TELECOMMUNICATIONS RSQ INITIATIVE DEVELOPMENT

NEW ZEALAND COMMERCE COMMISSION › OCT 2022

fiftyfive5

NOTE FOR READERS

Company brand marks were used as part of the research for ease of understanding by consumers. However, the data presented in this report is dummy data for research and illustrative purposes only. This was made explicit and was understood by all research participants.

All visual representations and examples shown in this report are therefore for illustrative purposes only and do not show the actual performance of any provider.

RESEARCH METHODOLOGY

RESEARCH CONSIDERATIONS

A multi-phased approach to the initiative allowed us to iteratively understand and define the nature of the challenge and need for customer service transparency, identify and validate metrics of greatest importance, and design a data presentation that optimally answers the consumer need

THREE PHASES

DISCOVERY

N=6x90 minute discussion groups

Exploring current approach to provider decision making, role and consideration of service quality

Identifying service metrics that would best aid in decision making and the guardrails for executing the initiative

SUBSTANTIATE

7-minute survey amongst N=630 New Zealanders

Quantification of the challenge and communication platform

Max-Diff exercise to derive priority metrics of greatest importance, value in assessing RSQ

ITERATE & VALIDATE

N=30 minute in depth interviews to test and iterate metric visualisation & dashboard design (comprehension, interpretation, usability, visual design)

Explore potential distribution/communication models

EXECUTIVE SUMMARY

CUSTOMER SERVICE AS A CONSIDERATION IN TELCO PROVIDER DECISION MAKING

This research has identified that consumer perception of customer service in the telco sector is commonly unsatisfactory and of declining quality

Customer service issues and frustrations are common, yet the level of service is broadly assumed to be at parity across the sector, with no independent arbiter of performance on which to assess providers today

Thus, provider choice rarely factors in customer service, even in cases whereby poor customer service has been a motivating factor in leaving a provider

Whilst an independent appraisal and rating of provider customer service would not drive switching in and of itself, it is widely welcomed by consumers as being a positive, consumer-centric initiative that would provide greater clarity and transparency in decision making

Key to the value of such an initiative is the independence of any such data; measured by customer perceptions in a study free from provider input or influence

SEVERAL KEY METRICS WOULD PROVIDE BROAD CONSUMER RELEVANCE, VALUE

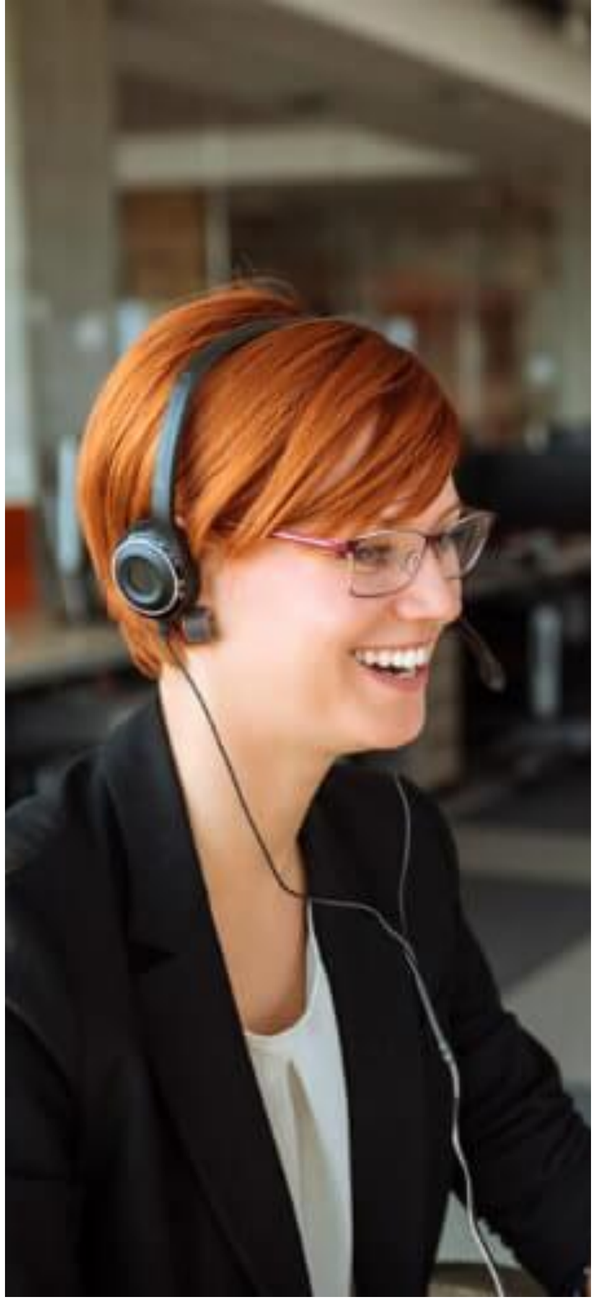
Using a Max-Diff assessment to infer relevant importance of metrics in assessing quality of customer service, two metrics were found to be clearly of greatest benefit (Speed of issue resolution; How helpful and knowledgeable staff are), with five secondary attributes also of use

A second phase of qualitative exploration into the presentation of this data illustrated that the two key metrics strike a better balance between allowing an informed decision on customer service, without overcomplicating the issue with multiple data points

DATA PRESENTATION MUST ALIGN WITH CONSUMER DECISION MAKING BEHAVIOUR

Display of customer service performance data is of greatest use when it can merge seamlessly into the customer decision making process. This means being present on provider websites to be found during the research process, and displaying side-by-side provider scores to allow easy assessment and shortlisting of providers, without the need for additional consumer research

Ultimately, the research clearly demonstrates the current lack of transparency in telco customer service performance and subsequent inability to make an informed decision on this basis. An independent source of data on provider performance would be welcomed as a positive step for allowing consumers to make better decisions in provider choice on this basis



SECTION 1

CONTEXT AND OBJECTIVES

COMMERCE COMMISSION SITUATIONAL CONTEXT

THE ROLE OF THE COMMISSION

The Commerce Commission is New Zealand's competition, consumer and economic regulation agency

With regulatory responsibilities in the electricity lines, gas pipelines, telecommunications, dairy and airport sectors

IMPROVING SERVICE FOR CONSUMERS

The Commerce Commission New Zealand is seeking to drive improvements in customer service in telecommunications for consumers through increased competition and transparency

The *Improving Retail Service Quality Final Baseline Report* Dec 2021 identified several retail service quality (RSQ) areas that need improving

CUSTOMER SERVICE LEVELS ARE POOR

Customer service break points identified through the report are a huge driver of complaints with consumers experiencing challenges across call wait times, difficulties in resolving issues, having to repeat themselves and a lack of information to name a few

A LACK OF INFORMATION

There is currently no source of truth or trusted source of information for consumers to refer to when considering signing with/switching providers and their quality of customer service

This means consumers are relying on word of mouth and other crowd sourced avenues when (or if) they are taking this into consideration

THE OPPORTUNITY TO EMPOWER

The commerce commission is seeking to empower consumers to make more informed choices of providers through increased access and visibility of key customer service performance information as a point of comparison

PROJECT OBJECTIVE

The Commerce Commission New Zealand is seeking to understand the key customer service metrics to empower consumers to make more informed decisions on their telecommunications service provider

SPECIFIC OUTCOMES

01 ▶ **Identify relevant Customer Service metrics**

Understand the key service quality metrics that will assist consumers to make more informed provider choices, and consider service in their decision making

02 ▶ **Provide consumable information**

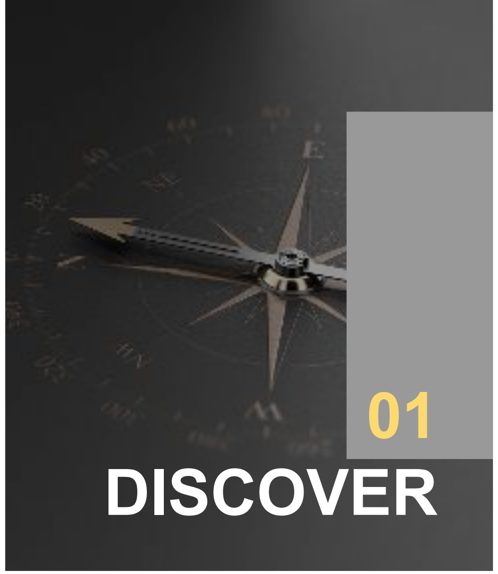
Determine the optimal presentation of metric information for consumers to easily digest and understand service performance

03 ▶ **The right publication mechanism**

Find the right publication and communication mechanism that will have the most impact for consumers in their decision journey

PROJECT JOURNEY

	01 DISCOVER	02 CO-CREATE	03 SUBSTANTIATE	04 ITERATE & VALIDATE	05 DEBRIEF
WHAT	• Explore consumer decision making in mobile and broadband • What factors consumers consider and where service sits in decision hierarchy • Role and definition of service quality • Needs, barriers in appraising service • Identification of key metrics • Understand current behaviours and customer journey to inform distribution approach	• Sharing of *Discover* learnings • Workshop possible dashboards, visualisation options for key metrics • Frame publication approaches applying best practise digital engagement models • Fiftyfive5 can aid in realising the visual presentation of data	• Opportunity to validate key findings to support retailer conversations • Quantification of key challenges, barriers, needs identified in *Discover* to provide confidence in the metrics that should form part of any future dashboard reporting • Explore barriers, challenges in the decision journey, the role of service, and the metrics that would most aid decision making	• Test and iterate metric visualisation & dashboard design (comprehension, interpretation, usability, visual design) • Explore potential distribution/communication models	• Sharing of final recommendations • Summary debrief capturing recommended dashboard metrics, visualisation layout & design and publication distribution model
HOW	• Project inception and kick-off workshop (60 mins) • 6 x 90min Groups – (targets) • Debrief session on findings	• 2hr co-creation workshop to refine designs for the dashboards, and bring key metrics and comparisons to life	• 7-minute survey among n=600 New Zealanders	• 30-minute one-on-one sessions • N=20 online testing sessions to validate and iterate the dashboard design	1-hour debrief session
OUTCOME	CLARITY ON CONSUMER NEEDS, DECISION MAKING AND CONTEXT OF SERVICE QUALITY	PROTOTYPE METRICS & DASHBOARD/S	ROBUST DIRECTION ON KEY METRICS AND NEEDS TO ADDRESS	ITERATED DASHBOARD DESIGNS & PUBLICATION MODEL	FINALISED DASHBOARDS & RECOMMENDATIONS ON COMMUNICATIONS APPROACH/STRATEGY



WHO WE SPOKE TO

6 x 1.5hr ONLINE DISCUSSION GROUPS TO COVER THE DIFFERENT JOURNEY CONTEXTS

PARTICIPANT CRITERIA

- All to be either switching/switched provider, or purchased/purchasing a new service
- All connections to be for self / self and others
- All to be the sole or main decision maker, and responsible for the bill
- All to have switched or actively considered switching provider in the past 3 months, or, in the process of purchasing switch/new account
- Mix of channel preferences for buying in store vs online

