



Value of Number Portability by Residence Characteristics

Incumbent Long Distance Company Offers Service for 15% Discount *

Percent of Residences that would consider switching

		<u>Announcement for 6 months</u>	<u>Number Portability</u>	<u>Change</u>
Age				
• 18-34 years	(n=121/27%)	41%	54%	+13
• 35-54 years	(n=182/41%)	37%	51%	+14
• 55 and older	(n=138/32%)	30%	42%	+12
People in Household				
• One	(n=85/19%)	32%	47%	+15
• Two	(n=154/35%)	35%	49%	+14
• Three or more	(n=205/46%)	39%	51%	+12

To answer the objective of which residential customers would be most impacted by having to switch their telephone numbers, the proportion of residences that would consider switching their telephone line with and without number portability (all other elements being held constant) was evaluated by different residence characteristics.

When evaluating customers by age, number portability appears to impact residential customers quite similarly. However, number portability has a greater impact on customers who have fewer people in the household (+15 points for 1 person and +14 points for 2 persons), versus larger residences (+12 points).

* Results for additional discount levels included in Appendix



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Percent of Residences that would consider switching

<u>Total Monthly Bill</u>	<u>Announcement for 6 months</u>	<u>Number Portability</u>	<u>Change</u>
• <\$35 (n=166/39%)	32%	46%	+14
• \$35 - \$59 (n=116/27%)	35%	49%	+15
• \$60+ (n=142/34%)	42%	54%	+12
<u>Call Waiting</u>			
• Yes (n=180/40%)	36%	49%	+13
• No (n=267/60%)	36%	49%	+13
<u>Current Phone Number</u>			
• Published (n=278/63%)	36%	50%	+14
• Non-Published (n=158/37%)	35%	47%	+12

When looking at residential customers by monthly bill amount, number portability has less impact on customers who spend \$60 or more (+12 points) when compared to customers who spend less than \$60 (+14 to +15 points), most likely because customers with higher bills are more sensitive to and interested in pricing discounts.

Customers with published numbers appear to be slightly more impacted by number portability (+14 points) than customers with non-published numbers (+12 points).

Subscription to call waiting was not a distinguishing characteristic in determining which customers would be most impacted by number portability.

* Results for additional discount levels included in Appendix



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Percent of Residences that would consider switching

	<u>Announcement for 6 months</u>	<u>Number Portability</u>	<u>Change</u>
<u>Long Distance Carrier</u>			
• AT&T (n=306/69%)	36%	48%	+12
• MCI (n=65/15%)	38%	55%	+17
• Sprint (n=32/7%)	39%	56%	+17
<u>Ever Switched LD Carrier</u>			
• Yes (n=167/37%)	38%	52%	+14
• No (n=280/63%)	35%	48%	+13
<u>"Very Satisfied" with Pacific Bell</u>			
• Yes (n=311/70%)	34%	47%	+13
• No (n=119/30%)	43%	56%	+13

Which long distance company a customer uses does have an effect on a customer's likelihood to consider switching, especially if number portability is available. Customers who currently use MCI or Sprint (+17 points) appear to be more affected by number portability versus AT&T customers (+12 points), possibly reflecting the higher satisfaction levels for AT&T and a lower willingness to switch in general.

A consumer's past long distance switching behavior or their level of satisfaction with Pacific Bell does not have an impact on the value placed on keeping a telephone number.

* Results for additional discount levels included in Appendix



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Percent of Residences that would consider switching

	<u>Announcement for 6 months</u>	<u>Number Portability</u>	<u>Change</u>
<u>Work at Home</u>			
• Yes (n=87/20%)	36%	54%	+18
• No (n=360/80%)	37%	49%	+12
<u>Own Home</u>			
• Yes (n=199/62%)	36%	50%	+14
• No (n=122/38%)	37%	49%	+12
<u>Ever Changed Phone Number</u>			
• Yes (n=288/64%)	37%	50%	+13
• No (n=159/36%)	34%	48%	+14
<u>Likely to Move in Next 2 Years</u>			
• Yes (n=149/33%)	36%	49%	+13
• No (n=298/67%)	36%	50%	+14

Among customers who work at home, the availability of number portability has a significant impact on the likelihood to switch (+18) compared to those who do not work at home (+12). With number portability, over half (54%) of the work at home segment would switch. While this was the segment most impacted by number portability, work at home accounts for only 20% of the respondent base.

