



## Value of Number Portability by Business Characteristics

**Incumbent Long Distance Company Offers Service for 15% Discount \***

### Percent of Businesses Willing to Switch Main Lines

<u>Number of Lines</u>		<u>Announcement for 1 Year</u>	<u>Number Portability</u>	<u>Change</u>
• 1 - 4 lines	(n=206/ 68%)	25%	35%	+10
• 5 - 24 lines	(n=182/ 24%)	23%	36%	+13
• 25 - 99 lines	(n=57/ 4%)	33%	50%	+17
• 100 lines or more	(n=58/ 2%)	36%	44%	+8
<b><u>Number of Main Lines</u></b>				
• One	(n=210/ 51%)	22%	32%	+10
• Two or more	(n=309/ 49%)	28%	41%	+13
<b><u>Have T-1s</u></b>				
• Yes	(n=121/ 10%)	26%	38%	+12
• No	(n=398/ 90%)	25%	36%	+11

Although businesses with 25-99 lines are most impacted if number portability is available (+17), they are also more likely to switch without number portability (33%) than smaller businesses (5-24 lines=23%; 1-4 lines=25%). Interestingly, businesses with the most lines (100 or more) are the least impacted by the addition of number portability, as only 8% more will be likely to switch.

\* Results for additional discount levels included in Appendix



## Value of Number Portability by Business Characteristics

Incumbent Long Distance Company Offers Service for 15% Discount \*

### Percent of Businesses Willing to Switch Main Lines

	Announcement for 1 Year	Number Portability	Change
<b>Have Centrex</b>			
• Yes (n=124/ 14%)	27%	43%	+16
• No (n=395/ 86%)	24%	35%	+11
<b>Long Distance Carrier</b>			
• AT&T (n=287/ 58%)	23%	34%	+11
• MCI (n=84/ 17%)	26%	40%	+14
• Sprint (n=42/ 6%)	32%	44%	+12
• Other (n=106/ 19%)	27%	36%	+9

The existence of Centrex has a significant interaction with a business' willingness to switch its main lines. Businesses with Centrex are only slightly more willing to change their main lines than those without (27% versus 24%) if a number change is required. However, when that restriction is eliminated, Centrex users become much more willing to change main lines, showing an increase of +16 versus +11 for non-Centrex users. This may be due to the Centrex block (i.e., "good numbers") that many businesses get (e.g., 274-6600).

In terms of the current long distance company, MCI customers are the most impacted when able to keep their number, even though Sprint customers overall are more likely to switch. Businesses who are not using one of the Big 3 carriers put the least value on their number (i.e., show the least differential between an announcement and number portability).

\* Results for additional discount levels included in Appendix



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### Percent of Businesses Willing to Switch Main Lines

	<u>Announcement for 1 Year</u>	<u>Number Portability</u>	<u>Change</u>
<b><u>800 Numbers</u></b>			
• Don't have (n=319/76%)	25%	37%	+12
• Have, not used as main inbound number (n=102/13%)	25%	40%	+15
• Have, used as main inbound number (n=98/11%)	18%	28%	+10
<b><u>Advertise in Yellow Pages</u></b>			
• Yes (n=346/ 68%)	24%	37%	+13
• No (n=173/ 32%)	26%	35%	+11

Not surprisingly, the ability to keep the number has less impact on businesses who are using an 800 number for their main inbound number. As seen in the qualitative work, some businesses had started using an 800 number as a main number when 800 portability came into effect, to "protect" them from any potential number changes (e.g., area code split, company relocation).

Although Yellow Pages advertisers were expected to show much less willingness to switch numbers, this was not confirmed by the quantitative results, as the increase (+13) was only slightly higher than among non-Yellow Pages advertisers (+11).

\* Results for additional discount levels included in Appendix



## Impact of Other Elements on Likelihood to Switch Providers

Assuming that you had to change your telephone numbers if you switched service, how much would each of the following impact your likelihood to switch your local and toll telephone service to another company?

	<b>TOTAL</b> (% "much more likely")	<b>Business Size</b> (by number of employees)		
		<b>Small</b>	<b>Medium</b>	<b>Large</b>
<b>Reimbursement of \$1,000 toward business stationary</b>	39%	41%	31%	12%
<b>Company planning to move/relocate</b>	22%	22%	24%	29%
<b>Customized announcement</b>	21%	21%	22%	11%
<b>New Yellow Pages Directory is due</b>	9%	8%	12%	6%
	(n=519)	(n=179)	(n=170)	(n=170)

Since only the major variables that influence the switching decision were measured in the conjoint design, other potential "incentives" or situational factors were tested outside of the design.