	MOBILE	BROADBAND	TOTAL
24-40 years	2	1	2
41-65 years	1	2	2
TOTAL	2	2	**6**

SECTION 2

SWITCHING AND SERVICE

SWITCHING TRIGGERS

There are a small selection of triggers to reappraise or actively switch telco providers
Primarily driven by desire for better value in an openly competitive market

VALUE

Easily the most common driver

- Pursuing new deals
- Reappraising after a sustained relationship
- Chasing new perks (subscriptions, hardware)
- Sense of better deals for new customers only

CIRCUMSTANCE

A natural trigger for reflection

- Changing of address, job, triggers need for new service or device
- Expiry of a plan or perk
- Shift to working from home drives changing needs
- Differing family needs – new lines, greater data requirements

CONSOLIDATION

Increasingly common

- Movement toward consolidating services and bills
- Telco as well as power and broader utilities an appealing notion for many
- Desire for ease of payment / admin management
- Strong sign on bonuses

PUSHED

Comparatively few pushed away by service or other experiential matters

Mix of problematic experiences:

- Billing issues (esp. Company A app)
- Fibre install issues & delays
- Oversubscribed networks leading to slow broadband service
- Primarily, long term issues that lack a swift resolution / recur

INFREQUENCY OF CUSTOMER SERVICE INTERACTIONS MEANS TOLERANCE IS HIGH, AND OUTWEIGHED AS A PROVIDER CONSIDERATION

RARE NEED FOR CUSTOMER SERVICE

- Majority we spoke with hadn't had significant issues requiring customer service
- Customer service focus often on the initial set up / switching process, when telcos put their best foot forward
- Broadly, moments of customer service need were rare, thus not often considered

SWITCHING HOLDS THE PROMISE OF SOMETHING BETTER

- The act of switching can be cathartic for many
- Holds promise of making a change toward something positive, upgraded:
  - Better value / money saved
  - More or improved product
  - Bundles and freebies

CONSIDERING CUSTOMER SERVICE IS AT ODDS WITH THE MINDSET IN THE SWITCHING MOMENT FOR MOST, IT ASKS SWITCHERS TO ENVISAGE SIGNING UP TO A SERVICE THAT MAY NOT DELIVER TO EXPECTATIONS

A PERVASIVE BELIEF THAT BUSINESS IS BECOMING LESS CUSTOMER & SERVICE CENTRIC

SERVICE A DYING ART

A notion of better times in the past (particularly amongst older), but a reluctant acceptance that these times have gone

Business, capitalism, driving lesser and lesser service for the customer, stretching the connection between customer and provider to its furthest

In telco, distinct lack of agreement on heroes and villains of customer service – opinion and experience varies and acceptance that all are capable of delivering well or poorly depending on circumstance

OVERALL, CONTRIBUTES TO INERTIA IN CONSIDERING OR CHANGING FOR BETTER CUSTOMER SERVICE

NEGATIVE SERVICE EXPERIENCES STICK

COMMON FRUSTRATIONS

- Long wait times, with no call back service
- Long wait times…then getting cut off
- Inability to get hold of a real person when I need one
- Delay tactics; no phone number, chatbots, menus
- Lack of ownership, proactivity in resolving issues – high customer effort

All widely accepted as the status quo now, with providers felt to be cutting corners at the expense of customer experience

Frustrate, but reluctantly accepted as the norm

LESS COMMON, SPECIFIC EXPERIENCES

Several experiences relayed that illustrate the underwhelming service delivered

- Poor notes / record keeping – starting again on follow up calls
- Attempts to pass me off, or just follow scripts (have you tried restarting it?)
- Addressing of symptoms not causes (repeated issues)

For a limited number, issues are sufficiently drawn out as to warrant reconsideration of provider or at least to drive strong dissatisfaction

FEW SOURCES OF RECOMMENDATION EXIST

Most rely on **personal experience, or that of close friends/family**

Not a topic of common discussion, unless exceptionally positive or negative experiences

Some will utilise **sites** to compare, but at the product/price level only

www.broadbandcompare.co.nz or Powerswitch for utilities seen as beneficial and impartial services, but coverage tends not to extend beyond product

Social media groups can give high level steer and help identify any red flags in product or service experience

Limitations due to bias toward fringe experiences is acknowledged

THERE ARE SIGNIFICANT QUESTIONS ABOUT LEGITIMACY AND CREDIBILITY

Extremely high levels of cynicism around **telcos willingness to share** their performance, and **the tricks they could use** to reflect their performance in a better light

Strong belief that unless independently verified, scores would be largely meaningless, a reflection of what telcos want to show you, not the reality

Third party assessment (e.g. Commerce Commission) felt to be too underpowered to audit all the relevant data in a timely manner

> *"They'd probably just end calls early to be able to register a shorter call time"*

> *"They could only ask for customer rating when they know they've done a good job"*

BELIEF PROVIDERS COULD EASILY OBFUSCATE DATA, MEANING INDEPENDENT SOURCING REQUIRED

BROADLY, FOUR POTENTIAL AREAS THAT INDICATE SERVICE WHICH CONSUMERS FELT COULD BE OF USE

CUSTOMER EXPERIENCE

- NPS or CSAT scores
- Public reviews
- End of interaction ratings
- App ratings
- Net customer acquisitions
- Average Customer tenure
- 3 words to describe the service

CAPACITY & CAPABILITY

- Number of staff available
- Skill level / empowerment of call centre staff
- Customer service channels available
- Hours of access

PERFORMANCE

- Number of calls & complaints received
- Nature of calls / complaints / disputes
- % of calls for faults / technical issues

TIMELINESS

- Average wait times by channel
- % resolved on first interaction
- % unresolved within a set time frame
- Average time from lodgement to resolution
- Number of handoffs per call

CUSTOMER EXPERIENCE

- NPS or CSAT scores
- Public reviews
- End of interaction ratings
- App ratings
- Net customer acquisitions
- Customer average tenure
- 3 words to describe the service

RATINGS POSE SOME CREDIBILITY CHALLENGES

A significant challenge in making customer rating scores credible

- Uncertainty over whether NPS/CSAT scores would be ‘apples with apples’ between telcos

- End of interaction ratings an obvious metric for many, but own experiences suggest such data would be meaningless; i.e. only rate if they’ve been really good or really terrible

- Public reviews on third party sites (social media, Reddit, Trustpilot etc.) seen to offer an unfiltered perspective, even though a representation of the extreme experiences – provides a guide

BROADLY, SOFTER CUSTOMER EXPERIENCE METRICS, UNLESS CONDUCTED INDEPENDENTLY BY A THIRD PARTY WOULD NOT BE SEEN AS A RELIABLE LITMUS TEST OF TRUE PERFORMANCE

CAPACITY & CAPABILITY

- Number of staff available
- Skill level/empowerment of call centre staff
- Customer service channels available
- Hours of access

A MEASURE OF WHETHER TELCOS TAKE CUSTOMER SERVICE SERIOUSLY, AND COULD HIGHLIGHT POTENTIAL PROBLEMS

PRIMARILY, A MEASURE OF ACCESS

- Comparing **# of staff pro-rated against customer base** a potentially useful indicator of speed and service
- **Capability** (skill, training, authority) of call centre staff could reassure if meaningful differences between providers. Inability of staff to make changes an oft cited service frustration
- Customer **service channels (and hours) available** may highlight which make it easier to resolve and which providers have a more customer centric service

BUT, SEVERAL CHALLENGES:

- Quantifying these metrics in a comparable, meaningful way makes drawing conclusions difficult
- Interrelation of metrics (e.g. more staff but lower skilled vs. fewer but better trained) complicates interpretation

PERFORMANCE

- Number of calls & complaints received
- Nature of calls/ complaints/disputes
- % of calls for faults/ technical issues

HARD METRICS BECOME MORE TANGIBLE AND INARGUABLE

PUBLISHED DATA THAT REFLECTS REALITY

- **Number of calls or complaints** – some claim to take an interest in this data when published in the media – rankings of performance in different sectors
  Felt to give clear context on who is performing or otherwise

- However, context is critical; not all issues may be relevant or of concern, so **a breakdown of nature of calls** required (e.g. query vs fault vs complaint etc.)

OVERALL SOME OF THE EASIEST AND MOST RELIABLE MEASURES THAT COULD BE SHARED
- Give a clear perspective on performance
- Would be viewed as comparatively raw and thus credible data, giving it meaning

TIMELINESS

- Average wait times by channel
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SPEED OF RESOLUTION REFLECTS A PROVIDERS WILLINGNESS, CAPABILITY TO HANDLE ISSUES WHEN THEY ARISE

PROVIDES A READ ON THE EXPERIENCE I MAY HAVE

- Alongside number of issues, would give a **degree of confidence in likelihood to need** customer service, and how that need will be resolved
- Wait times a big frustration. Ability to **see wait times by channel type** (phone, chat, email etc.) would allow to choose based on preference and urgency
- **Speed of resolution** measures and **number of handoffs** reflect the providers ability to do their job – are staff capable of resolving, are they taking ownership of the issues and being proactive?

AGAIN, CHALLENGE OF INDEPENDENT VERIFICATION RAISES QUESTIONS, BUT IF PROVEN, WOULD PROVE POTENTIALLY BENEFICIAL METRICS

SECTION SUMMARY

A CLEAR NEED

There is a need for greater transparency in telco performance, with no clear way to assess today

Whilst not key to switching, for those who want to switch for customer service reasons, currently there is no way to make an informed decision

INDEPENDENCE KEY

Four key areas identified that could help people assess customer service in telco, if *independently* collated, verified

1. Reported Customer Experience
2. Capacity and capability of CS staff
3. Performance (need for CS)
4. Timeliness of response, resolution

CONSUMER SERVICE INDICATORS CARRIED FORWARD BASED ON REVIEW OF RELEVANCE & BROAD COVERAGE

CUSTOMER EXPERIENCE

- NPS or CSAT scores
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CAPACITY & CAPABILITY

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PHASE 2:
QUANTIFIYING THE METRICS

METHODOLOGY & RESPONDENT PROFILE

The survey was conducted **online**.

Fieldwork was conducted from the **2nd September 2022** to the **8th September 2022.**

Respondents were recruited from an existing survey panel, as such NZCC was not identified as the sponsor at any stage.

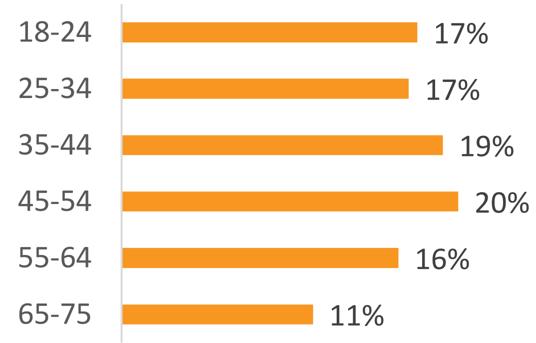
To qualify, respondents must have been **aged 18-75**, and be the **main decision maker**, or **share decision making responsibility**, for either their **personal mobile phone** or **home internet service**.

