

ERG REPORT

**ERG Project Team on International Roaming Retail
Tariff Transparency**

Issued: October 2005

Contents

Section		Page
	Executive summary	3
1	Introduction	6
2	Previous IRG work in the area of IR transparency	6
3	An informal survey on the degree of information provided by operators	8
4	Legal ground	10
5	Measures to improve transparency of retail international roaming charges and to increase consumer awareness	11
6	The Commission's Consumer Website on International Roaming	17
7	Recommendations and long term initiatives	18
	Annex	22

Executive Summary

The thirteenth plenary of the European Regulators Group (May 2005) decided to establish a Project Team to identify measures aimed at improving retail tariff transparency and consumer awareness of international roaming (IR) charges.

This report has the objective of providing an assessment of the degree of transparency and awareness of IR tariffs enjoyed by European consumers and to formulate proposals that could be put in place to improve transparency and awareness of IR tariffs.

User's price awareness of IR tariff had already been the subject of a survey among regulators run in 2004 by the Mobile Markets and the End Users Working Groups of the IRG. The survey revealed that in most Member States consumers experienced low awareness of tariffs and that measures employed to inform end users on the cost of using their mobile phone while abroad were quite diverse.

The survey revealed that information was in most of the cases provided by operators through their web sites. It was found that information on costs with respect to network selection was provided by all operators on request, but also that advertising by mobile operators with respect to manual network selection was generally poor.

In order to shed some light on the type of information on international roaming available to residential consumers in their own country, the PT run an informal survey during the last week of August. All the NRAs involved in the Project Team contributed to collect data on information on IR provided by 45 MNOs and 9 MVNOs on their web sites and call centres.

It was found that all operators surveyed, except one, provide information on international roaming on their websites; almost all operators provide information on charges for calls to the home or visited country and charges for receiving calls on the visited network. Also information on charges for receiving SMS, sending SMS, and on possible set-up charges for SMS is diffusely available. On the other hand, information on charges for call forwarding services and voicemail diversion, as well as information on charges for value added services, for calls to toll free numbers and for possible charges for unanswered calls is much less readily available.

Prices of IR calls are in most cases presented inclusive of VAT, and when they are not, usually, information on VAT rates is provided. Quite surprisingly, almost half of the web sites of mobile operators do not show information on which charging unit applies on calls.

Members of the PT experienced difficulties in gathering information on call centres, therefore it is only possible to derive a few remarks. The general feeling is that the degree of information accessible through call centres is lower than that provided through web sites. This is confirmed by the fact that customers are often directed to the operator's web site for more accurate and detailed information. Typically the only information that customers can easily get through call centres are the prices of IR originated calls and SMS. In fact, customers are not always advised that they are charged also for receiving calls.

The legal basis for enacting measures aimed at increasing awareness and transparency of IR tariffs is Article 8 of the Framework Directive which requires member states to promote the provision of clear information, in particular requiring transparency of tariffs. Several recitals of the Universal Service Directive, as well as

Articles 20 and 21 of the same Directive, refer explicitly to transparency of information, including tariffs, for the benefit of users.

The Project Team has considered a number of possible measures (both existing and new) designed to improve consumer awareness and transparency of retail IR charges and has made an assessment of the perceived advantages and disadvantages of each of them. The measures considered are:

- National websites run by NRAs or independent third parties containing comparable information;
- pan-European website listing samples of international roaming tariffs of operators in Member States;
- SMS sent by the home network (operator initiated) providing tariffs for calls to and calls received from networks of the operators of the relevant country;
- SMS sent by the user to an universal number (user initiated) in order to receive one (or more) SMS with the charges relevant for his type of subscription;
- provision of information in paper form via traditional (e.g. leaflets) or innovative (e.g. printed in cards in airline lunch boxes) methods;
- provision of international roaming charges to consumers by means of a 116 number for harmonised European services;
- WAP browser to provide tariffs for different subscription types and a list of available operators according to the country being visited.

While the PT was carrying out its work, the European Commission launched a pan-European website on international roaming retail charges, one of the measures considered by the PT. By means of tables of sample tariffs and links to the sites of mobile operators, the website is intended to give consumers an idea of the level of roaming prices they are likely to face when travelling abroad. The website also gives consumers guidance and tips on how to manage their international roaming bills and how to get the best roaming deal. It features frequently asked questions, explains some of the jargon used in connection with roaming and explains connected initiatives pursued by other European Commission services and the ERG.

Complementary to the Commission initiative, ERG recommends that NRAs consider in the short to medium term the feasibility of the following measures:

- Establishment of national websites containing relevant information and pricing information;
- SMS – operator initiated – push mechanism;
- SMS – end-user initiated – pull mechanism;

For the longer term ERG recommends that NRAs also consider:

- IRG/ERG contacting the GSM Association in order to explore the possibilities of expanding the “Welcome SMS” concept with the aim of improving this way of providing tariff information on IR;
- Co-operation between NRAs on the format of national websites where these are provided by NRAs:

- conducting market surveys on the level of consumer awareness of roaming tariffs and of problems experienced by end users when roaming abroad.

