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SUBMISSION TO THE COMMERCE COMMISSION on Improving Retail Service Quality: Customer Service Consultation Paper.

### **Introduction**

WISPA.NZ is an industry group launched in 2017 to represent the interests of commercial Wireless Internet Service Providers (WISPs). Our membership currently includes 33 WISPs.

Members collectively service an estimated 70,000 end users, predominantly in hard-to serve rural areas. Our service quality and affordability are comparable with mid-city fibre.

### **Feedback on the proposal.**

1. WISPA NZ encourages industry efforts to adopt an ethos of continuous improvement in customer service. We are supportive of any company of any size seeking to better their customer's experience.
2. We have reservations about any compulsory involvement by RSPs in the collection and notification of customer service metrics. Regardless of how RSPs become involved, either voluntarily or compulsorily, there needs to be a lead-in period across multiple survey periods where the data is shared only with the commission and the RSP before the data is made public. This will give RSPs time to address any "low hanging fruit" areas of consumer concern. The survey data that is finally published would not come as a surprise to RSPs or the RSP market.
3. Overall, we feel the proposed outcomes, regardless of how RSPs become involved, risks picking "winners" across the surveyed segments of the RSP market and customers will be left with the impression that their own experience with a lower ranked RSP will be sub-optimal because a government agency has given a set of results their official endorsement.
4. WISPA NZ has concerns that smaller providers risk encountering the "confounding nature of small sample sizes". The sample sizes from some of our members would be small by comparison to larger RSPs. We would expect any results published from surveys of our member's customers would be clearly qualified by the commission as based on a small sample size and have an accompanying high degree of unreliability. This would need to be communicated in suitable language, understandable by customers unfamiliar with statistical analysis.

5. This statement from the consultation paper has concerned our members “As we develop this survey further, we are keen to discuss with smaller providers how to include their consumers in our survey, such as by sampling direct from their customer base, which is how the CMA has developed its banking dashboard in the UK.” It is our belief that such statements are easy to make but hard to execute in practice. WISPANZ is aghast that the commission would so blithely make a statement that on the face of it threatens the privacy of our member companies and their customers. Our members are well aware of their legal responsibilities under various acts of parliament including those relating to national security to secure their customer databases against access by other parties. Sampling of customer data for compulsory customer surveys does not, in our opinion, constitute a valid reason to disclose our customers private information and we believe our customers are likely to share this view.
6. WISPANZ believes consumers will not make a choice of RSP based on long term and careful study of Commerce Commission supplied and endorsed metrics. There is a real risk of insufficient credit given to RSPs who are actively improving their customer service experience, and too much credit given to RSPs on the cusp of “dropping” out of the top tier in the next round of metrics to be released.
7. We have seen nothing in the material provided by the commission or its preferred survey provider that gives us confidence the survey provider understands either the telecommunications market or how that market operates in Aotearoa New Zealand. The information provided by the survey provider that accompanies the consultation document is given with no deep analysis or context given by any RSP. Although we have no doubts that the information discovered by the provider and the commission is correct, we also have no doubt that viewing the results purely from a consumer point of view with no context provided by RSPs risks missing the bigger picture and any mitigating factors of customer concern.
8. In our answers to some of the questions posed in the consultation paper our answers will hopefully provide the commission and readers of this response with our thoughts on where the commission needs to insist on extremely careful phrasing in the questions posed to surveyed customers. We will also outline why the program should be expanded to included LFCs and other providers of wholesale services to RSPs.  
Poor performance by a connectivity wholesaler involved with surveyed customers will directly impact the customer experience and risks attributing blame for a poor experience on the RSP rather than where it needs to lie which is with the connectivity provider. We accept some of the reasons for the areas of current poor performance are being actively addressed but customer perception is that it is the RSP they have engaged with that is at fault, not third parties.  
We agree that the RSP is responsible for the overall customer experience but the commission needs to be very mindful of the effective powerlessness of RSPs when involving third parties to carry out crucial facets of the customer's request such as installation or repair of services.
9. Although the commission asks in the consultation paper for feedback on where the survey information is displayed, WISPANZ believe the data is in fact owned by the commission and responsibility for the communication of the data lies solely with the commission, not RSPs. Compulsory communication to end-users is not something that we believe can be enforced on RSPs. We believe it is incumbent on the commission to assume responsibility

as the primary channel for the information and at their own cost of time and money to communicate in plain language what the data means, how it should be read and anything consumers need to bear in mind when considering what it means.

10. WISPANZ conceded the possibility exists where our members, and other smaller providers that provide far more personalised and specialised service to our customers could benefit from involvement in this process through being able rank themselves against larger providers. We believe that by implementing this as a government initiative, and assuming participation is voluntary we encourage the commission to ensure that consumers are aware that no inference should be drawn from partial or non-participation. As we mention below, we believe it likely that consumers will draw their own conclusions around non participation but the commission needs to mitigate that to the best of their ability.
11. Finally, we believe the commission will open the proverbial “can of worms” if it adopts this proposal. Because the commission own the data and therefore attest to its statistical accuracy, their recommendation as to which RSP should be the choice of consumers based on these proposed surveys is surely implicit. The commission needs to carefully consider whether this degree of intervention is what the legislation intends, or if a lower risk process may satisfy the word and spirit of the law.

