

Customer Satisfaction Monitoring **Telco SAT Tracking**

6 MONTHLY REPORT (JULY – DECEMBER 2023)



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Purpose of this research

The purpose of this research is to monitor satisfaction with Retail Service Quality (RSQ) among consumers of Retail Service Providers (RSPs) across mobile and broadband. Allowing the Commerce Commission to gather consumer insights to identify future RSQ matters for improvement and to measure the success of the Commission's RSQ solutions.



As part of the RSQ Programme, the Commerce Commission has worked with Perceptive to implement this ongoing monitoring programme to meet the requirements of section 9A of the Telecommunications Act, 2001. The aim of this programme is to provide information to consumers, gain consumer insight to identify future RSQ matters for improvement, and measure the success of RSQ solutions.

By publishing this data, the Commission aims to increase competition and transparency among providers and empower consumers to include service quality in their decision-making, which will in turn impact the customer acquisition and retention rates of poorly performing RSPs.

Additional information and data may be available on request, including the questionnaire.

Methodology

Sample criteria

 Residential	 SME
<p>Main decision maker OR shared responsibility for making decisions</p> <ul style="list-style-type: none"> For internet at home. For mobile phone plan / monthly payment / pre-pay. <p>Broadband / household internet OR mobile are currently telecommunication products and services paid for and make decisions about.</p> <p>Current broadband or mobile provider is known.</p>	<p>Main decision maker OR shared responsibility for making decisions.</p> <ul style="list-style-type: none"> For Internet at the business/company you work for or own. For mobile phone plan / monthly payment / pre-pay (for the business/company you work for or own). <p>Business has its own business plan with broadband provider.</p> <p>Business has its own business plan with mobile provider.</p> <p>Current broadband or mobile provider is known.</p>
<ul style="list-style-type: none"> 18+ years old. Live in New Zealand 	<ul style="list-style-type: none"> Owner or decision maker for a business. Business has less than 50 employees.
<ul style="list-style-type: none"> All residential data is weighted by Nat Rep New Zealand (gender, age, region). 	

Total sample size*

	Residential Broadband	Residential Mobile	SME Broadband	SME Mobile
Jul-Dec 23	2,336	2,447	905	905

*Total sample reflects all weighted respondents, including those who have selected 'other' provider than the providers listed. However, they have not answered specific brand questions further.

Additional notes:

(T4B) Top 4 box is the percentage of respondents that fall into the top four categories on the 10-point scale.

Demographic/firmographic call outs throughout this report reference the largest skews.

A large range of sectors have been included in the SME sample, please see firmographics slides for the full list.

All results are shown to 0 decimal places. Where bar sizes in charts differ, this is due to differing results at 1 or 2 decimal places.

pp = percentage point

MR = multiple responses allowed

SR = single response



01

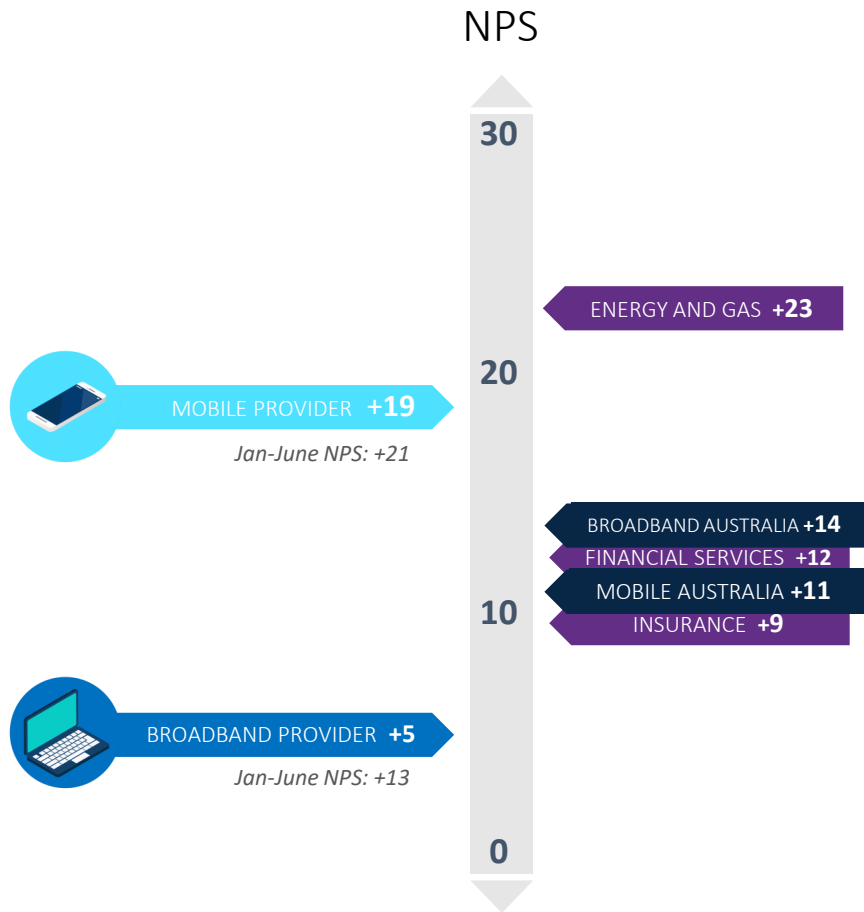
Residential Insights

02


NPS and Satisfaction

Net Promoter Score (NPS)

Both mobile and broadband post a positive NPS, however, this is below the favourable threshold of +20. Mobile performs above most similar industries, while broadband is sitting well below.




Mobile providers sit at a NPS score of +19, whilst broadband providers have a positive NPS of +5, falling from +13 in the previous period. Neither meet the favourable threshold of +20.



MOBILE

- Lower NPS:
 - +15 – consumers aged 65-75 years old.
 - +16 – consumers aged 35-44 years old.
- Higher NPS:
 - +26 – consumers aged 75+
 - +30 consumers of Indian, Pakistani or Sri Lankan descent.



BROADBAND

- Lower NPS:
 - 0 – consumers aged 55-74 years old.
- Higher NPS:
 - +21 – consumers aged 75+.
 - +20 consumers of Indian, Pakistani or Sri Lankan descent.

NPS measures the loyalty of customers to a company, based on their ratings on a 0-10 scale, customers are classified into three categories: Promoters (9-10), Passives (7-8), Detractors (0-6). NPS is then calculated using the following formula: $NPS = (\text{Percentage of Promoters} - \text{Percentage of Detractors})$.

NPS scores range from -100 (all customers are detractors) to +100 (all customers are promoters). Bain & Co, the creators of the NPS metric, consider a score above 20 is favourable, above 50 is excellent, and above 80 is world class.

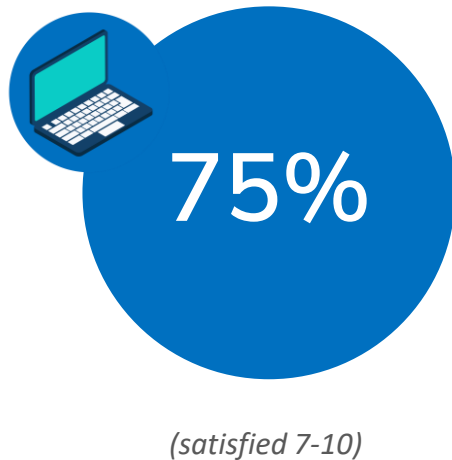
Q Considering your experience with your provider, how likely would you be to recommend them to a friend or family member? (Scale 0-10)

Overall satisfaction

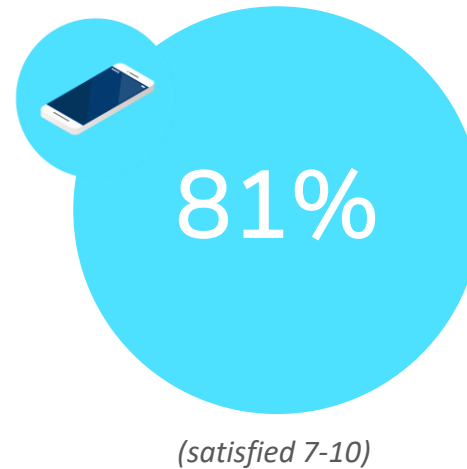
Across broadband and mobile consumers, three quarters or more respondents said they were satisfied with their provider, this leaves one quarter of consumers not satisfied.

Mobile consumers are slightly more satisfied than broadband consumers. Mobile has just exceeded the benchmark of 80% while broadband has fallen short.

BROADBAND PROVIDER



MOBILE PROVIDER



BROADBAND

- 82% of broadband consumers on a fixed wireless connection are satisfied.
- 84% of broadband consumers aged over 75 are satisfied.



MOBILE

- 87% of mobile consumers aged 75+ are satisfied compared to 78% of mobile consumers aged under 44.

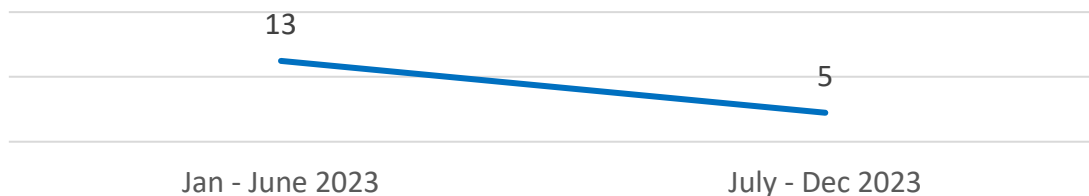
Q Overall, how satisfied or dissatisfied are you with your provider for your broadband/ household internet service / mobile service? Please take into account their products and services, as well as your experience of dealing with them. (Scale 0-10).

Base: Broadband provider Population=2,180, Mobile provider Population=2,386

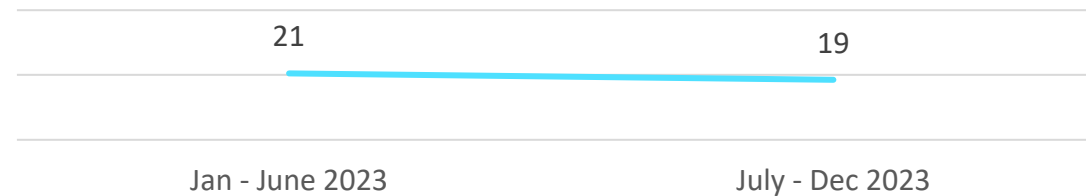
NPS and Satisfaction trended

We have seen a decrease across NPS and overall satisfaction for both mobile and broadband. The biggest decrease is seen in broadband NPS.

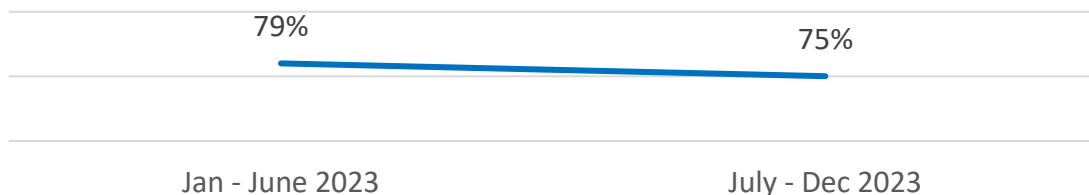
Broadband - NPS



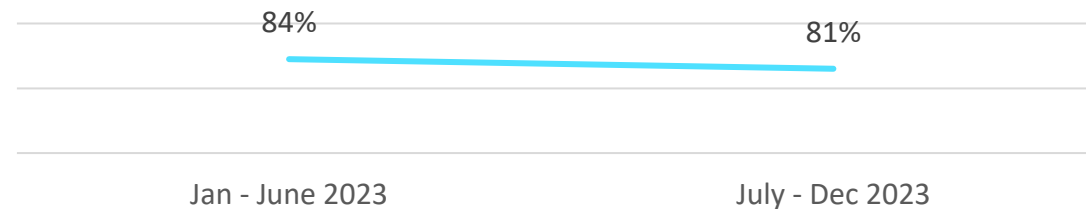
Mobile - NPS



Broadband – Overall satisfaction



Mobile – Overall satisfaction



BROADBAND

The largest decrease in NPS is seen in the 18-34 year age group, decreasing from +15 to +4. Decreases are seen across most ethnicity groups, particularly consumers of Māori descent who went from +16 to +7



MOBILE

The largest decrease in NPS is seen in the 64-75 year age group, decreasing from +26 to +15.



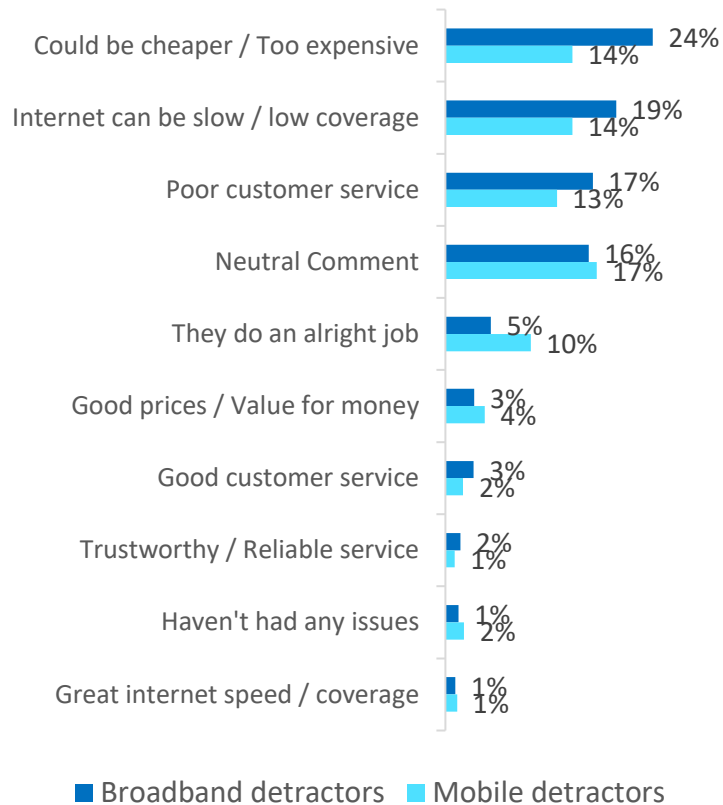
Considering your experience with your provider, how likely would you be to recommend them to a friend or family member? (Scale 0-10)

Overall, how satisfied or dissatisfied are you with your provider for your broadband/ household internet service / mobile service? Please take into account their products and services, as well as your experience of dealing with them. (Scale 0-10).

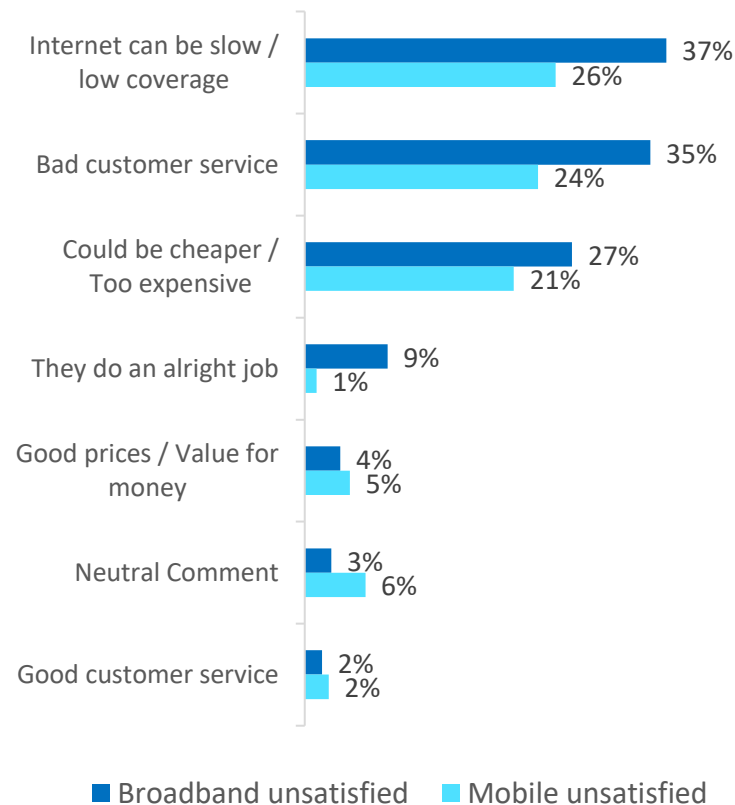
NPS and Satisfaction negative reasons

Almost one quarter of broadband detractors stated their reason for not recommending their broadband provider was due to the cost, many also mentioned slow internet.

NPS Detractors (0-6) - Why?



Overall low satisfaction (0-4) - Why?



- We are rural, no fibre so no high speed and occasional drop-outs. - broadband
- They are good but the internet is patchy. - broadband
- Reliable service, but a bit expensive and a bit slow. - broadband
- I would give them 10 out of 10 if it was a bit faster. Also, they do not offer unlimited to rural addresses. - broadband
- Have a dead spot at work, so pretty much have no coverage there – mobile
- [Provider] for mobile is usually very good and I'm very satisfied with the service but however in some places around my home town, there's dead spots where they have no [provider] towers so in certain areas that are urban I have no reception. - mobile
- When calling them their waiting times a too long. - broadband
- Their prices are good but their customer service is terrible. It is so hard to get in contact with an actual person. - mobile
- The service itself is hit or miss..and whenever we have issues it's hard to get hold of a good customer service, like you're being passed around. - mobile



Q Why did you score this way?

Satisfaction

Many consumers are satisfied with their mobile and broadband coverage and availability, however there is room for improvement in all areas, particularly in customer service and pricing. No area has met the 80% satisfaction benchmark.

Mobile consumers hold a higher level of satisfaction compared to broadband consumers in all areas.

Coverage and Availability is the service both broadband and mobile consumers are most satisfied with, while Pricing and Customer Service score the lowest.

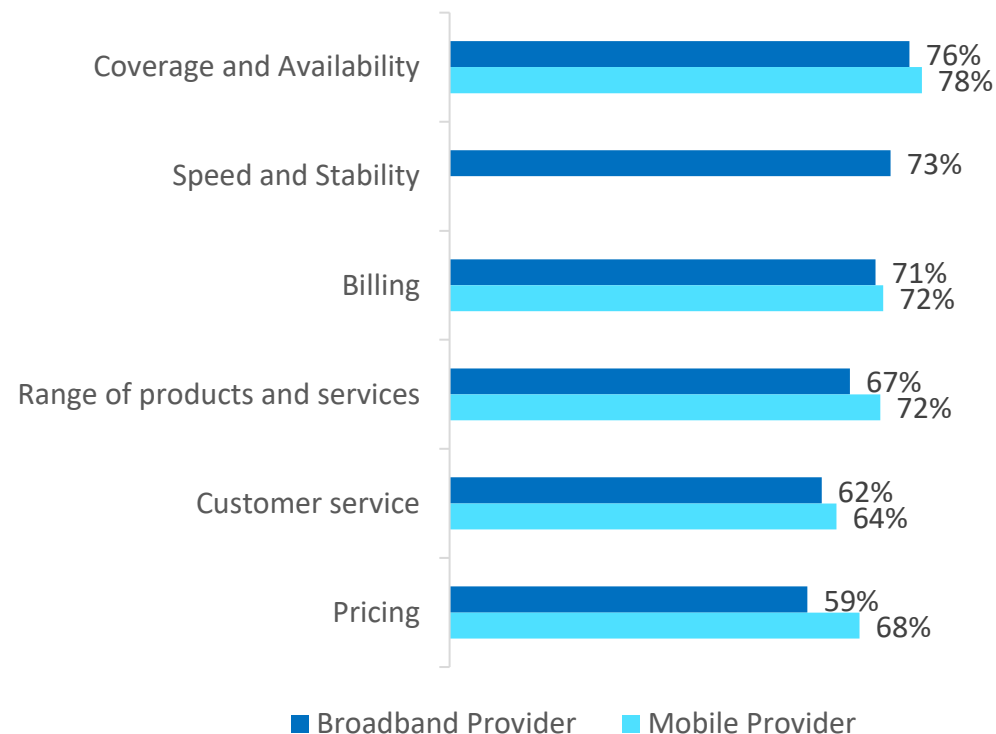
Younger consumers (18 – 34 years old) have significantly lower satisfaction across a number of areas. Below are where there are significant differences:

- **Coverage and Availability:** broadband 69%, mobile 73%.
- **Billing:** broadband 65%
- **Speed and Stability:** broadband 69%

Mobile consumers of Māori descent have significantly lower satisfaction in one area:

- **Coverage and Availability:** mobile 68%.