1 Introduction

The thirteenth plenary of the European Regulators Group held in Bled in May 2005 decided to establish a Project Team to identify measures to be put in place in order to improve retail tariff transparency and consumer awareness of international roaming (IR) charges.

Measures aimed at increasing transparency and awareness of IR retail charges, in fact, in conjunction with other measures targeted at the wholesale IR market may reduce the level of IR charges, which are perceived by the majority of consumers as excessively high.

Activities and initiatives of the Project Team were carried out in cooperation with the Commission, through the participation of Commission officials in the meetings of the Project Team and their comments on the earlier drafts.

This report of the Project Team (PT) aims to provide a brief assessment of the degree of transparency and awareness of IR tariffs enjoyed by European consumers and to formulate proposals that could be put in place to improve transparency and awareness.

This document is structured in the following way: section 2 summarises work previously carried out by IRG in the general area of transparency and awareness of IR tariffs, section 3 reports the findings of an informal survey run by the PT on information on IR provided by operators¹ through their web sites, section 4 surveys the legal grounds on which NRAs may pursue transparency measures, section 5 assesses some measures to improve transparency and awareness of IR tariffs, section 6 provides an overview of the European Commission consumers' website on international roaming charges. Finally section 7 recommends measures for NRA consideration and identifies possible long term initiatives and follow up activities.

2 Previous IRG work in the area of IR transparency

In 2004 the IRG Mobile Markets Working Group, in conjunction with the IRG End Users Working Group, run a survey among regulators to ascertain end users' price awareness when using international roaming services. The following questions were asked:

1. Have you any evidence of low consumer awareness of International Roaming charges within your Member State?
2. How are end users in your Member State made aware of the cost of using their mobile phones abroad?
3. Do mobile operators in your member state advertise their International Roaming charges? If yes, how do they advertise it?
4. Please describe how end users in your Member States are made aware that, if using their mobile phones abroad, costs vary depending on the network they use?
5. Do mobile operators in your Member State advise their customers on how to manually select the network they wish to use?

¹ In this document the term operator will be used to refer to any undertaking that offers international roaming services, being it a mobile network operator, a mobile virtual network operator or a reseller.

6. What measures, if any, has your country / NRA taken to increase customer awareness of International roaming charges?
7. What measures, if any, has your country / NRA taken to increase consumer awareness of how to reduce their roaming charges?

In general, the survey revealed quite disparate answers to all questions, be it in response to regulator driven initiatives or measures taken by industry. General consumer awareness of pricing was also revealed to be low. There were, however, exceptions to this rule, with some NRAs reporting that consumers in their Member State were aware of the issue and the costs involved.

Whilst providing valuable information, the questionnaire was limited in respect to detail and practical experience. For the purpose of this study, further information will be required, and more detailed discussion is necessary on steps employed by regulators to enhance consumer awareness.

Taking the issues in order, evidence of low consumer awareness was found in most Member States. In general, information on this issue was garnered through consumer surveys initiated by the NRA or complaints received. It should be noted that a number of NRAs do not conduct any direct consumer surveys or investigations, so in some cases reporting on this issue was speculative, or in fact, not possible.

Measures employed to inform end users on the cost of using their mobile phone while abroad were also quite diverse. Whilst information is provided by operators, the manner in which this is done varies from Member State to Member State. In addition, some NRAs take a pro-active approach; however, again this was not the norm.

With regards to advertising international roaming tariffs by operators, the most common approach found was that operators use their own websites to transmit this information. A limited number of countries had experience in press advertisements (press adverts, press release on new tariffs, billboard posters). Again, however, these examples proved the exception rather than the norm.

All respondents, apart from the Czech Republic, confirmed that information on costs with respect to network selection was provided by all operators on request, either through their web pages, or by other means. It was noted, however, that the issue is actually ensuring that customers know what questions to ask in respect to network selection, which is not necessarily the same as operators providing information on tariff selection. A small number of NRAs have taken proactive approach to raising consumer awareness in respect of this issue.

NRAs reported that advertising by mobile operators in respect to manual network selection was generally poor. Most NRAs confirmed that this information is provided with the handset, therefore, concluding that it is the handset manufacturers' responsibility to ensure information provision. Limited information can be found on the operators' websites, or through direct discussions with operators' customer care divisions.

Measures to increase customer awareness of international roaming tariffs were, for the majority, left to the operators to provide. Some NRAs, however, have taken a proactive stance in this regard, and for the purpose of this project, NRAs should explore further experiences to date. The questionnaire provided limited information on practical measures taken.

3 An informal survey on the degree of information provided by operators

This section reports the main findings of an informal survey on the level of transparency of IR tariffs and services undertaken by the members of the PT during the week commencing on the 22nd of August 2005. The purpose of this exercise was for team members to gain some understanding of the type of information on international roaming available to residential consumers in their own country.²

It should be taken into account that a majority of the operators surveyed are signatories to the code of conduct for information on international roaming retail prices, a self-regulatory code developed by GSM Europe³ aimed at providing “*greater consistency and clarity to the range of information available to consumers on charges and available services, [...] so that when away from their home network they are able to make better informed decisions.*”

Before presenting the methodology and the results of the survey it should be clearly stated that this survey cannot be considered neither exhaustive nor statistically robust. This survey should be regarded as an informal examination of the degree of information that consumers can get from operators and of the difficulties that consumers may experience in accessing that information.