Data has been **weighted** to be **nationally representative** on:

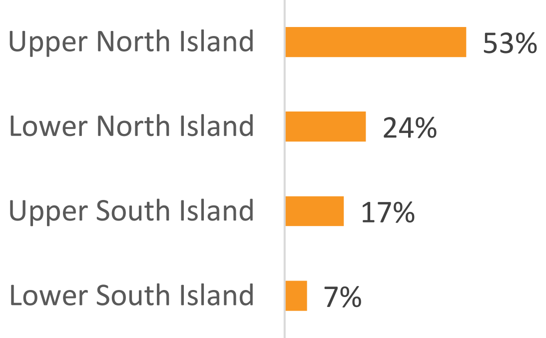
- Age X Region X Gender x Ethnicity

A total of **630 responses** were collected.

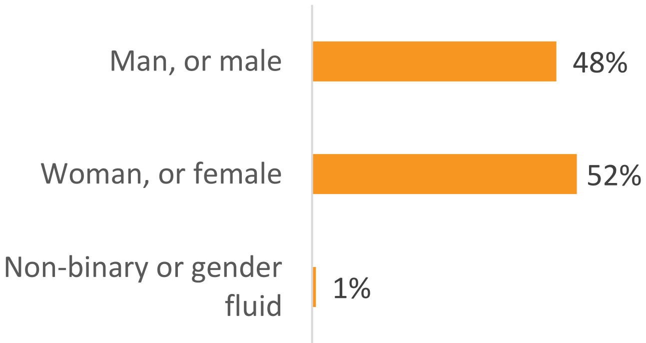
AGE



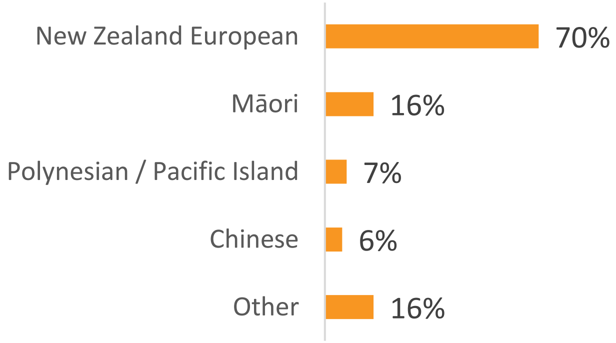
REGION



GENDER



ETHNICITY

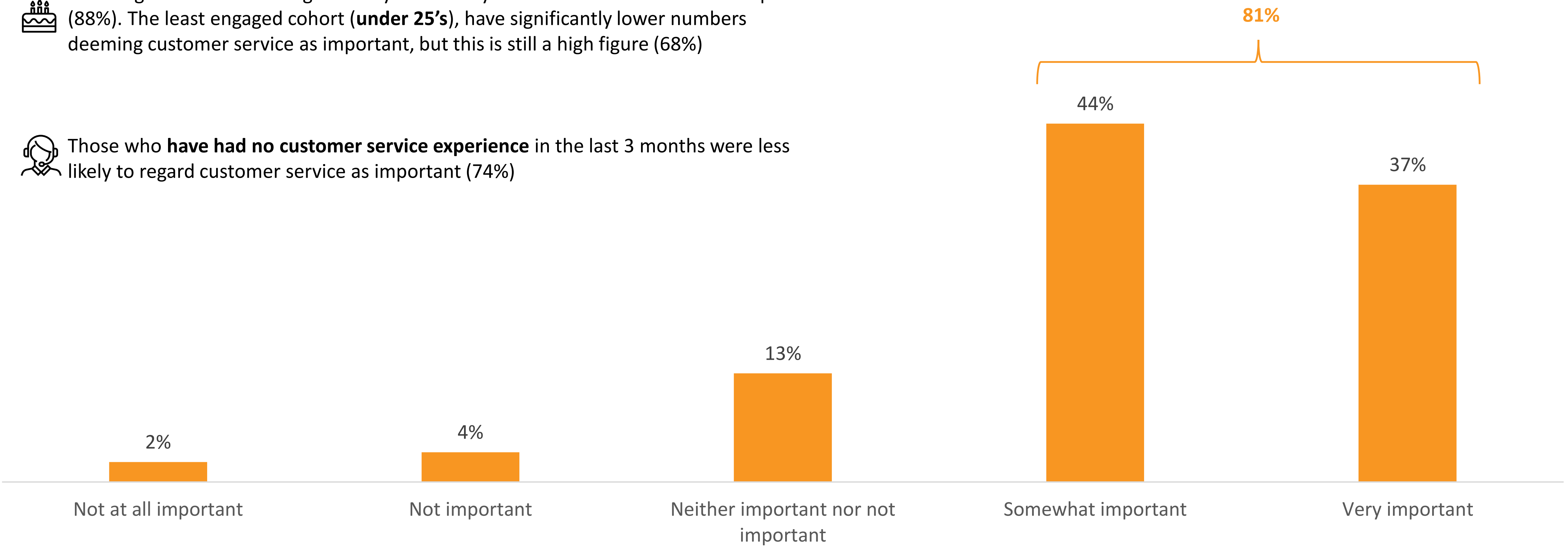


CUSTOMER SERVICE IS IMPORTANT TO ALL – INDICATING THERE SHOULD BE RECEPTIVITY TO OUR OFFER…

IMPORTANCE OF CUSTOMER SERVICE TO TELCO CHOICE

Those aged **over 55** were significantly more likely to view customer service as important (88%). The least engaged cohort (**under 25's**), have significantly lower numbers deeming customer service as important, but this is still a high figure (68%)

Those who **have had no customer service experience** in the last 3 months were less likely to regard customer service as important (74%)



Base: NZ Consumers (n=630)
Source: NZCC Telco RSQ Exploration Survey
A1. In the past, when you have chosen a telco (e.g., for your home internet plan or mobile phone plan), how important was customer service to your choice? By 'customer service', we mean the experience you have when dealing with a telco to answer questions or resolve issues via phone call, chat, email, or in-person.

SECTION 2

CUSTOMER SERVICE METRICS

USING A MAXDIFF CHOICE TASK CLEARLY RANKS PRODUCT ATTRIBUTES BY PREFERENCE

MAXDIFF

WHAT
IS IT?

BEST-WORST CHOICE TASK

- MaxDiff is a simple trade-off technique that is used to rank a list of items by importance. Similar to choice-modelling in that respondent choices are used to calculate utility (importance)
- Especially useful for longer lists, it helps avoid the situation where everything is deemed to be important (or not) by forcing respondents to make choices
- The data we gather is more reliable than manually ranking a long list as it is less cognitively demanding for respondents to judge a short list of items at the extremes (best and worst)

EFFICIENT + GREATER DIFFERENTIATION THAN RATING SCALES

HOW
DO WE ASK IT?

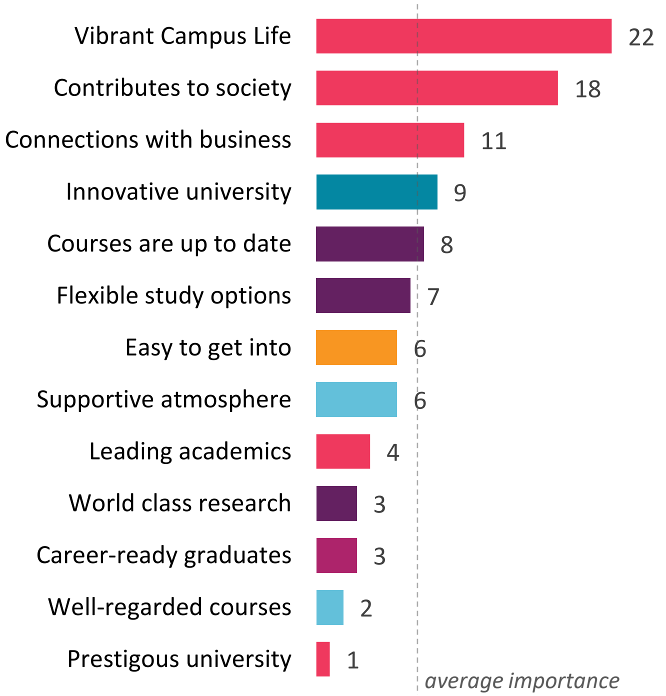
- Respondents are shown sets of attributes. For each set, they indicate which attributes are the most and least important
- The MaxDiff exercises are more interesting and engaging than rating and/or ranking attributes, thus minimising fatigue and providing higher-quality responses

	WORST	BEST
Has a vibrant campus life		
High ranking university		
Conducts world class research		
Offers flexible study options		

ENGAGING AND EASY FOR THE RESPONDENT

OUTPUT

The MaxDiff will provide a clear ranking of the attributes, which can be grouped into themes and compared across key audiences



OUR RESPONDENTS WERE ASKED TO RANK CUSTOMER SERVICE STATEMENTS BASED ON HOW IMPORTANT THEY ARE TO CHOOSING A TELCO THAT HAS GOOD CUSTOMER SERVICE

THE PROCESS

“On the next 10 screens, we’re going to show you some things other people have said help them choose a telco that has good customer service.

For each, we’d like you to choose which one you think is *most* important to know about to help you choose a telco that has good customer service, and which one is *least* important to know about.”

+

THE STATEMENTS

How many complaints they receive

The type of complaints they receive and how serious they are

How long **wait times** are when contacting them

How many queries / issues are **resolved the first time** you contact them

How many people **give up** waiting to talk to a customer service representative before they get through when contacting them

How **quickly issues are resolved**

What are the **ways I can contact** them (e.g., call centre, online chat, etc.)

