

The C. I. Campaign for ‘Holding Broadband Service Providers to Account’

Report of the Desk Research

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Consumer Unity and Trust Society (CUTS)

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Report of the desk research under the CI Campaign 'Holding Broadband Service Providers to Account'

Background:

Consumer Unity & Trust Society (CUTS) is partnering with Consumers International (CI) for the campaign for "Holding broadband service providers to account" in India, as country campaign partner.

For more information please visit, project webpage: www.cuts-international.org/CART/Campaign_for_Holding_Broadband_Service_Providers_to_Account.htm

The campaign of CI is to empower consumer organisations around the world to demand more equitable and accessible broadband service offerings, respecting consumers' rights and broader human rights, as a necessary condition of achieving a socially-inclusive information society.

As per the CI instructions for the campaign partners to complete the task, CUTS conducted 30 consumer interviews, one online member survey and got completed 44 online consumer surveys. Despite all efforts we could not mobilise 300 consumers to fill the online consumer survey. So, to complete the project task under the broadband campaign, we decided to conduct the desk research.

The report of the desk research is submitted to C.I. as per the letter of agreement signed between CUTS and C.I. as a campaign partner for India.

Submitted by

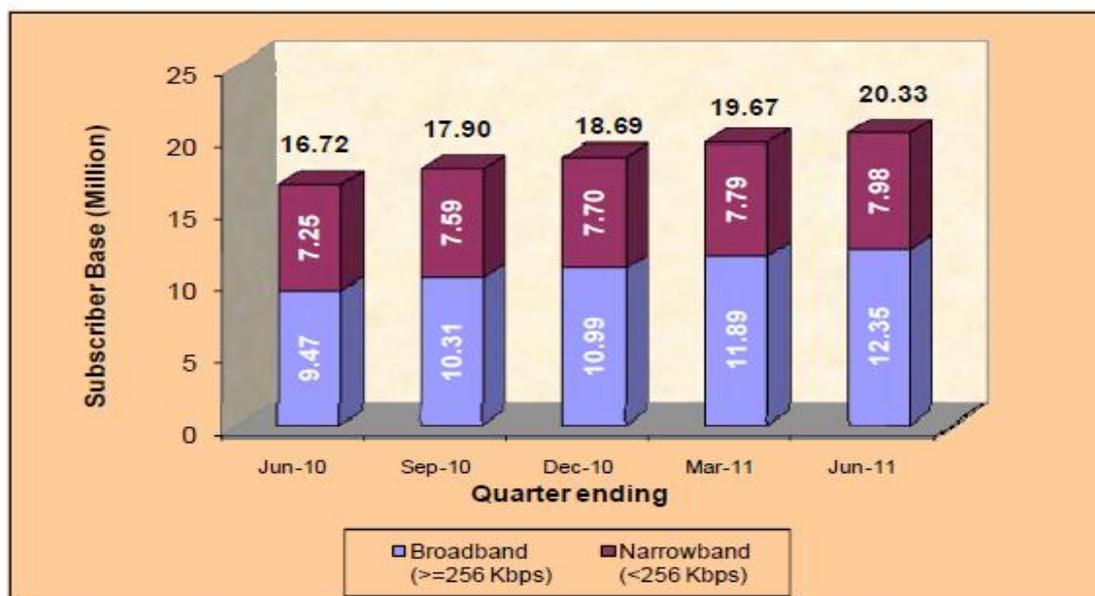
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Introduction:

Broadband has been termed as a transforming technology and is now widely available in many countries. If the socio-economic benefits of broadband are to be realized, then adoption needs to be both understood and encouraged.

The biggest challenge in India before consumers is the access to the broadband services. Though there is has been tremendous growth in internet and broadband service from 3.6 million in the year 2003 to 20.33 million in the year 2011, still the penetration of the internet services is just around 2% of the population. If we take only broadband penetration it is less than .5 % (1/2 %). There were just 8.8 million broadband connections at the end of FY10, against the target of 20 million by 2010 set in the Broadband Policy of 2004

Trends in Internet/Broadband subscription



As per above given data issued by TRAI the number of Broadband subscribers at the end of June 2011 was just 12.35 million. In term of quantity the number is not bad and more than broadband consumers in many countries, but in term of broadband penetration of total population the numbers is almost negligible.