The survey questionnaire used by the project team was made up by two sections; a first section on information delivered through web sites and a second section on information delivered through customer call centres.

All the NRAs involved in the project team answered the questionnaire or provided useful information to the survey; this allowed to get information on 45 mobile operators and 9 mobile virtual operators, 57% of which (31) had signed the GSM Europe code of conduct.

While members of the PT were in most cases able to answer thoroughly the section on web sites, the same cannot be said on the section regarding call centres; in many cases this was only partially answered. Many members of the PT experienced difficulties in gathering the information necessary to fill the section on call centres. For this reason findings on call centres will be mostly of a qualitative nature, while findings on web sites will be supported by some quantitative evidence.

All operators surveyed, with one notable exception, provide information on international roaming on their websites. Only in 16 cases, out of the 54 surveyed (see table 1 in the annex), the home page of the operator has a direct link to the page containing information on IR; in 31 cases the page on IR information can be accessed indirectly through a general link to tariff information on the home page. In some cases operators provide both a direct link to the IR information page and an indirect access through the link to tariff information. In most cases the label of the link to IR information contained the words “international roaming” or “when abroad” in national languages. It should be added that the presence of a direct or indirect link to IR information is explicitly stated in the GSM Europe code of conduct and therefore not all signatories meet that requirement.

As we can see from table 2 in the annex, all, but three operators provide detailed information on charges for calls to the home or visited country (whether they are

² All the information in this section is based on data retrieved during that week.

³ The European interest group of the GSM association.

terminated on fixed or mobile networks) and charges for receiving calls on the visited network. In addition, three network operators provide only the description of how charges are calculated, but not the precise amounts. It should be noted that four out of nine virtual operators surveyed are not providing information on IR charges.

Information on charges for call forwarding services and voicemail diversion was available only on 19% of web sites. This is particularly noteworthy since the cost of receiving and checking voicemail calls is a feature of international roaming that is frequently overlooked by users. Many operators, in fact, provide advice on how to divert incoming calls to voicemail before going abroad, but it is not always made clear to consumers that they are charged an international roaming charge for each incoming message and that that charge applies even if the messages are not accessed; in addition a roaming charge also applies to access the messages. This kind of information should be given much more prominence because, whereas consumers can control roaming charges by not making a call, they have no control over incoming messages; they cannot prevent them nor terminate them to minimise duration.

Similarly, information on charges for value added services (20%), for calls to toll free numbers (7%) and for possible charges for unanswered calls (28%) is manifestly much less readily available.

Information on charges for receiving SMS, sending SMS, and on possible set-up charges for SMS is provided, respectively, on 59%, 72% and 54% of web sites. Information on data transmission charges is found on 63% of the surveyed web sites.

As we can see from table 3 in the annex, prices of IR calls and services are in most cases inclusive of VAT, and when they are not, usually, information on VAT rates is provided. Eleven out of 54 web sites do not provide information about the inclusion of VAT and/or about its rate, leaving customers unaware of the relevant rate unable to calculate the exact per minute charge.

As for data transmission services, information on the inclusion of VAT and on VAT rates is significantly lower, with only 48% of web sites specifying whether VAT is included or not and only 24% of web sites specifying the exact VAT rate.

Probably the most surprising results of this preliminary survey, is that only 56% of the web sites of mobile operators showed information on which charging unit applies on calls (minutes or second). This information is very important, especially in consideration of the fact that very often different charging units apply when using the phone abroad.

Information on the visited network, like the number of the operator's call centre, web address, type (2G/3G), network display name and coverage is provided by 37%, 39%, 56%, 63% and 54% of web sites, respectively. It is worth noting that this information is provided on the web site of the GSM association, if operators were required to link to those pages, a great deal of additional information could be provided to consumers.

Finally, 74% of the web sites allowed visitors to print the information and 44% of them contained a frequently asked questions section on IR (or a section of a general FAQ included information on roaming).

As already mentioned elsewhere, given the difficulties experienced by Project Team members in gathering information on call centres (only 10 NRAs were able to fill this section of the questionnaire), it will only be possible to derive a few general remarks.

The general feeling is that the degree of information accessible through call centres is lower than that provided through web sites. This is also confirmed by the fact that often customers are told that if they want more accurate and detailed information they have to refer to the operator's web site.

Typically the only information that customers can easily get through call centre operators are the prices of IR originated calls and SMS. In fact, customers are not always advised that they are charged also for receiving calls. Moreover, customers are only occasionally informed about the possibility of subscribing to particular promotions or phone plan options that allow them to save money when abroad.

Information on charges for value added, toll free, call forwarding services, as well as information on charging principles and units, is rarely provided. Exceptions are Spain, where all operators provide detailed information on prices and services available to customers when abroad, and, to a lesser degree, Lithuania and Sweden.

