

# **Submission on Improving RSQ - Customer Service**

**15 March 2023**

**C H ● R U S**

## Submission

1. This is Chorus' submission on the Commerce Commission's (**Commission**) emerging views paper, *Improving Retail Service Quality: Consumer Service*, dated 14 December 2022. This submission is not confidential.
2. Chorus supports the Commission's objective to improve retail customer service for telecommunications customers. We agree making customer service information more accessible could help consumers make informed choices, and hence improve consumer outcomes, increase retail competition, and strengthen industry incentives to pursue service improvements. The information to be gathered from retail service providers (**RSPs**) and through the end-user survey will complement the substantial volume of information provided by local fibre companies (**LFCs**) under information disclosure, and help build a more rounded picture of industry performance.
3. Chorus encourages the Commission to apply a Commission-led code development process as this would be more likely to provide industry-wide consistency and transparency. A Commission RSQ code can be applicable to all RSPs and would create consistency, which is particularly important in the context of developing dashboards as the information that is provided will need to be robust and comparable. If the Commission were to develop a Commission-led code, this would increase transparency for stakeholders through increased trust and confidence in industry and regulatory processes. The Commission's ability to monitor and enforce compliance further increases trust.
4. Below, we outline our views on the Commission's proposals and respond to the questions asked. We would be happy to discuss these with the Commission.

### Monitoring and reporting

5. We agree that developing an overall view of industry performance in customer service will provide valuable insights to the Commission and interested parties of current service levels and how they change over time.
6. We note that the proposal could result in lengthy surveys which may not suit all RSPs. We recommend the Commission consider whether smaller RSPs may require different survey requirements that are proportionate to their size and customer base. For example, scale the number and frequency of survey questions for different RSPs to ensure an appropriate balance between monitoring and compliance across all RSPs.
7. We also believe the information gathered by the survey could support broader service improvements across the industry if it is made available for this purpose. Chorus continually seeks to improve consumer experiences and an important input to this is our own surveys, carried out when we install new connections for consumers. Data gathered by the Commission would be a useful extra source of information for us and other LFCs to help identify areas for improvement. The data reporting table suggested in Table 2 of the consultation paper is useful but only up to a point. We request the Commission makes the (anonymised) raw survey data, including any verbatim comments, available to interested parties. Access to the full, rich, data will give us and other telecommunications service providers the best information about

consumer perceptions of their service and help us to improve the customer experience.

8. We note that, even for services that LFCs provide, customers’ experience can be affected by their expectations of what the service will be, and that expectation setting is often based on information provided by the RSP. For example, where a retailer gives an incorrect or overly optimistic timeframe or cost indication, that will affect customer satisfaction and it is reasonable to assess retailer activity in this area.

**Publishing provider customer service rankings**

9. We agree that publishing rankings could help improve customer understanding of the services they are choosing, as well as incentivise RSPs to improve their customer service. Making readily accessible, easy-to-follow information on service quality across RSPs available to end-users should reduce information asymmetries and hence improve transparency, consumer choice and retail competition. Over time it could drive meaningful improvements in service quality across the industry. The research prepared by Fiftyfive5 appears compelling and it is likely that there is value in providing information about key customer service metrics in an easy-to-follow dashboard form. It is of course important that the information is presented clearly and in plain English to minimise complexity and improve understanding.
10. We strongly support separate dashboards for mobile and broadband services. The products are different and, for those who provide both, combining the scores across both services could obscure actual service quality for a consumer who only wants to obtain a broadband or mobile product.

