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Australian Communications
Consumer Action Network

Seeking Straight Answers Consumer Decision-Making in Telecommunications

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Background

- Between 2009 – 2010, there were a total of 485,471 consumer complaints to the TIO related to mobiles, fixed line Internet and mobile premium services.
- 40% of respondents had experienced a problem related to their mobile phone in the last two years.
- 63% of those surveyed nominated the telecommunications industry as the sector delivering the worst customer service.

The research

- Desk review
 - Consumer behaviour, such as bounded rationality, consumer heuristics and biases, and mental processing capabilities.
 - Telco issues such as confusion, information overload, choice overload, bundling and complex pricing
- Extended autoethnographic data collection
 - To examine consumers' real experiences with telcos
 - To see how they navigate and use communication from telcos
 - Provides richness to the “stories” of consumers
- Large scale experiment
 - The effect of bundling and limited time offers in advertising on consumer perceptions and purchase intentions.
 - The effect of unit pricing and the presentation of terms and conditions information in advertising on consumer perceptions and purchase intentions.
 - The effect of information and mode of its presentation in personal selling on consumers' perceptions.

Bundle and Save!

Add more services and get more discounts or credits



\$129.95*

a month over 24 months

*Min. cost = \$3118.80

**Hurry! Save
15%! Offer
ends
30th August**

\$0 Connection

+

Up to
120GB Data
50GB Peak & 70GB Off-peak
Speed limited for both peak and off-peak
to 64kbps once peak data exceeded

+

\$30 Call Value
To standard local, national, 13/1300 and Australian mobiles



*Conditions apply Terms & Conditions: Terms & Conditions: *Min. cost over 24 months for Mobile, Home Phone and Broadband \$129.95 Plan (includes * Broadband up to 120GB \$79.95 plan, \$0 connection, \$29.95 modem delivery fee [online excluded] and payment by direct debit) bundled with * Home Phone (\$19.95 Home Plan). A \$59 fee applies if you require a new phone number. Excludes: Pivotal, International calls, 19XX calls, calls to Satellite phones, Directory Assistance, Operator Service calls, Equipment charges and Home Phone services; such as VoiceMail subscription and retrievals, calls made over another carrier's network (e.g. using an override code) and calls to national fixed or GSM mobile services that then divert/switch or reroute overseas; standard rates apply to these call types. The included call value expires at the end of each month and is not refundable or transferable. If you change your plan you will no longer be eligible to receive the \$129.95 package. Cancellation fees apply. All accounts must be in same name and address to be eligible for bundle rewards. Important information for Cable customers: Equipment supplied requires mains backup which may not be suitable if you have a serious illness or condition, require disability services, have back-to-base alarm, or require an uninterrupted telephone line. In that case we may recommend alternative or additional equipment. Data allowance and usage will be counted in Megabytes (MB) and includes both uploads and downloads. Once you have used your off-peak data allowance, any additional data used will be counted as peak data use. Plan Data Allowance consists of Peak data (for use between 12pm-12am AEST/ADST) and Off-Peak data (12am-12pm AEST/ADST). For full terms and conditions visit our website. Information correct as at 11/05/11. Offer ends 30/08/11 unless extended or withdrawn.



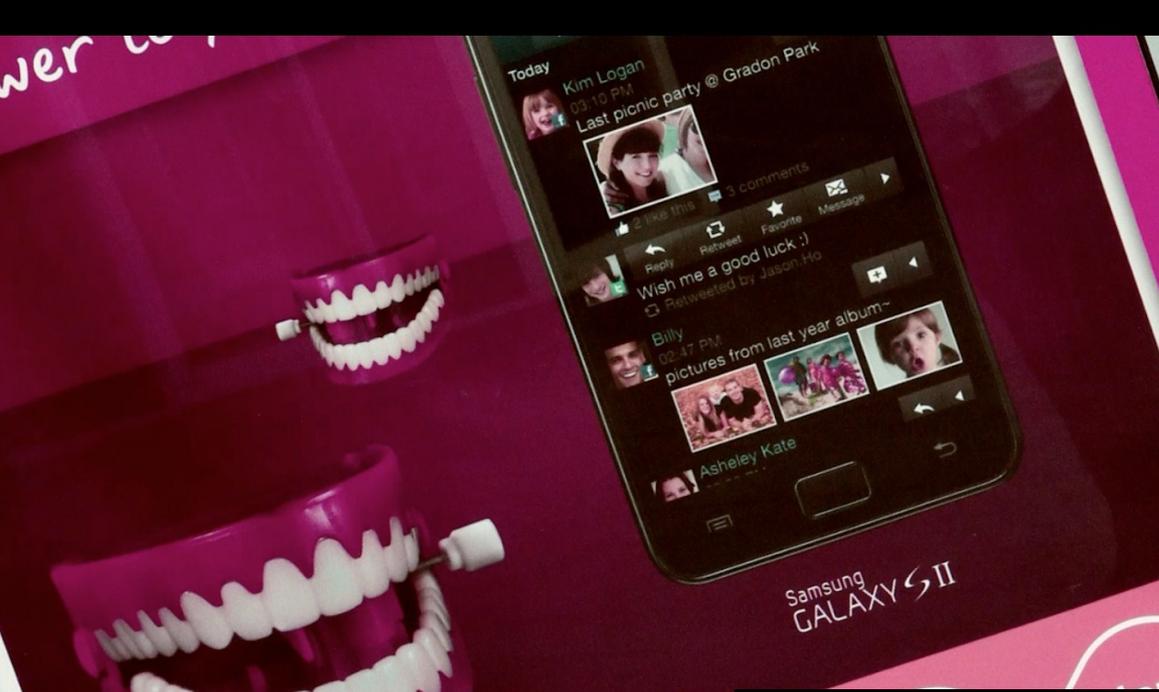
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The findings

- Autoethnography
- Experiment
 - Bundling and limited time offers
 - Terms and conditions, and font size
 - Unit pricing
 - The sales process
 - Switching

The recommendations

- Stronger consumer protections
- Decision-making is complex
- Simplify terms and conditions
- Develop single page, critical information sheet
- Investigate unit pricing
 - Develop consumer-friendly trials of unit pricing
- Have the hard conversations with consumers



Centre for Sustainable and Responsible Organisations

<http://www.deakin.edu.au/buslaw/research/csaro/>

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