4 Legal ground

The European Regulatory Framework contains a number of regulatory tools that can be used to ensure the provision of clear and publicly available information on communications services and tariff transparency.

According to article 8.4 of the Framework Directive the national regulatory authorities have, as part of their objectives, the duty to promote the interests of the citizens of the European Union by, *inter alia*, promoting the provision of clear information, in particular requiring transparency of tariffs and conditions for using publicly available electronic communications services. By virtue of Article 8.1, national regulatory authorities are required to take all reasonable measures aimed at achieving the objectives and that such measures be proportionate to those objectives.

A number of recitals to the Universal Service Directive refer to transparency of information, including tariffs, for the benefit of users. Recital 30, for example, refers to the importance of contracts and states that the measures to ensure transparency on prices will increase the ability of consumers to optimise their choices. Recital 41 also makes reference to transparency of tariff information in the context of number portability.

Article 20 of the Universal Service Directive establishes that Member States shall ensure that consumers have a right to contracts with undertakings providing connection and/or access to the public telephone network and that such contracts should specify particulars of prices and tariffs and the means by which up-to-date information on all applicable tariff and charges may be obtained.

Article 21 of the Universal Service Directive prescribes that Member States shall ensure that transparent and up-to-date information on applicable prices and tariffs, and on standard terms and conditions, in respect of access to and use of publicly available telephone services is available to end-users and consumers, in accordance with the provisions of Annex II of the Universal Service Directive.

Transposition of Art. 21 USD may differ from Member State to Member State. Hence, the possibility to impose measures by the NRAs on operators concerning a special form or medium of tariff information may vary and in some cases may not exist.

Co-regulation is recognized as a way of achieving the goals of the Universal Service Directive. In Recital 48 it is stated that co-regulation could be an appropriate way of

stimulating enhanced quality standards and improved service performance. Co-regulation should be guided by the same principles as formal regulation, i.e. it should be objective, justified, proportional, non-discriminatory and transparent.

Generally stated, Member States may of course encourage or facilitate the provision of information based on industry agreements or industry self-regulation. An example of industry agreement or industry self-regulation is the GSM Code of Conduct that forms the basis of the PT's survey reported on in the previous section.

To achieve transparency and publication of information Member States are empowered to collect information in Article 5 of the Framework Directive. Article 5 prescribes that Member States shall ensure that undertakings providing electronic communications networks and services provide all the information, including financial information, necessary for national regulatory authorities to ensure conformity with the provisions of, or decisions made in accordance with, the European Regulatory Framework. These undertakings shall provide such information promptly on request and to the timescales and level of detail required by the national regulatory authority. The information requested by the national regulatory authority shall be proportionate to the performance of that task. The national regulatory authority shall give the reasons justifying its request for information.

5 Measures to improve transparency of retail international roaming charges and to increase consumer awareness

The Project Team considers that, in the context of IR, increased price transparency, by improving the flow of information toward consumers, reduces search costs and increases the comparability of retail offers which, in turn makes consumers more sensitive to the perceived mix of prices and characteristics of services. Transparency will, in the end, intensify competition among operators and improve the efficiency of the market. Competition could also trigger a virtuous cycle, for example, the development – and advertising – of bundled packages that allow consumers to make and receive calls whilst roaming at domestic rates has been interpreted as the answer to increased consumer awareness of the unjustified level of IR charges. The promotion of such packages may prompt competing providers to develop and advertise similar initiatives. This in turn could improve consumer awareness of competing packages and of roaming in general.

The Project Team has considered a number of possible measures designed to improve transparency of retail international roaming charges and to increase consumer awareness.

Research undertaken by members of the project team, as described in section 3 above, shows that price information is made available by operators. The results of the earlier study summarised in section 2 indicate however that general consumer awareness of roaming charges is low.

The Project Team has made an initial assessment of existing services and proposed some new ones and the perceived advantages and disadvantages of each approach are summarised below. In order for consumers to be able to make informed choices the project team has identified a number of improvements that could be made. These include making information more comparable and user friendly, making it more easily accessible and improving consumer awareness and understanding. In

particular, it is important that consumers understand international retail roaming charges before using their phone abroad for the first time.

National websites

Currently individual MNOs and MVNOs provide information about how to use a mobile phone abroad, including charges, on their national websites. Initial research undertaken by the project team has found that the complicated structure of roaming charges may make it difficult for users to retain. It is also quite difficult to find information on some websites. There is no requirement for operators to provide comparable price information about their competitors or to provide information to a third party for comparable purposes.

One possibility to consider therefore would be for the NRA or an independent third party to provide a national website containing comparable information. This could be provided in tabular form listing all the packages and prices available by operator.