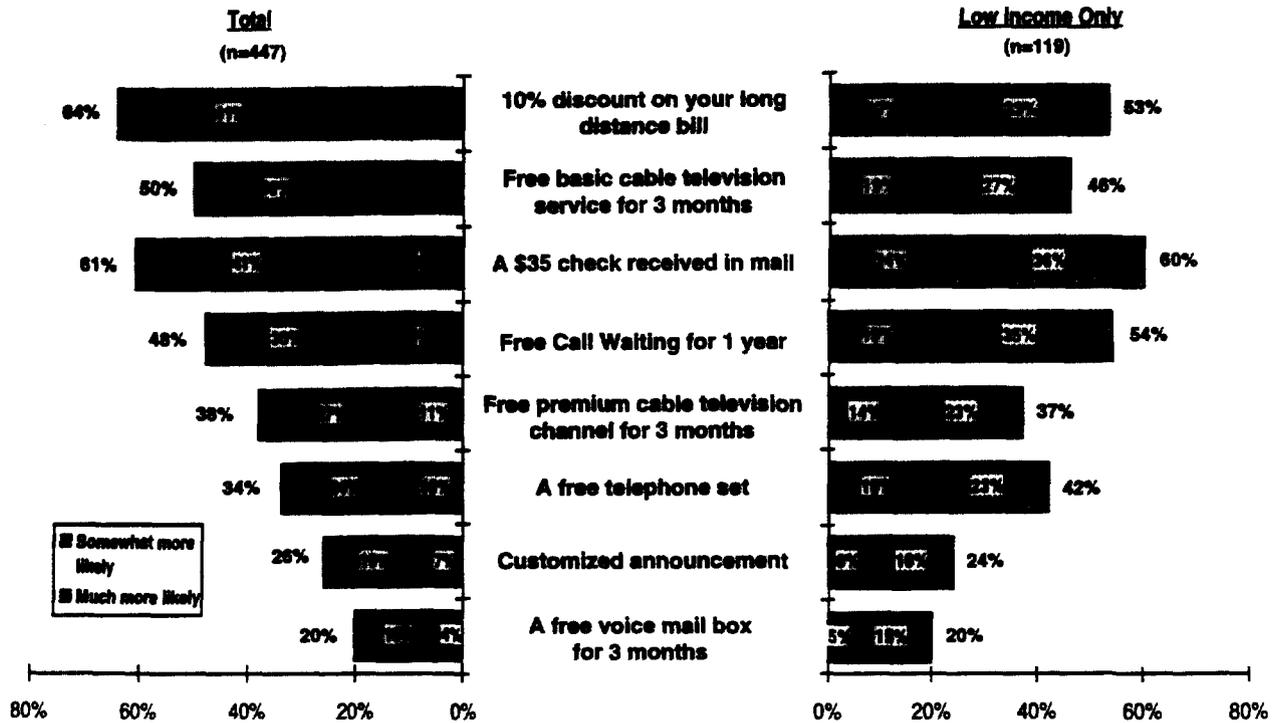
Descriptors regarding the mobility of a customer - whether they own a home, have ever changed their phone number or are likely to move - do not substantially influence the "value" that customers place on their number. The increase between number change announcement and number portability is approximately +13 in any of these segments.

* Results for additional discount levels included in Appendix



Impact of Other Elements on Likelihood to Switch Providers

Assuming you would have to switch your telephone number, how much would each of the following influence your likelihood of switching local access providers?



