

## **Ofcom's Consumer Panel's research challenges industry to raise its game**

10 May 2005

New research reveals older people and lower income households are becoming disconnected from the communications revolution

Ofcom's Independent Consumer Panel today fired a warning shot at the communications industry to understand its customers better and to target the needs of older people, lower income households and SMEs or lose their business.

Revealing the most comprehensive UK research to date into how much consumers understand about the communications market and what their concerns are, the Panel highlights that some consumers are floundering under a barrage of information and confusion which puts them off taking advantage of new technologies.

Of particular concern to the Panel was the fact that:

- awareness and understanding of communications technologies declines significantly with age – by age 65 only one in five people keep themselves abreast of technological changes such as broadband and digital radio;
- low income households have a higher reliance on mobile phones rather than fixed lines and are spending proportionally more than higher income households for their phone bills through prepayment deals.

Colette Bowe, Chairman, said:

“Our research provides a firm stake in the ground for the communications market. It is of serious concern to us that so many customers feel it is so hard to grapple with new advances related to phones, TV, radio and the internet. This is a wake up call for the industry really to listen to all its customers, not just the young. It makes business sense to do so and the industry risks turning off a significant amount of potential customers if it doesn't act now.”

Other key findings of the research include:

- older users and people with disabilities feel frustration both in terms of understanding communications technologies and services but also the physical equipment; disabled people under 65, for example, report twice the level of difficulty (26%) in using mobile phones compared to the UK average;
- less than a third of UK consumers have heard the term 'digital switchover' and a significant proportion do not know where to turn for advice;
- consumers need clearer information in layman's terms about the benefits of individual technologies and comparisons of tariffs; they are suffering from information overload;
- 45% of small businesses say they do not need access to the internet and fewer than half keep themselves informed about new developments; a quarter of SMEs do not know of any sources of advice or information to turn to for help.

In response to the high level of frustration revealed in the research, the Consumer Panel will be holding workshops with industry and stakeholder groups to look at how to tackle the main issues. Working with the industry, the Consumer Panel hopes to consider points such as:

- How consumers receive information, how clear it is and how easy it is to compare competitive products and services?
- How to improve product and service information to make it more intelligible for people who don't want to spend a lot of time understanding technology?
- How to develop new services and marketing literature which incorporates the needs of older people, people on low incomes, people with disabilities and people living in rural areas?
- How to work more effectively with SMEs to help them make informed decisions about upgrading their businesses with technology which suits their needs?

The research was both qualitative and quantitative and provides a breakdown of the issues particularly affecting England, Wales, Scotland and Northern Ireland as well as concerns of people with disabilities, older people and lower income households (under £11,500). The research will be repeated at regular intervals to identify consumers' experiences in these markets as well as the extent to which issues are being effectively addressed.

Ends

Notes to editors and CSEs

The full research, including breakdowns by Nation and particular consumer groups, is available at [www.ofcomconsumerpanel.org.uk](http://www.ofcomconsumerpanel.org.uk).

The research focused on the residential consumer and SME experience of telecommunications (fixed and mobile), the internet (including broadband) and (for consumers only) broadcasting – including digital switchover – and use of technology. An initial phase of qualitative research was conducted comprising in- depth interviews and observations of 32 citizen researchers, followed by 32 mini group discussions. This research informed the quantitative research which was conducted both with residential consumers and owners and managers of SMEs across the UK. The research was conducted by MORI and saville rossiter-base.

Colette Bowe, Chairman of the Consumer Panel, is available for interviews.

The Panel's other members appointed by Ofcom are:

Ruth Evans, Deputy Chairman

Azeem Azhar

Fiona Ballantyne

Nainish Bapna

Roger Darlington

Simon Gibson

Graham Mather

Kevin McLaughlin

Kate O'Rourke

Bob Twitchin