Improving Retail Service Quality: Customer Service – Consultation Paper

Public Version

Commerce Commission
16 March 2023

Executive Summary

Thank you for the opportunity to comment on the Commission's proposals to develop customer service quality reporting metrics in order to increase information available to consumers about customer service levels in the telecommunications sector.

Customer service is the most important consideration for customers, and drives our retail strategy

Spark has made customer service the centre of our retail strategy. We aim to deliver simple, intuitive customer experiences that differentiate our brand from our competitors in what are highly competitive retail markets.

We have focused on customer service as a differentiator because the totality of all of our customer and market research tells us that customer service is the most important consideration for customers in our markets. Not one of the most important considerations – *the most important* consideration.

We support the Commission's proposals to gather information about customer service performance and to report on that information

In that context, we agree with, and support, the Commission's focus on building customers' understanding of customer service performance across the sector, and increasing the information available about it to customers. In our submission we provide constructive suggestions for how the Commission might refine the information it collects so that it better reflects the emerging trends in customer services, and lets customers see how different technologies affect customer service levels. And we recommend that the Commission follow the co-design approach taken by the Commission and industry to information gathering in its Measuring Broadband New Zealand (**MBNZ**) programme.

We also support the Commission's proposals to report regularly on customer service performance across the sector, in a way that allows customers to compare customer service performance of retail service providers. This is also a feature of the Commission's MBNZ programme, and we again recommend that the Commission follows that approach here.

Reported metrics are presented visually in graphs, broken down by provider and technology, in a way that allows comparison and that highlights over-performance and under-performance against the sector averages. Providers and technologies are not "ranked" per se, because ranking can be misleading and amplify very small differences in relative performance, but readers can easily observe and compare relative performance nonetheless.

We do not think it is necessary or proportionate to require retail service providers to publish customer service "league" tables at points of sale

In applying its retail service quality (**RSQ**) powers, the Commission's task is to promote competition in our markets. And in achieving this purpose, it needs to be careful it does not

distort, steer, or determine, competition. This is not a simple distinction to make. We acknowledge the differences here can be fine – the difference between comparing performance visually in a graph and ranking performance in a table - but their implications are large, and so the Commission needs to give careful consideration to this distinction nonetheless.

With this lens on, we do not agree with the proposal to require retail service providers to publish a "league table" of customer service performance at their points of sale. That proposal would fundamentally shift the purpose and effect of this exercise away from providing more information to consumers about customer service performance across the sector to actively steering competition and investment planning for the sector with significant risk that this distorts competition. In our view we would have clearly crossed the line we describe above.

Under the MBNZ programme retail service providers are not required to publish speed information from MBNZ on their websites or in their stores – rather the Commission publishes the quarterly reports itself. However, if a provider does want to publish speed information, they are required under the TCF Broadband Marketing Code to use the MBNZ numbers and reference the relevant report. This is also what we recommend for the Commission's customer service performance reporting programme.

Our submission provides clear evidence that we are actively investing in improve customer service levels and experiences because we believe we can differentiate our brand and achieve success by doing so. That is evidence, we say, that competitive markets are working as they should to incentivise providers to innovate and invest to meet customer preferences.

So to the extent there is not enough consideration put on customer service performance by customers when they make their purchasing decisions, we ask that the Commission works with industry to improve the information that is available to customers, as we have done through the MBNZ programme, before it contemplates punitive regulatory interventions.

Spark would engage very constructively and positively in a customer service information gathering and reporting programme of that nature.

Intro

1. Thank you for the opportunity to comment on the Commission's proposals to develop customer service quality reporting metrics and require retailers to disclose a "league table" showing a subset of providers' scores in respect of two specific customer service metrics to customers at the point of sale (**the proposed approach**).

2. As we have previously affirmed in our submissions on the Commission's previous retail service quality consultations, Spark supports the Commission's efforts to increase the information available to consumers about telecommunications services and tools, which aligns with Spark's strategy and customer focus.

3. As the largest telecommunications provider in the country, we have thousands of customers interactions daily, and we actively seek customer feedback through regular surveys, interviews, and feedback forms. Like the Commission's work, these interactions confirm that price and product are important to customers. But when we talk to, and hear from, customers they also consistently reinforce the importance of customer service. In fact, our internal modelling of the key drivers of customer acquisition and retention – which is based on the totality of customer feedback we receive and observe – tells us that customer service is **more** important to customers than price and product.

4. Consistent with those findings, we are investing significantly in customer service and tools, and in our services and networks, to deliver simple intuitive customer experiences and a smart automated network. We also aim to be competitive on price in the markets we operate in, but delivering world class customer experiences is our focus and how we seek to differentiate our main Spark brand from its competitors in order to win and retain customers.

5. Our retail strategy is built around two key pillars:

   a. **Digital channels for simple requests**: New self-service digital customer service channels – allowing customers to manage more of their own interactions quickly without having to wait for external assistance; and

   b. **Unified Frontline support for more complex requirements**: Skilled frontline customer service agents able to provide informed support for more complex issues.

6. While we are in the early days of delivering this retail strategy, we are seeing positive results. TDRS and Commission data shows that our share of industry complaints is significantly lower than our market share, and our customers rate our digital self-serve channel customer experience four times higher than legacy voice contact channels.

Figure: Commission complaints relative to market share[1]

Spark share of complaints to Commission versus reported market share
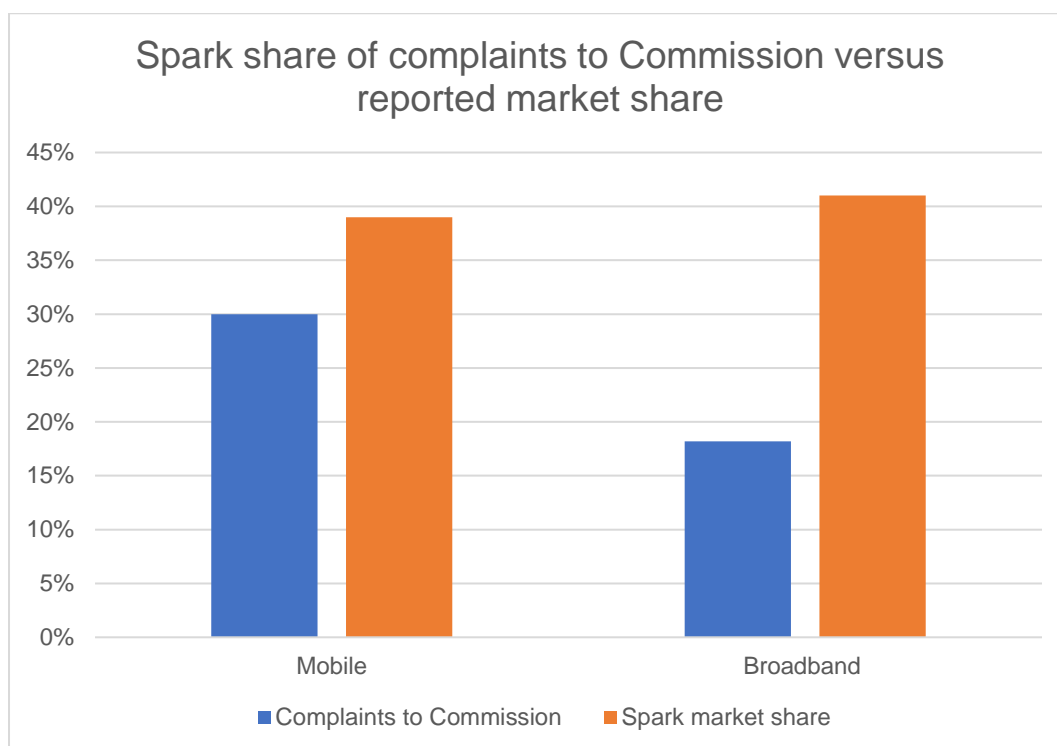
7. Separately, we also operate other retail brands that are targeted at price-conscious customer segments.

