



Telecoms Customer Satisfaction Survey

Fixed Line Results

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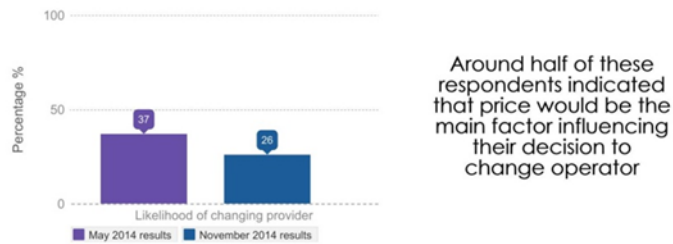
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Telecoms Satisfaction Survey - Headline Results

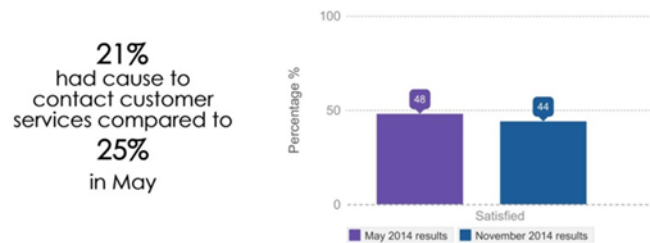
Fixed Lines - Guernsey (Sure)



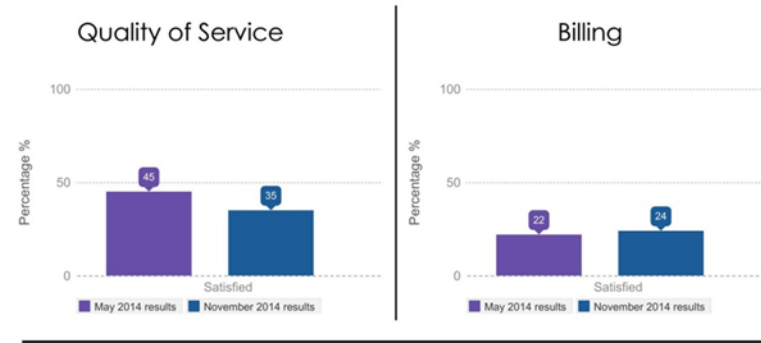
Likely or very likely to change provider in future



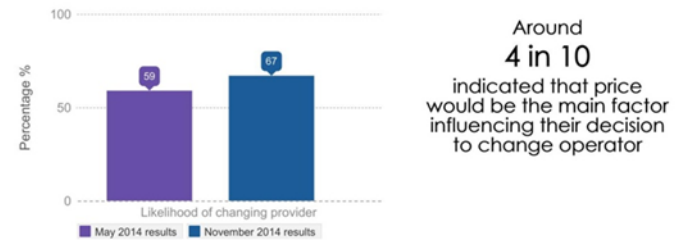
Satisfaction with customer service



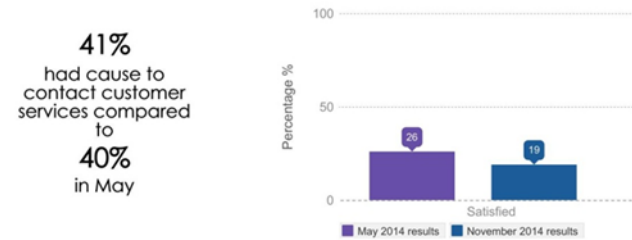
Fixed Lines - Jersey (JT)



Likely or very likely to change provider in future



Satisfaction with customer service



Introduction

This report on customer satisfaction with fixed line telecoms services is the first of three customer satisfaction reports that we, the Channel Islands Competition and Regulatory Authorities (CICRA), will publish over the coming weeks.

We expect this report to help

- customers make decisions about what telecoms service they subscribe to and what provider they choose in the future
- telecoms service providers by showing where they may need to improve to better meet their customers' expectations
- CICRA identify the most important issues for customers which will, in turn, inform our future work in the telecoms sector

Based on feedback received from our May 2014 survey we decided to repeat the survey every six months so we can track changes in customer satisfaction over time and effectively track how responsive the providers are to the customer feedback. In November 2014 we commissioned our second survey of 500 customers¹ again focussing on the areas we know that customers are particularly interested in: quality of service, billing and issue resolution (through customer services). The survey was conducted in Jersey and Guernsey seeking customers views on these three areas for three types of services - fixed line telecoms services, which is the focus of this report, broadband and mobile services, which will be the focus of future reports.

Currently Channel Islands customers do not have a choice of fixed line provider; JT provides all fixed line services (sometimes referred to as landlines) in Jersey while Sure is the only provider in Guernsey. We are working with operators so that, by 1 June 2015, customers in both islands will have a choice of fixed line provider.

