Perceptions of a quality service provider

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The reputation of telcos

- *Today, the ACCC is putting the telecommunications industry on notice. Misleading advertising, unfair contracts, inadequate disclosure and subscription scams are all in the ACCC's sights. Standards must improve or risk increased scrutiny and action.*

  Graeme Samuel, Chair ACCC, April 2009

- *One of the biggest increases in complaints to the TIO continued to be about poor customer service or complaint handling. That left many customers feeling their phone or internet company did not really care about them, or did not follow through on commitments.*

  Deirdre O'Donnell, TIO, October 2009

The reputation of telcos (cont'd)

- *But the government is not sitting on its hands while the telco industry continues to treat its consumers with contempt; rather, the government is putting pressure on the industry to lift its performance. I have put the industry on clear public notice. The government will have little choice but to regulate if the situation does not improve.*

  Senator Stephen Conroy, October 2009

- *Dramatic increases in complaints … show the sector cannot regulate itself. These aren't complex issues, they are simple and should be easy to fix. The only conclusion that can be drawn is that telecommunications companies just do not care about consumers.*

  Allan Asher, CEO ACAN, October 2009

Alternative hypotheses

- These speakers all suggest that telcos just don't care about their customers. There are alternative hypotheses though:
  - Customers have achieved a greater awareness of the existence of the TIO, and the increase in complaints only reflects that;
  - Anecdotal evidence that consumers are aware that telecommunications providers will not fight claims taken to the TIO, even if the provider has evidence that the claim is without foundation;
  - Telecommunications customers may be expressing a preference for cheap prices with poor customer service over better service at higher prices; and
  - Like budget airlines, customers aren't making the connection between cheaper prices and the consequences.

The research questions

- An observation
  Conference participants and conference venues have a different view of what is important at a tea break;
  - Participants – toilet queues and phone reception
  - Venues – quality of tea and coffee
- Suggested research questions
  - Do service providers and consumers have the same view of what constitutes a quality service provider?
  - What are the attributes of a quality service provider?
  - How well do service providers perform against them?”

The ACIF CC work

- A facilitated workshop to define a “quality service provider” - used “talking paper”
- Generated a description as a narrative
- Published by CTN in a different form as a Tip Sheet
- No assessment of industry view

- Alternatives considered for research
  - Further similar workshops to se if there were different descriptions
  - Pilot survey to see if the description can be tested

Survey methodology

- Used online survey through surveymonkey.com
- Invited participation in three ways
- Three response groups

Survey selection method	**Invited to Participate**	**Commenced Survey**	**Completed Survey**
E-mail to individuals	240	52	37
Social media and blog	N/A	47	22
E-mail to regulators/policy bodies	N/A	6	5

Respondent Group	**Completed Section 1**	**Completed Section 2**	**Completed Section 3**
Service Providers	22	19	15
Regulatory/Policy	7	6	6
Consumer	50	40	38
Total	**79**	**65**	**59**

Survey methodology (Cont'd)