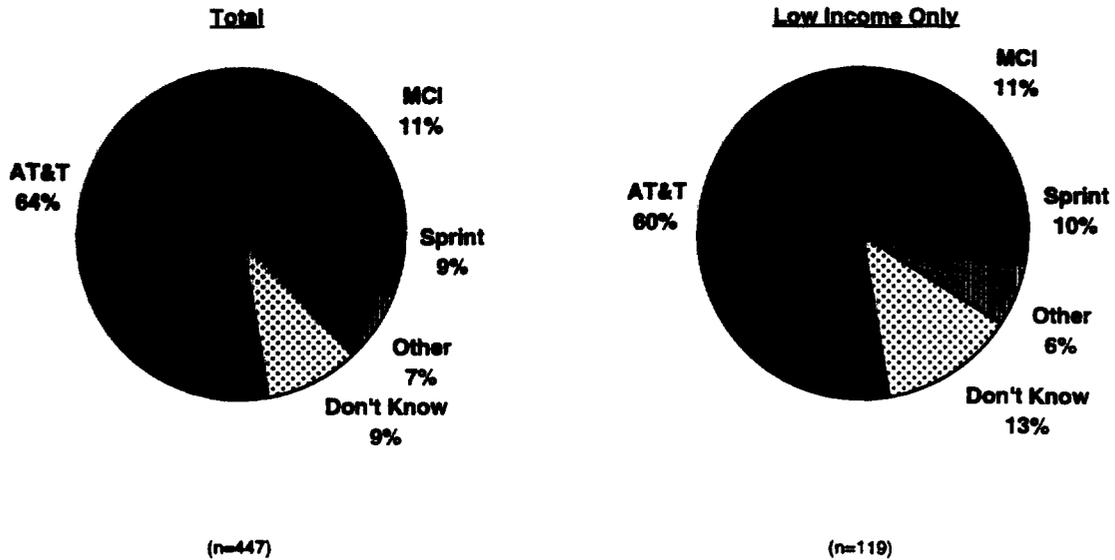
Although not tested in the conjoint analysis, the impact of possible marketing incentives were evaluated by asking respondents how much these incentives would impact their likelihood of switching if a number change is required. Financial incentives appear to have the most influence: a 10% discount off long distance service, a \$35 check, free basic cable television service and free call waiting would each make about one-fifth of all respondents "much more likely" to switch providers.

The other incentives tested, including a customized number change announcement, do not have a strong impact on willingness to switch, although a free telephone set was significantly more influential among the Low Income segment.



Preferred Provider for Local Access

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



Previously it was shown that an incumbent long distance company was preferred over another telecommunications company or cable company when switching local and toll providers. When asked which specific company they would choose (from a list of telecommunications and cable companies), this finding was supported. If all residential customers switched their local access from Pacific Bell, the preference for an alternative provider would closely resemble current long distance market share.



Preferred Provider for Local Access

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

	<u>Current Long Distance Company - Total</u>		
	<u>AT&T</u>	<u>MCI</u>	<u>Sprint</u>
AT&T	75%	40%	31%
MCI	6%	35%	9%
Sprint	6%	11%	44%
Other	4%	6%	7%
Don't Know	9%	8%	9%

(n=306)

(n=65)

(n=32)*

(Low Income Sample too small for analysis)

* Small sample size; use with caution

However, the strength of this incumbency effect varied substantially among current customers of the Big 3 long distance companies. While the majority of AT&T customers (75%) would bundle their local, toll and long distance services with AT&T, less than half of MCI (35%) and Sprint (44%) customers wanted local and toll services from their current long distance company. In fact, more MCI customers are likely to switch local and toll services to AT&T than to MCI.



Impact of Referral Announcement on Calling Behavior

When you call a business/residence and hear a referral announcement, what percent of the time do you hang up and immediately redial the new telephone number?

	Business		Residence	
	<u>Total</u>	<u>Low Income Only</u>	<u>Total</u>	<u>Low Income Only</u>
100% of the time	56%	45%	64%	61%
75% - 99%	26%	22%	21%	15%
50% - 74%	7%	9%	6%	6%
25% - 49%	3%	4%	2%	2%
0% - 24%	6%	15%	6%	14%
Don't Know	2%	5%	1%	2%
	(n=447)	(n=119)	(n=447)	(n=119)
Mean percent	86%	75%	89%	82%

One implication that has been put forth in discussions about requiring number portability is whether a business (or residence) is negatively impacted when a caller hears a number change announcement. When calling a business and hearing an announcement indicating a number has changed, the majority of the respondents (56%) immediately hang up and dial the new number. In fact, the new number would be called 86% of the time.

When calling a residence, those results are even higher (64% always call back immediately for an average of 89% of all announcement numbers being called). Although residence and business customers may believe they are "more difficult to find" if their phone number changes, most callers will pursue them at their new number.



Appendix

- Additional Results
- Research Addendum
- Model versus Survey Comparison
- Sample Disposition
- Focus Group Recruitment Screener
- Moderator's Guide
- 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

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

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.



