Chapter 2
Communication services—Consumer take-up, use and satisfaction

Chapter summary

Australian communications users continue to adopt new services and adapt their usage patterns to meet their communications and specific lifestyle needs. Services such as 3G, VoIP, and wireless broadband internet are now used along with the traditional fixed-line telephone service. Fifty-three per cent of Australians in fixed-line telephone households also use mobile services and the internet, while a further 18 per cent make use of mobile services, the internet and VoIP services.

There were 10.67 million fixed-line telephone services in operation at June 2009, compared with 11 million at June 2008. The drop in fixed-line services is accounted for by continuing substitution of the fixed-line telephone for other technologies delivering voice services such as 3G and VoIP. Approximately 90 per cent of Australian households and 96 per cent of Australian SMEs respectively used a fixed-line telephone service during the 2008–09 reporting period.

There were approximately 24.22 mobile services in operation in Australia at June 2009. Mobile phone penetration among the general population reached 110 per cent with the growth in mobile services largely attributable to increased adoption of 3G mobile services.

Developments in mobile technology continue to drive service convergence with next generation mobiles (3G) providing increased functionality and choice of applications for consumers. There were approximately 12.28 million 3G mobile services in operation in Australia at 30 June 2009, an increase of nearly 44 per cent per cent from the 8.55 million services recorded at June 2008.

Activities relating to sending or receiving SMS remain the major non-voice activity undertaken via mobiles while about a third of 3G mobile users are accessing internet applications directly from their mobile phone.

VoIP use amongst consumers is gradually increasing, with an estimated 2.5 million people in Australia with a VoIP service at home at June 2009, compared with 1.8 million at June 2008.

There were approximately 8.4 million internet subscribers including 7.3 million non-dial-up subscribers in Australia at June 2009. This compared with 7.2 million internet subscribers and 5.7 million non-dial up subscribers at June 2008.

Apart from viewers aged 65 and over, all viewers in free-to-air only households spent less time viewing television in 2008 than they did in 2006. Subscription television viewing increased amongst younger and older viewers during the same period.

During the reporting period, people in households with a subscription television service watched more television (218 minutes per day) than persons in households with only free-to-air television (161 minutes per day).

Australian household consumers are largely satisfied with their communications services with 80 per cent estimated to be satisfied with their fixed-line telephone and their mobile service respectively, 78 per cent with their internet service and over 75 per cent with their VoIP service. However, the cost of services, billing and payment issues, and poor customer service continue to be the factors in consumer dissatisfaction with communication services. This has resulted in a significant increase in the number of dissatisfied communications consumers complaining to the Telecommunications Industry Ombudsman (TIO) over the last year.

Table 2.1: Key consumer usage statistics, Australia

	2007–08	2008–09
Number of fixed-line telephone services	11.00 million	10.67 million
Number of mobile services	22.12 million	24.22 million
Number of 3G mobile services	8.55 million	12.28 million
Number of internet subscribers	7.23 million	8.4 million
Number of non-dial up internet subscribers	5.66 million	6.72 million
Number of people with a VoIP service at home	1.8 million	2.5 million
Per cent of small businesses with VoIP	17 per cent	20 per cent
Per cent of medium sized businesses with VoIP	27 per cent	30 per cent

Take-up and attitudes towards communications

Fixed-line telephone service take-up

The ACMA estimates that there were approximately 10.67 million fixed-line telephone services in operation at June 2009 compared with 11 million at June 2008.

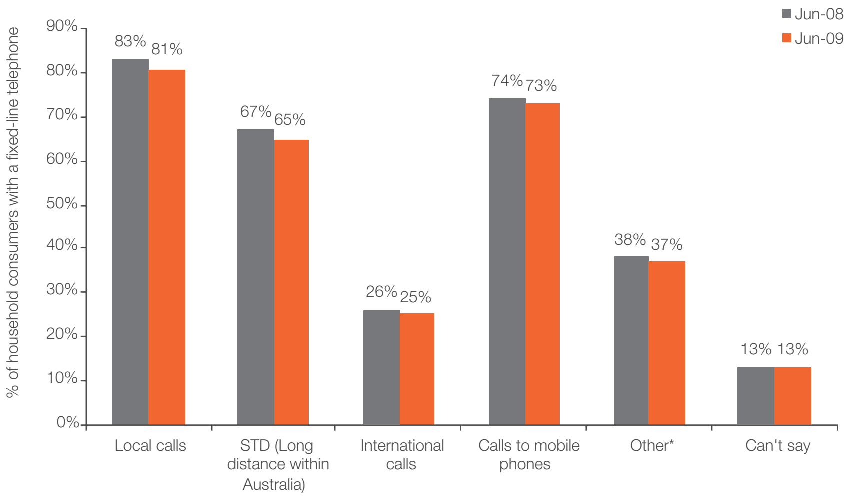
Table 2.2 shows that there has been a decline in both fixed-line services supplied by retail (own network) and wholesale services further pointing to a shift to mobile and other technologies such as VoIP for voice services. Retail (own network) services declined to 9.17 million during 2008–09 from 9.4 million in 2007–08. Wholesale lines declined to 1.5 million during 2008–09, from 1.6 million in 2007–08. The Telstra figures for 2008–09 show a 3.8 per cent decline in the total number of fixed-line telephone services in operation since June 2008.

Table 2.2: Number of fixed-line telephone services in operation (million), 2006–07 to 2008–09

All CSPs	2006–07	2007–08	2008–09
Retail (own network)	8.69	9.40	9.17
Wholesale	2.23	1.60	1.50
Total	**10.92**	**11.00**	**10.67**
Telstra services only	**2006–07**	**2007–08**	**2008–09**
Residential (retail)	5.53	5.56	5.46
Business (retail)	2.25	2.31	2.27
Wholesale	1.98	1.50	1.29
Total	**9.76**	**9.36**	**9.02**

Source: The ACMA annual industry data request.

Figure 2.1: Type of calls made from fixed-line telephone



Note: Relates to services charged for on telephone bill.
** Includes calls to information services and other services.*
Source: Roy Morgan Single Source, June 2009.

Use of fixed-line telephone services

Nine in ten households have a fixed-line telephone with this number slowly decreasing. Australian household consumers largely used their fixed-line telephone to make local calls and calls to mobiles (Figure 2.1). There has been little change in the type of calls made using the fixed-line telephone. The *Other* category, which includes calls to directory assistance and other services such as 1300 numbers (taxi services for example), accounted for 37 per cent of fixed-line telephone users at June 2009.

SMEs are also active users of the fixed-line voice services with 96 per cent of SMEs (businesses employing one to 200 employees) using a fixed-line telephone at April 2009. Approximately 98 per cent medium sized businesses (businesses with 20 to 200 employees) had a fixed-line telephone connected compared with 96 per cent of small businesses, that is, businesses with one to 19 employees.[1]

Use of VoIP

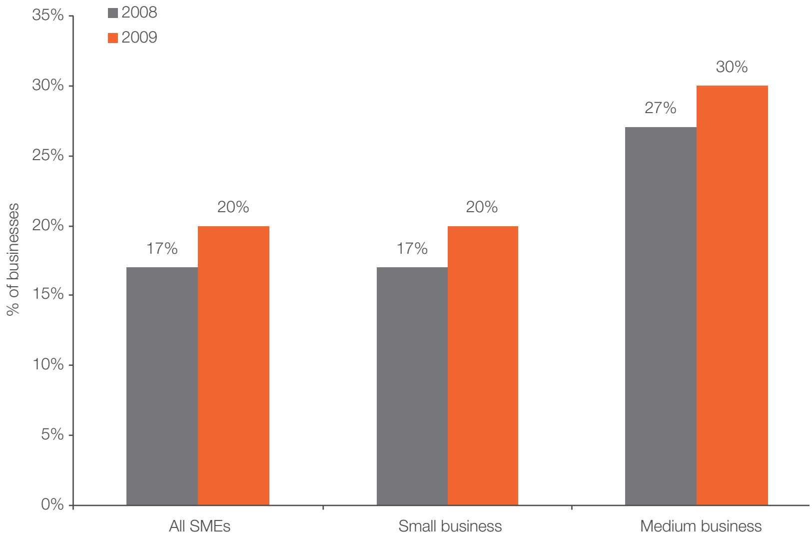
Approximately 2.5 million people in Australia were estimated to have access to a VoIP service at home at June 2009, or 14 per cent of the total population aged 14 years and over. This compared with 1.8 million people estimated to be accessing a VoIP service at home at June 2008.[2]

In terms of how Australians access VoIP services in the home, Roy Morgan data also shows 77 per cent use a PC/laptop, 20 per cent use a home phone such as an internet phone or voice box/adaptor, while two per cent reported accessing a VoIP service via a mobile. Research commissioned by the ACMA shows that the main reasons for non-VoIP use included lack of awareness (48 per cent), high levels of satisfaction with current voice communications (16 per cent) and the perception that connecting to a VoIP service is too hard (15 per cent). Factors such as lack of need and perceptions of poor quality accounted for the remaining proportion. Just over a third of non-VoIP users from internet households (34 per cent) indicated they would be interested in taking up VoIP in the next twelve months.

SMEs are also embracing VoIP with 20 per cent of SMEs reporting using a VoIP service at April 2009 compared with 17 per cent at April 2008 (Figure 2.2). VoIP usage was more prominent among medium sized businesses (30 per cent) compared with small businesses (20 per cent) at June 2009.

1 Sensis, *Sensis e-Business Report: The Online Experience of Small and Medium Enterprises*, August 2009.
2 Roy Morgan Single Source, June 2009.