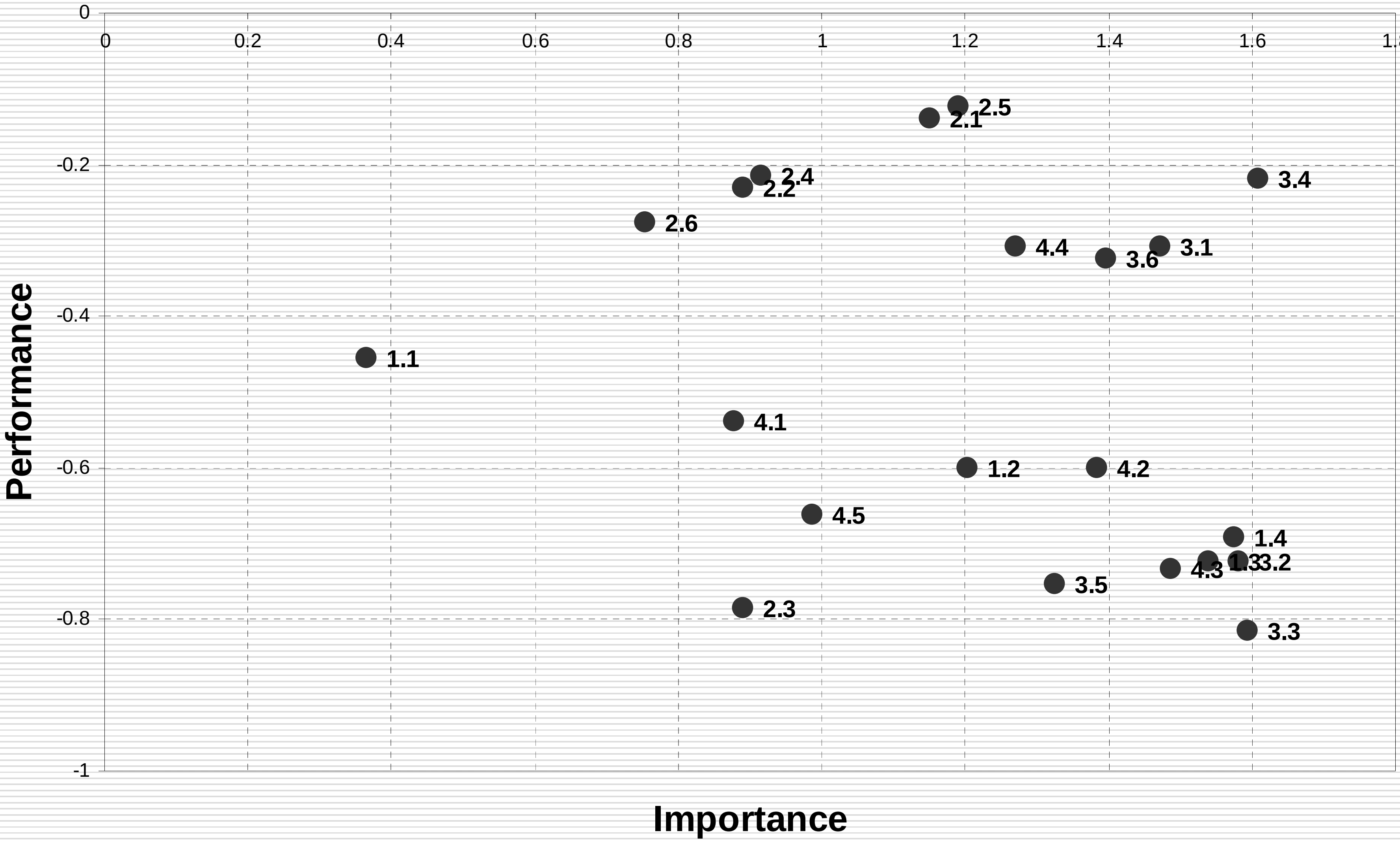
- Section 1 – responding to the whole description
  - *How well does this description meet your perception of a quality service provider?*
  - *How well do you think service providers as a whole perform against this description?*
- Section 2 – responding to the statements of the attributes for SPs as a whole
  - *Consider how important you think each statement is in a quality service provider.*
  - *State how well you think service providers as a whole perform against each statement*
- *Section 3 – responding to the statements of the attributes for a service provider they use*
  - *State how well you think your service provider performs against each statement*
- Five point scales scored -2,-1,0,1,2.
- Sample not random therefore statistical tests may not be unbiased.

Results – overall assessment

- No difference between response groups
- Description reasonable but performance poor

	Description			Performance		
Category	**Mean**	**Std Dev**	**n**	**Mean**	**Std Dev**	**n**
Service Provider	0.91	1.23	22	-0.60	0.91	25
Regulator Policy	1.14	0.69	7	-0.50	0.55	6
Consumer	0.82	1.06	50	-0.92	0.71	52
Total	**0.87**	**1.08**	**79**	**-0.80**	**0.78**	**83**

