

Customer Lifecycle Management practices in the telecom sector in Sri Lanka and Bangladesh: Supply side perspective

1.0 Introduction

LIRNEasia's previous research shows that among the Bottom of the Pyramid (BOP), e-connectivity is limited to voice, despite extremely high mobile use and high mobile phone ownership. Access to and use of more-than voice services is uneven and low. In this research we study how to increase the inclusivity of the currently marginalized BOP by providing more useful services and applications on mobile platforms.

We commenced our research by studying the customer relationship management (CRM) practices in the mobile industry, which has been successful in utilizing e-connectivity to enhance the user experience while containing costs. Our research is focused on giving voice especially to the 'poor'; therefore, in our interviews we tried to study how the mobile operators managed their relationships with the BOP and urban BOP micro-entrepreneurs. The study was conducted in Sri Lanka, Bangladesh and India. This report summarizes the supply side perspective, gained by desk research and interviews with mobile operators in Sri Lanka and Bangladesh. Each interview took approximately 1 – 2 hrs. Interviewees were all senior executives in their respective organizations and ranged from marketing managers to CEOs.

Further to this supply side report, we will also be conducting the following demand side research on CRM.

- (a) Conduct Randomized Controlled Trials (RCTs) on mobile phone subscribers (with the collaboration of consenting mobile operators), where the subscribers will be segmented according to different behaviors, and managed differently to understand consumer preferences that can allow for better customer service delivery.
- (b) Conduct a survey of urban poor micro-entrepreneurs in at least one city in each of the three countries to find out current level of Information and Communication Technology (ICT) use, as well as the functional issues faced in consuming ICT and government services.

The main questions we hope to answer through this study are:

- a. Have the technology-mediated systems included new features that were unavailable in the prior face-to-face systems?
- b. How effective have they been? Are there good measures for efficacy?
- c. What specific changes have been made in managing customer complaints?

2.0 Customer Relationship Management in the Telecom Sector

During the interviews in both Sri Lanka and Bangladesh with Senior Customer Services Officers of Mobile Companies, the importance of good customer services in order to differentiate themselves from the competition was made clear. In the past, the telecommunication sector relied heavily on technology and product innovation for competitive advantage. With global competition and relentless technological advances companies now battle for differentiation through customer services, price and quality of service.

Marketing experts maintain that satisfied customers are critical to profitability because they:

- Stay with the company longer as repeat customers,
- Deepen their relationship with the company,
- Demonstrate less price sensitivity, and
- Recommend the company's products or services to others (Centre for the study of Social Policy, 2007).

“Customer satisfaction is essentially the culmination of a series of customer experiences or, one could say, the net result of the good ones minus the bad ones. It occurs when the gap between customers' expectations and their subsequent experiences has been closed. To understand how to achieve satisfaction, a company must deconstruct it into its component experiences (Meyer, C., & Schwager, A., 2007).”

With the need to differentiate ones products based on customer services, quality of services, etc, many mobile companies have started to use customer relationship software. Their call centres are equipped with systems which enable agents to have a unified view of any customer who calls, including personal details, billing information, previous complaints etc in order to be able to make decisions based on real time customer data (Haridasan, V., & Venkatesh, S., 2011).

Many telecommunications operators also use Customer Relationship Software to create comprehensive profiles and segment the customer base into very specific subsets based on different criteria, such as whether they make calls abroad, or have a data-enabled handset. This has a number of benefits to a carrier in terms of marketing. By pushing more appropriate services they can increase Average Revenue Per User (ARPU) and fight against churn. Subscribers also stand to benefit significantly from better targeted marketing – with particular perks and incentives tailored to their needs, they can receive more airtime or services for the same budget (Barton J, 2012).

McKensy recommends that mobile companies should use their customer relationship management systems to micro segment their customer base and send out different pilot offers to each segment. Then extend the offers which were the most effective during the pilot phase, to the whole segment. While this is possible with post paid customers, managing prepaid customers who buy their SIMs from third party vendors can be a challenge. While a lack of data makes customer life-cycle management particularly hard to implement in prepaid mobile services, innovative companies have mined usage patterns to create microsegments: homogenous groups of as few as 100,000 prepaid customers. They

use this segmentation to launch customized marketing campaigns that encourage these groups to spend more (Manuel, N. N., & Sjolund, M., 2008).

Some systems also analyse where a customer is in a specific moment of his lifetime (for example – 1st week, 1st month, etc. or life changing stages such as ‘getting married’ or ‘having a baby’) is processed by the system & appropriate offers are generated.