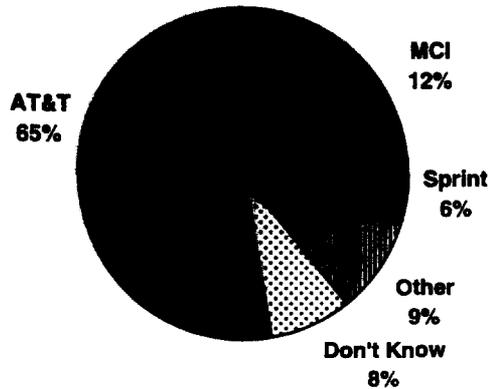
When asked how much a \$1,000 reimbursement for stationary re-printing costs would influence their decision to switch, over one-third (39%) of businesses said they would be "much more likely." However, this incentive was pertinent mainly to smaller business (under 10 employees).

Other factors tested did not have a substantial impact on the majority of businesses.



## Preferred Provider for Local Access

Assuming you were planning to switch any of your local and toll service to another company and all companies were making basically the same offer, which company would you choose?



(n=519)

	Current Long Distance Company			
	AT&T	MCI	Sprint	Other
AT&T	78%	46%	26%	54%
MCI	5%	42%	2%	9%
Sprint	2%	3%	63%	1%
Other	7%	3%	2%	25%
Don't Know	8%	6%	7%	11%
	(n=287)	(n=84)	(n=42)	(n=105)

When asked the specific company they would be most likely to use for local and toll service (assuming they would switch from Pacific Bell), businesses' responses were similar to existing long distance usage.

However, it appears that AT&T has the potential to gain in the local access arena, as more respondents (65%) indicated they would use AT&T for local and toll service than were currently using AT&T as a primary long distance carrier (56%) (refer to "Current Telecommunications Environment" section).

When examined by current long distance company, it becomes apparent that AT&T would gain share in local access primarily from companies who are currently using MCI or a smaller long distance company. Only four out of ten (42%) MCI companies would choose MCI for local access as well as long distance.



## Appendix

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- Additional Results
- Research Addendum
- Model versus Survey Comparison
- Sample Disposition
- Focus Group Recruitment Screener
- Moderator's Guides
- Telephone Recruitment Questionnaire
- Mail Survey Booklet



## Number Portability Research Addendum

Both the residence and business research studies were conducted via a full-profile conjoint analysis, where respondents evaluated a series of different "product" configurations or scenarios. The scenarios were developed by combining the individual attribute levels that were determined to be relevant to the study into actual product offerings (see the Methodology section of the Final Report for a description of these attribute levels).

A fractional factorial design was used, where each respondent evaluated a subset of the total number of possible configurations. Given the attributes and levels identified for this study (brand/service bundling (3 levels); discount off of Pacific Bell (4 levels); impact on telephone number (5 levels)), a total of 60 (3 x 4 x 5) possible scenarios existed. However, to reduce respondent burden, each respondent evaluated 25 different scenarios, which were systematically selected to ensure that the attribute levels were exposed to respondents in a balanced fashion.

For each scenario that was administered, respondents indicated their interest in the competitive offering by responding to the following questions (dependent variables):

### Residence

*How likely would you be to consider switching to this company?*

<i>Very likely.....</i>	<i>4</i>
<i>Somewhat likely.....</i>	<i>3</i>
<i>Not very likely.....</i>	<i>2</i>
<i>Not at all likely.....</i>	<i>1</i>

### Business \*

*How willing would you be to switch any of these lines to this company?*

<i>Very willing.....</i>	<i>4</i>
<i>Somewhat willing.....</i>	<i>3</i>
<i>Not very willing.....</i>	<i>2</i>
<i>Not at all willing.....</i>	<i>1</i>

*What percent would you move? \_\_\_\_\_ %*

\* For the business market, the measure above was collected for each of the following line types: main lines, other lines, DID numbers.

After the data collection was completed, the conjoint analysis was conducted to derive the relative importance of each of the attributes and develop a model to estimate the proportion of consumers who would switch under any specific scenario.



## Number Portability Research Addendum

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The conjoint analysis was conducted using an Ordinary Least Squares regression analysis which featured the use of dichotomous or “dummy” variables. For each attribute level (independent variable), a dummy variable was created that indicated the presence or absence of that level within a specific product configuration. The OLS regression was then used to estimate the effect of those dummy variables on the dependent variable (i.e., their impact on the decision to switch providers).