Even the majority of these broadband users are concentrated in urban areas, primarily in business districts or high-end residential areas of the larger cities. For smaller cities and villages access to broadband is still a dream.

The drivers for broadband services are broadly classified as technological, economic, social, behavioural and government initiatives. India lags behind in terms of ITU's ICT Development Index (IDI), with a ranking of 129, 106, and 118 out of 154 countries in terms of ICT access, use, and skills, respectively.ⁱ

The Indian demographic pattern indicates that almost 70% of its population lives in rural areas. The rural areas have poor infrastructure availability for electricity, road connectivity, educational support, medical facilities, employment opportunity etc. In rural and remote areas, the primary reason for low broadband penetration in villages is lack of support infrastructure, backhaul capable of providing high bandwidth, low penetration of fixed line services, high cost of service roll out and unviable business model.

Realizing the potential and importance of broadband in socio-economic development of country, the Government of India has set following ambitious targets for Broadband: -

- 20 million Broadband connections by 2010
- Broadband with minimum speed of 1 mbps.
- Broadband coverage for all secondary & higher secondary schools and public health care centres by the end of year 2010.
- Broadband coverage for all Gram Panchayats (Village) by the year 2010
- Broadband on demand is every village by 2012

To realize the given target various steps are taken such as 'National Broadband Plan', Universal Service Obligation Fund, allowing 3G services, promotion wireless internet/broadband services, making the instruments/technology affordable/accessible for consumers, connecting Village Panchayats to internet under 'Bharat Nirman' etc.

The other very popular mode of internet services in India is 'cyber cafe'. There are about 180,000 cyber cafés in 2009 as per data of Internet Service Providers Association of India (ISPAI). Most of the consumers not having regular internet subscription, visit these cyber cafes to avail the services and these are very popular throughout the country, where one can get internet services in just Rupees 10 to 20 per hour. About 37% of computer users still reply on cyber cafes to use the internet as per according to an annual survey by market research agency IMRB and Internet and Mobile Association of India, printed in Economic Times. See details at given link: <http://economictimes.indiatimes.com/tech/internet/indian-internet-users-grow-to-71-million-imrb/articleshow/5703745.cms>

The broadband service in India are still in primary stage and where the major

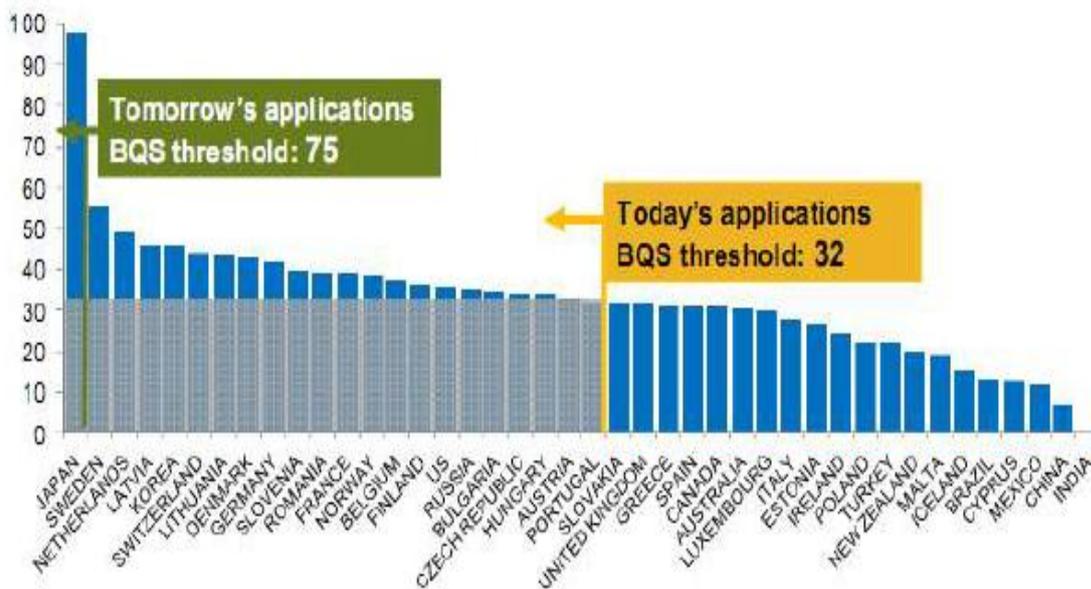
question is to make the services accessible to the consumers and the accessibility of services is like a dream come true for most of the consumers. This peculiarity of Indian scenario affects the event the expectation of consumers about the quality of services and related consumer protection issues, which becomes secondary.

