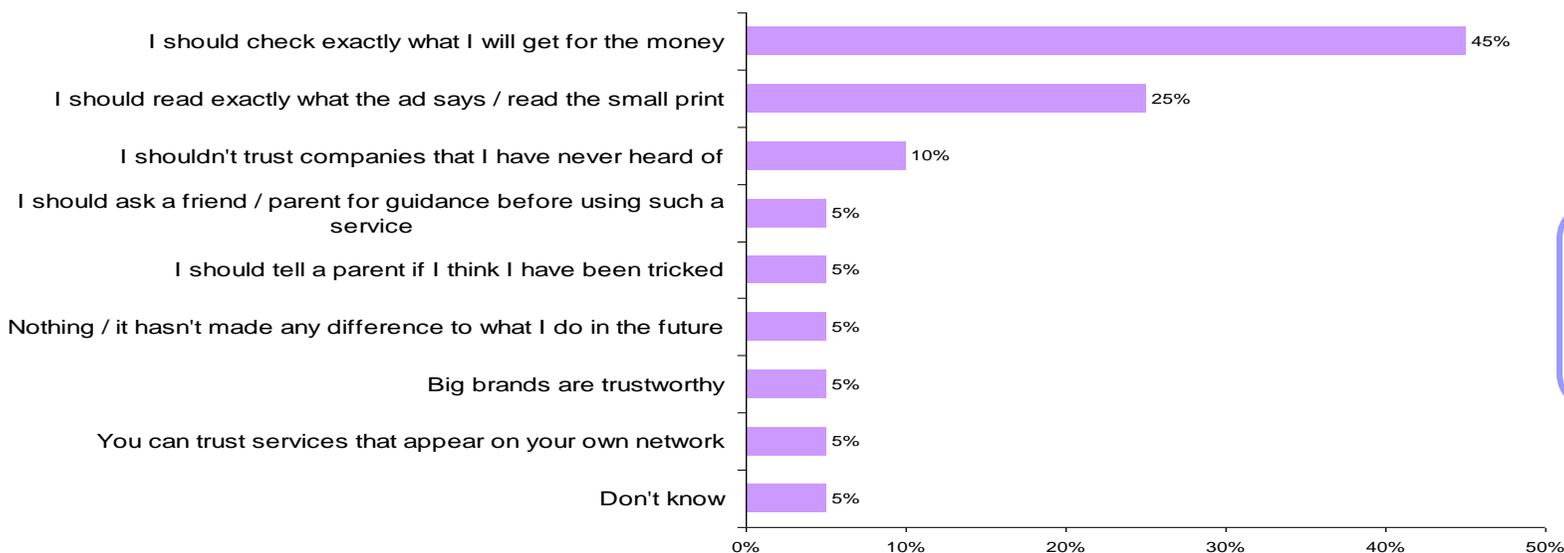
"I imagine the person 'masterminding' all these scams as being smart, geeky and after my money." Child

Base: All Child respondents (20) Single – Open End question - only asked in Quantitative stage
Q16.1.b: Thinking about the service you used, how would you picture it? What characteristics would it have?

Respondents' experience of the service they used – children

- ❑ When the children were asked what they thought they had learned from this experience, a large majority (70%) referred to the need to take more care in future when making such purchases:
 - by checking exactly what they will get
 - by reading the ad or the small print more closely and
 - by mistrusting companies they have never heard of
- ❑ In addition, only a very small minority thought that they could trust even big brands
- ❑ The issue of 'trust' was mentioned spontaneously by a number of the children, so this appears to be an important factor when they are buying these kinds of services
- ❑ Only a small minority thought they should consult a friend or parent when using such services in the future; however this may be because this group said they have sought the views or friends and parents in the past, so they consider themselves to be relatively experienced and confident about using such services

What do you think you learned from this experience?



"Make sure you know what you are applying for. Dig a bit deeper to get the info that you need."
Child

Base: All Child respondents (20) Single – Open End question - only asked in Quantitative stage
Q16.2.a: What do you think you learned from this experience? What difference has it made to what you do in the future?

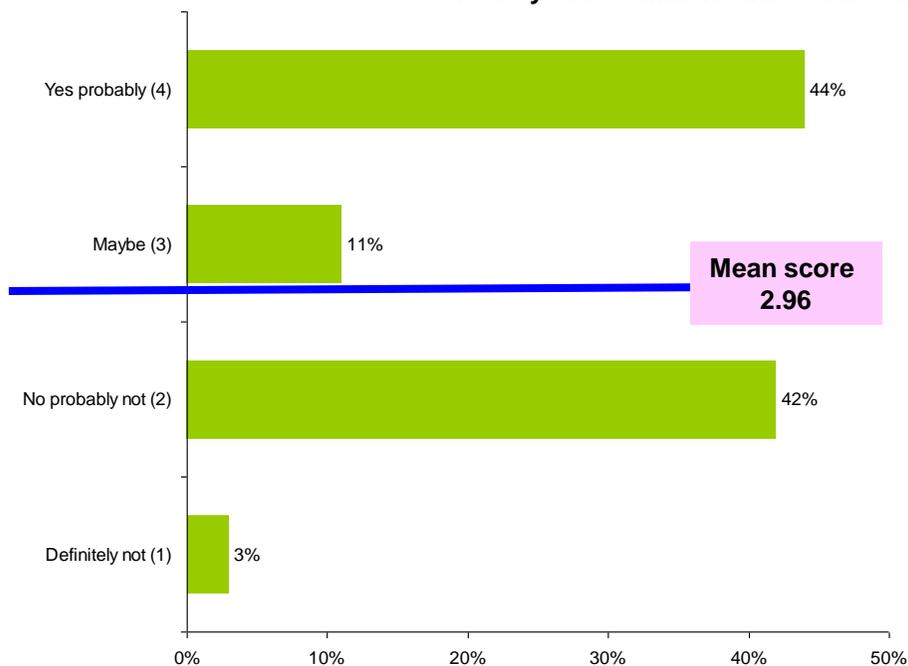


Likelihood of recommending the service used

Service used – Likelihood of recommending

- When asked if they would recommend the service they used to anyone else, opinions were quite evenly divided overall, but there are clear differences between the various target audiences
- Adult purchasers of subscription services were more inclined to state that they would not recommend the service they used (48%)
- In addition, the majority of text chat users (52%) said they would not recommend the service they used
- In contrast, the majority of adult purchasers of one-offs (79%) said they would recommend the service they used
- The majority of children who purchased subscription services (73%) and one-offs (89%) also said they would recommend the service they used

Would you recommend this service to anyone else (such as a friend or family member)?