Since full-profile conjoint analysis is conducted at the respondent level, the OLS regression was conducted for each respondent and estimates of the influence of the independent variables on the dependent variables were calculated for each individual. Then, a predictive model was developed that calculated the overall impact of any combination of independent variables.

The development of the models differed slightly between the business and residence studies because of the additional dependent variables used in the business survey and the need to weight the results to reflect the actual number of lines that would be switched. This process is described below for each study:

### Development of Residence Model

Since no weighting was required for the residence results, the estimates for each independent variable were averaged across all respondents to calculate estimates for the total sample. Then, for each scenario (combination of elements) to be evaluated, the estimates (plus the constant) of the specific elements included in that scenario were summed. This calculation resulted in a value on the four-point scale (e.g., 3.28), which was then adjusted to reflect the following conversion factors:

Very likely.....	4	75%
Somewhat likely.....	3	50%
Not very likely.....	2	25%
Not at all likely.....	1	0%

After the conversion factors were applied, the “demand” or proportion of residences likely to switch under that scenario was determined (e.g., 57%).

In addition, the likelihood of switching among separate residence segments (e.g., work at home) was also evaluated. To do this, the respondent-level estimates for all respondents who qualified for a specific segment were averaged, then the specific scenario calculations were performed on the averaged estimates for each segment.



## Number Portability Research Addendum

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### Development of Business Model

Three major differences existed between the residence and business studies that caused the business model to be created in a slightly different fashion. First, the business study had a total of 6 dependent variables – the likelihood of switching and percent of lines a business would switch for three different types of lines. Second, since each business had a different number of lines, weighting on this variable was required to determine the proportion of all business lines that would be switched. Finally, the business sample was stratified according to number of employees which required additional weighting to reflect the actual business population. To account for these differences, the following process was used to develop the business model after the respondent-level estimates were determined using the OLS regression.

The first dependent variable, likelihood of switching (percent of businesses likely to switch), was determined as follows. Because of the weighting required, for any scenario, each respondent's score on the four point scale was calculated, then the conversion factors were applied. The weighted average of these values was then calculated using the employee size weights, providing the percent of businesses likely to switch.

For the next dependent variable, percent of lines a business would switch, the OLS regression was performed and estimates created for each respondent as with the likelihood of switching variable. The two dependent variables for each type of line were combined as follows to determine the proportion of all business lines that would be switched.

First, the percent of lines a business would switch was calculated for any scenario using the respondent-level estimates for that dependent variable. This result was then multiplied by the likelihood of that business to switch (the first dependent variable) and by the total number of lines that each individual business had to determine the number of lines that a business would be likely to switch. The weighted average (by employee size) was calculated to produce the average number of lines switched under any scenario. This was divided by the average number of lines that business respondents reported to come up with the proportion of all business lines likely to be switched.

This entire process was repeated three times, one for each type of line. In each case, calculations were only conducted for respondents who had that specific type of line.

The attached spreadsheet provides an example of how the results were calculated for the business survey.

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November, 1994

Dear Participant:

Thank you very much for agreeing to participate in this mail survey. As we mentioned on the telephone, we are conducting research on upcoming changes in the telecommunications industry, such as competition for *local* telephone services.

To help us truly understand how the issues involved with competition for local telephone services will affect businesses, we are very interested in your opinions, *whether you are interested in changing services or not*. Your opinions will serve as representative of businesses like yours, and therefore, your assistance is extremely important. To ensure the validity of the research results, it is important that *you* complete this questionnaire, that is, the same person who agreed to on the telephone.

Enclosed you will find the survey booklet called "Telecommunications 1995 and Beyond," and a separate "Dictionary of Terms." To complete the study, please:

- Start the "Telecommunications 1995 and Beyond" survey booklet, and make sure you answer all the questions.
- Before starting Section II of the survey booklet, please read the descriptions in the "Dictionary of Terms."
- In Section II, you are asked to evaluate a number of different scenarios. Although these scenarios may appear to be quite similar, it is very important that you respond to the questions following each scenario so that we can conduct the appropriate analysis.

When you have completed the entire survey booklet, place only the survey booklet in the postage-paid return envelope and drop it in the mail. We need to have the survey booklets back within the next week, so please fill it out and *return it as soon as possible*.

We have included \$2.00 in appreciation of your help with this study. Once again, thank you very much for participating.