Alternatively the information could be provided as part of an interactive price calculator site, comparing bundled packages of mobile services including roaming charges across operators. This would be regularly updated in line with providers' latest tariff announcements. The site could be provided as an independent third party, including a consumer association. Examples of such sites include www.uswitch.com and <http://www.switchwithwhich.co.uk/>

Advantages

- Consumers would have a one stop shop for information and comparison of IR tariffs of national operators.
- Would raise consumer awareness of price differentials between operators. Increased transparency helps consumer make informed choices between alternative suppliers.
- A national site would be easier to manage than a pan-European site, and the information would be more relevant to national consumers.
- Consumers could consult the site anywhere where web access was available.

Disadvantages

- Methodology likely to be difficult given the comparison of numerous combinations of different and complex offers.
- May be expensive to manage.
- Would take time to establish, particularly if NRA accreditation were required.
- Only those consumers who are familiar with web navigation would benefit.
- Success depends to some extent on the reputation of site managers as consumers must be able to trust the information provided.
- There is legal uncertainty as to whether MNOs may be obliged to provide retail price information for publication by a third party.

Pan-European websites

The Commission has proposed the publication of a pan-European website, listing samples of international roaming tariffs of operators in the 25 EU Member States. The site would also provide consumer information about other institutions and organisations that could help consumers make an informed choice when using a mobile phone abroad.

Advantages

- Would provide a one-stop shop for information and comparisons of retail roaming prices for European operators.
- Whilst this may be more difficult to manage than national sites, cross-country comparisons may put pressure on operators to reduce prices through moral suasion.
- Could stimulate debate and provide information for customers which may lead them to challenge operators' pricing structures.
- Consumers could consult the site anywhere where web access was available.

Disadvantages

- Would only provide an overview of charges, not information on specific charges.
- Design and management resource and cost implications are substantial e.g. site would need to be multilingual and data would need to be updated regularly.
- Only those consumers who are familiar with web navigation would benefit.
- As with national websites, there is legal uncertainty as to whether mobile operators could be obliged to provide retail price information for publication by a third party.

Alternatively a centralised website could be established which would provide operator specific information on actual roaming costs for either all or a limited number of territories (which would need to extend outside of the EU Member States for consumers to gain maximum benefit).

Advantages

- As above but is likely to be more relevant to consumers as it would facilitate more detailed price comparisons between operators.
- Would provide a one-stop shop with global comparisons of prices.

Disadvantages

- As above but with additional costs of maintenance, compilation and updating.
- Would duplicate much of existing information on operators' websites but would increase the complexity of the information provided.

This measure has meanwhile been implemented by the Commission, as detailed in Section 6.

SMS – operator initiated

At present some mobile operators provide a targeted SMS service from the host network. Every time a consumer enters a new country he/she automatically receives one (or more) SMS with some information relevant for his/her type of subscription. Typically this includes how to access customer care, directory enquiries and information services. In some instances price information is also provided.

Ideally all mobile customers travelling to a foreign country should receive a welcome SMS from the home network (rather than the hosting network) which would provide tariffs for calls to and calls received from networks of the operators of the relevant country. Every time the customer is not on the preferred network an SMS message would be given with the relevant prices (allowing the customer to switch to the most cost advantageous network).

Advantages

- Simple and easy to implement (in many cases operators already provide some information via SMS).
- Alerts consumers about the network on which they are roaming without the need for them to initiate the enquiry or to know which tariff plan they are using.
- Provides specific information that is relevant to the consumer at that point in time (thus easier to retain).
- Will secure that all users are informed about the tariffs in the country they are visiting.
- Information (changes to tariffs) can be updated quickly.
- The information will be delivered to the mobile which is easily accessible.
- Free of charge for customers.
- SMS can be stored and re-read at any time.

Disadvantages

- There appears to be no legal basis, either to impose or encourage SMS information over and above what is already provided.
- Tariffs vary considerably between operators, origin, destination, time of day, type of customer contract, services offered (voice, SMS, data, etc). As there are a limited number of characters available and therefore limited information given (generally concentrated on service availability rather than price) this solution may be relatively inefficient.
- There is little incentive on providers to give information on how to switch networks.
- Technical implementation needs to be developed. Operators are likely to be reluctant to develop such a solution, especially if they have to meet the development costs.

SMS – end-user initiated

The user can send a SMS to a universal number (e.g. 2005) with a standard code (for instance INT PRICE) when abroad. As a response the user will receive one (or more) SMS with the charges relevant for his type of subscription.

Advantages

- Will secure that users that have an interest in roaming charges can be informed about the tariffs in the country they are visiting.
- The information will be delivered to the mobile which is easily accessible.
- Small and insignificant cost for customers.
- SMS can be stored and re-read at any time.
- Information is tailor made for the end user, he does not need to know which tariff plan he is on.
- The end user requests the information by sending the SMS to the same four digit (simple to remember) number, regardless of

Disadvantages

- Technical implementation needs to be developed.
- Who will pay the development costs.
- What is the legal basis, imposing or encouraging.
- Customers must be made aware of the possibility to ask for such information.
- Requires an initiative and some basic awareness from the end user.
- Requires agreement among all operators so that the same universal number can be used in all European countries.
- Not all mobile subscribers are familiar with sending SMS.

which country he is visiting.

- Relatively simple.
- A win-win situation for customers in obtaining focused relevant information and operators in the possibility of charging for delivering such content.