What are their customer service **opening hours**

How **satisfied** customers are with their customer service

How many customers are likely to **recommend** their customer service to family and friends

How **easy** they are **to deal with**

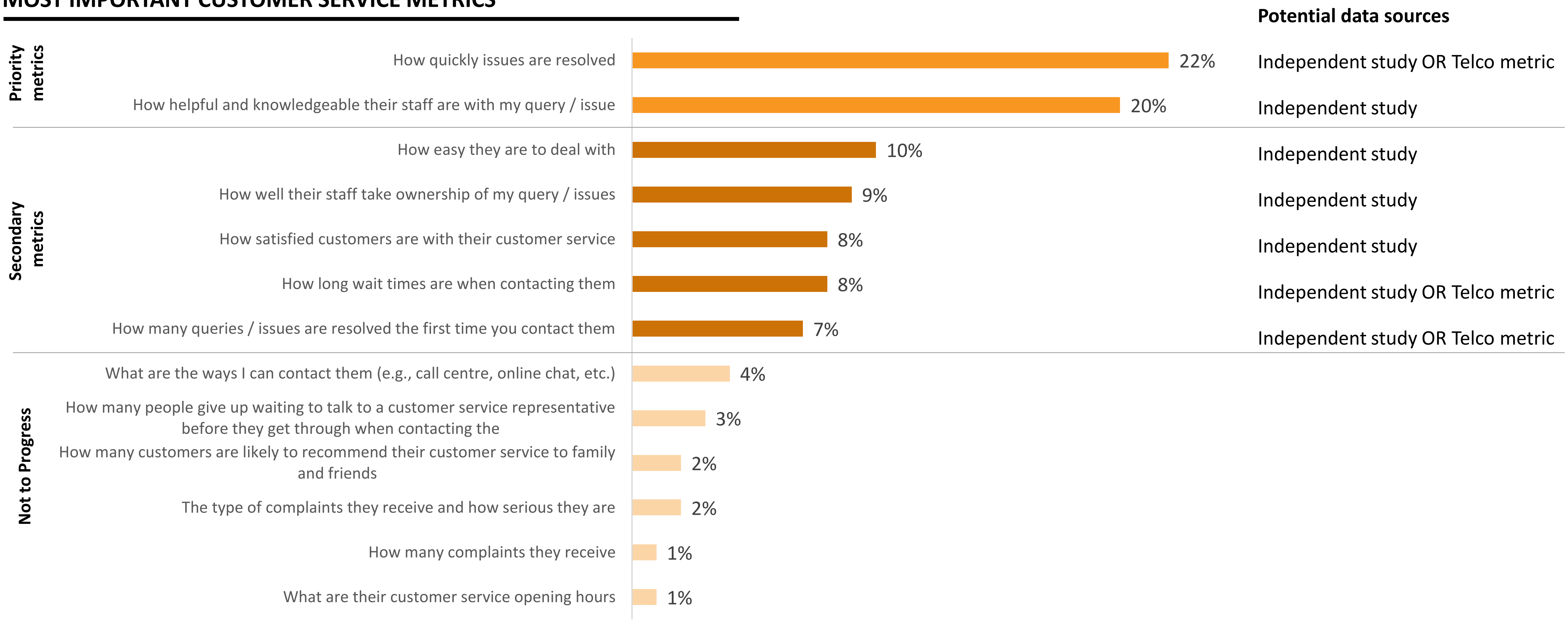
How **helpful and knowledgeable** their staff are with my query / issue

How well their staff **take ownership** of my query / issues

DELIVERS A RELATIVE IMPORTANCE OF EACH STATEMENT

SPEED OF ISSUE RESOLUTION AND *STAFF KNOWLEDGE / HELPFULNESS* WERE BY FAR THE MOST IMPORTANT CUSTOMER SERVICE ASPECTS

MOST IMPORTANT CUSTOMER SERVICE METRICS



Base: NZ Consumers (n=630)
Source: NZCC Telco RSQ Exploration Survey
A4

THE TOP 3 METRICS ARE COMMON TO ALL, REASSURINGLY, THIS SUGGESTS A CONSISTENT APPROACH WILL DELIVER TO THE NEEDS OF THE WHOLE MARKET

MOST IMPORTANT CUSTOMER SERVICE METRICS

	18-34	35-54	54+	Upper North Island	Lower North Island	Upper South Island	Lower South Island	NZ European	Māori	Selected / changed telco last 6 months	Haven't selected / changed telco in last 6 months	*All NZ consumers*
Most important	How quickly the issue was resolved	How quickly the issue was resolved	How helpful and knowledgeable their staff are with my query / issue	How quickly issues are resolved	How quickly issues are resolved	How quickly issues are resolved	How helpful and knowledgeable their staff are with my query / issue	How quickly issues are resolved	How quickly issues are resolved	How quickly issues are resolved	How quickly issues are resolved	*How quickly issues are resolved*
2nd most important	How helpful and knowledgeable their staff are with my query / issue	How helpful and knowledgeable their staff are with my query / issue	How quickly the issue was resolved	How helpful and knowledgeable their staff are with my query / issue	How helpful and knowledgeable their staff are with my query / issue	How helpful and knowledgeable their staff are with my query / issue	How quickly issues are resolved	How helpful and knowledgeable their staff are with my query / issue	How helpful and knowledgeable their staff are with my query / issue	How helpful and knowledgeable their staff are with my query / issue	How helpful and knowledgeable their staff are with my query / issue	*How helpful and knowledgeable their staff are with my query / issue*
3rd most important	How easy they are to deal with	How easy they are to deal with	How well their staff take ownership of my query / issues	How easy they are to deal with	How easy they are to deal with	How easy they are to deal with	How easy they are to deal with	How easy they are to deal with	How easy they are to deal with	How well their staff take ownership of my query / issues	How easy they are to deal with	*How easy they are to deal with*
4th most important	How satisfied customers are with their customer service	How satisfied customers are with their customer service	How easy they are to deal with	How well their staff take ownership of my query / issues	How long wait times are when contacting them	How long wait times are when contacting them	How well their staff take ownership of my query / issues	How well their staff take ownership of my query / issues	How well their staff take ownership of my query / issues	How easy they are to deal with	How well their staff take ownership of my query / issues	*How well their staff take ownership of my query / issues*
5th most important	How many queries are resolved the first time you contact them	How long wait times are when contacting them	How long wait times are when contacting them	How satisfied customers are with their customer service	How well their staff take ownership of my query / issues	How well their staff take ownership of my query / issues	How long wait times are when contacting them	How long wait times are when contacting them	How satisfied customers are with their customer service	How long wait times are when contacting them	How satisfied customers are with their customer service	*How satisfied customers are with their customer service*

Base: NZ Consumers (n=630)
Source: NZCC Telco RSQ Exploration Survey
A4

CONSUMERS EXPECTED TO FIND INFORMATION COMPARING TELCO CUSTOMER SERVICE ON COMPARISON WEBSITES OR TELCO WEBSITES

CUSTOMER SERVICE COMPARISON CONCEPT – EXPECTED LOCATION

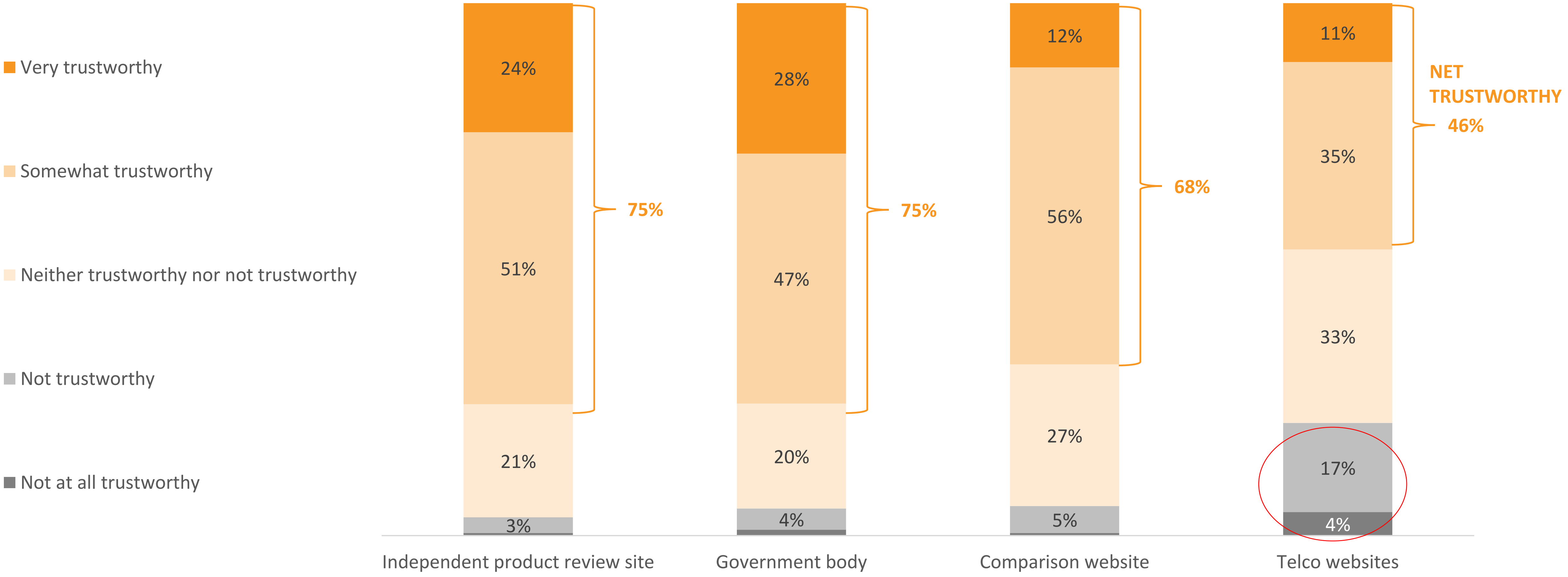
Under 25's were significantly more likely to seek this information on a telco website (51%) and less likely to consult independent product review sites (12%).

Those **over 55** were more likely to expect the information to be available via independent product review sites (32%).

Base: NZ Consumers (n=630)
Source: NZCC Telco RSQ Exploration Survey
B5. Imagine information was made available that allowed you to easily compare the customer service of different telcos. This could be something like average wait times for call centres, or average customer satisfaction with customer service.
If this information was made available, where would you most expect to find it?

INDEPENDENT REVIEW SITES AND GOVERNMENT BODIES THE MOST TRUSTED SOURCES – ALL EXCEPT 'TELCO WEBSITES' LOOK LIKE POTENTIAL CHANNELS TO PURSUE