Sincerely,



Pat Simmons  
Project Director



## Sample Disposition

<b>Total Sample Used</b>	<b>9,912</b>	<b>100%</b>	
<b>Live Sample</b>	<b>3,395</b>	<b>34%</b>	<i>of total sample</i>
Busy	142	1%	
No Answer	407	4%	
Device (Answering Machine)	989	10%	
Call Backs	1,825	18%	
Valid Referral Number	31	--	
Partial	1	--	
<b>Dead Sample</b>	<b>6,517</b>	<b>66%</b>	<i>of total sample</i>
<b>Total Non-Usable</b>	<b>5,109</b>	<b>78%</b>	<i>of dead sample</i>
Language Barrier	80	1%	
Not Available during study	372	6%	
Refused	2,350	36%	
Called 4 Times	511	8%	
Fax/Modem/Pager	57	1%	
Disconnects	656	10%	
Wrong Numbers	11	--	
Phone location not qualified	152	2%	
Invalid Referral Number	691	11%	
Other	229	4%	
<b>Total Contacted</b>	<b>1,408</b>	<b>22%</b>	<i>of dead sample</i>
<b>Qualified</b>	<b>1,356</b>	<b>96%</b>	<i>of total contacted</i>
Recruited	1,208	86%	
Terminates	148	11%	
<b>Not Qualified</b>	<b>52</b>	<b>4%</b>	<i>of total contacted</i>
Works for Competitor	38	3%	
Not Pacific Bell Customer	14	1%	
<b>Total Recruited</b>	<b>1,208</b>	<b>100%</b>	<i>of total recruited</i>
<b>Total Returned</b>	<b>551</b>	<b>46%</b>	<i>of total recruited</i>
Unuseable	19	2%	
Returned after cut-off	13	1%	
Completes	519	43%	<i>of total recruited</i>

# Number Portability Research Addendum

Main Lines

Likelihood of Switching

Likelihood of Switching  
for Specific Scenario

Respondent #	Employee Size Weight	Constant	Provider/Services Provided			Discount					Impact on Number				LD Co. 15% less Remain Same	
			Telecomm Co./	Telecomm Co./LD	Company,	0% less	5% less	15% less	25% less	Remains the same	for 6 mos.	Annc. only for 1 year	Transfer for 6 mos.	Transfer for 1 year	4-point scale	Converted
			Local only	Local and LD	Local and LD											
1	0.05	2.52	0.08	0.08	-0.12	-0.72	-0.52	0.48	1.48	-0.12	0.08	0.08	-0.12	0.08	2.76	44%
2	0.49	2.12	-0.12	0.28	-0.02	-0.42	-0.12	0.28	0.68	1.28	-0.32	-0.12	-0.12	-0.72	3.66	67%
3	2.39	2.56	-0.06	0.24	-0.06	-1.56	0.84	1.44	0.84	-0.96	0.24	0.24	0.24	0.24	2.98	50%
WEIGHTED AVERAGE (by employee size)		2.40	-0.03	0.20	-0.07	-0.90	0.07	0.73	1.00	0.07	0.00	0.07	0.00	-0.13	3.09	52%

Percent of Lines Business would Switch	Percent of Lines Business is likely to switch	Number of Lines	Number of Lines likely to be switched
(calculated from separate regression estimates) (estimates not shown)	(adjusted for likelihood of switching)	(self-reported)	
25%	11%	180	19.8
100%	67%	15	10.0
90%	45%	3	1.3
WEIGHTED AVERAGE (by employee size)	91%	8.0	3.1