The other method operators use to differentiate themselves from the competition in the absence of product differentiation is lowering of price or improving the quality of the product/ service as opposed to customer relationship management and customer service. In the telecom sector generally operators cannot go beyond the regulator set floor price, but they get around this by introducing packages with different numbers of minutes.

One of the Sri Lankan operators focuses on building up the data network and sets priorities around use of data as opposed to voice. Unlike other business development strategies that tend to spend on infrastructure development as the market share increases, this operator rolled out an island-wide 3G network before actively marketing their services. They also seem to understand the fact that the majority of users (BOP, in rural areas etc) do not have 3G enabled phones and therefore strategize to provide apps and other services that cater to the 2G handset market.

Box 1: A case of a Sri Lankan operator differentiating itself from other market players

As the competitive landscape of a local market evolves, customers evaluate whether to remain loyal to their current service providers. According to a working paper from Harvard Business School, Their decisions are affected in part by the quality of service they have experienced from their current providers for given prices, as well as their expectations about the quality of service they might experience for corresponding prices elsewhere. Accordingly, in choosing which service quality/price bundle to offer, firms face a delicate trade-off. On the one hand, offering higher levels of service quality improves transaction experiences, but it also raises costs, which in turn increases prices and the probability of price-sensitive customer defection. On the other hand, reducing service quality reduces costs, and in turn prices, but it increases the likelihood of losing service-sensitive customers (Ryan W. Buell, Dennis Campbell, Frances X. Frei, 2011).

The working paper suggests that when the incumbent has sustained a high service quality position relative to its competitors in a local market, its customers are systematically more likely to defect due to superior service competition (quality sensitive). Conversely, when the firm fails to maintain a high service quality position, its customers become more price sensitive (Ryan W. Buell, Dennis Campbell, Frances X. Frei, 2011).

When we observe the current situation in the mobile sector, the quality of service seems to be deteriorating and prices coming down further. It seems that as the incumbent started offering low quality customers became more price sensitive and this has now led to the current price war trap. This is evident by the popularity of the “Budget Telecom Network Model” which was first implemented in Asia where there was a high population of potential low revenue yielding customers. Through a series of technological and service process innovations, the operators were able to offer radically low prices, which attracted more minutes of use which in turn made further reductions possible. Prepaid, which

reduces transaction costs and also accommodates the needs of those with irregular earning patterns, was a critical element (Samarajiva, 2010).

While technology and all these customer relationship management software is providing a wealth of information to operators about customers, and their preferences, and how to sell to them, there is also literature about the difficulties customers face due to the excess use of technology by mobile operators. A study by Meyer and Schwager which appeared in the Harvard Business Review in 2007, describes the difficulties customers face in today's tech savvy environment. The challenges faced by customers of trying to figure out the cost of carry-forward minutes versus free calls within a network and how it compares with the cost of such services as roaming, and messaging. Many, too, have fallen for a rebate offer only to discover that the form they must fill out is long and complex. . The consumers tired of trying to navigate through the menus, and being kept on hold, have flooded the web site <http://gethuman.com/> which showed how to reach a live person quickly at ten major consumer sites. Today instructions for more than 400 additional companies have poured in. (Meyer, C., & Schwager, A., 2007).

While on the one hand the automated telephone systems give 24 hr operator reachability, the maze like menus consumers have to navigate, excess of features, baited rebates, and a lack of the personal touch all beg the question whether companies, are still concerned about the customers experience or more about profit maximization.

3.0 An Overview of the Mobile Telecom Sectors in Sri Lanka and Bangladesh

The telecom industry in both countries are among the most dynamic, contributing significantly to the country's economic growth. Since the independence in 1971, Bangladesh has achieved some notable development amid major socio-economic challenges. The rapid growth of the telecommunication industry has been a key success story. Bangladesh had some of the world's lowest tariffs and around 70 million active access paths of telecommunications in 2010 (with 43% mobile SIM penetration) (Hussain, 2011).

In both countries mobile phone providers lead the voice market.

Bangladesh: There are six operators in this highly concentrated market with an HHI of 3088. All the providers except one are using second generation (2G) GSM technology for voice and data communication. Grameenphone (subsidiary of Telenor, Norway) is the dominant player in the market, followed by Banglalink, Robi, Airtel, Citycell (CDMA carrier), and Teletalk (the government incumbent). Figure 1 shows the market share distribution in the mobile industry in terms of the percentage of total active SIMs (Hussain, 2011).