Provision of information to customers in paper form

Information leaflets on roaming charges could be provided as a matter of course:

- at the point of sale (e.g. an information sheet could be included with the instruction manual or provided as an annex to a monthly contract);
- through regular mailings to account holders;
- provided alongside tickets for overseas travel or online reservations;
- made available before departure – for example, at the airport – or during travel (e.g. Vodafone has placed information cards in airline lunch boxes).

The information should, as a minimum, refer to national operators' roaming terms and conditions and how this applies to the country of destination.

Advantages

- Easy to implement.
- May be targeted to catch the consumer's attention at the right moment.

Disadvantages

- Information received by post might be confused for junk mail and if consumers are not directly interested they are unlikely to read it. It could only be provided to customers who had provided addresses to the networks (whereas a large proportion of pre-paid customers do not provide such details, or the details may be out of date).
- Mobile operators are unlikely to want to provide inter-operator price comparisons unless these are used as a marketing tool.
- Operators may have to meet additional costs for producing, updating and distributing info as well as for the rights to have leaflets available in facilities owned by third parties e.g. airport and ferry terminals.

Prepaid cards

Consumers would probably benefit from receiving information about buying prepaid cards for operators who are active in the country they are visiting as this may provide an alternative means of controlling costs. This sort of information is usually provided by the calling card providers as a marketing exercise. Consumers could be made

aware of this option either through the NRA website or through information provided by consumer associations.

Single European numbers

A draft Decision by the Commission (COCOM05-25) makes proposals for the reservation of the 116 number ranges for harmonised numbers for harmonised European services. The aim is to allow the same or similar services provided in different Member States to be accessed using the same number, without the need for an international prefix. In order for NRAs to agree to grant the use of a specific 116 number at the national level there would need to be a clearly demonstrable social importance of the proposed service, with a clear European dimension. The service would need to provide information and/or be of direct assistance to consumers.

It may therefore be appropriate to consider using a 116 service for the provision of international retail roaming prices to consumers. A possible tariff scheme could be to share the expenses of the 116 call: the consumer would only bear the cost of the national call to the home operator. The costs of roaming could be distributed between the home and the roaming operator.

Advantages

- Customers would have easy access to relevant information irrespective of where they were travelling using a standard number.
- The information provided could be independent from operators.

Disadvantages

- As with the pan-European websites, the implementation and management costs are likely to be substantial (but if the service were commercially viable the market would provide it).
- It may duplicate the customer care activity provided by the operators themselves, so the 116 provider would need to offer a more attractive service eg tariff comparisons, which could be advantageous to consumers.
- It would require operator co-operation to maintain accuracy.
- NRA support/facilitation, and potentially validation is likely to be needed.

The decision whether or not to pursue this proposal in greater detail depends on the outcome of the Commission Decision on reserving the 116 number ranges.

WAP Browser initiated

WAP browser to provide tariffs for different subscription types and a list of available operators according to the country being visited.

Advantages

- Provision of timely information covering a wide range of operators.

Disadvantages

- Currently only a limited number of subscribers have access to/use WAP services.

- WAP browsing is relatively expensive, particularly when roaming.

To sum up, the multiplicity of price plans which each operator has makes it very difficult for consumers to conduct meaningful comparisons between them and across competing operators. The larger the number of countries to be compared, the more complex the information becomes. This makes detailed comparison impractical, particularly for residential customers who are infrequent travellers. This weakens the end users negotiating position and as such the overall impact they can have on competitive price levels.

It must be stressed that the current traffic direction techniques that are being implemented tend to disable manual network selection by the end user. In the longer run, consumer choice of roaming network may depend on subscription to an access and call origination mobile offer. In this regard the availability of consumer information regarding retail roaming tariffs will be essential. The proposals outlined above may therefore be relatively short term measures with the emphasis being on the ability to manually select the preferred network based on comparable information.

Member States have not undertaken specific research of end user requirements for information on international roaming charges. It is recommended that such research be undertaken before final decisions are taken regarding the means of providing that information.

6 The Commission's Consumer Website on International Roaming

The European Commission has put in place the measure already mentioned in section 5. In fact, the Commission has recently launched a consumer website on international roaming retail charges (http://europa.eu.int/information_society/activities/roaming/index_en.htm). Guided by the understanding that international roaming charges are still unreasonably high and often confusing, it aims to increase transparency and to help the consumer to get a better deal. The site was unveiled to the public by Commissioner Viviane Reding at a press conference on 4 October 2005, in the presence of ERG Chair Mr. Jørgen Abild Andersen. It gives consumers examples of the prices offered by different operators in their home countries, and of differences in the prices charged according to the network used in the visited country.

By means of tables of sample tariffs and direct links to the sites of European Union mobile operators, the website is intended to give consumers a concrete idea of the level of roaming prices they are likely to face when travelling abroad - it thus provides an illustrative snapshot of the level of prices consumers can expect to pay if they do not take specific further action, such as selecting special tariff packages or host roaming networks.