Average number of lines businesses have = 8.0

Average number of lines businesses are likely to switch = 3.1

Percent of all business lines likely to be switched =  $\frac{3.1}{8.0} = 39\%$

## Model vs. Survey Comparison

Scenario	Service Provider	Services	Discount	Impact	Model	Survey	Variance
1	Another Telecomm Co.	Local & Toll	25%	Annc. for 2 years	33%	31%	2%
2	Another Telecomm Co.	All	0%	Transfer for 1 year	7%	6%	1%
3	Your LD Co.	All	0%	Transfer for 2 years	10%	10%	0%
4	Another Telecomm Co.	All	25%	Transfer for 1 year	30%	31%	-1%
5	Another Telecomm Co.	Local & Toll	0%	Transfer for 2 years	9%	7%	2%
6	Another Telecomm Co.	All	0%	Remain same	17%	13%	4%
7	Your LD Co.	All	0%	Transfer for 1 year	10%	9%	1%
8	Your LD Co.	All	15%	Transfer for 1 year	24%	23%	1%
9	Another Telecomm Co.	Local & Toll	15%	Remain same	35%	38%	-3%
10	Another Telecomm Co.	All	25%	Transfer for 2 years	31%	30%	1%
11	Your LD Co.	All	0%	Annc. for 2 years	10%	9%	1%
12	Your LD Co.	All	15%	Transfer for 2 years	25%	24%	1%
13	Your LD Co.	All	5%	Annc. for 1 year	15%	14%	1%
14	Your LD Co.	All	25%	Annc. for 1 year	34%	32%	2%
15	Another Telecomm Co.	All	5%	Transfer for 2 years	12%	11%	1%
16	Another Telecomm Co.	All	15%	Annc. for 1 year	21%	19%	2%
17	Another Telecomm Co.	All	0%	Annc. for 1 year	8%	7%	1%
18	Another Telecomm Co.	All	15%	Annc. for 2 years	21%	21%	0%
19	Your LD Co.	All	5%	Annc. for 2 years	15%	15%	0%
20	Your LD Co.	All	0%	Remain same	21%	17%	4%
21	Another Telecomm Co.	Local & Toll	5%	Transfer for 1 year	13%	11%	2%
22	Another Telecomm Co.	All	0%	Annc. for 2 years	7%	7%	0%
23	Another Telecomm Co.	All	5%	Remain same	22%	22%	0%
24	Your LD Co.	All	25%	Remain same	45%	50%	-5%
25	Another Telecomm Co.	Local & Toll	0%	Annc. for 1 year	9%	10%	-1%

(Percent of businesses scale: 4=75%, 3=50%, 2=25%, 1=0%)

Number Portability Focus Groups  
 -- Contact Sheet --

(CIRCLE APPROPRIATE GROUP)	<u>Small Business</u> 1-10 employees	<u>Large Business</u> 100+ employees	<u>Medium Business</u> 11-99 employees	<u>Defectors</u> 11+ employees
San Francisco: Thursday, September 29	12:00 pm	5:30 pm	7:30 pm	
Monday, October 10				6:00 pm
Los Angeles: Monday, October 3	12:00 pm	5:30 pm	7:30 pm	

Name: Mr. Ms. Mrs. \_\_\_\_\_

Title: \_\_\_\_\_

Company: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Phone: (work): ( ) \_\_\_\_\_ (home): ( ) \_\_\_\_\_

(fax): ( ) \_\_\_\_\_

Date	Time	Recruiter

Number of employees: \_\_\_\_\_

Changed phone # or area code? YES NO

Number of locations: \_\_\_\_\_

Industry: \_\_\_\_\_

Number of lines: \_\_\_\_\_

Local/toll bill: \$ \_\_\_\_\_ per month

Long distance bill: \$ \_\_\_\_\_ per month

- Use:
- Voice mail ..... 1
  - Fax machine ..... 2
  - Modem ..... 3
  - 800 number ..... 4
  - Yellow Pages ..... 5

**Number Portability Focus Groups**  
**-- Screening Questionnaire --**

**NOTE: GROUPS ARE TO BE RECRUITED & CONDUCTED ON A BLIND BASIS**

**INTRO:** Hello, this is \_\_\_\_\_ with ConStat, a market research firm in San Francisco. May I please speak to the person who is responsible for or directly involved in making decisions about your business's local telephone service? (IF NECESSARY: This is not a sales call.)

**REINTRODUCE:** Hello, this is \_\_\_\_\_ with ConStat, a market research firm in San Francisco. We are conducting a study about upcoming changes in local telephone services. I am calling to extend an invitation to you to participate in a focus group.

1. Are you the person who would be responsible for selecting your company's telephone provider?

- |                  |   |                                    |
|------------------|---|------------------------------------|
| Yes .....        | 1 | (CONTINUE)                         |
| No .....         | 2 | (ASK FOR REFERRAL AND REINTRODUCE) |
| Don't know ..... | X |                                    |

2. Which company do you currently use for your local telephone service? (DO NOT READ) For long distance service? (DO NOT READ. CIRCLE ALL MENTIONS AND CONTINUE)

	<u>LOCAL</u>	<u>TOLL</u>		<u>L.D.</u>
Pacific Bell .....	1	1	(CONTINUE)	1
GTE .....	2	2	(TERMINATE)	2
AT&T .....	3	3		3
Sprint .....	4	4		4
MCI .....	5	5		5
Cable & Wireless .....	6	6		6
Allnet.....	7	7		7
OTHER (SPECIFY _____) .	9	9	(RECRUIT FOR DEFECTORS GROUP ONLY)	9
DK/NA .....	X	X	(TERMINATE)	X

3. What is the total number of full and part-time employees your company has at all of its locations in California? Is it... (READ CATEGORIES):