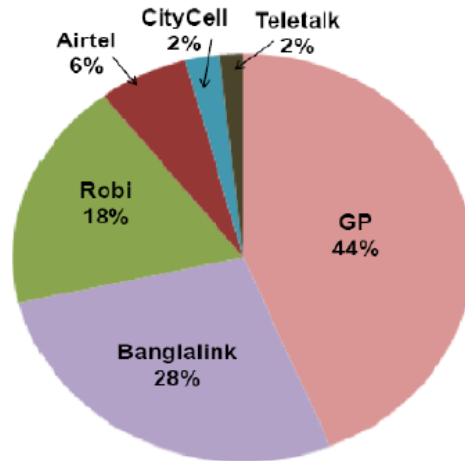


Figure 1 - Market Shares (based on SIMs) in the Mobile Sector

Source: Hussain, 2011

Sri Lanka: In contrast to the operators in Bangladesh, all Sri Lankan mobile operators offer access to 3G networks with some operators claiming island-wide 3G coverage. There was a significant shift in competition when Bharti Airtel entered the market in 2010 and more recently when Etisalat started offering postpaid plans as opposed to their predecessor, Tigo whose mandate was pre-paid only.

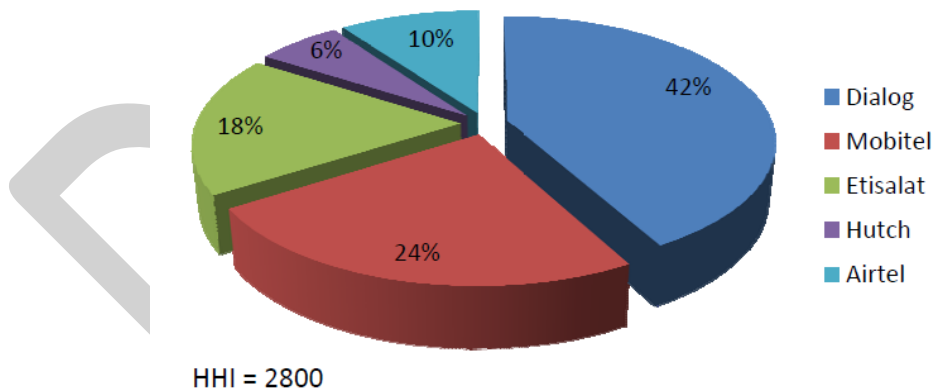


Figure 2 - Market Shares (based on SIMs) in the Mobile Sector 2010

(Source: Brahmanage & Weerasekera, 2011)

The role of the regulators

Both the Bangladesh Telecommunication Regulatory Commission (BTRC) and the Telecommunication Regulatory Commission of Sri Lanka (TRCSL) have been empowered with the task of regulating the telecommunication industry.

Even though Bangladesh Telecommunication Regulatory Commission is actively working on developing a Quality of Services (QoS) guideline for the telecommunication sector, it is yet to be finalized and publicly shared. Due to the delays in the finalization of the guidelines, the mobile providers are proactively and defining their own quality of service indicators (Hussain, 2011). In Sri Lanka, the QoS guidelines for the broadband subsector are well defined and monitored on a monthly basis; for voice however, this is not the case. Operators confirmed that apart from reporting on revenue, market shares and the likes that no quality indicators (e.g. network / service availability, call drop rates etc.) are reported to the regulator.

BTRC issued the “Directive on Customer Care Service, BTRC/SS/Tariff- Part (1)/2008-889 dated August 4, 2010”. The Directive on Customer Care Service consists of the Quality of Service (QoS) parameters and benchmarks, which are expected to create conditions for customer satisfaction by making known, on the one hand the quality of service to which a customer is entitled, and on the other hand what an Operator must provide in a competitive market environment. While setting QoS standards for basic, value-added and supplementary telecommunication services, main factors considered are the existing levels of QoS of respective telecommunication services in Bangladesh, practicable timeframes to match international/ regional or at the least sub-regional benchmarks for the Key Performance Indicators, customer satisfaction, and costs (BTRC, 2010).

While QoS in the Bangladesh mobile sector can be considered satisfactory, the QoS scenario is most alarming in the broadband sector. According to the TRE survey conducted by LIRNEasia in 2011, the quality of broadband was found to be quite poor across the country in general. The small broadband providers usually buy/lease/sub-lease a small amount of bandwidth and serve beyond capacity. Due to such practices, there is a considerable dissatisfaction about the broadband service as a whole. In addition, because of the nationwide power shortages, even the key broadband service providers are unable to maintain uninterrupted and high speed internet connections for their users. The low quality overhead cable, vulnerable to adverse weather and frequent disconnections, pose major hindrances towards ensuring good QoS for broadband. BTRC however stepped up its initiatives to cut the overhead cables from major metropolitans and is requiring all internet service providers to use underground NTTN infrastructure. (Hussain, 2011).