Sample Disposition

Total Sample Used	10,438	100%	
Live Sample	2,807	27%	<i>of total sample</i>
Busy	108	1%	
No Answer	1,525	15%	
Device (Answering Machine)	674	6%	
Call Backs	498	5%	
Partial	2	--	
Dead Sample	7,631	73%	<i>of total sample</i>
Total Non-Usable	6,194	81%	<i>of dead sample</i>
Language Barrier	1,239	16%	
Not Available during study	53	1%	
Refused	2,102	28%	
Called 4 Times	236	3%	
Fax/Modem/Pager	176	2%	
Disconnects	1,648	22%	
Phone location not qualified (business)	695	9%	
Invalid Referral Number	45	1%	
Total Contacted	1,437	19%	<i>of dead sample</i>
Qualified	1,342	93%	<i>of total contacted</i>
Recruited	812	57%	
Terminates	279	19%	
Over-quota (High Income)	251	17%	
Not Qualified	95	7%	<i>of total contacted</i>
Works for Competitor	94	7%	
Not Pacific Bell Customer	1	--	
Total Recruited	812	100%	<i>of total recruited</i>
Total Returned	555	68%	<i>of total recruited</i>
Unuseable	13	2%	
Returned after cut-off	26	3%	
Completes	516	64%	<i>of total recruited</i>

Number Portability Research Addendum

Main Lines

Likelihood of Switching															Likelihood of Switching for Specific Scenario	
Respondent #	Employee Size Weight	Provider/Services Provided				Discount				Impact on Number				LD Co. 15% less Remain Same	4-point scale	Converted
		Telecomm Co./ Constant	Telecomm Co./ Local only	Telecomm Co./LD Local and LD	LD Company. Local and LD	0% less	5% less	15% less	25% less	Remains the same	for 6 mos.	for 1 year	Transfer for 6 mos.			
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 (calculated from separate regression estimates) (estimates not shown)	Percent of Lines Business is likely to switch (adjusted for likelihood of switching)	Number of Lines (self-reported)	Number of Lines likely to be switched
	25%	11%	180	19.8
	100%	67%	15	10.0
	90%	45%	3	1.3
WEIGHTED AVERAGE (by employee size)	91%	48%	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	RANDOM SAMPLE			LOW INCOME		
					Model	Survey	Variance	Model	Survey	Variance
1	Your LD Co.	All	15%	Transfer for 1 year	38%	37%	1%	34%	33%	1%
2	Your LD Co.	All	5%	Transfer for 6 mos.	26%	22%	4%	25%	22%	3%
3	Another Telecomm Co.	All	15%	Remain same	45%	48%	-3%	40%	41%	-1%
4	Another Telecomm Co.	Local & Toll	0%	Transfer for 6 mos.	10%	11%	-1%	11%	11%	0%
5	Cable TV	All	15%	Transfer for 6 mos.	28%	24%	4%	28%	26%	2%
6	Another Telecomm Co.	Local & Toll	0%	Remain same	23%	17%	6%	21%	15%	6%
7	Another Telecomm Co.	Local & Toll	15%	Annc. for 6 mos.	27%	26%	1%	26%	26%	0%
8	Cable TV	All	25%	Transfer for 1 year	36%	36%	0%	33%	32%	1%
9	Cable TV	Local & Toll	25%	Remain same	45%	44%	1%	42%	41%	1%
10	Another Telecomm Co.	All	25%	Transfer for 6 mos.	39%	37%	2%	36%	34%	2%
11	Another Telecomm Co.	Local & Toll	25%	Annc. for 1 year	34%	35%	-1%	32%	33%	-1%
12	Cable TV	All	0%	Transfer for 1 year	10%	11%	-1%	12%	11%	1%
13	Cable TV	Local & Toll	5%	Annc. for 6 mos.	15%	14%	1%	16%	15%	1%
14	Cable TV	Local & Toll	15%	Annc. for 1 year	26%	25%	1%	26%	25%	1%
15	Another Telecomm Co.	All	0%	Transfer for 1 year	16%	16%	0%	14%	12%	2%
16	Cable TV	Local & Toll	0%	Transfer for 6 mos.	9%	10%	-1%	11%	11%	0%
17	Your LD Co.	All	25%	Annc. for 6 mos.	43%	42%	1%	40%	39%	1%
18	Your LD Co.	All	0%	Annc. for 1 year	19%	18%	1%	19%	18%	1%
19	Your LD Co.	All	0%	Remain same	32%	36%	-4%	29%	34%	-5%
20	Cable TV	All	0%	Annc. for 6 mos.	10%	11%	-1%	12%	13%	-1%
21	Cable TV	Local & Toll	0%	Transfer for 1 year	10%	11%	-1%	10%	11%	-1%
22	Another Telecomm Co.	All	5%	Annc. for 1 year	21%	22%	-1%	21%	21%	0%
23	Another Telecomm Co.	Local & Toll	5%	Transfer for 1 year	17%	20%	-3%	16%	19%	-3%
24	Cable TV	All	5%	Remain same	30%	30%	0%	28%	29%	-1%
25	Another Telecomm Co.	All	0%	Annc. for 6 mos.	14%	14%	0%	14%	15%	-1%