- |                                |   |                             |
|--------------------------------|---|-----------------------------|
| 1-10 employees .....           | 1 | (CHECK QUOTAS AND CONTINUE) |
| 11-99 employees, or .....      | 2 |                             |
| 100 or more employees.....     | 3 |                             |
| (DO NOT READ) REFUSED/DK ..... | X | (THANK AND TERMINATE)       |

4. How many office locations does your company have in California? (RECORD BELOW)

NUMBER OF LOCATIONS: \_\_\_\_\_ | (RECRUIT A MIX OF SINGLE AND MULTIPLE LOCATION BUSINESSES)

5. How many telephone lines does your company have at this location, including voice, fax and modem communications, but not including any 800 or WATS numbers? (RECORD BELOW)

NUMBER OF LINES: \_\_\_\_\_ | (RECRUIT MAXIMUM OF 2 PER GROUP WITH ONE LINE ONLY).

6. Approximately what is your company's total monthly telephone bill for local telephone service (including toll)? (RECORD BELOW) For long distance service? (RECORD BELOW)

MONTHLY LOCAL/TOLL BILL: \$ \_\_\_\_\_ (RECRUIT SPREAD)

MONTHLY LONG DISTANCE BILL: \$ \_\_\_\_\_

7a. Which of the following telecommunications products do you currently use?

	YES	NO	
Voice mail .....	1	2	(RECRUIT MIX OF BUSINESSES WITH AND WITHOUT THESE SERVICES)
Fax machines .....	1	2	
Modems .....	1	2	
Inbound 800 phone number .....	1	2	
	ASK Q. 7b.		

7b. Is your main business number for customer or client contact an 800 number?

YES .....	1		(MAXIMUM 2 PER GROUP)
NO .....	2		(CONTINUE)
DK/NA .....	X		

8. Does your company advertise in the Yellow Pages?

YES .....	1		(RECRUIT HALF OF EACH-- NOT APPLICABLE FOR LARGE BUSINESS GROUPS)
NO .....	2		
DK .....	X		

9. Has your company ever changed its business telephone number or had its area code changed?

YES .....	1		(RECRUIT MAXIMUM OF 4 PER GROUP)
NO .....	2		
DK .....	X		

10. What is your business's primary industry? (RECORD BELOW)

\_\_\_\_\_ | (RECRUIT VARIETY OF INDUSTRIES)

11. Do you or does anyone in your household work for any of the following:

- |   |   |  |                       |
|---|---|--|-----------------------|
| A telephone/telecommunications company<br>or consultant ..... | 1 |  | (THANK AND TERMINATE) |
| An advertising or public relations agency .....               | 2 |  |                       |
| A market research company .....                               | 3 |  |                       |
| None of the above .....                                       | X |  | (CONTINUE)            |

12. When was the last time you participated in a focus group regarding telecommunications services?

- |                                  |   |  |             |
|----------------------------------|---|--|-------------|
| Within the past six months ..... | 1 |  | (TERMINATE) |
| Over six months ago .....        | 2 |  | (CONTINUE)  |
| Never .....                      | 3 |  |             |
| Don't know .....                 | X |  | (TERMINATE) |

We are conducting a focus group to hear how some potential changes in the telecommunications industry might affect your company's local telephone services.

We are interested in a wide range of opinions and would very much like you to participate. The discussion will be held on:

<b>SAN FRANCISCO</b>		<b>LOS ANGELES</b>	
Thursday, September 29		Monday, October 3	
<b>SMALL:</b> (1-10 employees)	12:00 pm		12:00 pm
<b>MEDIUM:</b> (11-99 employees)	7:30 pm		7:30 pm
<b>LARGE:</b> (100+ employees)	5:30 pm		5:30 pm
<b>DEFECTORS:</b> (11+ employees)	Monday, October 10 6:00 pm		

The discussion will last about two hours and food and refreshments will be served. In appreciation of your time and opinions, and to reimburse you for any parking expenses you incur, you will receive \_\_\_\_\_

SMALL BUSINESS GROUPS: \$100.00

MED./LARGE BUSINESS GROUPS: \$100.00

DEFECTORS: \$100.00

Will you be able to attend? (IF RESPONDENT HESITATES): Your opinions are very important and we think you will enjoy the discussion.