8. We believe our focus on customer service as a differentiator for our Spark brand, alongside our experience with alternative brands (Skinny, BigPipe) that target different customer segments by focusing on price and product dimensions, puts us in a unique position to comment on the Commission's customer service consultation paper. In our submission we set out Spark's views on:

    a. the nature of the markets we operate in, what the key drivers of customers' selection of providers are, and how providers are responding to customer service quality preferences ;

    b. the Every-Palmer/NERA expert report, which is attached to this submission; and

    c. the Commission's proposals, including our suggestions for how the Commission can gather and publish more information about customer service levels without distorting competition in retail markets.

---

[1] Commission reported complaints for December 22 quarter, Commission 2021 reported market share

9. We support the Commission's efforts to gather and to publish information about customer service levels across the industry, but not the proposed delivery mechanism for this information (league tables published at retail providers' points of sale). We provide clear evidence that the markets we operate in are highly competitive, and that, consistent with this observation, retail providers are already seeking to respond to customer demand for improved customer service experiences. In this context we see the requirement for retail providers to publish league tables at points of sales as punitive, with the potential to create perverse incentives that reduce rather than promote competition.

10. We instead encourage the Commission to adopt a similar approach to publishing information about customer service levels to that taken in its Measuring Broadband New Zealand (**MBNZ**) programme.

The mobile and broadband markets are highly competitive markets where providers are focused on customer service

Customer service is a key consumer consideration

11. With improved customer service and simple intuitive customer experiences at the core of our publicly-disclosed strategy, it should be no surprise that we agree with the Commission's observations that customer service is important for end users.

12. Our customer research, as well as that undertaken by the Commission and by MBIE, highlights that consumers value customer service in their purchasing decisions and are aware of retailers' different customer service levels. It affirms that consumers readily look across price, service performance, and customer service, in assessing offerings in the market and – when things go wrong – customers act on these preferences.

13. The key insight we have taken from our in-depth market and customer research is that Spark can differentiate itself and succeed in these markets by investing in and delivering improved and best-in-class customer experiences. In fact, our modelling of the totality of this research tells us that the two most important drivers of both existing customers', and potential customers', brand perceptions and therefore acquisition and retention, are:

    a. **[**   **]SPKCI**; and

    b. **[**   **]SPKCI**;

with **[**
    ]SPKCI:

Figure: Existing Spark customers associations[2]

[

]SPKCI

14. Further, our exit interviews[3] also highlight that a poor customer experience is a factor for **[   ]SPKCI**% of mobile and **[   ]SPKCI**% of broadband customers who leave us. When a customer has a poor service experience, they vote with their feet.

---

[2] **[**

]SPKCI

[3] Accumulative through to February 2023.

Retailers, and the market, are responding to these preferences

15. Where we, perhaps, have a difference of view with the Commission, is whether retail service providers and/or the market are responding appropriately to these customer preferences. Or, put another way, whether there is evidence of a market failure that needs to be addressed by regulatory intervention.

16. Both the retail mobile market and the retail broadband market are highly competitive (as the Commission has recently found in the case of the mobile market), with high levels of switching for prepay mobile (48%), broadband (19%), and pay monthly mobile (9%, or 37% when including customers who switch to prepay or to another pay monthly plan with the same provider):

Switching rates for NZ mobile and broadband compared to the CMA's evidence base of UK banking and energy
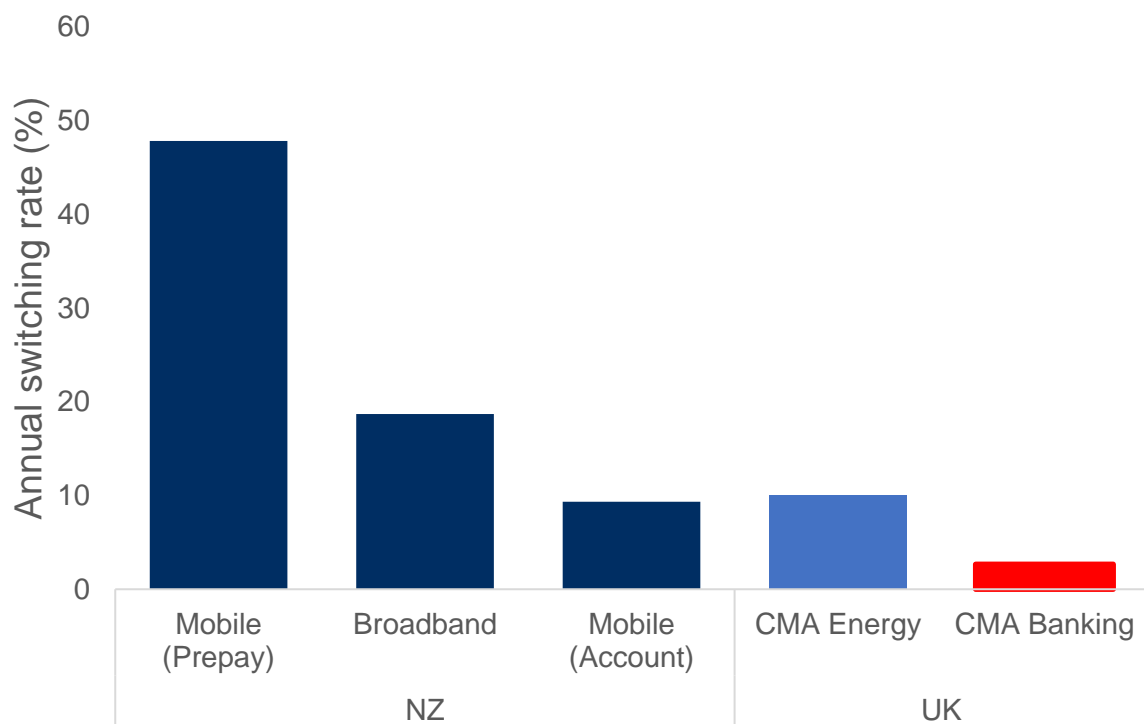
17. In a workably competitive market with low switching barriers the presumption should be that market forces and economics will provide the best incentives for providers to address and reflect customer preferences in their market strategies and investments.

18. And that is exactly what we are seeing – service providers are responding to consumers' customer service demands, making significant investments in systems and apps that provide a better service for customers, and actively targeting significantly improved NPS scores. The main providers have all developed apps for customers and

Commission monitoring reports highlight that the sector is investing over $300M per annum in IT systems, a significant proportion of which is in customer service capability.

19. This step – enquiring into whether retail service providers are, in fact, acting to address customer preferences and demands around customer service, or whether New Zealand customer service levels are out of step in any way with international benchmarks – is not recognised in the Commission's logic and consultation paper and may be a future question for the Commission to answer over time as it gathers regular information from retailers about customer service metrics.