4.0 Customer Lifecycle Management

More and more operators are trying to improve their customer relationship management techniques in order to keep their existing customers. It has been found that acquiring customers is much more expensive than keeping them (Reicheld and Teal 1996, Goodmen et al 2000). One of the ways in which operators are trying to do this is by focusing on the customer lifecycle.

In order to ensure that we covered all relevant areas of CRM during the interviews with the mobile service providers, we decided to use the customer lifecycle model in Figure 2 as a framework. The initial structuring of the interview questions was based on this framework so that all stages of the customer life cycle were covered. However, as discussions progressed it was evident that the CRM processes of

the telecom operators did not always cover all theoretical stages of the lifecycle and therefore, certain stages (or phases) did not really constitute any significant CRM practices.

The following section gives a brief description of the practices of Sri Lankan and Bangladeshi mobile operators at each stage of the lifecycle.

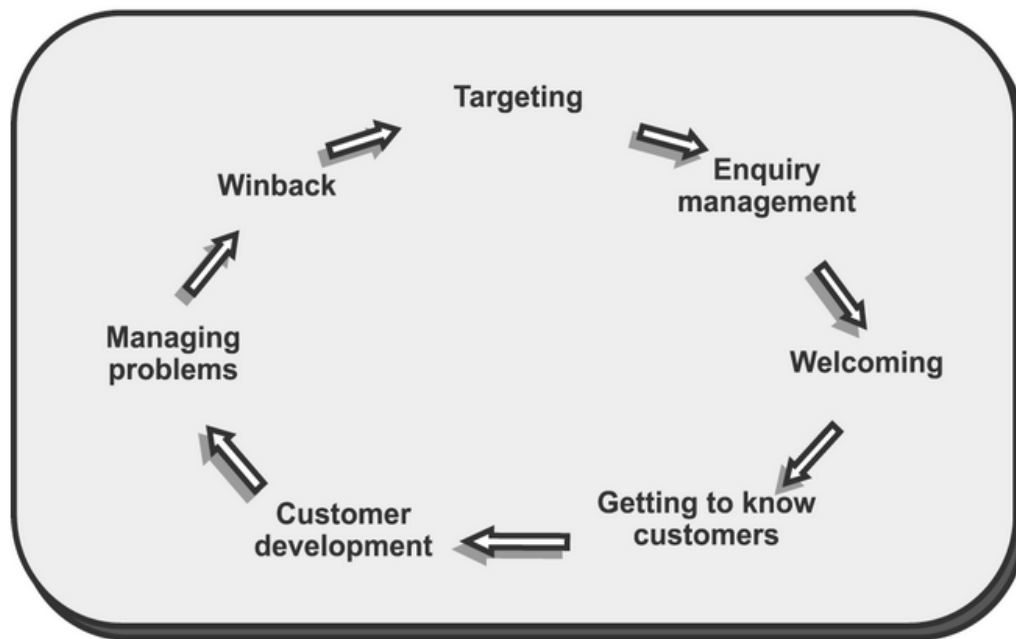


Figure 3 - Customer Lifecycle

Source: Michael W. Starkey, David Williams, Merlin Stone, (2002) "The state of customer management performance in Malaysia", *Marketing Intelligence & Planning*, Vol. 20 Iss: 6, pp.378 - 385

4.1 Targeting

In both Sri Lanka and Bangladesh mobile operators targeted their potential customer base mainly through conventional advertising methods such as news papers, radio, television, shop branding etc. They also relied on customer referrals. It is illegal to do comparative advertising against other operators in Bangladesh, but Social Network Analysis is legal, where many operators analyze their customer call patterns and identify high value customers from other operators who are then given special offers to switch. In Sri Lanka analyzing customers' call patterns is illegal. However, unethical practices that entailed some form of preliminary call pattern analysis were reported.

"One Chief Marketing officer of a mobile operator we spoke to in Bangladesh had been contacted and given a special offer by another operator based on call data!"

Targeting of BOP and micro-entrepreneurs

In Bangladesh, BOP is defined as rural dwellers by most mobile operators. The primary demand of this segment is connectivity, therefore the products for this segment offer good connectivity in hard to reach locations and low call rates to increase affordability. One particular operator analyses the Base Transceiver Stations (BTS) which generate the least revenue and conduct promotional campaigns near those BTS usually timed with the local village Bazaar in order to attract more customers from the area. Another Bangladeshi operator bundles cheap handsets with basic features such as radio, torch along with the mobile connection. Most of the operators also ensured that they had operator service centers run by individual entrepreneurs who are trained to sell the SIM and answer questions about services. While some operators franchised shops which sold their connections/ services/ recharges exclusively, others used small village shops to sell their products.

