

CRM practices in telecom & electricity

30 April 2014



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This work was carried out with the aid of a grant from the International Development Research Centre, Canada.



Introduction and context

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About LIRNEasia...

- Our mission:
 - *“Catalyzing policy change through research to improve people’s lives in the emerging Asia Pacific by facilitating their use of hard and soft infrastructures through the use of knowledge, information and technology.”*

Countries that we engage with



The research team here today

- LIRNEasia

- Present today: Helani Galpaya; Rohan Samarajiva, PhD; Roshanthi Lucas Gunaratne
- Rest of the team in India and Sri Lanka



- Pi Strategy Consulting

- Strategy Consulting; based in Dhaka
- Mr. Pial Islam

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- CKS

- Innovation consultancy: user centric design. Based in New Delhi, India



 Ms Anushmita Banerjee
Pro-poor. Pro-market.

About the group that's not here...

- Urban, low-income, micro-entrepreneurs (MEs)
- Why low-income MEs?
 - A group that is not visible to many service providers
 - 'Lost' between the Bottom of the Pyramid users and large corporates
- Why urban?
 - A decade of urbanization. Continues

Studied three services consumed by Micro Enterprises

- With different levels of competitive provision
 - Telecom: high levels of competition
 - Electricity: low competition/monopoly
 - (Municipality Delivered) Government Services (e.g. business registration): monopoly provision by govt.
- Different levels of ICT use
 - Telecom: high use
 - Electricity, Govt services: lower

How can MEs be better served?

- What are current levels of customer-centricity in each sector?
- Can we identify ‘best-fit’ practices from one sector that could work in the other?
 - E.g., Telecom seems to use ICTs to manage customer relationships. Can electricity do the same?
- Can practices from one country be adapted to work in another?
 - Three countries: Sri Lanka, India, Bangladesh

Research methods

- First: from supplier point of view
 - How are customers served? How is the relationship managed?
 - Interviews with service providers + Desk research
- Then: from user point of view
 - What is used? What are problems? Satisfied?
 - Quantitative: Sample survey of 3,180 MEs
 - Qualitative: in-depth interviews/focus group discussions of 76 participants and 12 ethnographies at sites of service provision

Why do we care?

- SMMEs are a large percentage of a nations employed citizenry
- Not all MEs remain MEs for-ever
- Some grow
 - Into SMEs (small/medium enterprises)
 - Even into large enterprises
- Economic growth happens when this journey takes place
- What can we do to catalyze it?

 **First, we need to identify MEs**
LIRNEasia
Pro-poor. Pro-market.

Why should you care?

- Valuable customers today
 - Low income MEs consume more telecom and electricity than an average bottom of the pyramid (BoP) consumer
 - In Sri Lanka, they are also ‘fickle’: e.g. fewer dual SIM than BoP
- Potentially even more valuable customers in the future
 - Be their partner from the beginning
- Engine of economic growth
 - Policy makers, regulators to facilitate

Plan for the rest of the afternoon

- Rohan Samarajiva, PhD
 - setting the stage
- Pial Islam and Roshanthi Lucas Gunaratne
 - Supply-side perspectives
- Helani Galpaya
 - User-side perspectives (results of ME sample survey)
- Pial Islam & Roshanthi Lucas Gunaratne
 - Some solutions
- Invited panelists, audience
 - Critique and discussion of research and proposed solutions
 - Questions

Customers in the doldrums

Rohan Samarajiva

Dhaka, 30 April 2014

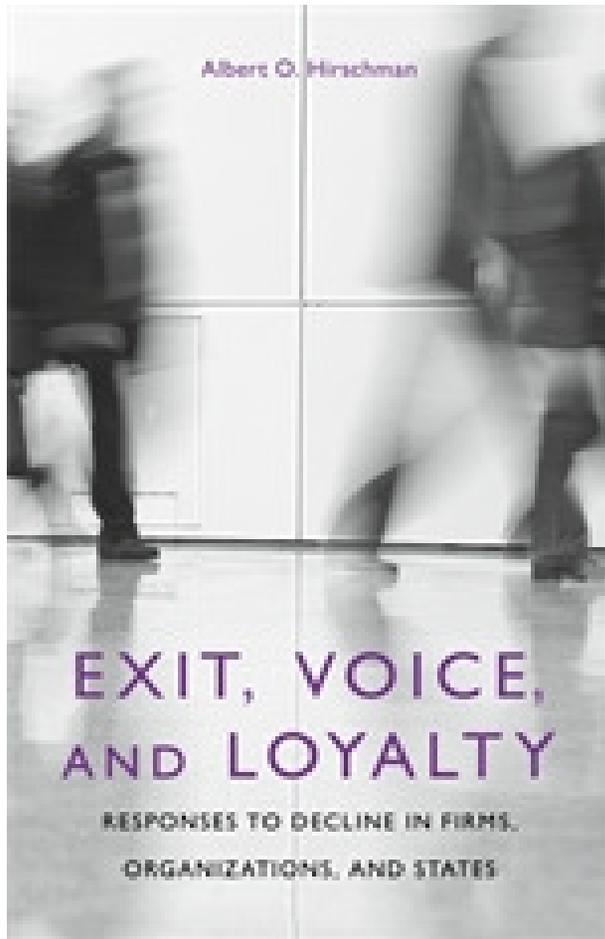


Professor Stephen Littlechild on consumer protection

- “Competition is indisputably the most effective - perhaps the *only* effective – means of protecting consumers against monopoly power. Regulation is essentially the means of preventing the worst excesses of monopoly; it is not a substitute for competition. It is a means of ‘holding the fort until competition comes.’”

1983 Report to UK Government, Para 4.11

Best economist not have received a Nobel: Albert Hirschman, 1915-2012



- Economics privileges **exit**; Politics **voice**
 - But increasingly cross-overs occur
- Very useful framework for thinking about quality of service in electricity and telecom

Consumer protection in context of a single supplier (e.g., electricity)

- In a monopoly environment, government has major responsibilities with regard to consumer protection
- When there are no **exit** options (alternative suppliers), **voice** is only option (other than doing without)
 - Voice can be direct: consumer speaks/complains to supplier
 - Voice can be directed to 3rd party (consumer protection agency/utility regulator) who has power over supplier
 - In extreme cases, voice can lead to anti-supplier → anti-government agitation

Load-shedding riots in Punjab, Pakistan



Consumer protection under competition

- *Caveat emptor* (Let the buyer beware) is the starting position
 - Assumes homogenous products and costless exit options
 - Assumes perfect knowledge of competing products
 - Obviously unrealistic; For all markets, but especially for markets in infrastructure services
- Government actions in absence of assumptions
 - Reduce information asymmetries
 - Regulate suppliers proportionate to deviation from competitive market (e.g., differential treatment of fixed v mobile telephony)

A low-quality “equilibrium” even in presence of multiple suppliers?

- Customers unhappy with quality in Supplier 1 move to S2; S2’s disaffected move to S3; and so on; but S1 gets an equal number of unhappy customers from S_n
 - In India 89.7 million MNP requests (around 1/10th of total number of active SIMs) were received over 28 months, indicating significant level of unhappiness
- No supplier receives the feedback postulated by theory
 - Does this change with business analytics that allow operators to see who is leaving and joining?
 - Or do they see, and do nothing?

Does exit mute voice?

- Does the possibility of satisfaction through exit, weaken incentives to give voice?
- Is it thus necessary for both suppliers and regulators to seek to reduce transaction costs of complaining, using ICTs?

When voice is valued, does exit decline?

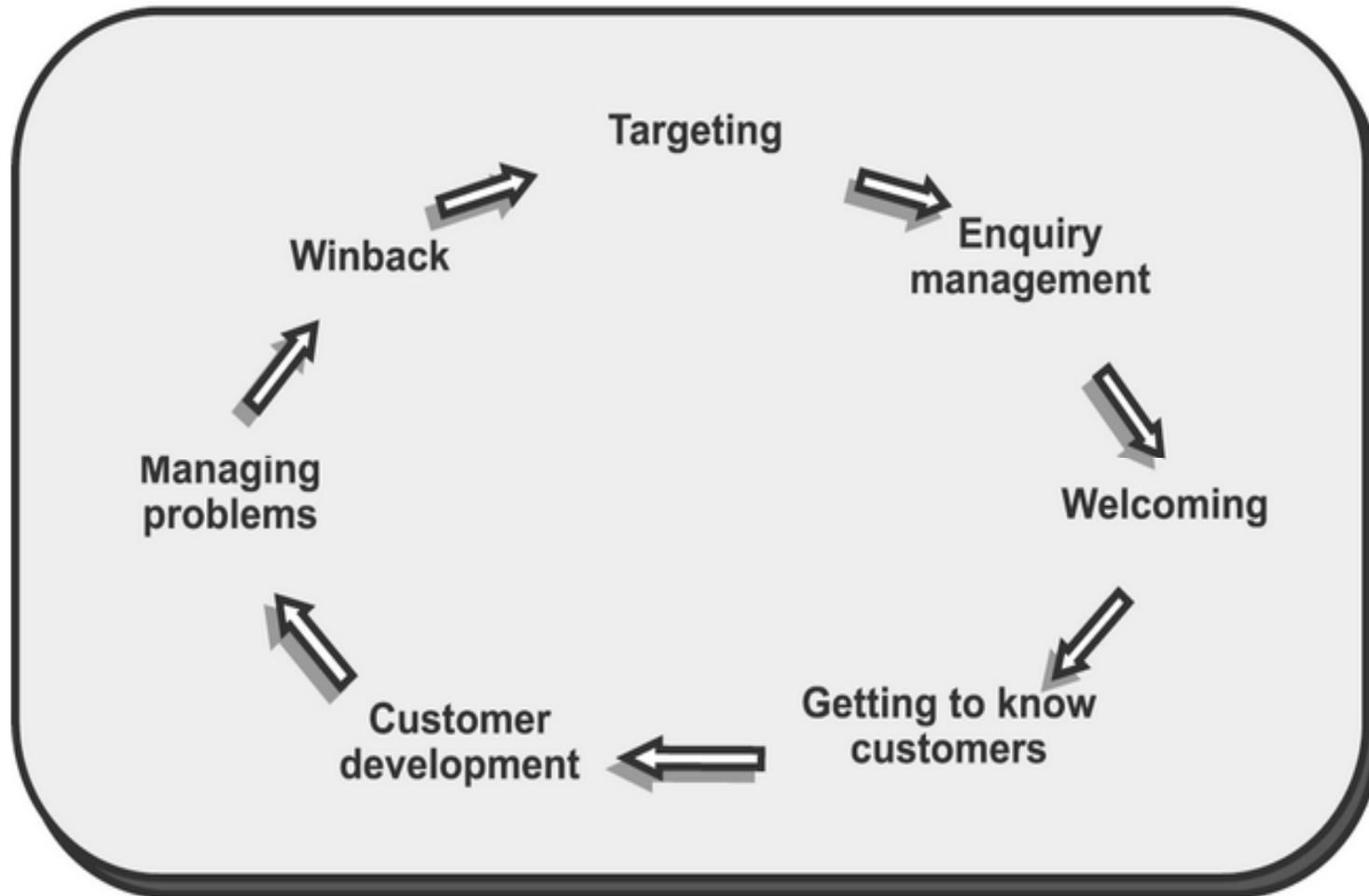
- In service industries, perfection is never possible
- If voice is valued
 - Customers may not exit
 - Also, customer complaints can be a valuable resource for improving service

Mobile Network Operator's Customer Lifecycle Management (CLM) Practices in Bangladesh – Supply-side view

Roshanthi Lucas Gunaratne
Dhaka, 30th April 2014



Customer Lifecycle Framework



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

Identification & targeting of BOP and SME customer base

Targeting	Description
Social Network Analysis	<ul style="list-style-type: none">- Network Analysis used to find most valuable customers of rival networks and special offers are made
BOP Targeting	<ul style="list-style-type: none">- Special plans offered in areas that host the least revenue generating BTS- Selling cheap operator branded handsets with SIMs
SME * Targeting	<ul style="list-style-type: none">- Defined as businesses with 1-12 employees- SME team actively search for SMEs and give them customized bundled SIM offers.

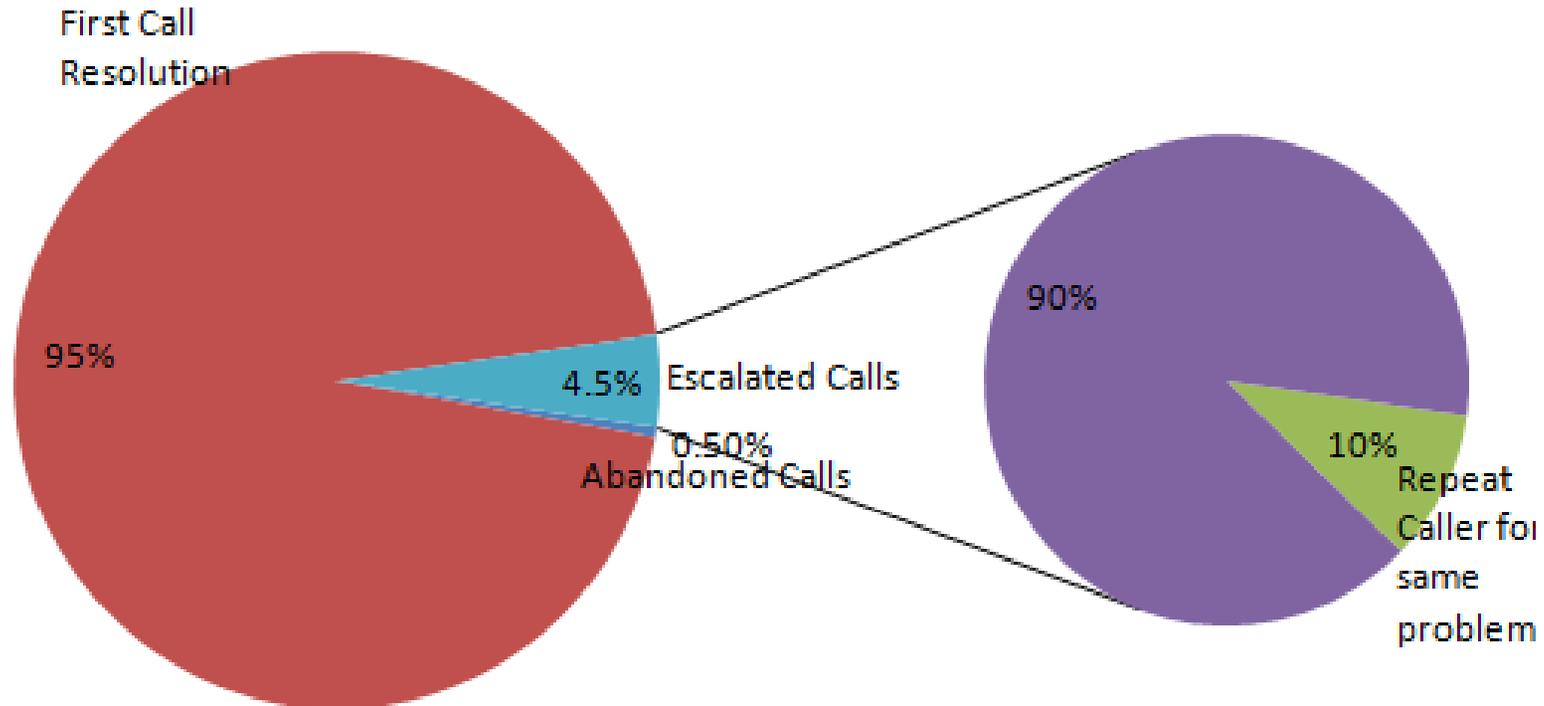
Getting to Know Customers and Customer Development

Methods	Description
Segmentation	Based on monthly usage and AoN
Behavioral Analysis	Micro segmentation based on usage, run pilot campaigns to understand the behavior of the customers. Then extend the campaigns which were effective to the whole customer base. E.g. 'Pay for me'
Customer Satisfaction measurement	<ul style="list-style-type: none">- All operators survey to compare the position- Mystery shopper- CxO randomly calls customers with complaint and takes responsibility to solve problem at leadership meetings

Contact Centers

- Contact Points
 - Operator owned and run flagship stores
 - Franchised stores
 - Retailers
- Contact Methods: Voice, IVR, Live Chat, SMS, email, Facebook
- Contact Points differ in how they handle star customers (high value, AoN, importance)
- Operators have a unified view of the customer through their CRM system.
- Charge calls to call centre
 - To reduce nuisance calls(BTRC wanted to offer it FOC, but the call centre calls increased from 2000-26000 calls per day).

Call Centre Stats BD



Average call duration	140s
Language	99.9% in Bengali and rest in English
Calls per day per employee	100 – 150
No of Seats at call centre	Between 260 to 550 depending on the customer base with 50 - 60% served by IVR

Common Complaints in LK and BD are similar

	LK	BD
Common Complaints	<ul style="list-style-type: none">- Most common calls: VAS, GPRS settings- Top 3 Faults reported: VAS activation/deactivation issues, Non Receipt of bills, Payments not updated	<ul style="list-style-type: none">-Most common calls: Welcome tune activation (20% of all calls), VAS-Top 3 Faults reported: VAS activation/deactivation issues, Billing disputes (many due to not understanding dynamic pricing), EDGE/GPRS speeds being too low

Win-back

- Most operators in BD and IN are reactive they don't predict before a customer leaves, but have campaigns to get customers to connect.
- In case of prepaid they send SMS to customers whose connections are about to expire
- In LK one MNO has a specialized unit for customer win back. In the event of voluntary disconnections customers are contacted and active efforts are made to resolve issues (e.g. waiving off some charges to ensure the customer remains on the network).
Success rate: 25%-30% a month

SERVICE PROVIDERS PERSPECTIVE

Electricity Sector

April 2014

(data presented valid up to March 2013)

Context

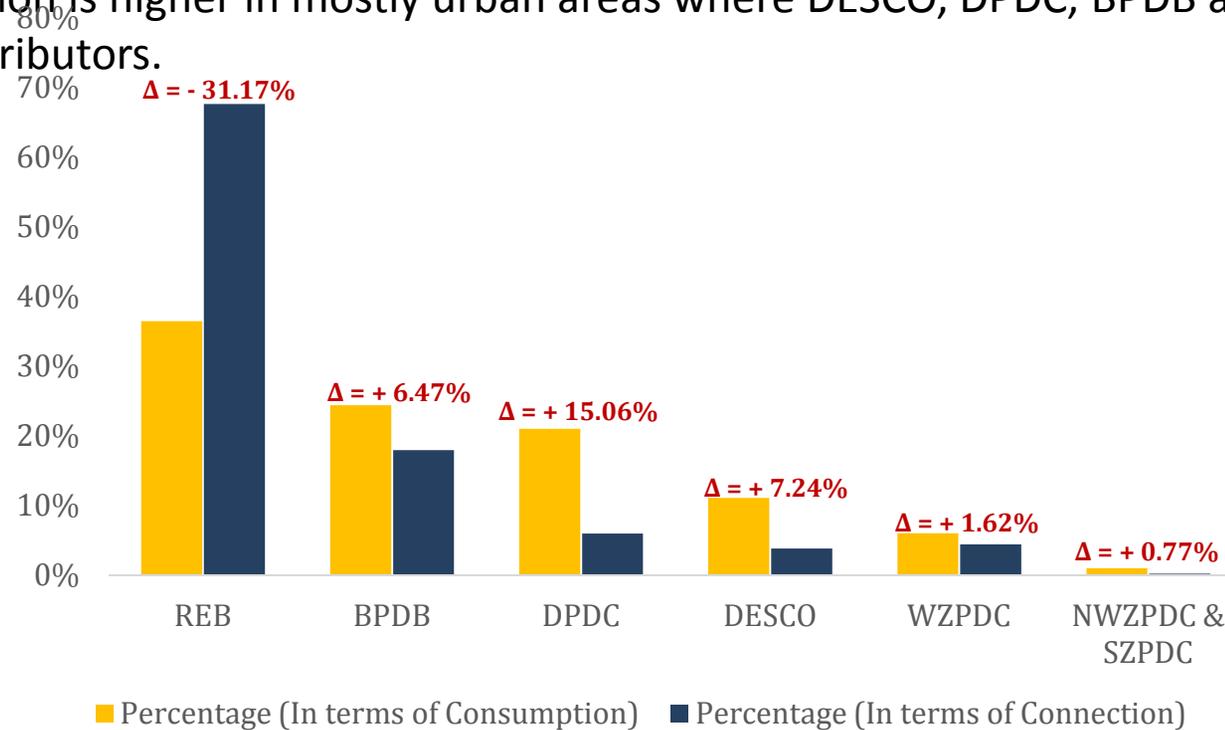
- At present, there are around **13.5 million** electricity connections in Bangladesh. Approximately half of the total population has access to electricity. Major actors are:



- At present, there are **seven** distributors in the country. Three more distribution companies are getting ready to launch within the next few

Context (contd.)