The data was collected in the last week of September 2005 and encompasses prices for 84 mobile operators across the European Union (members of GSM Europe) in all Member States. At present, and for reasons of clarity on a pan-European site, data for the many national mobile virtual network operators (MVNOs) are not included in the Commission's database. Since it intended to be a service to consumers, the site

displays typical retail tariffs and does not deal with business tariffs or specifically tailored roaming packages.

Methodologically, the tariff data displayed on the Commission's site is based on four-minute voice conversations made by standard contract customers at peak times. The data has been rendered comparable by adjusting for differences in VAT rates, exchange rates, interconnection fees and other one-off charges such as excise duties. Data for four destination countries per operator are provided on the site, and there are sample prices for both making a call when abroad and receiving a call when abroad. Approximately 2250 different tariffs are displayed overall.

The website contains deep links to operators' websites enabling the visitor to find more specific roaming information relating to his or her contract, as well as easily accessible general contact information for complaints.

The website also gives consumers guidance and tips on how to manage their international roaming bills and how to get the best roaming deal. It features frequently asked questions, explains some of the jargon used in connection with roaming, and explains connected initiatives pursued by other European Commission services and the European Regulators Group (ERG).

In the first week post-launch, approximately 125,000 unique visits were counted to the site, which quickly became the most visited website of the Directorate-General for Information Society and Media. Equally encouraging, the initiative was received very well by the press in most Member States.

A first update – taking into account market developments, new services and suggestions made by visitors and interested parties – is scheduled for early 2006. The updated version of the site will be available in national languages. The Commission anticipates that the combined effects of improved price transparency, technological progress, greater intensity of competition on the roaming markets and – where appropriate – regulatory action may result in operators' introducing more competitive offerings.

7 Recommendations and long term initiatives

In the following ERG recommends a number of measures to improve retail tariff transparency and consumer awareness of IR charges.

The measures are complementary to the Commission initiative, described in the previous section, of a website containing general information on international roaming and illustrative of a Pan-European international roaming tariffs.

ERG considers that the measures listed can improve retail tariff transparency and consumer awareness of IR charges and thus may be a driver for increased tariff competition.

The measures described below may be implemented in member states by any of the means described in section 4 of this paper in accordance with national implementation of the regulatory framework and with due respect of the fundamental principles of the Directives.

Short to medium term recommendations

In the short to medium term ERG recommends that NRAs consider the feasibility of the following measures:

- Establishment of national websites containing relevant information and pricing information
- SMS – operator initiated – push mechanism
- SMS – end-user initiated – pull mechanism

ERG also believes that the collaboration between IRG/ERG and the Commission will exploit the benefits of the above measures and maximise their impact on consumers. For example, the reciprocal provision of suggestions and comments to improve both the Commission website and national websites will achieve an higher degree of complementarity between the websites to the advantage of consumers. This could be facilitated by the institution of a Contact Point where comments from the NRAs and national operators could be addressed.

National Websites

As already mentioned in section 6, initial consumer reaction to the European Commission Tariff Transparency Website has been very positive. The move has been positively welcomed by NRAs across the EU, as a step towards added consumer awareness and transparency in pricing. This suggests that the development of price comparison websites, especially from institutions, may have a big and beneficial impact on consumers. The challenge for NRAs is then one of building upon the work already undertaken and adding value to information provided.

As discussed previously, the creation of a national website has a number of advantages as a means of communication with consumers. Such websites can act as a one-stop-shop for consumers seeking neutral comparative information. They also act as an awareness raising measure, not only supplying consumers with the necessary information required to make an informed choice on operator selection, but also highlighting the issue that tariffs do vary across operators.

There are a number of advantages to the provision of information at national level:

- National level websites tailor information to national circumstances and national operator tariffs, making the information more immediate and relevant for the consumer.
- The methodology applied can be fitted to a national user basis, information therefore reflecting the most popular user profiles in a particular country.
- The creation of a national website would provide the opportunity to expand on the information already provided by the European Commission, with the inclusion of a larger number of operators and country tariffs, the provision of information of MVNOs tariffs and, generally the provision of information not published in current releases of the Commission website like, for example information on costs of voice-mail diversion.
- Benefit could also be realised through the adoption of a number of general topics to be included across all national websites through sections dealing with FAQs, information on the main rules applied to tariff roaming; links to operator websites, links to the European Commission website etc.

National circumstances and the provision of information to meet national concerns must be paramount in the establishment of a national website. Should an NRA decide on the establishment of a national website, the Project Team would recommend, therefore, a national survey to obtain information on the main problems

experienced by end users while using roaming services. Such a survey could address general awareness levels of tariffs, network selection, pre-paid package options, and information provision on the roaming charges.