Satisfaction (satisfied 7-10)

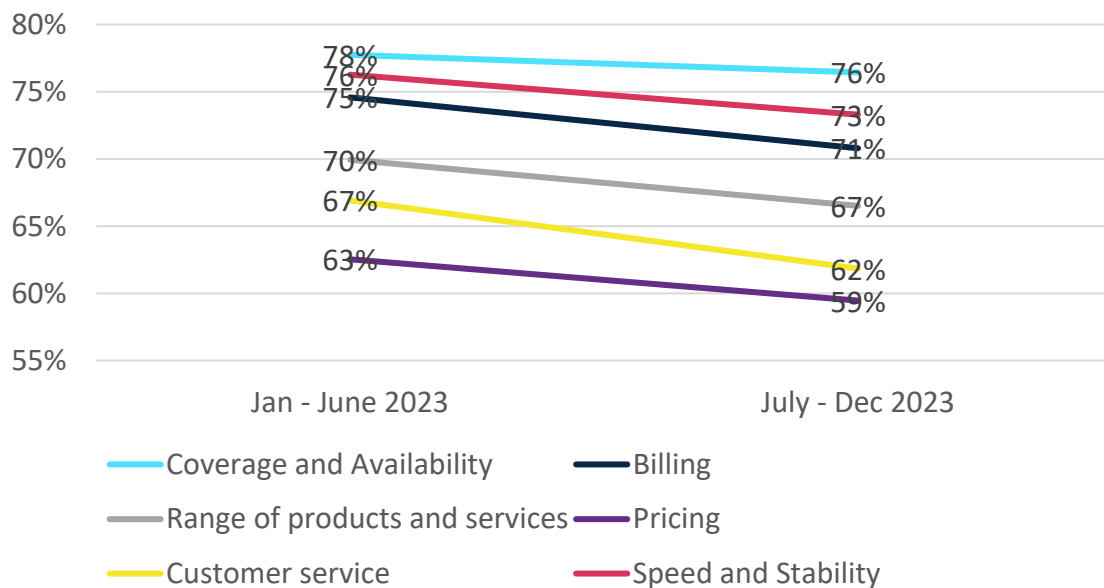


Q And how satisfied or dissatisfied are you with your provider for your broadband/ household internet service/ mobile service in relation to the following aspects? (Multiple Response (MR))

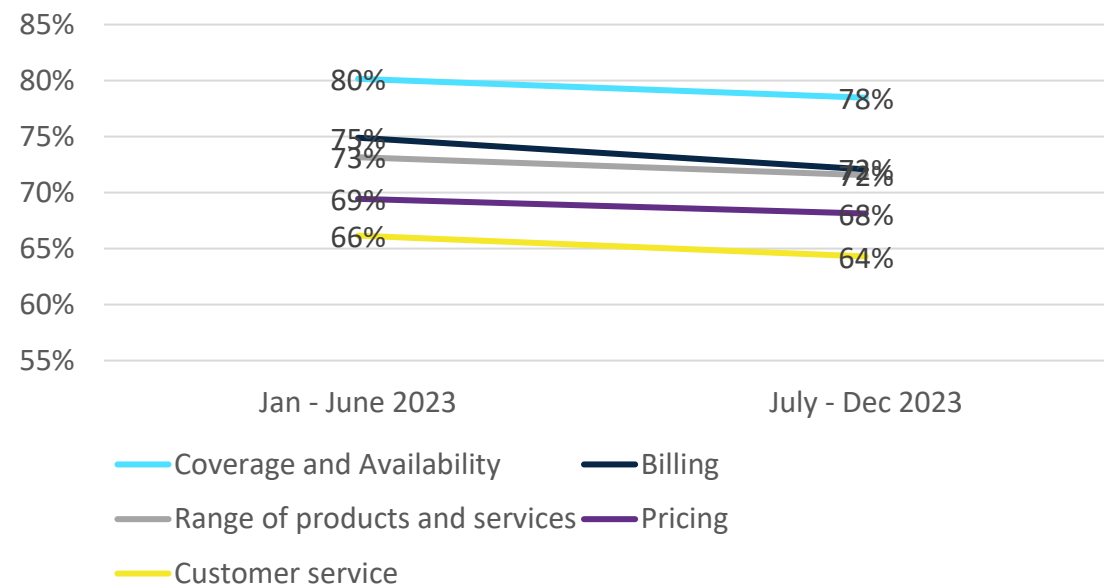
Satisfaction trended

All areas have seen a decrease in satisfaction since Jan-June 2023, the biggest decrease is seen in broadband for customer service.

Broadband



Mobile



BROADBAND

The largest decreases are seen in the 25-34 year age group. They have decreased in satisfaction across all aspects, most notably in pricing (-10 pp), billing (-9pp) and speed and stability (-8pp). Customer service satisfaction decreased across all age groups.



MOBILE

The largest decreases seen were a 12 pp decrease among 65-74 years olds satisfaction in the range of products and services, and a 9pp decrease among 18-24 years olds satisfaction in customer service.

Q And how satisfied or dissatisfied are you with your provider for your broadband/ household internet service/ mobile service in relation to the following aspects? (Multiple Response (MR))

03

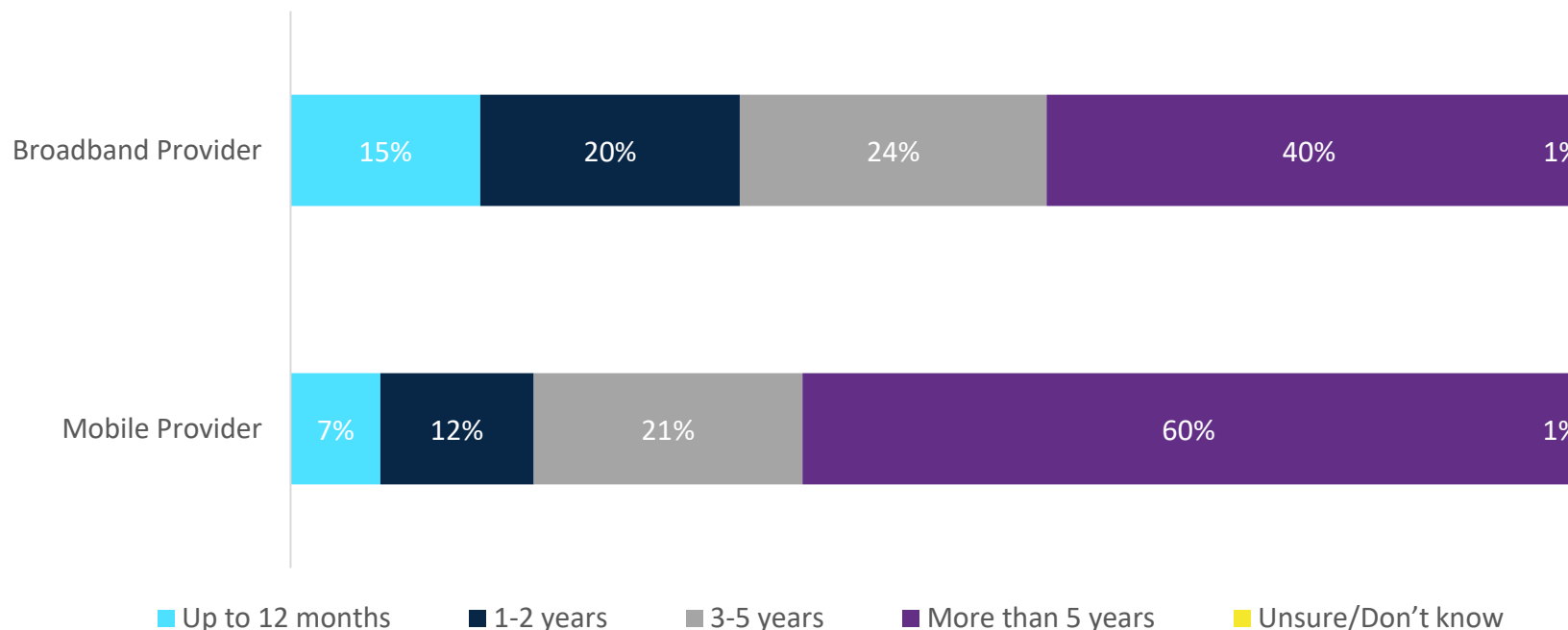
Tenure and Switching Behaviour

Tenure

Mobile consumers have a longer tenure with their provider than broadband consumers. 60% of mobile consumers having been with their current provider for more than 5 years, compared to 40% for broadband.

Mobile consumers have a longer tenure with their provider than broadband consumers.

81% of mobile consumers have been with their current provider for 3+ years and 64% of broadband consumers have been with the same provider for 3 years or more.



BROADBAND



- 76% of consumers aged 55+ have been with the same provider for 3+ years compared with 57% of consumers aged under 55 years.
- Only 47% of Chinese consumers have been with their provider for 3+ years. 21% of Chinese consumers have switched their broadband provider in the last 12 months.

MOBILE



- Consumers over the age of 55 stay with their provider for a longer tenure than younger consumers. 91% of consumers aged 55+ have been with the same provider for 3+ years compared with 75% of consumers aged under 55.
- 25% Māori or Pasifika consumers have been with their provider for less than two years.

Q About how long have you been a customer of your provider for your broadband/ household internet/ mobile service?

Switching plans with same provider

Switching mobile and broadband plans with the same provider is low. Neither mobile nor broadband hit the 80% overall satisfaction with switching plans benchmark.

Broadband and mobile consumers switch their plans at a relatively similar rate.



BROADBAND

More likely to switch plans with the same provider:

- 22% 18 – 44-year-olds
- 21% Māori and Pacific Peoples

Less likely to switch plans with the same provider:

- 15% NZ Europeans
- 10% 55+ year olds



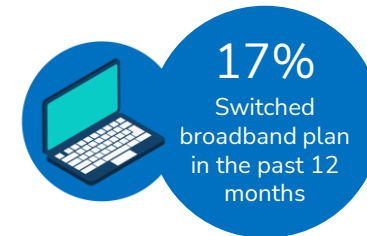
MOBILE

More likely to switch plans with the same provider:

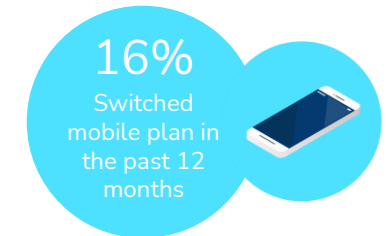
- 24% 18 - 34 year-olds

Less likely to switch plans with the same provider:

- 10% 55+ year olds

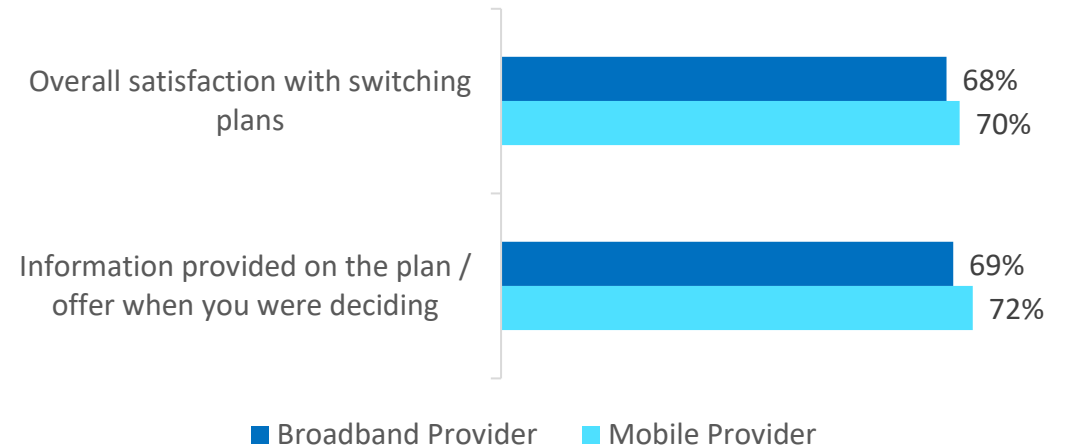


+2pp since Jan-Jun 2023



-1pp since Jan-Jun 2023

Satisfaction with switching plans (satisfied 7-10)



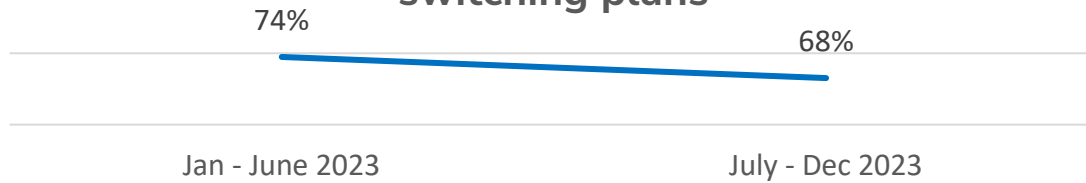
- Q** In the last 12 months, have you changed a plan relating to your mobile or broadband plans?
 Overall, how satisfied or dissatisfied were you with the process of changing your Broadband plan?
 And how satisfied or dissatisfied were you with the information provided on the plan / offer when you were deciding on your new Broadband plan?

Switching plans with same provider

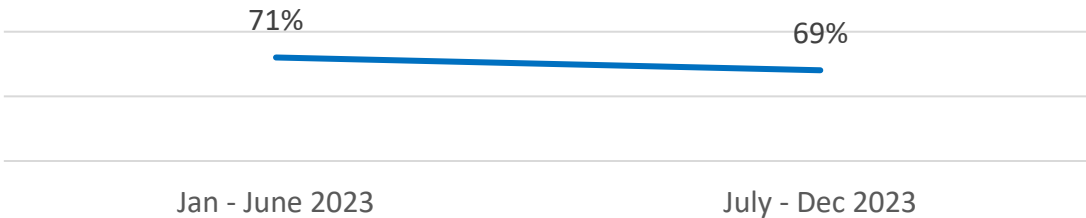
Satisfaction with...

We have seen a decrease across all aspects of satisfaction with switching plans with the same provider, most notably with the overall satisfaction with the process of changing a mobile plan

Broadband – Overall satisfaction with switching plans



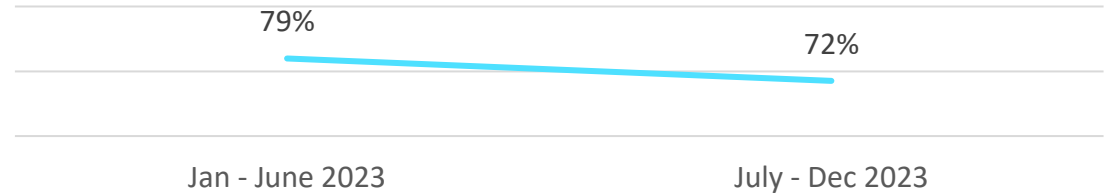
Broadband – Information provided



Mobile – Overall satisfaction with switching plans



Mobile – Information provided



BROADBAND

The largest decrease in overall satisfaction with switching plans with the same provider is among those aged 65+ who have seen a decrease to 62% from 76% in Jan-June 2023.

MOBILE

The largest decrease in overall satisfaction with switching plans with the same provider is among those aged 65+ who have seen a decrease to 59% from 88% in Jan-June 2023.



In the last 12 months, have you changed a plan relating to your mobile or broadband plans?

Overall, how satisfied or dissatisfied were you with the process of changing your Broadband/Mobile plan?

And how satisfied or dissatisfied were you with the information provided on the plan / offer when you were deciding on your new Broadband/Mobile plan?

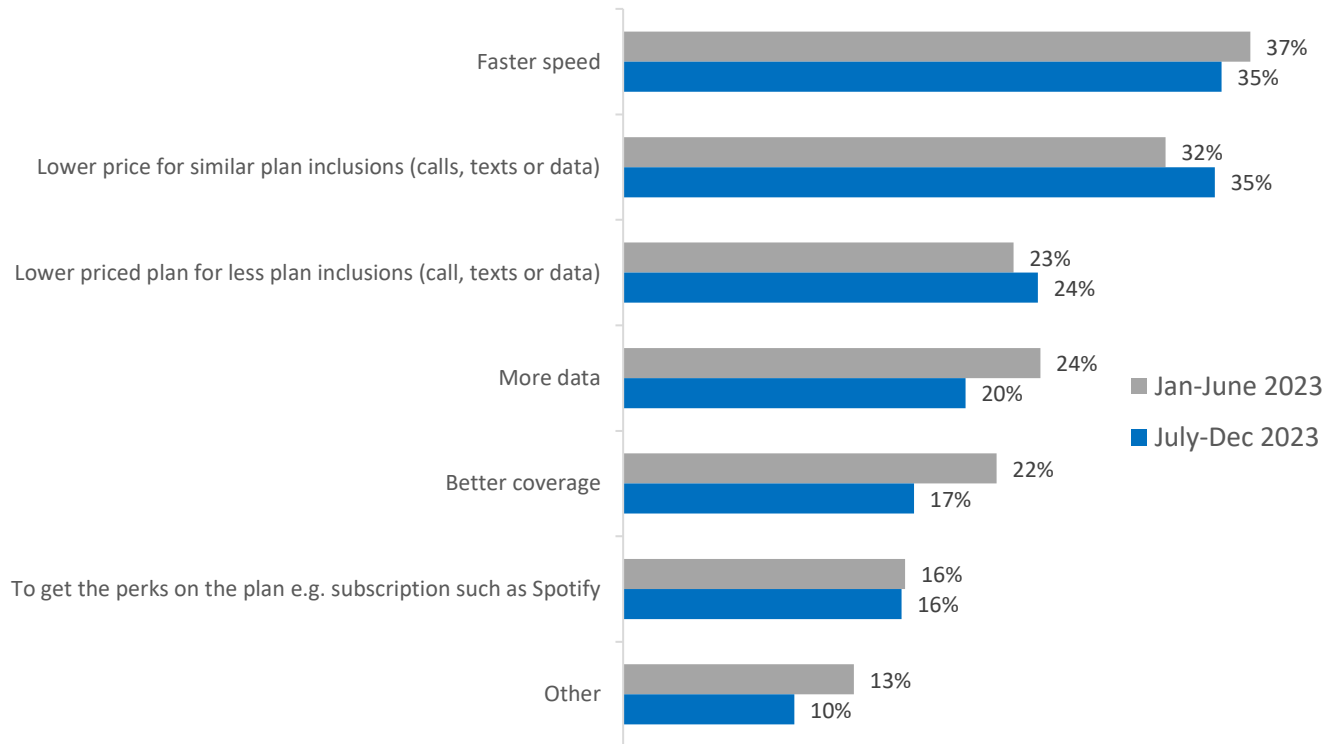
Base: Jan - June: Switched broadband plan Population=402, Switched mobile plan Population=503 - July - Dec: Base: Switched broadband plan Population=361, Switched mobile plan Population=393

Reasons for switching plans with same provider

The main reasons broadband consumers are switching is to get faster speed or lower prices for similar inclusions.



Broadband - Reasons for Switching Plans



BROADBAND CONSUMERS:

- Chose to switch their plans for 'Faster speed', 'Lower price for similar plan inclusions', and 'lower priced plan for less inclusions'.
- Younger consumers (18-34) are more likely to switch for faster speeds (52%).