Micro entrepreneurs (ME) were defined by operators in Bangladesh as organizations with less than 12 employees and many of the operators had special packages targeting this segment. Potential MEs were targeted by the operators' ME team who conduct promotions in a customized manner. These packages usually include bundled SIMs at a discounted rate, free calls within the group, longer credit periods and other benefits.

In Sri Lanka most operators do not conduct any form of BOP or ME targeting as they believe all customer segments benefit from the current floor prices and therefore there is very little offer. Some operators do however, have monthly bill value based segmentation, where the 2 lowest monthly usage value brackets are referred to as "BOP" and "ME", while others have plans targeting the MEs (defined as less than 10 connections). As in Bangladesh this plans offer incentives for use within the group and have the added advantage of having a customer service executive assigned to the this "corporate" client. Therefore, unlike the general public, in the event of an enquiry or a complaint, the customer can directly engage with a representative from the operator. This preferential treatment however, requires the business to be registered and formal documentation to be submitted. The availability of such documentation from the urban BOP micro entrepreneurs (the focal study group for this research) is questionable.

One of the Sri Lankan operators has started door-to-door campaigning. The idea behind it is to take the product to the customer and to promote new services, specifically data (a service that has not been traditionally used). The operator believes that having stalls and expecting the customer to walk-in to find out about a product or service that may be perceived to be for the "rich" is a critical factor they overcome by choosing to take the product to the customer. Pricing for broadband and data plans in general is a concept that is difficult to grasp. It is very unlike the per minute, per SMS style pricing that customers are used to. "What does per GB mean?", "How much can I do for x amount?" are some questions that perplex the customer. The fact that all benefits and actual pricing plans can be explained simply and in the local language to the customer, the operator says, out-weighs the cost of this resource intensive exercise.

Box 2: Island-wide targetted marketing strategy for data

4.2 Contact Points

While the second stage of the customer lifecycle model is Enquiry Management, this section will cover both the enquiry management stage before a potential customer becomes a customer as well as other details about contact points.

In both countries the main contact points between the operator and the customer were Call Centre, IVR, Flagship stores, franchised stores, and retailers (may or may not sell operators products exclusively). It is also possible to contact operators through email, Facebook, SMS, USSD and live chat (via the operator website) and they respond almost instantly.

Generally customers are segmented according to their usage, and age on network (AoN), and the highest value customers are served sooner while other customers are served on a first come first served basis. Usually High value corporate customers have a separate hotline number to call which is answered instantly.

Retailers

One of the issues faced by operators when they decentralize customer services to small shopkeepers is that the shopkeepers may not always have accurate information, and may have perverse incentives when making sales. For example an operator found that there was a lot of churn within the network. When they investigated the cause, they found that these customers had lost their original SIM and when they reported this to the shopkeeper they were sold a new SIM instead of being informed that they can replace the old SIM as the shopkeeper only gets a commission for selling new SIMs. The reality of it is that the retailers do not have love for the brand; therefore, it is only money, in form of commissions, additional payments, gifts, retreats and so on that matter to the retailers. As a result it is near impossible for operators who do not offer such “extras” to expect their brand be given equal prominence.

In Bangladesh one operator uses a unique application ‘Patshala’ to make sure that all contact points including small franchises, have the identical information immediately in order to answer customer queries. Information is sent through USSD. Some operators also conduct quizzes to check the knowledge of their retailers, and employ ‘mystery shoppers’ to see how customers are served.

Call Centre

Most customers contact the operator through the call centre. In both Bangladesh and Sri Lanka almost all operators have a unified view of the customer (i.e. when a customer calls, the call centre agent is able to see basic information about the customer as well as details on billing, packages, subscribed services, previous faults reported and customer ratings / segmentation etc). The sophistication of the CRM system that is being used is often correlated to the operator’s market position and financial backing (global companies with local franchises vs. locally owned companies). In most cases there is an active effort in promoting the IVR and USSD methods instead of talking to an agent in the case of enquiries which could be serviced by self. One Bangladeshi operator actually redirected any calls which could be answered by the IVR such as queries on phone balances, ring tones etc. In Sri Lanka however, the

general consensus is that all calls will be answered and queries dealt with, however IVR will be promoted for future use. On the contrary, a Sri Lankan operator does not actively promote IVR as they are happy to serve the customer whichever way he pleases. They also confirm that 80 percent of the calls are answered via IVR (i.e. the customer self-selects this option).

