

Mobile capped plans prove popular with Australian consumers, research shows

More Australian mobile phone users are choosing capped plans over standard contracts and pre-paid options, according to a report released by the ACMA in May.

Based on ACMA-commissioned research carried out last year, the report—*Mobile capped plans: Consumer attitudes and behaviours*—shows 39 per cent of mobile phone users have a mobile capped plan, with 36 per cent using pre-paid plans and 25 per cent using standard contracts. Of capped plan users, 81 per cent were satisfied with their mobile service.

The research found the most frequent reason given for adopting capped plans was for their 'perceived value for money' (59 per cent), and secondly because consumers want to 'know what their mobile phone payments were each month' (12 per cent). While the majority of those surveyed (68 per cent) stated they knew what was included and excluded in their mobile plan, 58 per cent revealed they have exceeded their cap expenditure limit at least once in the last year.

Despite the frequency at which caps were exceeded, 57 per cent of users did not track their expenditure, with 33 per cent of responses stating that they 'can't be bothered', 26 per cent referring to 'low usage of the phone', and 19 per cent commenting they 'never/don't exceed the cap'. On the issue of available options for tracking mobile phone expenditure, 72 per cent of capped plan users reported that they were either satisfied or very satisfied with the options provided to track mobile phone expenditure.

In terms of take-up, capped plans proved most popular among the 18 to 54-year-old age group, ranging between 42 and 48 per cent. Take-up was the lowest for those aged 15 to 17 years, and 75 years and over, both at 16 per cent. These younger and older mobile phone users displayed a preference for pre-paid plans.

Across the total sample of mobile phone users, 83 per cent stated they were satisfied with their mobile service. Reasons given for dissatisfaction across all mobile services included: reception/coverage issues (54 per cent), too expensive (18 per cent) and bad customer service (17 per cent).

The report, which will form part of a wider evidence base to inform the ACMA's recently announced 'Reconnecting the customer' inquiry, is available on the ACMA website at www.acma.gov.au (go to About ACMA: Publications & research > Research > Mobile capped plans – Consumer attitudes and behaviours).



Mobile capped plans explained

Capped plans offer mobile phone users a fixed amount of call minutes, text messages and/or data for a specified amount of expenditure per billing period. These generally operate as 'soft caps' as the mobile phone can still be used after a nominated limit is reached, however usage rates may increase. Extra charges outside the specified amount may also be incurred for the use of additional services not included in the cap limit, such as international calls.

Figure 1: Reasons for adopting capped plan (includes multiple responses)