Spark has significant work underway to transform how we engage with our customers

20. Spark has a sharp focus on customer service in our strategy and this drives our existing investment plans, with a medium-term goal to transform how we engage with our customers, through:

   a. The simplification of our products and systems, and ensuring our customers are getting the most of what we have to offer:

      i. retiring legacy (old) products and services that add complexity. We are also removing legacy mobile and broadband plans from the market, with 102 plans removed during the year and 350,000 customers migrated onto modern plans, and have launched a new, more transparent, and simple broadband line-up,

      ii. enhancing the Spark App and web portal to provide our customers with a rolling 12-month view of their mobile and broadband usage and spend, allowing them to compare this against their current plan's allowances and price at a glance,

      iii. implementing a right-planning programme called Made for You (consumer) and Forward Report (SME), which prompts broadband customers to check they are on the best plan for their needs through an email with a personalised view of their current usage and a recommendation on the best plan available. We aim to use the insights gained through this trial to extend the programme further this year, and

   b. Making it easier for our customers to interact with Spark through:

      i. our 'Unified Frontline' model which ensures our customers access skilled assistance through a channel that works best for them, such as online chat, contact centres, or retail stores;

    ii.   opening up new ways for our customers to contact us such as messaging in the Spark app or on tools like Facebook Messenger or WhatsApp. Our customers have rated this option four times higher for customer experience than voice calls; and

    iii. building functionality into the Spark app that allows customers to, for example, add apps (such as the Spark visual voicemail app), services, make changes to their services, solve roaming issues, performance test and troubleshoot a broadband connection by themselves, and find outage information in their local area. The App now has around 1,400,000 unique users and in an average month sees over 800,000 interactions.

<u>Detailed outage information is available to customers in the Spark App</u>
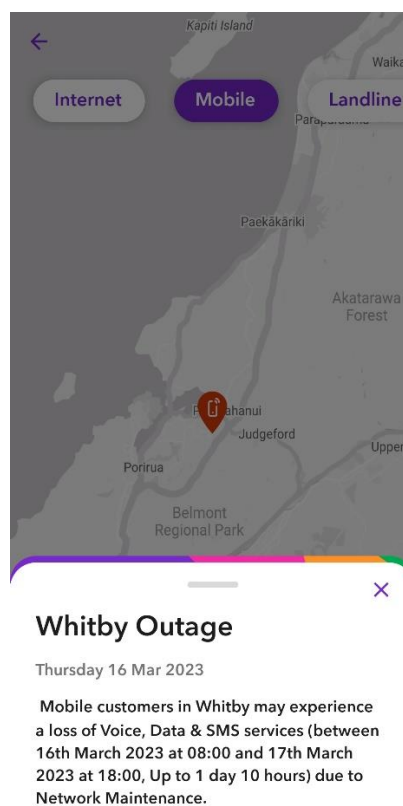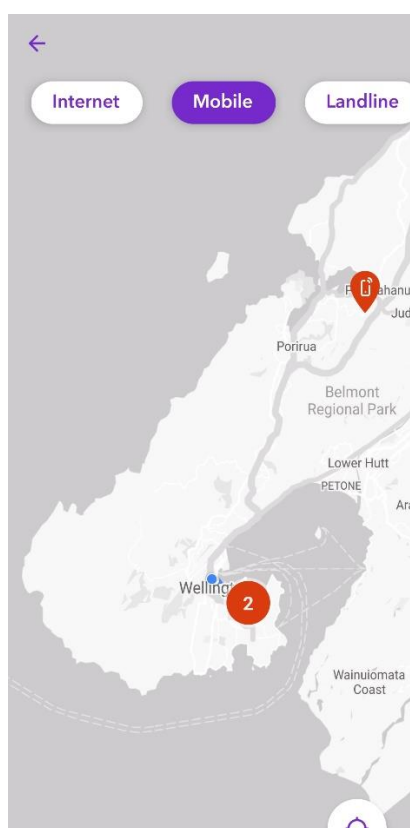
21. Sitting in behind these initiatives, we have developed detailed reporting of customer interactions and customer satisfaction to inform our decision-making and all channel staff and leadership squad incentives are aligned to customer satisfaction measures.

22. We know we aren't where we want to get to yet in terms of our engagement with customers, but we are seeing promising results:

    a.   In FY22 we saw a 23% increase in digital customer journeys for sales and service, which resulted in a 17.5% decrease in customer care interactions. Looking

forward, we intend to further support the use of customer digital channels that we know customers like, with significantly higher satisfaction scores than legacy channels and a better experience for less complex and routine transactions, and

b. Our customer interaction net promoter score (iNPS) – our customers satisfaction with their engagement with us – up 9 points from FY21 to +29 – and in external metrics. The TDRS reports that Spark has the lowest number of complaints of any provider (when adjusted to reflect our market size), and our share of Commission reported complaints is significantly lower than our market share.

23. Similarly, our competitors are also responding to consumer preferences with offers that have different attributes to those Spark has focussed on. We see these differences in the attributes customers associate with service providers. For example, as seen in association metrics below, consumers associate the Spark brand with customer service and innovation, but less so for always having the lowest prices. In contrast, Skinny is associated with having lowest prices and less so for customer service, although these expectations are exceeded in practice with very high satisfaction scores by customers. Customer associations will inevitably align with the providers actual retail service quality over time.

Customer provider associations across customer service, price and innovation
[

24. In summary, we see evidence that:

    a. Consumers value customer service highly;

    b. Consumers take advantage of low barriers to switching where customer service does not meet their expectations;

    c. Retail providers are responding to consumer preferences for higher levels of customer service through significant investment and differentiation strategies that are grounded in higher customer service levels; and

    d. These strategies are rewarding those providers, resulting in higher customer satisfaction levels for the attributes the providers are targeting, and (in Spark's case) lower complaint levels.

25. This is exactly what we would expect to see in a highly competitive market – competing providers appear to be responsive to consumer demand. With this context, Commission interventions need to be carefully considered and targeted at clearly identified market failures, especially where potential interventions – which could have the effect of requiring retailers to advertise their competitors' brands at their own points of sale – may affect these markets in a material way.

26. Why is this important? Because while the Commission may have identified a "problem" – that consumers underweight customer service considerations when making their purchasing decisions – it has not (in our view) sought or found evidence that the cause of this "problem" is grounded in retail provider behaviour, or a market

failure. Instead it has inferred this and on that basis proposed quite significant retail market regulation.

27. As discussed in the Every-Palmer/NERA report and in the following section of our submission, it may well be that retail service providers are operating as we would expect them to in a competitive market, and that a more sensible and proportionate solution may be to increase availability of customer service information for consumers without seeking to penalise or actively steer retail service provider behaviour. Because punitive regulation and active steering of commercial incentives can and will have negative implications in otherwise healthy markets.

The Commission's proposed approach

28. In this context we asked Dr James Every-Palmer KC and NERA to review the Commission's proposed approach (**the Every-Palmer/NERA report**).

29. The Every-Palmer/NERA report highlights several concerns with the Commission's proposal:

    a. There is a lack of evidence of a market failure warranting the proposed intervention;

    b. The decision by the UK Competition and Markets Authority to impose mandatory publication of a customer service dashboard at banks' points of sale is not a relevant precedent for our markets;

    c. The proposed ranking metrics may be a poor proxy for customer service;

    d. The proposed intervention may lead to perverse incentives and inefficiencies; and

    e. Alternative solutions may better meet the statutory purpose.

30. Spark agrees with the findings of the Every-Palmer/NERA report and with the overall tenor of it, which highlights the mismatch between what are the very early stages of enquiry into this topic by the Commission and the proposal to shift immediately to an extreme form of retail market regulation.

31. In our view a more proportionate course of action would be for the Commission to focus first on building its information set and understanding of (a) what if any mismatch exists between consumer expectations and provider service levels; and (b) what the causes and drivers of any mismatch are. This is the approach the Commission took with the MBNZ programme, which has received support from consumers and industry participants. In the MBNZ programme the Commission has continued to

publish comparison tables showing relative performance of retailer service providers as part of the MBNZ programme, but has not needed to mandate publication of those comparisons by retail service providers themselves.