- REB leads the distribution sector both in terms of the number of connections (around 68%) and consumption (around 36%). However, the per capita consumption is higher in mostly urban areas where DESCO, DPDC, BPDB are the major distributors.



Context (contd.)

- Renewable energy sector has been growing rapidly in Bangladesh.
- It includes both solar energy and bio-gas; solar is the torch-bearer of innovations, including in areas of customer service.
- Solar: over 30 companies; up to 2013 the total number of SHSs (Solar Home System) installed across the country is around 2.7 million. (5 times than the number of Desco's connection); but contributes only 0.5% of total electricity capacity; only offered in off-grid areas.
- CRM practices in the solar space:
 - Basic call center functions among the market leaders; can call someone to get service.
 - Monthly service visits (coinciding with payment collection visits).
 - Micro-entrepreneurs (mostly women) trained to offer basic troubleshooting services across rural communities.

Current State Assessment

- To better understand the current CRM practices in the power sector of Bangladesh and the quality of different services offered by the distributors, a standard customer life cycle (CLC) model has been utilized.



Current State Assessment (contd.)

- Targeting
 - In Bangladesh, there is zero competition in the distribution sector at a geographic level.
 - Because electricity is viewed as a necessity, targeting potential customers (and associated activities such as marketing) by a distributor is not something what is seen in practice. Rather, customers are found waiting in long queues to get an electricity connection.
- Enquiry Management
 - In most cases, customers learn about the steps to get a connection by making calls or browsing the websites (except NWZPDC, SZPDC).
 - The application form can be obtained from the customer service center or zonal office and also from the websites.
 - Customers are often assisted with the application form filling-in process if they visit the offices of the distributors. However, such assistance through phone or email is rare.

Current State Assessment (contd.)

- Welcoming
 - In most customer service centers (aka 'One Point Service Centers') customer is provided with a serial number. According to the serial number provided, she is called to a counter where she can inquire about getting a connection and the necessary procedures.
 - Only DESCO offers a 24/7 call center.
 - Distributors have brochures/leaflets on different services they are offering to the customers. Anyone can get a good sense of the customer's rights and obligations from these publications.
- Getting to know Customers
 - Basic KYC information collected for new customers (during signup).
 - No specific examples found of surveys, analysis etc. to identify unmet or latent needs of potential customers.
 - So far, none of the distributors were found conducting any large scale survey to collect usage data and perform analysis thereafter as a part of getting to know existing customers better.

Current State Assessment (contd.)

- Customer Development
 - All distributors, except REB, provide load-shedding forecasts on their websites. With the help of the service, one can get a clear picture of the probable number of hours of load-shedding in their respective areas over the proceeding week.
 - Distribution companies conduct awareness campaigns on energy savings by advertising in newspapers, televisions, websites and billboards.
 - For visits to homes, the residents are informed in advance largely through public announcements (often made through microphones from a traveling rickshaw) and in some cases, through newspapers.
 - Special efforts are made around the bill payment process:
 - Billing month is not necessarily the calendar month. Rather it is decided based on the meter reading schedule. Usually, the schedule remains same for a particular customer and she is kept informed.
 - The bill is issued in paper format, it is easy to understand and contains detailed breakdown of fixed charge, usage charge, taxes and surcharges.
 - Customer can pay bill through designated bank branches, customer service centers, mobile phones and the internet. First three options are available for any distributors, whereas DESCO and REB also offer the online bill payment service.

Current State Assessment (contd.)

- Managing Problems
 - At a customer service center, customers can lodge a complaint in person. To better address and trace the grievance, a reference number is provided.
 - Time required to resolve a complaint varies. However, DESCO provides a list of services along with the respective time requirement to solve an issue. (see next slide)
 - For illegal connections and usage, tampering meter readings or any such issues, distributors can take legal actions according to the Electricity Act of Bangladesh. For illegal usage there is also a provision of issuing penal bills, which is three times the actual rate.

Current State Assessment (contd.)

- Example: DESCO provides a list of services along with the respective time requirement to solve an issue.

Description	Req. Working days
Queries for not getting monthly Bill	7
Bill re-print	Instant
Correcting the amount in bill	7
Removing from the defaulter list after paying due bill	7
Not receiving acknowledgement of bill payment	5
Re-connection after getting due payment within 15 days of cut off (regular case)	1
Re-connection after getting due payment (cut off due to illegal usage)	3
Re-connection after malfunctioning of the meter (service dropped, burnt, damaged, theft)	2
Changing the name of consumer in existing connection	5
Meter (less than 50KW) examine after applying with due charge	7
Meter (equal or more than 50KW) examine after applying with due charge	15
Changing Tariff	5
Withdrawal of security deposit after temporary connection	14

- **Win back**
 - Since there is a single distributor for a particular region, customers don't really have the option to switch distributing companies. Therefore, winning back a customer is not relevant (yet) in Bangladesh.

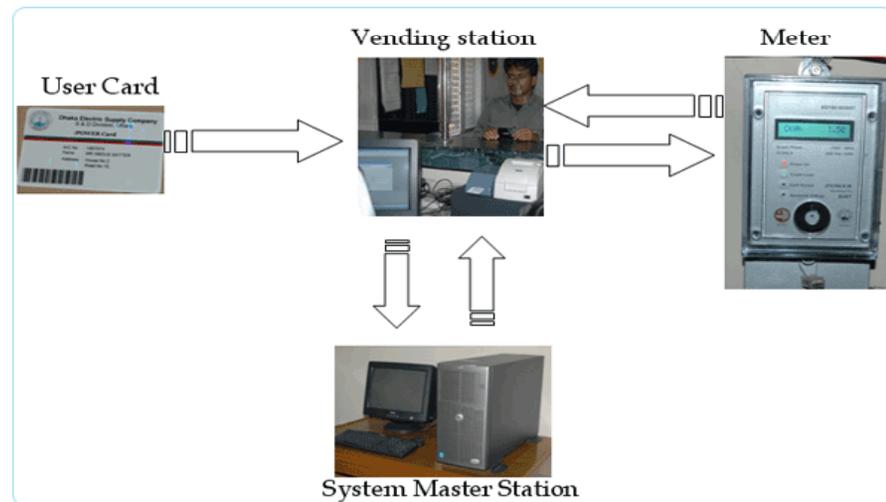
Current State Assessment (contd.)

- Following chart summarizes some of the major customer services provided by the distribution companies.

Service Name	BPDB	REB	DESCO	DPDC	WZPDC	NWZPDC	SZPDC
Online Application		√	√	√		N/A	N/A
Online bill payment		√	√			N/A	N/A
Mobile bill Payment	√	√	√	√	√	N/A	N/A
Load Shedding Forecasting	√		√	√	√	N/A	N/A
Help Line	√	√	√	√	√	N/A	N/A
24/7 Call Center						N/A	N/A
Customer Service Center	√	√	√	√	√	N/A	N/A
SMS notification			√			N/A	N/A
Pre paid meter	√		√			N/A	N/A

Current State Assessment (contd.)

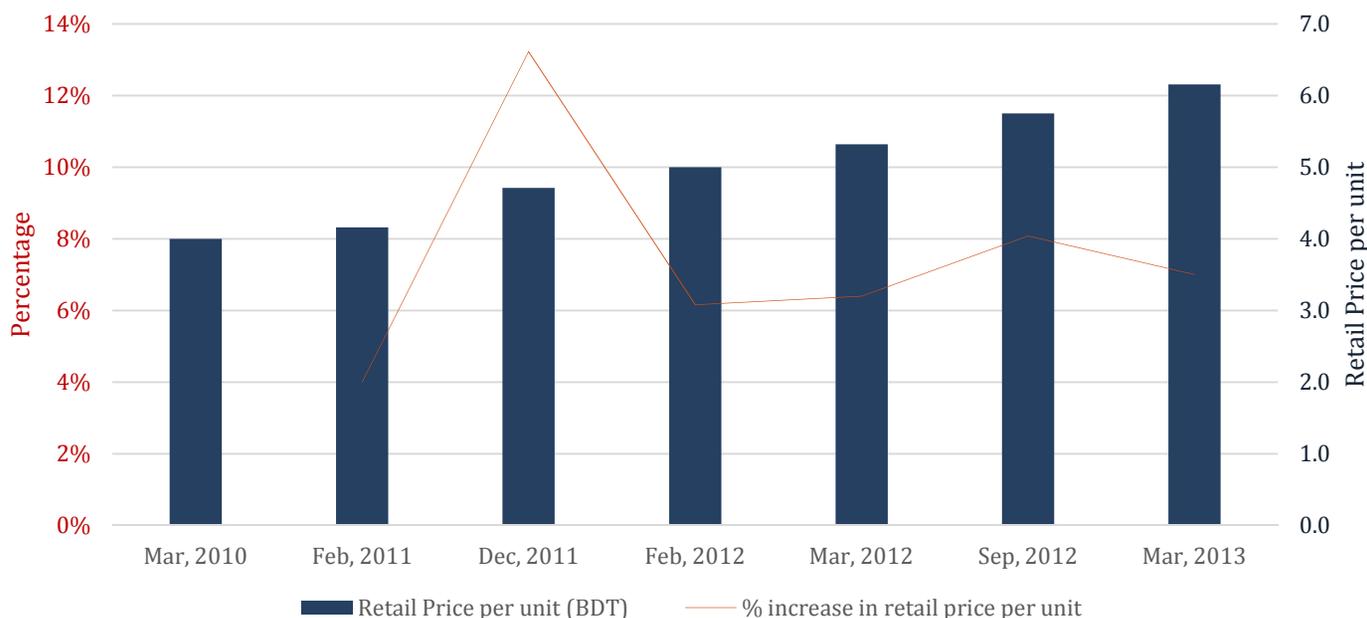
- Pre-paid Meters
 - In order to limit the scope of unfair billing, both DESCO and BPDB have piloted pre-paid meter in some service areas. At present, there are 57,000 pre-paid meters deployed. DESCO has two vending stations to provide recharge and other services. BPDB is offering customer services to pre-paid users through existing networks of customer service points.
 - Each pre-paid meter costs about US\$50.
 - Power Division has launched a 5-year scheme to introduce pre-paid meters across the country starting from 2013.
 - However, these meters are different from the meters installed by DESCO and PDB.
 - These meters will have the ability to control high-load during peak hours.



At the time of re-charging, the vending station's computer reads all the consumption information of the consumer in the consumer-database, which helps to analyze the consumer's electricity usage behavior. After re-charging when consumer inserts her smart card into the meter, the meter reads the card and downloads the amount of electricity bill that has been paid for.

Challenges

- One of the biggest concerns in the power sector observed over the last few years in Bangladesh is the **tariff hike**.
 - BERC has raised electricity tariff **four times** within around a year.
 - A general consumer is paying around **50% higher prices** than what she used to pay in 2011.



Challenges (contd.)

- Monopolistic Market Condition
 - While Customer Relationship Management is a tool of great importance to obtain competitive edge over other competitors, being the sole player in a particular geography (**in effect a monopoly**) has not been providing enough incentives to the distributors to better serve the customers and keep them satisfied.
- Poorly Designed Services
 - Despite some recent initiatives by the distributors to better serve the customers by introducing online/mobile services, most of the customer services still remain poor due to weak design of such services.
 - For instance, on the DESCO website, anyone can check the consumption and billing history of DESCO consumers if she knows the account number of a consumer. As there is no password verification/authentication in the system, this poses a serious threat to the **privacy of the consumers**.

Challenges (contd.)

- Lack of Automated Processes
 - The level of human interaction and paper-based processes throughout the customer management system is a hindrance to the work process; this also creates scope for informal payments.
 - To get a desired service, in most of the cases, consumers require clearances from multiple actors, which contribute to lengthening the process and opening up opportunities for mal-governance.
- Customers not Well-informed
 - Customers are often unaware of their rights and as long as customers remain unaware of their rights, they will not demand better services.
 - The Consumers Association of Bangladesh (CAB) is the only organization that works on consumer protection rights; however, in the recent past they have limited their activities to address bigger challenges such as price hikes rather than addressing challenges such as weak CRM practices.

Stories from the field: studying urban, poor micro-entrepreneurs

Helani Galpaya

Dhaka, 30 April 2014



This work was carried out with the aid of a grant from the International Development Research Centre, Ottawa, Canada and the Department for International Development, UK.



Canada

Definitions

- Micro-entrepreneurs (MEs) = those employing 0 -9 employees
 - paid part or full time workers
 - inclusive of family members
- Low income = MEs in socio-economic classification (SEC) C, D and E and B1,B2, (for those employing 1-9 employees)
 - SEC based on education and job
 - Close correlation to income
- Urban = definition used by the National Statistics Office in each country

A 'weak city' and 'strong city' in each country identified

- Strong/weak determined by proxy indicators
 - Bangladesh: poverty + literacy + electrified households
 - Sri Lanka: various poverty measures by province
 - India: City Competitiveness Ranking by state
- Bangladesh:
 - Strong: Dhaka
 - Weak: Gaibanda+Kurigram [Rajshahi division]
- In Sri Lanka: Colombo (Western Province) and Kurunegala/Kuliyapitiya/Puttalam/ Chilaw (NW Province)
- India: Delhi and Patna (in Bihar)

No country had registry of MEs. Closest possible data used to determine quotas

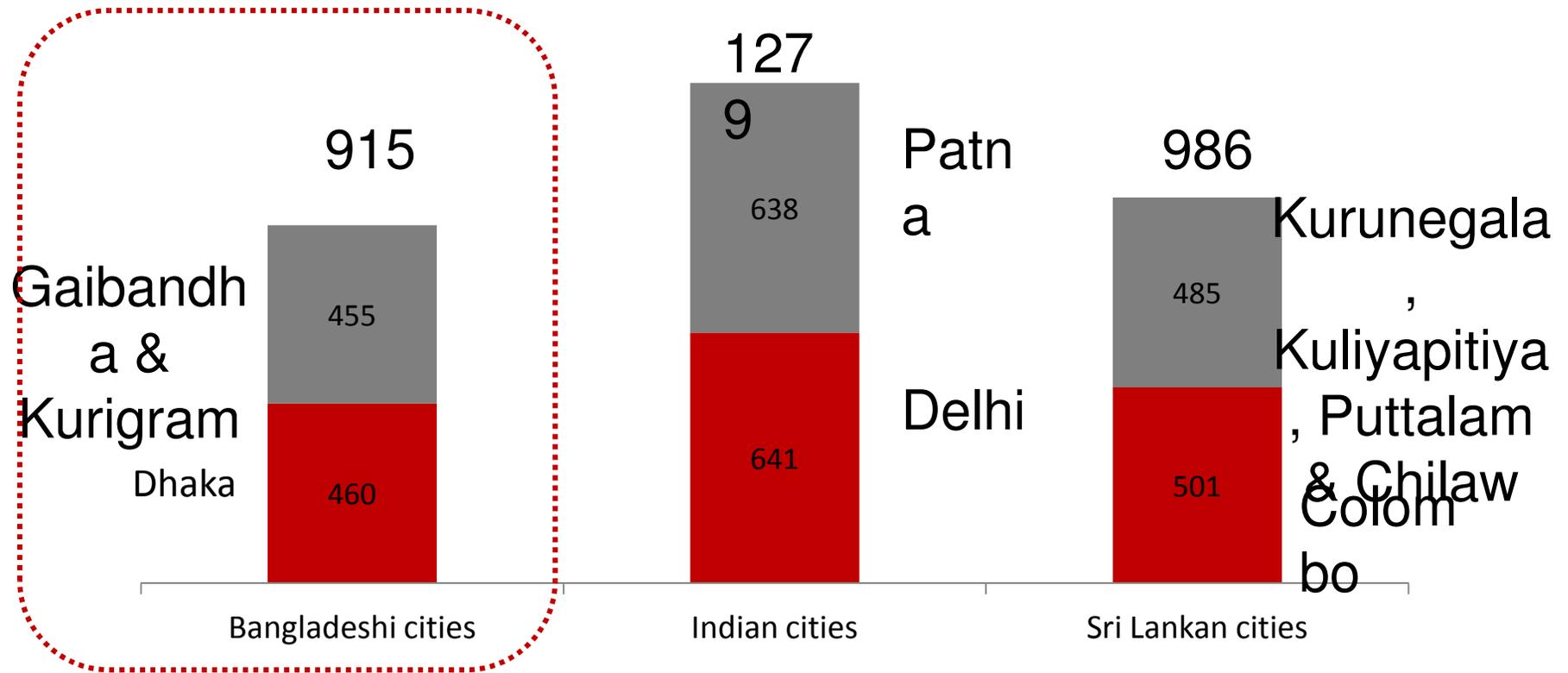
- Bangladesh: Economic Census (BD Bureau of Statistics)
 - Number of small establishments (of <10 employees) in manufacturing, trade, services
 - Number of small establishments based on employment (0, 1-3 and 4-9 employees)
- Sri Lanka: Census of Industry (2003/2004) by Department of Census and Statistics
- India : Non-agricultural Enterprises in the Informal Sector, 2000. (Survey)

More on sampling method

- In each country, two locations were selected. The capital city and another city which is weaker in terms of governance.
- In Bangladesh, cities were divided into wards, then mahallas and then streets. Within each mahalla, all the streets were listed alphabetically. Every third street was selected and respondents were found for the study.
- As some of the enumeration areas (streets/mahallas) were inaccessible due to incessant hartals (public protests) and governmental restrictions, additional enumeration areas were selected using the similar process.
- A Snowballing sample was also used to achieve some difficult quotas (e.g. females or MEs having 4-9 employees)

Quantitative study: 3180 MEs surveyed.