Call centre data	Sri Lanka	Bangladesh
Number of calls per day per employee	75	100-150
Percentage of repeat calls	15%	3-5%
First call resolution	40% - 75%	95%
Average time to resolve	15 mins	Greatly varies depending on the issue/ query
Average waiting time	18 seconds to 1:24 mins (different operator timings)	10s to 3 mins; depends on segmentation, post paid high value customers wait much less than normal customers
Average call duration	2:40 mins	140s
Percentage of abandoned calls		<0.5%

Table 1: Selected Contact Center Data

In Bangladesh all prepaid customers are charged if they call the call centre, and some operators even charge postpaid customers, but at a much lower rate than the actual cost. One Bangladeshi operator reported that when they experimented with free calls to the call centre the number of calls increased from 2000 per day to 26000. For the same reasons, in Sri Lankan operators too charge calls to the contact centre from prepaid connections, usually from the third call onwards.

“In Bangladesh, around 99.9% of enquiries/ complaints/ requests were in Bengali, and only the expats generally spoke in English. So not all contact centre agents are able to speak English, but there will always be at least one English speaking agent at a given time.”

“When analyzing nuisance calls to the call centre, one operator in Bangladesh found out that many mothers call the call centre and put on hold music on speaker to put their babies to sleep.”

4.3 Welcoming

Operators in both Sri Lanka and Bangladesh generally follow similar procedures to welcome new customers. When purchasing a SIM, for an individual prepaid connection the identity card and duly filled registration form are needed. When purchasing a postpaid connection in addition to the documents needed for prepaid, proof of address is also needed. In Sri Lanka other utilities bills sent to the person at the same address can be used as proof of address, but in Bangladesh, an outsourced party sends

'runners' to go to the address and confirm that the person lives there. When purchasing corporate/ SME/ ME connection, in addition to above, Registration and Trade licenses are also needed.

While this seems to be very straight forward, in Bangladesh due to the frequent use of forged documentation, pre activated SIMs are not sold. The SIM is only activated after confirming that all the documentation is valid and this can take up to three days. All documents are scanned and data is entered so that if law enforcement need any information about a customer, it can be retrieved within 12 hrs.

4.4 Getting to Know Customers

With the increase of competition in the mobile telecom sector, it is necessary to understand customer behavior and respond accordingly. Most operators in both countries segment their customer base according to the customer value and age on network (AoN). The highest value customers are treated as VIP customers, with special offers, instant response to queries, problems etc. Some operators also segment the customer base according to prepaid and postpaid and treat them differently.

Almost all operators conduct customer surveys (often outsourced to independent parties to minimize biases) to find out their customers perceptions on network coverage, payment methods, VAS, contact centre, show room experience etc. Sometimes they commission all operator surveys so as to understand where they stand compared to other operators. Some operators also conduct selective customer surveys about a specific product or service soon after it has been launched. Unlike in other sectors such as electricity where there is almost always a geographical monopoly, the regulatory bodies in the telecom sector do not conduct customer surveys. The authors' view is that there is no need for regulatory interference when the market is taking care of itself, and for this reason the regulators do not get involved.

The operators in both countries also conduct analyses on customer behavior. In Bangladesh, the operators identify, age of customer, through their behavior rather than through documentation due to high level of counterfeit documentation.

4.5 Customer Development

Customer development stage is closely related to Getting to know your customer stage. After analyzing and 'getting to know your customer' operators identify cross selling and up-selling opportunities.

Most of the telecom companies in Bangladesh do detailed customer call analysis and micro segmentation and run different pilot campaigns within each micro segment. For example sending specific promotions to 5000 customers who used EDGE last month but not this month. When they find that certain promotions work well during their pilot phase the promotions are extended to rest of the segment.

Most Sri Lankan operators periodically perform a form of pattern analysis to understand customer behavior. Campaigns are designed around the findings of this analysis and promotions are sent out daily,

weekly or monthly. For example, dormant prepaid users are offered free talk time or longer credit periods if they start using the service.

There are different policies on the number of campaigns per customer per month as constant SMSes from the operator is often thought of as a menace. The number of campaign SMSes sent to customers differ from operator to operator, the range in Sri Lanka is 3 messages a month to 15 messages a day.