It does not suggest that there are no issues or the consumers concerns about the quality of services of broadband, but somewhere it affects the level of their expectations as also seen in the interviews conducted by CUTS under this campaign. Many consumers have given good marking to the quality of services; even they have complaints about most of the components of the quality of service parameters.

The low access to the broadband services in India also affected our search for the primary data on broadband consumer issues. Most of the primary/secondary research done on the broadband issues is limited to the issues of accessibility.

The given below chart will give an idea of the broadband quality of service in India in comparison to other countries.

Figure 4.11 : Broadband Quality Score by Country



Source: CISCO

• **What third-party primary research or complaint data does your report summarise?**

The report summarises two basic consumer issues of access to broadband and awareness about grievance redressal mechanism based on various third party research and data.

The reports of Independent agencies Audit/Survey Reports about Quality of Service in telecom sector in India (including broadband services) sanctioned by Telecom Regulatory Authority of India (TRAI) available at: <http://www.trai.gov.in/AuditSurvey.asp>

• **What issues relevant to our broadband campaign does it cover?**

The above mentioned TRAI reports covers the status of performance of Quality of Service Standards related to broadband services, including level of consumer awareness about grievance redressal mechanism.

• **What is the main finding from the third-party research or data, in a nutshell?**

The main finding of the third party research is that most of the consumers are not aware of the 3-tier grievance redressal mechanism.

We could not find any consolidate report showing national figures about the level of consumer awareness about redressal mechanism but the separate data for states and major cities is available and few are given below, which depicts that broadband consumers are not properly aware of it. Majority of the broadband consumers have information of the call centre level only, not other 2 tiers; Nodal Officer and Appellate Authority.

As per TRAI's regulation about Complaint Redressal Mechanism, telecom service providers are mandated to have 3-tier redressal mechanism. If consumers are not satisfied with call centre, they can approach the Nodal officer and Appellate Authority, respectively.

Data of Delhi Service Area (Study conducted during the period July, 2009 to December, 2009):

Awareness of	Services		
	Basic Telephone	Cellular Mobile	Broadband
Call Center	80.3%	85.2%	82.5%
Nodal Officer	3.2%	12.7%	5.7%
Appellate authority	0.8%	0.6%	0.7%

Data of Mumbai Service Area (Study conducted during the period January, 2010 to June, 2010) :

Awareness of	Services		
	Basic Telephone	Cellular Mobile	Broadband
Call Center	48.60%	93.90%	72.00%
Nodal Officer	1.60%	1.70%	9.50%
Appellate authority	2.00%	0.60%	2.80%

Data of Kolkata Service Area (Study conducted during the period January, 2010 to June, 2010) :

Awareness of	Services		
	Basic Telephone	Cellular Mobile	Broadband
Call Center	81.21%	84.85%	83.33%
Nodal Officer	6.19%	2.25%	13.05%
Appellate authority	2.93%	1.03%	8.00%

North East service area (Study conducted during the period July, 2009 to December, 2009)

Awareness of	Services		
	Basic Telephone	Cellular Mobile	Broadband
Call Center	59.87%	68.14%	47.39%
Nodal Officer	8.18%	2.57%	2.81%
Appellate authority	7.14%	4.15%	4.05%

Rajasthan service area (Study conducted during the period July, 2009 to December, 2009).

