

Invitation to submit proposals for the provision of price comparison services to consumers

The Hellenic Telecommunications & Post Commission invites interested parties to submit proposals for the provision of price comparison services to consumers for electronic communication services according to process described below.

The interested parties can submit their proposals eponymously, in electronic and/or hard copy, in Greek and/or in English language until 8/4/2010 in the following addresses:

A) price_comparison@eett.gr

B) EETT
60, Kifissias Avenue
GR-151 25
Maroussi, Greece

The proposals must have the indication:

“Proposals for the provision of price comparison services to the consumers for electronic communications services in Greece”

Contents

By means of this invitation, EETT seeks to collect proposals from the market on how they could offer price comparison services for electronic communication services.

This invitation is structured in five sections

- Section 1: The need for transparency in consumer information: Describes the issue of information transparency to consumers.
- Section 2: Legal framework: Provides an overview of the legal framework on tariff transparency issues.
- Section 3: Description of price comparison services: Provides a general overview of price comparison services and their most important non-functional characteristics.
- Section 4: European context: Provides an overview of the different approaches that have been followed by National Regulatory Authorities across EU for the provision of price comparison services.
- Section 5: Operational models: Describes the different models that could be adopted for the introduction of price comparison services in the Greek

market. Invites interested parties to provide their views for a series of related issues.

It is noted that the proposals of interested parties that will be submitted will be used exclusively by EETT and will not be published.

1. The need for transparency of consumer information

According to ERG Tariff Transparency report¹, regulators are examining the issue of deficient consumer information under its various forms: lack of information, unclear or misleading or hard to find information. Generally, it is accepted that actual consumer behaviour can, in several occasions, be different from the behaviour that would be expected according to economic thinking.

Indeed, for a series of reasons consumers are not always able to understand and use the information which is available on the market in order to make decisions that would optimally satisfy their needs. Amongst these reasons the diversity and complexity of the offers available on the market as well as the way in which marketing strategists choose to promote certain offers are often included.

The issue of deficient information may mean that consumers cannot easily compare services and make informed decisions. This can occur because the necessary information is unavailable, unclear or presented in a number of different places thus it is difficult to interpret and compare. Also, the issue of deficient information can occur when consumers are not properly informed for post-contract changes of their tariff plans.

The issue of deficient consumer information can also be amplified by a variety of factors, including:

- Increasing number and diversity of offers
- Complexity of tariff plans
- Bundling of services
- Deficient presentation of information

In general, informing and educating consumers are key ways to further participation in the electronic communications market and promote competition to the benefit of consumers and providers.

Therefore, the main issue is to ensure that consumers have easy access to the information including availability of alternative services and providers and corresponding tariffs so as to make the best possible choices.

E1. Do you agree with the general conclusions regarding the issue of deficient consumer information?

¹ p. 7, ERG (08) 59 Rev 2 Report on transparency of tariff information , March 2009

2. Legal Framework

According to the legal framework in force and more specifically according to Law 3431, article 57, par. 2 the following apply:

“EETT facilitates the provision of information, which allows end users, to the extent possible, and consumers to proceed in an independent valuation of the cost for different usage alternatives, for example, using interactive guides.”

Also, according to the Directive 2002/22/EC of the European Parliament and of the Council of 7 March 2002 on universal service and users’ rights relating to electronic communications networks and services, the following apply:

“Transparency and publication of information

1. Member States shall ensure that transparent and up-to-date information on applicable prices and tariffs and on standard terms and conditions, in respect of access to and use of publicly available telephone services is available to end-users and consumers, in accordance with the provisions of Annex II.

2. National regulatory authorities shall encourage the provision of information to enable end-users, as far as appropriate, and consumers to make an independent evaluation of the cost of alternative usage patterns, by means of, for instance, interactive guides. In accordance with the provisions of Annex VI, Member States shall ensure the interoperability of the consumer digital television equipment referred to therein. “

Under the new regulatory framework, which has not been incorporated yet into Greek legislation, but is mentioned in order to highlight the increasing importance of providing comparison information to the consumers, new obligations are included for member states. In particular, the Directive 2009/136/EC of the European Parliament and of the Council, of 25 November 2009 “Amending Directive 2002/22/EC on universal service and users’ rights relating to electronic communications networks and services, Directive 2002/58/EC concerning the processing of personal data and the protection of privacy in the electronic communications sector and Regulation (EC) No 2006/2004 on cooperation between national authorities responsible for the enforcement of consumer protection laws”, includes the following:

“Article 21

Transparency and publication of information

1. [...]

2. National regulatory authorities shall encourage the provision of comparable information to enable end-users and consumers to make an independent evaluation of the cost of alternative usage patterns, for instance by means of interactive guides or similar techniques. Where such facilities are not available on the market free of charge or at a reasonable price, Member States shall ensure that national regulatory authorities are able to make such guides or techniques available themselves or through third party procurement. Third parties shall have a right to use, free of charge, the information published by undertakings providing electronic communications networks and/or publicly available electronic communications services for the purposes of selling or making available such interactive guides or similar techniques.[...].”