Broadband consumers also told us that they switched because:

- *I downgraded from fibre to wireless broadband as my son left home and I didn't need to pay a lot extra for what didn't seem like that much more speed.*
- *Bundle of services. Power and Broadband.*
- *Lower price for slightly slower (only noticeable if you're a gamer).*
- *I'm currently in the process of getting fibre installed, so I'm going on a fibre broadband deal.*



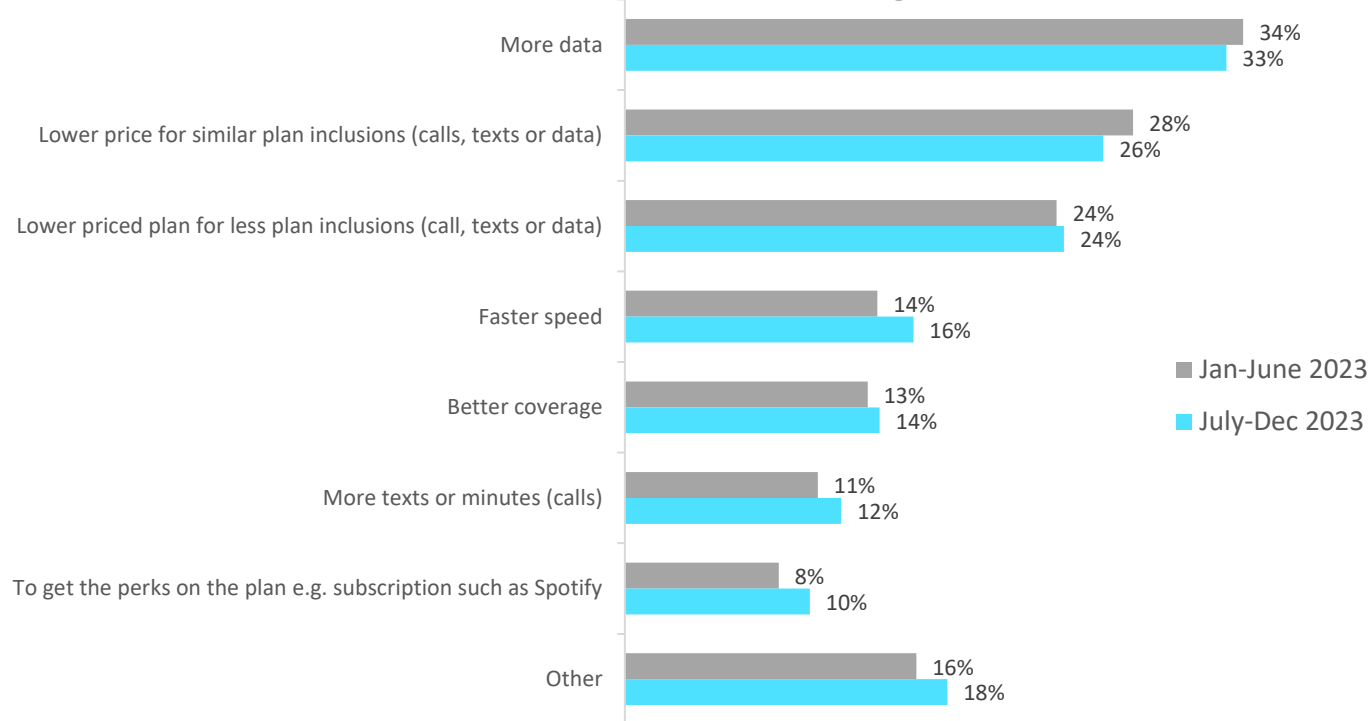
Q For which of the following reasons did you switch your broadband plan? (MR)

Reasons for switching plans with same provider

The main reasons mobile consumers are switching plans is for more data or lower prices for similar inclusions.



Mobile - Reasons for Switching Plans



MOBILE CONSUMERS:

- Switched their plan for access to 'More data', 'Lower price for similar plan inclusions', and/or a Lower price plan for less plan inclusions'.
- Males are significantly more likely than females to switch for faster speed (25% v 7%) and better coverage (21% v 8%).



Mobile consumers also told us that they switched because:

- Family package worked out cheaper than everyone else at home having their own plan.
- I didn't change it; they increased the price for the plan themselves and changed some of the mobile data allowances.
- Got a new phone so had to change from prepay to pay monthly.



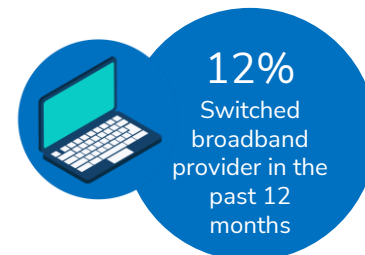
Q For which of the following reasons did you switch your broadband plan? (MR)

Switching provider

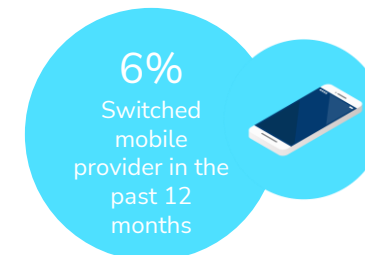
Switching provider is even less common than switching plan, with only 12% of consumers switching broadband provider and 6% switching mobile provider in the last 12 months. All areas are falling short of the 80% satisfaction benchmark.

Whilst switching is low, slightly more broadband consumers than mobile consumers have switched to a new provider.

Three quarters of both mobile and broadband consumers are satisfied with the switching process, leaving one quarter of consumers not satisfied with the process.



+2pp since Jan-Jun 2023



No change since Jan-Jun 2023



BROADBAND

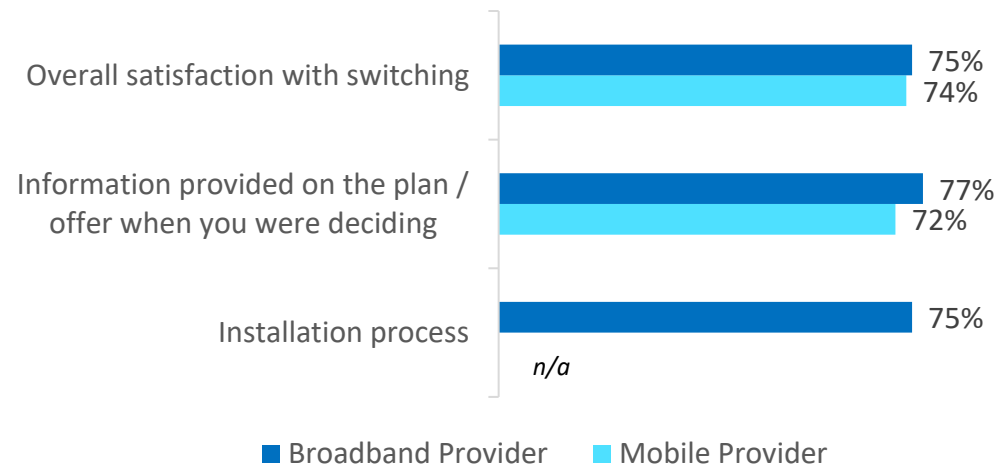
- More likely to switch providers:
 - 19% consumers aged 34-45 years
 - 15% male consumers
 - 17% Māori and Pacific Peoples



MOBILE

- More likely to switch providers
 - 11% consumers aged 18-24 years
 - 14% consumers with Chinese descent

Satisfaction with services (satisfied 7-10)



Q Overall, how satisfied or dissatisfied were you with the process of switching from [brand]? How satisfied or dissatisfied were you with the information provided on the plan / offer when you were deciding on your new provider? And how satisfied or dissatisfied were you with installation process from your new provider?

Switching provider

Satisfaction with...

Overall satisfaction with switching broadband provider has remained relatively stable, while overall satisfaction with switching mobile provider has decreased from 79% to 74%.

Broadband – Overall satisfaction

76% 75%

Jan - June 2023

July - Dec 2023

Broadband – Information provided

80% 77%

Jan - June 2023

July - Dec 2023

Broadband – Installation process

78% 75%

Jan - June 2023

July - Dec 2023

Mobile – Overall satisfaction

79% 74%

Jan - June 2023

July - Dec 2023

Mobile – Information provided

80% 72%

Jan - June 2023

July - Dec 2023

BROADBAND

Those aged 18-34 years saw a 10 pp decrease in their overall satisfaction with the switching process, while those aged 35-44 saw a 9 pp increase in satisfaction.



MOBILE

Those aged 45+ years saw a 9 pp decrease in their overall satisfaction with the switching process, but remained stable with satisfaction with the information provided. That decrease was driven by those aged 18 – 44 years.



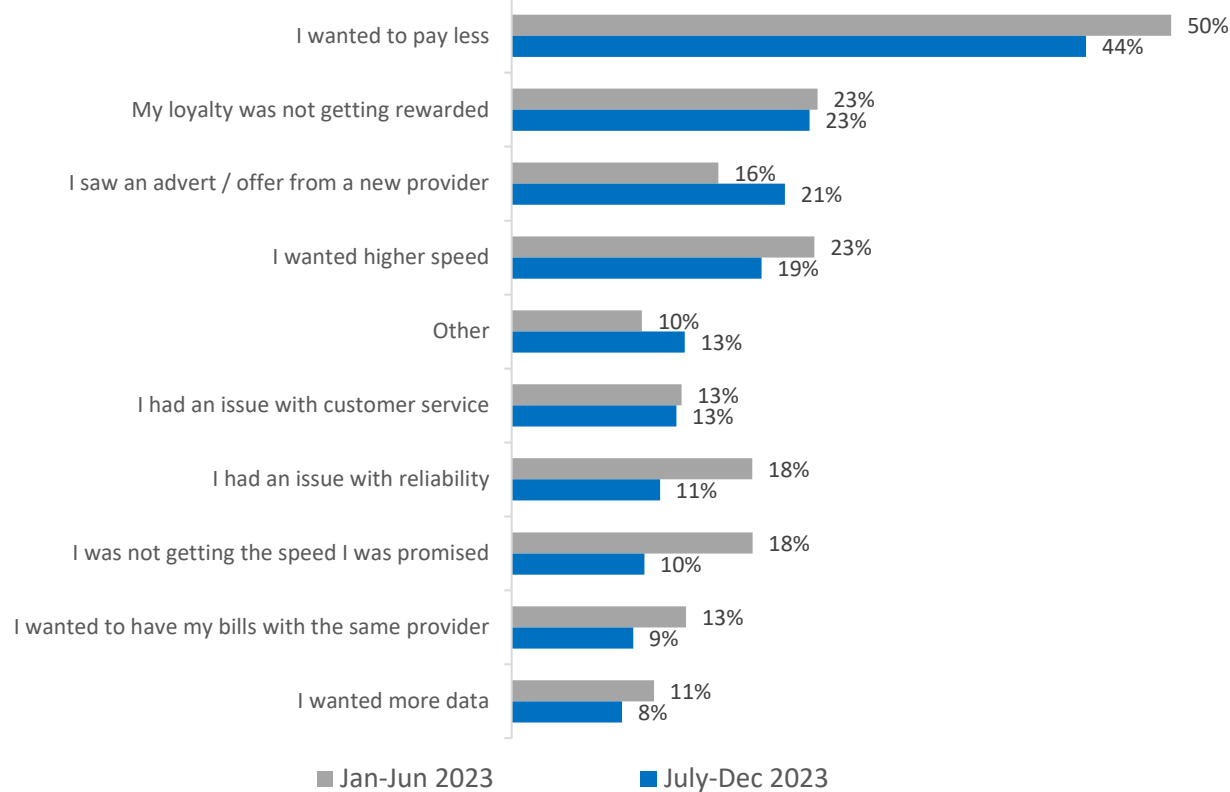
Q Overall, how satisfied or dissatisfied were you with the process of switching from [brand]? How satisfied or dissatisfied were you with the information provided on the plan / offer when you were deciding on your new provider? And how satisfied or dissatisfied were you with installation process from your new provider?

Reasons for leaving provider

Paying less is the main drivers of consumers leaving their broadband provider.



Broadband - Reasons for Leaving Provider



BROADBAND CONSUMERS:

- 44% of consumers left their provider because they wanted to pay less.
- Many other comments were about their previous provider being sold so they had to change.



Broadband consumers also told us that they left because:

- *They kept billing me for the wrong amount, also sending bill through email after the pay by date, thus incurring a late payment fee.*
- *They were cutting our unlimited service we had with them so they pushed us to their sister company.*
- *I didn't, they sold their customers to [provider].*



Q For which of the following reasons did you start looking to switch from [previous supplier]? (MR)

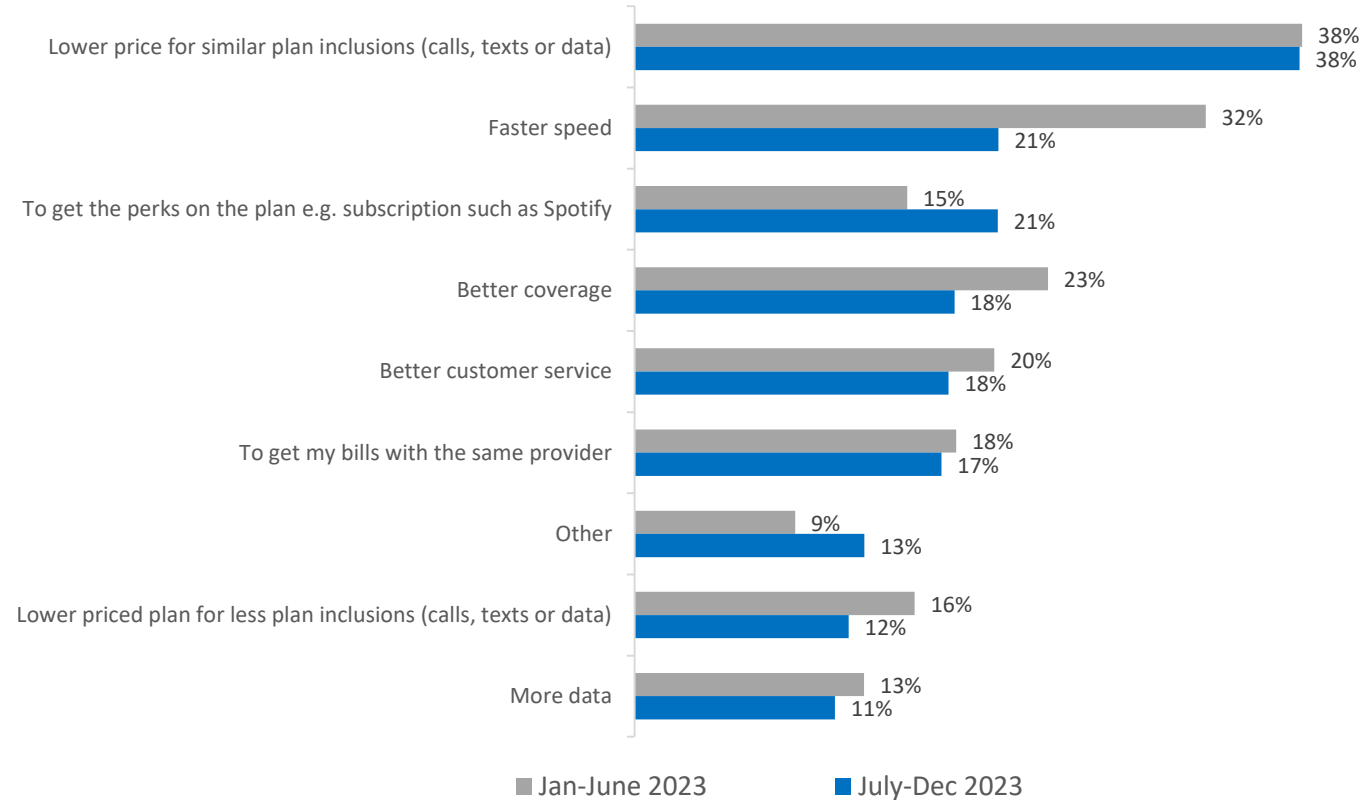
Base: Jan-Jun: Switched broadband provider Population=259, Jul-Dec: Switched broadband provider Population=244; excl. those who have switched from 'other' provider

RESIDENTIAL
TENURE & SWITCHING

Reasons for going to new provider

When choosing a new broadband provider, consumers are mainly influenced by lower prices for similar inclusions, followed by faster speed, though this has seen a decrease since the Jan-June 2023.

Broadband - Reasons for Going to new provider



BROADBAND CONSUMERS:

- Again, 'lower priced plan with similar plan inclusions' continues to be the top reason for going to a new provider. There has been a decrease in those moving to get faster speed and better coverage.



Broadband consumers also told us that they went to a new provider because:

- *They took over from my old provider. I had no choice.*
- *Of the options available it had the best combination of pricing and customer service.*
- *Gold card discount with package.*
- *Was already with them for electricity and they offered a better deal than [previous provider].*



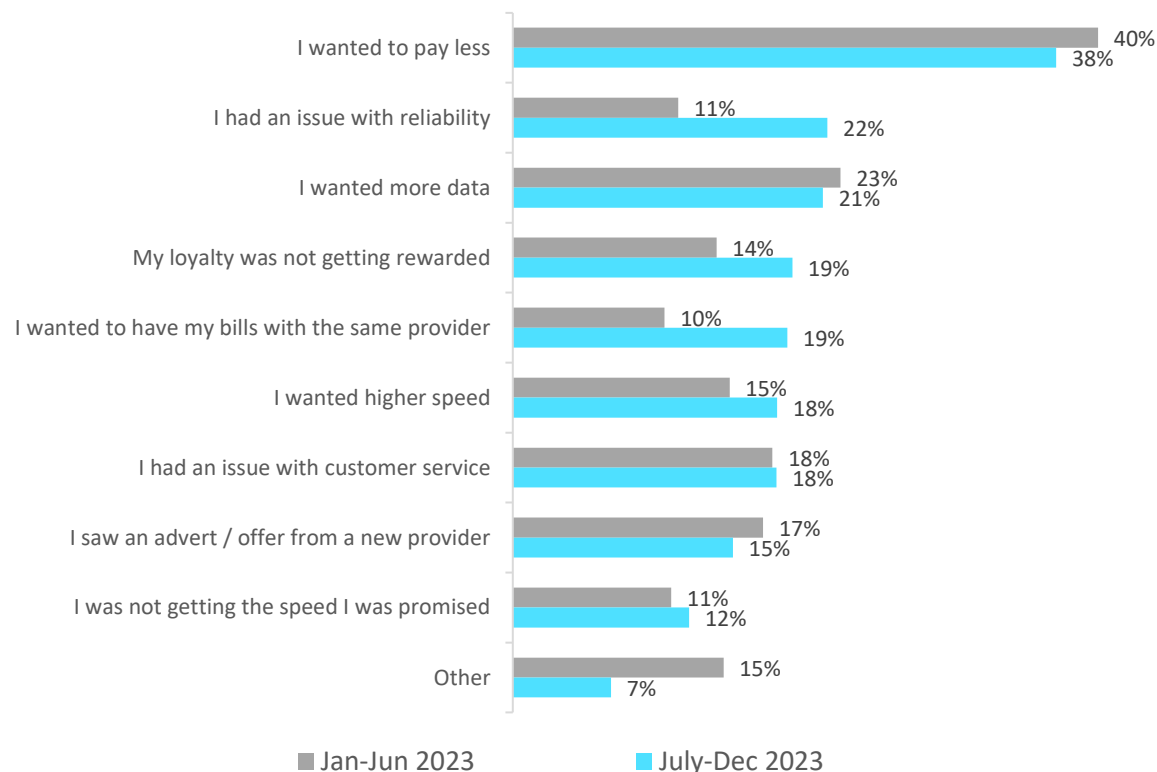
Q And for which of the following reasons did you choose to switch to [brand]? (MR)

Base: Jan-Jun: Switched broadband provider Population=259, Jul-Dec: Switched broadband provider Population=244; excl. those who have switched from 'other' provider

Reasons for leaving provider

The main reason consumers leave their mobile provider is because they want to pay less.

Mobile - Reasons for Leaving Provider



MOBILE CONSUMERS:

- 38% of consumers who left their provider did so because they wanted to pay less.
- We have seen a significant increase in those leaving due to having issues with reliability.



