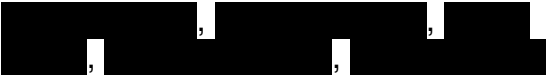


**Note of meeting from the Ofcom Consumer Panel:
advice to Ofcom**



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| Title of Ofcom Project: | Telecoms Review – Measuring Success |
| Date: | 9/ 10/ 2005 |
| Author: | Dominic Ridley |
| Advice given at meeting Date: | 1/ 12/ 2005 |
| Attendees: Ofcom Panel |  Colette Bowe, Roger Darlington, Georgia Klein, Dominic Ridley |
| Paper no. | AO/ 41 |
| Ofcom milestone(s) | Ofcom team to meet the Panel in February |

Telecoms Review – Measuring Success

1. The Panel team welcomed the constructive meeting with Ofcom on how to measure the success of the Telecoms Strategic Review. This note re-states the points made in the meeting.

Ofcom should not only produce metrics but also set itself targets

2. The Panel team disagreed with the supposition that there should be no targets when setting metrics. Targets would let Ofcom know when it had met or exceeded its objectives and to ask questions if they were missed. It was stated that the OECD could be a useful source both for the kind of metrics to be used and for the benchmark data.

Where there is a metric there should be a target and where possible this metric should be time-specific.

3. Ofcom was reminded by the Panel team that metrics measure progress and targets measure how fast you get to where you want to be. Thus, Ofcom should pick a 'year zero' from which an interpretation of the market, the direction in which it was travelling in, its position and its narrative could be derived from. The attraction of capital should be included as part of the narrative. The narrative would enable Ofcom to establish what market outcomes should be looked for and what trade offs had been made.

Ofcom should use international comparative data when judging whether or not the UK telecommunications market was moving in the right direction.

4. It was stated that Ofcom should compare the UK telecommunications market performance to: a) the best telecommunications market in Europe in terms of delivery of services, affordability and innovation; b) the best telecommunications market in the world using the same comparators; and c) A. N. Other.

Ofcom should attempt to develop ways to understand the consumer experience from the end point and then work backwards – rather than attempting to use meta-data

5. Ofcom's proposal to provide a snapshot of: what services are available to the average household; what services the average household consumed; what the cost would be to the average household; and that the snapshot would be re-visited at time-specific intervals, was welcomed. As was the proposal to expand the tracker data to include other households that diverge from the 'average family' experience, e.g. older people, people with a disability and low income households. The Panel team said to Ofcom that more qualitative metrics should be included in its measurements: e.g. what is the range of affordable packages (affordability by specified quality); that the metric of service availability should include both service and geographic availability; and that the metric of ease of cost comparisons should be ease of cost and quality comparisons.

Using an innovation metric

6. It was suggested that to measure an 'innovation metric' or an innovations ripple effect comparing what a consumer was able to purchase with £250 in a number of countries (e.g. UK, France, South Korea) and then to re-visit this basket of goods at time-specific intervals was one possible method. And that it would be worthwhile for Ofcom to speak to industry. The Head of Marketing for Dixons would be able to explain what technologies it was bringing to market and what barriers stopped other technologies from making it to the UK marketplace.

Ofcom should consider commissioning an independent audit to determine the success of its TSR policy

7. It was recommended that an independent audit should be commissioned when measuring the success of the TSR policy. It was felt that a non-independent audit would face calls of bias from stakeholders and that factors outside of Ofcom's control could cause certain targets to be missed (e.g. a government policy) and that Ofcom would find it difficult to comment on them.

TSR Stakeholder Workshops

8. The Panel Team was disappointed to note that there was a lack of consumer involvement in the TSR stakeholder workshop held in November. It was hoped that consumer representatives would be involved in the proposed follow-up event.