This is the area where we conducted most of the consumer interview under the broadband campaign.

Awareness of	Services		
	Basic Telephone	Cellular Mobile	Broadband
Call Center	98.14%	96.75%	92.00%
Nodal Officer	2.36%	2.18%	3.96 %
Appellate authority	2.46%	0.86%	0.68%

- **How did the availability of this data impact any primary research that you also conducted?**

The availability of this data has no impact on the primary research conducted by us. The primary research was done as per the CI structured questionnaire and we have not done any alteration to the same.

Summary of research

- **How many respondents were involved in the third-party research or data collection?**

The used third party research data here was collected by 3 independent professional agencies (VOICE, IMRB and Market Pulse) appointed by TRAI for the task. The agencies have conducted the research in various part of India on different point of time and large numbers of respondents were involved in the research i.e. around 2000 respondents in a service area.

- **What were the demographic backgrounds of the respondents?**

The agencies out the research in different part of India basically taking ration of consumers of different service providers in respective region. So there is it not possible to give comprehensive details of the demographic backgrounds of the respondents of the mentioned research reports.

For better understanding, here is given the sampling and distribution of respondents of the study conducted in the Rajasthan service area by VOICE.

In the case of Broadband, survey agency was required to obtain from Broadband operators, Central ISP Node and total number of subscribers in each circle and then work out the sample to be covered. VOICE contacted the broadband Operator to ascertain their number of POPs (Point of Presence) in Rajasthan. As per the tender document requirement, 10% of POPs were selected to carry out the survey.

The following table shows the operator wise sample covered in Rajasthan Service area.

Sample Distribution	
Operator	Sample
Bharti	600
BSNL	600
Rel Comm	166
Shyam Telelink	436
VSNL	252
Total	2054

What research or data collection methods were utilised?

The data collection method (as per the report) was 50% of the observations/ interviews shall be based on personal interview basis and up to 50% through email or by developing web based applications.

The following table shows the actual operators wise sample covered with the mode of interview.

Rajasthan Service Area : Operator wise sample distribution with mode of interviews				
Operators		In-Person	Web/Online	Total
Bharti	Count	525	75	600
	%age	87.5%	12.5%	100.0%
BSNL	Count	530	70	600
	%age	88.3%	11.7%	100.0%
Rel Comm	Count	126	40	166
	%age	75.9%	24.1%	100.0%
Shyam Telelink	Count	326	110	436
	%age	74.8%	25.2%	100.0%
VSNL	Count	202	50	252
	%age	80.2%	19.8%	100.0%
Total	Count	1709	345	2054
	%age	83.2%	16.8%	100.0%

- What are the results, summarised in either tabular or narrative form?

The key results of the study related to the broadband Grievances Redressal are given below:

- Awareness level was found to be high in the case of call centre/ customer care help line numbers as this was reported by over 98.2% of customers surveyed.
- Awareness about the contact details of nodal officer was found very less, only among 2.4% of the customers surveyed, with maximum in the case of Bharti (5.1%) and minimum with BSNL, only 1 person aware of BSNL.
- Similarly there has not been any marked improvement in the case of awareness about the contact details of Appellate authority as less than 2.5% reported so.
- Highest number of complaints to the call centre, within last twelve months, was made by BSNL subscribers (74.3%), and minimum by Rel Comm subscribers (58.4%).
- Overall only 14% of the complainants had confirmed that they received the docket number of most of their complaints. This was reported highest in the case of Tata Teleservices (20.8%) and lowest in the case of Rel Comm (7.3%).
- Maximum Percentage of satisfied customers (Very satisfied and satisfied) with the resolution of complaints by call centre was found in the case of Rel Comm (92.1%) closely followed by BSNL (86.3%), Bharti Airtel (68.1%). It was lowest in the case of Shyam (59.6%).

The results of the survey reveal that the service providers need to take effective steps for bringing awareness about three stage redressal mechanism including contact details of Nodal Officers/ appellate authority to improve customers satisfaction.