Mobile consumers also told us that they left because:

- *Wanted to buy a new phone.*
- *To get half price Spotify premium.*
- *They raised their prices.*
- *[Provider] didn't offer e-sims.*



RESIDENTIAL

TENURE & SWITCHING

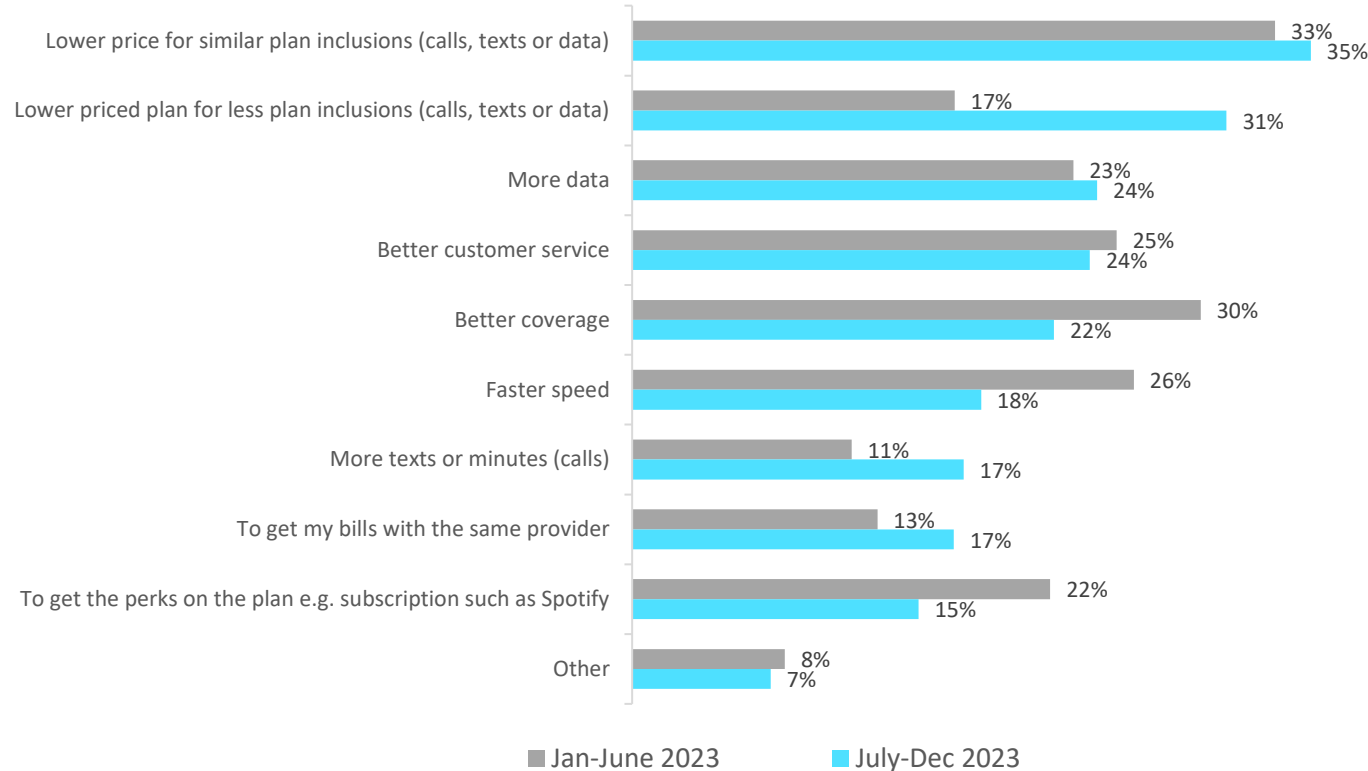
Q For which of the following reasons did you start looking to switch from [previous supplier]? (MR)

Base: Jan-Jun: Switched mobile provider Population=178. Jul-Dec: Switched mobile provider Population=146; excl. those who have switched from 'other' provider

Reasons for going to new provider

When choosing a new mobile provider, consumers are mainly influenced by lower prices for similar inclusions, however, there has been a large increase in those moving to a lower priced plan for less inclusions.

Mobile - Reasons for Going to new provider



MOBILE CONSUMERS:

- While 'lower priced plan with similar plan inclusions' continues to be the top reason for going to a new provider, 'Lower priced plan for less plan inclusions (calls, texts or data)' has seen a significant increase and moves into second.



Mobile consumers also told us that they went to a new provider because:

- *Was able to buy a phone and pay it off over a 36-month period.*
- *To make use of their daily spin a deal offers but it has been disappointing.*
- *I needed to get What's App.*
- *Their deals looked very reasonable.*



Q And for which of the following reasons did you choose to switch to [brand]? (MR)

Base: Jan-Jun: Switched mobile provider Population=178. Jul-Dec: Switched mobile provider Population=146; excl. those who have switched from 'other' provider



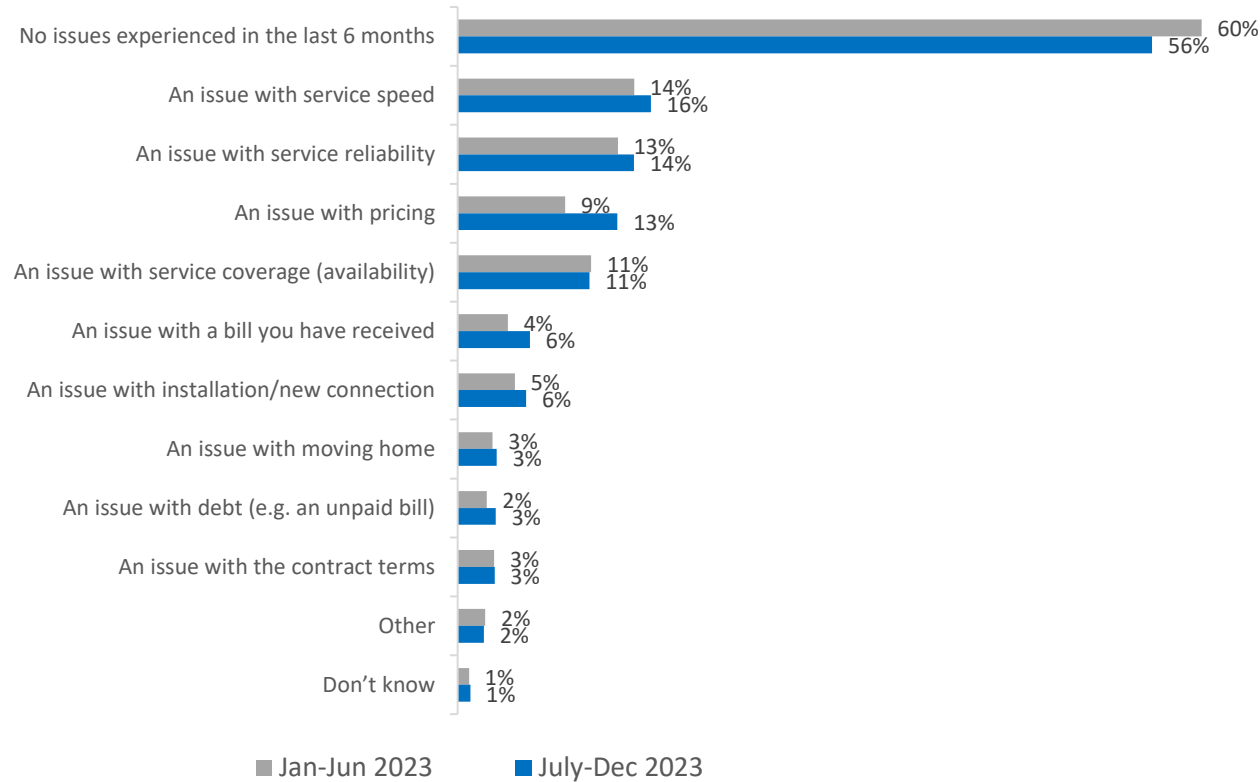
04

Issues and Response

Issues

41% of consumers have had issues with their broadband services in the last six months.

Broadband - Issues



BROADBAND CONSUMERS:

- The biggest increase was with issues with pricing which increased from 9% to 13%
- Main issues are:
 - 16% service speed
 - 14% service reliability
- Consumers aged 18-34 years are the most likely to experience issues (54%) with 22% of them having issues with service speed.

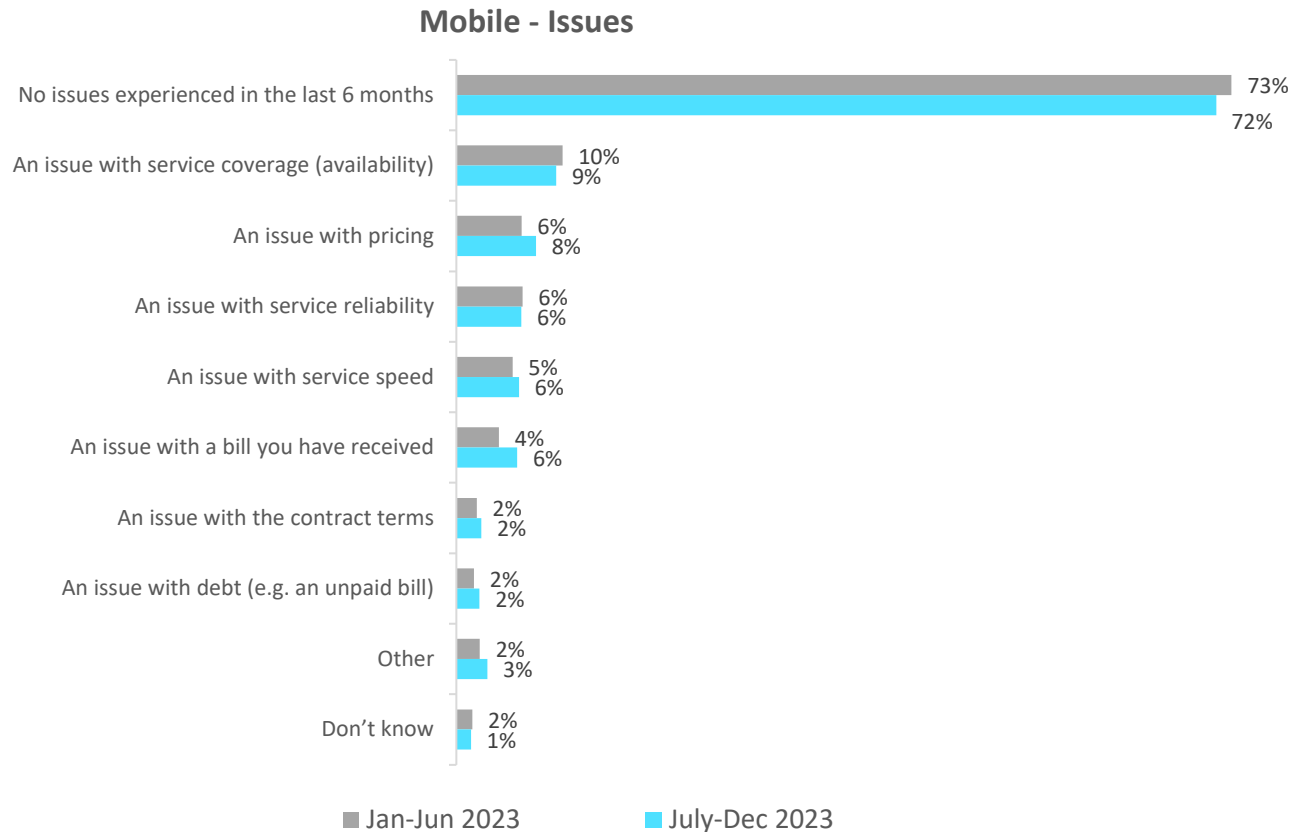
RESIDENTIAL

ISSUES & RESPONSE

Q In the last 6 months, have you experienced any of the following issues with your broadband internet/mobile service? (MR)

Issues

27% of consumers have had issues with their mobile services in the last six months.



MOBILE CONSUMERS:

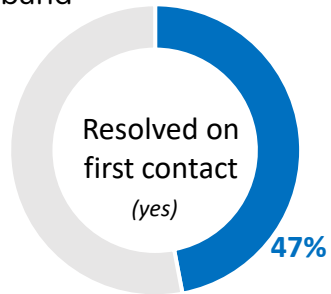
- 27% have had issues with their mobile services
- Main issues are:
 - 9% service coverage
 - 8% pricing
 - 6% service reliability
- Consumers aged 18-34 years are the most likely to experience issues (35%).
- Consumers aged 45-64 years are the least likely to experience issues (20%).

Q In the last 6 months, have you experienced any of the following issues with your broadband internet/mobile service? (MR)

Issue response

Around half the issues are not solved on first contact for mobile and broadband consumers, with many consumers also feeling dissatisfied with the speed of resolution and helpfulness and knowledge of staff. All areas are falling well short of the 80% satisfaction benchmark.

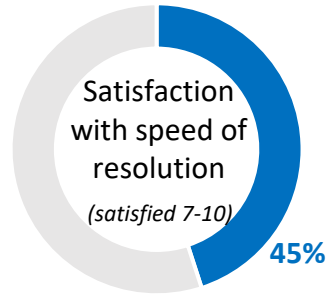
Broadband



-3pp since Jan-Jun 2023

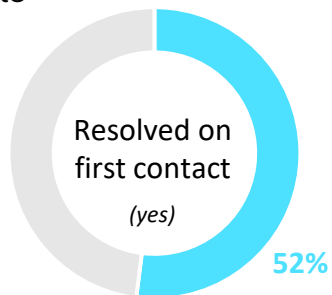


No change since Jan-Jun 2023

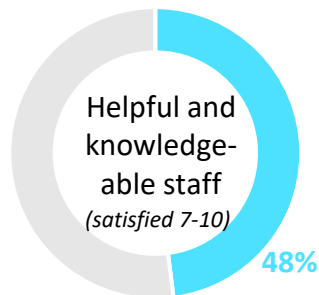


-7pp since Jan-Jun 2023

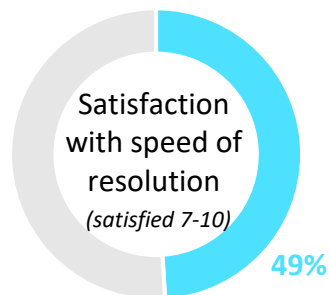
Mobile



-1pp since Jan-Jun 2023



-5pp since Jan-Jun 2023



-3pp since Jan-Jun 2023

BROADBAND CONSUMER ISSUES:



- More likely to be solved on first contact:
 - 64% debt (down from 81% in Jan-Jun 2023)
 - 62% contract terms (down from 70% in Jan-Jun 2023)
- Least likely to be solved on first contact:
 - 39% service reliability
 - 42% service coverage

MOBILE CONSUMER ISSUES:



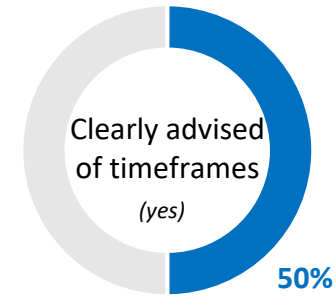
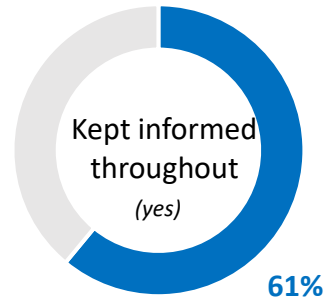
- More likely to be solved on first contact:
 - 62% debt (up from 58% in Jan-Jun 2023)
 - 60% service speed (down from 66% in Jan-Jun 2023)
- Least likely to be solved on first contact.
 - 44% issues with pricing (up from 39% in Jan-Jun 2023)
 - 45% service coverage (down from 51% in Jan-Jun 2023)

Q How satisfied were you with how long it took to resolve the issue? How helpful and knowledgeable were their staff with the query/issue you had? / Was this issue resolved on the first contact?

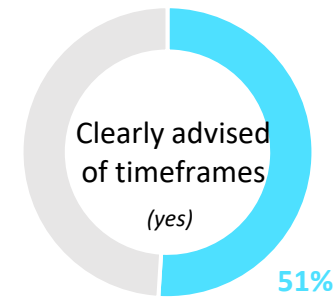
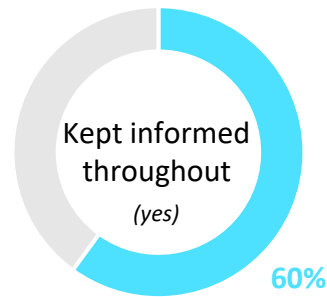
Issue communication

Amongst those consumers who experience an issue, many are not being kept well informed throughout the process with 40% not receiving updates and 50% unclear of the timeframe for resolution.

Broadband



Mobile



Q Were you kept informed throughout the resolution process for this issue? Were you clearly advised of timeframes to resolve this issue?



05

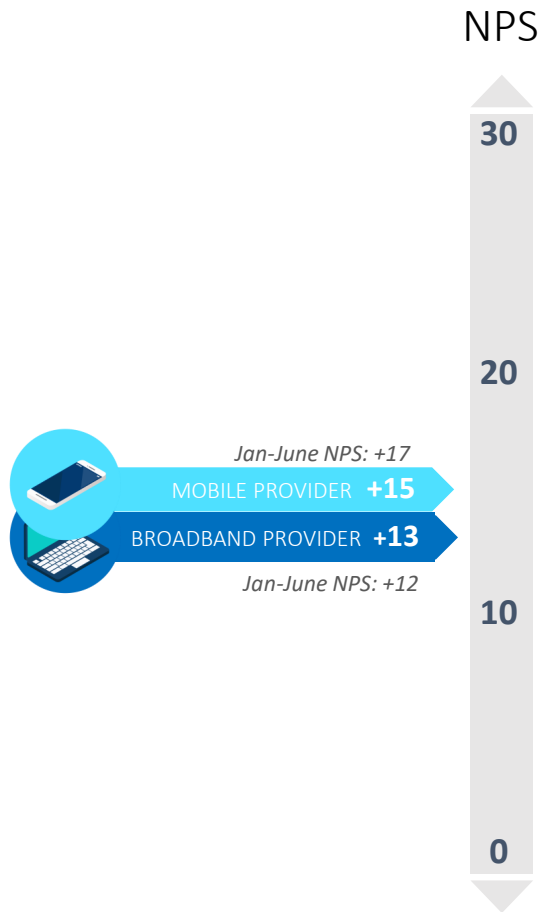
SME Insights

06

NPS and Satisfaction

Net Promoter Score (NPS)

Mobile and broadband providers post a positive NPS, however both are below the favourable threshold of +20.



NPS for both mobile and broadband is below the favourable threshold of +20.

Mobile providers rank above broadband providers in NPS among SME. A large portion of SMEs are passives indicating that making small improvements could shift the needle in boosting NPS for both categories.

BROADBAND SMES:



Lower NPS:

- 10 Agriculture, Forestry and Fishing (down 4 pts since Jan-June)
- 0 Rental, Hiring & Real Estate Services (down 6 pts since Jan-June)

Higher NPS:

- +39 – Financial and Insurance Services (up 23 pts since Jan-June)
- +31 – SME with \$1m+ revenue (up 8 pts since Jan-June)

MOBILE SMES:



Lower NPS:

- 15 Agriculture, Forestry and Fishing (up 3 pts since Jan-June)
- 6 Healthcare and Social Assistance (down 17 pts since Jan-June)

Higher NPS:

- +43 – Financial and Insurance Services (up 22 pts since Jan-June)
- +39 – Arts and Recreational Services (down 6 pts since Jan-June)
- +25 – SME with \$1m+ revenue (down 3 pts since Jan-June)

NPS measures the loyalty of customers to a company, based on their ratings on a 0-10 scale, customers are classified into three categories: Promoters (9-10), Passives (7-8), Detractors (0-6). NPS is then calculated using the following formula: $NPS = (\text{Percentage of Promoters} - \text{Percentage of Detractors})$.

NPS scores range from -100 (all customers are detractors) to +100 (all customers are promoters). Bain & Co, the creators of the NPS metric, consider a score above 20 is favourable, above 50 is excellent, and above 80 is world class.

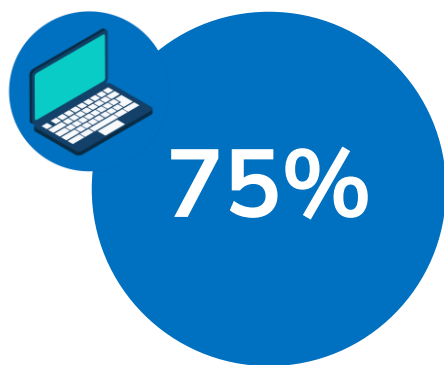
Q Considering your experience with your provider, how likely would you be to recommend them to a contact or colleague? (Scale 0-10)

Overall satisfaction

Neither Broadband or Mobile SME consumers achieve the favorable benchmark of 80%.

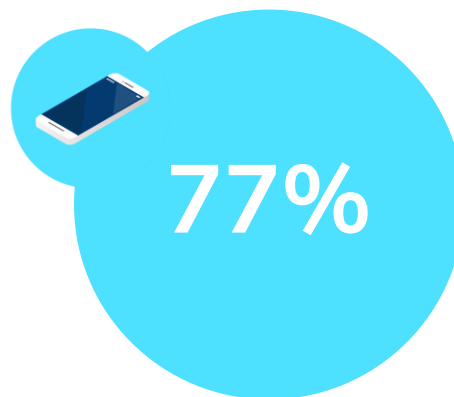
Overall satisfaction is below the 80% benchmark for SMEs across both broadband and mobile.

