

Survey Results on Consumer Choices Between Two Prepaid Mobile Phone Calling Plans

On-net

versus

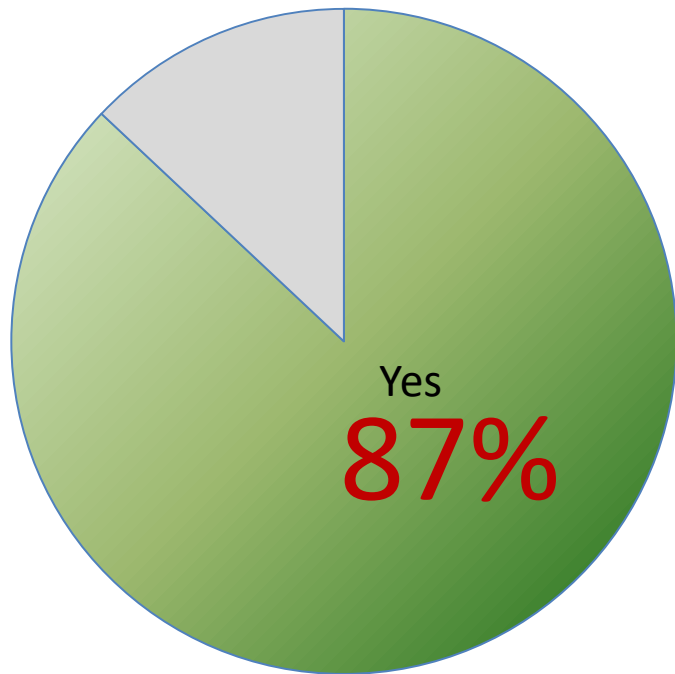
Any net

Calling plans

Summary report by Phoenix Research, May 2010

Survey finds Prepaid mobile phone users willing to pay at least 25% more to be on the same network as most of their friends and family

Would you pay more to go with the mobile phone company most of your friends and family were on?



Base: 147 qualifying prepaid mobile phone users interviewed on 1st May 2010 in Auckland

The survey measured consumer choices between two hypothetical calling plans

The question:*

- Would you go with:
 - The company most of your friends and family are with, where you would pay 10c a minute for most of your calls, and that's what most of your friends and family would pay to call you
 - Or another company where you would pay 8c a minute for all your calls, but most of your friend and family would pay 89c a minute to call you

The result:

- 87% of Auckland prepay mobile phone users interviewed would pay more to use the network most of their friends and family are with

* This is a summary only. The full question is on slide 5

Technical underpinnings

This survey was undertaken by face-to-face interviews, done in and around Newmarket, Auckland, on Saturday 1st May, by trained and briefed market research interviewers. A full cross-section of pedestrians aged 15+ was approached to participate in the survey, provided they met qualifying criteria

People contacted were only included in the sample if they:

- Did not work for a telecommunications company
- Used a prepaid mobile phone
- Paid for the use of the phone themselves
- Had made and received any calls on the phone in the last week

The full question

The full question wording used was:

I'd like you to imagine you are about to buy a new mobile phone. I'd also like you to imagine that as you're thinking about getting your new phone, and looking at the different pricing options, you work out that just about all your friends and family, let's say 85% of them, are on one particular network. We'll call that "Company Y".

SHOW CARD

This card shows the two best pre-paid phone options that you find are available. One is from "Company Y" and the other is from "Company Z". Which one of these companies would you be most likely to go with?

Company Y

You pay 10c a minute for most of your calls, and that's what most of your friends and family pay to call you

Company Z








You pay 8c a minute for all your calls, but most of your friends and family would pay 89c to call you

Show card used with question

SHOW CARD

Imagine you have found that the two best mobile phone options for you are from **Company Y** or **Company Z**. Which would you go with?

All costs are shown as cents per minute for calling within New Zealand

	Cost to you	Cost per minute for most of your friends and family to call you	Consequences for most of your friends and family calling you
<p>Company Y (85% of your friends and family are on this network)</p> 	<p>10c for the majority of your calls (i.e. to Network Y or to a landline)</p> <p>You → </p>	<p>10c</p> <p> → You</p>	<p>They will call you relatively freely</p> <p> → You</p>
<p>Company Z (Few of your friends and family are on this network)</p> 	<p>8c for your calls to any network including landlines</p> <p>You → anyone</p>	<p>89c</p> <p> → You</p>	<p>They are unlikely to call you. They may be irritated with you because you went with Company Z and that's made it very expensive for them to call you</p> <p> → You ??</p>