Figure 2.2: SME take-up of VoIP services

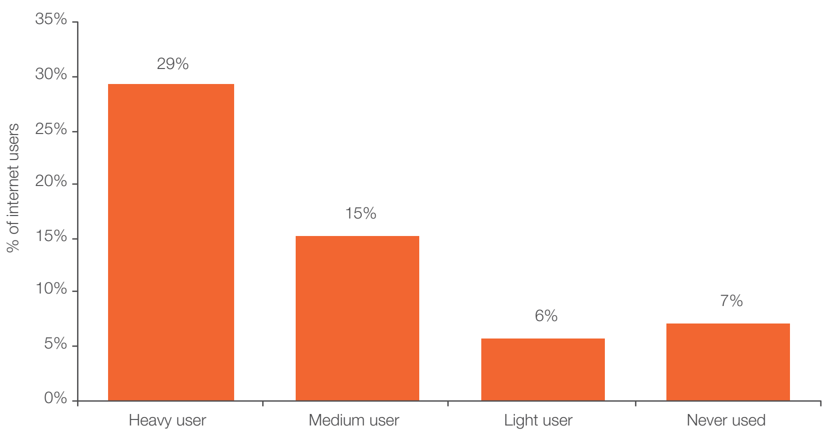


Source: Sensis, Sensis e-Business Report – The Online Experience of Small and Medium Enterprises, August 2009.

A broadband connection is a critical requirement for using VoIP. However, other factors are also driving the adoption of VoIP by Australian consumers. Awareness of VoIP is increasing. In addition, the number of ISPs offering VoIP as part of a bundled service with internet access has also grown. The ABS reports that at June 2009, approximately 60 per cent of ISPs in Australia offered VoIP services customers, an eight percentage point increase over the December 2008 quarter.[3]

The frequency of internet use is also a driver of VoIP adoption. Figure 2.3 shows that heavy internet users (those who use the internet more than eight times a week) are more likely to use VoIP than light internet users (people who use the internet less than once a week), 29 per cent and six per cent respectively.

Figure 2.3: VoIP usage at home by frequency of internet use



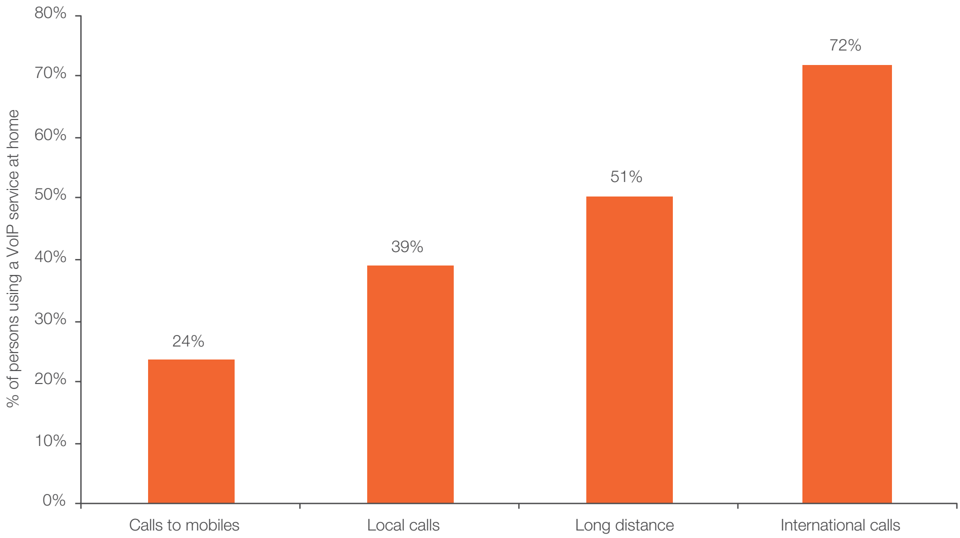
Note: Excludes 'don't know.'
Source: ACMA commissioned consumer survey, April 2009.

3 ABS, *8153.0–Internet Activity, Australia*, June 2009.

Type of VoIP calls made

International calls are the most popular type of calls made using VoIP services (72 per cent of users), followed by long distance (51 per cent) and local calls (39 per cent). These results are similar to those reported in 2008 where 69 per cent of VoIP users made international calls, 45 per cent national and 38 per cent local calls.

Figure 2.4: Type of calls made by VoIP service



Source: Roy Morgan Single Source June 2009.

Table 2.3: Number of pre-paid/post-paid mobile phone services in Australia (millions) 2006–07 to 2008–09*

	2006–07	2007–08	2008–09
Pre-paid	10.15	9.99	10.58
Post-paid	10.65	11.81	12.86
Total	**20.80**	**21.80**	**23.44**

* *Does not include wholesale services therefore totals do not equate to those quoted elsewhere in the report.*
Source: The ACMA

Mobile phone take-up

There were approximately 24.22[4] million mobile phone services in operation at 30 June 2009,[5] up from 22.12 million reported at June 2008, an increase of nine per cent.

Pre-paid and post-paid services

There were 10.58 million pre-paid and 12.86 million post-paid mobile phone services at 30 June 2009 compared with 9.99 million pre-paid and 11.81 post-paid services at June 2008.

4 Includes wholesale services.
5 Refers to terrestrial mobile services only and does not include satellite mobile services.

Growth in take-up of 3G services

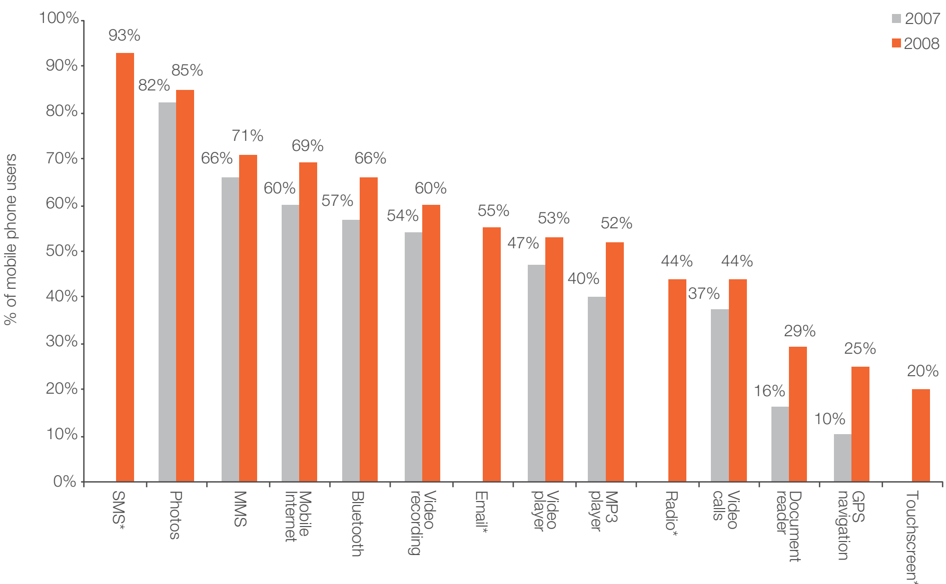
There were approximately 12.28 million 3G mobile services in Australia at 30 June 2009, an increase of nearly 44 per cent per cent from the 8.55 million services in operation at June 2008. The growth in 3G services has been driven by a combination of existing mobile phone customers upgrading from GSM services—contributing 56 per cent to the total increase in 3G services—and new consumers of mobile phone services. The number of GSM services in operation in Australia has declined by nearly 15 per cent in the 12 months to June 2009.

Emergence of mobiles as a convergence device

A wide range of applications are being integrated into the next generation of mobiles. This has come at a time when a growing number of fixed-line telephone and mobile phone users consider their mobile to be their main form of communication. This is reflected in mobile phones being used for a wider range of communications activities.

Figure 2.5 reveals the growing functionality of mobiles. Mobiles devices now offer triple play services (voice, data and video) while applications like Bluetooth enable the connection of technological devices, such as computers, keyboards, mobile phones and headsets, printers, digital cameras, etc, without the need for cables.[6]

Figure 2.5: Mobile device capability, 2007–08



*Information not collected in 2007.
Source: Nielsen Online, The Australian Internet and Technology Report, February 2009.

6 www1.ap.dell.com/content/topics/topic.aspx/ap/topics/solutions/en/glossary

Use of mobile services

Australian consumers are increasingly engaging in a wider range of non-voice activities over their mobile phones as demonstrated by Figure 2.6.

Sending or receiving SMS messages continues to remain the most popular non-voice activity (88 per cent of mobile phone users). This was followed by taking photos or videos (65 per cent), sending or receiving MMS, using Bluetooth applications (40 per cent), playing games (27 per cent), listening to music (26 per cent) and using GPS navigation services (10 per cent).

Just over half of mobile phone users, 55 per cent, are estimated to have a mobile phone capable of accessing 3G services such as mobile internet. However, only a third of these persons reporting using their mobile to access non-voice content and services online.