- |        |   |
|--------|---|
| IF YES | (RECORD YY ON CONTACT SHEET AND CONTINUE) |
| IF NO  | (THANK AND TERMINATE)                     |

Thank you. The discussion will be held at:

**SAN FRANCISCO:**

ConStat, Inc.  
450 Sansome Street, Suite 1100  
San Francisco

**LOS ANGELES:**

Adept, Inc.  
345 North Maple Drive, Suite 325  
Beverly Hills

We will be sending you a confirmation letter and map to the facility. May I please confirm your mailing address?  
(RECORD ON CONTACT SHEET)

Thank you very much for your time. We look forward to seeing you on September 29th/October 3rd/ October 10th. If for any reason you are unable to attend, please call ConStat-at (415) 274-6600.

**PACIFIC BELL**  
**NUMBER PORTABILITY**  
**- Moderator's Guide -**

	<b>NOTES:</b>
<p><b>I. INTRODUCTION AND SET UP</b></p> <ul style="list-style-type: none"><li>• We are conducting this study to determine how future changes and competition in local telephone services might affect decisions about your businesses telecommunications. <b>(BLIND STUDY)</b></li><li>• Set-up rules:<ul style="list-style-type: none"><li>- Need for audio-taping / video-taping</li><li>- Client monitoring</li><li>- Ensure full confidentiality of remarks</li><li>- No right or wrong answers</li></ul></li><li>• Participants introduce each other:<ul style="list-style-type: none"><li>- Company name &amp; industry</li><li>- Current telephone company(s)</li><li>- Number of telephone lines / locations</li><li>- Type of telephone system used</li></ul></li></ul>	<p><b>10 - 15 MINUTES</b></p>
<p><b>II. CURRENT USE OF BUSINESS TELEPHONE NUMBER(S)</b></p> <ul style="list-style-type: none"><li>• How do customers, clients, suppliers, friends contact your company? <b>What telephone number(s) do they call?</b><ul style="list-style-type: none"><li>- For different departments?</li><li>- For different locations?</li><li>- For specific employees?</li><li>- For internal communications?</li><li>- FAX</li><li>- Modem</li></ul></li></ul> <p><b>FOR EACH NUMBER:</b></p> <ul style="list-style-type: none"><li>- Who calls this number? How many different callers?</li><li>- How many calls are received per hour/day/week?</li><li>- How are calls handled internally (e.g., live operator, transfers, voice mail, etc.)?</li></ul> <ul style="list-style-type: none"><li>• What is most important type of call/caller?</li><li>• How do different callers usually get your telephone number? (originally, in the first place)<ul style="list-style-type: none"><li>- From publications</li><li>- Directly from employees</li><li>- From 411/directory information</li><li>- Other???</li></ul></li></ul>	<p><b>15 - 20 MINUTES</b></p>

• **Where are your business's telephone numbers published? Where do they appear? (IF NECESSARY, PROBE:)**

- Radio/TV advertising
- Yellow Pages advertising
- Print advertising
- Business cards
- Business stationery
- Sales/product information
- Products
- Other???

• **Where else might you find your business number listed?**

- Address books?
- Speed dialers?

### III. LIKELIHOOD TO SWITCH TELEPHONE NUMBER / EXPLORATION OF POTENTIAL COST DEFRAYERS

20 - 25 MINUTES

In the future, changes may allow competition for providing local telephone service including dial tone and toll.

#### TEST COMPETITIVE OFFERS WITH NO NUMBER CHANGE

- If a different company offered you \_\_\_\_\_, would you switch your service? Why? Why not?

##### IF WILLING TO SWITCH:

- Switch all or some lines? Which ones?

##### IF UNWILLING TO SWITCH:

- Would you be willing to switch only some lines? Why or why not?

#### > PARITY

#### > 5% LESS THAN LOCAL (NO NUMBER CHANGE)

(LOCAL = PB local and toll c

#### > 10% LESS THAN LOCAL (NO NUMBER CHANGE)

#### > 10% LESS THAN LOCAL AND 10% LESS THAN LONG DISTANCE (NO NUMBER CHANGE)

#### EXPLORE IMPACT OF HAVING TO CHANGE NUMBER

- What if, in order to get this savings, you had to change your telephone number? Would you still switch? Why or why not?

##### IF YES:

- How would you handle the change in your number?
- What would you have to do about...
  - Your telephone system
  - Changing company stationery/business cards
  - Notifying clients/customers/suppliers
  - Changing advertisements, etc.
- Would you expect the new provider to help with any of these changes? What would you expect them to do? (PROBE)
  - Provide a standard announcement
  - Provide a customized announcement
  - Provide call forwarding/call transfer
  - \$500 toward the cost of new stationery, business cards?
  - \$1,000 toward the cost of new stationery
  - A free 800 number for 6 months (monthly service, not usage)?