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

ConStat, Inc.
 450 Sansome Street, #1100
 San Francisco, CA 94111

Project C94-659

October 28, 1994

- Left message
- Contacted by Phone
- Faxed
- Confirmed

Pacific Bell Number Portability
Focus Groups Screener
 - RESIDENCE -

VENUES: San Francisco/Los Angeles

TIMES:	Low Income	Higher Income	Location
Tuesday, November 15	6:00 pm	8:00 pm	SAN FRANCISCO
Wednesday, November 16	6:00 pm	8:00 pm	LOS ANGELES

Name: Mr. Ms. Mrs. _____

Title: _____

Company: _____

Address: _____

City: _____ State: _____ Zip: _____

Phone: (work): () _____ (home): () _____

(fax): () _____

Date	Time	Recruiter

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

Number of lines: _____

Local/toll bill: \$ _____ per month

Long distance bill: \$ _____ per month

Use:

- Voice mail.....1
- Call forwarding2
- Call waiting.....3
- Modem4
- Fax5

Changed phone # or area code? YES NO

Number Portability Focus Groups
-- RESIDENCE--
-- 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 in this household who is responsible for or directly involved in making decisions about your residence'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 decisions regarding your telephone service and company?

- YES 1 | (CONTINUE)
 NO 2 | (ASK FOR REFERRAL AND
 DK/NA X | REINTRODUCE)

2a. How many people are currently in your household? (RECORD BELOW)

2b. We don't have to know the exact amount, but is your annual household income before taxes.... (READ CATEGORIES)

<u>NUMBER OF PEOPLE</u>	<u>INCOME</u>
One (1) 1	Less than \$15,700..... 1
Two 2	Between \$15,700 and \$18,400 2
Three 3	Between \$18,400 and \$22,100 3
Four 4	Between \$22,100 and \$25,800 4
More than 4..... 5	Or, more than \$25,800 5

DK/Refused X (DO NOT READ)DK/Refused X (THANK AND TERMINATE)

RECRUIT FOR LOW INCOME GROUP IF:

<u>NUMBER OF PEOPLE IS..</u>	<u>AND</u>	<u>INCOME IS...</u>	
1 - 2	AND	LESS THAN \$15,700	
3	AND	LESS THAN \$18,400	
4	AND	LESS THAN \$22,100	
MORE THAN 4	AND	LESS THAN \$25,800	RECORD QUOTA

3. 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)

	LOCAL		L.D.
GTE	1	(TERMINATE)	1
Pacific Bell	2	(CONTINUE)	2
AT&T	3		3
Sprint	4		4
MCI	5		5
OTHER (SPECIFY _____)	9		9
DK/NA	X		X

4. How many telephone lines does your residence have? Please include any fax or modem lines your residence might have. (RECORD BELOW)

NUMBER OF LINES: _____ | (CONTINUE)

5. Are any of these lines used primarily for business purposes?

YES	1	(RECRUIT NO MORE THAN 2 PER GROUP)
NO	2	(CONTINUE)
DK/NA	X	

6. Approximately what is your residence'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: \$ _____ (RECRUIT SPREAD)

7. Which of the following telecommunications products do you currently have at your residence?

	YES	NO	
Voice mail	1	2	(RECRUIT MIX OF RESIDENCES WITH AND WITHOUT THESE SERVICES)
Call forwarding	1	2	
Call waiting	1	2	
Modem	1	2	
Fax	1	2	