Of mobile phone users accessing the internet via their mobile, general browsing (68 per cent) was the most popular activity performed online (Figure 2.7). Other popular online services accessed included:

> news and weather updates, 50 and 48 per cent of respondents respectively

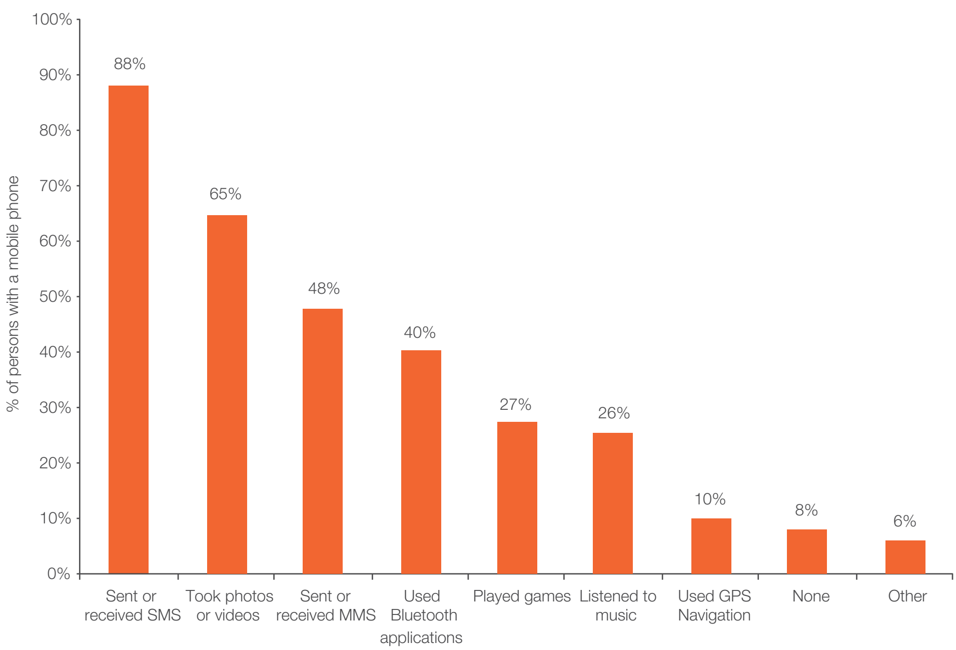
> email services, 44 per cent

> sport updates, 32 per cent

> streaming or downloading music, 23 per cent

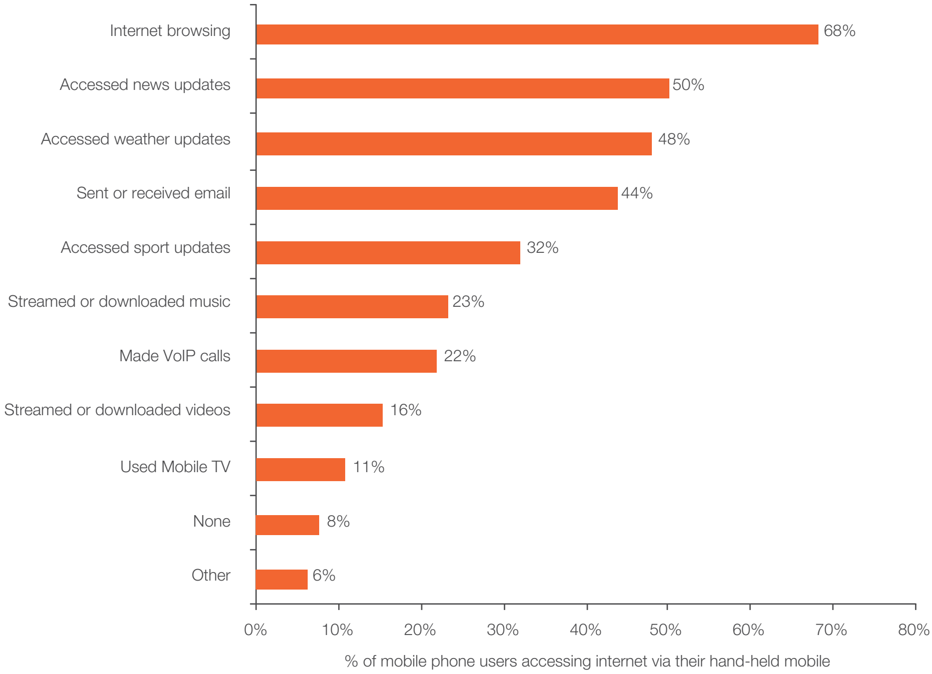
> making VoIP calls, 22 per cent.

Figure 2.6: Non-voice activities undertaken via mobile in the last six months



Source: ACMA commissioned consumer survey, April 2009.

Figure 2.7: Online activities undertaken via hand-held mobile in the last six months



Source: ACMA commissioned consumer survey, April 2009.

The use of mobile phones as a converged device is also evident among small and medium businesses (SMEs). According to the Sensis®[7] nearly three-quarters (66 per cent) of SMEs own or use a standard mobile phone service with no internet capability. However since 2008, there has been a significant increase in the adoption of 3G mobiles by SMEs with 62 per cent now estimated to be using 3G mobiles; a 10 percentage point increase since last year. The use of 3G mobiles is highest amongst medium businesses with 81 per cent estimated to be using 3G mobiles at April 2009.

Internet take-up

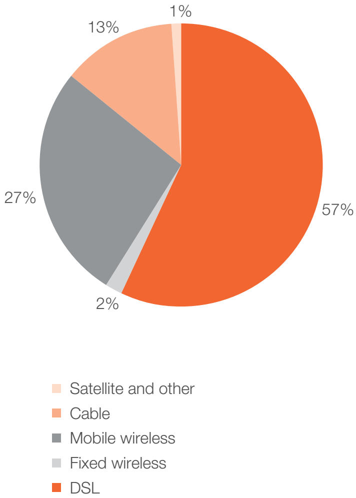
According to the Australian Bureau of Statistics (ABS), there were approximately 8.4 million internet subscribers in Australia at the end of June 2009, an increase of 16 per cent since June 2008. This comprised seven million households, and 1.4 million business and government subscribers.

Of all internet subscribers 1.1 million were dial-up subscribers and 7.33 million were non-dial-up subscribers. Non-dial-up subscribers now account for 87 per cent of total internet subscribers compared to 78 per cent at June 2008.

Of the total non dial-up subscribers, approximately 57 per cent used DSL connections, 29 per cent wireless (mobile and fixed), 13 per cent cable and one per cent satellite and other non-dial-up technologies such as ISDN services. The number of wireless broadband subscribers increased from 809,000 to 2.1 million between June 2008 and June 2009; a 162 per cent increase. The market share of non-dial internet access technologies is outlined in Figure 2.8.

7 Sensis, *Sensis e-Business Report—The Online Experience of Small and Medium Enterprises,* August 2009.

Figure 2.8: Non-dial-up subscribers by technology type



Note: Other non-dial-up includes ISDN and other non-dial-up technologies.
Source: ABS, 8153.0–Internet Activity, Australia, June 2009.

Shift from dial-up and low speed broadband to high speed broadband

The shift among Australian internet users from dial-up to broadband services is well documented, with the tipping point reached in 2006 when broadband subscriptions outnumbered dial-up services.[8] Since then, broadband's share of the internet market has continued to rise and now accounts for approximately 87 per cent of all internet connections.

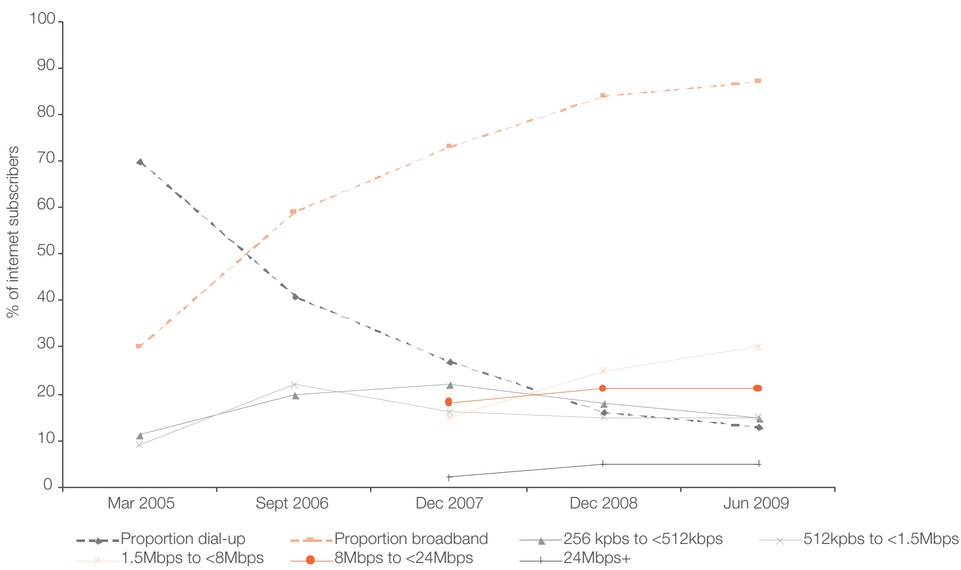
The migration to higher download speeds coincides with:

> the rollout of ADSL 2+ and high speed internet infrastructure, increasing the availability of services of up to 24 Mbit/s, especially across metropolitan areas

> increased differentiation in pricing, particularly bundled plans offering broadband access with a fixed phone or pay television plan

> the increasing popularity of internet activities that require higher bandwidth, such as video downloads, graphic-rich social networking sites and video and music streaming.

Figure 2.9: Service substitution: internet subscribers by download speed



Note: Download speeds above 1.5 Mbit/s were made available to Australian consumers in December 2006.
Source: ABS, 8153.0–Internet Activity, Australia, June 2009.