- How long would you need to have an announcement/call forwarding?
  - 1 year
  - 2 years
  - 3 years
  - Permanantly
- Would you be willing to pay for...
  - a standard announcement
  - a customized announcement
  - call forwarding/automatic transfer
- How much would you be willing to pay for these solutions?
- Would you be willing to switch only the telephone lines/numbers that aren't used for incoming calls and keep your incoming numbers with Pacific Bell? Why or why not?
- If yes, which ones would you change(e.g., fax machine, modems, "trailing" lines)?
- If only your prefix changed, and your telephone line numbers remained the same, would this be any easier?

## VI. EVALUATION OF SPECIFIC SCENARIOS

10 - 15 MINUTES

### DISTRIBUTE QUESTIONNAIRE (= 4 - 5 SCENARIOS)

- We have discussed various different factors that might influence whether you would be willing to switch your telephone number. This brief questionnaire puts all of these factors together to see what your reaction would be in a specific situation.

Please assume that you could switch to any company who was offering local telephone service.

#### WHEN COMPLETE, SELECT ONE SCENARIO AND EVALUATE:

(IF TIME)

- How likely would you be to switch in this situation? Why or why not?
- What proportion of your lines would you switch? IF NOT 100%: Which lines would you switch?
- What company did you have in your mind as offering this service?
- What company would you prefer for your local telephone service? Why?
- What other companies would you consider?  
(UNAIDED, THEN PROBE)
  - AT&T, MCI, Sprint
  - Metropolitan Fiber Systems (MFS), Bay Area Teleport
  - Cable & Wireless, Allnet

**Suppose your company moves locations and you have to change your telephone number. You could choose one of the following options...**

**1. STANDARD ANNOUNCEMENT (NO TRANSFER)**

When customers call your old number, they hear a standard automated referral message. The announcement lasts for one year.

*"The number you have called, 555-4433, has been changed. The new number is, 333-2211."*

**2. CUSTOMIZED ANNOUNCEMENT (NO TRANSFER)**

When customers call your old number, they hear a customized referral message developed by your company which lasts one minute and is in your own voice. The announcement lasts for one year.

*"Thank you for calling ABC Rentals! Our new telephone number is 333-2211. To find out about our new party rental specials, please record this number and dial it now. A rental specialist is waiting for your call."*

**3. AUTOMATIC TRANSFER (NO ANNOUNCEMENT)**

When customers call your old number, they are automatically transferred to your company. The new number is not announced (this must be done internally, e.g., by receptionist). The automatic transfer lasts for one year.

**4. STANDARD ANNOUNCEMENT AND AUTOMATIC TRANSFER**

When customers call your old number, they hear a standard referral message then are automatically transferred to your company. The announcement lasts for one year.

*"The number you have called, 555-4433, has been changed. The new number is, 333-2211. Please stay on the line and your call will be connected."*

**5. CUSTOMIZED ANNOUNCEMENT AND AUTOMATIC TRANSFER**

When customers call your old number, they hear a customized referral message developed by your company which lasts one minute and is in your own voice. Then they are automatically transferred to your company. The announcement lasts for one year.

*"Thank you for calling ABC Rentals! Our new telephone number is 333-2211. To find out about our new party rental specials, please stay on the line and a rental specialist will be with you shortly."*

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  - Products
  - Address books
  - Speed dialers

## IIA. EXPLORATION OF DEFECTION BEHAVIOR

- Who is your local telephone provider? Your toll provider? Your long distance provider?
- What do each of these companies provide?  
(CLARIFY DISTINCTION BETWEEN TOLL AND DIAL TONE)
- What company used to provide your toll service? When did you switch?
- What were the main reasons why you switched? Anything else?  
(UNAIDED, THEN PROBE)
  - Price
  - Single point of contact
  - Single bill
  - Improved service or features
- What changes or events were happening in your business at the time?  
(e.g., moving, new phone system, new TCM, etc.)
- What were the barriers to switching, if any? (UNAIDED, THEN PROBE)
  - Additional equipment/dialers
  - Other change in telephone system (Number change??)
  - Concern about reliability or service
- How did this change occur? Please tell us the steps that were involved starting with the initial contact. (UNAIDED, THEN PROBE):
  - Original offer from company
  - Concerns
  - Extent of meetings/negotiations with company
- How flexible was the company in meeting your demands/requests during the negotiations?
- How satisfied are you with their service?
- Is there anything else you would like to receive from them? (PROBE FOR DIAL TONE/ACCESS)
- What are your impressions of Pacific Bell now?