**Response to consultation questions**

No.	Question	Chorus feedback
1	Do you agree that our proposed approach to monitoring provider customer service levels and publishing a provider ranking dashboard based on key customer service metrics will be beneficial to consumers by helping to inform their choices of provider and will encourage improvements in customer service?	<p>We agree with the intent behind gathering and publishing this data to improve consumer outcomes and access to information about the quality of service provided by RSPs.</p> <p>We note there is a risk that a monthly Commission survey, when added to existing surveys of telecommunications customers by RSPs and LFCs, could create “survey fatigue”. This will need to be carefully considered; eg where monthly cadences may be unsuitable.</p>
2	Do you agree with the industry-sourced information that we propose to collect from providers, as set out in Table 1? What other information should be included, and why? Should any information be excluded, and why?	<p>We note this information would be required from RSPs only and they will be best placed to comment on the information requirements.</p>

No.	Question	Chorus feedback
		Chorus and other LFCs are already subject to quality standard regulation under Part 6 of the Commerce Act.
3	Do you agree with the proposed calculation methodology for the industry-sourced information based on the metrics set out in attachment A? If not, why and what do you think is a better way of defining these metrics? How do you believe agreement should be reached on a consistent calculation methodology?	n/a
4	Can you produce the industry information using the proposed calculation methodology set out in Attachment A without incurring significant costs? If not, why not?	n/a
5	Do you believe the industry-sourced information based on the metrics in Table 1 should be provided by all mobile and broadband providers? If not, why not? Is there a minimum that we should set as a threshold (in terms of number of customers that a particular provider serves) before including them in those providers that we monitor/report on?	<p>It would be reasonable to set different reporting / survey requirements for larger RSPs compared to smaller RSPs. Regular reports, to a regulatory standard, of detailed call centre and customer data would be onerous for small companies.</p> <p>It may also create a barrier to entry if a new RSP was to enter the market and immediately be faced with this reporting requirement. There could be an implementation window so that new RSPs are not negatively impacted.</p>
6	Can you provide the industry-sourced information on a quarterly basis? If not, why?	n/a
7	Can you provide the industry-sourced information for residential and SME customers separately?	n/a
8	What is your preferred approach for the Commission requesting this information from industry? Are there benefits to a voluntary approach versus a statutory information request?	A statutory approach would help ensure more consistent and robust data and ensure that the information can be sourced from all RSPs (or all of those above a certain threshold), not just RSPs who choose to sign up to a voluntary / industry code (noting that

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		non-TCF members can sign up to the TCF codes).
9	Where do you think is the most useful place for providers to publish the dashboard to ensure it is available to consumers (for example, provider homepages, provider mobile and broadband plan webpages, provider brochures and sales collateral and/or provider own branded retail store windows)?	Considering most providers are online the most useful place for the dashboard information would be on each provider’s website, including mobile and broadband plan pages and possibly the home page. Other locations may also be useful to ensure the information is widely accessible.
10	We are proposing the dashboard is updated every six months. Do you agree with this frequency? If not, what frequency do you recommend and why?	We agree with the frequency. Substantial improvements in customer service take time to implement and are unlikely to become apparent in the data in less than six months.
11	We are proposing that provider rankings are calculated using six-month rolling data. Do you agree with this calculation period? If not, what period do you recommend and why?	A six-month timeframe to update the data seems reasonable. A longer period of rolling data would delay any improvements in customer service from becoming apparent.
12	Do you think that consumers should be provided separate customer service ranking dashboards for mobile and broadband services? Or would a combined dashboard, showing a provider’s overall rankings be better for consumers, even if this shows providers who offer both mobile and broadband services alongside broadband only providers?	<p>We strongly support separate dashboards for mobile and broadband services. The products are different and, for those RSPs who provide both, combining the scores across both services could obscure actual service quality for a consumer who only wants to obtain a broadband or mobile product.</p> <p>Further, the customer experience of broadband can vary significantly depending on the underlying access technology, ie whether they are using a fibre, copper, fixed wireless or HFC service. The Commission should consider whether it is realistic to further disaggregate broadband data by technology type.</p>
13	What is your preferred approach for requiring publication of the dashboard by providers, should this be on a voluntary basis, or should the	Consistent with our response to question 8, a Commission Code may enable more consistent data and

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	Commission use its RSQ code powers to require this?	ensure that the information can be sourced from all RSPs.