BROADBAND PROVIDER



(satisfied 7-10)

MOBILE PROVIDER



(satisfied 7-10)

Broadband SMEs:

- Higher levels of satisfaction for those in:
 - 87% Manufacturing
 - 82% Arts and Recreation
 - 82% Financial and Insurance Services
 - 88% SMEs with revenue of \$1m+

Mobile SMEs:

- Highest level of satisfaction with their mobile provider.
 - 90% Manufacturing
 - 88% Arts and Recreation
 - 87% Financial and Insurance Services
 - 86% SMEs with revenue of \$2m+

Q Overall, how satisfied or dissatisfied are you with your provider for your broadband/mobile service for your business? Please take into account their products and services, as well as your experience of dealing with them. (Scale 0-10).

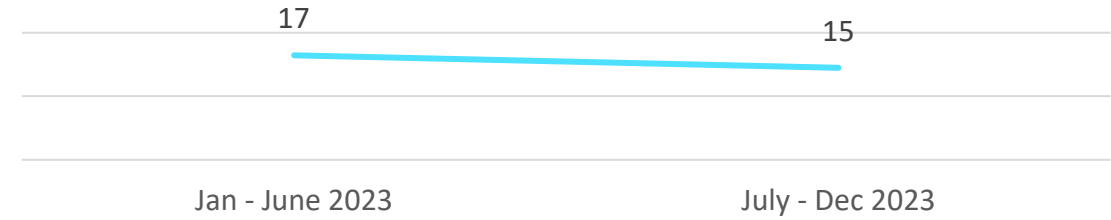
NPS and Satisfaction trended

We have only seen small shifts in NPS and satisfaction among SME customers.

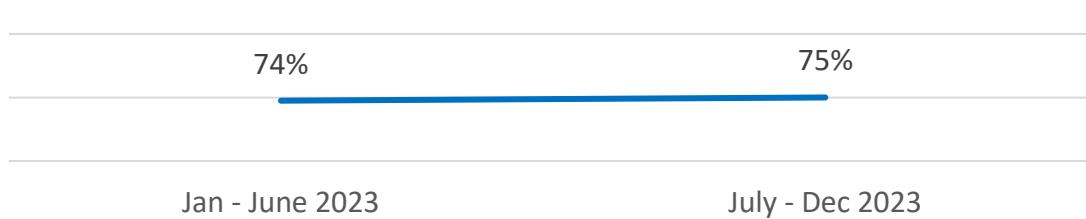
Broadband - NPS



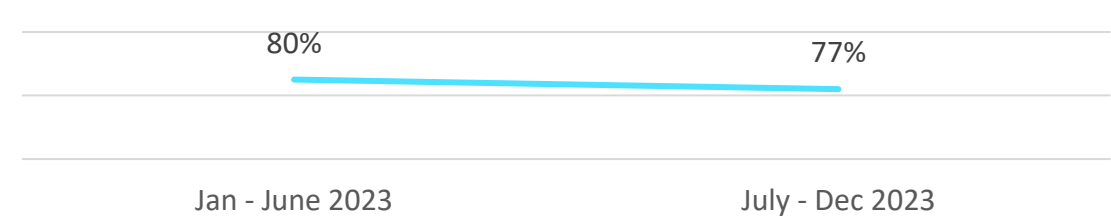
Mobile - NPS



Broadband – Overall satisfaction



Mobile – Overall satisfaction



BROADBAND

The largest increase in NPS is seen in Financial and Insurance Services, increasing from +16 to +39 and Information Media and Telecommunications from +2 to +24.



MOBILE

The largest increase in NPS is seen in Financial and Insurance Services, increasing from +22 to +43.

SME

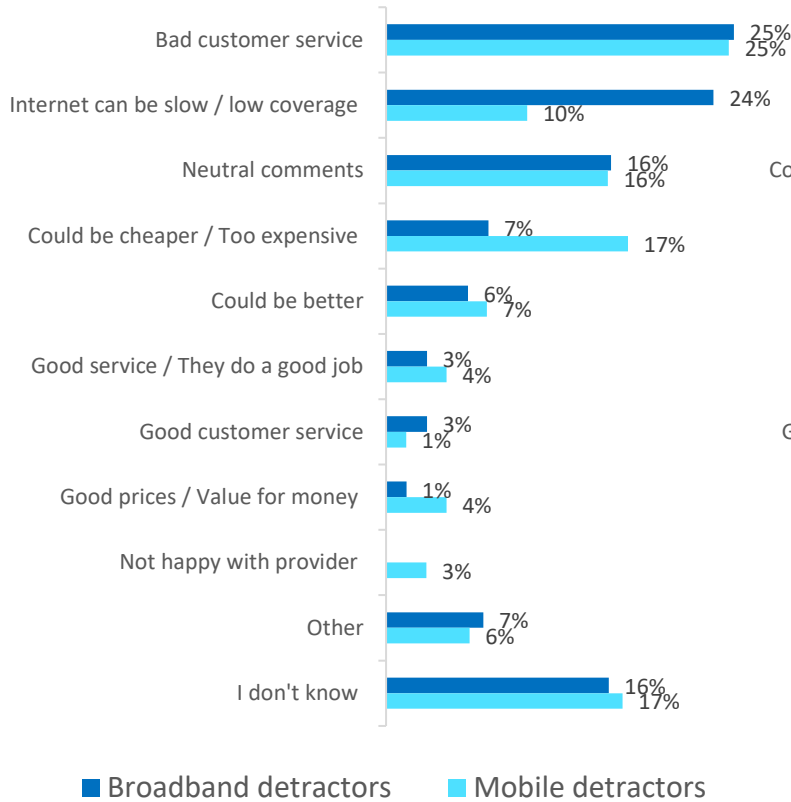
NPS & SATISFACTION

Q Overall, how satisfied or dissatisfied are you with your provider for your broadband/mobile service for your business? Please take into account their products and services, as well as your experience of dealing with them. (Scale 0-10).

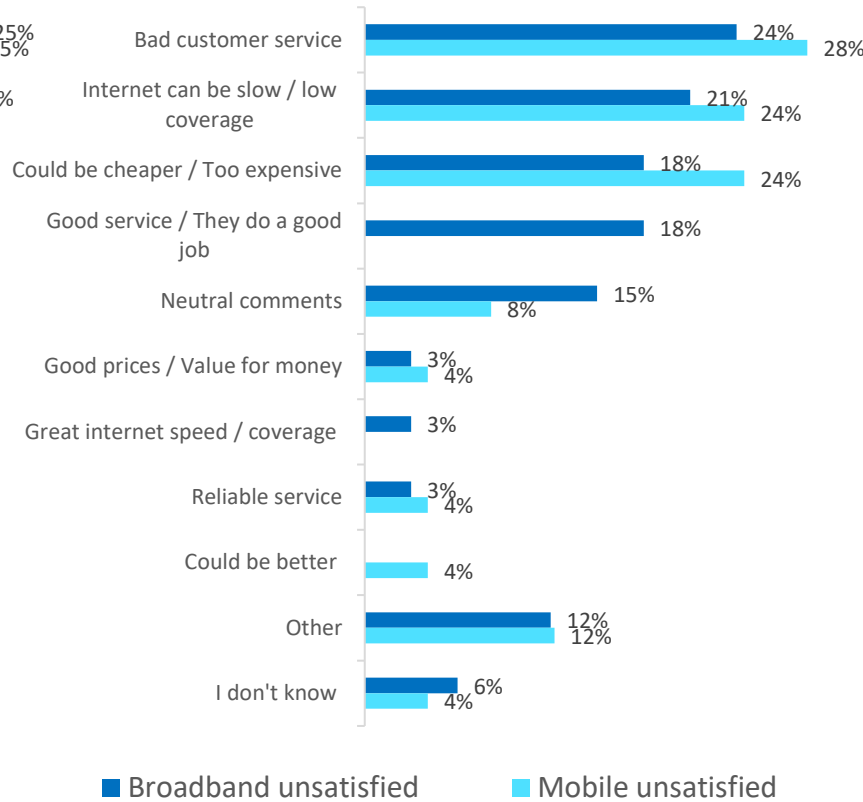
NPS and Satisfaction negative reasons

Reasons for dissatisfaction among SMEs is around bad customer service and bad internet coverage.

NPS Detractors (0-6) - Why?



Overall low satisfaction (0-4) - Why?



- Because their customer service could improve but prices are decent. – broadband
- We have no problems with the connection since switching, but the customer service isn't great – broadband
- Product is great customer service is terrible – mobile
- Good products, customer service call centre is hopeless (overseas) - mobile
- Because sometimes [provider] internet is very slow and causes me to lose a lot of money. – broadband
- Frequent broadband cuts lately but very fast when it works. – broadband
- They are great but a little bit unreliable with frequency drop offs. – broadband
- It's always dropping out and is expensive. – broadband
- The only issue I have there are a lot of spots in Auckland where my data drops off. – mobile
- Their customer service is poor. Their coverage drops out often. But their pricing keeps me coming back. –mobile
- The internet is not the fastest on [provider] however the pricing is minimal. - mobile

Q Why did you score this way?

Base: November/December 2023 Ad-hoc question: Broadband detractors population=69, Mobile detractors population=68, Broadband unsatisfied population=34*, Mobile unsatisfied population=49.
 *Some base sizes are low so please interpret the data with caution



Satisfaction with services

SMEs are more satisfied with coverage and availability than pricing and customer service, however there is room for improvement across all service areas as no areas meet the 80% benchmark.

Satisfaction follows a similar trend across both mobile and broadband, with both more satisfied with the coverage and availability offered by their provider than with other areas.

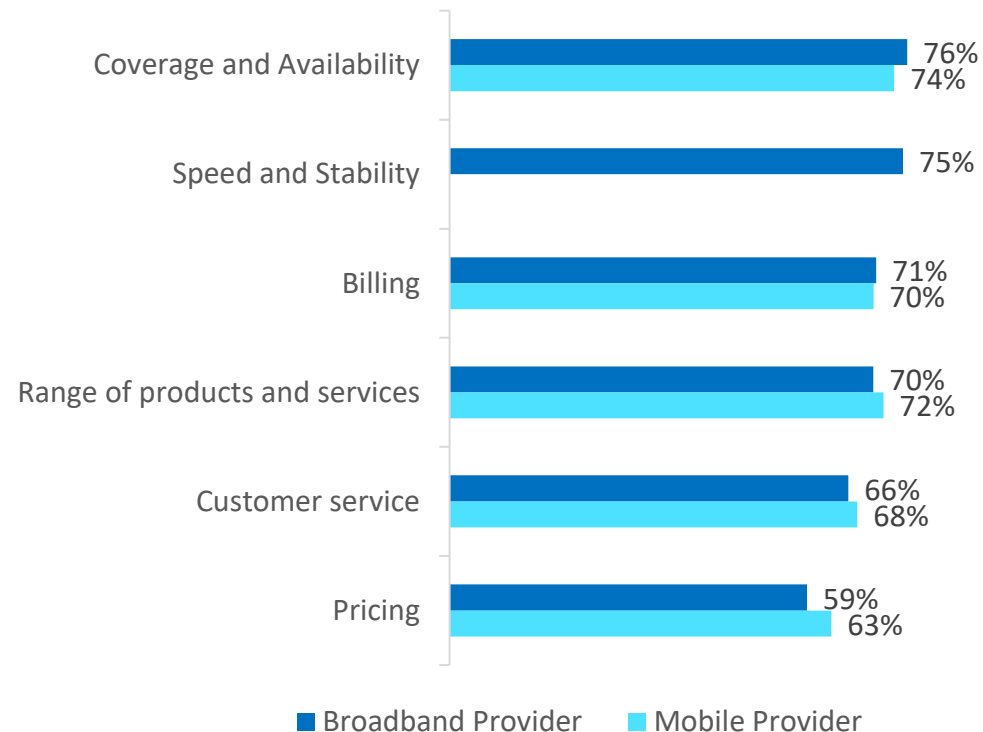
Pricing and customer service are the two least satisfied aspects among mobile and broadband SME consumers, and are well below the benchmark of 80%.

SMEs with a revenue of over \$1m were more satisfied in all areas compared to the average

- **Coverage and Availability:** broadband 87%, mobile 85%
- **Speed and Stability:** broadband 87%
- **Billing:** broadband 85%, mobile 82%
- **Range of products and services:** broadband 83%, mobile 83%
- **Customer service:** broadband 73%, mobile 76%
- **Pricing:** broadband 70%, mobile 70%



Satisfaction (satisfied 7-10)



SME

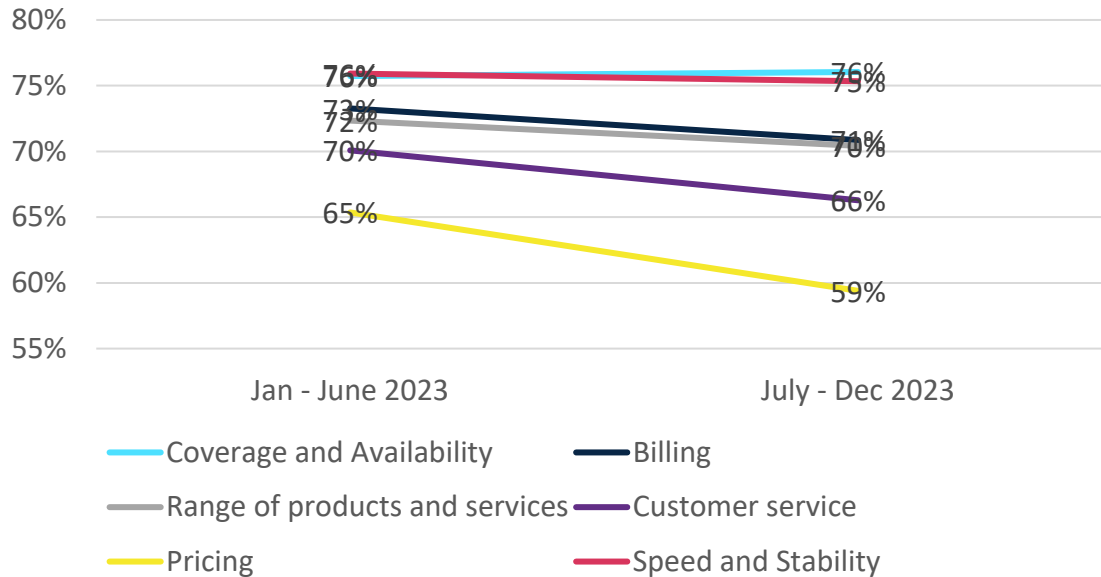
NPS & SATISFACTION

Q How satisfied or dissatisfied you are with your provider for your broadband/mobile service for your business in relation to the following aspects? (MR)

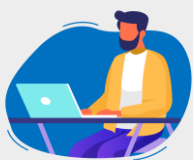
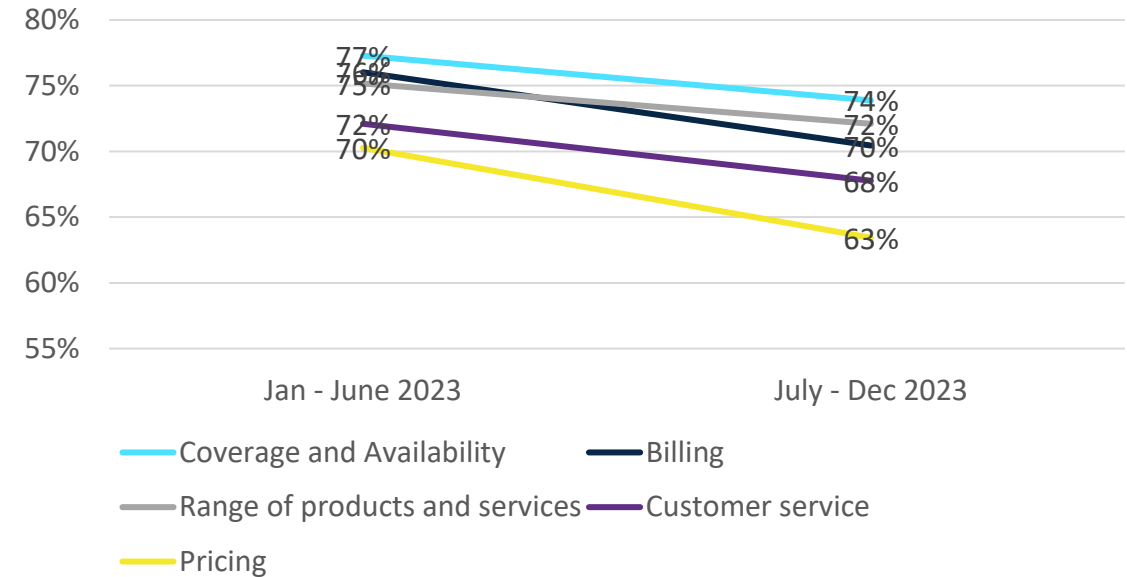
Satisfaction trended

There has been decreases in almost all areas since the Jan-June period. Satisfaction with pricing has seen the biggest decrease across both broadband and mobile among SME consumers.

Broadband



Mobile



BROADBAND

The largest decreases overall were seen in Agriculture, Forestry and Fishing, Construction and Administrative and Support Services. The largest decrease for pricing was seen in the Construction industry going from 71% to 52%.



MOBILE

The largest decreases overall were seen in Administrative and Support Services and Rental, Hiring and Real Estate Services. The largest decrease for pricing was seen in the Professional, Scientific and Technical Services industry going from 79% to 61%.

Q How satisfied or dissatisfied you are with your provider for your broadband/mobile service for your business in relation to the following aspects? (MR)

07

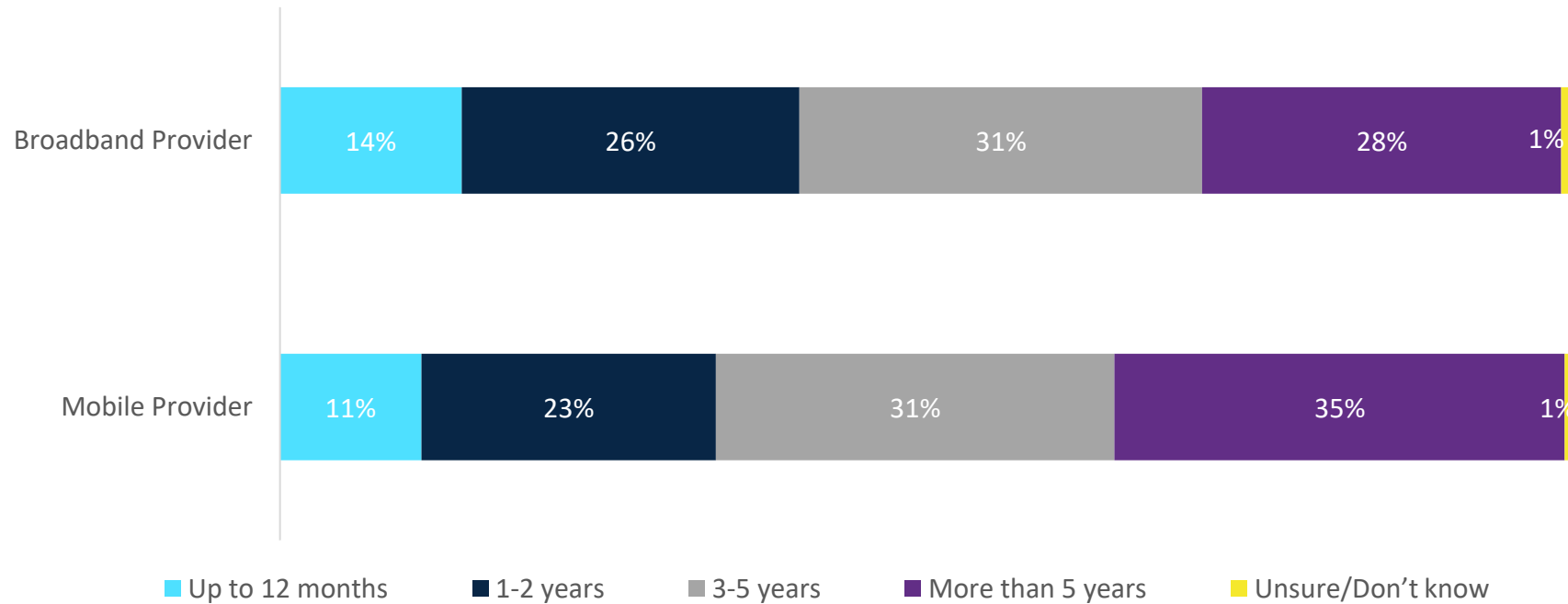
Tenure and Switching Behaviour

Tenure

Over one third of SMEs have been with their current broadband and mobile provider(s) for 3-5 years.

