

WHAT, WHY AND HOW: CONSUMER BROADBAND LABELS - EMPOWERING CONSUMER CHOICE

PROJECT LAUNCH MEETING

Date: Friday, April 7, 2017

Venue: Lecture Room I, India International Centre Annexe, New Delhi

OPENING SESSION

Bipul Chatterjee, Executive Director, CUTS International, delivered the welcome address and emphasised on the need for introducing labels for broadband services, which will have relevant information on Quality of Service (QoS), in the simplest possible form. This will help consumers in making an informed choice on broadband service provider, in terms of cost and QoS. This was followed by special addresses by R.S. Sharma, Chairman, Telecom Regulatory Authority of India (TRAI); Hem Kumar Pande, Former Secretary, Department of Consumer Affairs, Ministry of Consumer Affairs, Food and Public Distribution, Government of India; and P V Rama Shastry, IPS, Joint Secretary, Department of Consumer Affairs, Ministry of Consumer Affairs, Food & Public Distribution, Government of India.

1. PROCEEDINGS

Labelling is an effective tool to help consumers in choosing the right product or service from multiple available options. In India, labels are already available for products such as FSSAI Food Nutrition label, the BEE Star Energy Label etc. However, a label for essential service like Internet Broadband, which is subscribed by more than 1 billion consumers, is equally necessary. Improvement in broadband services is required, from the perspective of better E-Governance and greater consumer empowerment. It will also aid the current government's Digital India mission.

A major challenge faced by prospective and existing consumers these days is information asymmetry and information overload, which makes it difficult to choose the right kind of service/package suited to consumer's requirement. For existing users, QoS is a major concern, especially when one moves farther away from metro cities. Under these circumstances, an aggrieved consumer can go to district consumer forums, but often refrains from doing so because of the following reasons:

- Considerable time involved and lengthy procedures for lodging a complaint and getting it redressed; and
- The low quantum of financial loss (usually not more than Rs. 100/-), which hinders consumer movement towards grievance redressal forums.

Further, as consumer courts cannot take up such cases, these have to be addressed to TRAI, which as on date, does not have an Ombudsman. While TRAI has regulations for minimum and maximum speeds for all licensed Telecom Operators, frequent technical issues that the industry terms as Laws of Physics, further aggravates the process.

As emphasised by speakers, these issues make labelling for broadband services a very timely and effective intervention, which will not only help consumers in choosing the right service but will also help in improving overall broadband services in the country. With an improved broadband service for the last mile consumer, a system could be adopted where an aggrieved consumer, whose quantum of loss is small, may still lodge his/her complaint online and get it redressed effectively in the shortest possible time.

It was suggested that CUTS should study existing labels in other sectors, identify the best practices and suggest that to TRAI. It was further discussed that TRAI may consider coming out with a public consultation paper.

Interventions from the floor underlined the need for making labels simple, so that a general consumer can effectively understand the services that he/she is entitled to get from his/her service provider. It was also identified that in the telecom sector, where technology is swiftly evolving, effective consumer participation in the regulatory process is imperative.

2. CONCLUSION

Deliberations in the opening session pointed out urgent need for introducing label for broadband services. Such a label will be a pioneering initiative in India and it is important that before designing such a label, impact of similar labels in other sectors along with international best practices should be closely analysed. While there are some bottlenecks related to infrastructure and regulatory framework, these should not hinder the initiative. Finally, it was suggested that CUTS and TRAI, together can develop a consultation paper on need of labelling for broadband services, which can be released in public domain for feedback.

PANEL DISCUSSION 1: INFORMATION DISCLOSURE THROUGH LABELS FOR BROADBAND SERVICES

George Cheriyan, Director, CUTS International, opened the panel discussion by pointing out that labels are addressed as “nutritional labels” so that it could address components which would help a consumer analyse broadband QoS. This was followed by a presentation from Aaditeshwar Seth, Associate Professor, IIT Delhi, who narrated the technicalities associated with labelling of Broadband services and potential parameters that constitute such labels. Post the presentation, TV Ramachandran, President, Broadband India Forum, Ashim Sanyal, Chief Operating Officer, Consumer Voice and Ashwani Rana, Head of Connectivity Policy, Facebook, opined on the need and various aspects of Labelling of Broadband services.

