Global Consumer Survey on Broadband

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Consumers International

Consumers in the Information Society 2012
Outline

1. Introduction
   - Method and Limitations
   - Highlights
   - Demographics

2. Results
   - Internet access, Competition and Choice
   - Information, Service Quality and Complaints
   - Use, Content and Human Rights
Objectives:

- Empower consumer organisations to confront broadband ISPs
- Address pressing consumer protection and human rights issues

Methods:

- Discover what problems confront consumers using broadband
  - Online survey
  - Interviews and/or focus groups
  - Desk research
- Develop a global campaign and pilot it at the national level
Holding Broadband Service Providers to Account

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1. Only the results of the online survey are presented
2. The results are biased towards certain countries (USA, UK and Brazil, amongst speakers of 5 languages)
3. Samples were not random (except in one country)
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- 97% had access to the Internet at home (only 2% who have a choice use public access points)
- 83% of those home connections were broadband (and 98% of people were sure about this!)

So our choice of issue meets the three criteria:

1. Large scale problem across the world.
2. Members are interested, resources exist.
3. Potential exists for CI to achieve change.
Initial Assumptions Validated

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Main Problems

1. Biggest complaint is speed
   - Inconsistency, misinformation, throttling
   - Particularly bad information on mobile devices

2. High prices
   - 50% higher prices in American markets
   - 40% of consumers have difficulty switching

3. Very poor complaint handling
   - For speed complaints, 75% remain dissatisfied
   - Complaints about service, billing little better
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Demographic Information

- Over 9000 responses in total
- About 7000 completed in full
- 14 countries contributed more than 100 responses

- 70% male, 30% female
- Average age 45 years
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<table>
<thead>
<tr>
<th>Region</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>North America</td>
<td>32%</td>
</tr>
<tr>
<td>Latin America and the Caribbean</td>
<td>31%</td>
</tr>
<tr>
<td>Europe and Africa</td>
<td>16%</td>
</tr>
<tr>
<td>Asia-Pacific and the Middle East</td>
<td>21%</td>
</tr>
</tbody>
</table>
Where do you access the Internet, and using what type of connection?

- At work
- At home
- On a mobile device
- At a public access point

<table>
<thead>
<tr>
<th>Location</th>
<th>No answer</th>
<th>No access</th>
<th>I'm not sure</th>
<th>Broadband</th>
<th>Not broadband</th>
</tr>
</thead>
<tbody>
<tr>
<td>At work</td>
<td>0%</td>
<td>0%</td>
<td>10%</td>
<td>90%</td>
<td>0%</td>
</tr>
<tr>
<td>At home</td>
<td>0%</td>
<td>0%</td>
<td>10%</td>
<td>90%</td>
<td>0%</td>
</tr>
<tr>
<td>On a mobile device</td>
<td>0%</td>
<td>0%</td>
<td>10%</td>
<td>90%</td>
<td>0%</td>
</tr>
<tr>
<td>At a public access point</td>
<td>0%</td>
<td>0%</td>
<td>10%</td>
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<td>0%</td>
</tr>
</tbody>
</table>
Regional differences

Consumers in lower income countries:

1. Are more likely to access the Internet outside the home
   - Most reliance on mobile access in Kenya (25%)
   - Most reliance on public access points in Vietnam (21%)

2. Are less likely to have broadband
   - Asia-Pacific lowest proportion of broadband at home (73%)

3. Are more likely to share their Internet connections
   - In North America, 8% share with more than four people
   - In Asia-Pacific, 21%
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Perceived Value for Money

Internet Service Provider

- Virgin
- Verizon
- Time Warner/Roadrunner
- Telefónica
- Talk Talk
- Sky
- Other
- Orange
- Oi Velox
- BT
- AT&T

Proportion

Very poor

2

3

4

Excellent

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Global Consumer Survey on Broadband
Findings on Pricing

<table>
<thead>
<tr>
<th>Country</th>
<th>Price per month</th>
</tr>
</thead>
<tbody>
<tr>
<td>United States</td>
<td>$62</td>
</tr>
<tr>
<td>Argentina</td>
<td>$39</td>
</tr>
<tr>
<td>India</td>
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- The less competition, the higher prices
- A third of American consumers impeded
- Only 14% in Europe/Africa, 19% in Asia
- Where competition exists, lock-in is used
- Bundles and locked devices also used
Accuracy of Information

How accurate was the information you received?

- Price
- Speed
- Usage caps
- Minimum term
- Filtering
- T&C Revision
- Privacy

Accuracy Levels:
- Perfectly accurate
- Very inaccurate

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Global Consumer Survey on Broadband
Service Quality Problems Carry Through
The case of Telefónica and Oi Velox

Accurate information about speed: Inadequate
Satisfaction with actual speed: Low
Technical support with speed issues: Poor
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Complaint Handling

- Complaint handling is a serious problem
  - Two thirds of those with technical problems sought support
  - Three quarters of those who did so remained unsatisfied
  - Half of them followed up with a complaint to the ISP
  - Three quarters of complainants on speed were still unsatisfied

- Many were also unsatisfied by complaint handling in relation to other technical issues (62%) and billing issues (54%).

- Many comments of “do not know where to complain,” or “no redress avenues, one reaches a dead end.”
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Uses of the Internet

- Voice or video calls
- Instant messaging or chat
- Streaming music, TV or videos
- Email
- Online banking or shopping
- Distance education or teleworking
- Other
- Publishing own content (e.g., Blogging)
- Downloading music, videos or software
- Social networking and entertainment
- General Internet browsing

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Demographic Differences

- Men are bigger downloaders than women
- Chat, streaming, downloading, social networking and blogging are for the young
- Online shopping and banking least popular in Asia-Pacific and Middle East
- Publishing to the Internet most popular in North America

But...

- Region makes little difference to incidence of downloading (40-50%)
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Content Related Problems

Theorem

Consumers are concerned about interference with network neutrality, privacy and online freedoms.

Fact

These are at best emerging issues for the consumers we surveyed:

- 7% reported suspected blocking or filtering of content
- Few knew of any differential treatment of content by their ISPs
- Most rated their ISP positively on access to content of choice
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Blocking and Filtering

- Most Internet content is not filtered by users or their providers
  - Except for malware, which 62% of consumers filter out
- A third chose to filter offensive content, a quarter chose not to
  - Offensive content “little” or “no” problem for half of users
- 17% of consumers believed their connections were monitored
  - (but 38% in Vietnam)
- 12% had received notices about copyright violation
  - None have yet been disconnected from the Internet
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Main Issues Found

1. Speed is unreliable, and claims about speed inaccurate
2. Consumers overpay due to lack of competition and lock-in
3. Providers do not provide satisfactory complaint handling

Criteria

- On which of these findings can CI make a difference?
- Campaign must be relevant across the world
Proposed Campaign Themes

**Broadband Nutrition Label**

Disclose actual Internet speeds, provide a service guarantee, and improve pricing transparency

**Don’t Lock Me In**

Allow consumers to freely choose between competing broadband providers, without being tied into long-term contracts

**Internet Ombudsman Service**

Lobby for the introduction of an industry-wide independent complaints resolution service for consumers
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