8 ABS, *8153.0–Internet Activity, Australia,* June 2009.

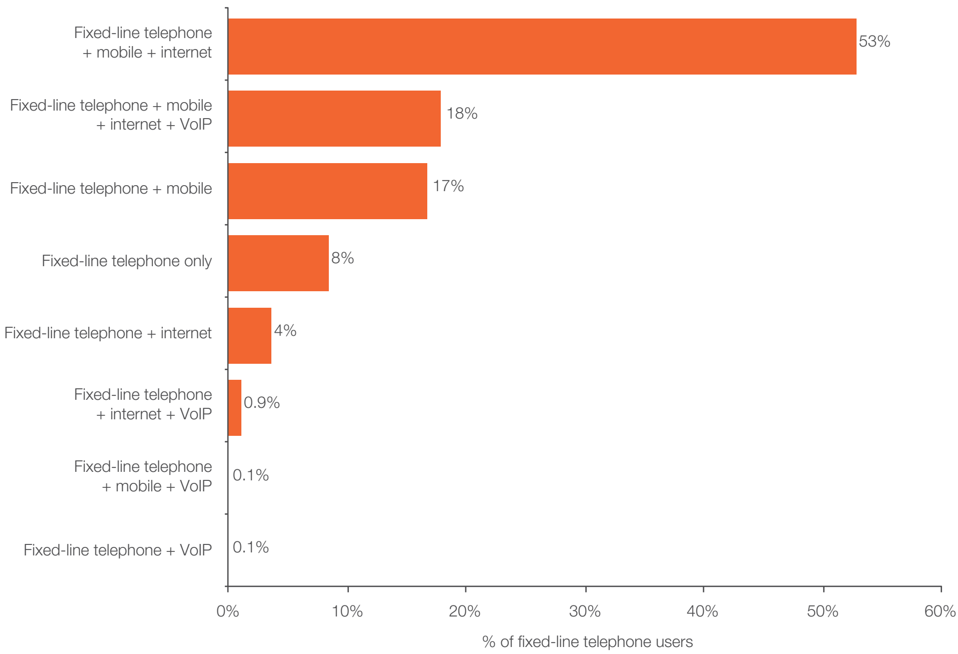
The number of subscribers using dial-up internet services declined by 30 per cent in the year to 30 June 2009, falling to 13 per cent of all internet subscribers in Australia. During the same period, there has been a steady shift by consumers to higher internet speeds. According to the ABS, 30 per cent of internet subscribers in Australia used an internet service with download speeds of 1.5 Mbit/s to less than 8 Mbit/s, and just over 21 per cent a service with download speeds of 8 Mbit/s to less than 24 Mbit/s at June 2009, compared with 20 per cent and 19 per cent respectively at 30 June 2008.[9] Among businesses and government organisations, the shift toward faster internet speeds has occurred more quickly.[10] This may be a reflection of the increasingly important role the internet is playing in conducting business.

Consumer communications choices

New and emerging communication technologies such as 3G, VoIP, and wireless broadband now sit side by side with traditional fixed-line based services. This section explores how Australians are combining different communications services and some of the factors which shape consumer decisions within an environment of increasing choice.

Four communications services in the home were examined including, the fixed-line telephone, internet, VoIP and mobile telephone. Due to the survey being a fixed-line telephone based survey, persons who only had access to a mobile at home were excluded from the survey. It is currently estimated that approximately 10 per cent of the adult population in Australia do not have a fixed-line telephone service in the home.[11]

Figure 2.10: Communication service combinations used by household consumers



Source: ACMA commissioned consumer survey, April 2009.

9 ABS, *8153.0–Internet Activity, Australia,* June 2009.
10 ABS, *8153.0–Internet Activity, Australia,* June 2009.
11 Roy Morgan Single Source, June 2009

In general, Australians are more likely to opt for communication solutions which cover multiple service types, with each service meeting a specific communications need. Figure 2.10 shows the service combinations currently used by Australians.

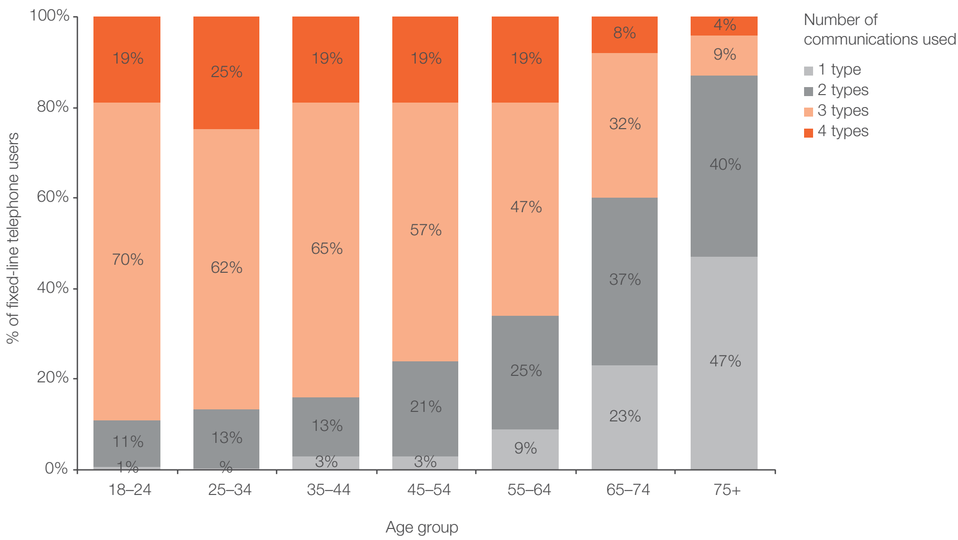
Most commonly, Australian consumers are opting for a combination of fixed-line telephone, mobile phone and home internet connection (53 per cent) followed by all four types of communications (18 per cent of respondents) and the combination of fixed-line telephone and mobile (17 per cent of respondents).

Socio-economic factors such as age and household family structure are more likely to influence the number of services used than factors such as gender and labour force status.

Older Australians are less likely to utilise multiple communication service types. Figure 2.11 below shows the number of communications services used by age. The majority of persons aged 18 to 54 used three communication services (a fixed-line telephone and two other services). This declined to 47 per cent for 55 to 64 year olds, 32 per cent of 65 to 74 year olds and only nine per cent for persons aged 75 years and older.

Older Australians generally made use of a fixed-line telephone only or a fixed-line telephone and one other service (generally a mobile phone). Persons aged 25 to 34 were most likely to use all communications services identified in the survey than other age groups (25 per cent).

Figure 2.11: Number of types of communications used by age



Source: ACMA commissioned consumer survey April 2009.

Retirees were less likely to adopt multiple communications than other groups, further reinforcing the role of age and lifestyle as critical factors influencing communication choices. Most retirees used either one or two communication types (29 and 35 per cent respectively).

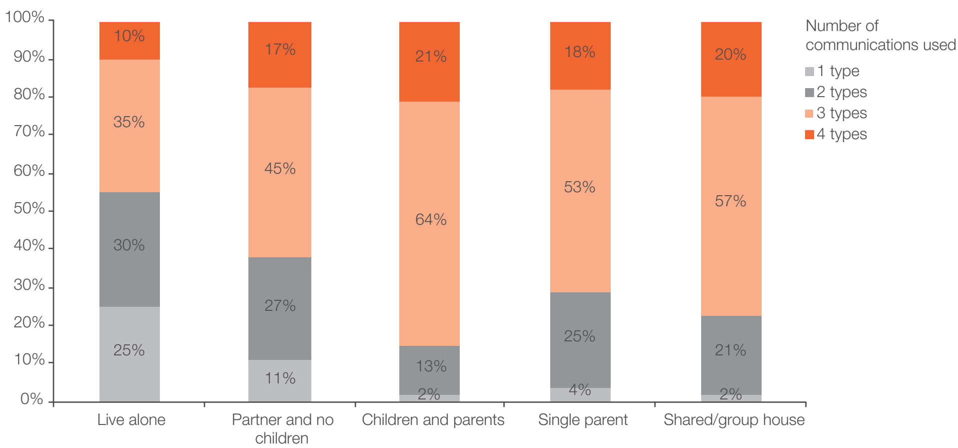
Figure 2.12: Number of types of communications used by employment type

Source: ACMA commissioned consumer survey April 2009.

The presence of children within the home was a strong determining factor in the use of multiple communications, while single person households, generally comprising older persons, were more likely to only use a fixed-line telephone service than other household types.

Households comprising children with parents or shared or group households were more likely to utilise at least a combination of three types of communication services than other household family types. Those who lived alone were more likely to use one or two communication services than other household types.

Figure 2.13: Number of types of communications used by household structure



Source: ACMA commissioned consumer survey April 2009.