There is a lack of evidence of market failure

32. The Every-Palmer/NERA report notes that the Commission presumes the existence of a market failure and supports this claim with observational points, without considering that many of the observations are also consistent with a healthy, competitive, market.

33. They note that with low switching costs and customers changing providers relatively frequently, there are no obvious signs to suggest a market failure or reasons to conclude that providers do not already face the correct incentives to meet customer preferences for customer service levels. In a healthy competitive market the risk that poor customer service will cause a provider to lose customers means that – absent some other factor – the current level of customer service should be expected to efficiently reflect customer preferences.

34. The Every-Palmer/NERA report further notes concerns with observational bias in the Fiftyfive5 research.

The applicability of UK banking precedent is doubtful

35. The Every-Palmer/NERA report further notes that the Commission's proposed approach draws on the regulatory experience of the CMA, which introduced a dashboard showing quality of service rankings in respect of the UK retail banking industry, but conclude it is doubtful that this UK enquiry can be seen as useful precedent for the Commission's current investigation into customer service levels in mobile and broadband markets.[4]

36. Specifically, while there is clear evidence of healthy levels of switching and low barriers to switching in our markets, the CMA found the opposite in its banking enquiry: there was clear evidence that very few customers switched banks even though they could gain financially from doing so. Every-Palmer and NERA also note that the dashboard used by the CMA in the UK dashboard represented a much broader measure of outcomes than the narrow measures proposed by the Commission which better focuses market participants on consumer outcomes rather than specific outputs. Where a regulator focuses on outputs (which the Commission's two proposed key customer service metrics are) instead of outcomes, market participants are

---

[4] COMMISSION, *Improving Retail Service Quality: Customer Service Consultation Paper,* December 2022, para 44–46, p. 20.

incentivised to find the most cost effective way of delivering those outputs, including where this is to the detriment of the overall outcome being sought (customers are satisfied with the customer experience they receive).

The proposed scores may be a poor proxy for customer service

37. In this context, the Every-Palmer/NERA report further notes that the validity and reliability of the proposed metrics is questionable as, rather than being an objective measure of customer service quality, the metrics will favour:

    a. providers who solve simple problems rather than investing to avoid them;

    b. providers who have basic products that do not give rise to complex customer service issues; and

    c. providers to customer segments who have low service expectations (price conscious customer might be an example of this) or are better able to deal with automated customer assistance (younger demographics for example). This is illustrated by Skinny's customers being more satisfied than Spark's customers even though the customers are on the same physical network and customer support is provided by a shared contact centre with the same service standards.

38. Every-Palmer and NERA note, for example, the differential customer survey outcomes that are achieved by different brands that use exactly the same Spark networks to deliver the exact same output (in this case network coverage):

Figure: Satisfaction of Coverage & Availability of providers using Spark's network
from the July 2021 Research NZ 'Consumer Telecommunications Survey'
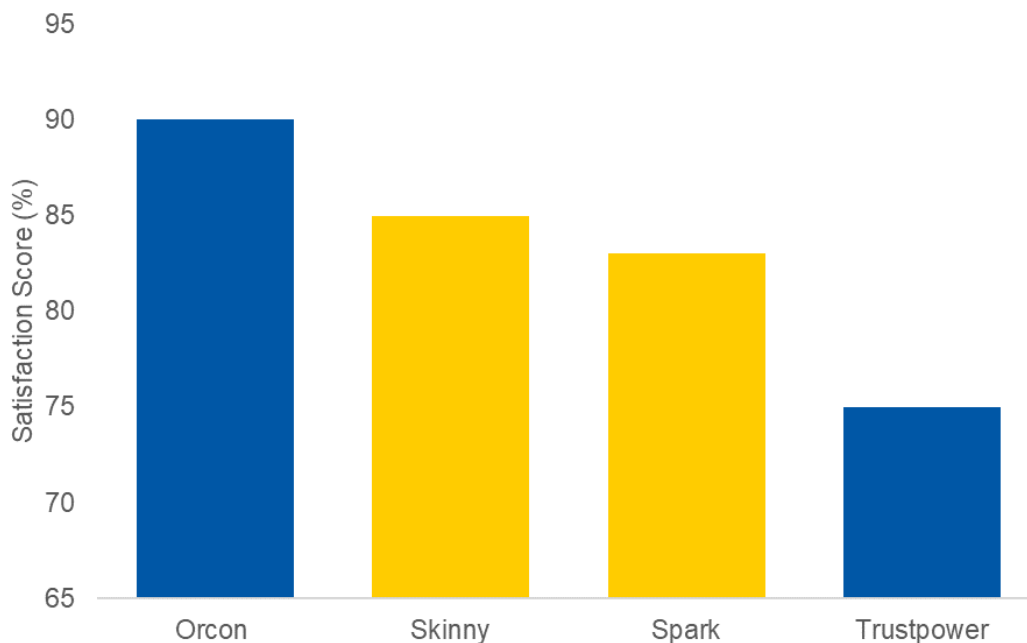
39. Every-Palmer and NERA finally note that it is also doubtful that customer service from a provider bundling telecommunications and electricity can be directly compared to customer service from a pure telecommunications provider; in particular because telecommunications and electricity lead to different customer service issues.

The proposed intervention may lead to perverse incentives and therefore inefficiencies

40. The Every-Palmer/NERA report find that the Commission's proposed "league table" intervention is likely to create perverse incentives and inefficiencies, as the mandated publication of these league tables at points of sale means providers are likely to invest in initiatives that improve their rankings on the metrics used for the table – how quickly problems are resolved and how knowledgeable/helpful staff were – ahead of other customer service dimensions. This is likely to lead to outcomes which move away from, rather than towards, customer preferences, for example by retail service providers:

    a. Diverting investment from avoiding issues to quickly solving them when they arise as this will improve their rankings.

    b. Avoiding or shedding potentially difficult customers or segments to preserve their rankings, or

    c. Reducing innovation and moving instead towards more basic products with fewer features.

41. This could have the effect of lessening competition on other dimensions that are otherwise important to consumer preferences.

Consistency with good regulatory practice

42. The Every-Palmer/NERA report notes that the mismatch between an unclear problem statement/market failure and an extreme retail market intervention means the proposal sits uncomfortably with the requirements of the Telecommunications (New Regulatory Framework) Amendment Act 2018 and good regulatory principles.

43. The Act introduced new functions and powers for the Commission in relation to RSQ, including the monitoring, and making available of reports, of retail service quality, and to engage in RSQ codes and dispute resolution schemes in the event industry codes on a matter fail to adequately achieve the purpose of improving retail service quality to reflect the demands of end-users of telecommunications services.The Act introduced new functions and powers for the Commission in relation to RSQ, including the monitoring, and making available of reports, of retail service quality, and to engage in RSQ codes and dispute resolution schemes.

44. In exercising these new powers, the Commission is subject to various administrative law requirements, including that the Commission exercise its powers within the objects and purpose of the statute, and that it is proportionate in the remedies it imposes. Widely recognised principles of good regulatory practice include that any economic regulatory intervention should be based on evidence of a market failure, evaluated on the basis of a cost-benefit assessment, and proportionate to the problem identified and designed to have the least adverse impact on market competition.

45. The Every-Palmer/NERA report observes that there is a lack of evidence of a market failure in relation to customer service, poor connection between the proposed metrics and the actual quality of the customer experience, and the potential to inefficiently distort behaviour by service providers. They conclude that Commission should look to alternatives that are more proportionate.

46. We agree with this finding, and point the Commission to the approach it has taken with the MBNZ programme.

The proposed way forward

47. The Every-Palmer/NERA report suggests the Commission consider alternative solutions that are more proportionate to the evidence it has found, and that better meet the statutory purpose.