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

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

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

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

We are conducting a focus group to hear how some potential changes in the telecommunications industry might affect your residence'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:

	SAN FRANCISCO November, 15th	LOS ANGELES November 16th
LOW INCOME	6:00 pm	6:00 pm
HIGH INCOME	8:00 pm	8:00 pm

The discussion will last about two hours and food and refreshments will be served. In appreciation of you time and opinions, you will receive:

- LOW INCOME** \$40.00
- HIGH INCOME** \$50.00

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, #1100
 San Francisco, CA

LOS ANGELES:
 Adler Weiner
 11911 San Vicente Boulevard, #200
 Los Angeles, CA

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 November 15th/November 16th. If for any reason you are unable to attend, please call ConStat at (415) 274-6600.

- Residence -
- Moderator's Guide -

	NOTES:
<p>I. INTRODUCTION AND SET UP</p> <ul style="list-style-type: none">• We are conducting this study to determine how future changes and competition in local telephone services might affect decisions about your home's telecommunications. (BLIND STUDY)• Set-up rules:<ul style="list-style-type: none">- Need for audio-taping / video-taping- Client monitoring- Ensure full confidentiality of remarks- No right or wrong answers• Participants introduce each other:<ul style="list-style-type: none">- Number of telephone lines at your residence- Published vs. non-published numbers- Custom calling features (e.g., voice mail, call forwarding)- Size of household	<p>10 - 15 MINUTES</p>
<p>II. CURRENT TELECOMMUNICATIONS PROVIDERS</p> <ul style="list-style-type: none">• Who is your current local phone company? What do they provide?• Who is your long distance company? What do they provide? <p>(GET RESPONDENTS OWN TERMS FOR TOLL CALLS. IF NECESSARY, CLARIFY "TOLL" VS. "LOCAL")</p> <ul style="list-style-type: none">• How do these companies bill you?	
<p>III. CURRENT USE OF TELEPHONE NUMBER(S)</p> <ul style="list-style-type: none">• Who calls your home phone number? How many different callers?• How many calls do you receive at home per day/week? Make at home?• How do people usually get your telephone number? (originally, in the first place)<ul style="list-style-type: none">- Directly from you- From 411/directory information- From phone book or other published sources (e.g., church or club member directories)- Other???• Where is (are) your home telephone number (s) published? Where else do they appear? (IF NECESSARY, PROBE:)<ul style="list-style-type: none">- White pages- Other directories	<p>10 MINUTES</p> <p>(DON'T DWELL)</p>

- Address books?
- Speed dialers?
- Checks?
- Children's school records?
- Medical records?

**IV. 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/local and toll.

A. DISCOUNTS:

TEST COMPETITIVE OFFERS WITH NO NUMBER CHANGE

- If a company other than your current local phone company offered you _____, would you switch your local and toll service? Why? Why not?
 - > PARITY (SAME SERVICE/SAME PRICE)
 - > 10% LESS THAN LOCAL/TOLL
 - > 10% LESS THAN LOCAL/TOLL AND 10% LESS THAN LONG DISTANCE
 - > USE 20% IF NECESSARY
- Which would you prefer, a discount off of your local service? Toll service? Long distance service?

(LOCAL = Local and toll calls)

B. COMPANY/SERVICE BUNDLING

1. TEST LOCAL/TOLL ONLY FROM OTHER COMPANY

- What if a company other than your current long distance or local company offered to carry your local/toll for _____% less than your current local/toll charges? (But, company will not carry your long distance)
- What advantages/disadvantages would there be if you had your local/toll from this company?

2. TEST ALL SERVICES FROM OTHER COMPANY

- What if a company other than your current long distance or local company offered to handle all of your telephone service-- local, toll and long distance-- and your total bill was _____% less?
- What advantages/disadvantages would there be if you had all of your service from this long distance carrier?

3. TEST ALL SERVICES FROM CURRENT LONG DISTANCE COMPANY

- What if your current long distance company offered to handle all of your telephone service—local, toll and long distance—and your total bill was _____% less?
- What advantages/disadvantages would there be if you had all of your service from your long distance carrier?

4. ALL SERVICES OFFERED BY CABLE COMPANY

- Do you currently have cable television? From what company?
- What if your current cable television company offered to handle all of your telephone service—local, toll and long distance—and your total bill was _____% less?
- What advantages/disadvantages would there be if you had all of your service from your cable company?

