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Conduct of oral interviews and design of written questionnaires: Telecommunications

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Agenda

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3	Before initiating interviews and questionnaires
4	Oral interviews v. written questionnaires
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1. General remarks

- » Formal and informal information interviews and questionnaires are very common
- » In complex cases, it is common to have a vast amount of information of a substantial value from the extensive information requests
- » Requests for information may be extensive, often include questions about:
 - » the boundaries of the market,
 - » the characteristics of the market, and
 - » the competitive effects of the transaction
- » Guarantee confidentiality

2. Purpose and scope of interviews and questionnaires

- » Allow for broader feedback from the parties and market participants
- » Safeguarding conciseness of replies from the parties
 - » Testing the answers of the parties with the information provided by third parties
 - » Follow-up questions to both parties and third parties

3. Before initiating interviews and questionnaires

- » Identify potential recipients
 - » Customers
 - » Suppliers
 - » Competitors
 - » Trade associations
 - » Other stakeholders
- » Consider potential markets
- » Consider potential theories of harm
- » Limit the scope of the interviews and questionnaires to information you need and can use
- » **Note:** Business people have little time & are reluctant to respond to information requests

4. Interview and/or written questionnaires?

- » **When are oral questions appropriate/ most effective**
 - » As preliminary questions
 - » When necessary to inform parties and third parties about a questionnaire
 - » As follow-up questions

- » **When are written questions appropriate/ most effective**
 - » Complex cases
 - » New product markets
 - » New geographical markets

5. How to ask oral questions (interviews)

» No unilateral approach

- » Useful to have a prepared script but flexible approach (*adapted to the reactions of the respondents*)
- » Adapting to the position and sector of the respondent (*is the respondent a CFO, sales manager, lawyer (in-house or external), etc. ?*)
- » case-by-case

» Explain purpose of questions

» Explain questions

» Types of questions?

- » Clear
- » Open/closed
- » No leading questions

» Explain definitions

6. How to phrase written questionnaires

» **Types of questions**

- » Clear questions
- » Multiple choice
- » Tables to fill
- » Open/closed questions

6. How to phrase written questionnaires – Categories of questions

» **Hard facts**

- » name of respondent, activities, contact
- » Business structure
- » Turnover and other financial information
- » Competitors, distributors, and customers
- » prices

» **Market structure**

- » Entry barriers and regulation
- » Competitive factors (e.g. list prices, rebates, quality, service contracts, innovation)
- » Business relations with distributors and customers
- » Price setting factors
- » Trade organizations
- » Buyer/ distributor power
- » Trade usages
- » Distribution channels
- » Trade in other countries

» **Market definition**

- » Potential competition
- » Entry barriers
- » Supply substitution
- » Demand substitution
- » Prices
- » Price developments
- » Market exits
- » Market entries
- » Internal

» **Standard questions**

» **Adapted questions**

6. How to phrase written questionnaires – Hypothetical concerning broadband

Complaints:

- » Various types of exclusive price behaviour in re broadband

Wholesale market (s) – infrastructure & access to infrastructure :

- » Case law [*e.g. Telefónica and recent mergers*]
 - » Market for the infrastructure (*cable, fibre, cobber, etc.*)
 - » Market for bitstream access
 - » Market for resale

Retail market – broadband to end-users:

- » Case law [*e.g. Telefónica and recent mergers*]
 - » Broadband access products vary as a function of different criteria:
 - (i) *their usage characteristics (flat vs. semi-flat offers),*
 - (ii) *their speed rate (with nominal speeds ranging from 0.25 to 20 Mbps),*
 - (iii) *their technology (ADSL, cable-modem, others),*
 - (iv) *the presence of individual specificities (standard broadband products vs. tailor made broadband products) and*
 - (v) *the price*
 - » Market for broadband to large business customers
 - » Market for broadband to consumers and small businesses
- » Market investigations by national telecom regulator
 - » Market for broadband to large business customers
 - » Market for broadband to consumers and small businesses

6. How to phrase written questionnaires – EXAMPLES (I)

Example of questions regarding the wholesale product market:

- » Please provide the share of wholesale access to broadband connections based on copper infrastructure as opposed to other infrastructures such as fibre, cable etc.
 - » Of this share, provide the share of wholesale broadband connections based on
 - (1) raw/shared copper,
 - (2) bitstream access,
 - (3) resale, and
 - (4) other
- » Please provide the price charged for wholesale access to broadband connections in re:
 - (1) raw/shared copper,
 - (2) bitstream access,
 - (3) resale, and
 - (4) other
- » Please state the costs necessary to switch from providing broadband access based only on bitstream access to providing broadband access based only on raw/shared copper
- » Please state the costs necessary to switch from providing broadband access based only on resale to providing broadband access based only on bitstream access

Example of questions regarding the competitors on the wholesale market:

- » Please provide a list of your competitors in re:
 - (1) raw/shared copper,
 - (2) bitstream access,
 - (3) resale, and
 - (4) other

Example of questions regarding geographic market:

- » Please state the geographic span of wholesale access to broadband connections based on (1) copper infrastructure and (2) the other infrastructures (cable, fiber, etc.)

6. How to phrase written questionnaires – EXAMPLES (II)

Example of questions regarding the competitors on the retail market:

- » Please provide a list of your competitors based on which infrastructure they provide retail broadband connections:
 - (1) cable-tv,
 - (2) fiber,
 - (3) 3G mobile network, and
 - (4) other

Example of questions regarding the retail product market:

- » Do you differentiate between your customers? YES/NO
If YES, please explain how and if such segmentation is based on:
 - (1) the type of infrastructure which the broadband connection is based on?
 - (2) price differences? If YES, please explain.
 - (3) Speed? If YES, please explain.
 - (4) Technical functionalities? If YES, please explain.
 - (5) Number of connections? If YES, please explain.
 - (6) Services? If YES, please explain.
 - (7) Capacity? If YES, please explain.
 - (8) Marketing? If YES, please explain.
 - (9) Staff required? If YES, please explain.
 - (10) Other differences? If YES, please explain.

Example of questions regarding geographic market:

- » Where are your customers located?
- » Do you sell via distributors? YES/NO
If YES, please explain which geographic areas they cover

7. Evaluating and applying answers

- » Check consistencies between various submissions
- » Identify potential follow-up questions
- » Consider offering parties the possibility to comment on replies
- » Assess whether or not answers are opportunistic
 - what are the interests of the respondents?

8. Securing cooperation

- » Testing received information
- » Dialogue is key
- » Sanctions may be necessary



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Thank you for your attention

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