Box 3: Targeted campaigns

In addition to analyzing existing customer behavior and sending out customized campaigns, operators in Bangladesh also study the behavior of customers and how they react to new packages. One operator in Bangladesh also identifies smartphones on the network according to their IMEI¹ and if a customer with a smartphone is not using data, they run a campaign to encourage the customer to use data by giving a discount.

Value Added Service (VAS) market is another emerging market for the mobile phone users. M-wallet and easyPay used as “mobile money” alternatives are popular services in Sri Lanka and Bangladesh, due to many unbanked citizens. It is also used for payment of essential utilities such as gas, electricity and water, among others. Some operators are also partnering with NGOs to offer micro credit through M-wallet. It is a bank led model. DBBL and Bcash (subsidiary of BRAC) have license for M-wallet.

Railway ticket sale through mobile phone are also being widely used by all. The mobile based health and educational helpline services are fast becoming popular. “BBC Janala” <http://www.bbcjanala.com/> a BBC initiative for learning English via mobile phone/Internet is increasingly used by relatively young segments of both urban and rural population. In addition, ring tones, songs, and video clip downloading practices via mobile phones are also on the rise in Bangladesh.

4.6 Managing Problems

Responding to customer complaints is a major part of the customer care department of any mobile operator. Most operators have an integrated system that is connected to their call centre and which sends messages to their technical staff. Even with less sophisticated systems, the process flow is very similar. At all times the first point of contact (the customer contact center executive) tries their best to resolve any issue, failing which it is escalated to a senior. While some companies have a dedicated team of technical staff (engineers) who calls may be escalated to others train the customer service representatives on possible technical queries. All Sri Lankan operators agreed that a fault repair requiring an engineer’s visit to the customer premise is very rare. Once the issue has been resolved the customer is sent an SMS asking if they were satisfied with the solution, if no, the operator contacts the customer to find out why.

¹ International Mobile station Equipment Identity is a unique number used by a GSM network to identify a device.

“One operator in Bangladesh was very keen that the message ‘customer is king’ is propagated throughout organization. Therefore at their leadership meeting the CEO, CFO, CCO each randomly select and call a customer who had a problem recently, and take personal responsibility to ensure that the problem is solved.”

When it comes to billing related issues, the response varies from operator to operator. In Bangladesh, one operator has empowered all agents to give bill waivers up to a certain limit (depending on their level) instantly when they feel a customer has been wrongly charged, while another operator takes up to a month to resolve billing disputes due to the many levels of approval needed to give bill waivers.

	Sri Lanka	Bangladesh
1	GPRS settings	Indoor coverage issues
2	VAS activation / deactivation	VAS vendors giving wrong information (there are around 50-60 VAS vendors who provide cricket scores etc.)
3	Billing	VAS activation issues often arising due to a service being activated when a customer opens an SMS about it, without the customer realizing what happened. In order to solve this issue one operator in Bangladesh has started to practice KCI – keep customer informed. They ensure that all messages sent include price, renewal information, and when a customer activates a VAS service, how it can be deactivated and whether they need to opt out of a service which was given free on a promotional offer, but will be charged from next month. This operator mentioned that after this practice, the number of VAS related complaints drastically reduced.
4	Network coverage issues	Billing disputes (95% invalid) due to confusion with billing method and dynamic pricing which people have to opt into. Dynamic pricing is based on time of day, base station load etc.
5	Numbers being blocked*	EDGE/ GPRS speed being too low

Table 2: Top 5 complaints to contact centers

* This was the top complaint from one of the operators. A few operators had not blocked the ability to re-sell international calls as local calls due to the high investment of software required to do so. As a result illegal re-routing of international traffic was taking place using certain numbers and other operators used this opportunity to block a large range of numbers, thereby blocking calls that would terminate on their networks. This issue, although resolved still persists and often customers call to complain that they cannot get through to customers of other networks.

In Bangladesh if there is a planned maintenance, they inform all customers who may be affected at least 24 hrs prior. However, in Sri Lanka all planned maintenance is performed late at night where there is likely to be near zero impact, and if required the network is reconfigured so that customers are still connected through neighboring base stations. Customers are not informed as this is likely to raise unwanted attention to problems that do not affect the customer and it is likely that the contact center will get flooded with calls.

In the event a customer is not satisfied with the operators resolution they can lodge the complaint with BTRC through a letter of email. But currently there is no specific customer complaint process. BTRC generally forwards the issue to the relevant operator, but may not always followed up as BTRC does not have enough man power. In Sri Lanka all complaints that go to the TRC are forwarded to the operators who have to report back to the TRC and to the customer within 14 days. If the resolution is still deemed unsatisfactory by the customer the TRC may call both parties for a hearing. However, this is very rare.