SME consumers have been with their mobile provider for longer compared to how long they have been with their broadband provider.

- 40% of SMEs have been with their broadband provider for less than 2 years.
- 34% of SMEs have been with their mobile provider for less than 2 years.



- SME mobile consumers operating in Professional, Scientific and Technical Services have been with their provider for a longer length of time than average, with only 22% having been with their current provider for less than 3 years.

- Higher revenue SMEs (over \$2m) stay longer with both their providers:
 - 82% mobile 3+ years
 - 80% broadband 3+ years



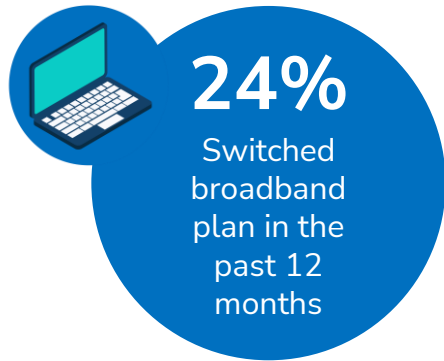
Q About how long has the business/company you work for been a customer of your broadband/mobile service provider?

Base: Broadband customers n=872, mobile customers n=900

Switching plans with same provider

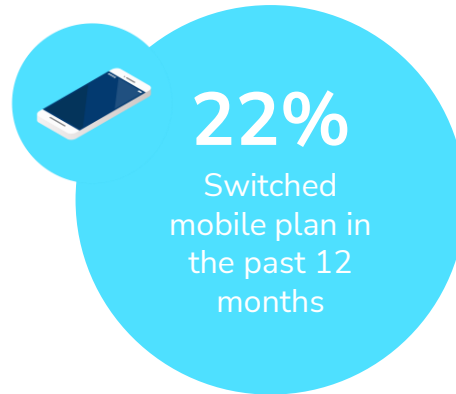
Almost one quarter of SMEs have switched their broadband and/or mobile plan with their provider in the past 12 months. Neither mobile nor broadband hit the 80% overall satisfaction with switching plans benchmark.

BROADBAND PROVIDER



(satisfied 7-10)
+1pp since Jan-Jun 2023

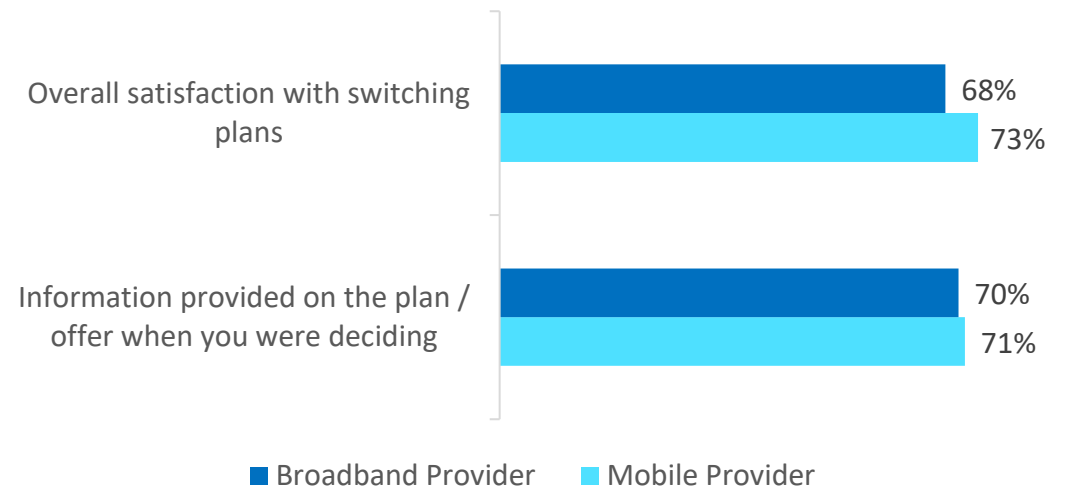
MOBILE PROVIDER



(satisfied 7-10)
-3pp since Jan-Jun 2023

- SMEs are more likely to change either or both their broadband and mobile plan compared to residential consumers.
- Around a quarter of SMEs have changed their broadband or mobile plan over the past 12 months.

Satisfaction with switching plans (satisfied 7-10)



Q In the last 12 months, have you changed a plan relating to your mobile or broadband plans?
Overall, how satisfied or dissatisfied were you with the process of changing your Broadband/Mobile plan?
And how satisfied or dissatisfied were you with the information provided on the plan / offer when you were deciding on your new Broadband/Mobile plan?

Switching plans with same provider

Satisfaction with...

Overall satisfaction with switching and satisfaction with information provided have seen decreases across the board, though not at the same level as residential.

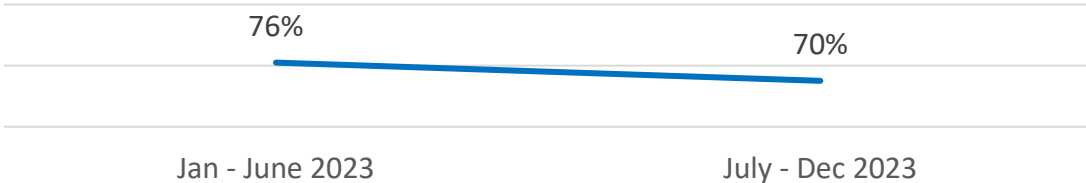
Broadband – Overall satisfaction with switching plans



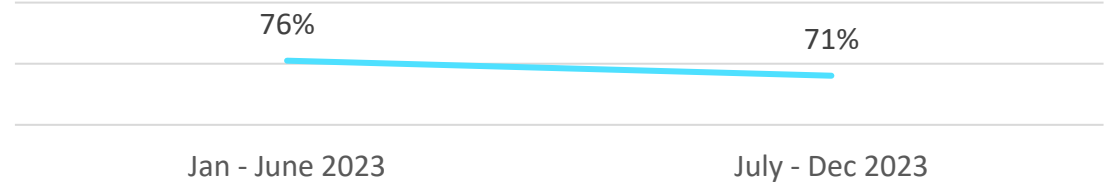
Mobile – Overall satisfaction with switching plans



Broadband – Information provided



Mobile – Information provided

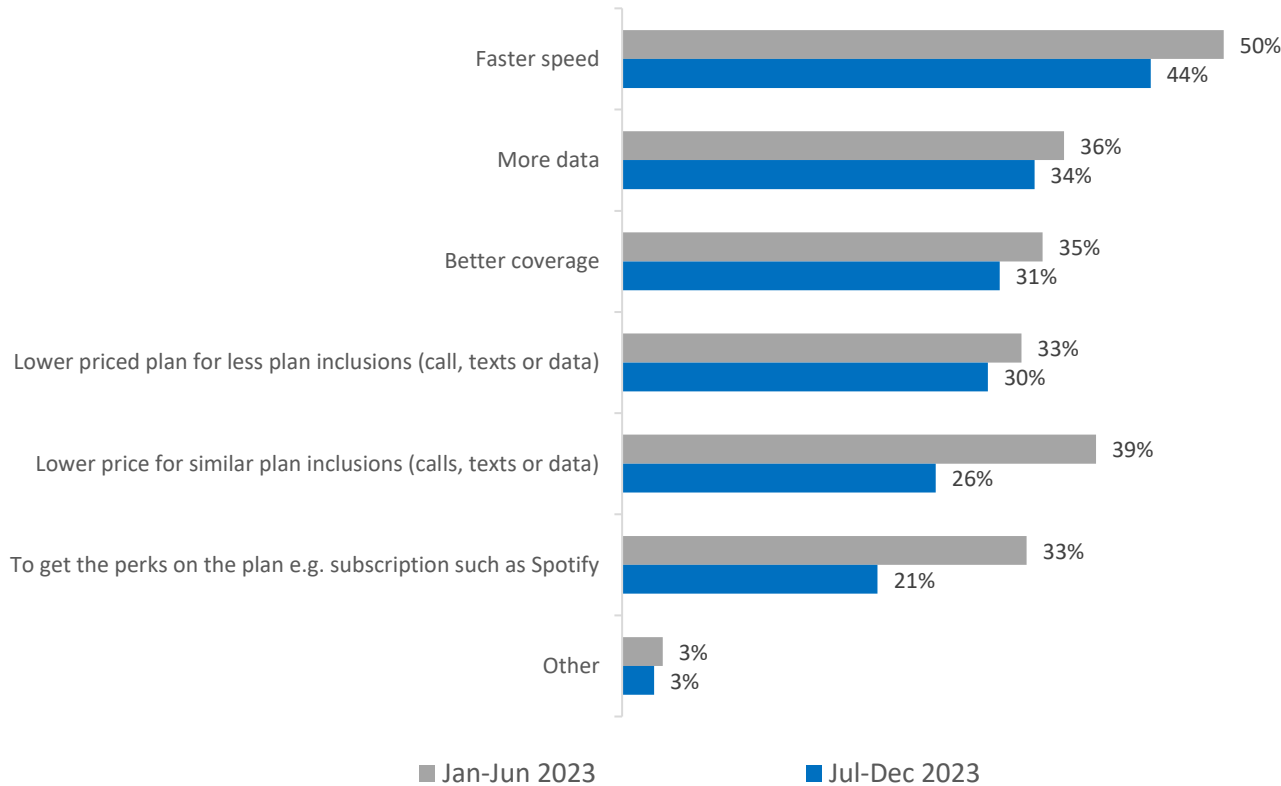


Q In the last 12 months, have you changed a plan relating to your mobile or broadband plans?
Overall, how satisfied or dissatisfied were you with the process of changing your Broadband/Mobile plan?
And how satisfied or dissatisfied were you with the information provided on the plan / offer when you were deciding on your new Broadband/Mobile plan?

Reasons for switching plan

The main reason for SMEs switching broadband plans is to get faster speed and more data. We have seen decreases in those SMEs who are switching to a lower priced plan with similar inclusions or to get the perks on the plan.

Broadband - Reasons for Switching Plans



BROADBAND SMES:

- Faster speed broadband was also the top reason for switching plans among SME consumers.
- It has seen a slight decrease to 44% in Jul-Dec 2023, from 50% in Jan-Jun 2023,



Broadband SME also told us that they switched because:

- *Failure to provide existing service.*
- *To get a bundled plan for electricity and broadband.*
- *The copper lines are not being serviced.*
- *Terrible customer service from [provider]*



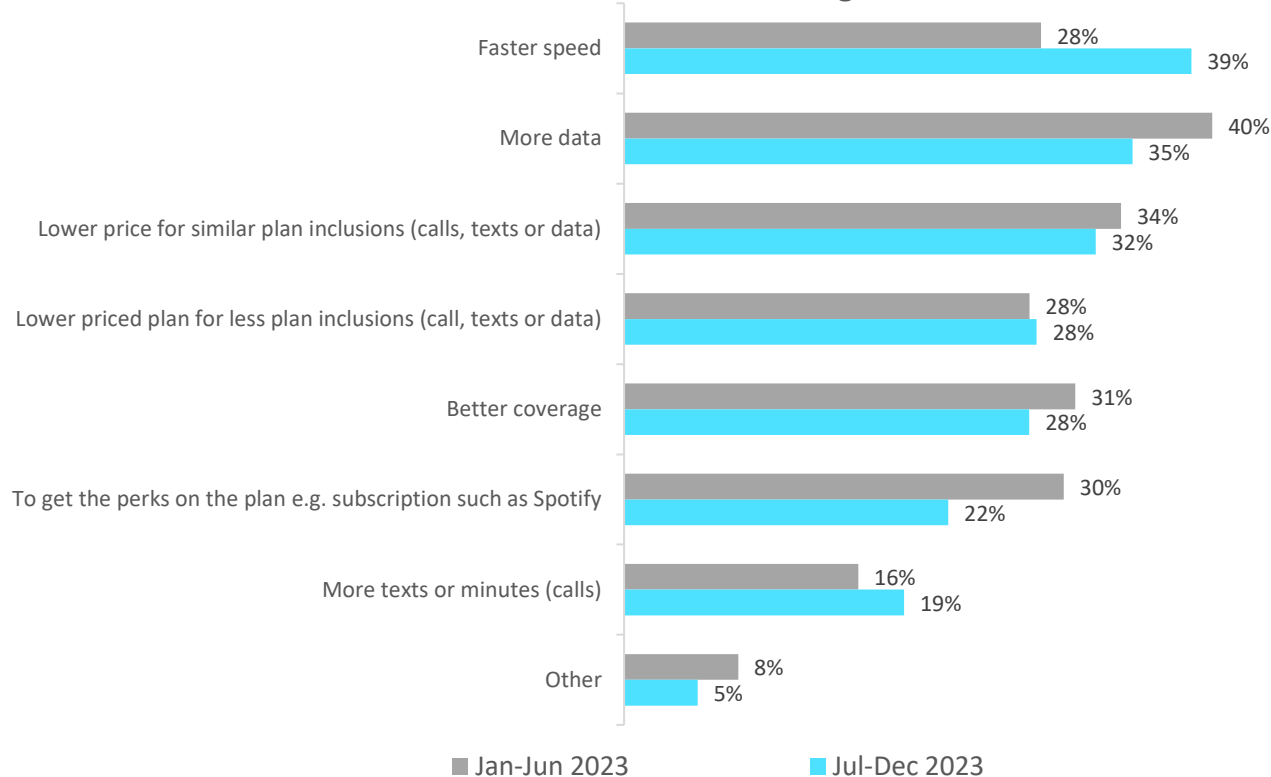
Q For which of the following reasons did the business/company you work for switch your broadband plan? (MR)

Reasons for switching plan

The main reason for SMEs switching mobile plans is to get faster speed and more data, though the faster speed has increased from 28% in Jan-June to 39% in July-Dec .



Mobile - Reasons for Switching Plans



MOBILE SMES:

- Switching mobile plans to get faster speeds is much higher among SME than among residential consumers. It has also seen an increase from 28% in Jan-June 2023 to 39% in Jul-Dec 2023.



Mobile SME also told us that they switched because:

- Plan we were on ended.
- [Provider] adjusted some of its plans and reallocated us, and then I changed them after that to be better suited to specific people (added perks etc).
- Free roaming in Australia.
- Current plan no longer existed.



Q For which of the following reasons did the business/company you work for switch your mobile plan? (MR)

Switching provider

Switching provider for SMEs is low, and around one quarter of switchers have not been satisfied with the process. No area is meeting the 80% satisfaction benchmark.

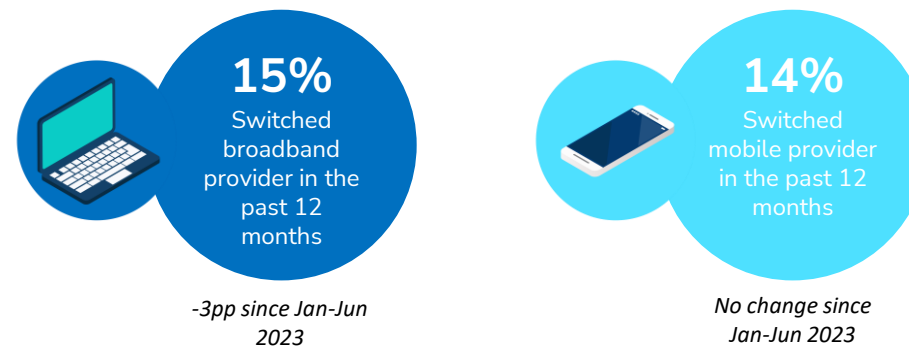
Switching providers is higher for SMEs than residential consumers.

Mobile SMEs:

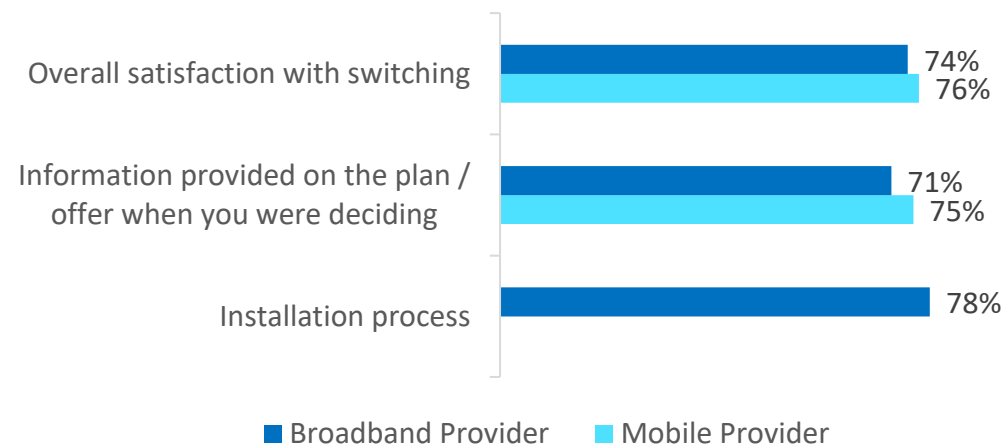
- More likely to switch providers:
 - 43% Transport, Postal and Warehousing industry
 - 30% Financial and Insurance Services
 - 21% SME with 20-49 employees
- Less likely to switch providers:
 - 5% SME operating for 10+ years

Broadband SMEs:

- More likely to switch providers:
 - 33% Transport, Postal and Warehousing industry
 - 25% Financial and Insurance Services
 - 24% SME with 20-49 employees
- Less likely to switch providers:
 - 0% Arts and Recreation Services
 - 5% SME operating for 10+ years



Satisfaction (satisfied 7-10)



SME
TENURE & SWITCHING

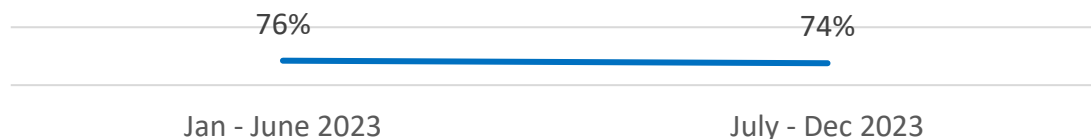
Q Overall, how satisfied or dissatisfied were you with the process of switching from [brand]? / Which broadband provider did you switch from? How satisfied or dissatisfied were you with the information provided on the plan / offer when you were deciding on your new provider? How satisfied or dissatisfied were you with installation process from your new provider?

Switching provider

Satisfaction with...

Switching mobile provider has seen an increase in overall satisfaction from 70% to 76%. Satisfaction with the information provided when deciding on a new broadband provider has decreased from 79% to 71%.