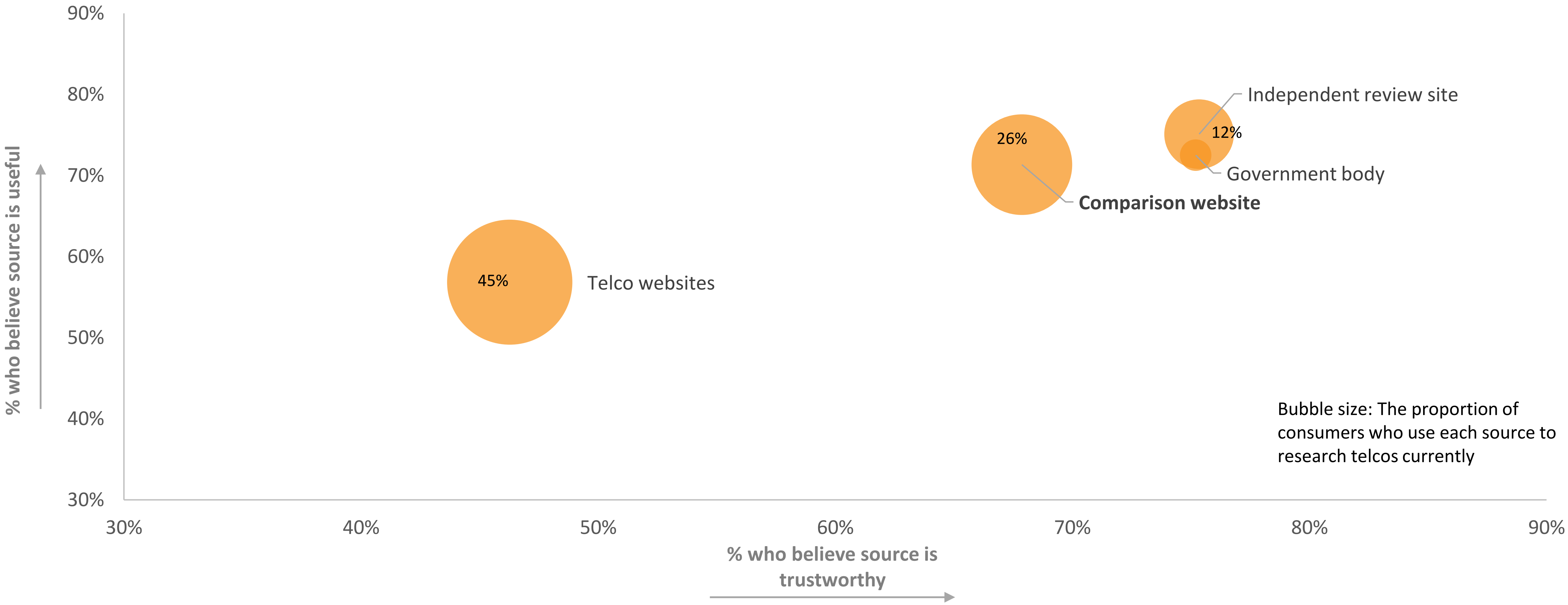
CUSTOMER SERVICE COMPARISON CONCEPT – TRUSTWORTHINESS



Base: NZ Consumers (n=630)
Source: NZCC Telco RSQ Exploration Survey
B6. Still imagining information was made available that allowed you to easily compare the customer service of different telcos. How trustworthy would you find this information if it were released by the following:

COMPARISON SITES STAND OUT AS THE BEST LOCATION FOR TELCO CUSTOMER SERVICE COMPARISONS, BASED ON PERCEIVED MERIT OF THE INFO AND CURRENT USAGE LEVELS

SOURCE VALUE



Base: NZ Consumers (n=630)
Source: NZCC Telco RSQ Exploration Survey
A2. When you last chose a telco (e.g., for your home internet plan or mobile phone plan), how did you research or learn about your options? Please choose all that apply.
B6. Still imagining information was made available that allowed you to easily compare the customer service of different telcos. How trustworthy would you find this information if it were released by the following:
B7. And how useful would you find this information if it were released by the following:

SECTION SUMMARY

TWO LEAD METRICS

Two key metrics were identified as being primary, with a raft of secondary metrics that hold some value

- Speed of issue resolution
- Level of knowledge, helpfulness of staff

INDEPENDENCE KEY

Independence remains key to trustworthiness and credibility of metrics, and any presentation would need to make the data's independence clear

Whilst telco websites the location with the best reach, credibility comes from being independently sourced, appraised

PHASE 3:
METRIC PRESENTATION

WHO WE SPOKE TO

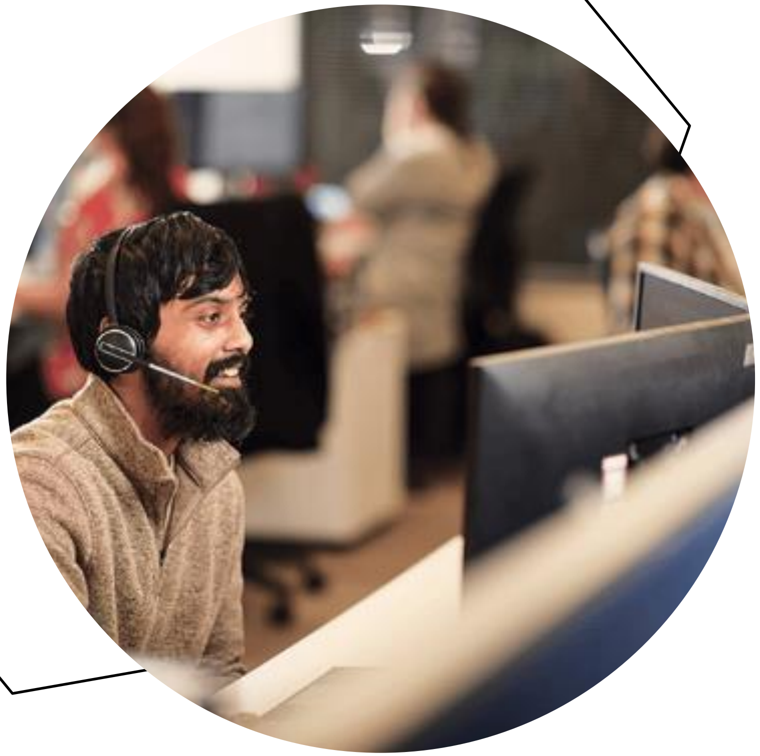
20 x 30 MINUTE ONLINE DEPTH DISCUSSIONS TO EXPLORE EXECUTION

PARTICIPANT CRITERIA

- All connections to be for self / self and others
- All to be the sole or main decision maker, and responsible for the bill
- All to have switched or actively considered switching provider in the past 3 months, or are in the process of purchasing/switching to a new account

SAMPLE BREADTH

- N= 8 males, 12 females
- Age range from 27 to 60 years of age
- Participants based in Auckland, Wellington, Christchurch, New Plymouth, Ashburton
- Mix of current mobile providers:
    - 2degrees, Kogan, Skinny, Spark, Company A
- Mix of current broadband providers:
    - 2degrees, Cybercom, Orcon, Skinny, Sky, Slingshot, Spark, Company A



A WELCOME INITIATIVE, WITH SEVERAL KEY ELEMENTS

As a concept, all we spoke with considered it a positive initiative

Brings transparency and an independent, unbiased perspective on customer service performance

IMPARTIAL, CREDIBLE

Limited questions as to methodology of data capture, but trust that if providers are not the source, the data can be relied upon as independent, unbiased

This can help drive usage and avoid perception of data as a marketing tool

High level of comfort, acceptance that the CCNZ can orchestrate the initiative

FREQUENCY

Consumers recognise customer service performance can ebb and flow, with circumstances causing peaks or troughs in performance

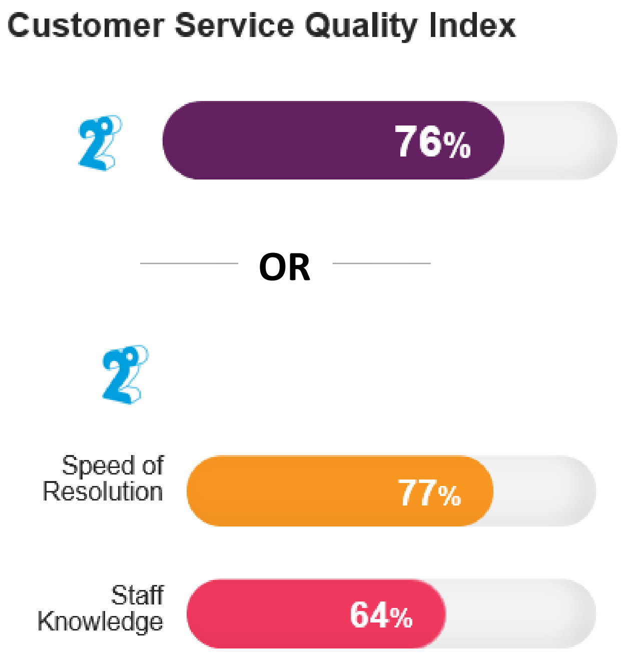
Sense of fairness makes many seek reassurance that scores would be updated with some frequency and steps be taken to avoid unfair moment in time snapshots

SECTION 3

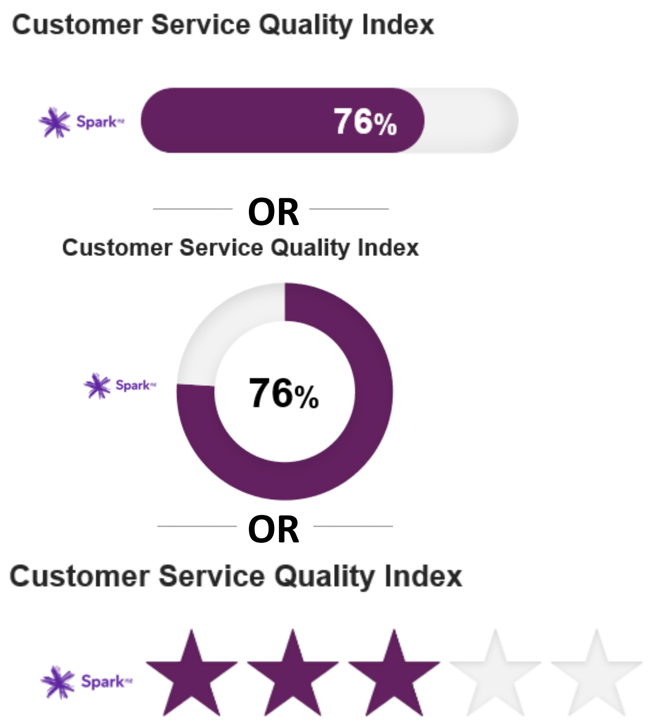
EXPLORATION OF EXECUTION

THREE PHASES TO THE DISCUSSION FLOW

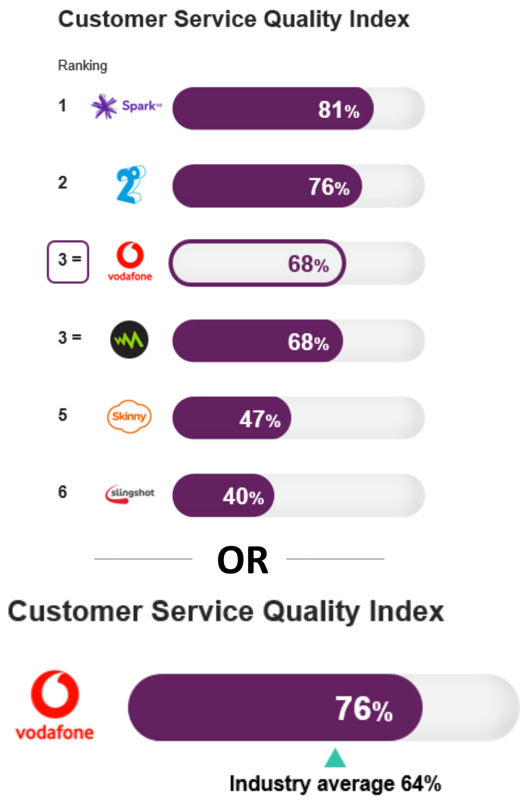
A SINGLE INDEXED SCORE, OR TWO KEY METRICS