915 in Bangladesh



Qualitative research after the survey to understand why and to re-design

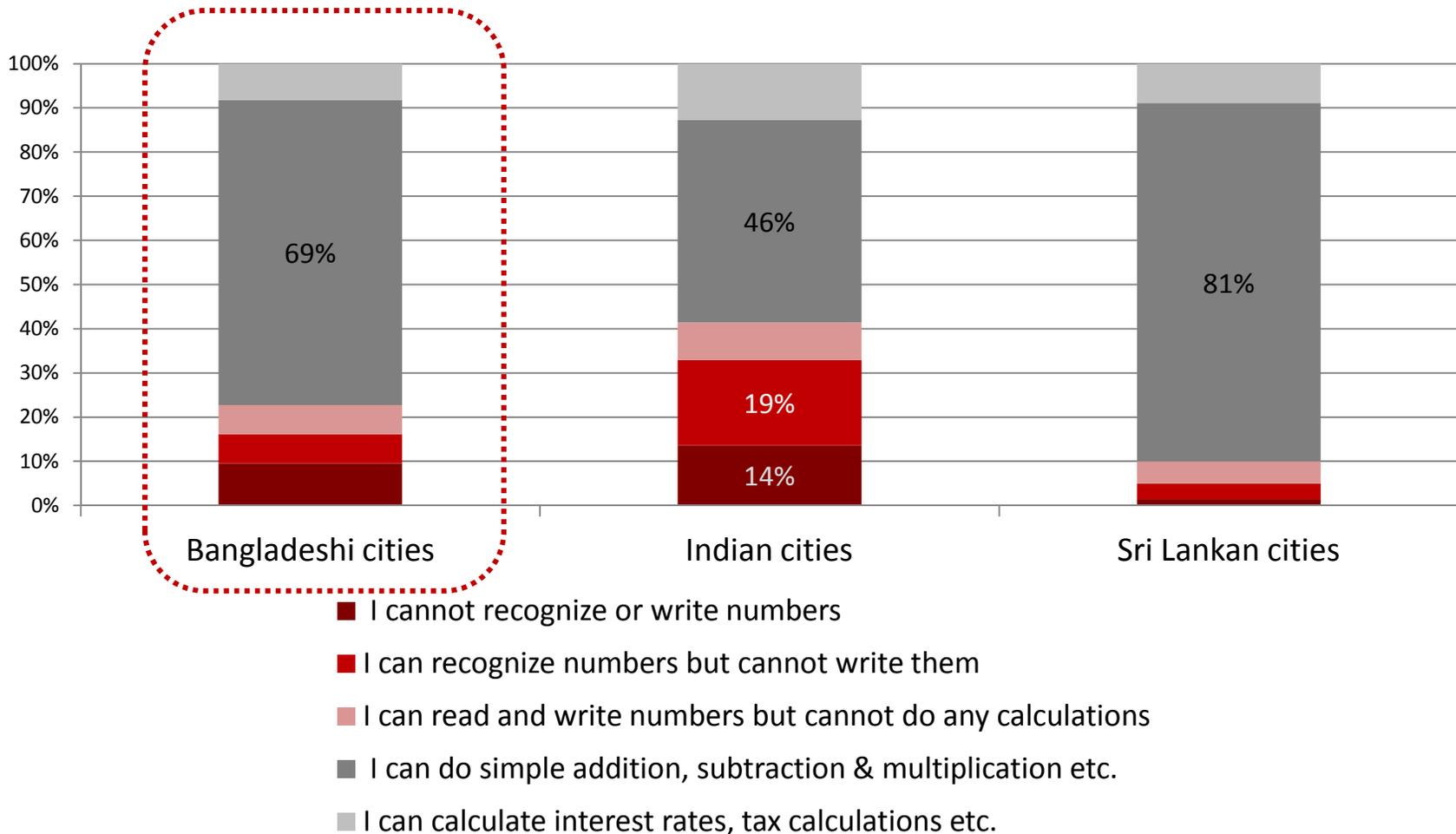
- The survey: answers the WHAT questions
- Qualitative research:
 - answers WHY questions
 - for envisioning (better) solutions
- 88 protocols
 - Day ethnographies at sites of service provision
 - In-depth interviews with service providers
 - In-depth interviews with MEs
 - Community group design activities

Bangladesh (BD) sample similar to Sri Lanka (LK) in education. Similar to India (IN) in age and female participation

	Bangladeshi cities	Indian cities	Sri Lankan cities
Average age	36	36	42
Female micro-entrepreneurs	9%	12%	26%
Illiterate or primary schooling only	39%	87%	29%

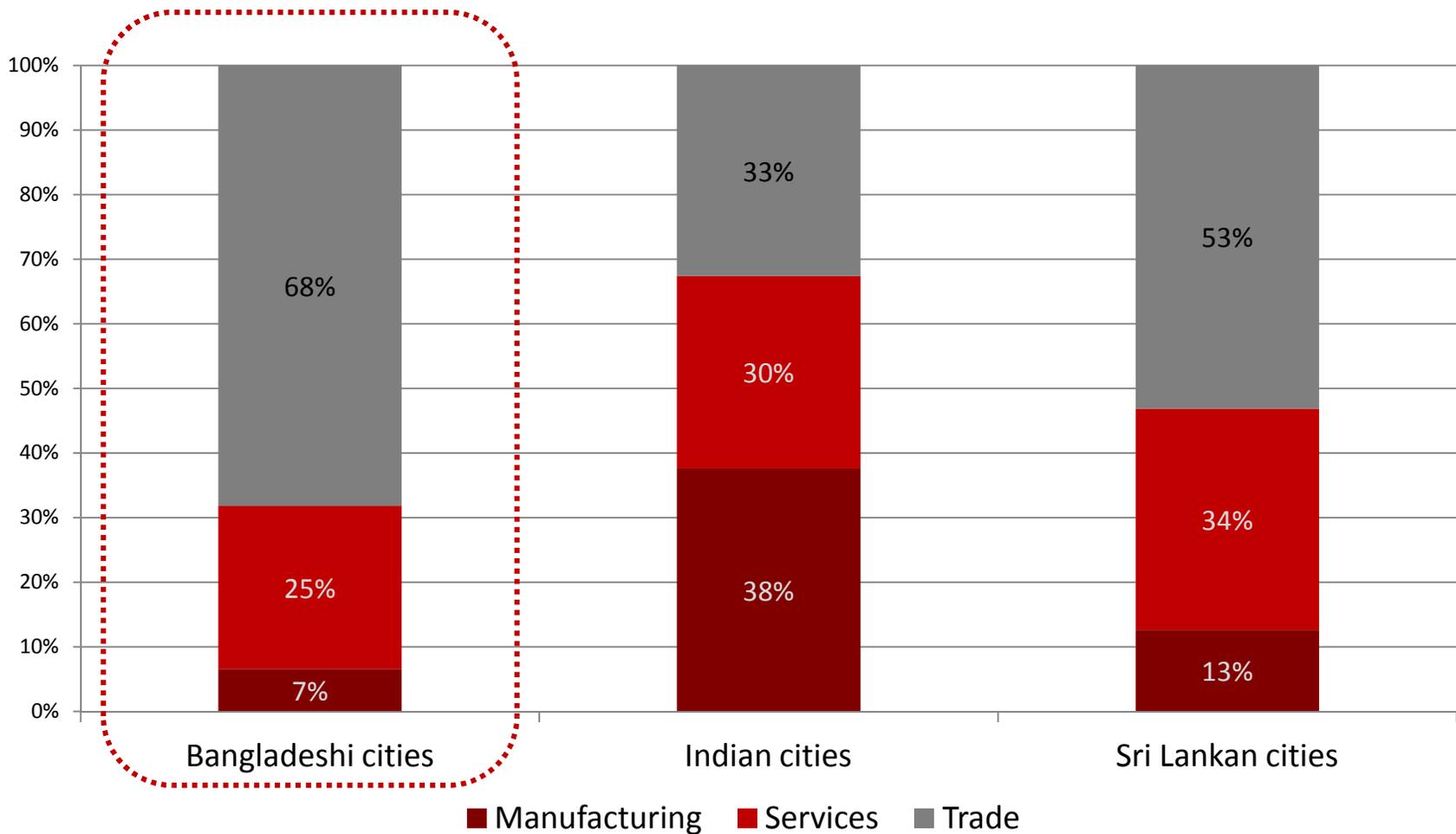


BD sample more numerate than IN. Over 77% of MEs in BD can do calculations

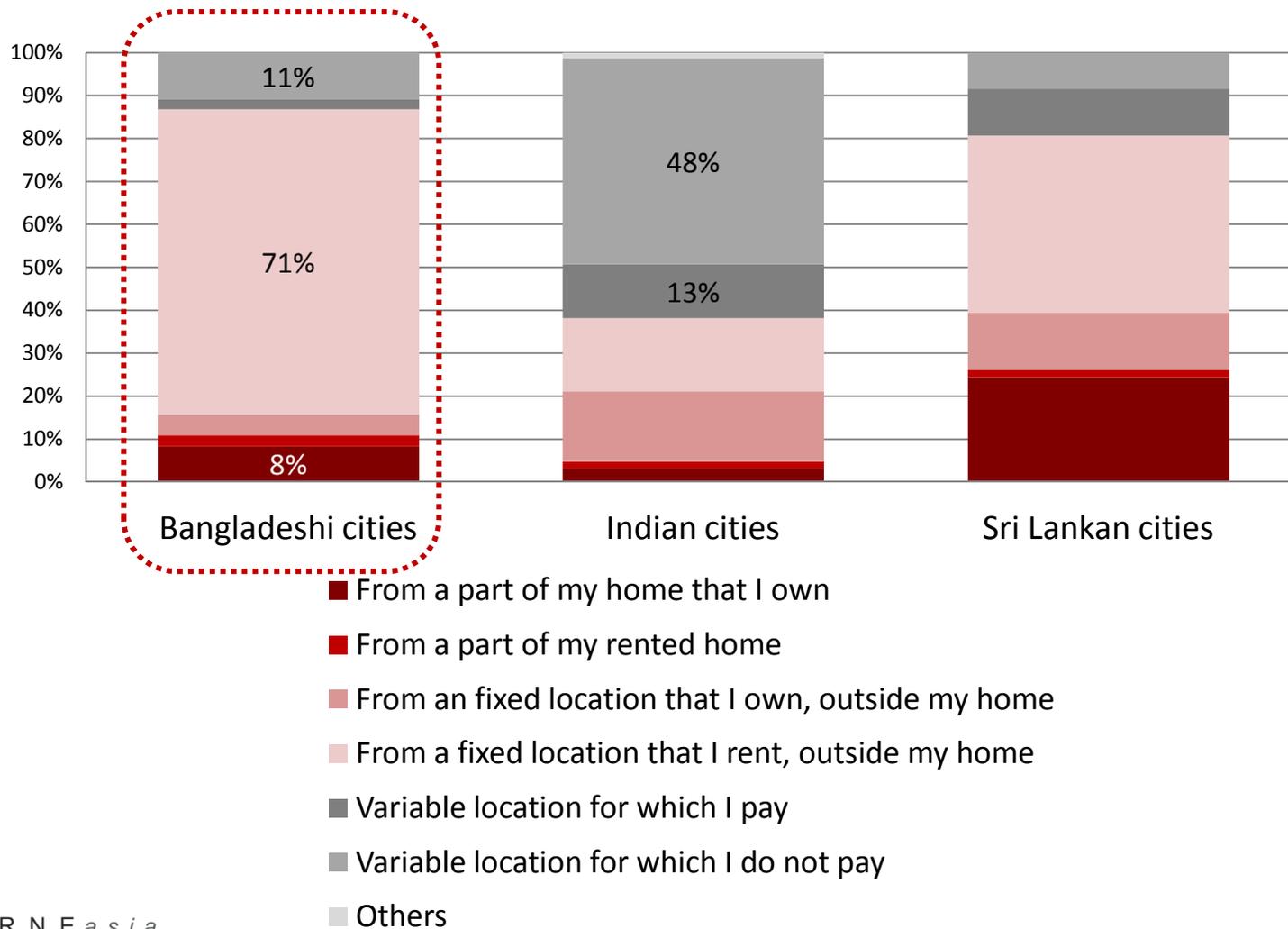


Please tell me about your numerical abilities

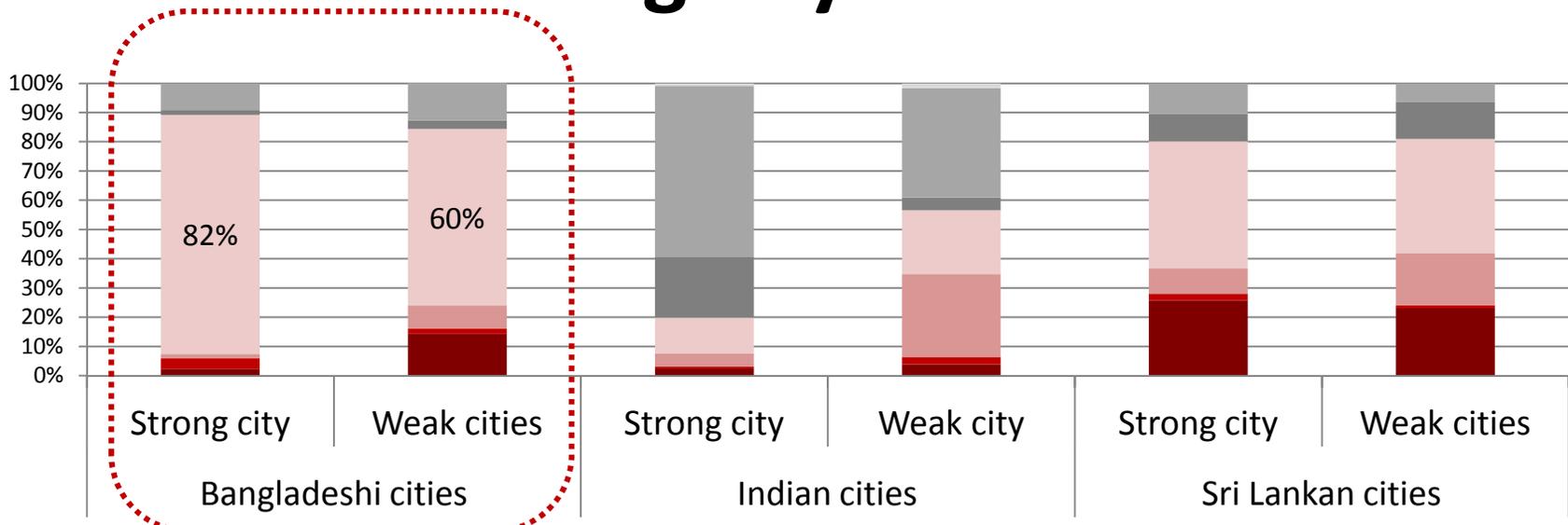
68% of MEs in BD are in trade



Majority operate from a rented location

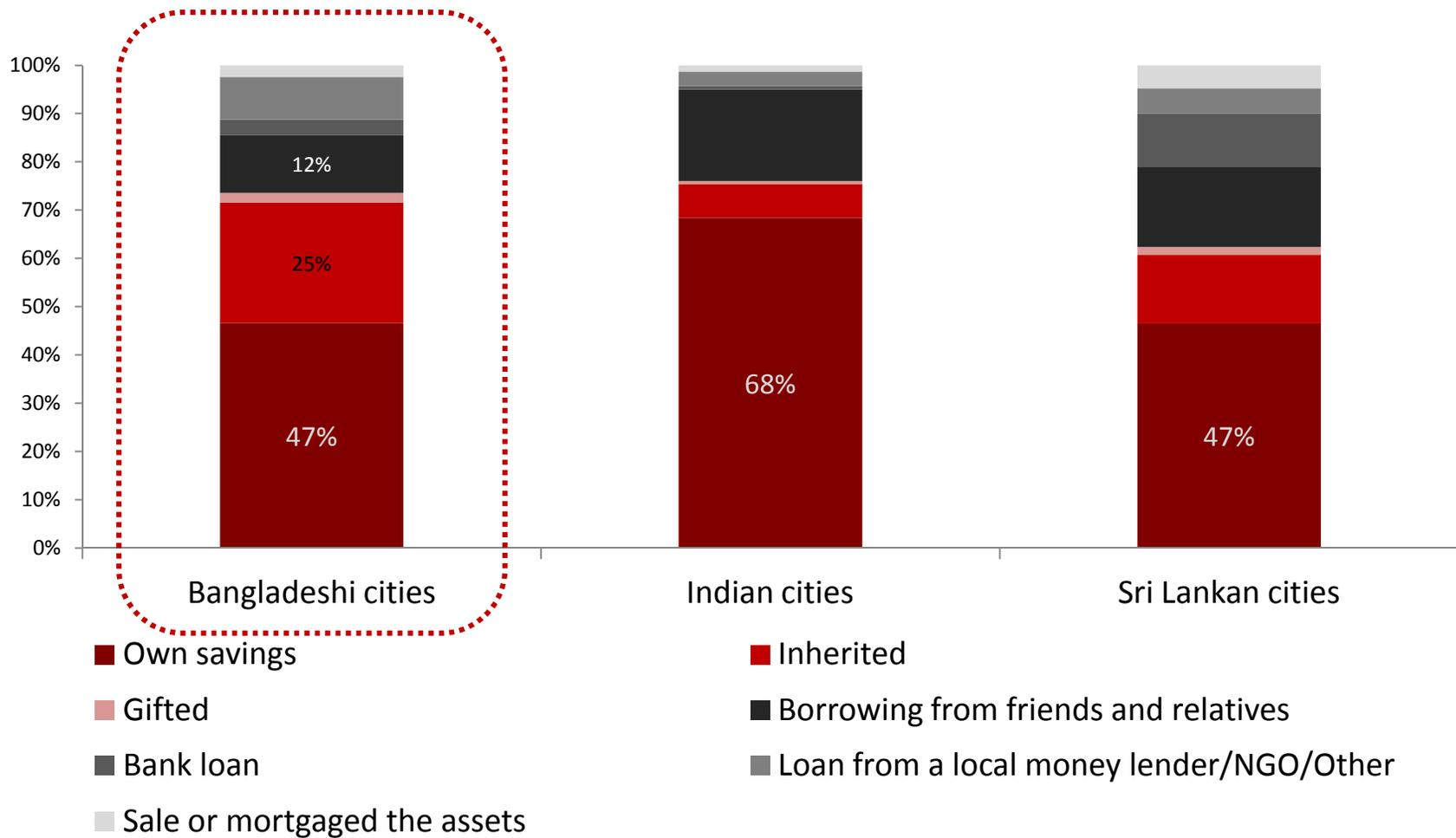


More MEs operate from a rented location in strong city



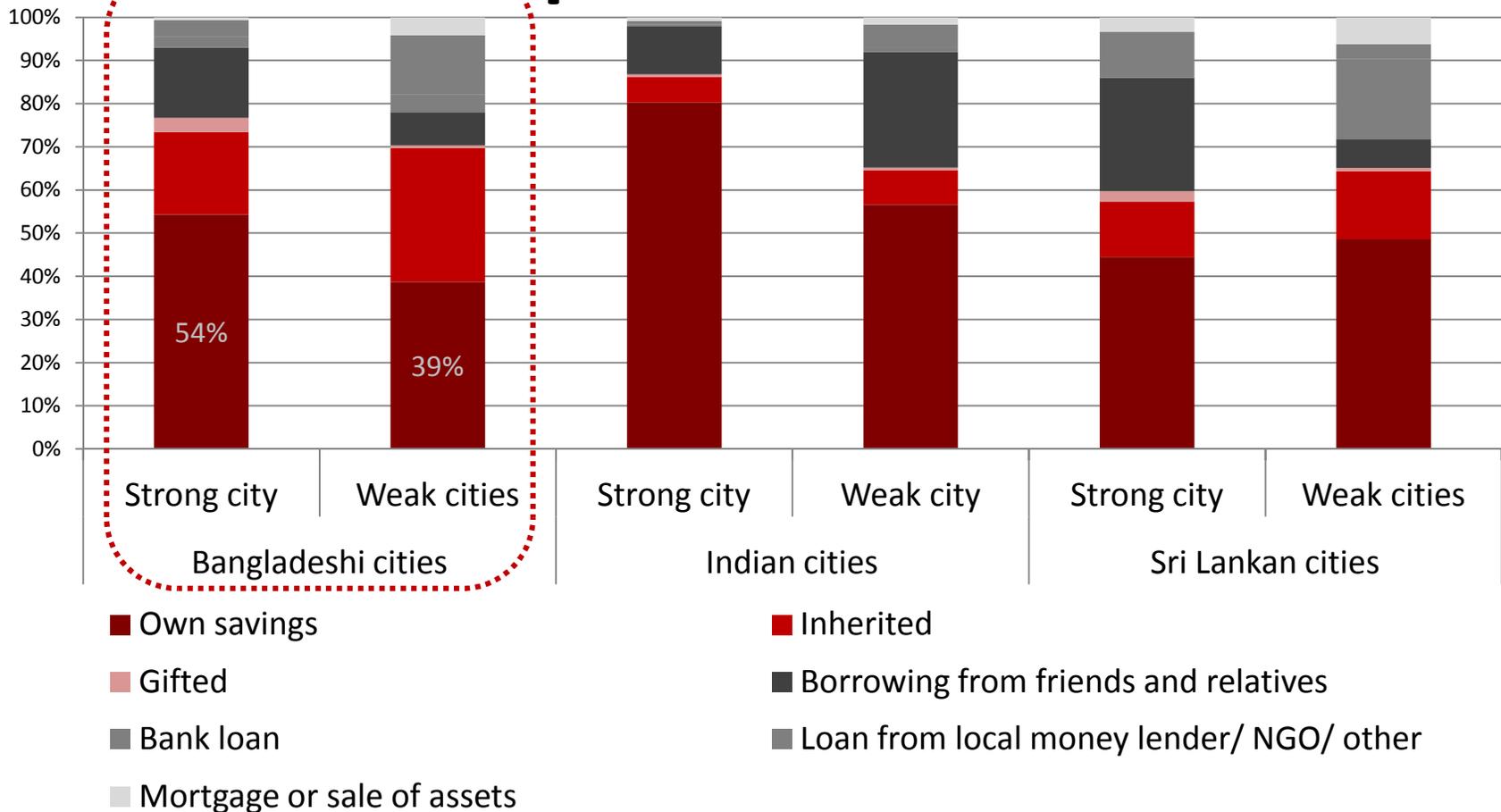
- From a part of my home that I own
- From a part of my rented home
- From an fixed location that I own, outside my home
- From a fixed location that I rent, outside my home
- Variable location for which I pay
- Variable location for which I do not pay
- Others

Most businesses started using savings.