Consumers appear to be unwilling to give up existing communication services, opting instead to retain a combination of services. This may be due to a number of factors including habit, the segmentation of communication services for a particular function such as the use of a mobile when out of the home and perceptions that alternative communications are less reliable or more costly.[12]

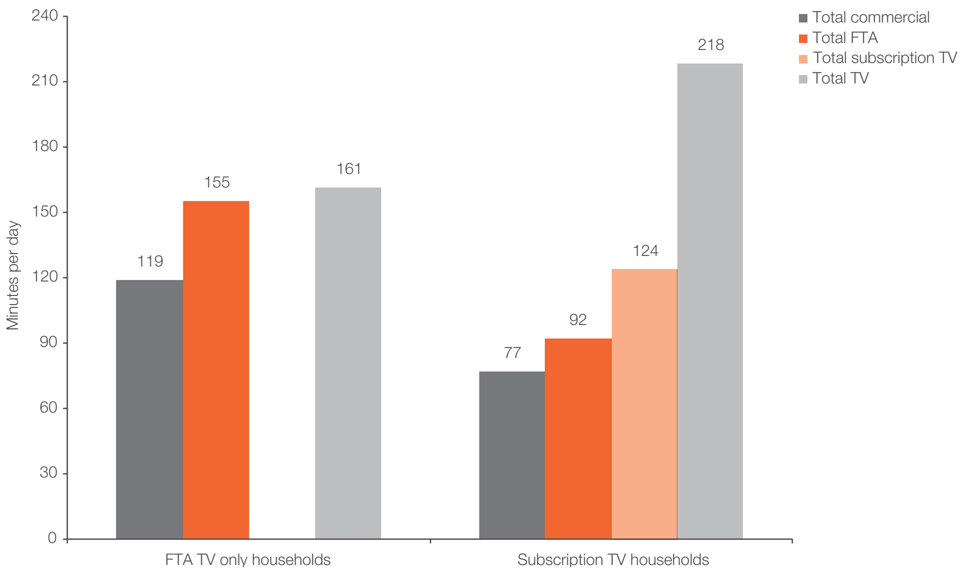
Ongoing shifts in communications service use is also being mirrored by changes in media consumption by households.

Consumer use of media services

Amount of television watched in free-to-air only and subscription television households

Australian television viewers in free-to-air (FTA) only households spent an average of 161 minutes per day watching television in 2008, with commercial television channels accounting for the majority of their viewing (119 minutes per day) (Figure 2.14). Viewers in subscription television (STV) households spent 218 minutes per day watching television. Although more than half of this daily viewing was spent watching subscription services (124 minutes), viewers in STV households also spent a significant amount of time watching commercial television channels (77 minutes).

Figure 2.14: Television viewing in free-to-air only and subscription television households—Average time viewed by network type, 2008



Source: OzTam Pty Limited.

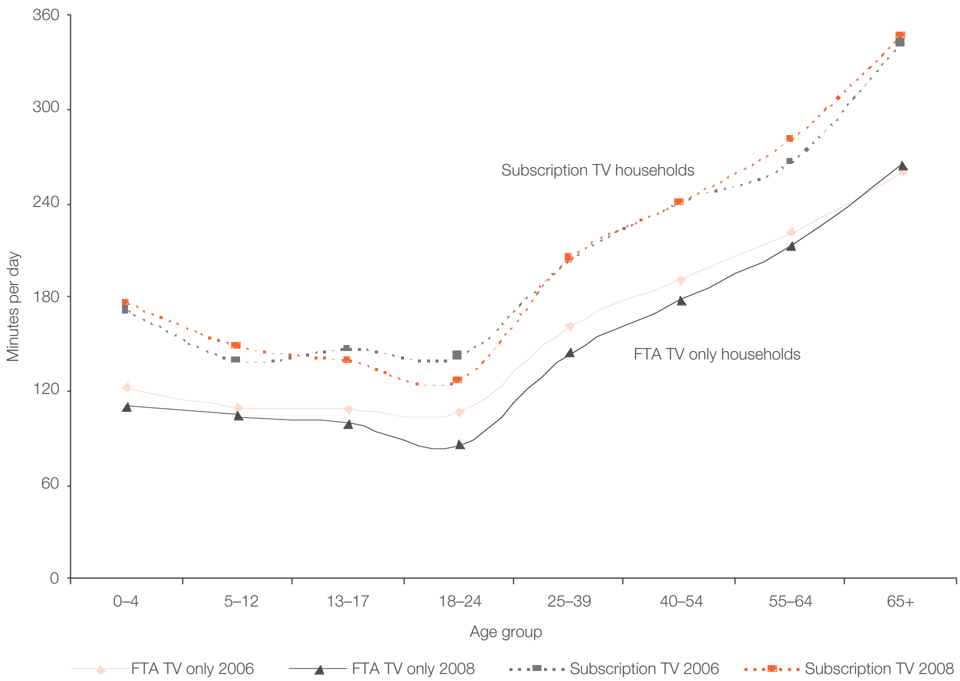
12 The ACMA, *Convergence and Communications, Report 1: Australian household consumer's take-up and use of voice communications service,* March 2009.

Figure 2.15 shows the amount of time spent watching television in FTA only and STV households by people in different age groups, and changes in viewing between 2006 and 2008.[13] Across all age groups, those with STV watch more television than their FTA only counterparts, and as people age, they tend to spend more time in front of television.

Apart from viewers aged 65 and over, all viewers in FTA only households spent less time viewing television in 2008 than they did in 2006, with a noticeable decline in the average time spent viewing by people in the 18 to 24 and 25 to 39 age groups. Between 2006 and 2008, the average time spent viewing FTA television decreased by 21 and 18 minutes respectively. Lowest viewing was by people aged 18 to 24 years (86 minutes). In contrast, the average time spent viewing FTA television in 2008 by viewers aged 65 years and over was 265 minutes per day, an increase of four minutes over their 2006 viewing levels.

In STV households, viewing trends changed over time and by age group. Older adults (people in the 55 to 64 and 65 years and over) in subscription television households watched more television in 2008 than they did in 2006. People in the 55 to 64 age group averaged 281 minutes of television a day in 2008, an increase of 15 minutes over the daily amount of television this group watched in 2006 (266 minutes). The trend towards increased levels of television viewing in STV households peaked with the 65 year and over age group who averaged 347 minutes of television a day in 2008. This is similar to the amount of television this group was watching in 2006 (343 minutes).

Figure 2.15: Average time spent viewing television in free-to-air and subscription television households for all age groups in 2006 and 2008



Source: OzTam Pty Limited.

13 This data refers to the OzTam figures for the 6.00 am to midnight period for the five metropolitan markets over the calendar years of 2006 and 2008.

Children's viewing

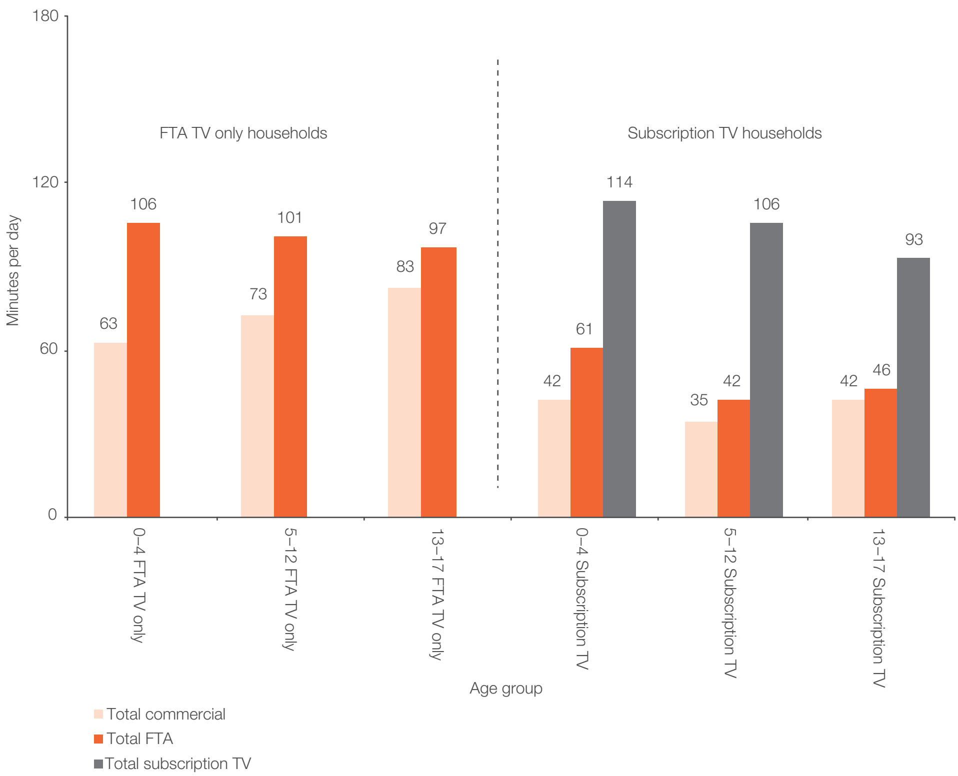
Children in STV households watched more television that their counterparts in FTA only homes. Figure 2.16 indicates that as well as watching an average of almost two hours of subscription television per day, children aged 0 to 4 years in these households also watched significant amounts of free to air television (61 minutes). The 0 to 4 year olds in FTA-only households watched an average of 106 minutes of free to air content each day, a significant proportion of this being commercial television (63 minutes). Although subscription and commercial television dominated the viewing patterns of these children (across both FTA and SV households) they also watched a significant amount of ABC content. In FTA-only households, children aged 0 to 4 watched an average of 40 minutes of the ABC Network (ABC1 and ABC2) each day, compared with 17 minutes in STV households.

Older children watch less television on average than 0–4 year olds. The amount of time older children spent watching the ABC Network declined significantly in those homes where subscription television was available (an estimated total of five minutes per day for 5 to 12-year-olds and two minutes for teenagers). In FTA households, there is a similar decline with age, but some viewing does take place (25 minutes for 5 to 12-year-olds and 10 minutes for teenagers).