48. Our suggestion is that the Commission can achieve both of these outcomes by aligning its customer service information gathering and reporting framework with that used in its Measuring Broadband New Zealand programme:

   a. We support the Commission gathering regular information and building its understanding of customer service levels and drivers. We are not yet sure the Commission has identified the right set of information and metrics, but if the focus is put on building an accurate and influential information set rather than seeking to steer market participants behaviour, it can refine the information set over time in consultation with consumers and market participants.

   b. We support the Commission publishing regular reports into customer service levels, which can be used to increase consumer understanding of customer service performance across the sector, and to signal emerging concerns/comfort areas, or questions for future enquiry to the sector; and

   c. Mandatory publishing of "league tables" at retail service providers' points of sale should be reserved for future use in a scenario where the Commission has gathered clear evidence of market failure or errant behaviour by market participants than warrants punitive action such as this.

49. Spark would have no problem engaging constructively in a framework such as this, as we have with the MBNZ programme.

Improving The Commissions Proposed Consumer Research And Reporting Metrics

50. We provide below commentary and constructive suggestions for how the Commission can improve the proposed customer research and reporting metrics it will regularly gather. Our overall assessment is that the information gathering framework proposed is a little too narrow in its focus, and too focussed on customer engagement channels that customers and the market are moving away from. We recommend broadening the channels measured by the Commission, seeking information about how different broadband access technologies affect customer service levels, and working with industry to ensure any reporting properly accounts for potential biases and skews.

Reporting the benefits of multiple channels

51. In particular, the proposed metrics are based around a traditional model of a helpdesk support function where customers call by phone and receive help in real time. While these are still important ways for customers to contact their provider, they are increasingly being supplemented, or in some cases replaced, by other interaction channels. This is part of the natural dynamic of a competitive retail market.

52. Some providers, like BigPipe, offer online support only. BigPipe customers tend to be more technically savvy and want a no-frills RSPs. They are comfortable with an online support model.

53. Spark, meanwhile, offers customers a range of different ways to contact it, ranging from in person visits to our stores, calling our helpdesk (which is available in a range of languages), booking a callback from our helpdesk, and messaging via Apple, Whatsapp, Facebook, or the Spark App. We also have comprehensive support, service, network, and outage, information on our website and in our App, and an automated chatbot for customers who want to investigate issues further themselves.

54. We see different iNPS results across our different channels, with our messaging service receiving the highest scores.

55. It is unclear how the availability, and performance, of multiple customer service channels will be factored into the Commission's metrics, but these are important factors for some customers.

56. In particular, the ability for customers to self-serve is a key feature of customer service – whether that be through information or features on the RSP's website, mobile app

or other automated features. These factors are not captured in the Commission's metrics

The impact of non-customer service factors

57. Like many RSPs we do our own surveys of our customer interactions. From the verbatims we collate as part of this activity we can see that customers sometimes score us poorly even where they are happy with the most recent issue. For example, the customer might be happy with how we resolved their technical issue, but may be upset about an annual price increase. Their survey results are often more reflective of the price increase than their technical support experience.

58. These effects on customer survey evidence are meaningful so the Commission will need to work with the sector to agree how to normalise or account for these effects in its reporting. A provider's score could be skewed by, for example, the timing of their price increases or product changes relative to their competitors in the market so it will be important for the Commission to remain aware of these timing relativities when and as it undertakes surveys.

The impact of different levels of complexity of issues

59. Complex problems can take longer to resolve, or the outcome might be frustrating to the customer. This can happen if the issue is outside of the RSP's control, for example issues with the customer's own equipment, access line, or home network design or layout. Often these types of issues can take longer to diagnose and some may be caused by things which the customer needs to resolve themself. It will therefore be important to use tools including question design, and verbatim analysis, to identify where a customer's experience and feedback is skewed by difficult issues that are completely outside of a retail provider's control.

60. Further, some products and technologies are inherently more complex than others, and providers should not be penalised because of their product mix.

The impact of wholesale providers

61. An RSP might also receive unfavourable ratings due to issues with third party suppliers that are outside of its control.

62. As part of the TCF's restructuring of the industry TDRS complaint scheme, a sample of TDR complaint data was used to prove an indication of the influence of wholesale scheme members on industry complaints. Of the historical broadband complaints reviewed by the TCF secretariat, **[   ]SPKCI**% were from RSP customers where the LFC was named, with the majority of these complaints related to the installation.

63. For example, recently there have been issues with delays in fibre installation caused by, amongst other things, a lack of technical staff. The outcome for customers has been multiple reschedules of installation appointments (which have often resulted in customers taking time off from work only to be told after that fact that the appointment will need to be rescheduled) and extreme installation delays. For example in Queenstown and Christchurch, Chorus has reported delays of **[   ]SPKCI** days for installations.

64. These are items which customers find particularly annoying and which drive an increase in RSP dissatisfaction. We provide more information on the current issues being experienced in Appendix C.

65. Unfortunately there are only weak incentives on LFCs to maintain high quality customer service. Performance metrics and SLAs are meant to provide this incentive but in practice they have only a marginal influence and can skew incentives.

66. Further, these issues with wholesalers reflect on RSPs in different ways with the result that the metrics don't properly reflect the provider's own customer service:

    o Two identical RSPs may score differently simply due to the distribution of customers in different LFC areas. A regional RSP could be more susceptible and suffer worse results if there are wholesale installation delays in their area than national RSPs who can average the effect across all geographies.

    o Two identical RSPs may score differently depending on what proportion of their customer base uses fixed service like landlines and broadband which rely on third parties, compared to fixed wireless or mobile services which are either self-provided or use other wholesale providers.

67. To ensure the Commission can identify and reflect the effects of wholesale service performance on retail service quality we recommend the Commission require LFCs to formally report on their key customer service metrics as part of the regular reporting proposed by the Commission.

The impact of customer differing levels of technical sophistication

68. RSPs results may also vary depending on the technical sophistication of their customer base. RSPs who attract more technically savvy customers will see more customers using their self-service tools and only reaching out for assistance with more complex queries. These customers will also likely be better at setting up their home network and equipment. Conversely, other RSPs may see more customers calling their help desk rather than using self-help tools. Anecdotally we observe that Spark gets more queries than Skinny and we believe one of the explanations for this is the different levels of technical sophistication/confidence with technology between the two

customer bases. These differences in customer profiles will impact survey results differently for each RSP.

The risks of ignoring these factors

69. These biases make comparing results between RSPs misleading, to the point of distorting competition if the results are used to provide industry 'rankings' – putting RSPs in order based on results which are not reflective on the RSP's actual relative position.

70. It also suggests that it would be useful to split out the results in aggregate by LFC and product type (mobile vs fibre vs fixed wireless vs copper) to see how the results vary and look for underlying trends.

Implementation

71. Notwithstanding our general concerns about the Commission's proposal to require publication of league table rankings at points of sale, we consider the Commission's general table of industry metrics may be a useful resource for consumers, price comparison sites, and industry more generally.

72. When we (as FiftyFive5 did) asked a sample of customers whether they would find customer service metrics useful information we found (like FiftyFive5 did) a degree of scepticism about industry self-reported numbers. A regular Commission report, published quarterly in a similar way to the MBNZ reports, may be able to counter this concern.

73. To be meaningful, though, the tables should be broken down by RSP brand, and by technology (fixed vs mobile) as we know that the performance of LFCs can have a significant impact on the customer service experience (see Appendix C). In fact, as described in this submission, we recommend the LFCs contribute to the reports by providing their own customer performance metrics which can be reported separately so customers understand these factors when choosing between different technologies.