	Total	Adult		Adult	Child	
		Subscription	One-off	Text Chat service	Subscription	One-off
Total	142	62		60	20	
Yes probably	44%	29%	79%	37%	73%	89%
Maybe	11%	15%	-	12%	-	11%
No probably not	42%	48%	21%	52%	27%	-
Definitely not	3%	8%	-	-	-	-
MEAN SCORE	2.96	2.65	3.57	2.85	3.45	3.88

Base: All respondents (142) Single – only asked in Quantitative stage
 Q16.3 :Would you recommend this service to anyone else (such as a friend or family member)?



Shortcodes - Clarity

Overview Main Findings - shortcodes

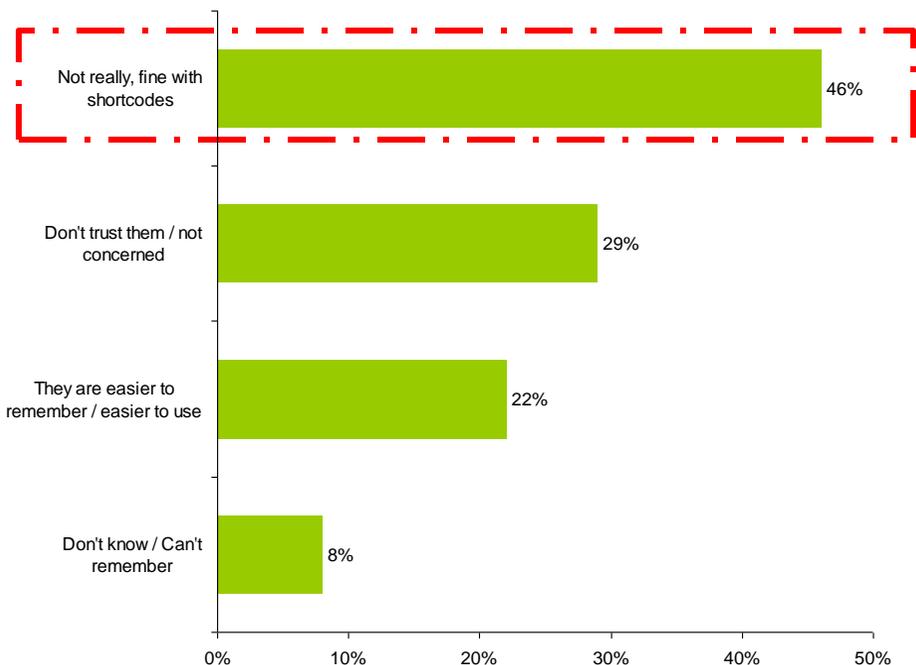
Key findings – shortcodes

- ❑ shortcodes overall are understood and are considered easier to use and remember, irrespective of target audience.
 - A minority (irrespective of target audience) have come across a service that has different shortcodes for the same service. Although generally they were not concerned about receiving texts from different shortcodes for the same service, they did stress that it would be better if it was made clearer that more than one shortcode can be used for the same service or product.
 - In addition, the majority of children found the use of different shortcodes confusing and felt concerned or suspicious, and due to this the majority of these respondents stated that it should be made clearer. The children were particularly keen to make this clearer so there is no confusion as this creates suspicion.
 - The Text Chatters were the least concerned

Shortcodes - Clarity

- ❑ Shortcodes are well recognised
- ❑ Overall, shortcodes are understood and are considered easy to use and remember, irrespective of target audience.
- ❑ There are some differences between the target audiences:
 - 40% of the Children stated that they don't trust shortcodes, against 23% of the users of Text Chat (adults) and 31% of users of Subscription / One-off (adults)

Have you encountered any issues or benefits in using shortcodes?



"Shortcodes offer privacy.."
Text Chat, Adult

"Shortcodes are fine."
Text Chat, Adult

	Total	Adult Subscription / One-off	Text Chat Service	Child Subscription / One-off
Total	182	78	75	29
Not really, fine with shortcodes	46%	47%	49%	38%
Don't trust them / not concerned	29%	31%	23%	40%
They are easier to remember / easier to use	22%	22%	25%	14%
Don't know / Can't remember	8%	10%	7%	14%

Base: All respondents (182) Multi – Note merged data (qual+quant)
Q14.1: Have you ever encountered any issues / benefits in using shortcodes?

Shortcodes - Clarity

- ❑ The majority of the respondents (irrespective of target audience) have not come across a service that has different shortcodes for the same service.
- ❑ Just under 30% (irrespective of target audience) have come across a service that has different shortcodes for the same service
 - Although the vast majority of adults (71% for Subscription / one-off & 78% for Text Chat) were not concerned about receiving texts from different shortcodes for the same service, they did stress that it would be better if it was made clearer that more than one shortcode can be used for the same service or product.
 - The majority of children (56%) found the use of different shortcodes confusing and felt concerned or suspicious, and due to this the majority of these respondents stated that it should be made clearer. The children were particularly keen to make this clearer so there is no confusion as this creates suspicion.
 - The Text Chatters were the least concerned

"Yes, different numbers for different people you're chatting with" Text Chat, Adult

"Yes - with [My Network's] 2for1 offer. Replies come in from a different code." Child

"I don't like that. When you commit to one service, you associate that service with a certain code. It's confusing it you start getting texts from a different 'address'." Child

Have you ever come across a service that has different shortcodes for the same service?