This is the summarised version of the results, though the study reports also contain details in tabular form also.

The study report also contain results related to other quality of service parameters and consumers issues covered under the campaign, such as billing, tariff, network reliability, overall consumer satisfaction etc. But we have focused mainly on the issue of redressal mechanism in our desk research report.

We have mainly quoted the data from report of the Rajasthan broadband service area only as there was no consolidated national level report. For the sake of brevity, we have avoid quoting data of other states/regions, however the report can be taken as an indicative of national level, as there is not much variance in consumers issues and performance of broadband parameter in other states/regions.

References:

- **If there is a report of the original research, where can it be found?**

The report of the original research quoted here is available on the TRAI' website. Please visit the given weblink: <http://www.trai.gov.in/AuditSurvey.asp> for the report of Broadband PERFORMANCE COMPLIANCE for Rajasthan service area and report of other areas of India referred here.

The referred report is available at following weblink: (Enabling the next wave of telecom growth in India: Industry inputs for National Telecom Policy 2011. Report by Ernst & Young and FICCI)

[http://ey.mobi/Publication/vwLUAssets/Enabling_the_next_wave_of_telecom_growth_in-India/\\$FILE/Enabling%20the%20next%20wave%20of%20telecom%20growth%20in%20India.pdf](http://ey.mobi/Publication/vwLUAssets/Enabling_the_next_wave_of_telecom_growth_in-India/$FILE/Enabling%20the%20next%20wave%20of%20telecom%20growth%20in%20India.pdf)

- **If original source data exists, where can it be found?**

The above mentioned weblink of TRAI's website contain detail reports in form of Audit report, Survey report and brief press release about the study. The original data is available with TRAI, which sanctioned the study to concerned agencies on the basis of bidding.

Final Comments:

As mention above in India, the major issue in broadband is the consumers' accessibility to the services. Many consumers are not connected to internet/broadband services despite willingness to pay for it. The growth of broadband is restricted by several factors such as its perceived utility, application, connectivity, lack of vernacular content, cost of device and affordability. This further making the services costlier for consumers and non-viable for the service providers due to low broadband penetration. This is forcing them to concentrate only in high income urban areas, further alienating vast population living in rural areas and smaller towns.

Hope the government initiatives to promote broadband services will yield results in future. The adoption of broadband at mass level will make the services more competitive, affordable and accessible to consumers as well as further increase in demand to improve quality of services.

The drivers for broadband services are broadly classified as technological, economic, social, behavioural and

The 3C's – customer, cost and competition – are essential for improving broadband penetration. The need to provide broadband services in rural areas should be met with the help of easy financing and the means to share capital expenditures. Further, there should be balanced competition to ensure the quality and affordability of services.ⁱⁱ

The regulator (TRAI) has laid down quality of services (QoS) standards for broadband services and also monitoring the implementation, but due to mentioned reasons it is liberal on the compliance of QoS. Even the QoS in India are not at par with other developed countries; still the implementation is a big question. This is no way justified from consumer point of view, but we have to see the things in perspective of our ground reality.

There is much scope to improve the quality of services in broadband in India. With the increasing use of broadband services for commercial and personal purposes, the consumer protection mechanism needs to be strengthened. It will further boost the adoption of services by more consumers.

There is urgent need to make the broadband consumer aware of their rights and the regulations issued for consumer protection. The need of the hour is also to empower the consumer organisations to effectively monitor the issues and to advocate for better consumer protection in India in term of international standards.

We strongly feel the C.I. campaign to hold broadband services providers to account is a great initiative and will be successful in not only broadband consumer protection but also ensuring the consumer access to the great enabler technology of broadband, wherever they lack access.

ⁱ Enabling the next wave of telecom growth in India: Industry inputs for National Telecom Policy 2011. Report by Ernst & Young and FICCI

ⁱⁱ Enabling the next wave of telecom growth in India: Industry inputs for National Telecom Policy 2011. Report by Ernst & Young and FICCI