

RESPONSE TO CONSULTATION

CCIA response to Invitation to comment on consumer survey draft questionnaire for mobile ecosystems

About CCIA

CCIA is an international, not-for-profit trade association representing a broad cross section of communications and technology firms. For more than 50 years, CCIA has promoted open markets, open systems, and open networks. CCIA's members include businesses operating mobile ecosystems and businesses distributing digital services through those ecosystems and have diverse views on the issues being considered by the wider investigation.

Invitation to comment process

With a view to this investigation and others that might be forthcoming, the design of this invitation to comment is concerning. The results of consumer surveys of this sort are often highly dependent on the design, and this invitation to comment could provide a more complete opportunity to elicit helpful input from interested stakeholders.

- The timeline is extremely demanding - around four working days for a response seems inappropriate, particularly alongside other demanding CMA timelines that are likely to be affecting similar stakeholders. This deadline will preclude many stakeholders from responding entirely and others responding in a considered manner. There is no hard deadline that requires such a demanding timeline.
- The invitation to comment provides limited information on the intended use cases for the survey. For example, the CMA should be clear on whether the intention is purely to understand the level of static competition to inform decisions over whether certain services should be designated; or whether it will also be used to address deeper questions such as whether these services are entrenched or in considering potential conduct requirements if an SMS service is designated.
- The invitation to comment does not explore what alternatives have been considered both in terms of the survey approach and the design of the questions. Particularly given the timeline, which is likely to preclude the opportunity for respondents to develop alternatives, this seems likely to yield less helpful responses.

Survey approach

While any survey approach will have its drawbacks, the letter and push to online process envisaged by the CMA seems likely to elicit a sample including fewer digitally-native respondents and lead to an over-estimation of barriers to switching. This is unlikely to be remedied (indeed, could be exacerbated) by adjusting for an assumed disparity in response rates based on deprivation. CMA can either test this by mixing in other approaches, or consider this potential bias in its analysis using the survey responses.

Identifying ecosystem competition

The survey as currently drafted might struggle to distinguish between two potential descriptions of the market:

- Scenario 1: There are significant barriers to consumer switching, identified in the responses to the survey, which would preclude them switching even in the event that the quality-adjusted prices change significantly.
- Scenario 2: There are not significant barriers to consumer switching and responses to the survey describe the relatively minor factors that consumers use to choose between broadly competitive mobile ecosystems. However, if either ecosystem were to become materially less competitive those factors would not be sufficient to prevent it losing market to the other, or other alternatives (e.g. an Android fork).

CCIA's view is that the second description is more plausible given the significant investments in improving the Android and iOS ecosystems. CMA will need to either acknowledge this uncertainty and attempt to address this with other evidence, or could alter the survey to test how consumers would expect to react in the event that the quality or the cost of the service changed materially.

Any survey of consumers will inherently have limits in its ability to capture dynamic competition as well, which reflects the supply side potential for the many sophisticated market participants (e.g. handset makers, telecoms companies, other general technology companies) to take advantage of any worsening of the existing ecosystems. This will need to be acknowledged in any analysis based on a consumer survey. However, it could do more to test the potential for this kind of response, instead of only asking about choices within the current set of options. For example, the survey could ask questions about what distinctive features could make the respondent consider switching to an outside option. Similarly, the survey could ask respondents about whether they would consider forgoing smartphones in favor of smart devices distinct from phones, or ask users about how the increasingly rapid advance of AI tools might change their device preferences or their usage pattern among networked device types.

Overly narrow consideration of alternatives

The questions around Search pose two alternatives: “traditional” web search and generative AI. This excludes important options. In the example given of recommendations for “days out in the Lake District”, for example, plausible competitors would include (a) social media, not in the sense of a text search but in the sense of asking connections for recommendations; and (b) going directly to trusted sources, e.g. browsing online travel agents. While these could be captured as “Other:” or under “traditional” search by some respondents, the lack of explicit consideration diminishes their role and is likely to therefore overstate the importance of text search as a feature in mobile ecosystems and, therefore, understate the role of new competition as part of a diverse range of options for consumers seeking information.