	Total	Subscription / One-off	Text Chat service	Child
Total	182	78	75	29
Yes	27%	24%	29%	28%
No	53%	52%	59%	62%
Don't know / Can't remember	17%	24%	12%	10%

Base: All respondents (182) Single – Note merged data (qual+quant)
Q14.2: Have you ever come across a service that has different shortcodes for the same service?

What do you think of this?

	Total	Adult Subscription / One-off	Text Chat Service	Child Subscription / One-off
Total	49	17	23	9
Fine / not concerned	69%	71%	78%	44%
Confusing / concerned / suspicious	28%	24%	22%	56%
Don't know	2%	6%	-	-

Base: Respondents who have come across a service that has different shortcodes for the same service (49) Single – Note merged data (qual+quant)
Q14.3: Have you ever come across a service that has different shortcodes for the same service?

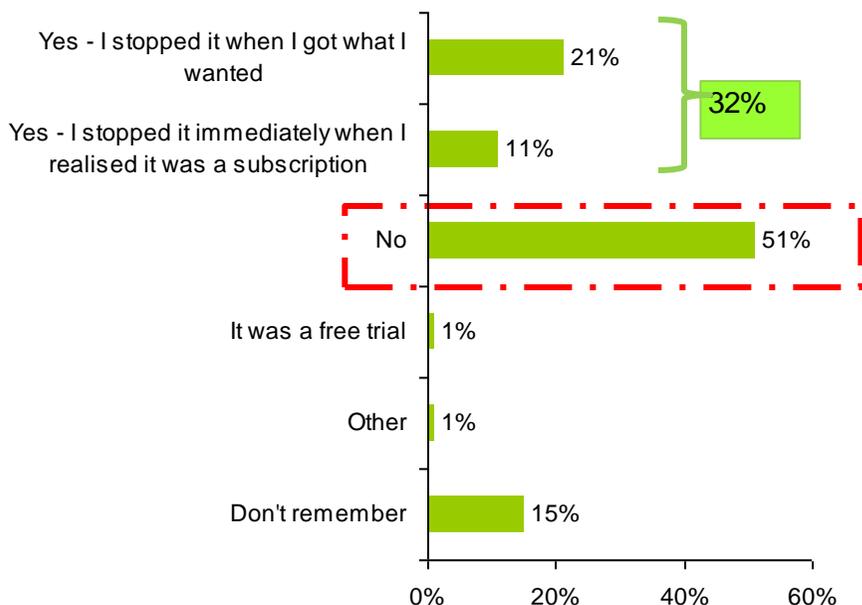


Signing up to get something free

Subscription – Signed up to get something free

- Approximately 32% of the respondents (irrespective of target audience) stated that they have signed up for a subscription at some time to get something free, but stopped it straight away.
- The majority of the respondents (51%) stated that they have never signed up for a subscription in order to get something free.

Have you ever signed up for a subscription to get something free, but stopped it straight away?



	Total	Adult Subscription / One-off	Text Chat Service	Child Subscription / One-off
Total	142	62	60	20
Yes – I stopped it when I got what I wanted	21%	21%	25%	10%
Yes – I stopped it immediately when I realised it was a subscription	11%	11%	10%	10%
No	51%	50%	52%	55%
Other	2%	2%	2%	5%
Don't remember	15%	16%	10%	20%

Base: All respondents (142) Single – only asked in Quantitative stage

Q7: Have you ever signed up for a subscription to a service you receive on your mobile phone, just to get something free, but then stopped it straight away?



Marketing / Advertising

Overview Main Findings - Marketing

Key findings - Marketing

- ❑ Where the advertisement had been seen for the service that the respondent was describing tended to be:
 - A Website - particularly for the Subscription / One-off users
 - 39% of the adults and 41% of the Children stated that they saw the ad on a Website
 - TV - particularly mentioned by Children - 41% stated that they saw the ad on TV. Certainly there is evidence to suggest that children want the latest information / the latest trends and they normally see this on TV and on websites.
- ❑ The users of Text Chat (adults) mentioned in particular Newspapers / Magazines (31%) and Websites (32%)
- ❑ Only a very small minority (and none of the Children) saw the ad on their Network Operator's website
- ❑ Purchases of all these products / services generally appear to be impulse buys.
- ❑ The majority (irrespective of target audience) do remember receiving marketing information in relation to other services to the one they bought. On the whole they were not pleased to receive such marketing information, and in general the respondents' memory regarding where exactly the marketing was in the text was not very clear
 - In terms of how unsolicited marketing messages impact the respondents' overall experience, the adults (subscription / one-off and text chat) were split between those who were angry and those who were not concerned.
 - The Children however did not give much thought to how unsolicited marketing messages impact their overall experience.
- ❑ The majority of the respondents (irrespective of target audience) did not respond back to any of the marketing messages received.

Marketing / Advertising

- ❑ Where the advertisement had been seen for the service that the respondent was describing tended to be:
 - A Website (but not their Network Operator’s website) - particularly for the Subscription / One-off users
 - 39% of the adults and 41% of the Children stated that they saw the ad on a Website
 - TV - particularly mentioned by Children - 41% stated that they saw the ad on TV. Certainly there is evidence to suggest that children want the latest information / the latest trends and they normally see this on TV and on websites.
- ❑ The users of Text Chat (adults) mentioned in particular Newspapers / Magazines (31%) and Websites (32%)
- ❑ Only a very small minority (and none of the Children) saw the ad on their Network Operator’s website
- ❑ Purchases of all these products / services generally appear to be impulse buys.

Where did you see the advertisement for the service that we have been discussing?

	Total	Adult Subscription / One-off	Text Chat Service	Child Subscription / One-off
Total	182	78	75	29
Website (general)	37%	39%	32%	41%
TV	27%	23%	25%	41%
Newspaper / Magazines	24%	21%	31%	17%
Word of mouth	5%	5%	7%	12%
My network operator’s website	5%	12%	1%	
Received as text on my mobile	5%	4%	4%	10%
Not sure	4%	5%	4%	-

Base: All respondents (182) Multi – Note merged data (qual+quant)
Q13.1.a: Where did you see the advertisement for the service that we have been discussing?