METRIC REPRESENTATION: BAR, DIAL, STARS



CONTEXT: VS BRANDS, OR INDUSTRY AVERAGE



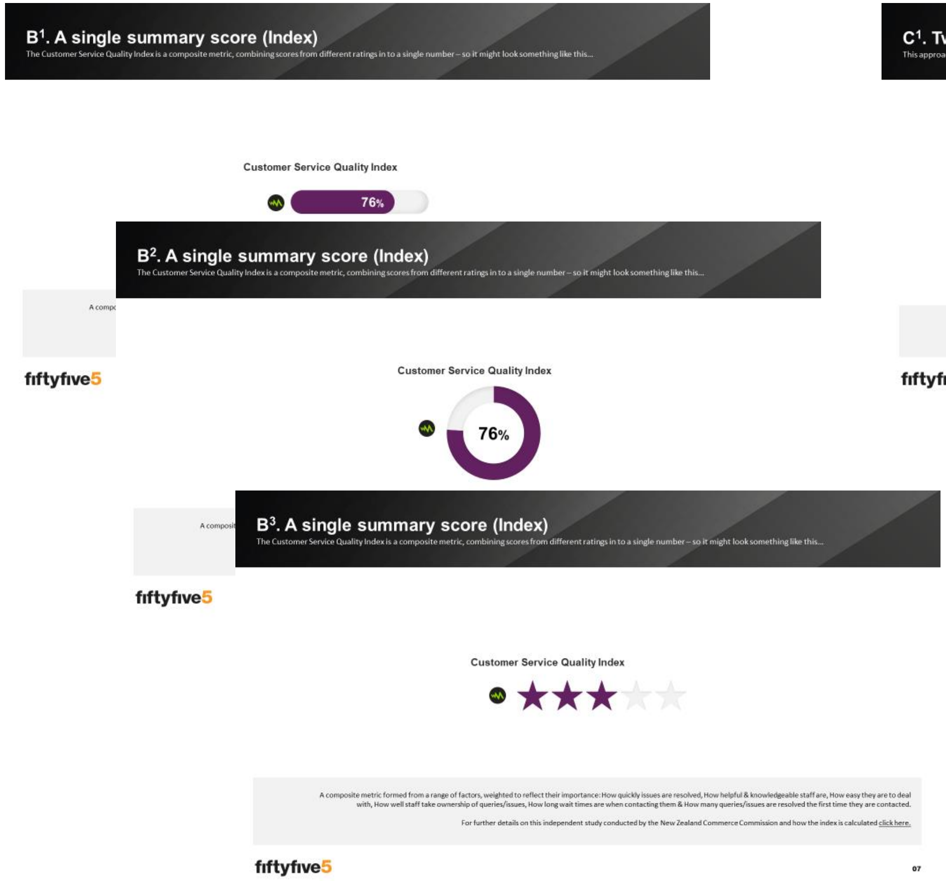
All visual representations and examples shown in this report are for illustrative purposes only.

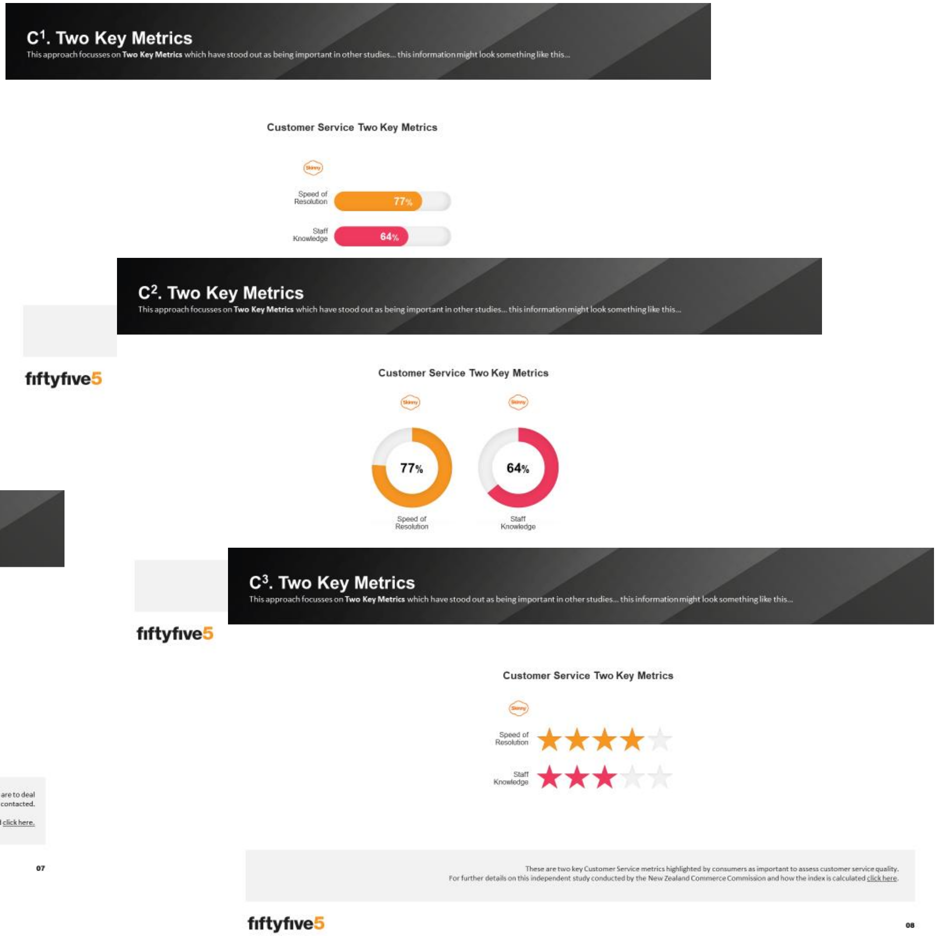
S E C T I O N 3

EXECUTION
METRIC TYPE

METRIC TYPE: WHAT WAS SHOWN

Response to a single 'Customer service Quality Index'
OR
Two key customer service metrics



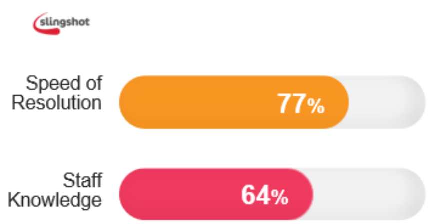


STRONG RECOMMENDATION FOR DUAL METRICS, FOR SEVERAL KEY REASONS

RECOMMENDED

TWO KEY METRICS

Customer Service Two Key Metrics



OR

INDEX

Customer Service Quality Index

Strengths of dual metrics

- Slight preference overall, but with **little to no outright rejection** of the dual metric approach
- Reasons for index preference were primarily driven by lower engagement and low desire to dive into data further complicating appraisal, decision making
- Provides **more informative detail** and **greater context** than an index score

Risks of an index score

- Requires **greater explanation** than distinct metrics, **risking misinterpretation** or disengagement
- Poses questions as to what metrics have led to the overall score, how weighting is calculated, which complicates and leads to lower engagement with the data
- For many, simply too high level and lacks granularity

S E C T I O N 3

EXECUTION

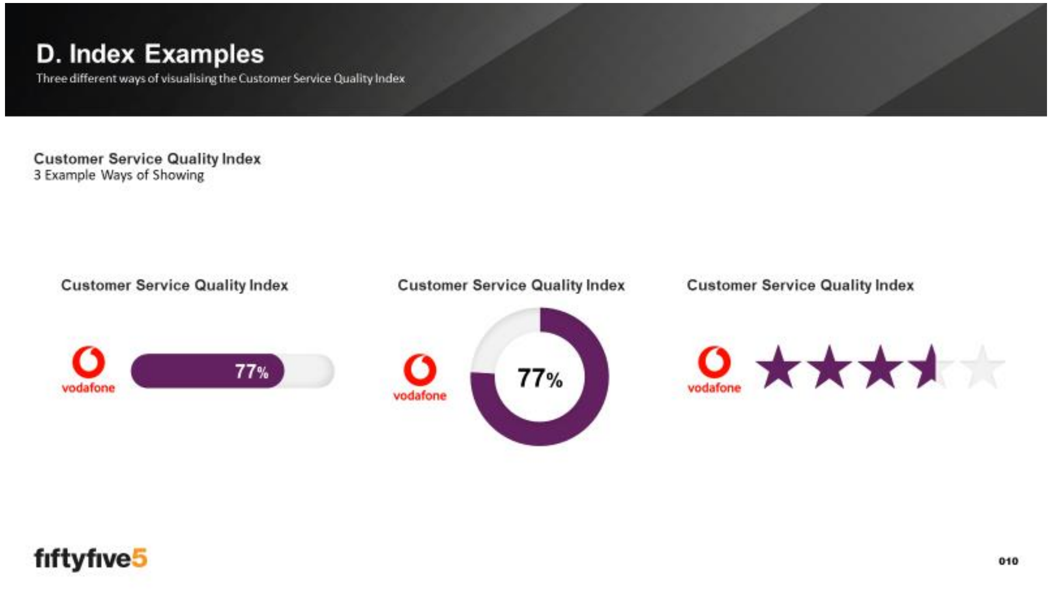
METRIC DESIGN & REPRESENTATION

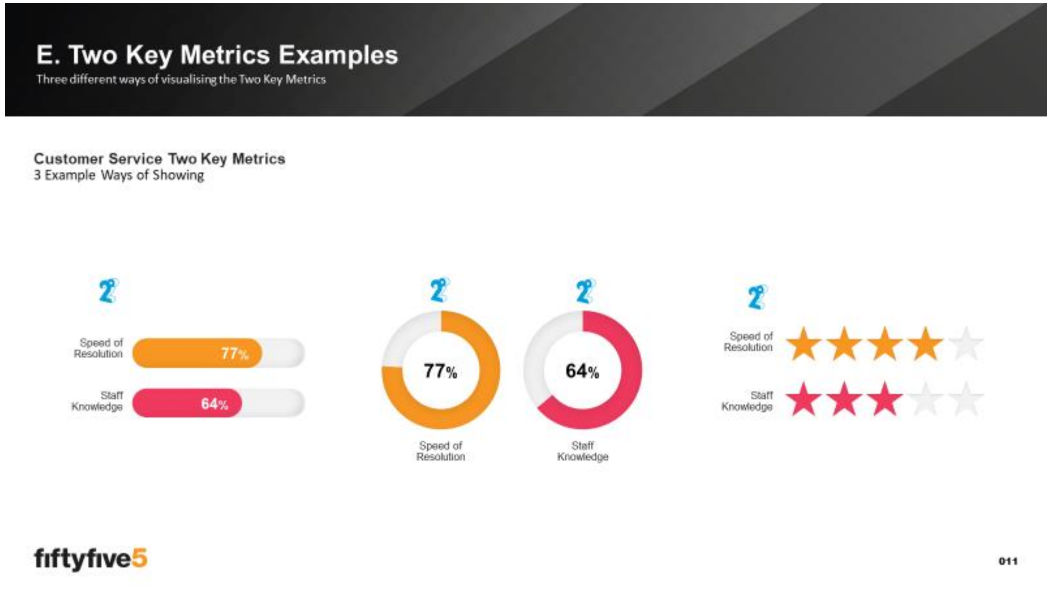
METRIC DESIGN & REPRESENTATION: WHAT WAS SHOWN