Adult's viewing

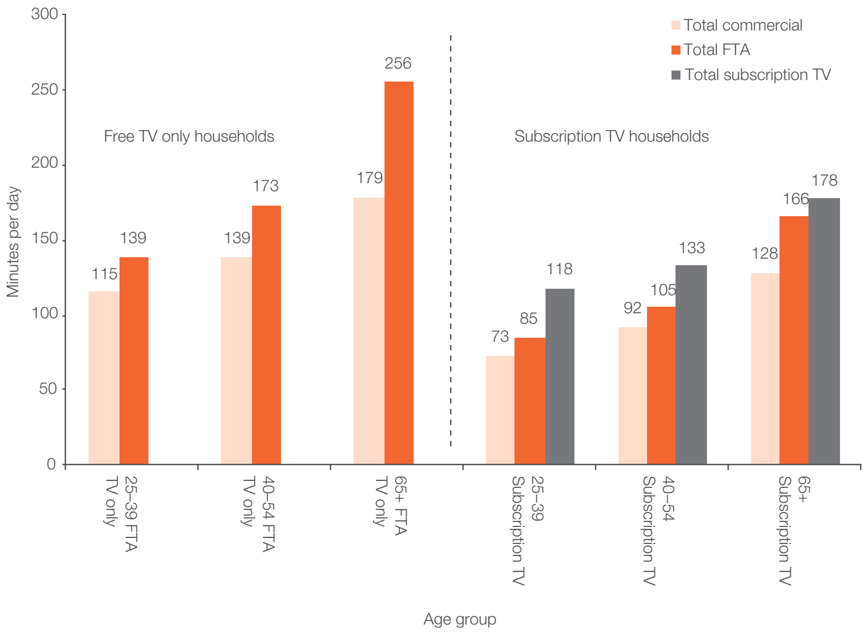
Adults also spent less time watching the national broadcasters in STV homes than their FTA only counterparts (Figure 2.17). However, people aged 65 and over in STV households watch a significant amount of ABC and SBS television (approximately 38 minutes per day in 2008), although the majority of their free-to air viewing is commercial television (128 minutes).

Figure 2.16: Television viewing in free-to-air and subscription television households—Average time viewed by platform for children aged 0 to 17 years, 2008



Source: OzTam Pty Limited.

Figure 2.17: Television viewing in free-to-air and subscription television households—Average time viewed by platform for adults aged 25 years and over, 2008



Source: OzTam Pty Limited.

Radio audiences in Australia

The ACMA's research on radio audiences[14] found that 92.6 per cent of Australians aged 15 years and over reported that they listen to radio, with 91.1 per cent indicating they are regular (at least once a week) listeners. Commercial FM radio emerged as the most popular, with 53.7 per cent of those surveyed reporting that they are regular commercial FM radio listeners. This was followed by Other ABC radio stations with 40.1 per cent of regular listeners. These stations were followed by Commercial AM radio (25.3 per cent), Triple J (14.6 per cent), Community radio (13.7 per cent), other types of radio listening (5.6 per cent) and SBS radio (4.6 per cent).

Time spent listening to radio

In 2008, the Nielsen radio ratings surveys reported that Australian radio audiences (all people aged 10 years and over) spent an average of 19 hours and 49 minutes per week listening to radio.[15] People aged 55 and over listened to radio the most, averaging almost 25 hours a week (24 hours and 53 minutes). Time spent listening in the 18 to 24 and 25 to 39 age groups was also significant, as both these age groups averaged almost eighteen and a half hours of radio listening per week.

Popularity of timeslots

Commercial Radio Australia (CRA) has reported (January 2009) that the breakfast timeslot (5.30–9.00 am) is commercial radio's strongest as it reaches over 6.7 million Australians.[16] Time spent listening within this timeslot reaches five hours and 10 mins weekly, or over an hour a day for the average person. For people aged 55 years and over, time spent listening to breakfast radio increases to six hours and 46 mins per week.

14 The ACMA, unpublished research.

15 Nielsen Radio Ratings Survey Results. Averages are sourced from Nielsen data for the five mainland state capital cities, *Survey 1–8 2008*, 5.30 am–12 midnight, Monday–Sunday.

16 Commercial Radio Australia (CRA) Radio – *A Time and place for everything,* January 2009. Sourced at: www.commercialradio.com.au/index.cfm?page_id=1270.

CRA reports that the average Australian radio listener spends an average of 65 mins each day, or five hours and 27 minutes weekly, listening to commercial radio during the afternoon. During the evening timeslot (7.00 pm to midnight) the average time spent listening to commercial radio is two hours and 51 minutes weekly, with people aged 55 years and over spending on average, an additional hour listening to radio each week.

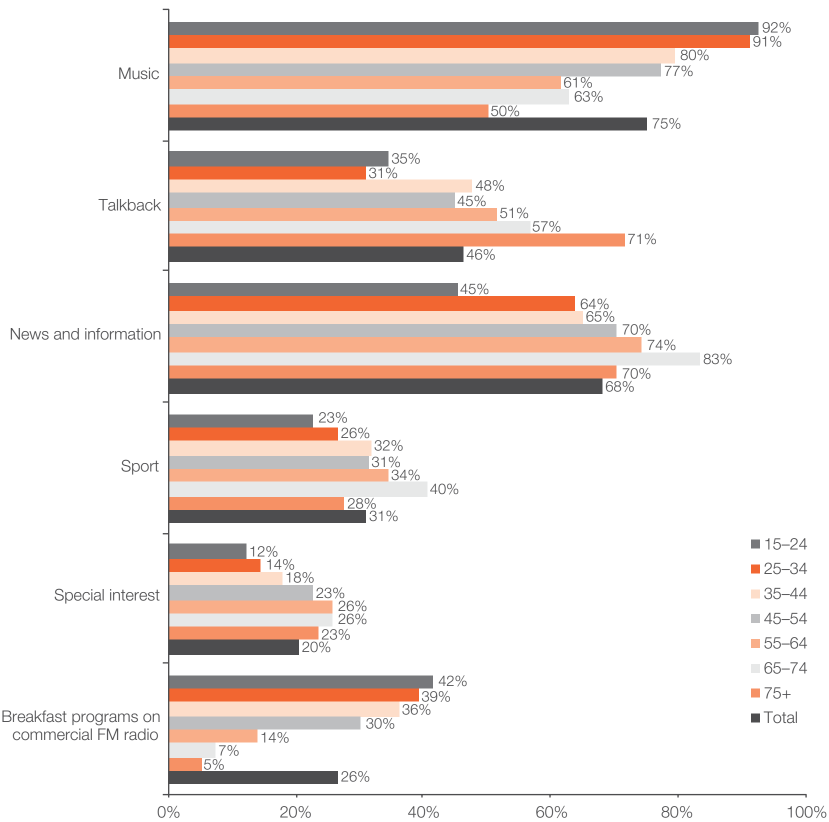
Radio content preferences

The ACMA research found that age differences underpinned the reported preferences for different radio stations and programming formats. As figure 2.18 shows, music and the news and information programming were the most preferred formats in 2009.

Music content was preferred by younger listeners in the 15 to 24 (92 per cent) and 25 to 34 (91 per cent) age groups and this format tended to lose its appeal with older age groups (down to 50 per cent for 75 years and over). In contrast, the news and information format was the most popular format for the older age groups, peaking at the 55 to 64 age group (83 per cent), and was the least preferred among the 15 to 24 age group (45 per cent).

The popularity of talkback programs increased with age. More than half of radio listeners aged 55 and over reported that they were regular talkback radio listeners, with 71 per cent of those aged 75 years and over, indicating that they were regular listeners. Fewer respondents in the 15 to 24 and 25 to 34 age groups said they listen to 'talkback' regularly (35 per cent and 31 per cent respectively. For these younger age groups, breakfast programs on commercial FM held more appeal (peaking at 42 per cent of 15 to 24 age group), although this did not generalize to those aged 55 and over (14 per cent and lower for radio listeners aged 64 plus).

Figure 2.18: Radio content preferences by age group



Source: The ACMA, unpublished research.

Consumer satisfaction with communication services

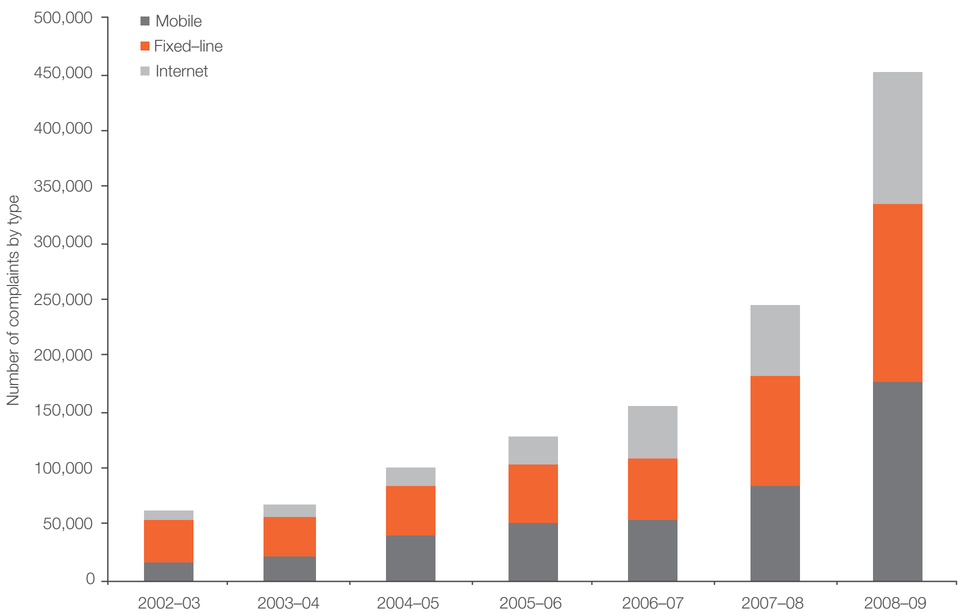
ACMA research indicates that Australian consumers are largely satisfied with their communications services, especially in the area of traditional fixed-line telephony. These satisfaction levels have remained stable over the two years, with the majority of consumers indicating that their communications services meet or exceed their expectations.[17] However, over the past seven reporting years, the number of TIO complaints has increased almost eight fold (figure 2.19) suggesting a growing awareness of complaint channels and consumer rights among dissatisfied communications users.