Marketing / Advertising

- The majority (irrespective of target audience) do remember receiving marketing information in relation to other services to the one they bought.
 - Of the respondents who remembered, the majority of the users of Subscription / one-off (adult 63% and Children 67%) were not pleased to receive such marketing offers.
 - A smaller proportion, but still almost half, of Text Chat users (45%) were concerned about such marketing.
 - Among the three groups, Text Chat users were the least concerned about receiving such marketing, with 42% stating that they are not concerned about such messages or that they ignore them.
 - Only a small minority (20%) of the Children stated that they are not concerned.

Do you remember if you received any marketing information relating to other services to the one which you bought?

	Total	Adult Subscription / One-off	Text Chat Service	Child Subscription / One-off
Total	182	78	75	29
Yes	56%	60%	53%	52%
No	40%	37%	41%	45%
Can't remember	4%	3%	5%	3%



How do you feel about receiving texts about other services?

	Total	Adult Subscription / One-off	Text Chat Service	Child Subscription / One-off
Total	99	47	37	15
Not concerned / I ignore them	37%	35%	42%	20%
Angry, frustration, bombarded, concerned	56%	63%	45%	67%
Don't know	7%	2%	13%	13%

Base: All respondents (182) Single – Note merged data (qual+quant)
 Q13.2: Do you remember if you received any marketing information relating to other services to the one which you bought? Often this will be in an additional text labelled "FREE MSG" which might also contain information about using the service you are already engaging with.

Base: Respondents who received marketing info relating to other services (99) Multi – Note merged data (qual+quant)
 Q13.3: What do you think of this?

Marketing / Advertising

- Generally, users of MT-billed services (irrespective of segment) are not very happy about receiving marketing offers, and they are particularly concerned about their details being passed on to a third party, however they recognise that the consumer needs to take some responsibility too. The general feeling is one of mistrust and the need to be careful.
- A small minority considered receiving marketing messages to be acceptable, particularly users of Text Chat (adult)

"I didn't think about it at the time but I must admit I'm a bit miffed that they passed on my details to other companies."
Subscription / One-Off, Adult

"Unhappy - there was never any indication that I would get these, that they would pass my contact details on to 3rd parties." Subscription / One-Off, Adult

"Nothing wrong with it, no confusion. I might be interested in what they're offering." Subscription / One-Off, Adult

"It's a bit cheeky. It meant that they were sharing my information; there must have been a box, too tiny to see, when I logged on, that said if you tick this box we won't pass your information on."
Text Chat, Adult

"It is just marketing. They have every right to let me know what they are offering just as my bank might tell me about other services apart from mortgages and Supermarkets announce special offers in store. I don't see the difference. Messages are probably free, automated." Text Chat, Adult

"I was really annoyed; how did they get my number?"
Subscription / One-Off, Adult

"It's alright if they let you know."
Subscription / One-Off, Adult

"A bit 'blunt' - If I want to sign up for these things then I will go and find them." Text Chat, Adult

"I did not want extra stuff coming in every day - I was nervous about my phone being overloaded, and concerned that something might be seen by my partner."
Text Chat, Adult

"I don't trust them, I see them as SPAM in the same way as what I see on TV and online" Child

"It does tend to make me suspicious. But I will not worry too much as long as I can get what I am looking for." Child

Marketing / Advertising

- ❑ In general, the respondent's memory regarding where exactly the marketing was in the text was not very clear. Approximately a quarter of the respondents (irrespective of target audience) could not give an answer.
- ❑ However, both the adult target audiences (subscription / one-off and text chat) stated that they received the marketing information in a separate text
- ❑ 40% of the children stated that the marketing information was at the bottom of one of the texts that they signed up to receive.

Do you remember where in the text this was?

"Somewhere ... it may have been at the top, or bottom, not sure." Subscription / One-Off, Adult

"I am guessing here ... I think in a separate text" Text Chat, Adult

"Normally they are at the bottom" Child

	Total	Adult Subscription / One-off	Text Chat Service	Child Subscription / One-off
Total	99	47	37	15
The marketing info was in a separate text	37%	38%	51%	-
The marketing info was at the bottom of one of the texts I signed up to receive	26%	28%	19%	40%
The marketing info was somewhere in one of the texts I signed up to receive	9%	9%	5%	20%
The marketing info was at the top of one of the texts I signed up to receive	4%	6%	-	20%
Can't remember	24%	27%	24%	20%

Base: Respondents who received marketing info relating to other services (99) Multi – Note merged data (qual+quant)
Q13.4: Do you remember where in the text this was?

Marketing / Advertising

- ❑ In terms of how unsolicited marketing messages impact the respondents' overall experience, the adults (subscription / one-off and text chat) were split between those who were angry and those who were not concerned.
- ❑ The Children however did not give much thought to how unsolicited marketing messages impact their overall experience.

How did this impact your experience?