 **How did you get the money to start your business? Tell the main source (as % of low-income MEs)**

Over half of MEs use own savings in strong city. In weak, NGOs/money lenders are important



More MEs in BD have a separate bank account for business



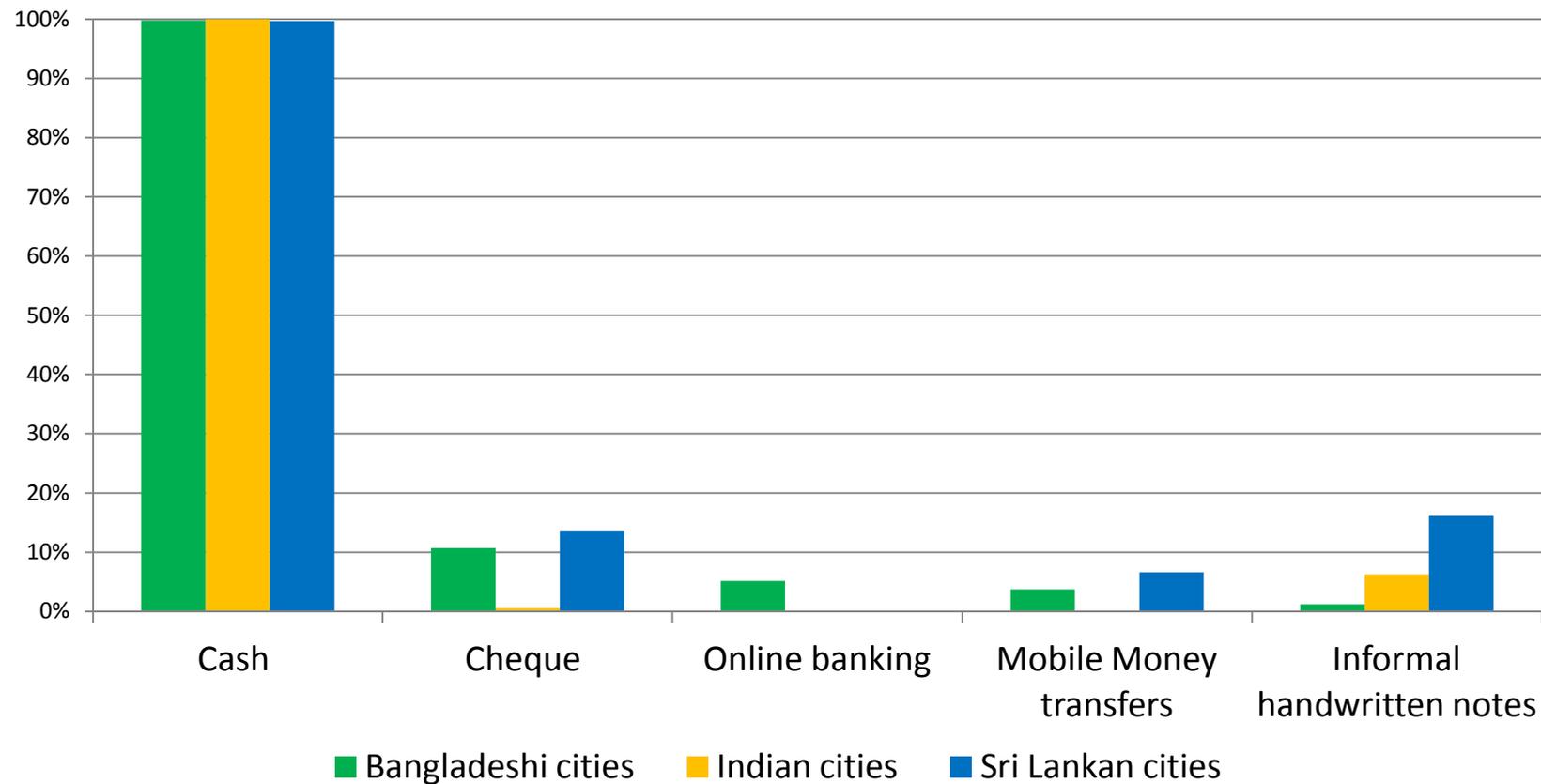
Does your business have a separate bank account to use just for business purposes?

(as % of low-income MEs)

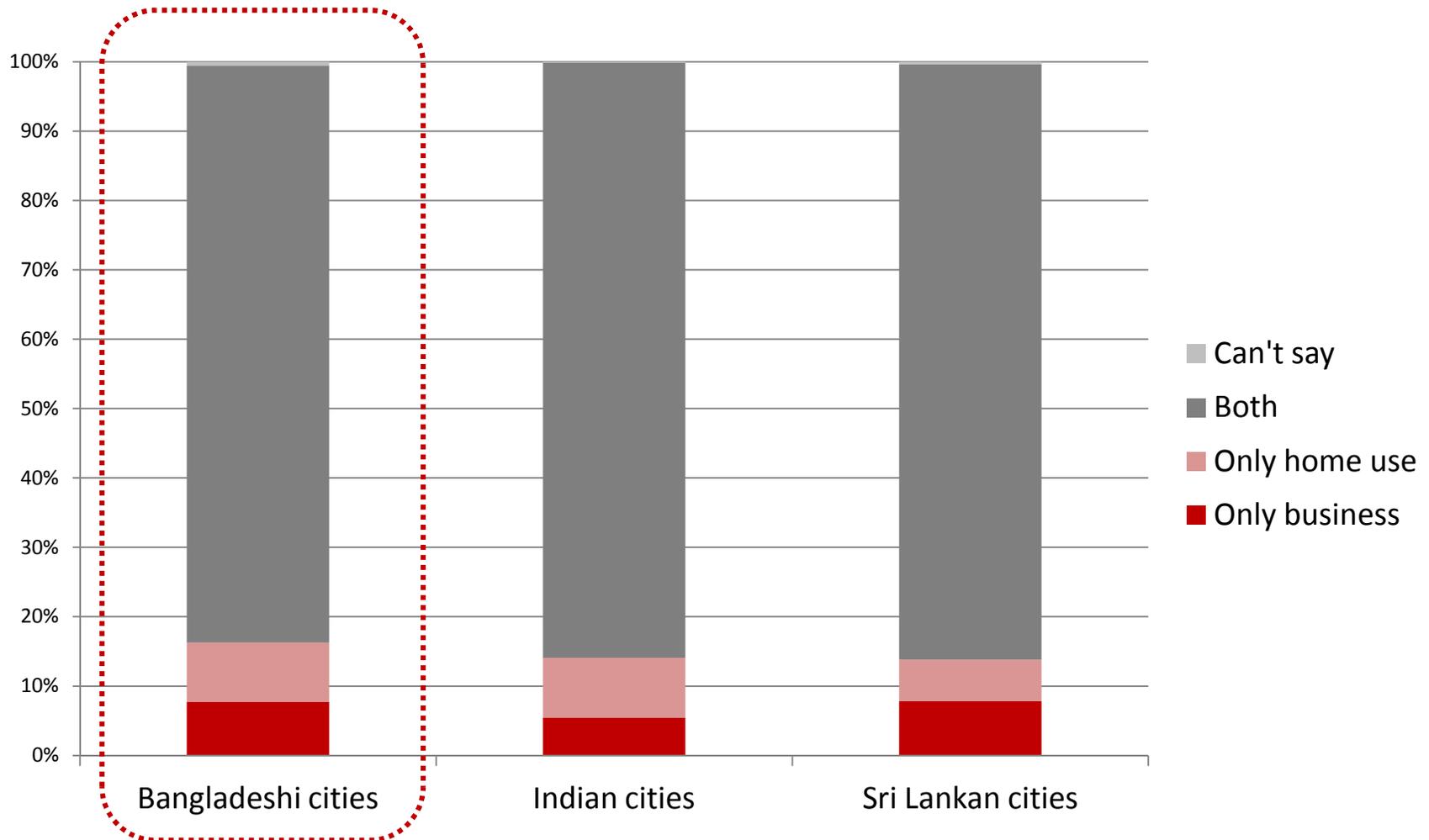


Do you have any bank account in your name? (as % of low-income MEs)

But normally deal with cash

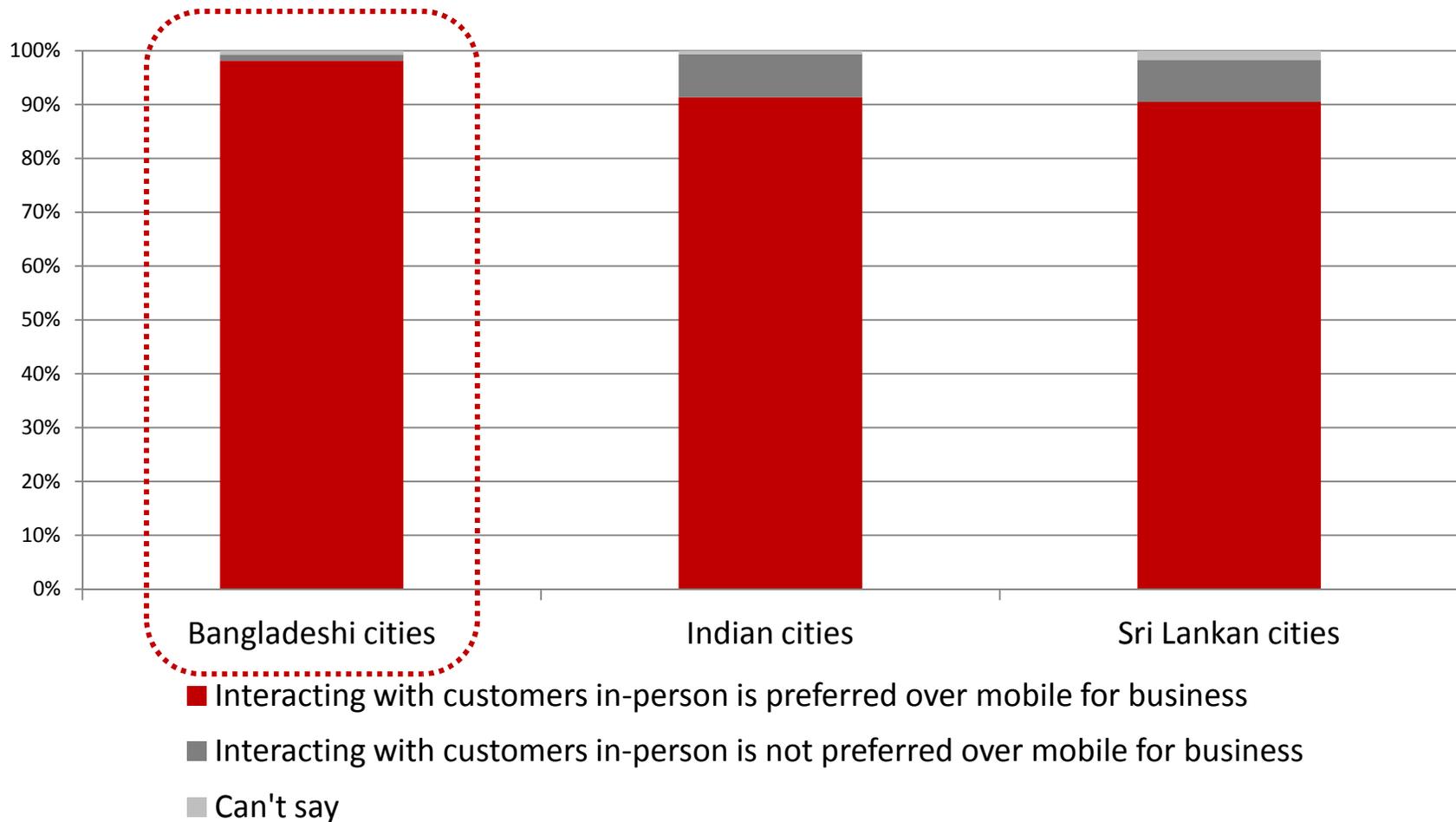


Extra income will be used for both personal and business use



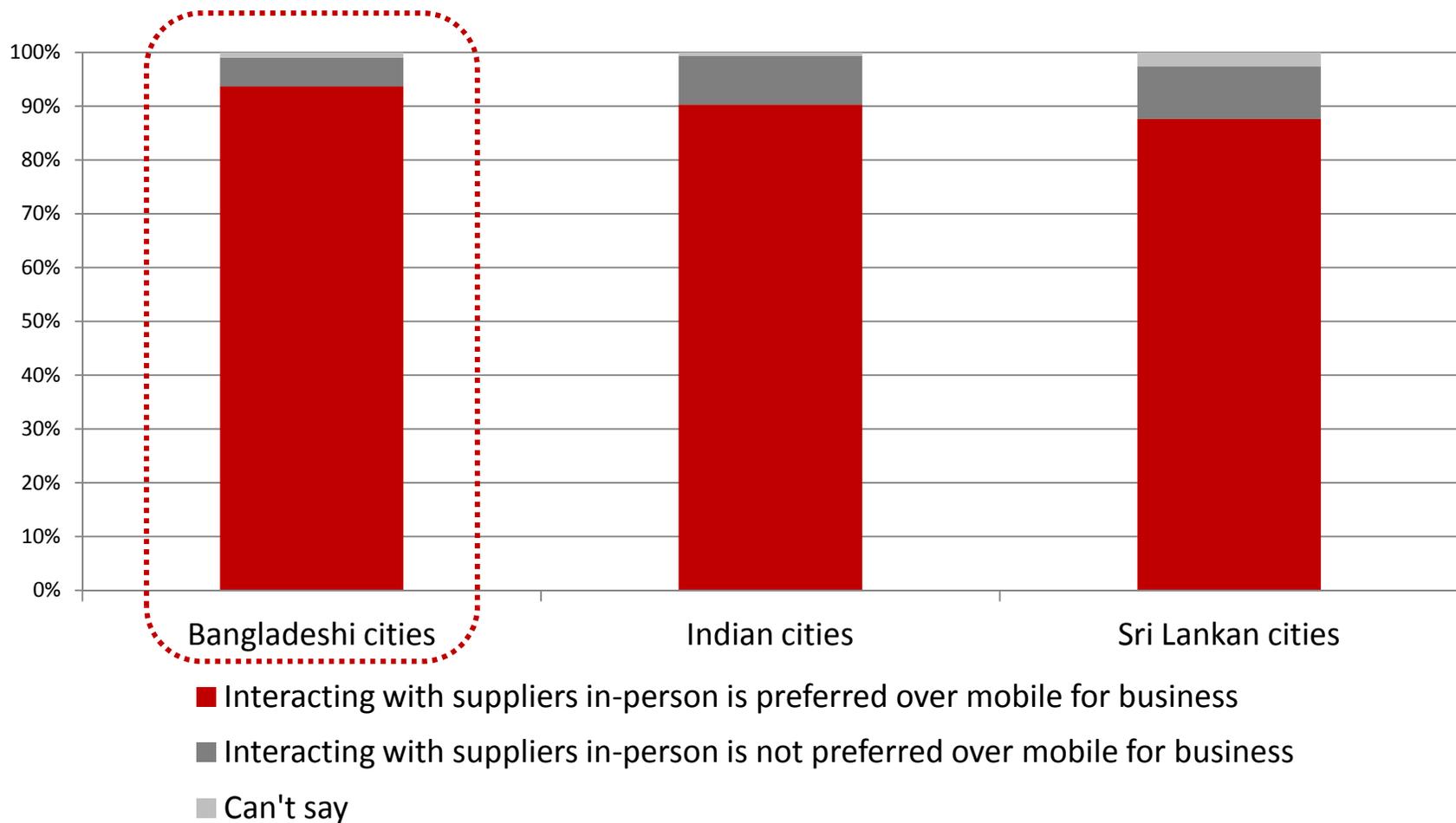
If you have extra income / profit from business, will you utilize it for business or home use?

In-person preferred to mobile phones when interacting with customers



Do you think: interacting with customers in-person is preferred than mobile phone in your business? (as % low-income MEs)

In-person also preferred to mobile when interacting with suppliers



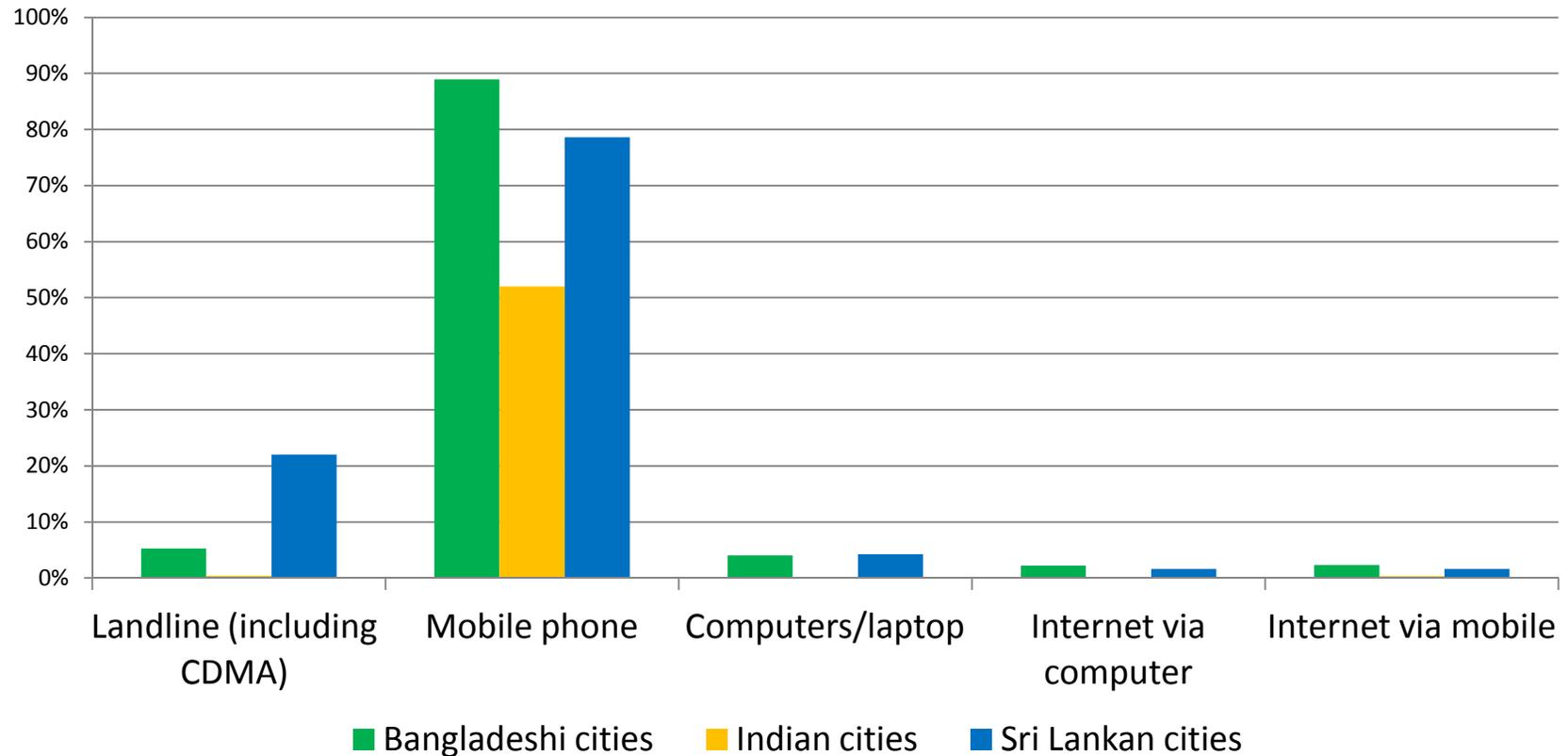
Do you think: interacting with suppliers in-person is preferred than mobile phone in your business? (as % low-income MEs)