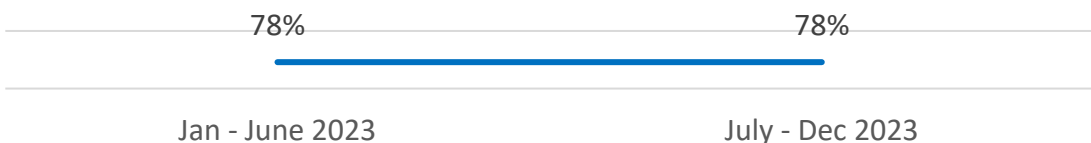
Broadband – Overall satisfaction



Broadband – Information provided



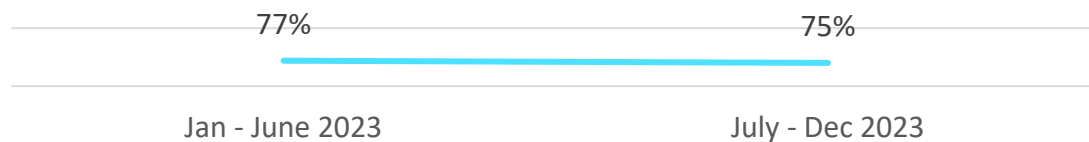
Broadband – Installation process



Mobile – Overall satisfaction



Mobile – Information provided

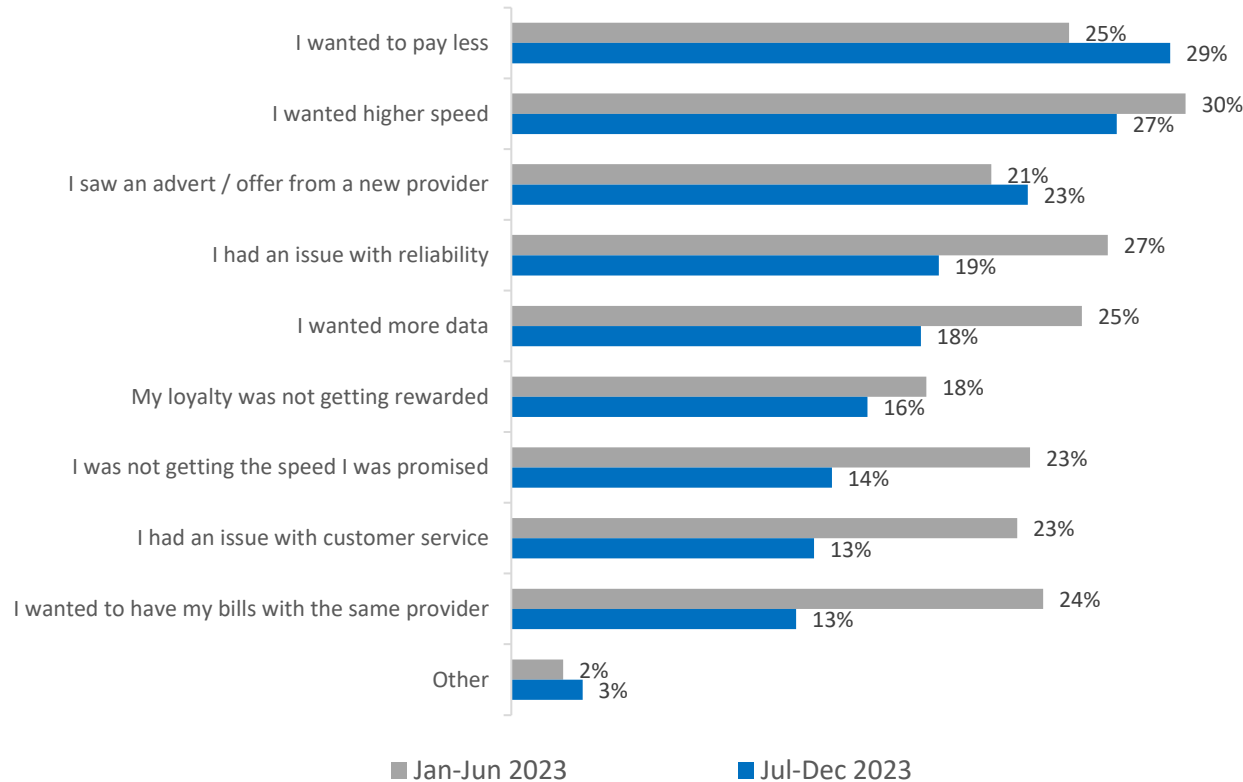


Q Overall, how satisfied or dissatisfied were you with the process of switching from [brand]? / Which broadband provider did you switch from? How satisfied or dissatisfied were you with the information provided on the plan / offer when you were deciding on your new provider? How satisfied or dissatisfied were you with installation process from your new provider?

Reasons for leaving provider

The main reason that broadband SME consumers leave their provider is to pay less and get a higher speed.

Broadband - Reasons for Leaving Provider



BROADBAND SMES:

Majority of reasons saw a decrease in Jul-Dec 2023, with the exception of wanting to pay less, which increased from 25% to 29%, and 'I saw an advert / offer from a new provider' from 21% to 23%.



Broadband SME also told us that they left because:

- Failure to provide existing service.
- No choice company was bought out.
- Service and drop outs.



SME

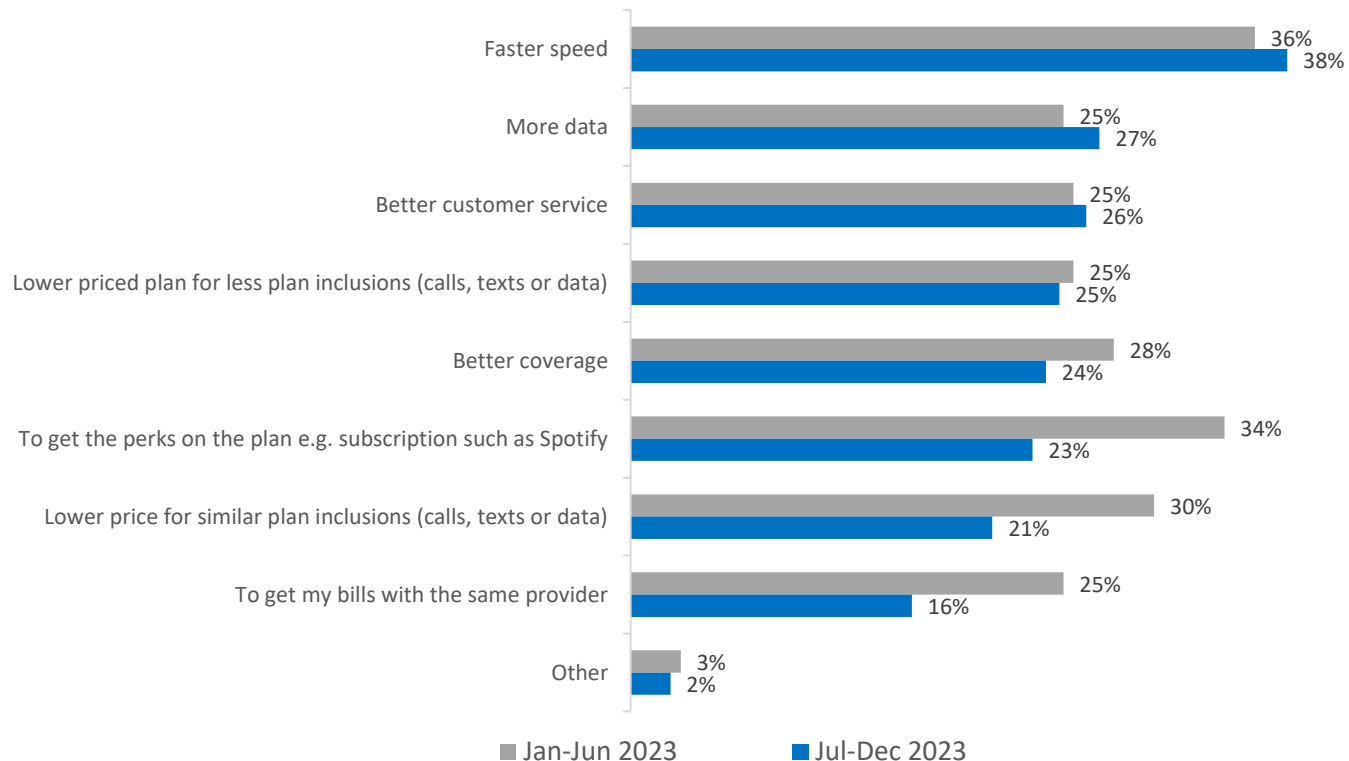
TENURE & SWITCHING

Q For which of the following reasons did you start looking to switch your business plan from [previous supplier]? (MR)

Reasons for going to new provider

The main reasons for choosing a new mobile provider are the offer of faster speed and more data.

Broadband - Reasons for Going to new provider



BROADBAND SMES:

- Faster speed remains as the top driver for choosing a new broadband provider, followed by more data.
- The reasons that have seen the biggest decreases are:
 - To get the perks on the plan e.g. subscription such as Spotify
 - Lower price for similar plan inclusions (calls, texts or data)
 - To get my bills with the same provider



Broadband SME also told us that they went to a new provider because:

- *Smoother performance.*
- *I got a free TV.*
- *Had a promotion going on.*

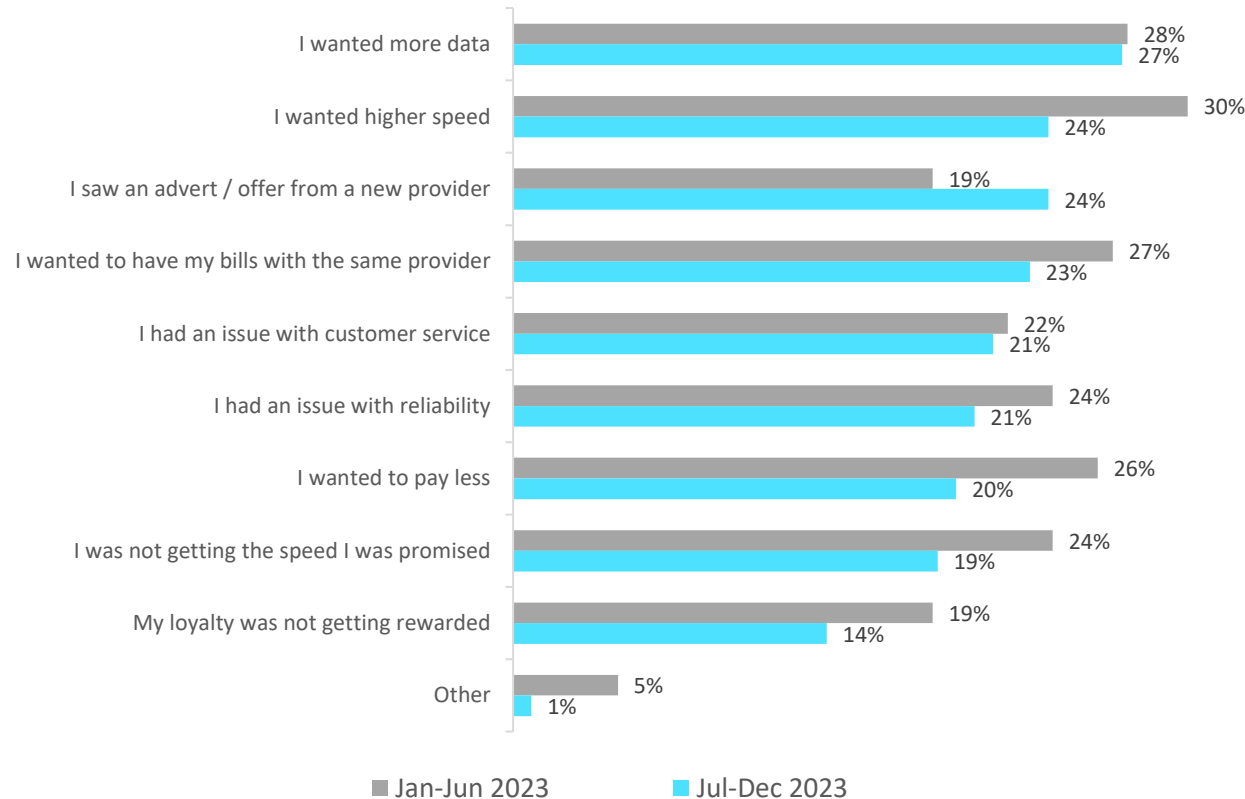


Q And for which of the following reasons did you choose to switch to [brand]? (MR)

Reasons for leaving provider

The main reasons that mobile SME consumers leave their provider is for more data and higher speed.

Mobile - Reasons for Leaving Provider



MOBILE SMES:

I wanted more data continues to be the main reason SMEs look to leave a mobile provider. The only reason that saw an increase in Jul-Dec was 'I saw an advert / offer from a new provider' increased from 19% to 24%.

“

Mobile SME also told us that they left because:

- *Better service in areas.*

”

SME

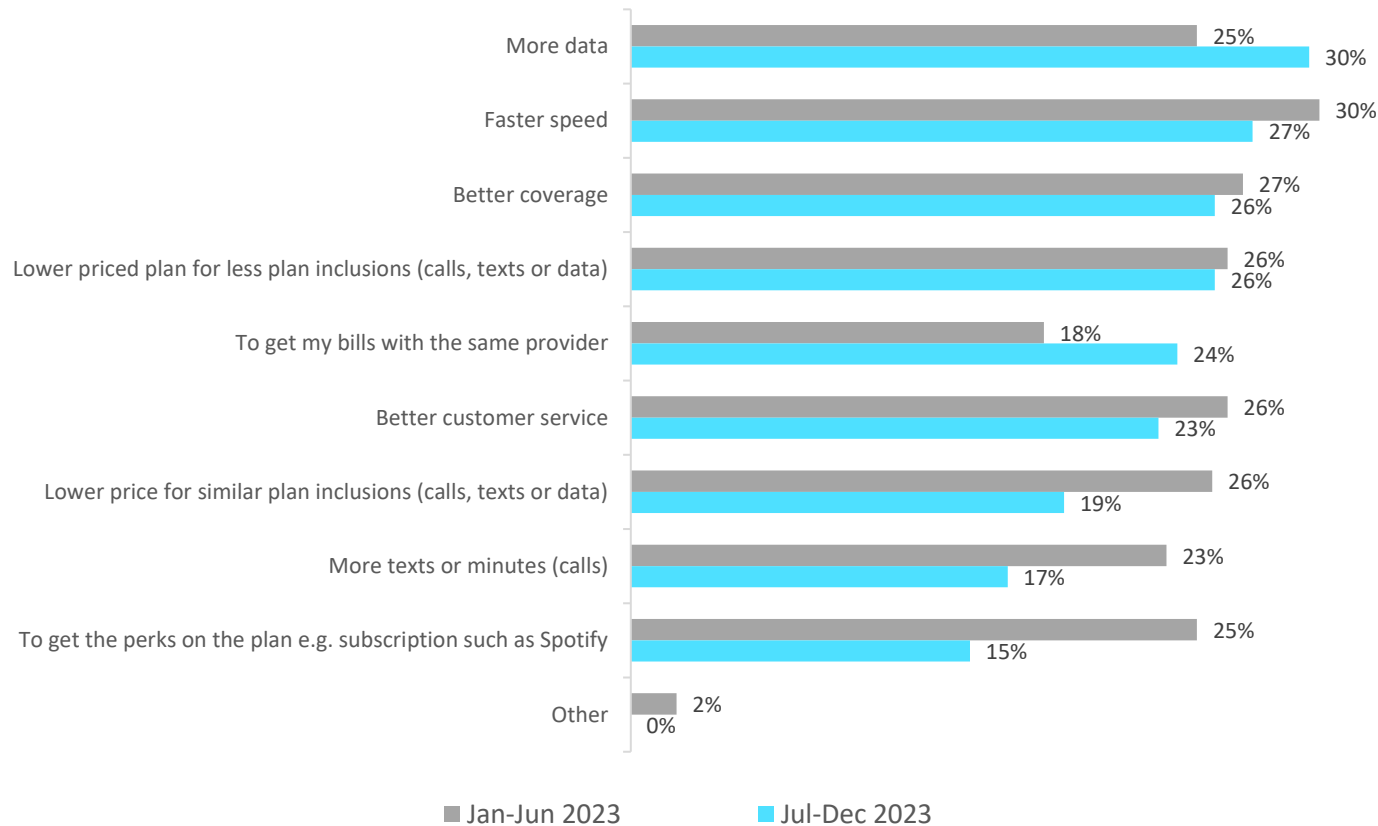
TENURE & SWITCHING

Q For which of the following reasons did you start looking to switch your business plan from [previous supplier]? (MR)

Reasons for going to new provider

The main reasons for choosing a new mobile provider are the offer of more data, faster speed and better coverage.

Mobile - Reasons for Going to new provider



MOBILE SMES:

- Main driver to leave their previous provider was due to wanting more data, this is also the top reason for choosing their new provider.
- The other driver that saw an increase in Jul-Dec 2023 was 'To get my bills with the same provider' from 18% in Jan-Jun to 24% in Jul-Dec.



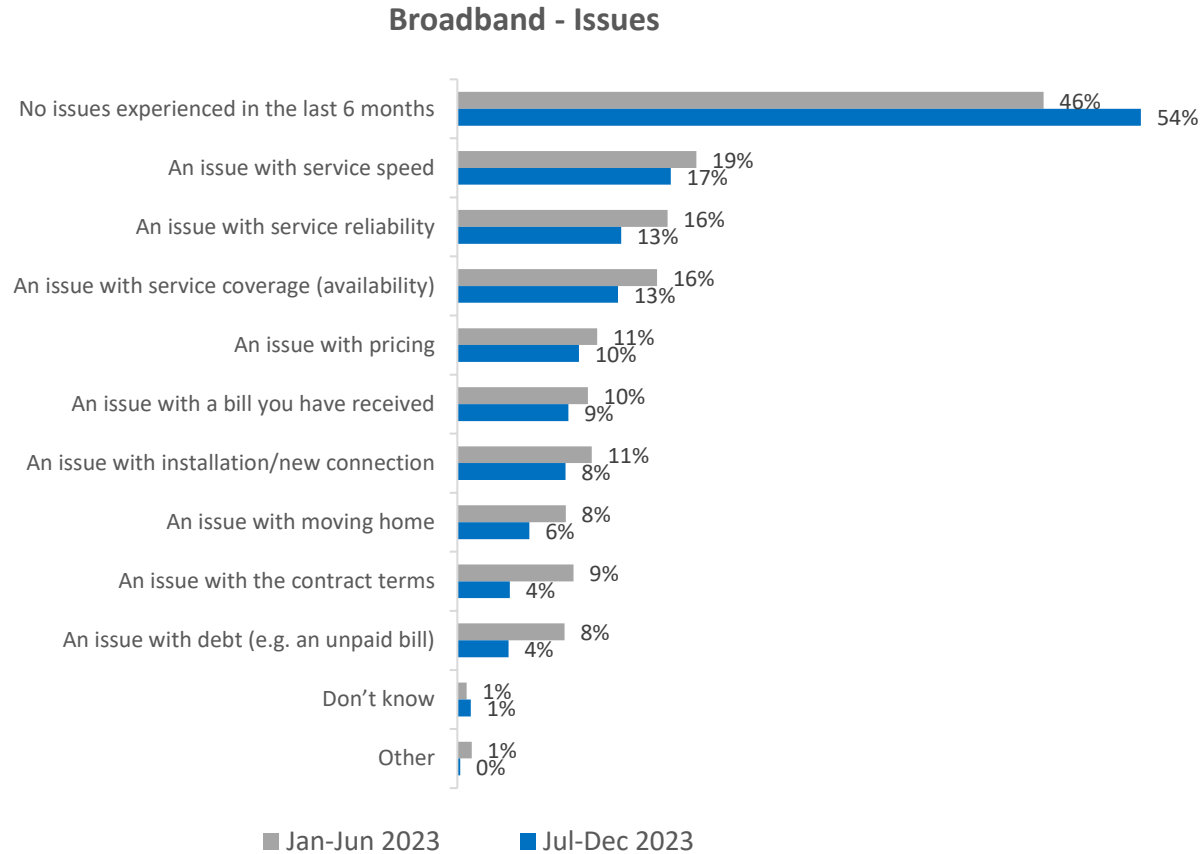
Q And for which of the following reasons did you choose to switch to [brand]? (MR)

08

Issues and Response

Issues

45% of SME broadband consumers have had issues with their broadband services, decreasing from 53% in Jan-Jun 2023.



Broadband SMEs:

The main issues were:

- 17% service speed
- 13% service reliability
- 13% service coverage

More likely to have experienced issues

- SMEs with an annual revenue of under \$1m (53%)

SME

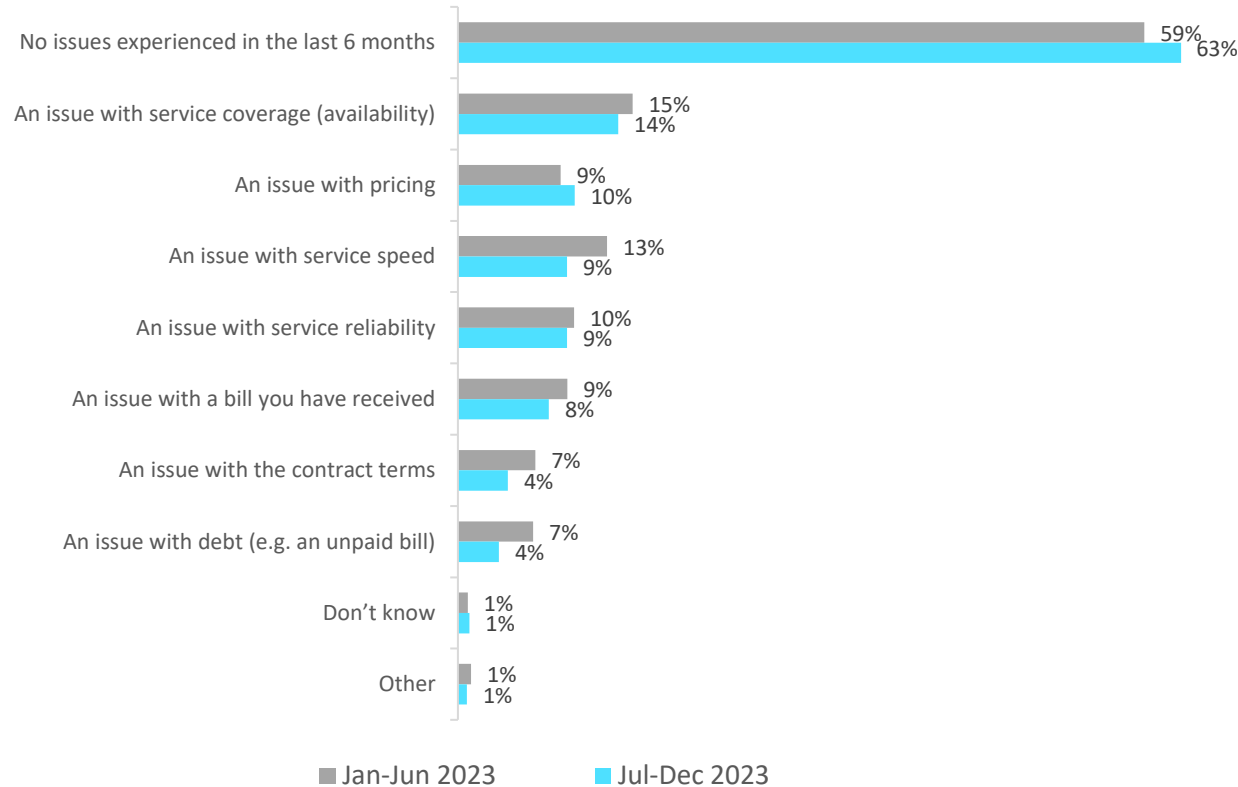
ISSUES & RESPONSE

Q In the last 6 months, has the business/company you work for experienced any of the following issues with your broadband internet/mobile service? (MR)

Issues

36% of SME mobile consumers have experienced an issue, decreasing from 40% in Jan-Jun 2023.