C. INCENTIVES

- What could these companies offer you that would make you more likely to switch? (UNAIDED FIRST, THEN PROBE)
 - Free custom calling features (e.g., Call waiting)
 - Free telephone
 - Free voice mail/Message Center for 3 months
 - Free local/toll service for 3 months if you sign a 1-year contract
 - Free local/toll service for 2 months (free toll up to a reasonable amount)
 - \$100 free toll calling in any given month over the next 6 months
 - 50% off of current local and toll rates for the first year, then (10% - 20%) off after that

(FOR CABLE COMPANY)

- Premium channels free for 3 months

D. IMPACT OF NUMBER CHANGE

- 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 expect would happen? (e.g., would you get a referral announcement?)
- IF MULTIPLE LINES: Would you switch all of your lines? Why or why not?
- IF NON-PUB: Would you switch non-published numbers? Why or why not?

IF NO:

- What can the other company do to change your mind (assuming you have to change your number)? (FIRST UNAIDED, THEN PROBE)
 - Provide a standard announcement
 - Provide a customized announcement
 - Provide call forwarding/call transfer
 - How long would you need to have this?
 - How much, if any, would you be willing to pay for this?
- If only your prefix changed, and your telephone number remained the same, would this be any easier? Why/why not?

V. 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.

WHEN COMPLETE, SELECT ONE SCENARIO AND EVALUATE:

(IF TIME)

- How likely would you be to switch in this situation? Why? Why not?
- What company did you have in your mind as offering this service?
- What company would you prefer for 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
 - TCI, Viacom, Cablevision

VI. PAST SWITCHING EXPERIENCES

10 - 15 MINUTES

- Have you switched your long distance company before?
 - When was this?
 - How many times have you switched long distance companies?
 - Why did you switch companies?
 - What made you switch companies?
 - Did you experience any problems because of this change?
- Have you ever changed your phone number? How many times?

IF YES:

- Why did your phone number change?
- How did people find you again? (UNAIDED THEN PROBE:
 - Referral announcement
 - 411/Directory Assistance
- What did you do to let people know your new number?

• How likely are you to move?

PROBE:

- In the next year?

- In the next 2 years?

• If you were moving, would you be more willing to switch companies and your phone number?

THANK YOU....

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Number Portability Residence Survey
 -- Contact Sheet --
 BLIND

ID#: _____ (1:4)
 APPROVAL: _____
 Q. MGR: _____
 DP MGR: _____
 P. DIR: _____

RECORD NUMBER DIALED BELOW:

TELEPHONE NUMBER: (_____) _____ (8:14)

CITY: _____

RESPONDENT NAME: _____

TIME STARTED: _____

Income (15)
Low1
Medium/High.....2

ATTEMPTS RECORD				CALLBACK RECORD	
Date	Time	Results	Interviewer	Date:	Time:
1.				Date:	Time:
2.				Date:	Time:
3.				Date:	Time:
4.				Date:	Time:

(INTRO): Hello. I'm _____ with ConStat, a national market research firm in San Francisco.

S0. Do you or anyone in your household work for a... (READ LIST)

- Telecommunication or telephone service company.....1 | (TERMINATE. CODE 20)
- Market research or consulting company.....2
- Cable television company.....3

(DO NOT READ) NONE OF ABOVE.....0 | (CONTINUE)

May I speak to the person who is most responsible for making decisions regarding your household's telephone service? (IF NECESSARY, SAY: I am not selling anything. We are conducting an important research survey whose results might impact your telephone service.)

DM INTRO: Hello. I'm _____ with ConStat, a national marketing research company. We are conducting a study on changes in the telephone industry that are likely to impact your phone service, and are interested in your opinions to help direct these changes.

S1. Are you the person most responsible for making decisions regarding your household's telephone service?

- YES.....1 | (CONTINUE)
- NO.....2 | (ASK FOR REFERRAL TO DM)

S2) Just for our quota purposes, could you please tell me your age? (READ CATEGORIES IF NECESSARY: Would it be...?)

- Under 18.....1 (TERMINATE. CODE 21) 116
- 18 - 242
- 25 - 293
- 30 - 344
- 35 - 445
- 45 - 546
- 55 - 647
- 65 or older.....8
- RefusedX