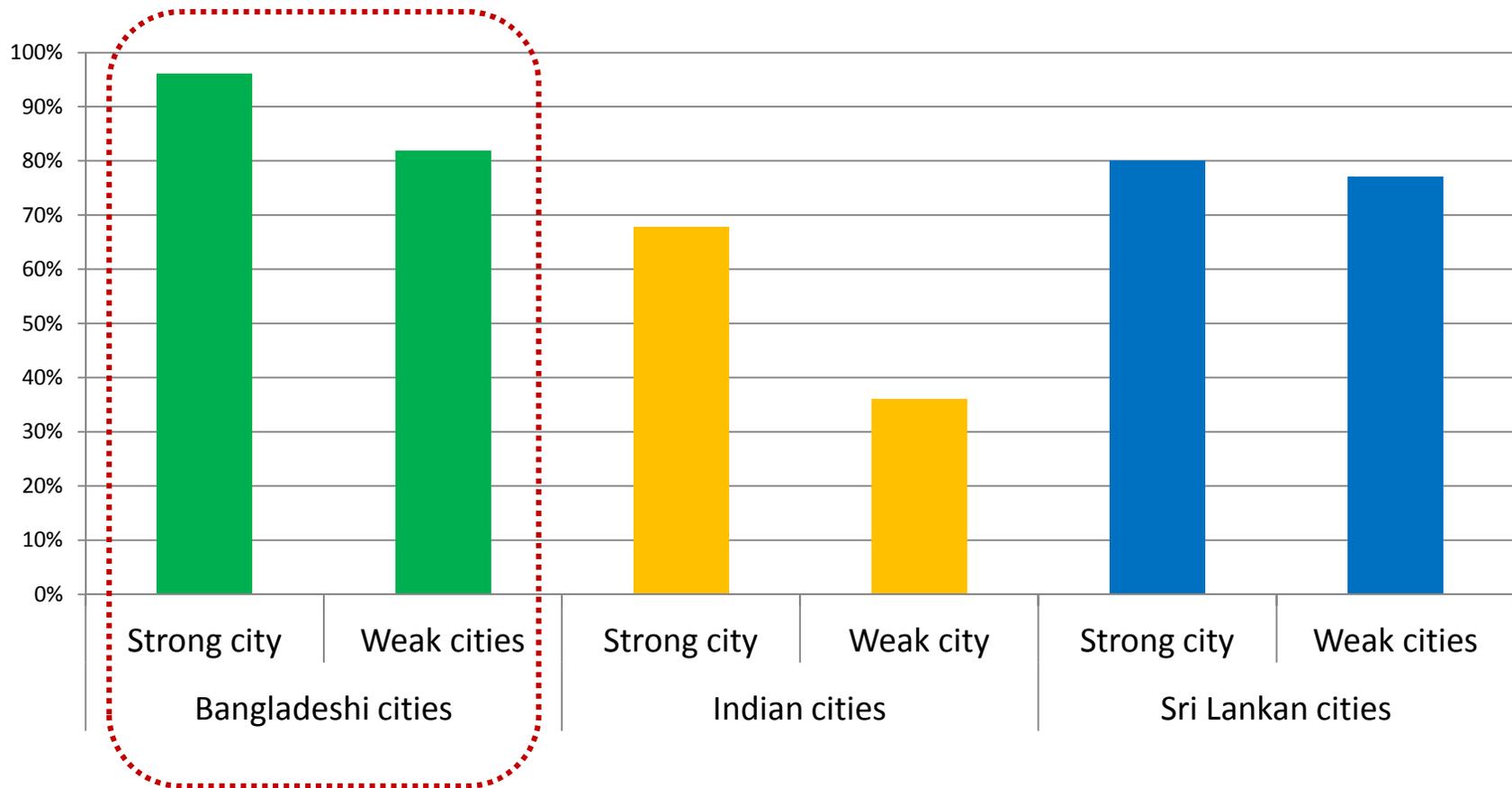
Pro-poor. Pro-market.

TELECOM USE BY MICRO-ENTREPRENEURS

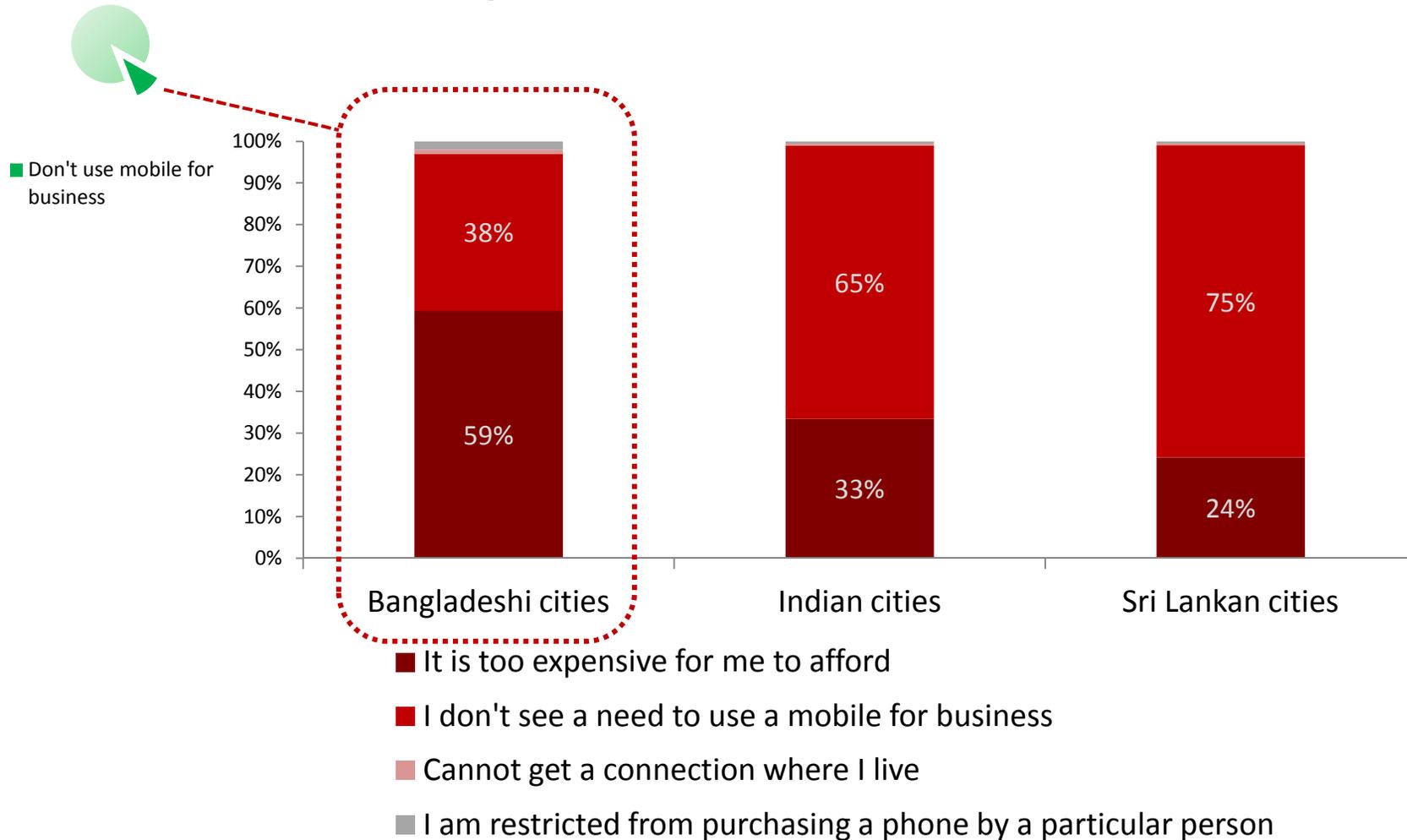
BD the highest users of mobiles for business



Lower use of mobiles for business in the weaker cities



Most MEs in BD who don't use mobiles find it too expensive

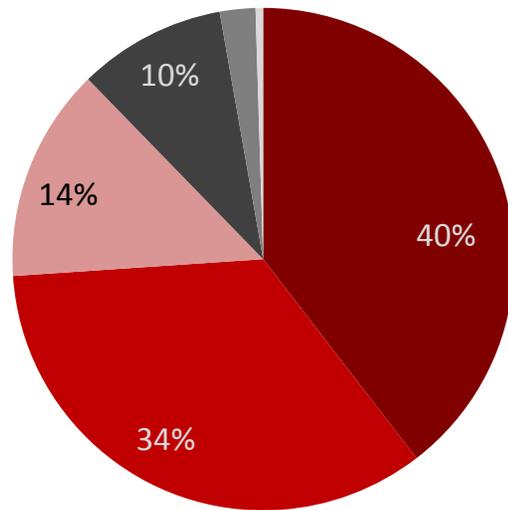


Main telecom service provider for MEs in BD

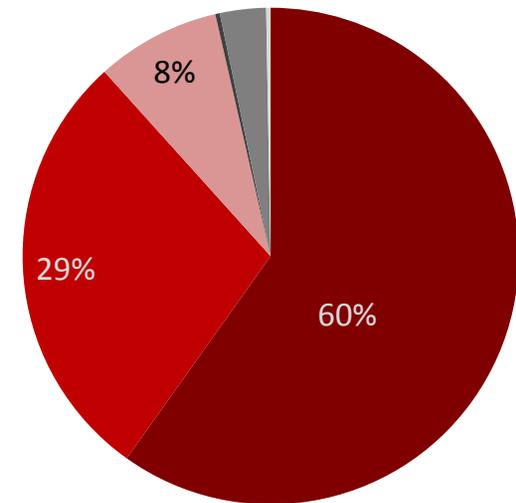


■ Use mobile for business

Strong city

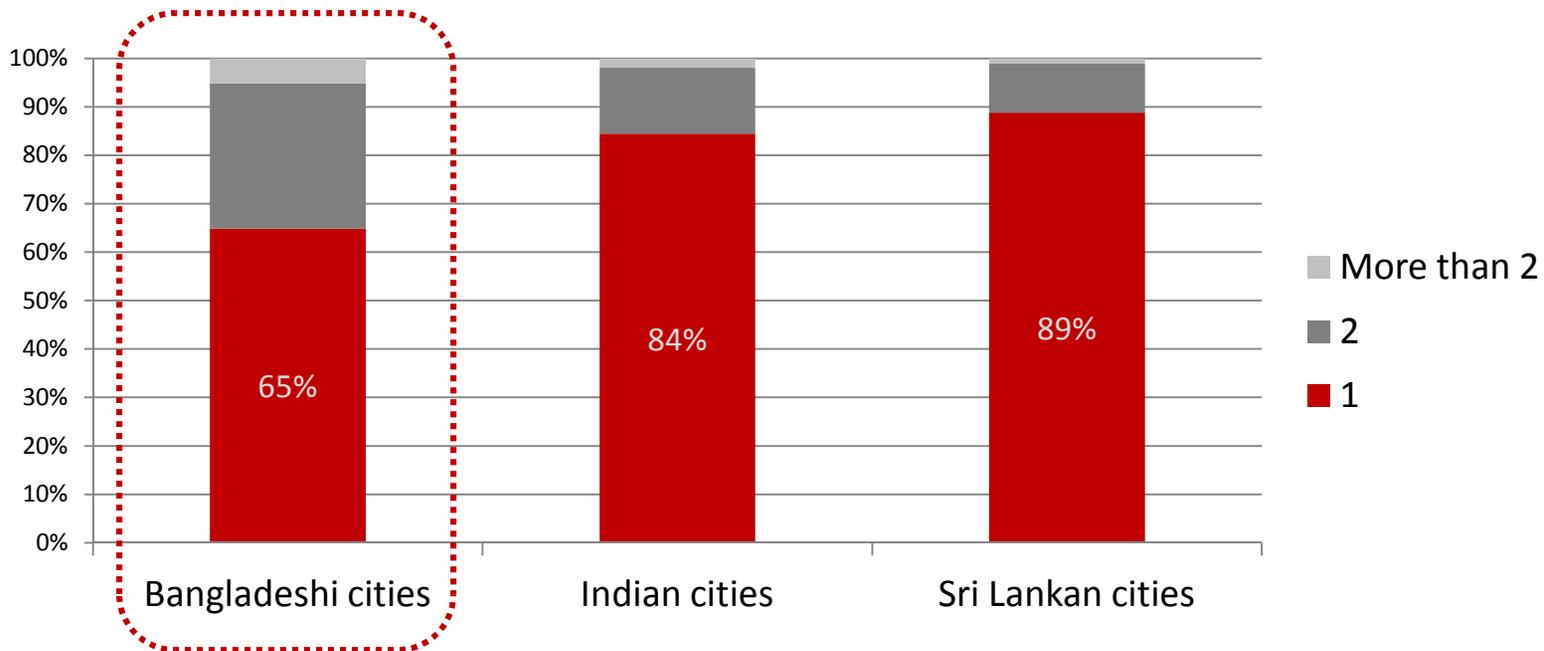


Weak cities



- Grameen Phone
- BanglaLink
- Robi
- Airtel
- CityCell
- TeleTalk

More MEs in BD have multiple SIMs



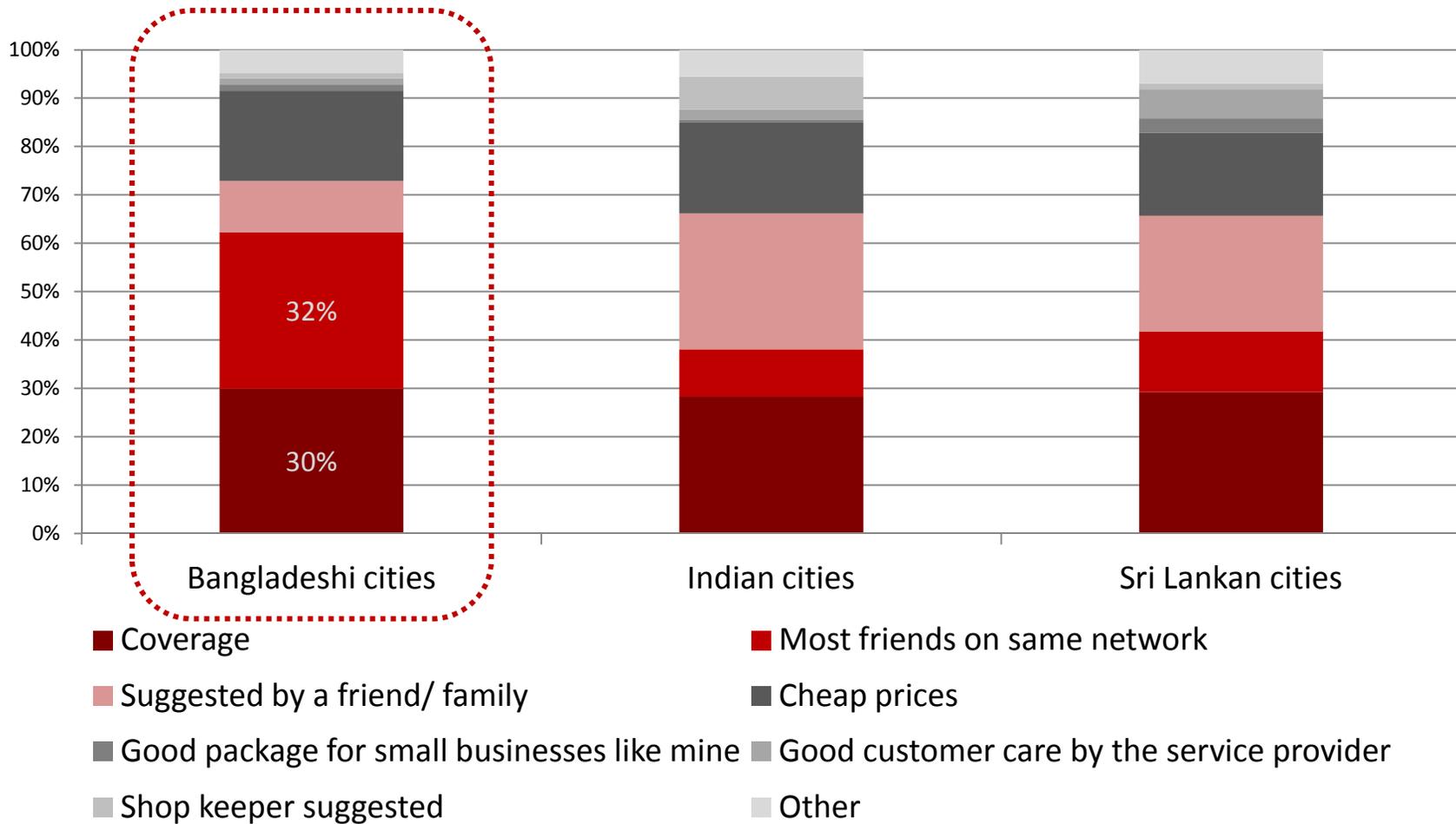
Multiple SIM ownership

	Bangladesh	India	Sri Lanka
Low income MEs who use mobiles for business (2013)	35%	16%	11%
BOP mobile owners (Teleuse@BOP 2011)	18%	11%	17%



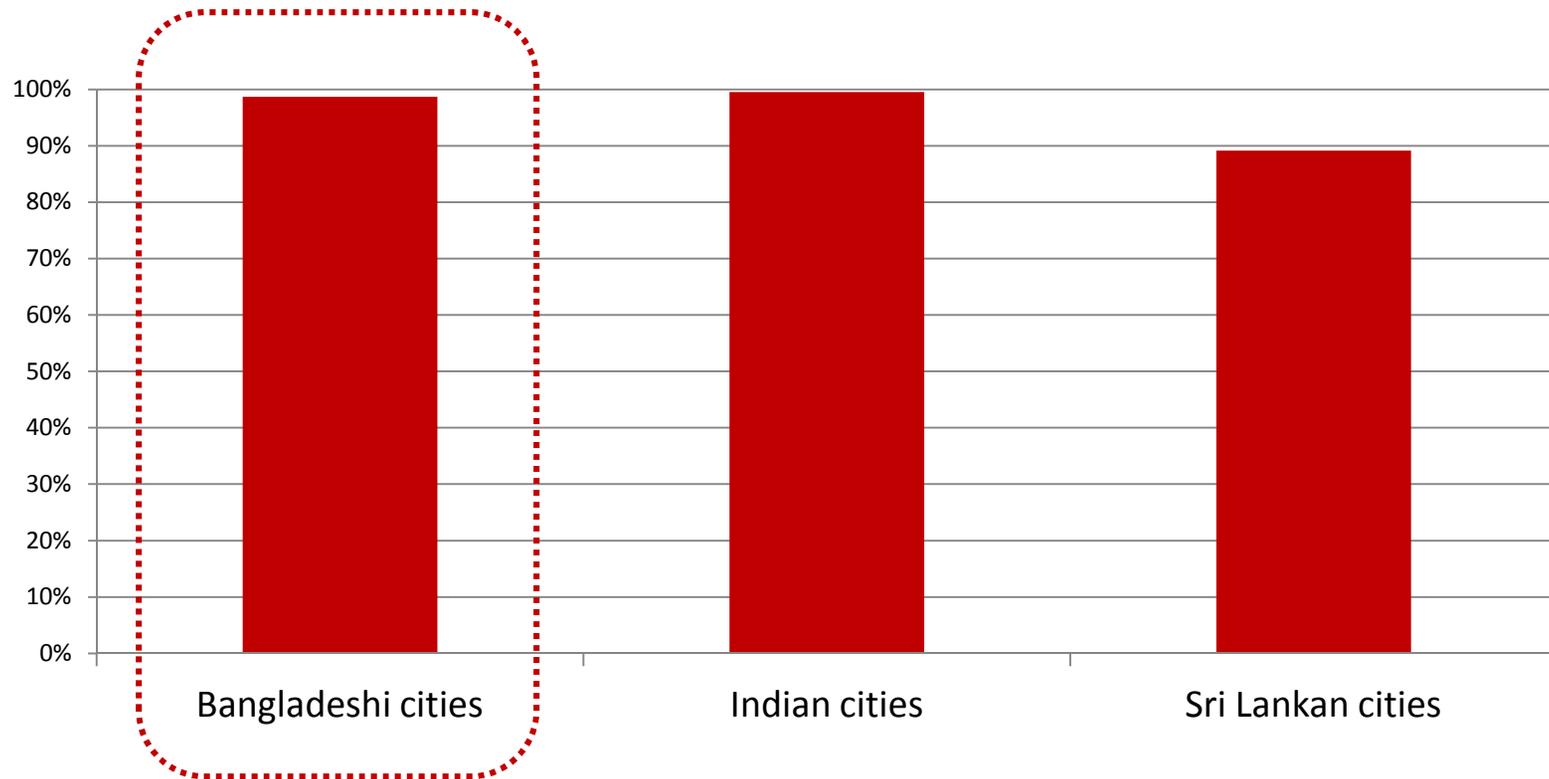
Please tell me how many active mobile SIM cards/connections you have in total that you regularly use?(% low income MEs who use mobiles for business)