Three executional approaches: Bar chart, Dial chart, Star ratings

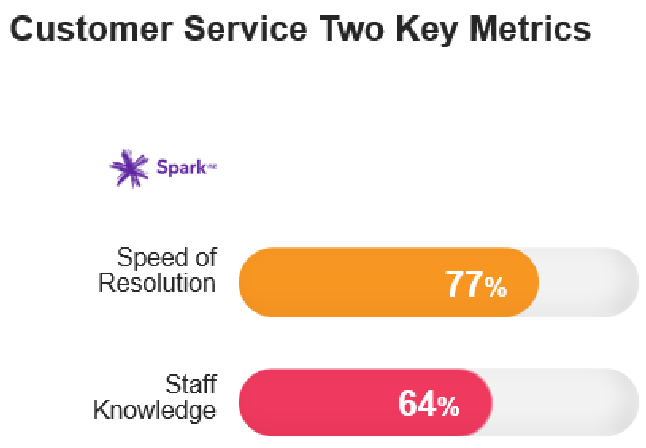
Shown as per the preferred metric type (Index or Dual metric)

Exploration was focused on the representation of the metric and not the specific visual design (i.e. look and feel) of each of the executions





BAR CHART
A SIMPLE AND FAMILIAR PRESENTATION, WITH MINIMAL DRAWBACKS



Note: Visual expressions shown of the preferred metric, i.e. Single indexed score or Two key metrics, as preferred

WHAT'S WORKING

- Easy to understand and a simple, familiar method of displaying data
- Presents the data in a way which does not need data savviness to find meaning
- Though less visually 'interesting' than alternatives, clear to read and interpret for all
- Percentage scores easy to understand and draw a conclusion from

"The bars are easy to grasp"

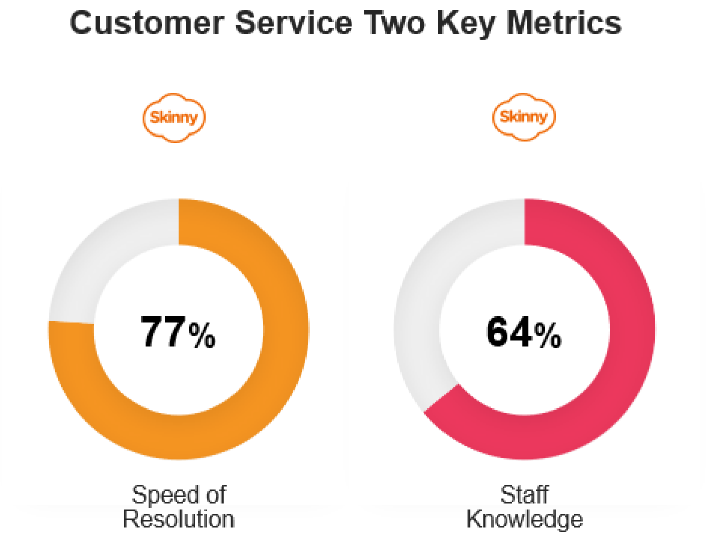
"I can understand these at a glance, they are just simple"

WHAT'S NOT WORKING

- In isolation, not as engaging a presentation of the data compared to alternatives
- 'Unfilled' portion of the bars could be made more clear to better highlight shortfall from a perfect score
- Percentage labels could be made more visually impactful – font size or colour/contrast

"I think the circle is easy to see that its' half full or whatever, and the bars it's just not as obvious"

DIAL CHART
APPEAL DRIVEN BY PROMINENCE OF THE SCORE



Note: Visual expressions shown of the preferred metric, i.e. Single indexed score or Two key metrics, as preferred

WHAT'S WORKING

- Preference driven by size and greater standout of the percentage score
- Some perceive the 'level of fill' as being clearer than bar charts
- Leads some to expect a 'fill animation' upon loading that could further illustrate the degree of performance

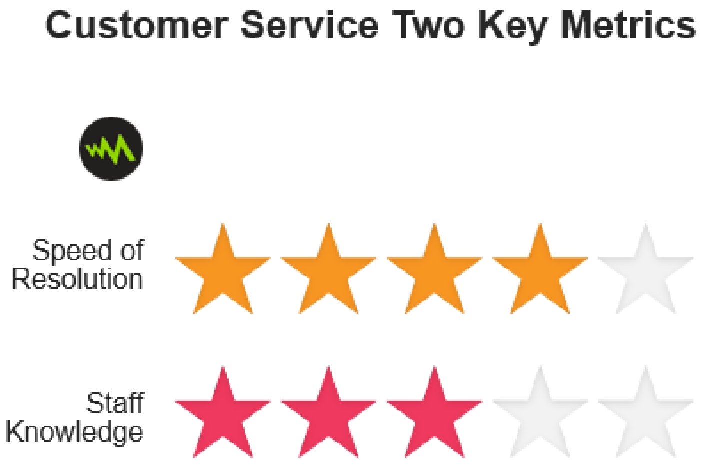
"I like the circles visually, and like the % - you can see it getting closer to a solid circle – but the numbers are much more impactful and clear"

WHAT'S NOT WORKING

- Preference over bars was minimal, with no distinct benefit articulated
- Preference mostly lead by prominent percentage, more than design
- Does not scale, practically, difficult to show multiple scores on one page, such as in context with competitor brands

"I like to see the percentages on either one or the other – bars or the circle. It's as simple as the stars, but you've got the explicit number, it's more granular"

STARS
IMMEDIATELY FAMILIAR, BUT LACK THE REQUIRED NUANCE



Note: Visual expressions shown of the preferred metric, i.e. Single indexed score or Two key metrics, as preferred

WHAT'S WORKING

- Highly familiar and intuitive – seen on food, electronic appliances and in the hospitality industry
- Easy at a glance scorecard that can quickly indicate over/underperformance
- Easy to interpret; more stars are better, no need for any understanding of percentages

"Star ratings are being used frequently. Personally, I find it easier to interpret, it's nicely simplified as being above or below average"

WHAT'S NOT WORKING

- The least preferred execution across the sample
- Felt to be much too simple – each star seen as accounting for 20%, therefore lacking the nuance to be able to differentiate between close performing providers
- Interpreted by some as an ill-fitting system for this context – more an award, than a scorecard – brings a positive spin
- Misinterpreted as anything 4 or 5 stars being 'above average' despite lack of true context

"The stars feel like a bit of an approximation"

"The stars look really basic now…"

