EUROPEAN COMMISSION - PRESS RELEASE

Digital Agenda: Europeans prefer all in one 'packages' for internet, phone and TV

Brussels, 12 July 2011 – Four out of ten Europeans households are buying "bundled" internet, phone and TV services from a single provider, a new Eurobarometer survey shows. However, few are taking advantage of competitive offers: only 8% have changed service provider and 60% of households have never even considered switching. The survey also found that 65% of people limit their mobile phone calls because of cost and that calls over the Internet are becoming increasingly popular. The E-Communications Household Survey was carried out between 9 February and 8 March 2011 using a sample of 27,000 households that are representative of the EU population.

One in four respondents considered that their internet download/upload speeds do not match the conditions of the contract they signed (a problem also identified in the Commission’s net neutrality Communication – see IP/11/486) and one in three said they have experienced connection breakdowns. New EU legislation applicable from 25th May 2011 requires service providers to give customers comprehensive and accurate information in advance - before they sign a contract - on minimum service quality levels including actual connection speeds and possible limits on internet speeds (see MEMO/11/319). The Commission is currently investigating broadband speeds and other transparency and quality of service issues (see IP/11/486).

Neelie Kroes, European Commission Vice President for the Digital Agenda, said: "Consumers are telling us loud and clear that they are worried they are not getting the internet speeds and quality of service they have been promised. National authorities must take appropriate measures to ensure that operators respect new EU rules requiring to them to be transparent on connection speeds and service quality. If this should not be sufficient, I would not hesitate to take further action in the form of more prescriptive guidance, or even legislation if it is needed."

The survey also found that EU citizens are concerned about data privacy - 88% of respondents said they would like to be informed if their personal data collected by the telecom provider was lost, stolen or altered in any way. Under new EU rules applicable from 25th May 2011 (see MEMO/11/320), telecoms operators and internet service providers must take strong security measures to protect the names, email addresses and bank account information of their customers, along with data about every phone call and internet session they engage in. The new rules also require operators, if security is breached and/or personal data is lost or stolen, to inform the data protection authorities and their customers without undue delay.

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The survey also found the following:

- 98% of EU households have access to a telephone and an increasing proportion of households (now 89%) have access to a mobile phone. 62% have both fixed and mobile phones, while only 9% rely on a fixed line alone.
- 98% of EU households have television. The most popular means of TV reception is cable (35%) followed by digital terrestrial (30%, an increase of 7 percentage points since November-December 2009).

**Bundles – packaged telecoms services**
- 42% of households subscribe to a "bundled" service, while 61% of all internet access and half of fixed telephony services are purchased as part of a bundle.
- 41% of households said the main advantage of these packages was the convenience of having a single service provider and a single invoice. 33% believed that a bundle is cheaper than paying for each service separately.
- However, 16% consider that bundles offer some services they do not need and another 10% raise concerns about the lack of transparency and clarity in relation to the cost and conditions of each service.

**Switching services**
- Six out of ten households say they have never considered switching to another service provider.
- 77% of households are 'inertial', that is they would never switch their bundle. 12% of households are "active switchers" and another 12% would like to switch but are hindered for one reason or another.

Among the obstacles to switching are the risk of a temporary loss of service, the risk of having to pay for more than one provider during the switching process and the lack of clarity about the steps required for switching.

**Quality of services a major concern**
In addition to the problems found with internet connection speeds and connection breakdowns, one in four respondents reports difficulties in connecting to the mobile network and a similar proportion reports that mobile communications have been cut off whilst on a call.

**Concerns about affordability of mobile and smartphone use**
- 65% of respondents are now limiting their mobile calls due to concerns about the costs (up 4% since the last survey of November-December 2009)
- Half of those with Internet access on their smartphone limit their use due to worries about cost.
- Calling over the Internet for free or at a cheap rate, from a computer or a WiFi-connected device, is growing, with 28% of households with Internet access making this type of voice call, a 6% increase since the last survey.
Mobile only
27% of households only have access to the public telephone network from a mobile phone – a proportion which has increased in 17 Member States since the last survey and which reaches levels higher than 50% of households in five countries (the Czech Republic, Finland, Latvia, Lithuania and Slovakia).

What is the Commission doing?
The Commission has asked the Body of European Regulators for Electronic Communications (BEREC) to undertake a rigorous fact-finding exercise on barriers to changing operators, blocking or “throttling” internet traffic (for example voice over Internet services), transparency and quality of service. The Commission will publish evidence from BEREC’s investigation by the end of 2011, including any instances of blocking or throttling certain types of traffic. If BEREC’s findings and other feedback indicate outstanding problems, the Commission will assess the need for more stringent measures (IP/11/486).

The Commission is also conducting a study to compare advertised and actual internet speeds. Data will be available at the end of 2011.

For more information:
The full survey can be found at:

Digital Agenda website:
http://ec.europa.eu/digital-agenda

Follow Neelie Kroes on Twitter: http://twitter.com/neeliekroeseu
Annex

Penetration rates for key telecom services

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<tbody>
<tr>
<td>Overall telephone access (fixed and/or mobile)</td>
<td>98%</td>
<td>98%</td>
<td>=</td>
</tr>
<tr>
<td>Mobile telephone access</td>
<td>89%</td>
<td>87%</td>
<td>+2</td>
</tr>
<tr>
<td>Fixed telephone access</td>
<td>71%</td>
<td>73%</td>
<td>-2</td>
</tr>
<tr>
<td>Both fixed &amp; mobile telephone access</td>
<td>62%</td>
<td>62%</td>
<td>=</td>
</tr>
<tr>
<td>Mobile but no fixed telephone access</td>
<td>27%</td>
<td>25%</td>
<td>+2</td>
</tr>
<tr>
<td>Fixed but no mobile telephone access</td>
<td>9%</td>
<td>11%</td>
<td>-2</td>
</tr>
<tr>
<td>Television</td>
<td>98%</td>
<td>98%</td>
<td>=</td>
</tr>
<tr>
<td>Aerial</td>
<td>23%</td>
<td>34%</td>
<td>-11</td>
</tr>
<tr>
<td>Cable-TV</td>
<td>33%</td>
<td>30%</td>
<td>+3</td>
</tr>
<tr>
<td>Satellite</td>
<td>21%</td>
<td>24%</td>
<td>-3</td>
</tr>
<tr>
<td>Digital Terrestrial TV</td>
<td>29%</td>
<td>22%</td>
<td>+7</td>
</tr>
<tr>
<td>Service package (bundles)</td>
<td>42%</td>
<td>38%</td>
<td>+4</td>
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