"I just ignore it!" Subscription / One-Off, Adult

"To be frank I can't really remember"
Subscription / One-Off, Adult

"Not sure It happens all the time, I don't really take much notice" Child

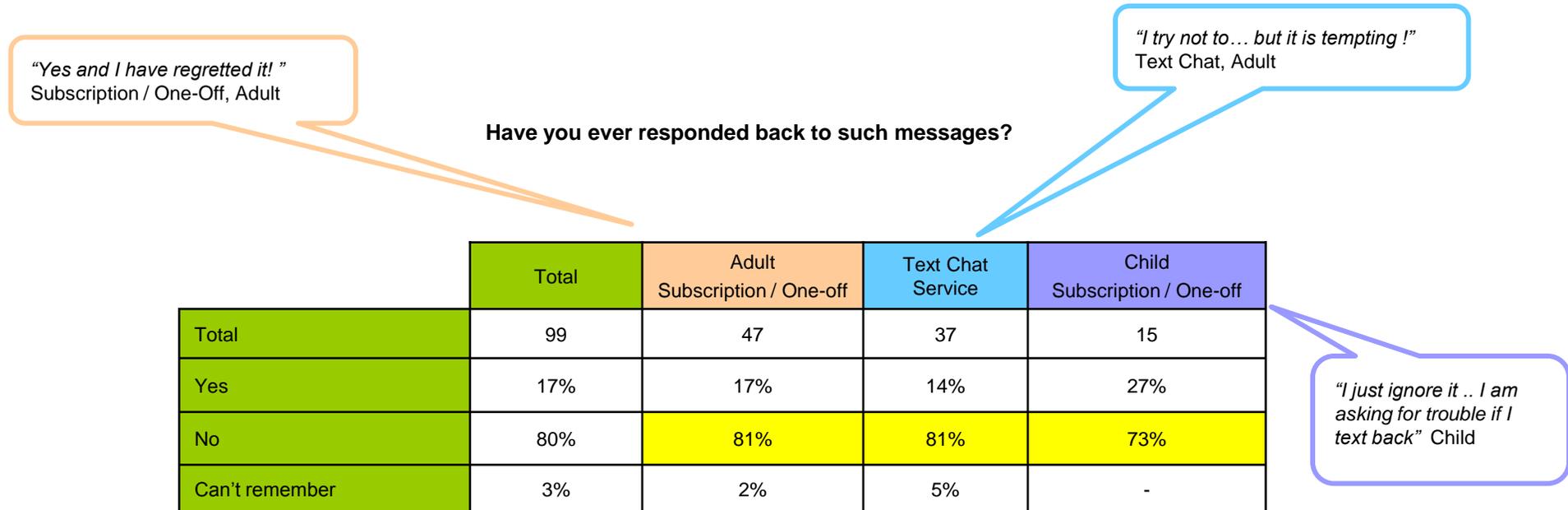
	Total	Adult Subscription / One-off	Text Chat Service	Child Subscription / One-off
Total	99	47	37	15
Angry / frustrated / concerned	40%	40%	41%	14%
Not concerned / not interested	38%	38%	46%	20%
Other	6%	11%	2%	-
Don't know	16%	11%	11%	66%

"I think it's an intrusion! What gives them the right to bombard me with such stuff? It's annoying!" Text Chat, Adult

Base: Respondents who received marketing info relating to other services (99) Multi – Note merged data (qual+quant)
Q13.5: How did this impact your experience?

Marketing / Advertising

- ❑ The majority of the respondents (irrespective of target audience) did not respond back to any of the marketing messages received.
- ❑ However, the children are more likely to respond, with 27% of them stating that they did so

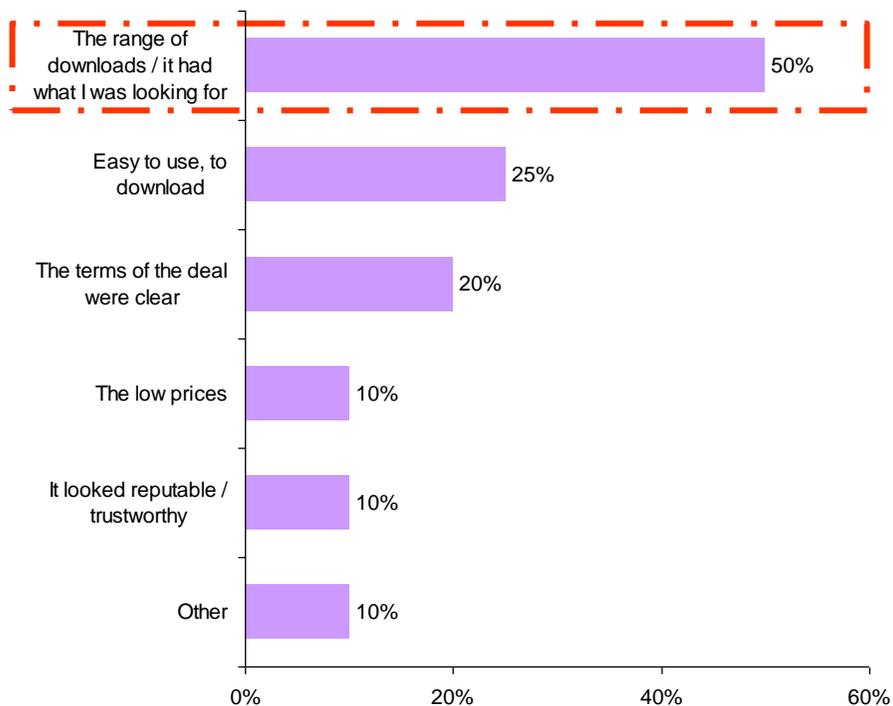


Base: Respondents who received marketing info relating to other services (99) Single – Note merged data (qual+quant)
Q13.6: Have you ever responded back to such messages?