74. MBNZ is generally considered to be a robust measuring and reporting scheme. Industry has been involved in the underlying methodology and continues to work with the Commission and the MBNZ testing provider to refine and augment MBNZ testing and reporting as the scheme evolves.

75. RSPs are not required to publish speed information from MBNZ on their websites – rather the Commission publishes the quarterly reports itself. However, if an RSP does want to publish speed information, they are required under the TCF Broadband Marketing Code to use the MBNZ numbers and reference the relevant report. This

ensures that customers can compare providers who promote their services based on speed. It also increases consumer awareness of the MBNZ reports which they can use when making their own purchasing decisions.

76. We consider that a quarterly industry customer service metrics report would deliver many of the customer outcomes that the Commission is looking for, and would be a good first step in seeking to better understand, and address, customer service RSQ issues. This approach would support competitive differentiation by allowing those who want to compete on customer service to have a way to demonstrate the difference while, hopefully mitigating the risk the Commission's focus on a discrete number of customer service metrics distorts providers' investment and behavioural incentives.

77. This model ensures the Commission and industry can monitor the success of this programme, its relevance for consumers, and the effects it has on providers incentives, in a considered way over time.

RSP rankings are potentially misleading

78. Even with the quarterly numerical reporting of metrics by the Commission there may be a temptation to 'rank' RSPs. As noted previously, customer service incorporates many different aspects and it will be easy to misrepresent relative RSP performance by creating a ranking.

79. FiftyFive5 notes that ranking are the most easily understood concept for consumers, and but does not identify that they can also be the most misleading.

80. Different aspects of customer service may be more important to some customers than others. For example if a customer never intends to call their provider because they prefer to use messaging to contact them, then the call centre metrics are of less interest. Forced rankings can also amplify small differences between providers, even where these differences would make no meaningful difference to a consumer.

81. That said, we accept that the Commission wants to provide consumers with comparative information about customer service, in the same way as it does in MBNZ reports. Those MBNZ reports manage to provide comparative information through the use of graphs that – while not directly designed to "rank" providers can be used by consumers to compare providers' results. Providers' and technologies' results are visually represented alongside competitors results but there is no explicit ranking, or ordering of the results. This helps to avoid amplification of what may be very small differences in measured results, while still enabling over- and under-performance to stand out to readers. We prefer this approach to ranking "league tables" which may well prove to be misleading.

Information paralysis is a real concern

82. As discussed above, we do not support mandatory publication of league tables at retailers' points of sale for a variety of reasons. One we have not yet touched on though is the risk that, combined with all of the other information provided to customers at these points, it will lead to information overload or information paralysis.

83. We are already required to provide considerable information on our plan cards as part of the customer buy journeys and the Commission is proposing requiring RSPs to add additional information about pricing as part of its Product Disclosure workstream.

84. We surveyed a sample of customers about the information we provide as part of the sale process and there was a clear reduction in the proportion of customers who found our plan cards easy to understand when we included the additional pricing information proposed by the Commission's RSQ Product Disclosure workstream[5]. The number of people feeling the plan cards contained too much information jumping from 10% to 29%. Customer service metrics would add even more information to the customer buy journey and risks further reducing the ease with which customers can understand, and easily make comparison between plans.

85. Adding again to this long list of information we are now asking customers to ingest and consider further increases the risk of information paralysis due to the amount of 'important' things which must be brought to their attention as part of the sale journey. At the extreme this could result in customers choosing to not engage in the market as they find it too complicated or fear making the wrong purchasing choice. This would be a perverse outcome.

The two metrics identified for ranking are the wrong questions to ask

86. If a ranking is based on just two questions then as an industry we need to be very careful with what questions are asked.

87. Anecdotally, when we have in the past asked customers to rate our complaint resolution processes, they provided answers highly skewed by whether they agreed with the outcome reached. If the resolution was not what they wanted then they would score us poorly, even if the process followed was quick and fit for purpose.

88. This makes it particularly important to avoid subjective questions like 'how knowledgeable did the helpdesk person sound' which are open to interpretation and are easily skewed.

---

[5] Adding pricing information breakdowns to our plan lineup as proposed in the Commerce Commission's Product Disclosure consultation reduced the number finding the plan cards easy to understand from 74% to 66%. Spark One Picture survey, total base n=863.

89. 'Time to resolve' is also a misleading metric (as some types of issues naturally take longer to resolve than others) and a metric open to manipulation (time of resolution, measurement periods, and process pauses, are all variables that can be used to dilute the comparability of this metric). A frontline agent may be able to fix a basic billing error straight away once it is brought to their attention, for example, whereas a network fault, particularly one involving a third party provider or complex home setup, will likely take longer to resolve, and may involve multiple hand-offs between parties.

90. Time to resolve will favour those RSPs who have proportionally more basic billing complaints which are quicker to resolve than those with more network faults. This metric therefore has the potential to skew incentives by encouraging providers to resolve issues which are quick to resolve, at the expense of a smaller number of more involved complaints, to bring the average down. It could distort investment decisions where providers put less focus on addressing systemic billing issues, choosing instead to respond quickly to customer complaints when they arise to improve their resolution metric results. Or it could even distort providers' incentives to serve customer segments that are more likely to present complex issues, for example copper customers or rural customers served by legacy technologies such as CMAR.

91. It will be a significant challenge to determine the most appropriate metrics for industry rankings or ratings and the right mechanisms to use to counteract the various potential biases that are inherent in customer surveys. This suggests to us that the Commission should focus on broader, and more, scoring metrics than the two currently proposed.

Customer testing and co-design of the survey and industry metrics

92. It is important all metrics published by the Commission are robust and focused on the customer problem which the Commission is trying to solve. This requires firstly that the Commission improve the precision of its problem statement. And it requires industry buy-in to the metrics chosen for measurement and/or publication. In our experience, industry co-design of these metrics will be critical to ensure these metrics are well-informed and robust rather than a lightning-rod for industry criticism and discourse (which ultimately confuses customers). Industry participants interact with, and survey, customers more frequently than any other party and will have important learnings from these interactions that will assist in the design of any metrics.

93. When SamKnows was first engaged to measure broadband services as part of the MBNZ scheme, the Commission held a series of workshops so industry could familiarise themselves with the testing regime and provide feedback on the implementation as some factors were unique to New Zealand. This was useful for ensuring the quality of the measurement regime and for industry to be comfortable in what was reported.

94. This approach will be even more important for this new survey as RSPs have a variety of different approaches to customer surveying and the relative benefits of these options should be reflected in the Commission's survey.

95. For example, RSPs may have multiple channels for customers to engage with them, and the service performance may vary by channel, so it's important that measurements are made across different channels and the results appropriately weighted.

96. For the consumer survey, the choice of who is surveyed is also important. It's unclear whether the survey will just focus on those who had a recent interaction with their provider or everyone on the survey panel.

97. For the survey to be relevant to the subject of customer service it should be people who have had any recent interaction with their provider and include more than just complaints. It will be important to agree how the mix of complaints compared to other interactions is reflected in the results as the experience, from the customer point of view, could be quite different. For example, a call to understand an item on a bill or to discuss upgrade options is quite different to a call complaining about a fault in a service which requires a wholesale provider to investigate.

98. We note in the Commission's regular report provided to Spark that we have a smaller proportion of complaints than our market share would suggest. The likelihood of needing to make a complaint will be an important consideration for customers and should be reflected in the metrics.

99. Customer service and service quality is more than just resolving complaints, so the category of respondents should include those interacting with consumers across a range of issues including researching and ordering new services, adding or changing existing services, transfers and order cancellations.