Coverage & friends factor in choosing the service provider

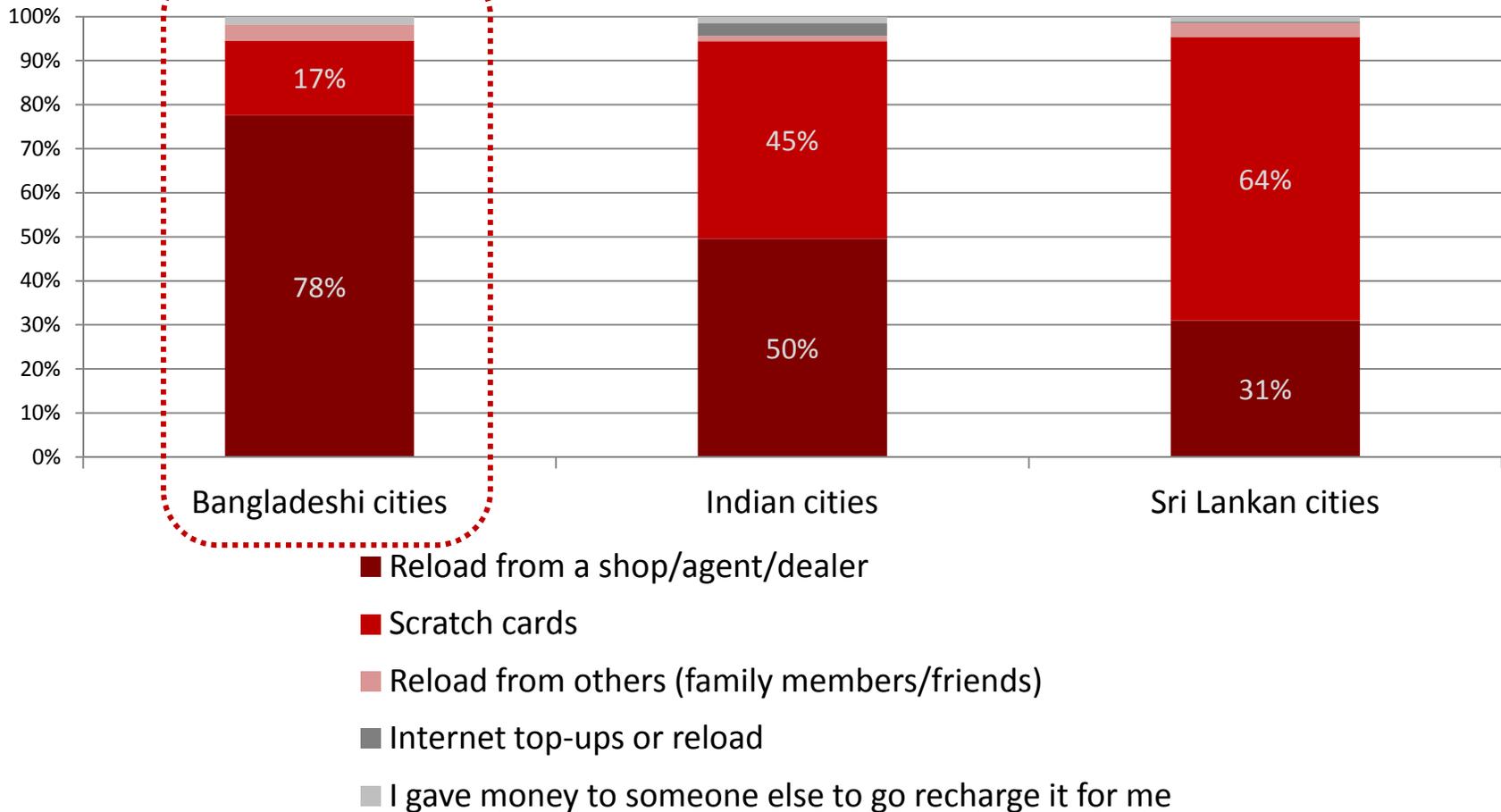


What is the most important reason for selecting the service provider?

Majority of MEs use pre-paid mobiles



Reloads from agents/shops most popular in BD

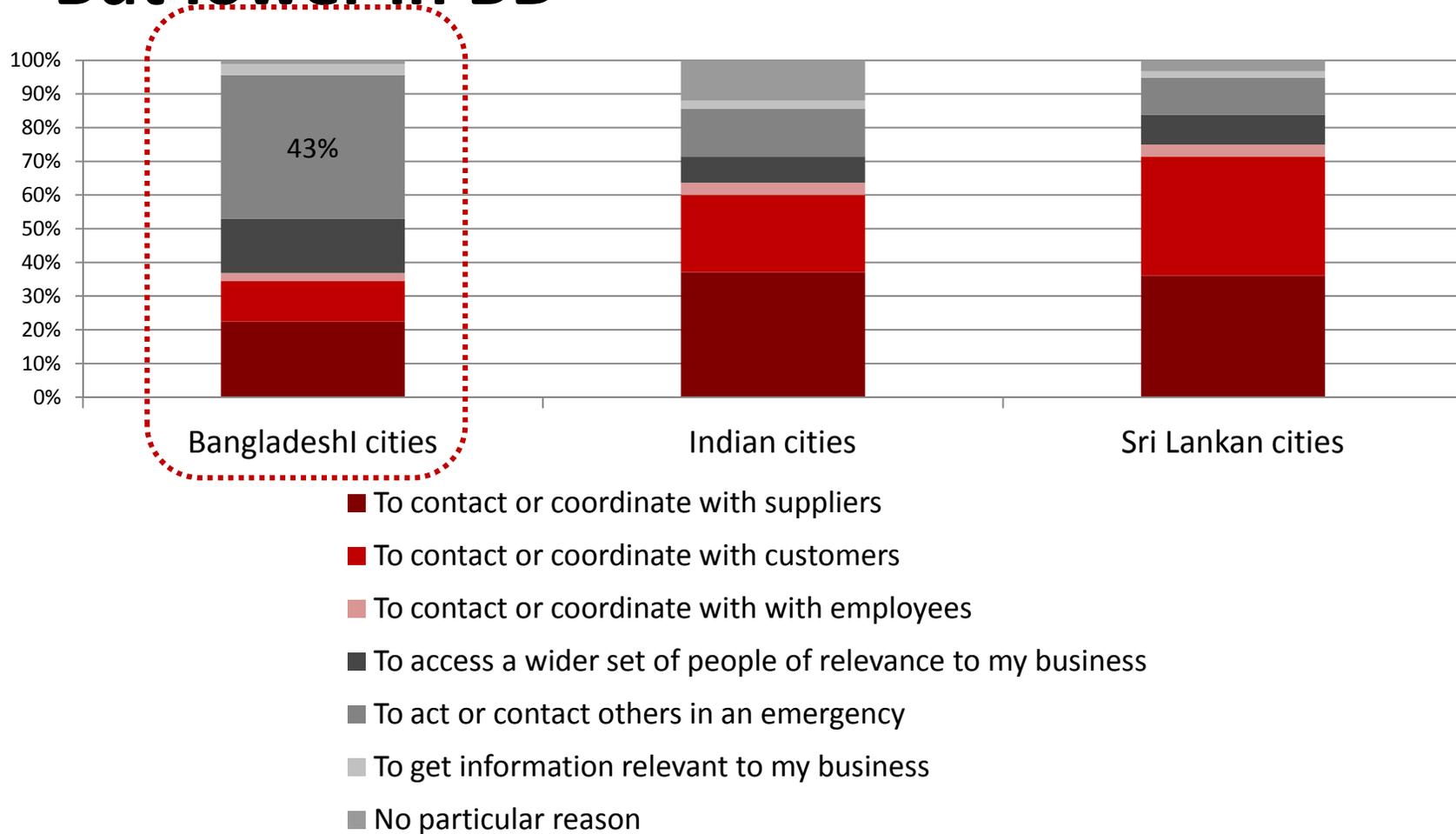


Low income MEs recharge more than other BOP

Average recharge per month (USD)			
	Bangladeshi cities	Indian cities	Sri Lankan cities
BOP pre-paid mobile owners (2011)	1.61	1.99	3.18
Low-income MEs who use pre-paid for business (2013)	8.91 [696 Taka]	6.21	10.67

	Bangladeshi cities	
	Strong city	Weak cities
Average recharge per month in Taka (Low-income MEs who use pre-paid for business)	840	527

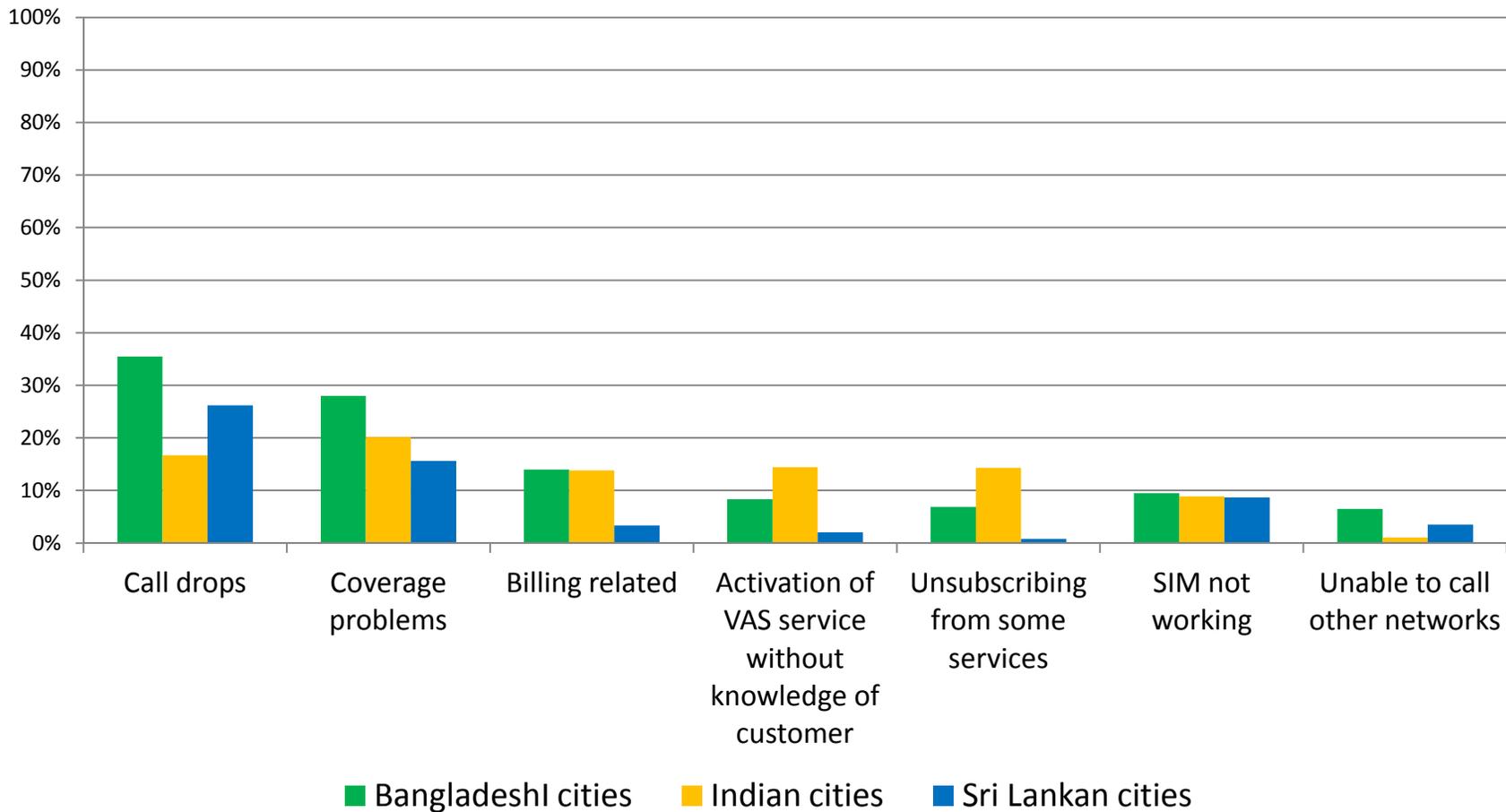
Mobiles most used in emergency. Contacting & coordinating with suppliers/customers next. But lower in BD



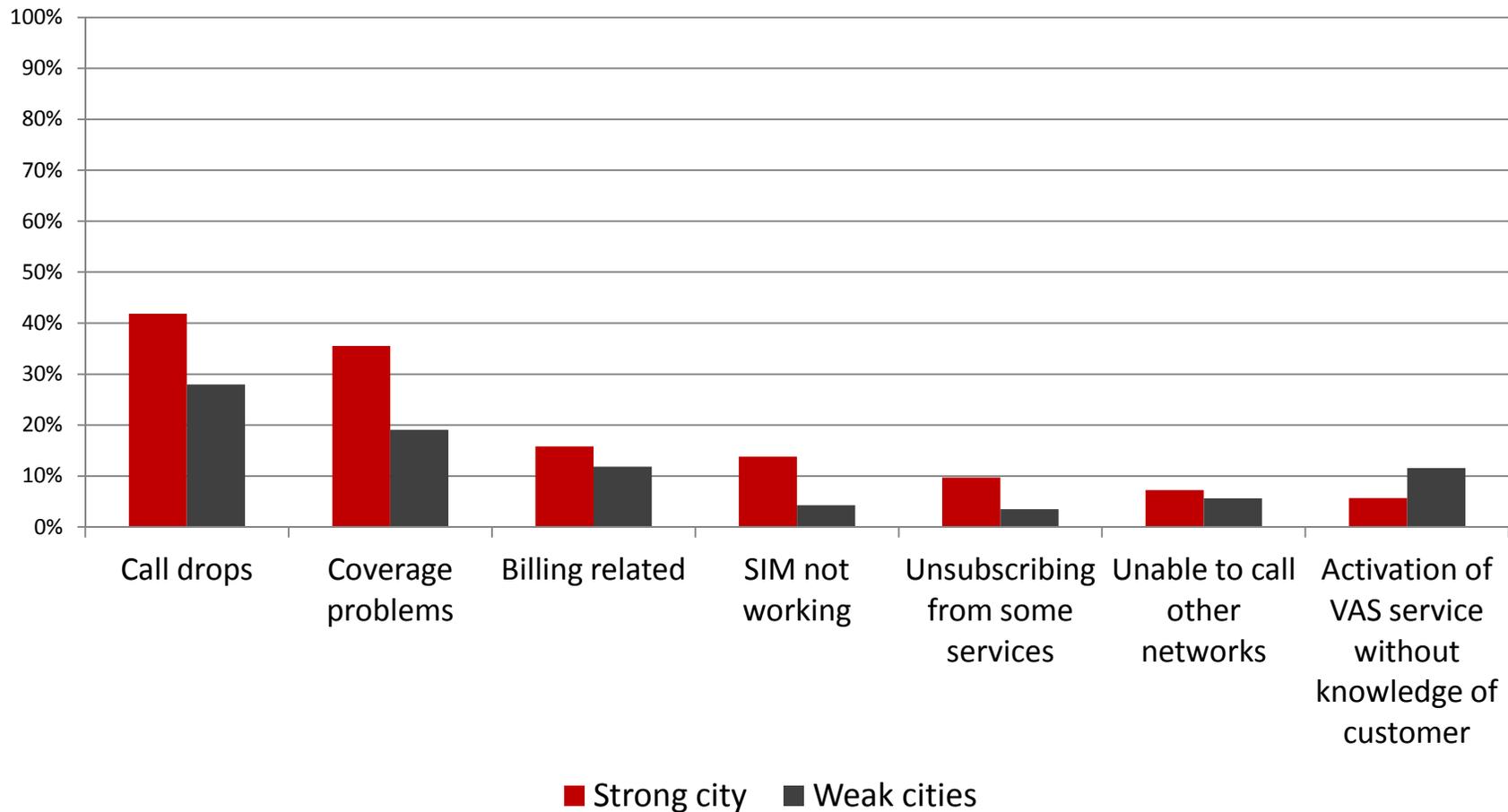
Higher use of SMS, cameras and games in BD

	Bangladeshi cities	Indian cities	Sri Lankan cities
SMS	43%	28%	49%
Video recorder/ camera	42%	30%	21%
Games	38%	37%	22%
Dual SIM	22%	19%	9%
Touch Screen	11%	12%	9%
Mobile Internet	7%	3%	7%
Apps for social networking	5%	1%	7%
MMS, picture messaging facility	6%	2%	5%
Email	3%	1%	4%
Google Maps	3%	1%	3%