The Channel Islands Competition and Regulatory Authorities or 'CICRA' is the name given to the Jersey Competition Regulatory Authority and the Guernsey Competition and Regulatory Authority. In Jersey, we are responsible for regulating the telecoms and postal sectors along with administering and enforcing competition law. In Guernsey we are responsible for regulating the telecoms, postal and electricity sectors along with administering and enforcing competition law. Our aim is to ensure that consumers receive the best value, choice and access to high quality services in addition to promoting competition and consumers' interests.

¹ Island Analysis undertook the survey using primarily online survey methodology with the proviso that, if the sample achieved did not truly provide a robust sample of the community, there was an option to carry out face-to-face interviews. A robust sample of 500 in each island was achieved. The survey and the sample response were also robust in terms of quality and depth of response.

Quality of Service

Survey participants were asked the following question

‘Overall how satisfied are you with the quality of the fixed-line service you receive from your provider?’

Participants were asked to answer on a scale of very satisfied, satisfied, neither satisfied nor dissatisfied, dissatisfied or very dissatisfied.

In Guernsey, the number of customers who responded indicating that they were satisfied or very satisfied with Sure’s quality of service increased from 57% in May to 68% in November. In contrast over the same period JT saw the number of its customers who indicated that they were satisfied or very satisfied with its quality of service fall from 45% to 35%.

By way of contrast nine in 10 residential customers in the UK were satisfied with their fixed-line service in quarter 1, 2014²

Billing

Survey participants were asked the following question

‘How satisfied are you with regard to your provider’s billing process for the fixed-line service?’

Participants were asked to answer on a scale of very satisfied, satisfied, neither satisfied nor dissatisfied, dissatisfied or very dissatisfied.

Only 24% of JT’s customers who responded rated its billing as satisfactory or highly satisfactory – barely increasing from the 22% satisfaction rating in May. By contrast 66% of Sure’s customers who responded rated its billing as satisfactory or highly satisfactory - a significant increase on the 53% satisfaction rating received in May.

The poor customer satisfaction with billing figures achieved by JT may reflect the continued concerns that have been reported both in the local media and to us directly following the introduction of its new billing system. Although JT has reported that it is working with customers to address concerns its efforts in this area do not seem to be reflected positively in the customer satisfaction ratings achieved.

² Ofcom The Communications Market Report published 7 August 2014

Customer Services

Survey participants were asked the following questions

‘Over the last six to 12 months have you had to contact customer services with regard to your fixed line service? If yes how would you describe your overall experience dealing with customer services?’

Of the 500 people surveyed in each island four in 10 of JT’s customers who responded indicated that they had cause to contact customer services in the past six to 12 months compared to two in 10 of Sure’s customers who responded (both results are consistent with the May 2014 results).

Of the 205 JT customers who had contacted customer services two thirds (65%) found their experience unsatisfactory or highly unsatisfactory.

Of the 105 Sure customers who had contacted customer services just over a third (38%) reported their experience to be either unsatisfactory or highly unsatisfactory.

For both JT and Sure levels of satisfaction with customer services have fallen since May.

Switching providers

Survey participants were asked the following questions

‘If there was an option to change your fixed-line provider to another existing Channel Islands operator, how likely would you be to change in the future? If you have answered ‘very likely’ or ‘likely’ what are your main reasons for possibly changing provider?’

Almost seven in 10 of JT’s fixed line customers said that they were either likely (17%) or very likely (50%) to change their provider when they are able to do so compared to less than 26% of Sure’s fixed line customers. In both islands by far the biggest reason given for seeking to change operators was price.

So many customers indicating that they would consider changing providers sends a powerful message to both operators, especially JT, that they need to pay serious attention to customer’s views and work with them to improve customer experience and to ensure that customers believe that they are receiving value for money.

What are we doing about it?

CICRA will work with the operators to ensure their attention is focussed on the areas we consider will deliver the greatest improvement to customer satisfaction.

In conjunction with the publication of this report we have asked JT to prepare an action plan, to share with us and its customers, setting out the steps it is planning to take to improve customer satisfaction across the board for its fixed line services. We expect JT to report its progress to us and customers on a monthly basis until the results of the next survey are available.

Similarly we have asked Sure to provide us with an action plan to improve customer satisfaction with its customer service function. We only plan to extend this to billing and quality of service if the improvements seen to date are not sustained.

We are continuing to work with operators to ensure that from 1 June 2015 customers will have a choice of fixed line provider enabling them to 'vote with their feet' should they choose to do so. Experience from other markets indicates that customers who have choice feel more empowered and able to influence their service provider even if they ultimately do not choose to switch.

We anticipate that telecoms service providers will seek to improve both the quality and pricing of their services to win new customers and to persuade their existing customers not to switch away from them. We also expect to see improved engagement by the service providers as they seek greater feedback from their customers and respond to that feedback.

Next steps

We will release our second report on customer satisfaction with mobile telecoms services later in January and our final report on broadband services shortly thereafter.

The survey will be repeated every six months. The next one is scheduled for May 2015 immediately prior to the introduction of choice for fixed line telecoms customers. This will allow us to track the impact of the introduction of choice on customer satisfaction levels as well as tracking how service providers are performing in tackling the underlying issues.