BTRC is in the process of formulating 'National Telecommunication Consumer Protection Guideline (NTCPG)' to protect telecom consumers from unfair practices by operators. Draft Guideline was open to the public for comments 2nd Feb 2013 – 15 Feb 2013. BTRC shall establish a Consumer Complaint Redressal Unit (CCRU) within 90 days of the issuance of this guideline to resolve the consumers' complaints if the operator has not responded.

If customer is not satisfied after BTRC intervention, they can go to courts, for example a customer who was a lawyer sued one Bangladeshi operator, over 40 Taka dispute.

4.7 Win-back

Most operators in Bangladesh do not have proactive win back strategies. They will try to retain post paid customer when they say they are about to leave by offering fee waivers or additional services. In the case of Prepaid a Service notification such as '5 days to expiry' etc is automatically sent to customers through system before their prepaid card expires and they send special offers to those customers if they top up before expiry.

Sri Lankan operators take “win-back” to another level, in the sense that most operators have dedicated teams whose main goal is to reduce the churn rates. Table 3 indicates the relatively high costs associated with disconnection and reconnections instigated by the customer (i.e. voluntary). In the event of voluntary disconnections of post paid plans, the customers are contacted and all attempts are made to retain the customer on the network. With an impressive ‘win- back’ rate of approximately 40%, it appears that having a dedicated team for this purpose does pay off.

	Total cost per action
Voluntary disconnection	15.88
Voluntary reconnection	16.67
Non voluntary disconnection	1.98
Non voluntary reconnection	7.94

Table 3: Disconnection and Reconnection charges

5.0 Conclusions

The saturation of mobile services industry has led to intense competition where the operators have to focus on differentiating themselves from the rest of the market players. “Big business attitude must give way to a small business mentality where front-line associates treat customers with dignity” (Centre for the study of Social Policy, 2007). In the past, the telecommunication sector relied heavily on technology and product innovation for competitive advantage. With global competition and relentless technological advances companies now battle for differentiation through customer services, price and quality of service.

Due to the saturation of the telecom market in the urban areas in Sri Lanka and Bangladesh, operators are now targeting rural / poor population with the Budget telecom network model, packages bundled with low cost handsets etc. They are not only serving high value corporate clients, but they also have separate packages for micro entrepreneurs. The downside of the Budget telecom network model, is that due to the low charges, the quality of service may also suffer, and the sector may fall into a low quality, low price trap (Samarajiva, 2010). One possible method to overcome this low price, low quality trap, is for regulators to set quality of service benchmarks, measure and regularly report to the public. Currently this is not being systematically done in Bangladesh or Sri Lanka (except in the case of broadband where the TRC conducts monthly tests and publishes the results), but Telecommunication Regulatory Authority of India (TRAI) measures and reports on a set of QOS indicators quarterly. By making these indicators public, it is expected that the consumers will compare and exit low quality operators in search of better quality and all operators may be forced to meet a minimum quality level.

Market saturation and the stagnation or decline of revenues from voice also means that operators are constantly looking for alternative revenue streams. The focus on data and promoting mobile broadband is evident. However, it is generally perceived as a service for the more affluent. The pricing is also not easy to comprehend. Unlike in voice where there is a per minute or per call charge, the per GB type of pricing can be confusing across all customer segments. The authors have not noticed any attempts of simplifying the pricing of broadband services and therefore it is recommended that operators take active efforts to provide information that will help the BOP (and non-BOP) understand the costs and benefits of access to broadband.

In order to capture market, and manage customer relationships, operators in both countries are utilizing Customer Relationship Management (CRM) software, with many capabilities including unified view of the customer, analyzing usage patterns, sending targeted campaigns to specific groups, etc. It seems that with majority of the telecom companies in both countries being multinational subsidiaries, who have financial backing and KPIs from the parent company, they all utilize the sophisticated systems. As a result most of their practices are on par with the global giants. But it is also known that from a consumer point of view, they prefer to speak to an agent than go through IVR systems and be left on hold for a long time. Therefore, it seems that a balance is necessary between efficiency, cost reduction, and consumer experience. Here regulators can get involved by collecting and reporting customer services data on areas such as call waiting time, first call resolutions, response time etc. Currently Bangladesh is in the process of finalizing a consumer directive, but it needs to be implemented systematically for it to have an effect on the sector. Having a dedicated team aimed at winning back customers and reducing the churn rate also seems successful in the companies that have invested in such resources and therefore it is recommended that other operators also learn from these successes.

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