100. As noted earlier, factors such as customer demographic and product mix mean it will be easy for external biases to distort RSP results. The structure of the survey, and the way the results are collated, interpreted and reported need to be neutral to avoid them being misleading to customers, and the results challenged by industry.

101. It is for this reason we recommend a co-design approach with industry for the survey questions, and for the potential ways to display the information to be tested with consumers to ensure they are fit for purpose.

How many and which market participants should be included in customer service reporting

102. The markets the Commission proposes to gather and report customer service information about are complex, with reports putting the number of broadband retail

service providers at over 100. It will not be practical, or helpful for consumers, for the Commission to publish reporting covering all of these providers.

103. At the same time, if the Commission reports on the performance of some providers and not others this will have implications for providers; providers that are excluded from Commission reporting but that have very high customer service levels may argue they are disadvantaged, while providers that are included and that believe the Commission's chosen reporting metrics are misleading may argue the same.

104. We do not have a fixed view on the right number of providers for the Commission to report performance against but prefer a larger set to a smaller one. Larger reporting sets will mitigate the risk that small differences in performance are misrepresented, while still enabling over and underperformance to be singled out. Larger reporting sets will also help the Commission and consumers narrow down the set of "key" customer service metrics that drive true differentiation within the market and that therefore should be elevated in a consumer's consideration set when choosing a provider/technology/service.

105. We provide our comments on the proposed calculation methodology for the industry customer service metrics in Appendix B.

106. Whatever approach is taken, an industry forum which meets regularly to discuss the metrics will be important. This group can help co-design the initial customer survey questions and agree the data sets required from industry.

Appendix A - Consultation questions

Overall proposed approach to informing consumer choice and improving customer service levels

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?*

- Customer service is an important consideration, and we are continually looking for ways to refine and improve how we interact with our customers. However, we are not convinced the Commission has identified a market failure that justifies this level of intervention.

- Measuring and comparing metrics is particularly complex when it comes to customer service where customers may have a wide variety of channels to contact their provider, and where many providers are investing in self-service solutions so customers can resolve basic issues themselves.

- A ranking (or rating) dashboard is a particularly significant intervention which risks distorting competition if it does not provide a fair comparison between providers. There are a number of significant biases which can distort the data and lead to an RSP's result being skewed by non-customer service factors. Our view is the risks associating with creating a ranking dashboard outweigh any of the perceived benefits, especially where a market failure has not been formally identified.

- If the Commission wishes to pursue an intervention at this stage, we suggest it develops a market monitoring approach similar to the MBNZ programme, where the Commission reports on metrics periodically through the year, and providers can reference the report in their marketing if they wish to promote customer service quality in their marketing.

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?*

- We provide our feedback on the proposed metrics in Appendix B.

- The ability for customers to self-serve is a key feature of customer service – whether that be through information or features on the RSP's website, mobile app or other automated features. These factors are not captured in the Commission's metrics.

- The metrics proposed appear to be based on more traditional ways of interacting with RSPs and do not take account of the multiple channels customers use to contact their provider. In addition, customers often use multiple different channels as part of their engagement with their RSPs on the same issue further complicating the survey.

- LFCs should be required to provide a set of customer service metrics as this can be a key influencer on RSP metrics for fibre broadband. We provide commentary on
  [   ]SPKCI recent performance in Appendix C below.

- An industry forum which meets regularly to discuss the metrics will be important. This group can help co-design the initial customer survey questions and agree the data sets required from industry.

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?*

- We provide our feedback on the proposed metrics in Appendix B below.

4. *Can you produce the industry information using the proposed calculation methodology set out in Attachment A without incurring signification costs? If not, why not?*

- We will need to provide information for each of our consumer brands of Spark, Skinny and BigPipe.

- The metrics need further co-design to ensure they accurately take account of things that customers care about. Many of the metrics are similar to information we capture today but development would be needed to ensure consistency across the industry.

- There will be a cost to our business in providing this information. This will depend on the final metrics and the development time needed. There will be a financial cost to implement the metrics and an opportunity cost in terms of resource which cannot be used for other activities (such as customer service improvements).

- There could be cost to customers in terms of customers service improvements if the metrics removed incentives on us to address issues proactively.

- We can only do a feasibility study to determine the actual costs, and implementation timeframe, once the final metrics are agreed.

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?*

- There will be a cost to RSPs to provide this information and the cost of compliance should apply to all providers to ensure a level playing field. It will be important to include new entrants such as satellite providers as well as existing providers.

- Reporting should also include the local fibre companies to report on their service levels as these are a key influence on retail fibre customer service levels.

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

- Once the metrics are agreed and we have the reporting in place, we will be able to provide information on a quarterly basis.

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

- We expect we could provide residential and SME customer information separately.

- For residential we would report on Spark, Skinny and BigPipe separately to reflect their different market positionings.

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?*

- We prefer a voluntary approach where this is achievable, and where this provides a level playing for industry. However, if several main providers do not participate then the Commission may need to look to a more formal basis to request the information.

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)?*

- The dashboard should be on the Commission's website for consumers and industry to reference:

  o We know that consumers research options online before making purchases so a central source on the Commission's website which compares all providers is a good option.

  o We also know that the clarity of plan cards and website information is reducing as RSPs are being required to add more information as a result of various RSQ measures.

- The current MBNZ model works well where the Commission published quarterly reports.

- If an RSP wishes to publish their service quality metrics in their marketing or on their plan cards, then they should be able to, but only if they use the Commission's official report numbers. This would be consistent with the approach taken for the MBNZ report.

- Third parties such as price comparison websites may choose to show the Commission's metrics, providing they use the information in a way which is not misleading.

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?

- The dashboard should be updated quarterly to match the Commerce Commission MBNZ report. Further, people's memories fade after a few weeks of an interaction with their provider so the results will be more accurate if the customer surveys are more recent.

Appendix B – Feedback on proposed calculation methodology for industry customer service metrics

The Proposed Metrics Are Built Around A Call Centre Model

- It is common for customers to use multiple channels to contact us, often simultaneously.

- Voice calls to our call centre are the traditional way to contact a provider, but increasingly RSPs are looking for ways to help customers help themselves. This has resulted in new channels for customers to use to contact us or resolve their issue/query. In addition to our call centres, these include call backs, in store, a number of different messaging options, information on our website and live automated chat bots.

- The metrics used by the Commission to rank and report on, retail service quality need to take account of the range of methods to contact us as we find that users of different channels give different NPS scores.

Self Service Metrics

- Self-service is a key component of customer service. Customers benefit where they can solve issues on their own without needing to contact their provider.

- Self-service could be as simple as looking up information on an issue on the provider's website (eg a search on our website to find instructions on how to setup a router, to find the cost of roaming or to compare plans). It can also include more complex activities like buying a roaming pack using the providers phone app, or changing broadband plan or purchasing product add-ons online.

- Sources of self-service include our website and our mobile apps. For Spark it also includes our automated chatbots which provide answers to common questions, and direct customers to other self-service locations where appropriate.

- The benefits for customers with self-service channels are that they are able to address basic issues themselves without needing external assistance from a customer service agent, or to wait for that assistance to be available. The net result of taking these simpler queries or tasks out of the call-centres is, however, that our agents are increasingly left to deal with more disproportionately more complex tasks and interactions than would have been the case in the past.

- It is important that the benefits of self service, which will vary by provider, are captured in the industry metrics otherwise RSPs who are particularly good at self-service may be penalised as their results are more weighted towards complex issues which by their nature are harder, and will take longer, to resolve.

Our feedback on the proposed metrics

- The metrics proposed by the Commission are quite extensive and will require us to develop new reporting processes, to report across all measures for our three main consumer brands (Spark, Skinny, BigPipe).