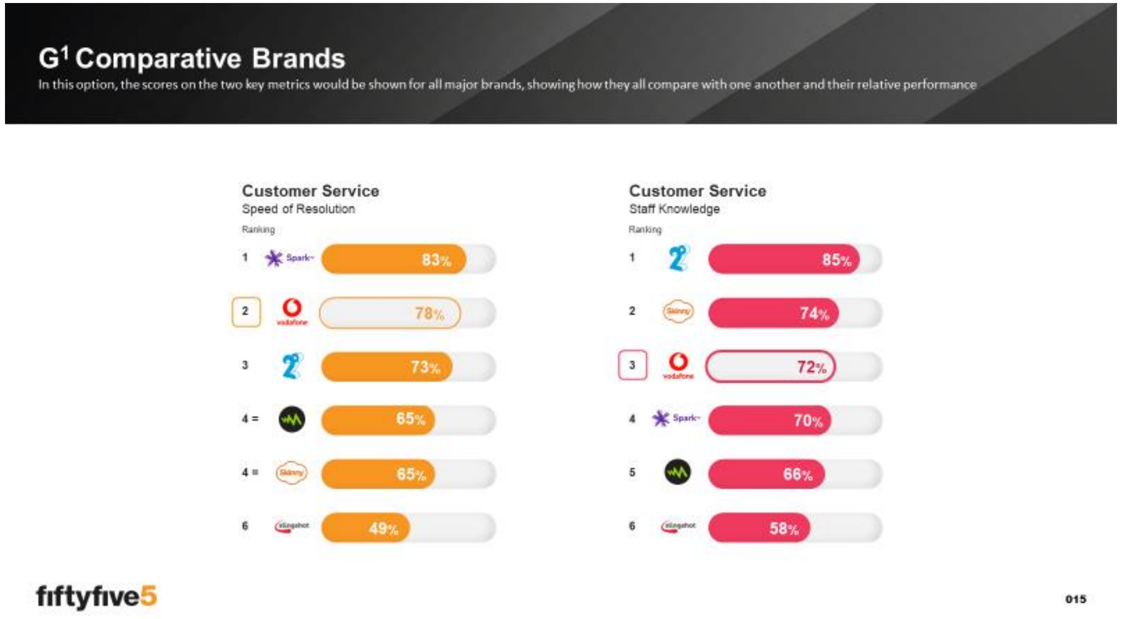
S E C T I O N 3

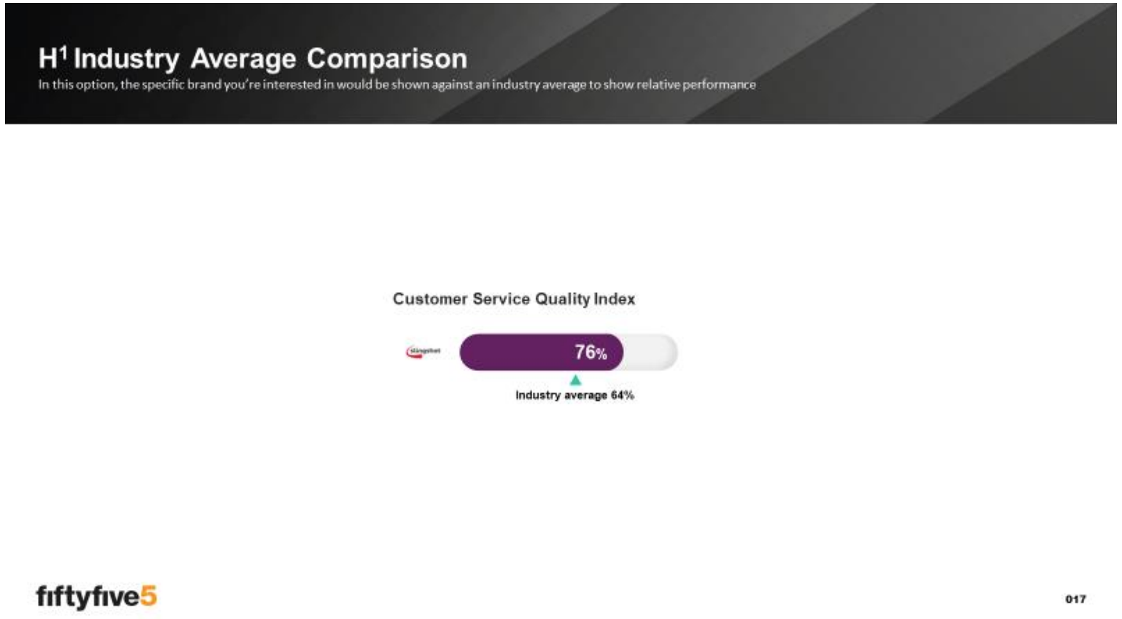
EXECUTION CONTEXT

CONTEXT: WHAT WAS SHOWN

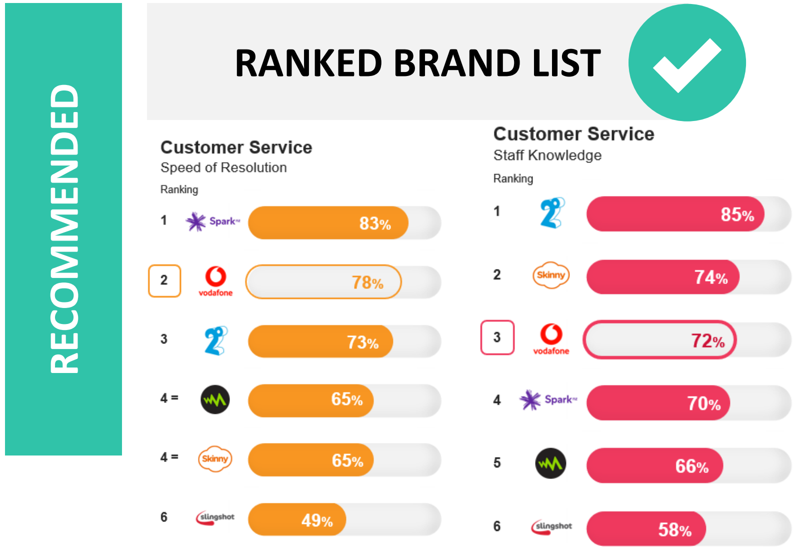
Two points of context: Ranked brand comparisons OR Category average only

Shown as per the preferred metric type (Index or Dual metric)





STRONG RECOMMENDATION FOR A RANKED BRAND LIST, IN BAR CHART FORMAT



A CLEARLY SUPERIOR PRESENTATION

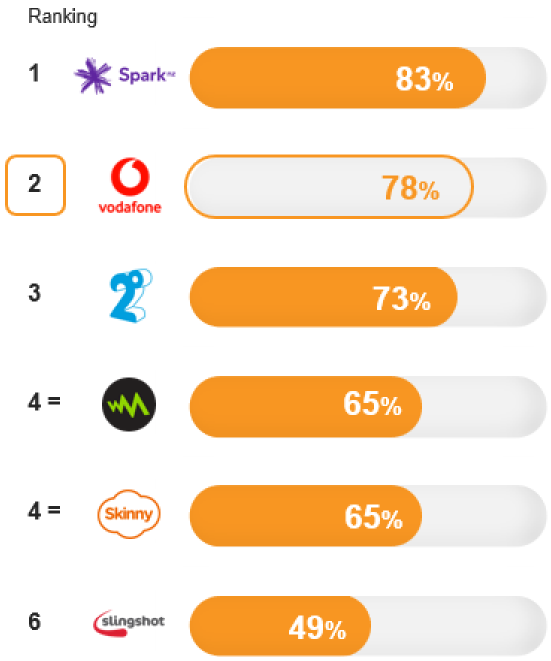
- **Aligns best to consumer behaviour**, use of the data
  - Weighing up specific providers against one another
  - Allows easy discounting of poor performers
- **Easy to appraise at a glance** the relative performance
- Is **the most transparent presentation** – percentage scores are clear in their relative meaning
- Balances enough information without need to be data literate

POTENTIAL EXECUTIONAL ENHANCEMENTS

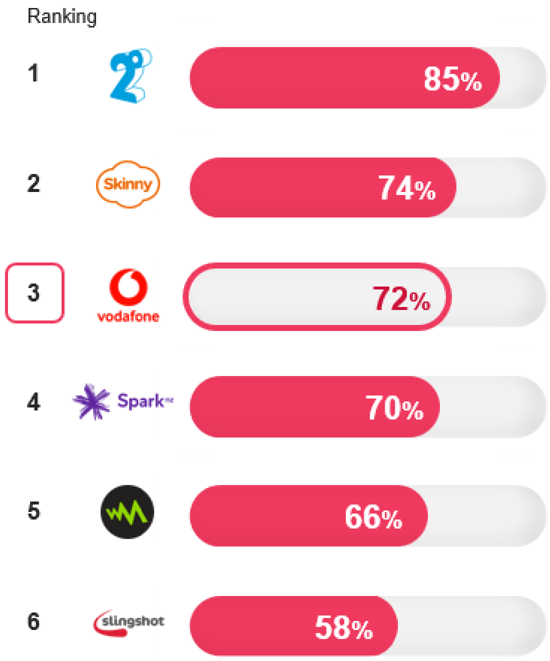
- Primarily clarity enhancements;
  - Making 'selected' brand standout clearer
  - Improve visual contrast, scale of % figures
- Potential to add the industry average also for further context

A CLEAR RECOMMENDATION FOR SIMPLY DISPLAYED RANKED LISTS TO ALLOW INFORMED DECISION MAKING

Customer Service
Speed of Resolution



Customer Service
Staff Knowledge



TWO KEY METRICS

- Speed of issue resolution
- Staff knowledge

DISPLAYED SIMPLY

- Percentage scores on bar chart
- Comparative between brands
- Ranked in order

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SECTION 4

CHANNEL DISTRIBUTION

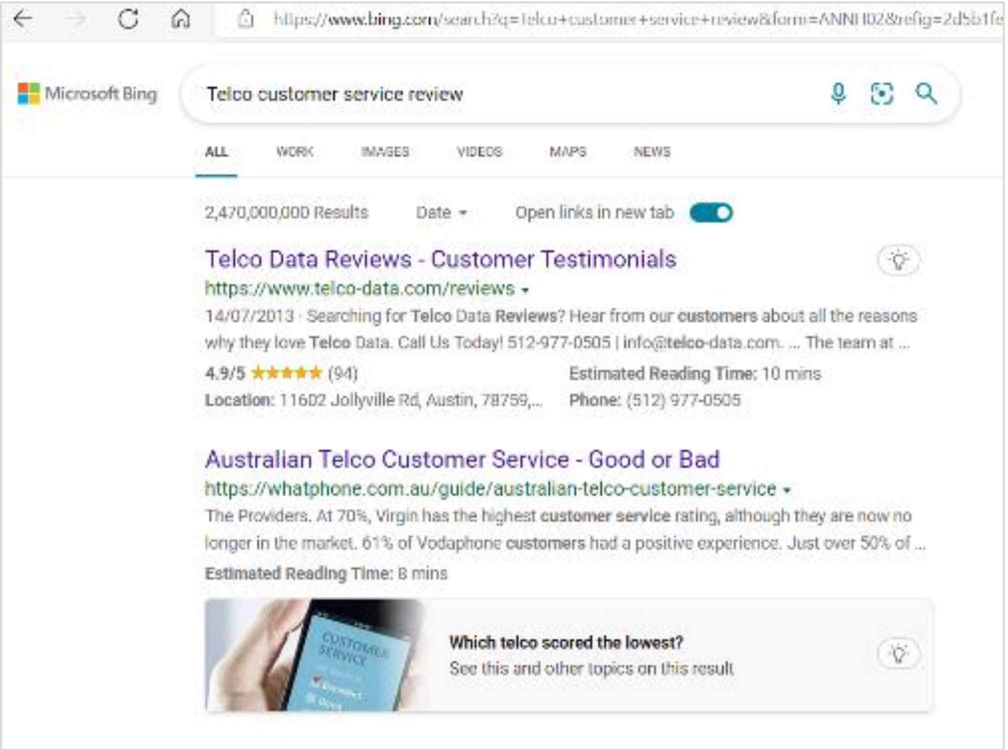
PERFORMANCE DATA NEEDS TO BE EASY TO FIND AND DISCOVER

EASY TO FIND

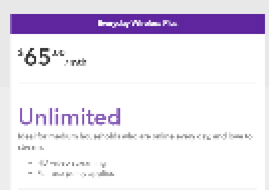
- For the majority, expectation is that if sought, online would be the go to channel and a general search into Google would lead them to the data and information
- Importance of **good SEO to enable scores to be easily found** – either on the CCNZ website, provider sites, or an independent site is critical
- If feasible, scores on individual **provider sites would allow greater numbers of consumers to stumble upon the data** during in-the-moment decision making

DATA MUST LINK BACK TO A CREDIBLE SOURCE

- CCNZ not an obvious place to search for such data, but if discovered, would be deemed credible as the owner, champion of this data
- Some desire for an independent review site (along the lines of or as part of Broadbandcompare.co.nz), with Powerswitch cited as a named example of what is envisaged by consumers
- Consumer.org.nz another named credible source – is there potential to partner?



PUBLICATION OF DATA CAN BE BROAD, BUT MUST BE CHAMPIONED AND OWNED BY A CREDIBLE, INDEPENDENT VOICE



PRIMARY

- Online through providers websites, to appraise when assessing bundles (linked to CCNZ website)
- Google / search engine optimised link to provider site or CCNZ hosted scores

Link to the CCNZ as the owner of the data is key to credibility

SECONDARY

- Online through Commerce Commission NZ website
- Potential impartial third party – Broadbandcompare or similar, Consumer.org.nz

Consumer-centric review sites can help credibly amplify the findings

TERTIARY CHANNEL

- PR and media support should be used to raise awareness
- Potential provider stores display pamphlets/posters, but not key
- Also, reseller stores, e.g. Noel Leeming, et al; wherever a provider selected

Less frequented channels should further normalise the information

CRUCIALLY, WHEREVER DATA IS FOUND, BRAND SCORES ARE ONLY USEFUL IN CONTEXT OF OTHER PROVIDERS, REMOVING THE NEED TO SEARCH ACROSS MULTIPLE WEBSITES/BRANDS TO MAKE MEANINGFUL COMPARISONS AND CONCLUSIONS

SECTION 5

RECOMMENDATIONS

SUCCESSFUL IMPLEMENTATION OF THE INITIATIVE VIEWED AS A POSITIVE DRIVER FOR CHANGE BY CONSUMERS

A POSITIVE INITIATIVE

For telco consumers, the sentiment is clear that the initiative will be of value and to the benefit of customers

The proposed implementation has the potential to illuminate a current blind-spot in making provider decisions, that today results in guesswork regarding customer service, or acceptance of often below-expectation experiences

“I would consult it if I needed it. It's not going to prompt me to act in and of itself, but if, say my provider started delivering poor service, then I might see who people regarded as better so it's not a catalyst to drive change, but is definitely useful”

IMPACT MAY BUILD OVER TIME

Whilst for consumers, the initiative is unlikely to drive wholesale switching of providers, for those with customer service issues and frustrations, the data is welcome tool in seeking better experiences

Longer term, consumers can perceive how publication of this data can nudge providers toward a higher level of customer service, either to rectify poor results, or to provide a competitive edge in the market

"It'll keep the telcos on their toes - it's more about them than it is us!“

"An incentive for the companies to do better"

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