Yours sincerely,

Glenn Hutton

On behalf of WISPA-NZ committee.

**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 choice of provider and will encourage improvements in customer service?**

**WISPANZ answer**

- We believe the metrics may be of some use to some consumers but there needs to be a process where the survey company can drill down with the respondent on what went wrong (wholesaler of service non or poor performance) or right and report accordingly. Some customers do understand that RSPs are reliant on other parties to install or repair services, others do not. Regardless of the customer's response, the survey questions need to attribute any blame where it lies. RSPs are responsible for clear communications to their customers but often their ability to effect better performance from their network wholesale partners is severely constrained.
- WISPANZ expects that overseas headquartered operators of ISP services available in New Zealand will also be subject to any compulsory involvement in the proposed process and their customers given the same right to have their voice heard. One of the LEO operators currently servicing customers in Aotearoa New Zealand has approximately the same number of customers as some of our members and competes with them in the rural market segment. We expect that participation in the survey process would always remain voluntary until all RSPs regardless of domicile abide by the order to engage compulsorily.
- Some customers do understand that RSPs are reliant on other parties to install or repair services, others do not. Regardless of the customer's response, the survey questions need to attribute any blame where it lies. RSPs are responsible for clear communications to their customers but often their ability to effect better performance from their network wholesale partners is severely constrained.
- If this proposal is implemented as outlined in the paper, we believe that natural justice would require wholesalers of services intended for on sale to retail consumers must be subject to an equivalent regime. At present it is hard to find any data relevant to end users that indicates wholesaler performance and how it impacts retail customer experience.

## **Monitoring providers' customer service performance**

**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?**

### **WISPANZ answer**

- The industry information may be able to be provided by ISPs that meet the proposed threshold. It almost certainly cannot be provided by most members of WISPANZ as its collection involves technology uncommon in small RSPs. Implementation of these metrics would involve a considerable time and financial overhead and would only be of use for providing the information to the survey.
- RSPs could also provide data on interactions with third parties relevant to the data being surveyed. Examples are:
  - Multiple interactions with wholesale partners resulting from wholesaler caused problems (e.g. missed appointments, no communication from wholesaler to customer regarding appointments, faults not first-time-fixed)
  - Third party supplied information being insufficient to transfer services from one provider to another.
  - Wholesale provider core or local access network repeat faults or poor performance.

**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?**

### **WISPANZ answer**

No comment

**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?**

### **WISPANZ answer**

See our answer to 2.

**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?**

**WISPANZ answer**

All providers that currently operate systems that collect the information listed or could reasonably be expected to do so, should be requested to provide the information on a voluntary basis. Where customer base size does not require the use of sophisticated call centre technology the option to provide the information should always be voluntary but encouraged.

As previously stated in our answer to 2. the collection of this data is not common across the membership of WISPANZ and the implementation of the means of collection would be a significant overhead for each affected business.

**6. Can you provide the industry-sourced information on a quarterly basis? If not, why?**

**WISPANZ answer**

See our answer to 2. and 5.

**7. Can you provide the industry-sourced information for residential and SME customers separately?**

**WISPANZ answer**

See our answer to 2. and 5.

**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?**

**WISPANZ answer**

WISPANZ believes participation should be entirely voluntary with each provider given the opportunity to weigh for themselves whether the process is of use and benefit to their customers and their business. We believe RSPs are not so naïve to believe customers will not draw inferences from the non-participation of any company in the program. We believe that in time, market pressure will achieve the same result as regulation.

***Publishing provider customer service rankings***

**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)?**

**WISPANZ answer**

We believe the information should be displayed on the commission's website with each RSP deciding for themselves where they will display it. The extent of compulsion to display the information should be a link to the relevant page on the commission's website.

Displaying it on paper based collateral as suggested would be a poor choice given the substantial cost of physical advertising material and the aging nature of the survey data.

**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?**

**WISPANZ answer**

We believe the information needs to change as frequently as the information reporting periods, so, for the Customer Satisfaction Survey data, it would be reasonable to change it every month and display the previous month's ranking so customers can be made aware of improvement or degradation in ranking in as close to real time as possible.

**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?**

**WISPANZ answer**

No. We believe the data needs to be as close to real time as possible. RSPs need to be able to potentially reap the rewards of internal customer service improvement programs.

**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?**

**WISPANZ answer**

Market segments should be displayed separately. We question how the survey company intends to contact prepaid mobile customers where the RSP may not hold any identifying information, but their customer experience is just as relevant.

**13. What is your preferred approach for 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?**

**WISPANZ answer**

See our answer to 9.