This section examines satisfaction levels among fixed-line telephone, mobile, VoIP and internet household consumers in 2009. For specific information regarding small and medium enterprise consumers, see the ACMA's 2009 report *Australian Consumer Satisfaction with Communications Services.*

Consumer satisfaction with fixed-line telephone services

Research commissioned by the ACMA has found that over 80 per cent of Australian household consumers are satisfied with their fixed-line service, with one in three stating that they were 'very satisfied' (Figure 2.20). Location appears to play a minimal role in the satisfaction levels of Australia's fixed-line telephone service users, with survey data revealing similar results for metropolitan and non-metropolitan users. Only eight per cent of fixed-line telephone users expressed dissatisfaction with their fixed-line telephone service.

Figure 2.19: TIO complaint statistics



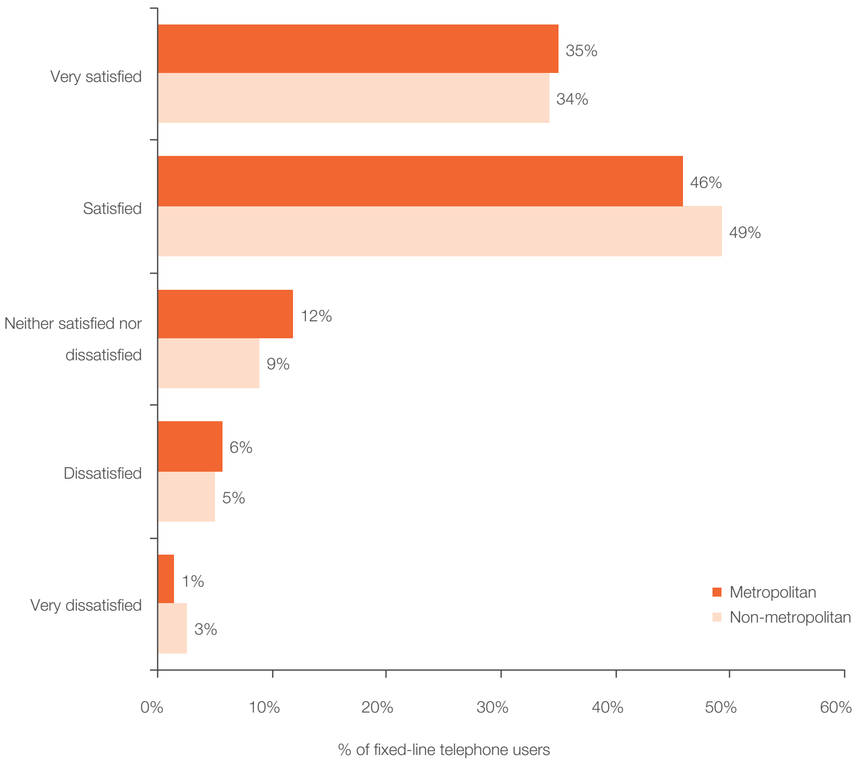
Note: Excludes mobile premium services.
Source: TIO.

17 The ACMA, *Convergence and Communications: Australian Consumer Satisfaction with Communications Services,* June 2009.

Price factors appear to be a common issue for persons dissatisfied with their fixed-line service. Three quarters of those dissatisfied with their fixed-line telephone identified call charges or line rental as the primary reason for their dissatisfaction (Figure 2.21) while a further 18 per cent identified poor customer service.

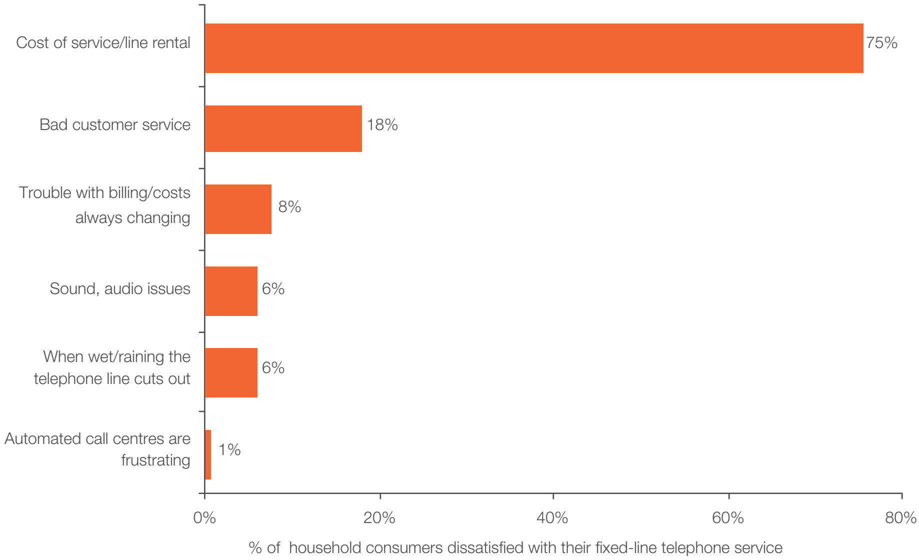
While the majority of consumers are satisfied with their fixed-line service, the cost of maintaining a fixed-line service, particularly among those who favour mobile technology for voice communication, is becoming a strong incentive for consumers to go 'mobile only' or examine other options such as naked DSL services. In an environment in which mobile call charges are increasingly price-competitive, fixed-line rental charges appear to be a primary disincentive for consumers to maintain or connect to a service.

Figure 2.20: Household consumer satisfaction with fixed-line telephone service



Source: ACMA commissioned consumer survey, April 2009.

Figure 2.21: Reasons for household consumer dissatisfaction with fixed-line telephone service



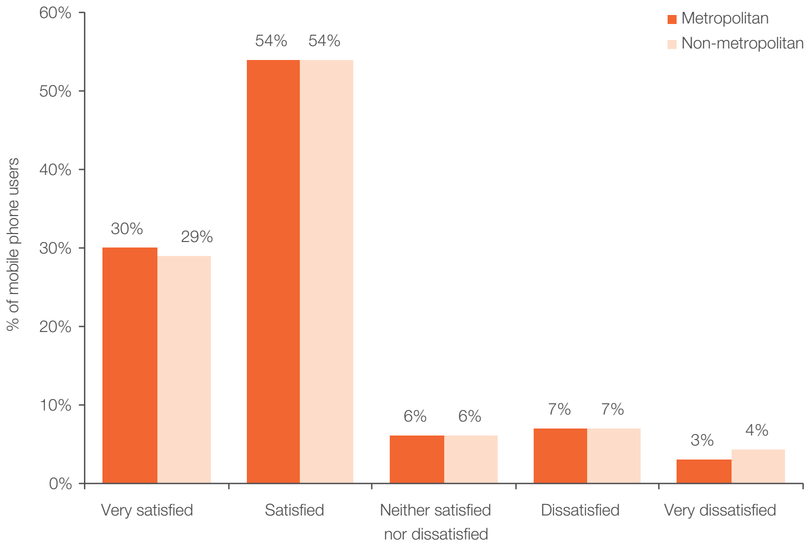
Source: ACMA commissioned consumer survey, April 2009.

Consumer satisfaction with mobile phone services

Household consumers are generally satisfied with their mobile phone service, with over 80 per cent of the survey's respondents stating that they were satisfied or very satisfied with their mobile service (Figure 2.22). The highest satisfaction levels appear to be among consumers aged over 65; almost nine in ten users in this demographic said they were satisfied with their mobile phone service, compared with 76 per cent of those aged between 45 and 54 (Table 2.4). This demographic also had the highest dissatisfaction levels, with 14 per cent of respondents reporting they were dissatisfied with their mobile phone service. However, these figures are not reflected in mobile service provider switching figures. Less than 15 per cent of consumers aged 45 to 54 said they would likely change mobile service providers in the next 12 months.[18]

18 Roy Morgan Single Source, October to April 2009.

Figure 2.22: Household consumer satisfaction with mobile phone



Source: ACMA commissioned consumer survey April 2009.