- Our industry reporting metrics do not split out the channel by service so this would require further work to develop. We suggest this level of differentiation is best left for the consumer survey questions rather than industry metrics. We think this would be a useful way to report the survey results.

- We recommend the Commission work with industry to explore whether metrics which incorporate self-service can be achieved through a co-design process which takes account how many customers resolve their own issues before needing to contact their provider in person.

- We also recommend an industry co-design process to explore how the metrics can take account of the wider range of options customers have to interact with their provider.

- Our comments below should not be read to imply blanket support of the metrics as a fair way of comparing RSPs.

Average wait time (call centre)	Average wait time (call centre) = Sum of all call wait times / Total number of calls that waited in the queue. The wait time is measured starting from when the customer choses the option in the interactive voice response (IVR) to talk to a customer service representative. If there is no IVR, it starts from when the call is connected. This should include all calls, including abandoned and short duration calls.

- We broadly agree with this measure and it is consistent with how we measure average wait time today.

- Items for further clarity include:

  o whether there would be one measure to take account of all our queues, or whether it will be split out by our different queues and channels.

  o how would the metrics take account of large-scale or unusual events that impact the number significantly. Examples could be weather events or widespread wholesale provider issues.

  o how would temporary interruptions and outages to helpdesk services be taken into account?

  o How are callback wait times included in the metrics and if so, how are they calculated? We argue they should be excluded as the customer is not sitting waiting on their phone in the same way they are when calling a help desk. Call back may be better measured separately or as part of an asynchronous contact metrics which includes online messaging.

Average wait time (email)	Average wait time (email) = Sum of all email wait times / Total number of emails sent. The wait time is calculated as the time from when the email was received by the email system to when a personal reply was sent addressing the query, not an automated email response. The wait time should be calculated as total time, not business hours, to standardise across providers who operate with different business hours.

- We broadly agree with this measure.

- Care needs to be taken that this type of metric does not act against pro-consumer innovation. For example a provider could implement basic triaging using AI so that basic, common enquiries are sent a standard response with the information they need, to help them address the problem or query. The idea being that in many cases this would provide the customer with the information they needed and no further engagement would be needed. In this case they will not get a 'personal reply' as the reply could be automated.

- One option would be to remove boiler plate responses from the metrics, but templated responses are a standard way of replying to customers – whether automated or created by a human. Ultimately if the customer's issue is resolved, it should not matter whether the response was automated or sent by an agent.

- This is an example where a provider may develop solutions which can be of assistance to consumers by helping them resolve their issue quicker, but which would reduce the providers score against this metric.

- It also demonstrates how a regular industry forum to review the metrics and ensuring they remain fit for purpose is important.

- The category of email could be expanded to include other asynchronous messaging channels such as messaging via WhatsApp, Facebook, iMessage etc.

Average wait time (live web chat)	Average wait time (live web chat) = Sum of all live web chat wait times / Total number of live web chats. The live web chat wait time is measured starting from when the customer selects the option to chat with a live agent to when a personal reply is sent addressing the query. It does not include the time engaged with the automated chat bot.

- There is a difference between 'live chat' where an agent responds to a message and a chatbot which provides automated responses. As noted above, there is value in automated responses for many customer queries where customers are able to help themselves, or just requesting more information to self-serve. Spark's chat bot is purely automated. The chat bot can however give the customer instructions on other channels they can use to talk to a live agent.

- Chat bots which do not include live agents should be excluded from this metric. If a customer asks to chat to a live agent on the Spark chat bot they will be referred to one of our other channels such as messaging. They will never get a live agent on the chat service so the metric definition will not work.

Abandoned rate (call centre)	Abandoned rate (call centre) = Number of calls disconnected by the customer while in the post IVR queue / Number of calls in the post IVR queue. This should include all abandoned calls in the post IVR queue.

- We broadly agree with this measure.

Abandoned rate (live web chat)	Abandoned rate (live web chat) = Number of chats disconnected by the customer while waiting for a live agent to respond / Number of chats that select the option to chat with a live agent.

- Spark's live chat is fully automated so customers will always get an automated response. If a customer asks to chat to a live agent they will be referred to one of

our other channels such as messaging so the abandoned rate would be 100% for these customers. Fully automated chatbots, and other channels where there are no live agents, should be excluded from this metric.

- For consistency there should be a similar metric for abandoned emails and other asynchronous messaging channels, although we would not know if these were abandoned or if the customer was happy with our reply. From our perspective, a non-reply from the customer could be because the information we sent resolved their issue, or the issue was abandoned, or the customer chose to engage with us via another channel.

- Customers often use multiple methods and channels to contact their provider, sometimes at the same time. An abandoned communications on one channel does not necessarily mean the customer's issue remained unresolved – it may be their call to the helpdesk was answered, or they found an answer online.

- As a result it will be impossible to say for sure whether an asynchronous customer service interaction has been abandoned.

Average handling times (call centre)	Average handling times (call centre) = (Total talk time + total hold time + after call work time) / Total number of calls answered.

- We broadly agree with this measure.

- As per our earlier comments, it is unclear how Call Back handling should be considered in this metric.

Average handling times (live web chat)	Average handling times (live web chat) = (Total chat time + after call work time) / Total number of live chats answered.

- It is unclear what 'total chat time + after call work time' means. If 'after call work time' means the amount of effort required by the RSP to resolve the problem after the chat has ended then this is not measured today in this way and we do not understand why this is only required for live web chat. We would also need to understand how delays caused by third parties are factored into this metric.

- It is unclear how this metric would apply to Spark's fully automated chat service which does not involve a live agent.

Number of contacts by channel (call centre, email, chat bot, live web chat, messaging)	Total number of contacts by channel: call centre, email, chat bot, live web chat, messaging.

- Broadly agree although we question how comparable these metrics would be by provider as they will depend on the number of customers the RSP has and the profile of these customers.

- A metric giving the proportion of total contacts by each channel may be of more interest, but is unlikely to be of particular value to potential customers as it is more likely to be driven by the preference of customers rather than indicating particular issues with different channels.

- As noted earlier it is common for customers to contact us on multiple channels, to resolve an issue, often at the same time. Therefore there is a risk of double counting the same customer multiple times for the same issue.

- We suggest it would be better to simply report on what channels are available to contact an RSP rather than attempting to measure the absolute number of contacts.

- We also note that this metric should include retail stores as these are an important consideration for some customers.

Reconnect rate (call centre)	Reconnect rate = Number of customers successfully reconnected through all callback attempts / Number of customers requesting call-backs.

- This is not a metric we measure today. The challenge with this metric is that it needs to measure successful call backs while ignoring those call backs which fail due to the customer's inaction. For example, we may have tried to call the customers multiple times but got no answer, the call was declined or went to voicemail.

- For Spark, if a customer requests a call back we will attempt to call them up to three times. Under this metric, a provider would be penalised for attempting multiple call backs if the customer continues not to answer and we would be incentivised to only make one call back attempt to avoid performing poorly on this metric.

- This metric should be redesigned to only count whether the provider has attempted to call a customer after they had requested a call back, and not penalise a provider where the customer didn't answer. And a provider should not be penalised for attempting to make further call back attempts.

Appendix C – Examples of recent [

-

- RSPs raised their frustrations with Chorus performance during 2022 via the UFB Product Forum and Chorus agreed to provide regular updates on how it is addressing performance issues to the UFB Product Forum.   The charts below are taken from their March 2023 update to the Forum.

Fibre Connect:

- We know that reschedules and missed appointments are particularly frustrating for customers.

Fibre Connect:

Assure Performance

-

]SPKCI