Results – importance vs performance by attribute



Results – cluster of interest

- Cluster of five items that were high importance poorly performed

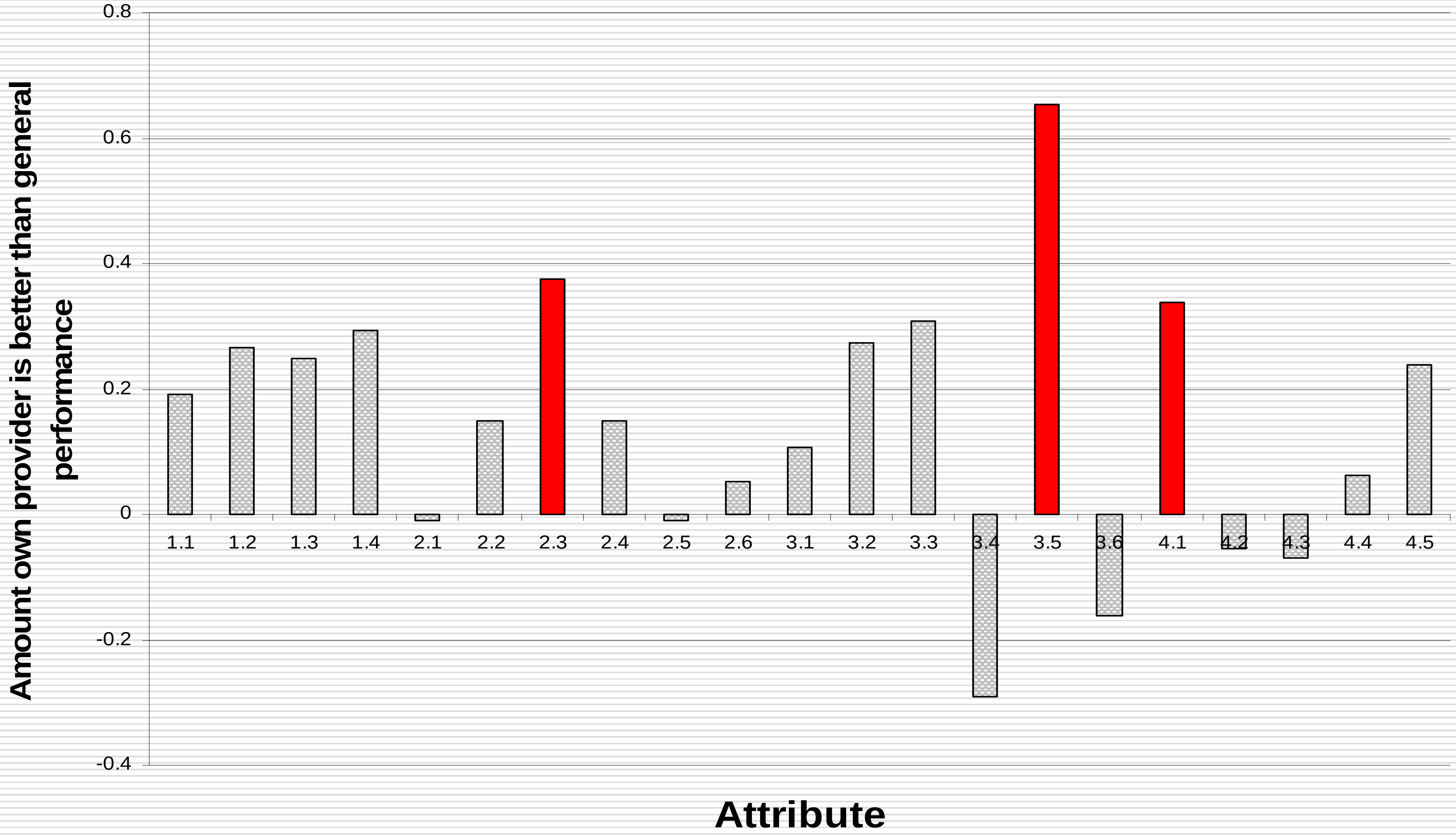
Item	Importance	Performance	Description
3.3	1.59	-0.82	The service provider is proactive in managing quality, and prompt to repair faults.
3.2	1.58	-0.72	The service provider delivers when and what they say they will, with simple instructions on how to use the product.
1.3	1.54	-0.72	The service provider exhibits “best practice” by being open and transparent in its operations, by taking accountability for its actions, its products and services and its commitments and by being credible; acting with integrity.
1.4	1.57	-0.70	The service provider ensures staff know what they need to know to deliver on the values above.
4.3	1.49	-0.73	Where there is dissatisfaction with the service the source of that dissatisfaction is properly addressed.

Results – customer and service providers disagree

- There were two attributes that may show significant difference between consumer and service provider employee perceptions.

Item	SPs	Cons	Description
2.4	0.11	-0.35	It provides user friendly innovative products that are built to meet the current service standards and is inclusive of varying customer needs in the design
2.5	0.26	-0.33	The service provider's products offer real value for money and are generally affordable.

Results – own provider versus providers overall



Results – where own provider is better

- Three attributes were potentially significant in respondents' views of how their provider was better than providers overall;
  - 2.3 The service provider never oversells.
  - 3.5 Bills are easy to understand and accurate.
  - 4.1 In direct dealing with customers the provider is culturally aware and appropriate in its conduct.
- A possible interpretation is this is how respondents like to see themselves as consumers.

Conclusions

- The kind of research used in the pilot study is used by providers to research brand and customer service.
- The commentary at the start indicates the need for behavioural change from service providers.
- Behavioural change is better brought about by identifying and rewarding good behaviour, rather than merely penalising bad behaviours.
- The hypothesised difference in perception between consumers and service provider employees on quality service providers was not found.
- An alternative hypothesis is that providers are well intentioned but not able to overcome a “language barrier” with their customers.
- The work started by the ACIF CC to focus discussion between consumers, industry and regulators on the attributes of a quality service provider should be continued.