Mobile - Issues



Mobile SMEs:

The main issues were:

- 14% service coverage
- 10% pricing

More likely to have experienced issues

- SMEs in Financial and Insurance Services were (57%)
- SMEs with a revenue under \$1m (42%)

SME

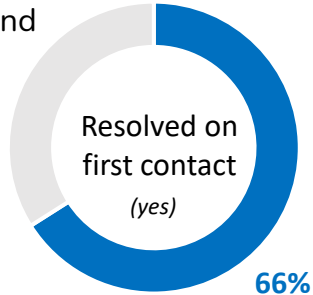
ISSUES & RESPONSE

Q In the last 6 months, has the business/company you work for experienced any of the following issues with your broadband internet/mobile service? (MR)

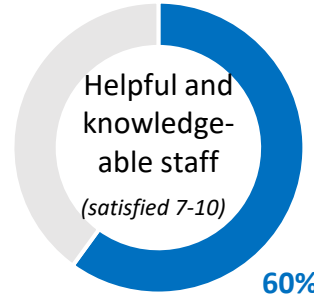
Issue response

Around 40% of SME are dissatisfied with staff knowledge and helpfulness, and the speed of resolution of their broadband and mobile issues. There has been a decrease in satisfaction in all areas from the previous period (of up to 12pp). All metrics are falling far below the 80% satisfaction benchmark.

Broadband



-3pp since Jan-Jun 2023

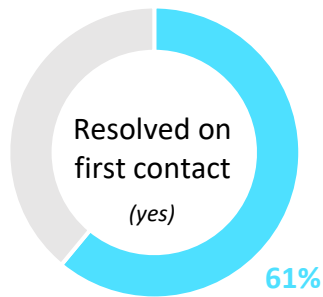


-5pp since Jan-Jun 2023

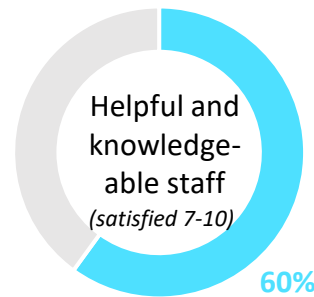


-12pp since Jan-Jun 2023

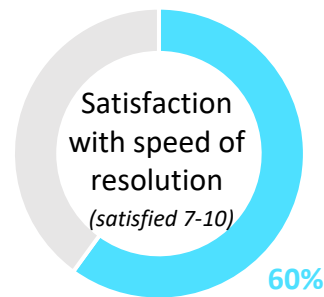
Mobile



-6pp since Jan-Jun 2023



-7pp since Jan-Jun 2023



-4pp since Jan-Jun 2023

BROADBAND SMES:

- More commonly resolved on first contact:
 - 85% Debt
 - 82% Contract terms
- Least likely to be solved straight away:
 - 58% Service reliability
 - 59% Pricing



MOBILE SMES:

- More likely to be solved on first contact:
 - 78% Debt
 - 71% Contract terms
- Least likely to be solved on first contact:
 - 49% Service reliability
 - 52% Service coverage

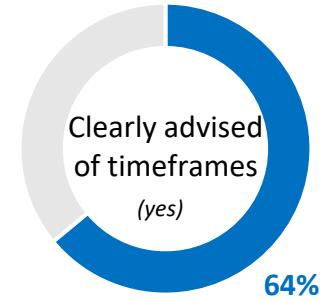
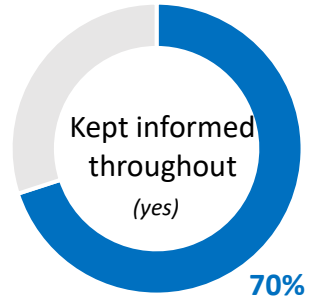


Q How satisfied were you with how long it took to resolve the issue? How helpful and knowledgeable were their staff with the query/issue you had? Was this issue resolved on the first contact?

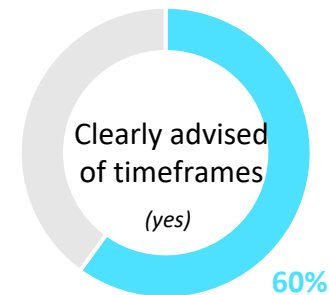
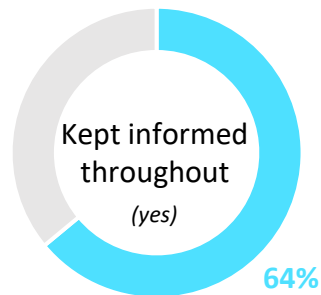
Issue communication

Among those who experience an issue, 40% were not clearly advised of timeframes for resolution of their issue.

Broadband



Mobile



Q Were you kept informed throughout the resolution process for this issue? Were you clearly advised of timeframes to resolve this issue?

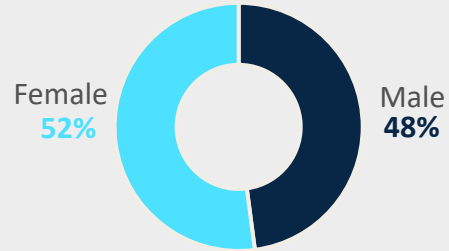


10

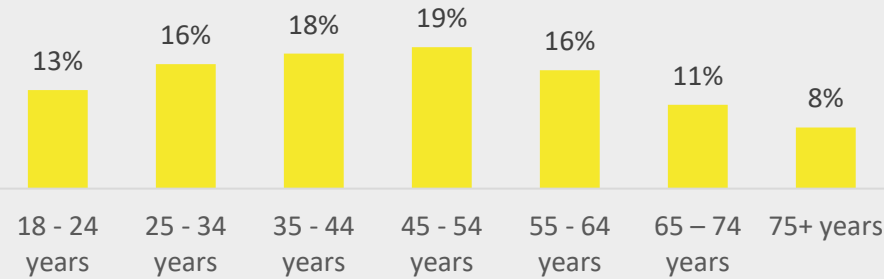
Demographics

Demographics – Residential

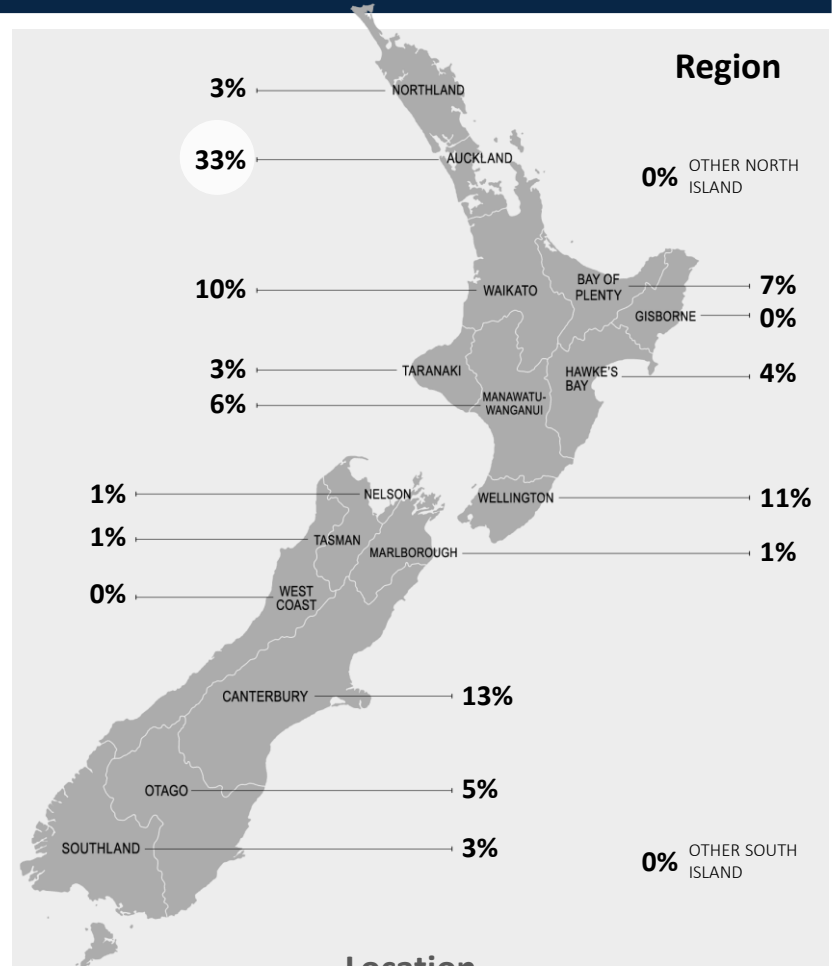
Gender



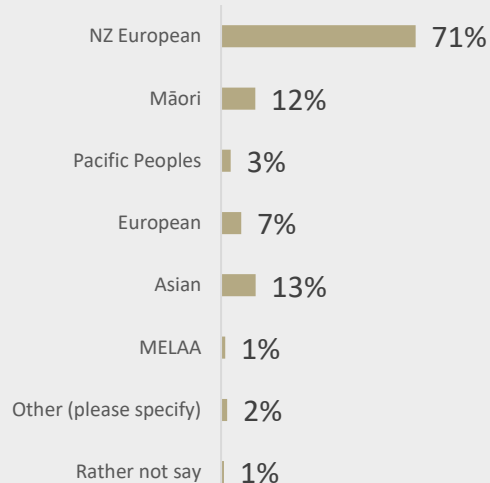
Age



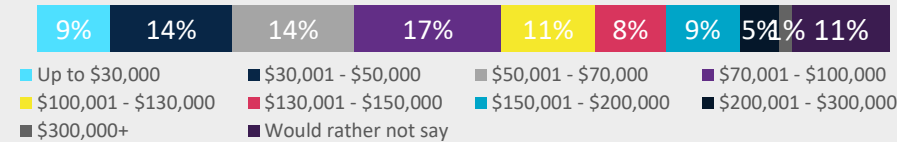
Region



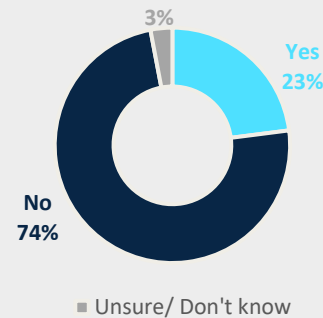
Ethnicity



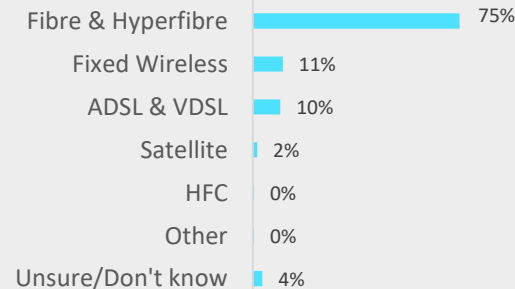
Household Income



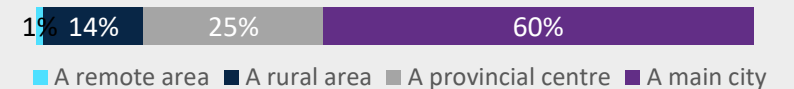
Bundled electricity



BB Technology Use

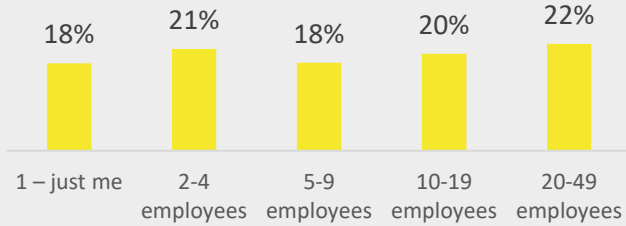


Location

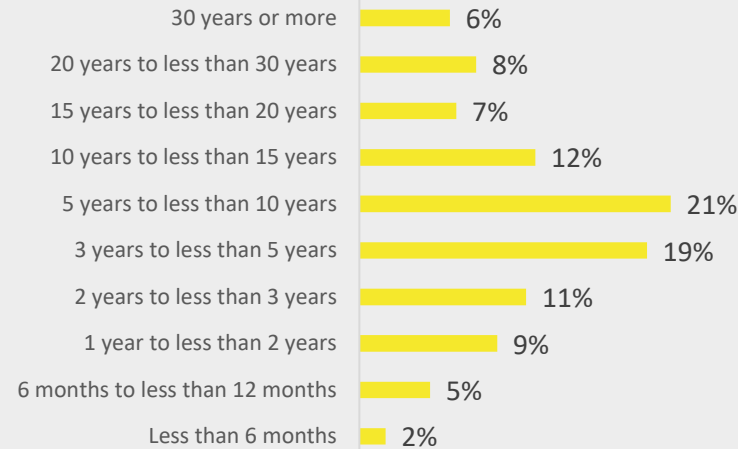


Firmographics – SME

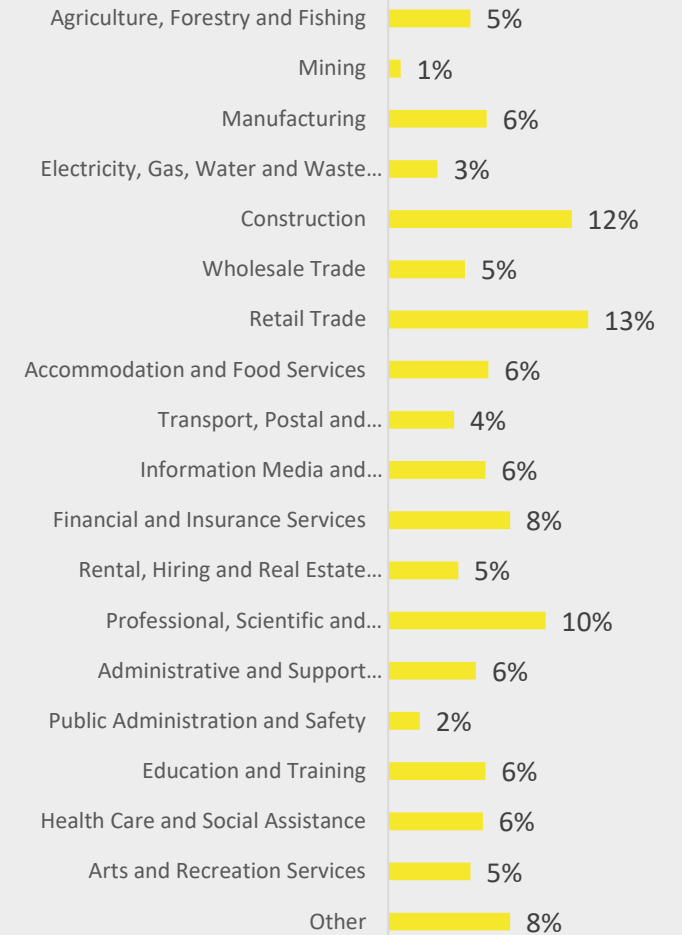
Business Size



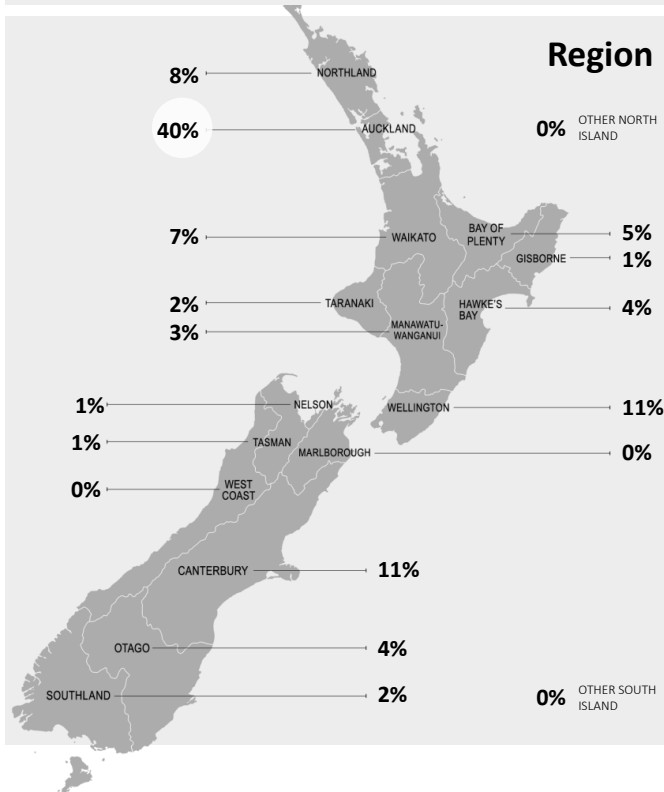
Age of Company



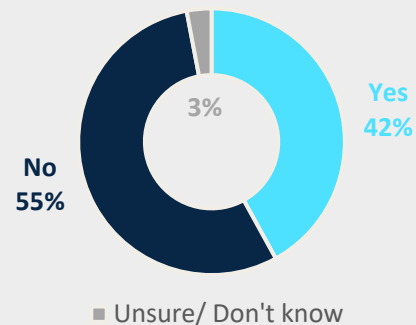
Sector



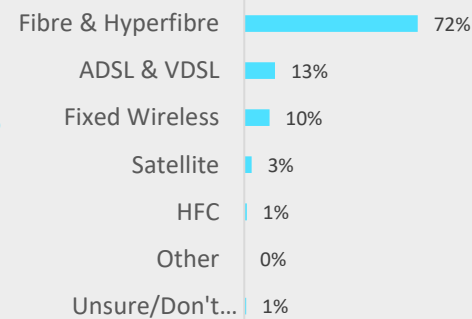
Region



Bundled Electricity



BB Technology Use



Methodology

Weight used (Based on census 2018)

		18 - 24 years	25 - 34 years	35 - 44 years	45 - 54 years	55 - 64 years	65-74 years	75+ years
Regional	Male	2.5%	3.0%	3.4%	3.8%	3.5%	2.7%	1.7%
Regional	Female	2.5%	3.2%	3.8%	4.2%	3.7%	2.8%	2.2%
Auckland	Male	2.3%	2.9%	2.9%	2.9%	2.2%	1.4%	0.9%
Auckland	Female	2.3%	3.2%	3.3%	3.2%	2.4%	1.6%	1.2%
Wellington	Male	0.8%	0.9%	1.0%	1.0%	0.8%	0.5%	0.3%
Wellington	Female	0.8%	1.0%	1.1%	1.1%	0.8%	0.6%	0.5%
Canterbury	Male	0.9%	1.0%	1.1%	1.2%	1.0%	0.7%	0.5%
Canterbury	Female	0.8%	1.0%	1.2%	1.2%	1.1%	0.8%	0.7%

Note

Any sample size below n=30 is considered too low – however, by the nature of the data and the reporting structure, all data is shown. Please interpret with caution throughout the whole report.



Thank you