Biggest problems in BD are call drops & coverage

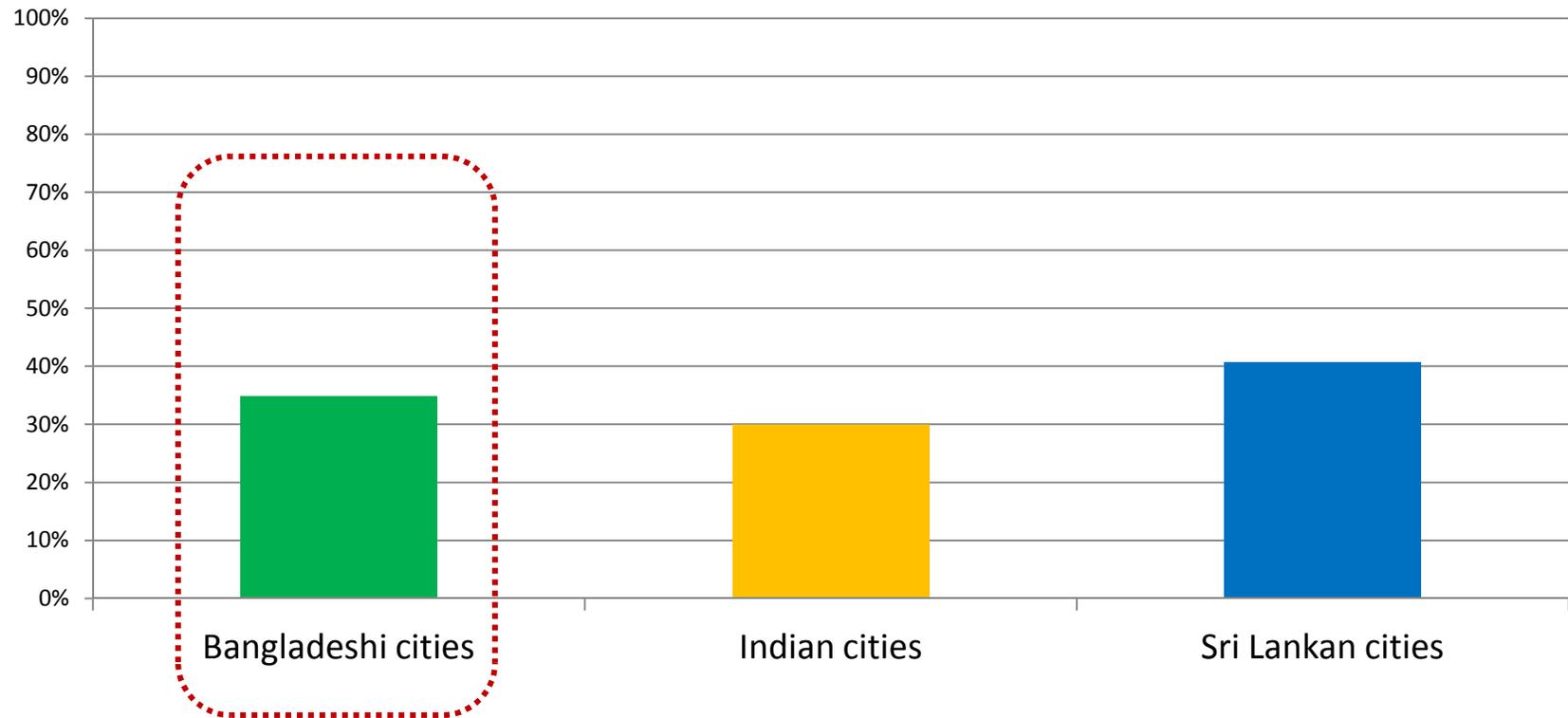


Problems worse in the strong city in BD



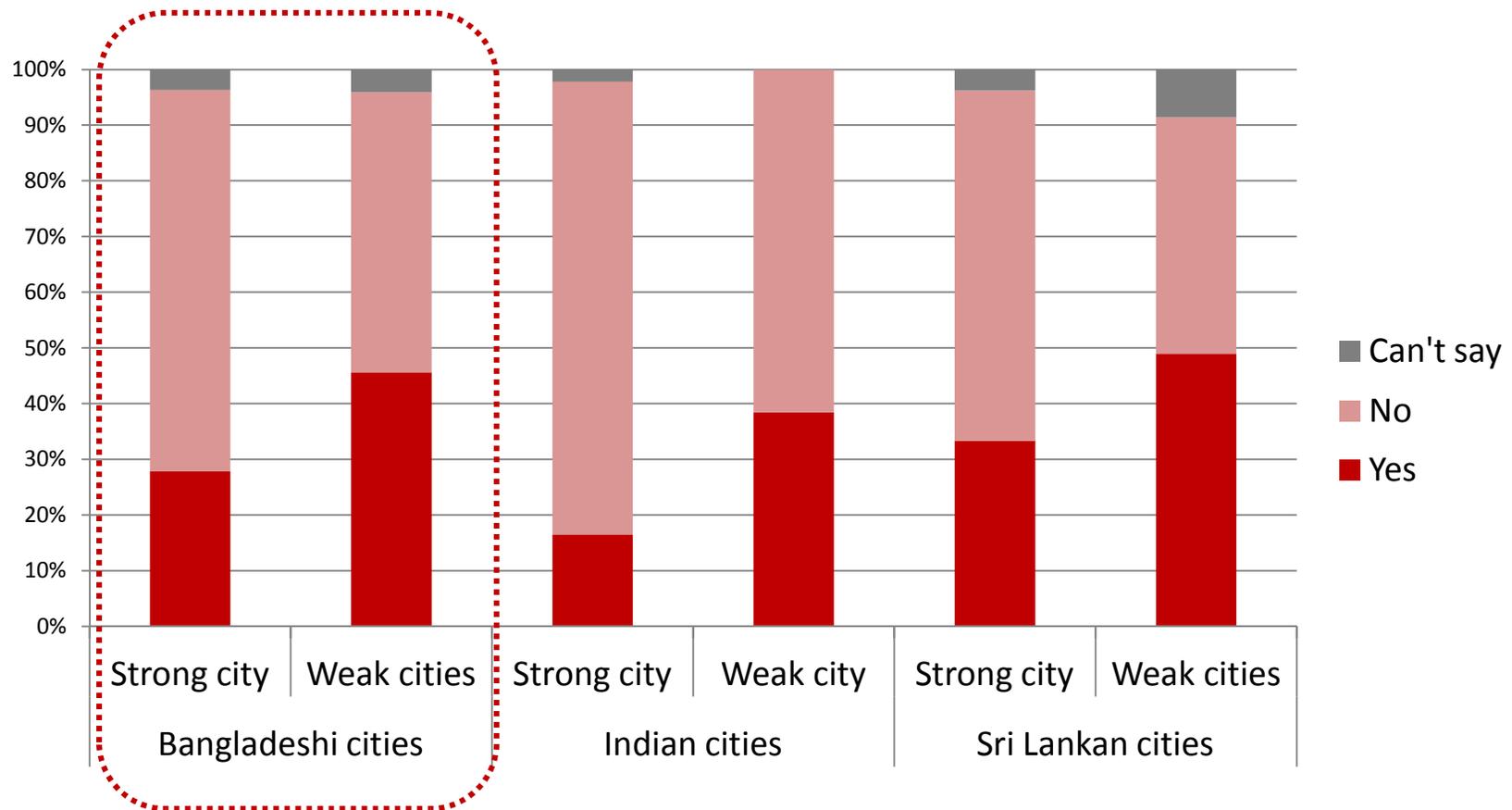
Please tell me the mobile phone related problems you have faced

35% of BD MEs say network disconnections & call drops affect business



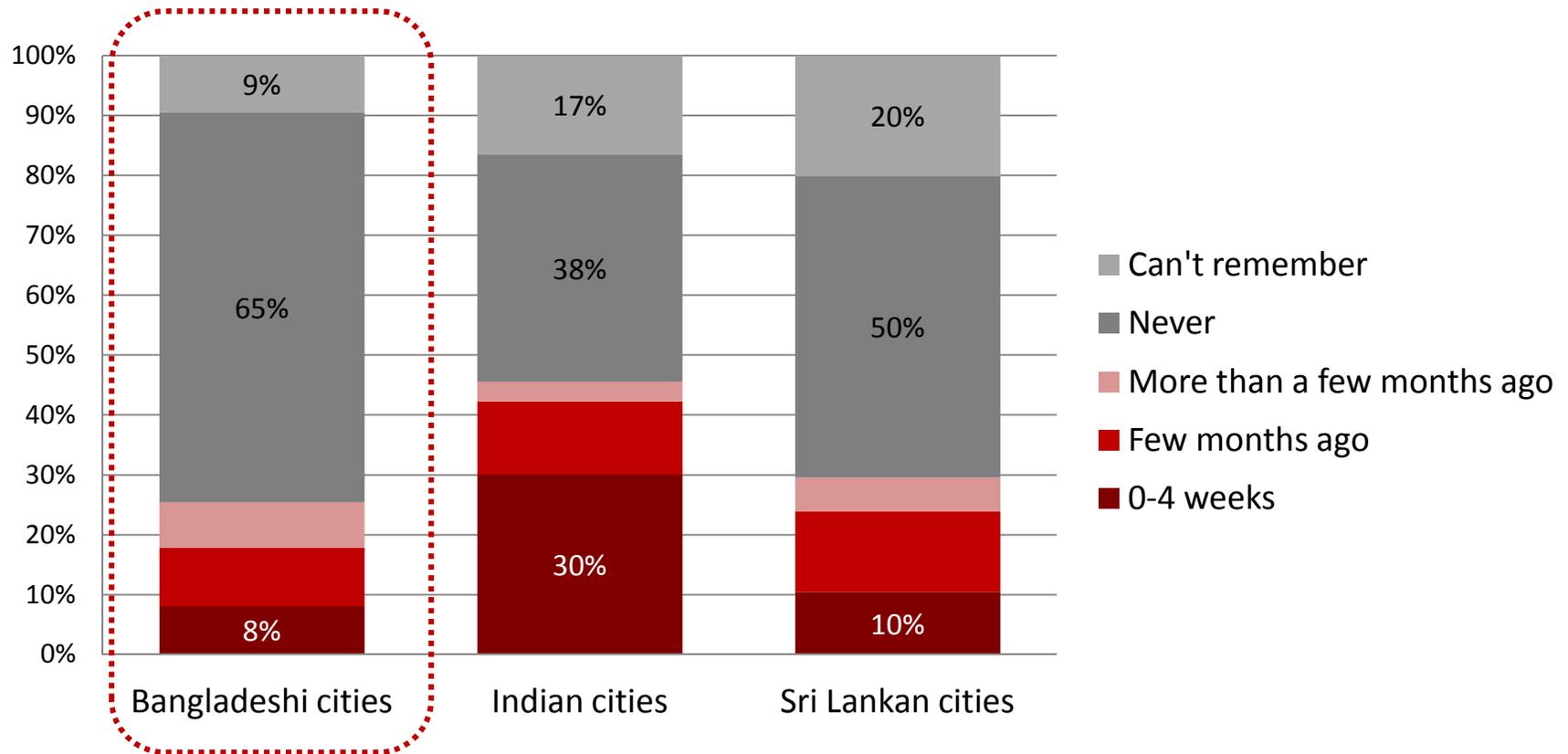
Does network dis-connectivity / call drops affect your business?

Network dis-connectivity / call drops affect their business more in the weaker cities



Does network dis-connectivity / call drops affect your business?

Most MEs do not interact with telecom service provider



When they do interact, more than half do so through call center

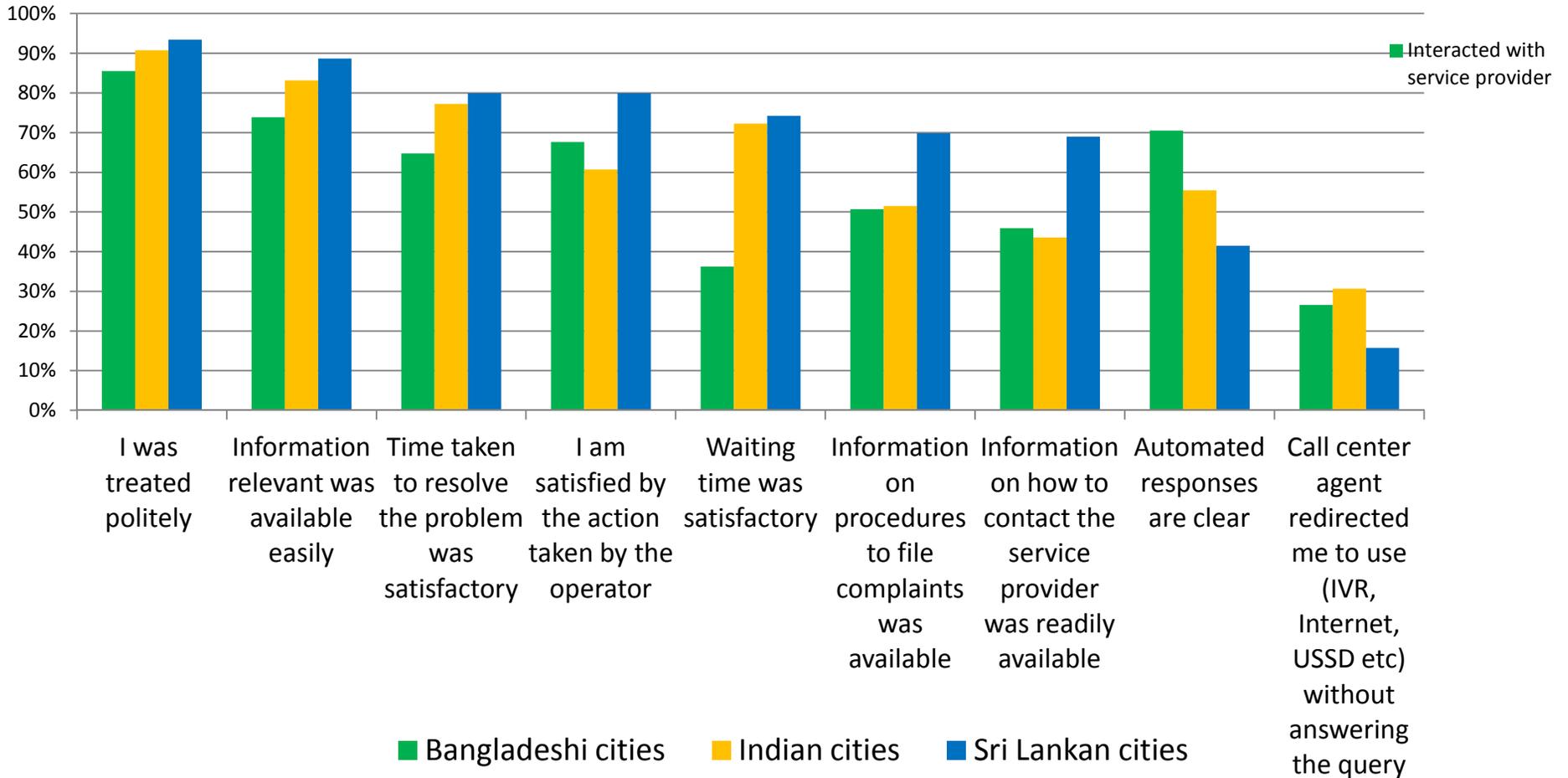


■ Interacted with service provider



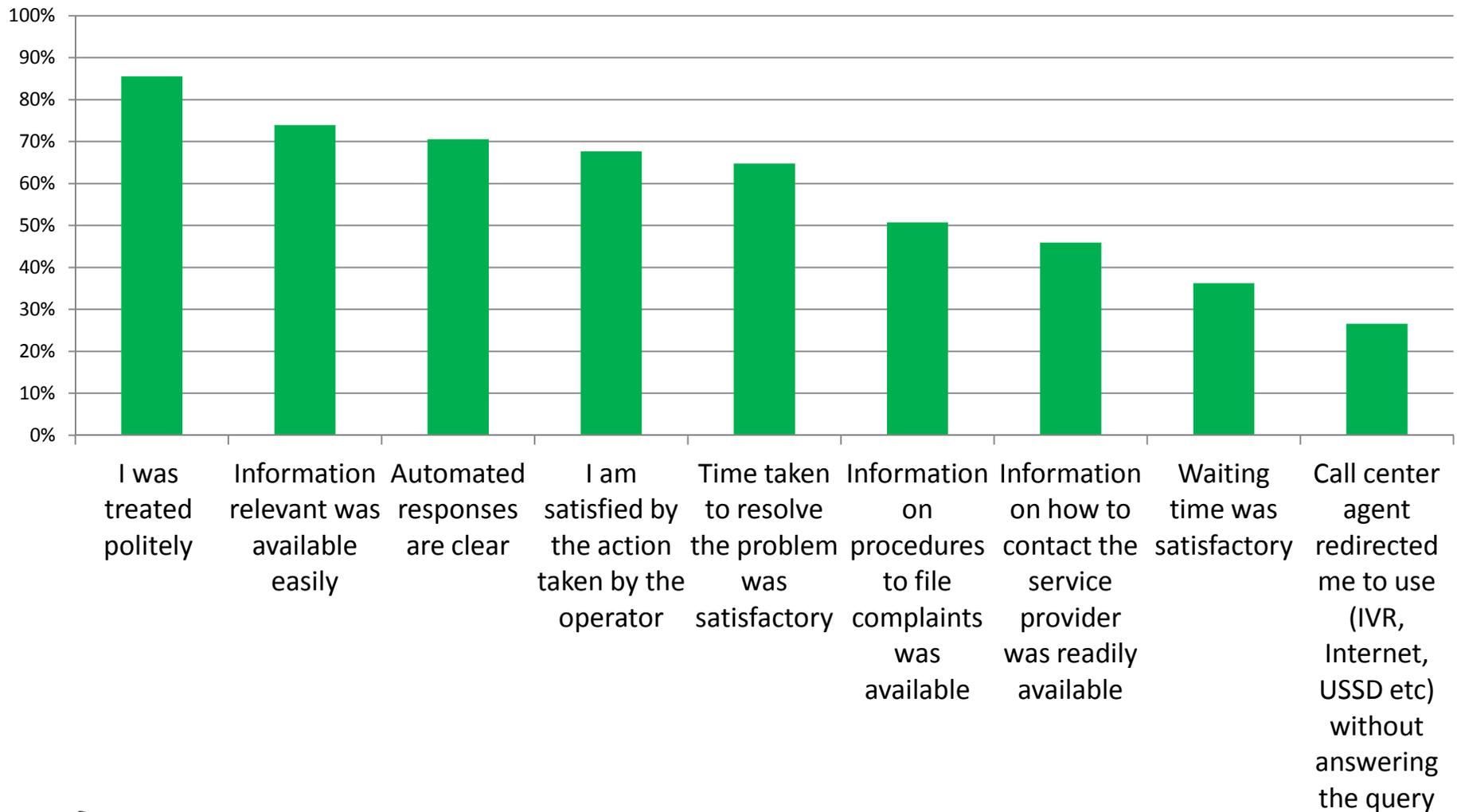
- Through the call center
- Walk-in to the authorized agent / operator's stores
- SMS
- Others

Service provider interaction overall better in LK



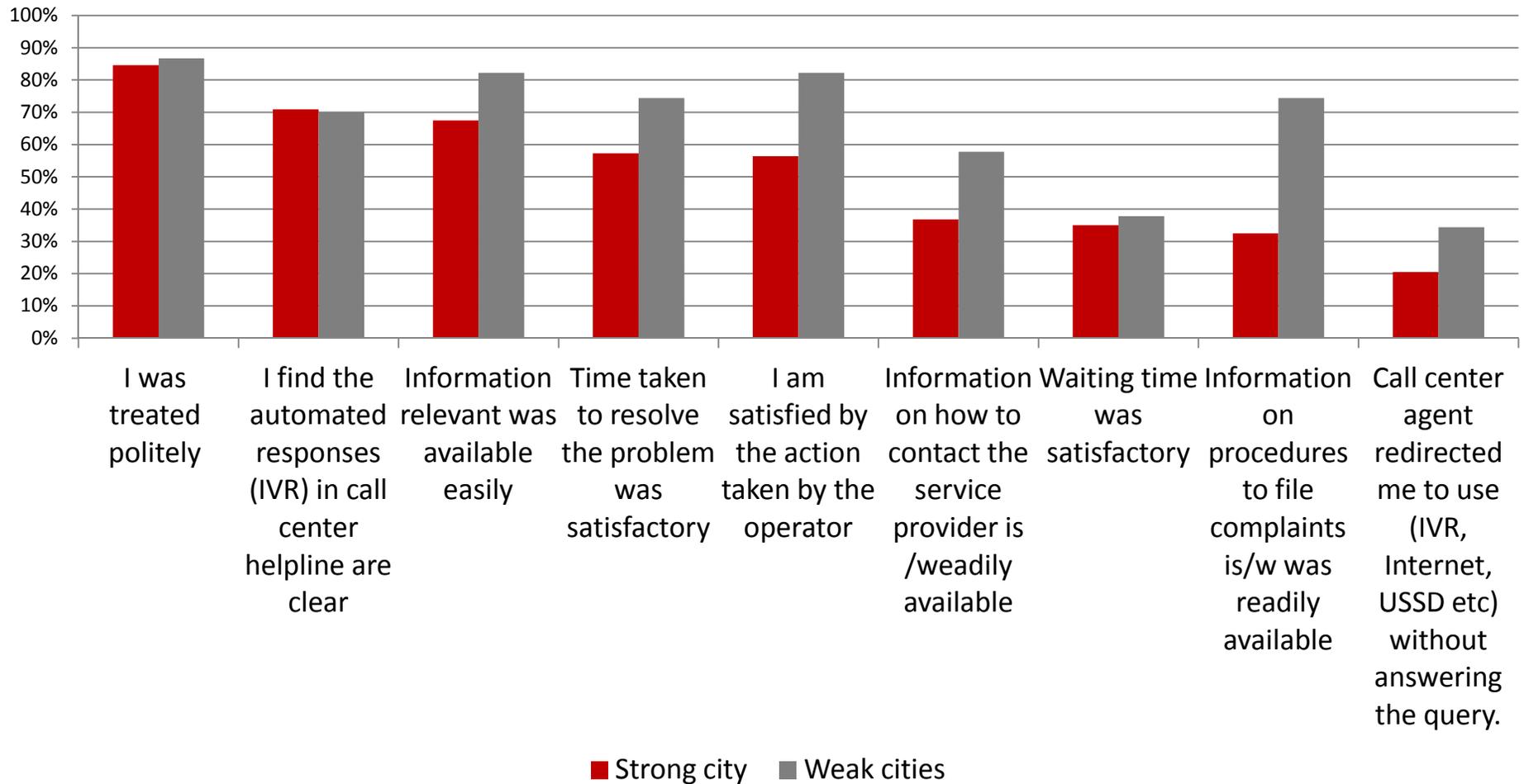
Experience with service provider – YES (% low income MEs who have interacted with service provider)

