CUTS Project Brief

Consumer Broadband Labels
For Greater Transparency & Informed Consumers

Background

The contemporary world is showing its ever-increasing dependency on internet services, for all economic and even non-economic activities. According to a World Bank study "Building broadband: Strategies and policies for the developing world" it is estimated that a 10% increase in broadband penetration accelerates economic growth by 1.38% in developing countries.[1] It is, therefore, natural that countries around the world are concerned about creating a robust broadband infrastructure that would sustain high growth of broadband services. Now, with the advent of newer and data intensive content, the demand for higher speed internet has also risen considerably. This has seen the evolution of internet services from the dial-up variant to the newer broadband services. The Department of Telecommunication defines Broadband as follows: "*Broadband is a data connection that is able to support interactive services including Internet access and has the capability of the minimum download speed of 512 kbps to an individual subscriber from the point of presence (POP) of the service provider intending to provide Broadband service.*"

India is struggling with its broadband service, in terms of both inclusive access and maintaining the prescribed quality of service (QoS). While the internet average speeds in South Korea goes higher than 24.6 Mbps, the same for India is mere 3.4 Mbps. India is also lagging behind in providing internet services to all. The Internet & Mobile Association of India (IAMAI) ranks India 122th position in the world for Fixed Broadband Penetration, with only 1.1 in every 100 inhabitants having access to fixed broadband. On Internet usage, India had 243 Million internet users in June 2014, with 19% penetration mostly due to wireless broadband. Internet penetration reached 371 million as on December 2015.

However, as per reports and general consumer perception, the delivery of broadband speeds in India is considerably poor. Consumers often complain about the low broadband speed as compared to the speed advertised by the operators during the time of sales. Further, they are not informed of the real speed of their connection and other technical parameters like bandwidth, etc, at the time of signing up for their services. Use of terms such as 'up to' and 'unlimited' for data speeds and data limit are misleading. Non-disclosure of provision of substantial reduction in data speed after usage up to a quota arbitrarily determined by the service provider, under the garb of fair usage policy, is also a matter of concern amongst the consumers. Thus, there should be a mechanism, which mandates operators to disclose the complete and actual set of information, to help consumers in making an informed decision on selecting a broadband service.

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1   Building broadband: Strategies and policies for the developing world, 2010, The World Bank, available at: http://siteresources.worldbank.org/EXTINFORMATIONANDCOMMUNICATIONANDTECHNOLOGIES/Resources/282822-1208273252769/Building_broadband.pdf

Objective

The overall objective of the project is to create a network of consumer groups and other stakeholders and to increase their long-term capacity/awareness on broadband services and related issues pertaining to broadband services and need for nutrition label in order to bring about certain policy and practice changes. As a result prevent consumers from misleading advertisements, unfair contractual terms, and practices of non-disclosures.

Key Objectives

- Sensitise, educate and empower stakeholders including consumer groups, consumers, policy makers and internet service providers on issues pertaining to broadband services and need for nutrition label.
- Promote visibility ofbest practices in this sector
- Develop a roadmap for adopting of nutrition label in India

Methodology

This proposed project will start with an in-depth literature review which will help in identifying issues and draw linkages between broadband services and consumer dissatisfaction. A Project Advisory Committee (PAC) would be formed which will advise and provide feedback to the project management team from time to time on research and overall directions of the project. Further a Core Group (CG) will also be formed, which will be stakeholder inclusive. This group will also constitute of partners for the project. The consultation of CG and PAC will help in formulation of training modules and recommend the structure of proposed nutrition label for broadband services.

Based on the training modules, training workshops would be conducted in 05 cities of India. This will try and cover different geographies of the country. Further, Focus Group Discussions (FGD) will also be organised in 10 different locations across India. The objectives of the training workshops and FGD would be to disseminate the knowledge on nutrition label for broadband services in India and its need and raise awareness among consumer on broadband services. The trained people will act as trainers for the masses. Finally, a country-wide advocacy would be undertaken to promote and create awareness regarding the need for standard set of information to be provided to consumers on broadband services by the operators, which would empower them to make informed decision between service providers.

Expected Outputs

- Change in attitude of consumers' and consumer groups with regards to broadband services and the importance of QoS labels for broadband services.
- Well informed, educated and responsible stakeholders within the country. Better understanding and clear analysis of existing QoS labels for broadband services operating in global market.
- Select private sector players taking initiative/ express interest to implement quality standard labels for their broadband services, due to greater awareness generation.
- Adequate information and awareness about the consumer rights and obligations while availing broadband services.

Outcomes

- Operational Strategy Note
- Briefing Paper on Nutrition Label
- Project Brief
- Animated Documentary Film
- Format of the Standard Nutrition/QoS Label for Broadband Services
- Training Modules

Development Partner

The project is supported by Ford Foundation, which is a globally oriented private foundation with the mission of advancing human welfare.

Duration

The Project is scheduled for 18 months. It starts from October 1, 2016 and runs until 31st March 2018.