Marketing / Advertising – children

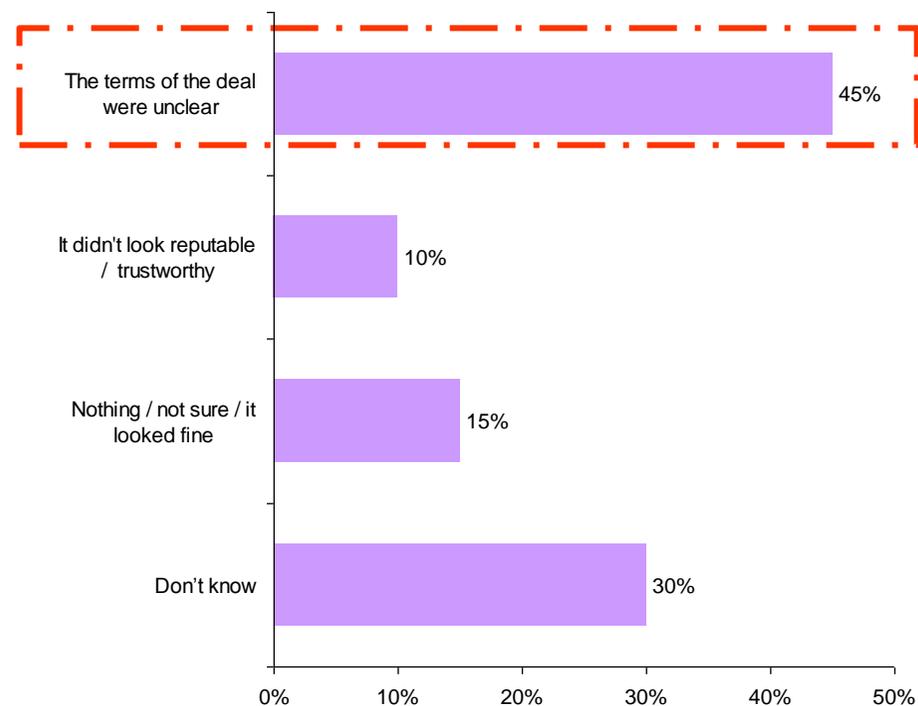
- ❑ The children were specifically asked which part of the ad made them want to use the service; half of them stated ‘the range of downloads’ was the main motivator. Children are very much motivated by the latest trends, they want to make sure that they have the latest in order to keep up with their peers.
- ❑ When asking which part of the ad made them cautious or suspicious, 45% stated the terms of the deal were unclear.

Which part of the ad made you want to use the service?



Base: All child respondents (20) Multi –Only asked in Quantitative stage
Q13.1.c: Which parts of the ad made you want to use the service?

Which part of the ad made you cautious or suspicious?

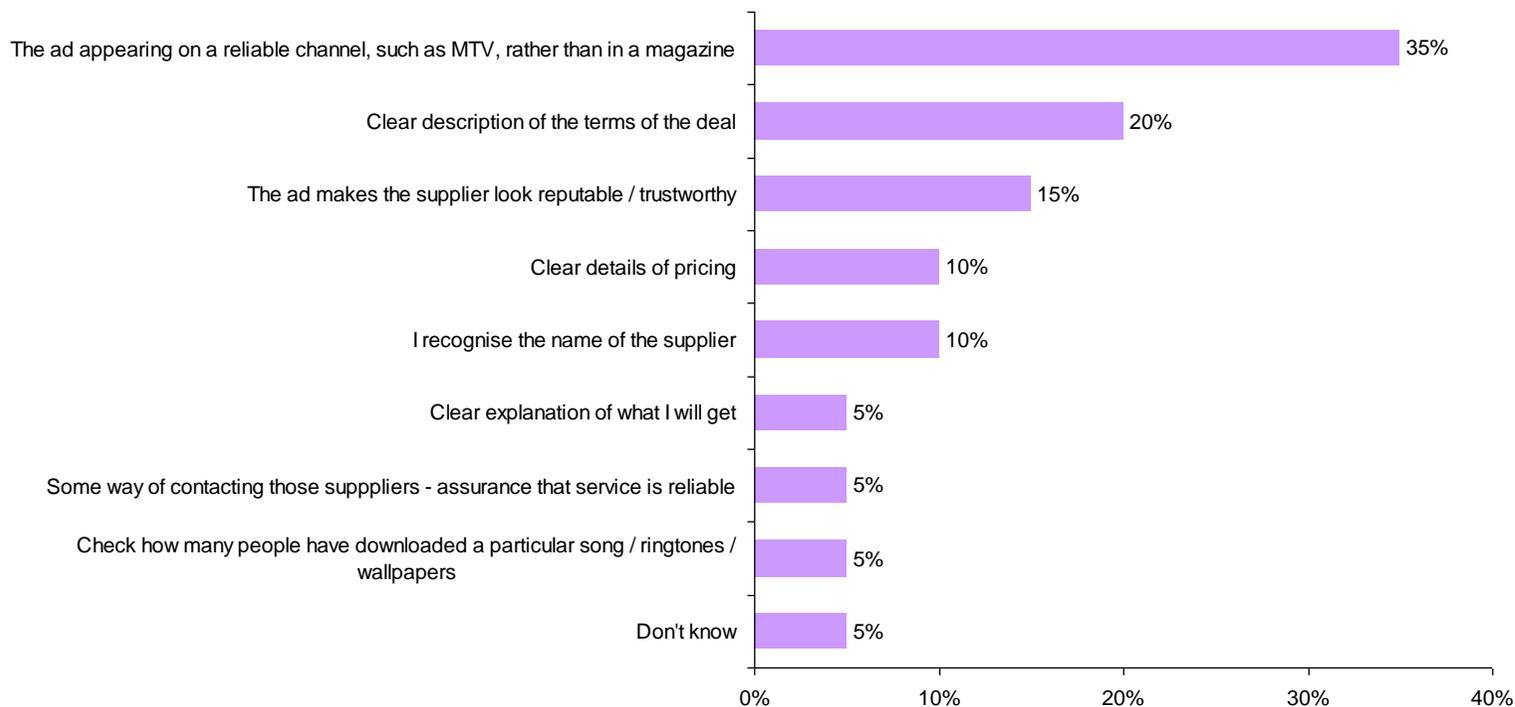


Base: All child respondents (20) Multi –Only asked in Quantitative stage
Q13.1.d: Which parts of the ad made you cautious or suspicious?

Marketing / Advertising – children

- Gaining confidence is key for Children to feel they can trust the service. The following chart shows how they go about achieving this.
- It is important to point out however that these children appear to be very savvy and experienced users of MT-billed services. Their friends (and sometimes their parents) help and advise them in purchasing such services.

What do you look for to make you feel confident about using the service?



Base: All child respondents (20) Multi –Only asked in Quantitative stage
 Q13.1.e: When you see ads for these kinds of services, what do you look for to make you feel confident about using the service?