Table 2.4: Household consumers' satisfaction with mobile phone services by age

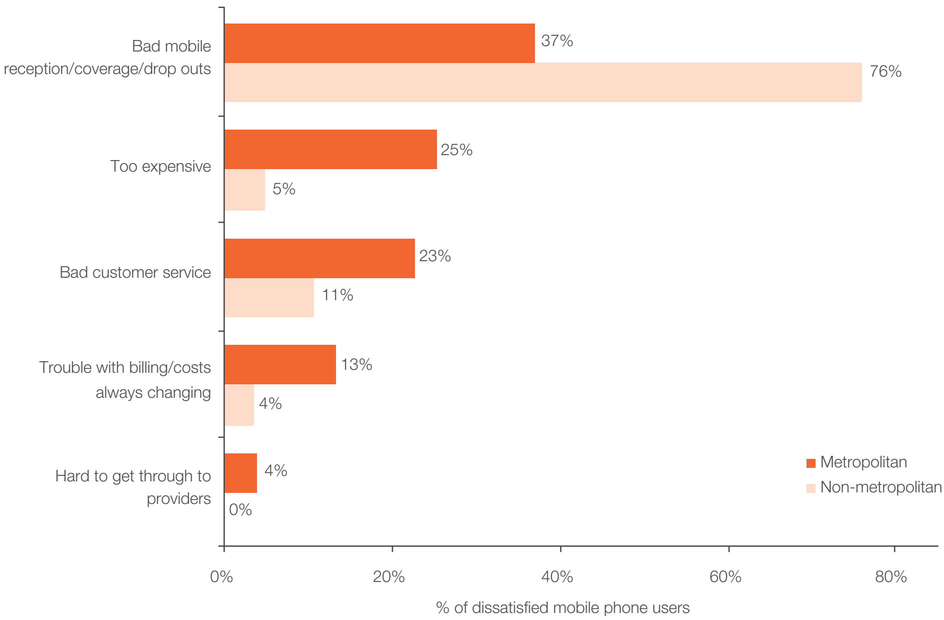
Age	Satisfied	Neither satisfied nor dissatisfied	Dissatisfied
18–24	81%	9%	10%
25–34	86%	4%	10%
35–44	82%	6%	12%
45–54	76%	10%	14%
55–64	84%	7%	9%
65–74	90%	3%	8%
75 years +	88%	7%	5%
Total	**84%**	**6%**	**10%**

Source: ACMA commissioned consumer survey April 2009.

In general, most Australian mobile phone users appear to be satisfied with their mobile phone service. Approximately 84 per cent of consumers surveyed said their mobile phone service provider had mostly met or exceeded their expectations. Less than one in five mobile phone users reported that their expectations had been rarely or only sometimes met.[19] There has been little change in satisfaction levels among mobile phone consumers since 2007, despite the concurrent technical developments, such as 3G.

For those consumers who are not satisfied with their mobile phone service, limited mobile reception coverage or drop outs was identified as the primary reason for being dissatisfied. Figure 2.23 shows that over three quarters of non-metropolitan users dissatisfied with their mobile service nominated coverage issues as a source of their dissatisfaction, more than double that of metropolitan consumers.

Figure 2.23: Reasons for dissatisfaction with mobile telephone services, by location



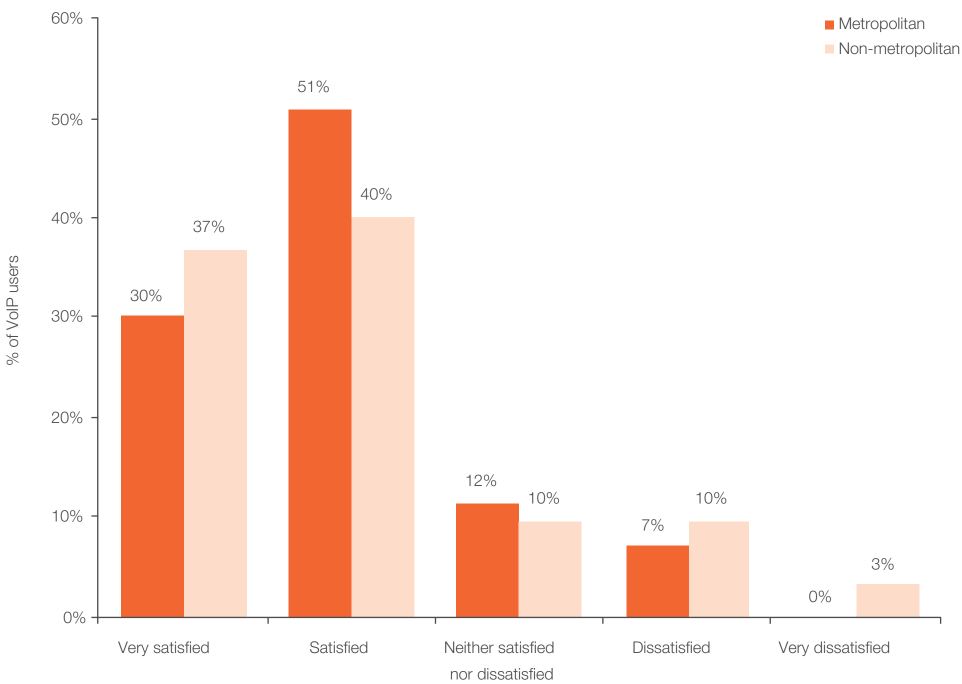
Source: ACMA commissioned consumer survey, April 2009.

19 Roy Morgan Single Source, October 2008 to April 2009.

Consumer satisfaction with VoIP services

The ACMA's survey results indicate that most consumers using VoIP are satisfied with their service (Figure 2.24), with 81 per cent of metropolitan and 77 per cent of non-metropolitan users saying they were quite or very satisfied. However, satisfaction levels among non-metropolitan VoIP users appear to have fallen in the past 12 months, with the proportion of very satisfied VoIP users dropping by nine percentage points from 46 per cent in 2008 to 37 per cent in 2009. Furthermore, a greater proportion of non-metropolitan VoIP users are dissatisfied with their VoIP service.

Figure 2.24: Household consumer satisfaction with VoIP services, by location

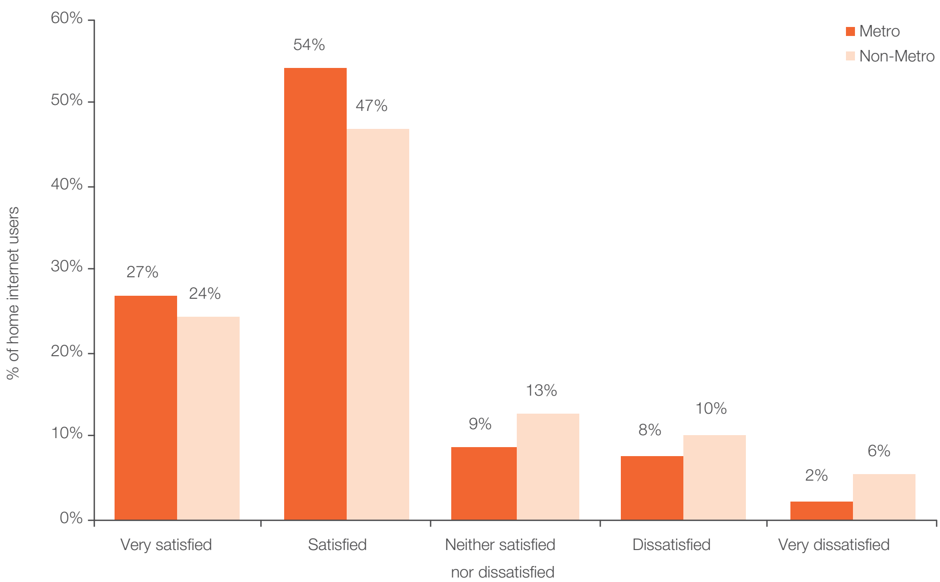


Source: ACMA commissioned consumer survey April 2009.

Consumer satisfaction with internet services

The majority of Australian household consumers are satisfied with their internet service, with over three quarters of survey respondents satisfied or very satisfied with their service (Figure 2.25). Satisfaction levels are generally lower among non-metropolitan internet users, with a greater proportion of dissatisfied non-metropolitan consumers reporting that their internet speed was too low, or that broadband internet was not available in their area than those in metropolitan locations (Figure 2.26). Other reasons for dissatisfaction among Australia's home internet users include price, customer service and issues associated with data caps. However, 81 per cent of all internet users said they were satisfied with their download limits, and well over a third said they were very satisfied.[20]

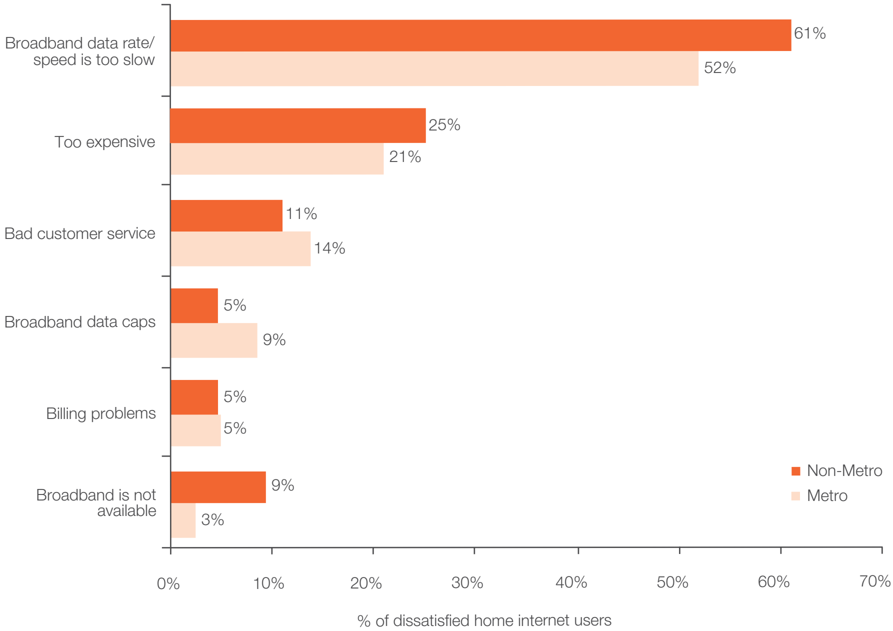
Figure 2.25: Household consumer satisfaction with internet service, by location



Source: ACMA commissioned consumer survey, April 2009.

20 ACMA commissioned consumer survey, April 2009.

Figure 2.26: Reasons for consumer dissatisfaction with the internet, by location



Source: ACMA commissioned consumer survey, April 2009.

Further information

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