

Personal submission to Ofcom's Strategic Review of Digital Communications

In a [recent blog post](#) about the Strategic Review for the LSE Media Policy Project, I finished by saying:

Getting consumers on board

Ofcom themselves are keen to point out that the review isn't only about Openreach; competitive markets don't work without engaged consumers, and one of the review's areas of focus is 'empowering consumers with the ability to assess their choices and make informed decisions'. Having been involved for a long time with telecoms consumer policy, I'd like to float a few ideas for consideration in this area. Though they are neither new nor original, maybe their time has come.

First, couldn't Ofcom do more in the future to support consumer education, information and choice? In particular, rather than leaving most of the job to market-driven comparison websites, why not commission independent, comprehensive, consumer-friendly comparison tools, ideally incorporating real consumer experience on the TripAdvisor model? Knowing where to go for simple, authoritative advice should boost consumer confidence, and successful switching where warranted.

Second, to route network investment to where it's most needed, what about an independently run open online 'broadband marketplace', where communities can muster their demand and service providers can offer to fulfil it, making efficient use of public subsidies? Will Perrin's [rural broadband manifesto](#) explores this approach in some detail; it could help assuage trouble spots, both rural and urban, whatever the verdict on Openreach.

And **third**, the review offers the opportunity to abolish unnecessary cost barriers, which, as Ofcom's [affordability research](#) shows, still exist for some households. What about a new General Condition of Authorisation, parallel in intent to the one obliging service providers to serve their disabled customers properly, requiring 'no frills' entry-level packages to be included in all consumer product portfolios?

This brief note is designed to expand on these ideas slightly and to ensure that they are considered as an input to the Strategic Review. I should be glad to explore them further with Ofcom.

Expanding Ofcom's role in consumer decision support

I put forward some practical proposals for easier tariff comparisons in [my submission](#) to Ofcom's 2006 consultation on consumer policy. The principles behind those proposals still stand, though the details now need updating, in particular to cover bundles as well as individual services. The thrust of the proposals is to make it easier for consumers to recognise which services (or bundles) are likely to be cheapest for them, by comparing the prices of service "baskets" which are typical of certain consumer profiles with which people can identify. The profiles would be defined in terms of household composition, life stage, life style and so forth.

Ofcom would ensure fair play by defining the profiles and their associated usage patterns, and would make the task of comparison services easier by requiring all service providers to provide them with their prices in a standard format. This would represent a more active role in this area for Ofcom than it has taken before, but should not be very resource-intensive. If properly presented to the public (along with other support materials), it could help make switching feel much easier and safer – with consequent gains to competition.

Community broadband marketplace

Will Perrin's [rural broadband manifesto](#) (referred to in my blog) elaborates in the UK context an approach very similar to one that I have been developing in international consultancy assignments on universal service. Central themes include:

- **Bottom-up demand expression:** Make it easy for neighbourhoods and communities to identify and express their unmet communications requirements, in an environment where what they say will be taken seriously.
- **Transparent information:** Bring together in one accessible place all the information that people need to assess options for meeting these requirements, with likely costs and financing possibilities. This should include materials that may currently be treated as commercially confidential but that it would be in the public interest to share.
- **Transparent bidding procedures:** Open requests for service to all interested bidders; empower the local groups (with expert advice where needed) to choose their provider, within clear guidance on available public or shared funding.

Combined with refreshed rules on network and component access that are expected to emerge from the Strategic Review, this sort of approach should help to improve conditions for currently under-served areas.

No-frills offerings

A 2008 [paper](#) on mobile termination rates for the Communications Consumer Panel included (in section 3.2) this proposal in relation to preserving affordable mobile phone service for marginal users, and it is equally applicable to other types of service¹. The notion is parallel to that of basic bank accounts or supermarkets' "value" or "basics" ranges (often plainly packaged). In the communications context, the requirement could be for all relevant providers to include in their product range at least one offering designed to be attractive and affordable for (and marketed to) people in the lowest income brackets.

The market segment would probably be better served by enlisting providers' creativity in interpreting the requirement, rather than telling them exactly what to provide or how to price it. Ofcom might however want to specify certain minimum features to be included, and should periodically check how providers are fulfilling the requirement, preferably carrying out market research among target customers.

Claire Milne

¹ It is elaborated for mobile and broadband in section 4.6 of a 2010 [report](#) on affordability in Europe by Plum Consulting for Vodafone.