3. Description of price comparison services

EETT is interested to receive proposals from the market regarding price comparison services for electronic communication services, to be offered to consumers in Greece. An indicative but not exclusive list of the electronic communication services that could be offered is as follows: fixed telephony, mobile telephony, international roaming, fixed broadband, mobile broadband, voice over IP, Digital TV and bundled services.

In general, there are several possible implementations of price comparison services that can be offered through various media to the consumers. An implementation of a price comparison service would be an interactive web-based price guide which should be able to carry out calculations based on usage data and consequently rank subscription packages according to price characteristics.

The price comparison services offered to the Greek consumers should however have the following features:

Accessibility

The price comparison services should be accessible by all consumers including disabled users and through different means e.g. Internet, letter, phone.

Accuracy

It is essential that the data used to calculate price comparisons is kept up to date so that consumers are presented with accurate information on prices and tariffs.

Independence

The consumers using the price comparison services should receive independent advice on whether they would be better off switching tariff plans or provider.

Transparency

The users should be clearly and fully informed of any affiliation with and/or funding from providers.

Comprehensiveness

It is important that price comparison information is full and comprehensive.

In general, the price comparison service should comply with all the relevant laws, regulations, acts and rules.

EETT considers that service characteristics are also important in the consumer decision making process. In this direction, EETT has taken an initiative for the publication of quality of service (QoS) indexes for electronic communication services. The price comparison services could link to these quality indexes.

E2. Do you consider there are additional features that should be taken into account? What could those be? Do you have any additional comments?

4. The European context

Interactive web-based price guides (“price calculators”) are among the most effective and popular consumer information tools which are already in place in several European countries. The guides perform calculations based on consumption volumes and rank subscription packages from different providers according to their price.

Based on ERG² report, at least half of the NRAs have introduced or consider it would be appropriate to introduce such tools, directly or via accreditation of third party comparison websites.

Currently, there are two main approaches that have been followed by the NRAs:

- **Approach A**

Under the first approach, NRAs directly offer to consumers interactive web-based price comparison services.

The interactive price comparison services differ in terms of complexity and services included. In nine out of ten cases, the service performs calculations, based on the usage data submitted by the user and delivers a list of the available subscription programs that match the user preferences, sorted according to their choices.

- **Approach B**

Under the second approach, the NRA establishes a system for the accreditation of the price comparison services that are delivered by third parties.

Ofcom in the UK runs an accreditation scheme for websites that compare prices of different providers. The scheme pursues a number of objectives such as:

- Accredit calculators offering price comparison on a wide range of communications services,
- Ensure that the application process for accreditation is fair and transparent,
- Ensure that the criteria based on which services are approved, guarantee accurate and easy consumer information,
- Promote consumer awareness of accredited calculators and boost the value of accreditation.

² Pages 40 and 62, ERG (08)59 Rev 2 Report on transparency of tariff information, March 2009

5. Operational Models

EETT is interested in collecting information and proposals from the market regarding the delivery of price comparison services for electronic communication services in Greece.

In this context, EETT considers that the provision of price comparison services to the consumers could be realized in a variety of ways, some of which are the following:

- A. The respondent introduces the service directly in Greece.
- B. The respondent supplies the necessary system to EETT so that EETT can introduce the service in Greece (refer to “Approach A” in paragraph European context).
- C. The respondent implements and supplies the entire service to EETT so that EETT can introduce the service in Greece (refer to “Approach A” in paragraph European context).

E3. Describe the model, which, in your view, is the most suitable to allow you to introduce price comparison services in Greece. In this context, provide a concise description of the relevant services.

E4. In case you would consider model A as the most suitable, please answer at least the following questions:

- a. Provide a short summary of the proposed business plan.
- b. What should the role of EETT be (e.g. accreditation as described in “Approach B” paragraph European context)?
- c. What is expected from EETT?
- d. What are the issues that should be catered for so as to ensure the viability and success of the service?
- e. Do you have any other comments?

E5. In case you would consider model B as the most suitable, please answer at least the following questions:

- a. Provide cost estimate for purchase, maintenance and upgrades
- b. Provide time-to-market estimate.
- c. What are the issues that should be catered for so as to ensure the viability and success of the service?
- d. Do you have any other comments?

E6. In case you would consider model C as the most suitable, please answer at least the following questions:

- a. Provide cost estimate for providing the service.

- b. What are the issues that should be catered for so as to ensure the viability and success of the service?**
- c. Do you have any other comments?**

E7. In cases of models B and C, would you consider suitable and appropriate the BOT approach (Buy-Operate-Transfer)? What are the issues that should be catered for? What other issues do you consider?

E8. Provide a detailed description of any other operational model that you consider suitable, addressing issues as presented above.