Visual & Layout

Overview Main Findings – How advertisements are presented

Key findings – how advertisements are presented

- ❑ When shown the various advertisements, the respondents' were unanimous in their concerns (irrespective of target audience and whether adult or child):
 - Lack of detail about who was behind the offer, and absence of company details
 - The small print used in some ads
 - Concern about giving personal details away
 - If pricing was shown, there was confusion about what was included, how it would be charged and whether it was a subscription or not
 - There was confusion about the meaning of some terms, such as 'standard operators' fees'

- ❑ Suggestions made by adults and children included:
 - Clearly state the price of using the service (including any additional charges such as the network charges and joining fee)
 - Put a price alongside every product offered
 - Clear explanation of what the service offers
 - Put the Ts & Cs in a larger font and in a more prominent position, and make them shorter and straight to the point
 - Explain obscure terms
 - State very clearly if it is a subscription or not
 - Write the text in plain English
 - Re-organise the layout of the ad so the reader sees the terms of the deal before being prompted to enter their mobile number and click to accept
 - Have contact details
 - Clearly state how to stop the service
 - Make the print on the ads larger
 - Provide clear details about why any personal details need to be given, and who is behind the promotion

Advertisements and Promotions – Achieving transparency



- A number of advertisements (appropriate to their age group) were shown to both adults and children in Stage 1 (the qualitative stage) of this project. There are a number of areas that apply to all target audiences, irrespective of whether adult or child. Adults who were users of subscriptions, one-offs and text chat (adults) were interviewed . The following represents the findings for adult and child.

What concerns do adults have regarding promotional material? (1/2)

- ❑ Adults were generally confused and concerned about:
 - Who was behind the offer - lack of company details
 - If pricing was shown - what was included, how it would be charged and whether the offer was a subscription or not
 - The meaning of some terms, such as 'standard operators' fees'

- ❑ Unclear payment information

"It doesn't say if I still have to pay if I don't download the tone, but I assume I would. The charges per ringtone aren't there. I would just put in my number and click 'Next', I may not read the small print."

Subscription / One-Off, Adult

- ❑ Vague information regarding charges

- The ad should specify exactly what the network charges are

'Usual network charges'. What does that mean? And it doesn't say what happens if you delete a text without opening it."

Subscription One-Off, Adult

- The ad should specify exactly what the total cost per text is

"They warn prepaid customers to check how much credit they've got before ordering, but it doesn't tell them how much it will cost exactly. You could find out that your credit all gets swallowed up because you're being charged a horrendous rate."

Subscription / One-Off, Adult

- The ad should specify the total charges, including any additional charges such as a joining fee

"Joining fee? It is not clear to me how much this all might cost." Text Chat, Adult

- The ad should specify who is behind the offer

"I don't know the company. They're not telling you what number to call, they're not telling you if it's a subscription; they're just saying that the first five texts cost 4p. It's really cheap, so there must be a catch somewhere, that there's a subscription or a joining fee or to stop it there's a huge fee." Text Chat, Adult

What concerns do adults have regarding promotional material? (2/2)

- Vague information regarding charges (cont.)
 - The ad should include clear contact details in case of any problems

"It's just a pitfall waiting to happen. I'm asking too many questions, and I don't know where to find the answers. If there was a telephone number, I could ring and get a quick answer."

Text Chat, Adult

- The ad should state any minimum age requirements

"I think you should have to be 18 or even 21 to do that kind of text chat. It always makes me wary when their address is a PO box; there's no number to ring if you have any complaints or if you have any problems with anyone you've been texting. If you're getting harassed, there's nowhere to turn, to ask them to block the calls."

Text Chat, Adult

- The ad should be appropriate for the age of the target audience

"You've got sports games and [games] and all sorts of things that kids would look at and then at the far end you've got [Adult Contents]. It's very attractive to kids, with those bright colours. It would draw them in."

Text Chat, adult

- The ad should give clear instructions on how to stop the service

"I'd like 'how to stop' to be on the ad. I don't think you want to get involved unless you know how to stop it."

Text Chat, adult

What adults using MT-billed services want from the promotional material (1/2)

□ Suggestions made included:

- Clearly state the price of using the service (including any additional charges such as the network charges and joining fee)
- Put a price alongside every product offered
- Clear explanation of what the service offers
- Put the Ts & Cs in a larger font and in a more prominent position, and make them shorter and straight to the point
- Explain obscure terms
- State very clearly if it is a subscription or not
- Write the text in plain English
- Re-organise the layout of the ad so the reader sees the terms of the deal before being prompted to enter their mobile number and click to accept
- Have contact details
- Clearly state how to stop the service

□ Need Contact details

"There's no contact number or address." Subscription / One-Off, Adult

"When they give a PO box in their address, it makes me wary. I want a full postal address." Text Chat, Adult

What adults using MT-billed services want from the promotional material (2/2)

□ Make Ts&Cs clearer

"I don't like the way the terms & conditions are laid out, all in one long paragraph. They're too long." Subscription / One-Off, Adult

"Put the text about the terms above the box for your mobile number, or even before the page where you commit to the service."
Subscription / One-Off, Adult

"Why can't you receive the Terms & Conditions by email, or on their website? It's so tiny on your mobile phone."
Subscription / One-Off, Adult

□ Specify exactly how much it will cost

"State exactly how much it will cost you. They should have a table at the bottom, with all the operators' fees; there aren't that many operators after all, so they could do that."
Subscription / One-Off, Adult

"It's not clear whether you still get charged for receiving texts if you delete them without reading them."
Subscription / One-Off, Adult

What concerns do the children have regarding promotional material?

- ❑ Similarly to the adults, the under 16s expressed the following concerns.
 - the small print used in some ads
 - giving personal details away
 - the lack of price detail in the ad
 - the absence of prices on offers, leading them to believe that prices would be higher for these.
 - lack of detail about who is behind the promotion

- ❑ Make the print clear and large

"Small print is deliberately placed under more appealing info. They try to tempt you with the games on offer. I find the statement 'You will receive 2 billing messages' confusing."

One-off purchase, Child

- ❑ Do not ask for personal details

"I don't know why it requires my email address. Why would they put that there unless they wanted to use it for marketing purposes?"