1. PROCEEDINGS

Right to information is one of fundamental rights of a citizen from a Sovereign State and the “*right to informed choice*” can be extracted on similar grounds. On this note, the idea of “Labelling of Broadband services” was brought forward for discussion. The concept of label mainly originated from an idea to give certain recognition and credibility to a product/service. The label should further act as a visual indicator of service and quality. Hence, the label is proposed to provide disclosures related to pricing, data allowance, network management, speed and performance analysis. It was also opined that such labels should also reflect QoS of broadband services.

The data available with TRAI may be used for an effective implementation of labels for broadband services. However, there is a need to make consumers aware about such a mechanism, which may help them in making an informed decision. There is also a need to make these labels easily accessible to consumers. Discussions also dealt with the idea of developing an app which would help consumers determine the QoS of respective broadband service providers.

It was also brought to light that Broadband is not just a facility but a prime utility in today’s generation. The discussants also opined that labelling would help address the issues of transparency and accountability in the sector. However, it should be noted that disclosures that would arise out of such labels shouldn’t amount to “overload of information” to consumers. These disclosures should rather be in consumer-friendly formats that consumers may easily relate to. The discussion also highlighted on the need to determine label components on the principles of transparency and accountability.

The discussants emphasised on the need to promote awareness on the concept of labelling by including media and social network so as to reach both the urban and rural society. Discussion also highlighted that labelling would include a lot of technicalities in the whole componential quotient, but as an end product, it should be easily and effortlessly understood by consumers. Lastly, it was concluded that before labels come into play, regulators need to frame strict guidelines and rules that propose label ingredients based on the principles of FRAND Commitment; fair, reasonable and non-discriminatory.

2. CONCLUSION

The session was very interactive and raised several key points, such as:

- Labels allow consumers to make informed choices.
- The ingredients of labels should be simple and easily comprehended by consumers.
- Consumers need to be aware of reports and data available on TRAI website.
- Labels should be easily accessible by consumers.

- Need for involvement of Media and social network for spreading awareness
- FRAND Commitment concept may also be adopted for the telecom sector

PANEL DISCUSSION 2 - TRANSPARENCY & ACCOUNTABILITY FOR BROADBAND SERVICES

OVERVIEW

The session was chaired by Udai Singh Mehta, Deputy Executive Director, CUTS International and the panellists were Rajan Mathews, Director General, Cellular Operators Association of India; S Saroja, Head, Consumer Advisory and Outreach, Citizen Consumer and Civic Action Group; Pankaj Mohindroo, President, Indian Cellular Association, Mahesh Uppal, Director, ComFirst India and Rohit Singh, Policy Analyst, CUTS International.

1. PROCEEDINGS

The session commenced by outlining objectives and expected outcomes of the project, envisaged by CUTS International. The panel deliberated on concept and feasibility of broadband labelling and appropriate steps necessary to ensure awareness and adoption of such an initiative, among end consumers. While the telecom industry supported this initiative, they strongly advocated for equal participation from government and regulators to make this inclusive across the value chain. It was also highlighted that the current Indian legal and judiciary system plays a huge hindrance towards ensuring an inclusive bottom-up approach. The panel also realised that while enforcement in such a dynamic Indian telecom ecosystem may be a humungous task, policy makers should come up with better-designed regulations to ensure effective and efficient implementation and enforcement.

India relies heavily on wireless technology for broadband as compared to rest of the world. The panel was of the view that this is the most glorious period for consumers and industry in India and with consumers moving from feature phones to smartphones. Thus, the time is right for such an initiative to be driven by technology solutions and mobile applications to strengthen service quality of broadband. TRAI may take up the leadership role and facilitate in developing mobile apps to support consumer awareness.

It was also felt by the panel that consumer behaviour is a strong challenge for India, with consumers unaware of current technical jargons and finding broadband information too complex to comprehend. Hence, a combination of qualitative and quantitative information will help in driving this initiative.

Conclusion:

- While the industry is positive about such an initiative, government and regulators must also step up and hold equal accountability as elements of the value chain, for effective and efficient implementation.
 - A strong consumer education and awareness drive was also important for the success of broadband labels, which may be achievable by creating applications considering the strong smartphone penetration in the country and the device's capability of providing strong technical solutions.
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