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Commerce Commission

Wellington

By email: market.regulation@comcom.govt.nz

SUBMISSION on Improving Retail Service Quality - Customer Service – Consultation Paper

1. Introduction

Thank you for the opportunity to make a submission on the Improving Retail Service Quality: Customer Service Consultation Paper (Paper). This submission is from Consumer NZ, an independent, non-profit organisation dedicated to championing and empowering consumers in Aotearoa. Consumer NZ has a reputation for being fair, impartial and providing comprehensive consumer information and advice.

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2. General comments on the Paper

We support the proposals in the Paper for improving customer service. Our most recent research¹ shows only 59% of customers were very satisfied with the service they received from their internet provider and 67% were very satisfied with their mobile provider's service.

Vodafone ranked at the bottom of the table in terms of overall satisfaction with internet providers, with just 51% of customers very satisfied with the

¹ <https://www.consumer.org.nz/articles/mobile-and-internet-satisfaction-survey-2022#article-mobile-provider-ratings>

service they received. Slingshot scored the lowest for overall satisfaction amongst mobile providers, with 58% of customers being very satisfied.²

Our research also found 50% of mobile customers and 45% of internet customers had experienced unhelpful customer service at least once in the past year. This clearly shows there is room for improvement with telcos' customer service. We therefore welcome the Commission's proposals to monitor the performance of the providers and report on their performance.

3. Answers to selected questions in the Paper

Our answers to selected questions in the Paper are set out below.

Q1: 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 choice of provider and will encourage improvements in customer service?

Yes, we strongly support the Commission's proposed approach to monitoring customer service levels. We also strongly support the publication of a dashboard to rank the performance of providers against one another.

We also think the publication of this information should help improve customer service.

We agree consumers tend to focus on the product and the price when making purchasing decisions and that customer service is not front-of-mind for most consumers when choosing a provider. However, if consumers have more information available to them about customer service levels at the relevant time, they will be able to make better informed decisions.

Our only concern about the proposed approach is that the data from the TDRS will be incomplete given the scheme is not mandatory. As stated in previous submissions, we consider the scheme should be mandatory. Until this time, we suggest any report including TDRS data should note the names of providers that are not part of the TDRS and therefore, not included in the data.

² Our data are from a nationally representative survey of 1962 New Zealanders aged 18 years and over and which took place during August and September 2022.

Q2: Do you agree with the industry-sourced information that we propose to collect from providers, set out in Table 1? What other information should be included, and why? Should any information be excluded, and why?

Yes, we agree industry should provide information about their contact channels, call-back success rate and the number of customer contacts, average wait times, abandonment rates and average handling times for each channel.

However, we note that abandonment only covers calls disconnected by the customer. We have had complaints from some consumers that they are not the ones disconnecting the calls. That is, the call is disconnected by the provider, either accidentally, or intentionally. This can be a frustrating experience for consumers, particularly when they've been waiting for a long time to speak to someone. We therefore suggest the Commission considers whether it is possible to capture this information as well.

Q3: 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 agreements should be reached on a consistent calculation methodology?

Yes, we agree with the proposed calculation methodology.

Q5: 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 numbers of customers that a particular provider serves) before including them in those providers that we monitor/report on?

In our view, all providers should be included to ensure the information is as comprehensive as possible. The reports will contain information valuable to both consumers and providers so we recommend all providers are included.

Q8: 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?

We support a statutory information request being used to ensure a more level playing field.

Q9: 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)?

We support the dashboard being published in a wide variety of places to ensure it is accessible to as many consumers as possible.

We also suggest the Commission provides specific guidance about the information's prominence and location or it may be published in a manner that isn't always noticed by consumers. For example, providers shouldn't be able to bury the information on their website or place the information in their retail store windows in a tiny font that it isn't noticeable.

In our most recent survey, we asked consumers how they went about finding a new internet service provider. We found 55% visited the provider's website, 25% received a recommendation from friends or family, 15% were contacted by a sales representative, 14% called around providers and 7% visited a comparison website. Similarly, for mobile providers, 45% visited the provider's website, 25% received a recommendation from friends or family, 16% were contacted by a sales representative, 4% called around providers and 3% used a comparison website. Given this, it might also be useful to ask providers to reference the dashboard when engaging with potential customers on the phone as well.

Q10: 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 think the dashboard should be updated at least every six months. In our view, the dashboard is likely to be more useful to consumers if updated more frequently. If possible, we'd like to see it updated quarterly.

Q12: 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 ranking be better for consumers, even if this shows providers who offer both mobile and broadband services alongside broadband only providers?

In our view, the dashboards should be separate. The services are quite distinct and as our research shows, the levels of satisfaction differ for each.

Q13: What is your preferred approach to requiring publication of the dashboard by providers, should this be on a voluntary basis, or should the Commission use its RSQ code powers to require this?

We consider the Commission should use its RSQ code powers to require publication of the dashboard. This will allow the Commission to provide clearer guidance (as mentioned in our answer to question 9) on how to publish the dashboard. We also consider that requiring publication, on a voluntary basis, is less likely to result in compliance.

Thank you for the opportunity to provide comment.

ENDS