One-off purchase, Child

- ❑ Make pricing clear

"it doesn't say what to do if the download doesn't work, whether it costs £1.50 just to stop it, what the total cost is - is it £1.50 on top of the £4.50? And what does unlimited free access mean?"

One-off purchase, Child

What children using MT-billed services want from the promotional material

- Similarly to the adults, the suggestions made were:
 - Clearer pricing (to include the total price, and not to have any hidden charges)
 - Larger font
 - More details of what exactly is on offer
 - Who is behind the offer – provide the contact details of the company
 - How to stop
 - Clear contacts in order to check the company out
 - Ts&Cs - simplify, shorten and put in a more prominent position

- Make the print clear and large

"I wouldn't necessarily notice the info in small print."
Subscription purchase, Child

"I am quite cautious when it comes to reading the Ts and Cs. I am developing a 'wariness' in these matters as I go along."
Subscription purchase, Child

"In the ads, they should use a bigger font size, to grab the attention. Don't chunk the information together so much. The most relevant parts should be in bold, such as cost, the term, stop instructions. The conditions need to be clearer to make the experience more pleasant."
Subscription purchase, Child

- Do not ask for personal details

"Make it clear how much it costs, and if you have to pay £1.50 to stop it."
One-off purchase, Child

- Reputable company

"I feel OK about it, but I would prefer to buy from a bigger supplier, I would trust them more."
One-off purchase, Child



When the service is used

Respondents' activity before engaging with the service

- When asked what they had been doing immediately before they bought the MT-billed service, among those who could remember the majority of text chat users and children (at least 70% for both groups) had been watching TV / listening to the radio / reading newspapers or magazines or simply at home (doing nothing / looking for something to do)
- Half of the users of subscription services and one-offs (50%) could not remember what they had been doing

"Me and the girls were at home and had had a few glasses of wine, so it was just a bit of fun. But it was horrendous, they sent me endless texts. To stop it I had to wait till the TV ad came on again, then press the pause button and get the number from there; it was only on the screen for a flash." Text Chat, Adult

What had you been doing immediately before you bought the service?

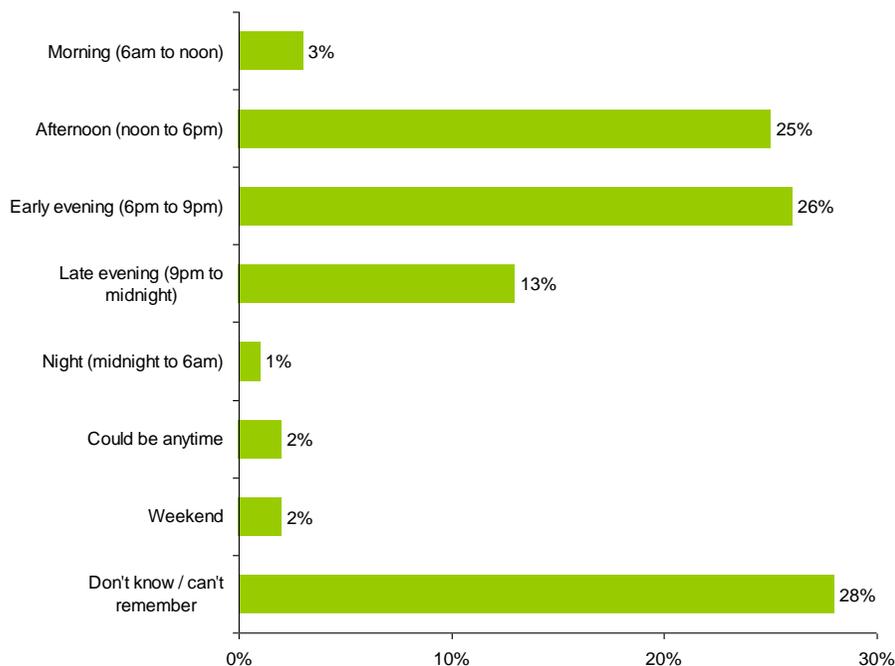
	Total	Adult Subscription / One-off	Text Chat Service	Child Subscription / One-off
Total	142	62	60	20
Watching TV / listening to radio / reading newspapers / magazines	29%	21%	31%	55%
At home (doing nothing / looking for something to do)	29%	17%	40%	45%
Surfing the net	11%	8%	13%	10%
At work	13%	16%	15%	-
I was feeling bored	11%	13%	8%	15%
Relaxing / having fun	10%	5%	15%	15%
After a few drinks / after a night out	7%	4%	14%	-
Don't remember	35%	50%	24%	20%

Base: All respondents (142) - Open End question – only asked in Quantitative stage
Q16.5: And can you please tell me what you had been doing immediately before you bought the service?

Time of day when user engaged with the service

- ❑ Overall, the most popular times of day for buying MT-billed services appear to be afternoon (25%) and early evening (26%)
 - For children, early evening was the most popular time (45%)
- ❑ However, almost half (45%) of adult users of subscription services and one-offs could not remember the time of day when they bought the service, signifying perhaps that they buy on impulse and regard the purchase of such services as so mundane that they fail to remember the time of day when they purchased
- ❑ The use of text chat services was more evenly spread across afternoon (30%), early evening (25%) and late evening (27%)

What time of day was it when you bought the service?



	Total	Adult Subscription / One-off	Text Chat Service	Child Subscription / One-off
Total	142	62	60	20
Morning (6am to noon)	3%	6%	-	-
Afternoon (noon to 6pm)	25%	19%	30%	25%
Early evening (6pm to 9pm)	26%	23%	25%	45%
Late evening (9pm to midnight)	13%	3%	27%	5%
Night (midnight to 6am)	1%	-	3%	-
Could be anytime	2%	3%	-	5%
Don't know / Can't remember	30%	45%	15%	20%

Base: All respondents (142) Single – only asked in Quantitative stage
 Q16.4: Thinking about the service we have been discussing, what time of day was it when you bought it?

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