The Project Team does recognise that the creation of national websites, either by the national regulatory authority, or an independent third party, could provide additional added value for the consumer. However, the Project Team is also aware that the development of an expansive national website incorporating all tariffs, operators, and responding to national consumer profiles would be both costly and labour intensive. In advance of establishment, NRAs therefore should evaluate the economic considerations of establishing and maintaining a website including conducting a cost benefit analysis'

SMS – operator initiated – push mechanism

All mobile customers travelling to a foreign country should receive a welcome SMS by their home operator which would provide information on International Roaming charges. Besides alerting that additional charges occur for roaming, the SMS should contain charges for basic voice calls with respect to the roaming network and a hint where additional, more comprehensive information can be retrieved. This can be the link of the home operators' website or a short-code by which the customer can receive information tailored to his kind of subscription (see SMS end user initiated). Every time the customer changes to another network, such an SMS (with specific charges of the new network) would be sent. The SMS should contain information simply stating that the possibility to change network/service provider when travelling abroad exists.

SMS – operator initiated is a push mechanism, that ensures that end-users are made aware of the possibilities and existence of IR-tariffs up front.

Even if, as mentioned in section 5, the limited number of characters available to an SMS would limit the information provided through this medium, the proposed format provides basic information and enables the customer to retrieve more comprehensive information. Moreover, to overcome the reluctance of operators to develop and put in place this solution could – if adequately priced – become an additional source of income (see SMS – end-user initiated) for operators.

SMS – end-user initiated – pull mechanism

The user should be able to send a SMS to a number reserved by his home operator with a standard code (for instance INT PRICE) when abroad. As a response the user will receive one (or more) SMS with the charges relevant for his type of subscription.

SMS-end-user initiated may be used as a stand-alone measure or in addition to a measure consisting of SMS – operator initiated. The result will be that information is obtained to the extent it is deemed necessary by the end-user and as both a push and a pull mechanism.

The Project Team is also aware that the SMS as a pull mechanism could be subject to charges by operators. The price of this SMS information service should not disincentive its use by end-users and should clearly and previously be indicated to end users.

The combination of both a push and a pull mechanism would be able to overcome the problems highlighted in section 5 stemming from the fact that consumers could be unaware of the existence of end-user initiated SMS (since the Welcome SMS would made them aware of it and of its price).

Longer term initiatives

In the longer term the ERG recommends that NRAs also consider:

- establishing contacts between the IRG/ERG and the GSM Association in order to explore the possibility of expanding the “Welcome SMS” concept and defining the content of such a measure, with the aim of achieving the most effective way to provide tariff information on IR by means of SMS.
- Cooperation between NRAs on the format of national websites where these are provided by NRAs.

ERG also recognises that in a longer term, in order to develop more effective solutions in the provision of information on IR tariff transparency (and to fine tune existing solutions), NRAs may run a market survey to get a clearer picture on the main problems experienced by end users while using the roaming service. Besides specific topics considered appropriate in individual Member States, such a survey could include some harmonised topics, like the following ones:

- awareness of the rules applied when using international roaming (e.g., awareness of the fact that international roaming users usually pay a significant price for each mobile call received when they are abroad and that the national users who call them pay the same price as usual; awareness of the fact that international roaming users may pay a significant price when accessing their voicemail when abroad, etc);
- awareness of the level of tariffs;
- awareness of the possibility, the way and the advantages of changing networks and of buying pre-paid packages;
- awareness of the ways to obtain information on the roaming issues, etc.;
- complaints filed by users and bad experiences happened when roaming;
- awareness of the possible ways to address a complaint on roaming issues.

ERG believes that also in the longer term the effectiveness of both European and national measures will be improved by the continued collaboration between the Commission and IRG/ERG.

ANNEX

TABLE 1 – General information on websites

GENERAL INFORMATION ON THE WEBSITES OF THE OPERATORS SURVEYED			
Number and MNOs and MVNOs surveyed	54	Number of signees of the Code of Conduct of the GSM association	31
Average number of clicks to get, from the home page of the web site to IR prices page	3.2	Number of Operators providing a direct link from the home page to the page containing roaming information	16

TABLE 2 – Information of prices of voice calls and SMS

PERCENTAGE OF WEB SITES PROVIDING INFORMATION ON PER MINUTE PRICES OF VOICE SERVICES AND PRICES FOR SMS SERVICES			
calls to the fixed network in the roaming country	83%	conditional call forwarding / voice-mail diversion (if applicable)	19%
calls to mobile network in the roaming country	85%	for toll free numbers	7%
calls to the home country's fixed network	83%	value added services	20%
calls to the home country's mobile network	85%	Set up charge for SMS	54%
receiving calls on the visited network	80%	receiving SMS	59%
of unanswered calls	28%	sending SMS	72%

TABLE 3 – Other information

PERCENTAGE OF WEB SITES PROVIDING INFORMATION ON:			
Coverage	54%	VAT included or not	72%
which charging unit applies (minutes or seconds)	56%	VAT rate (if not included in the price)	37%
numbers of the customer service of the visited network	37%	peak and off-peak times for each roaming partner	50%
website address of the visited network	39%	if conditional call forwarding can cause additional charging	28%
network display name	63%	availability of toll free numbers	17%
type of network	56%	prepay roaming	57%
country code	35%	value added services	30%
DATA SERVICES INFORMATION ON			
data service charging principles	63%	VAT included or not	48%
tariff of a single data transmission unit	63%	VAT rate (if not included in the price)	24%