A closer look at BD performance



Experience with service provider – YES (% low income MEs who have interacted with service provider)

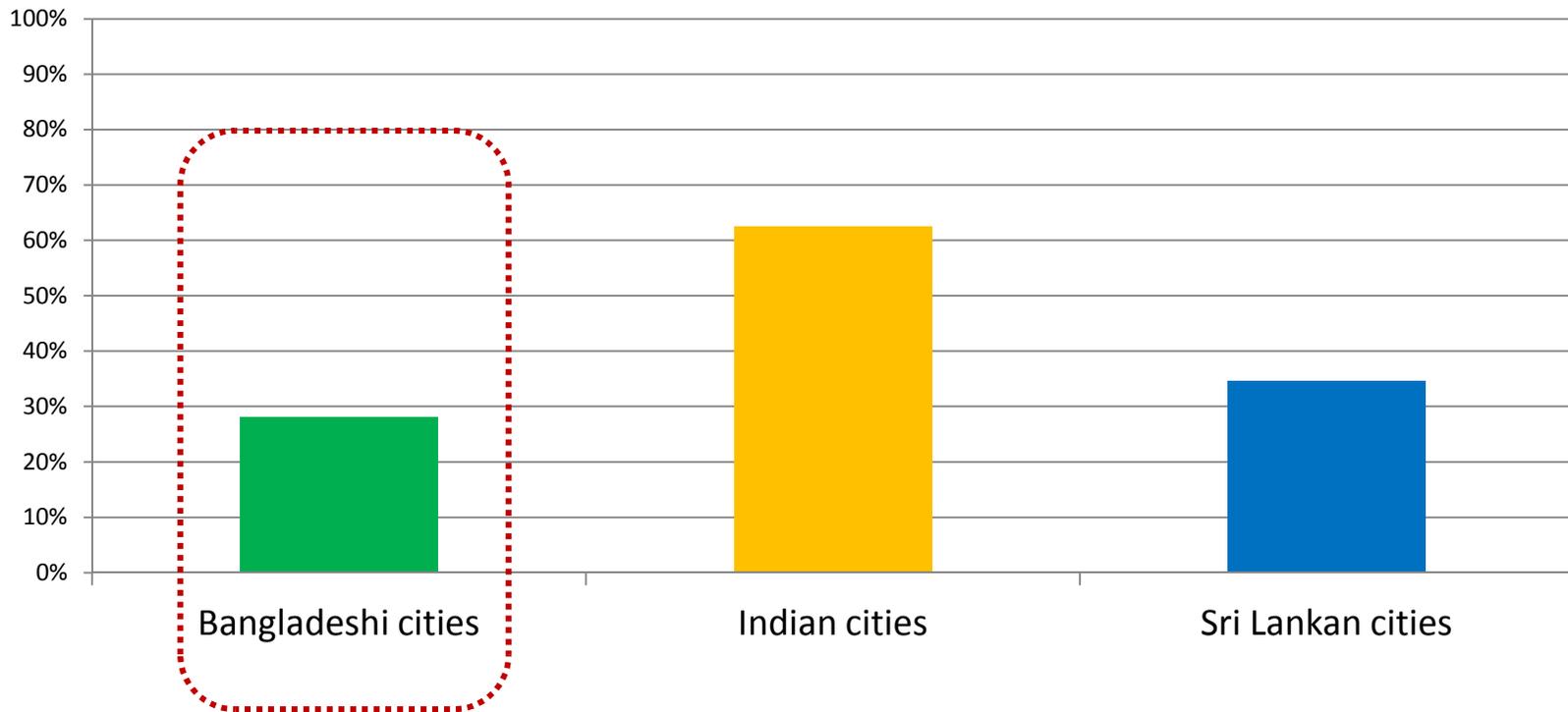
Experience with provider better in weaker cities



Experience with service provider – YES (% low income MEs who have interacted with service provider)

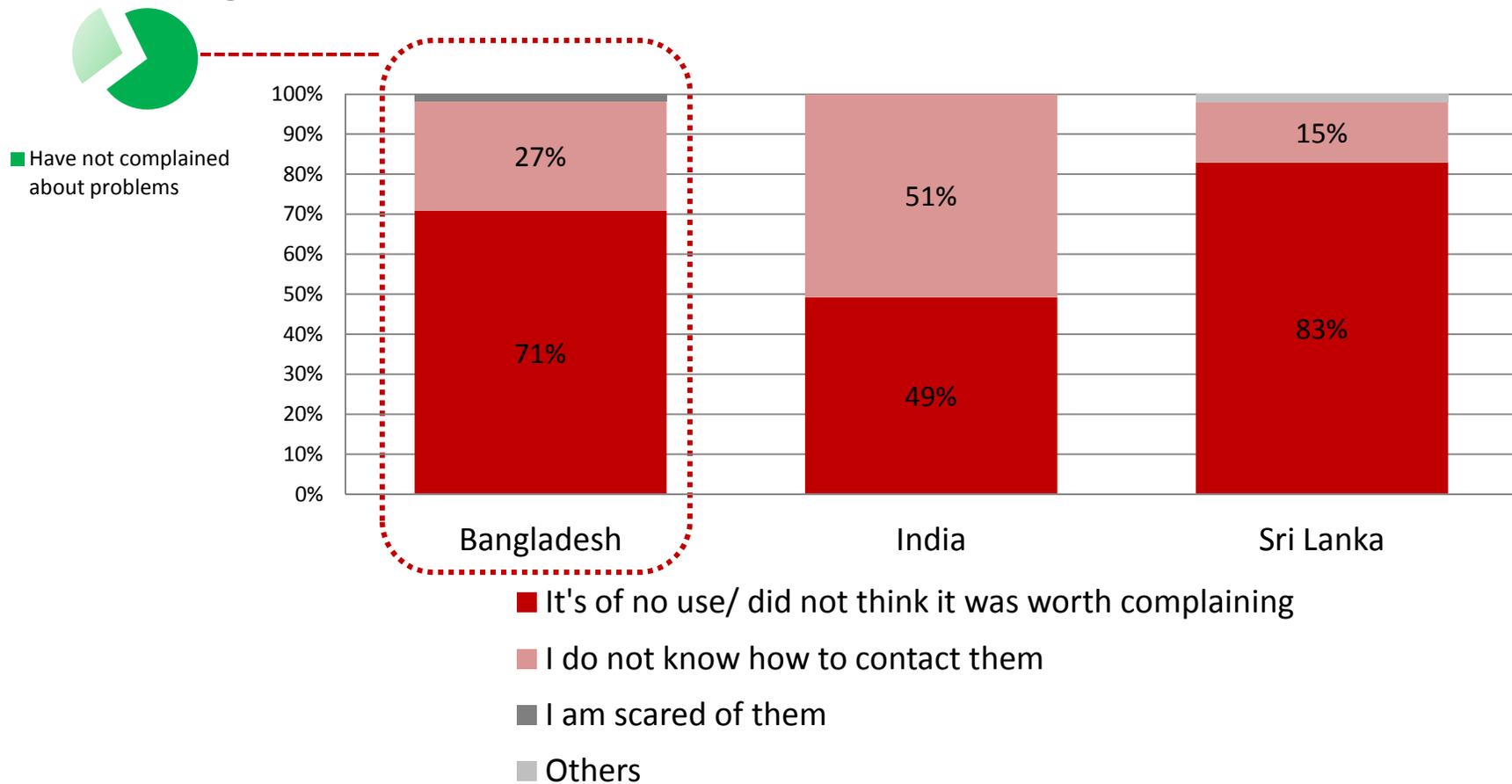


Only 28% of BD MEs complained about any problem

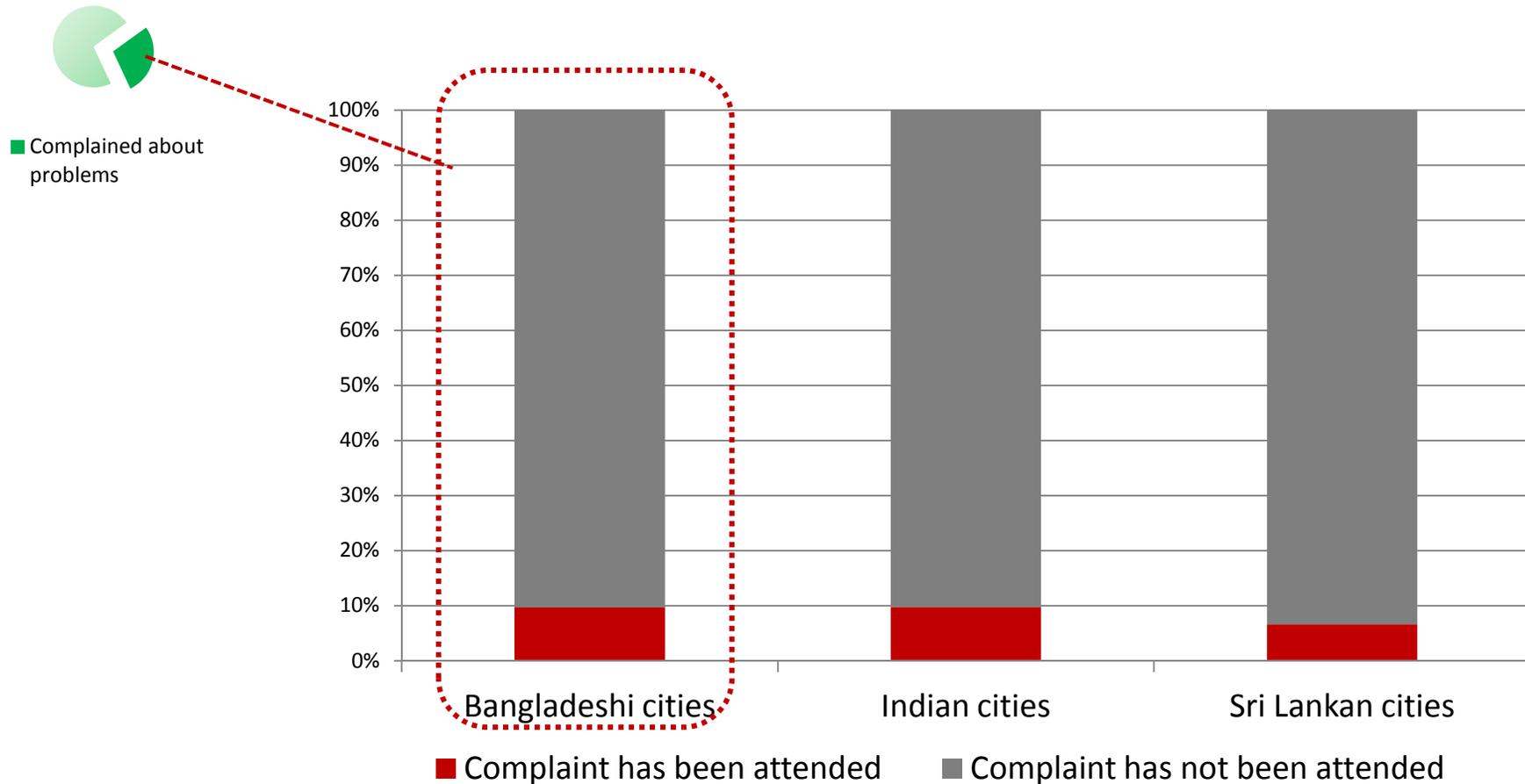


Have you complained about these problems to the telecom service provider?

71% in BD did not think it was any use complain

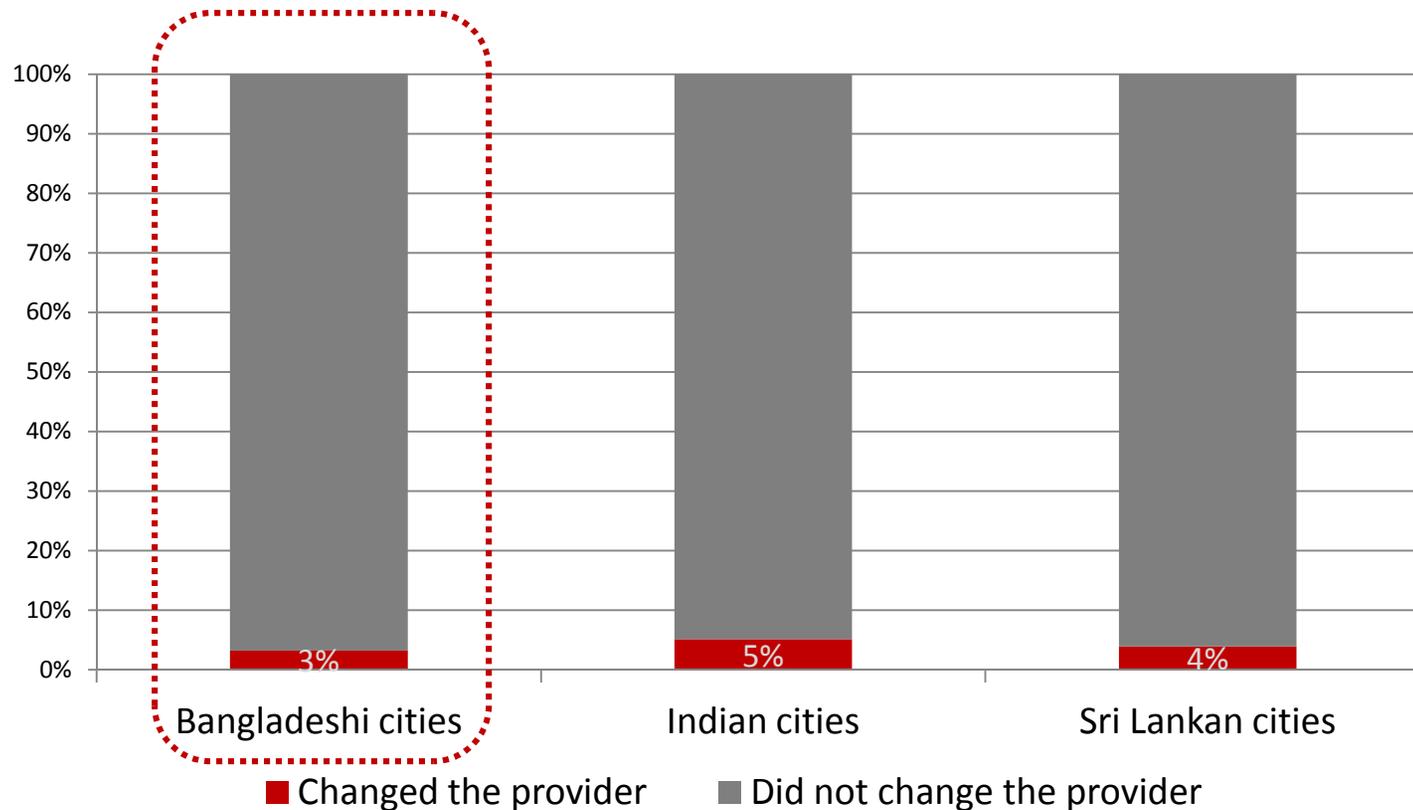


Most complaints have been attended to



Have any of your major complaints not been attended by the service provider?

Only 3% of MEs changed their provider in the last year



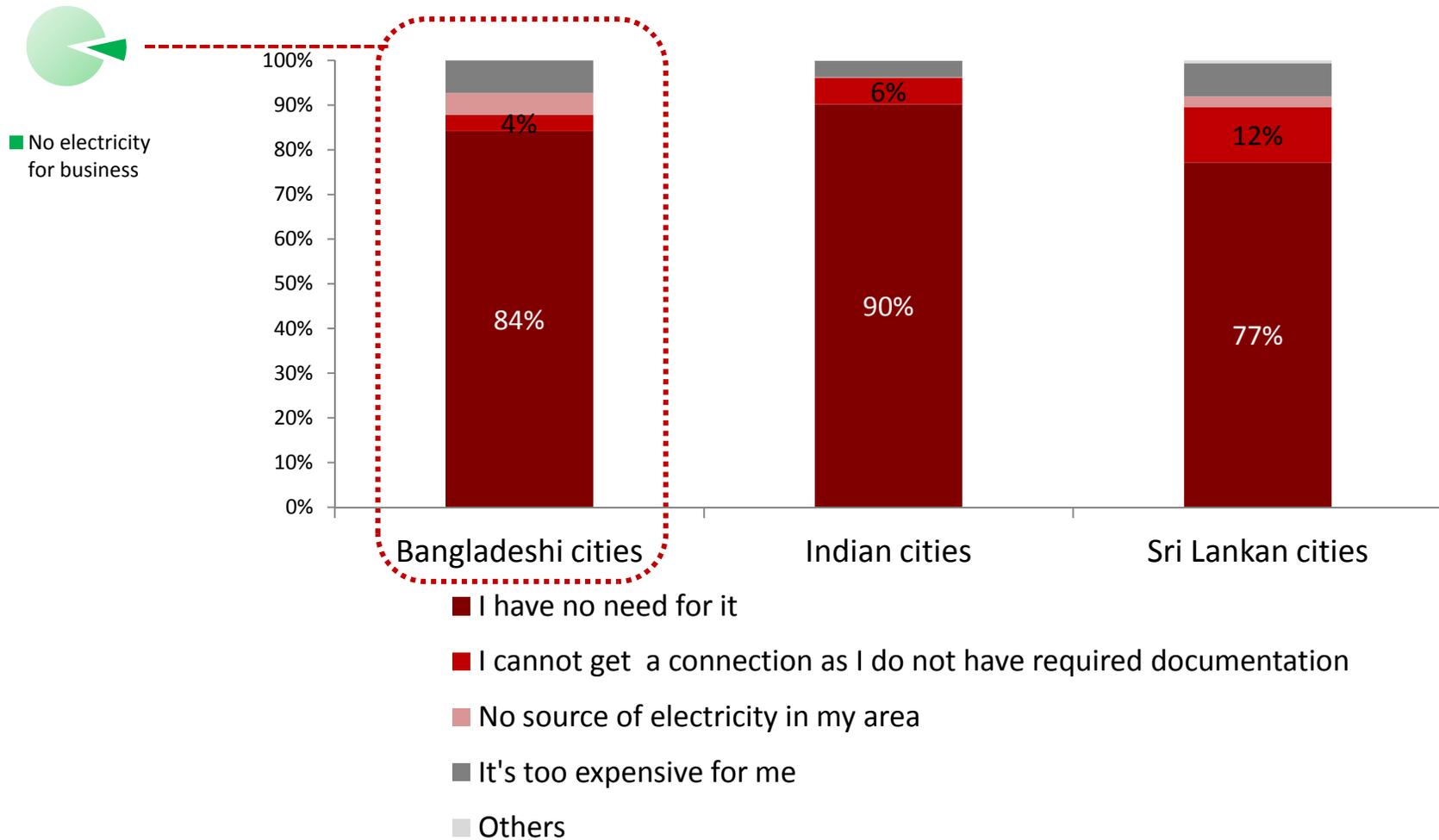
ELECTRICITY USE BY MICRO-ENTREPRENEURS

Many have an electricity connection which they use for business



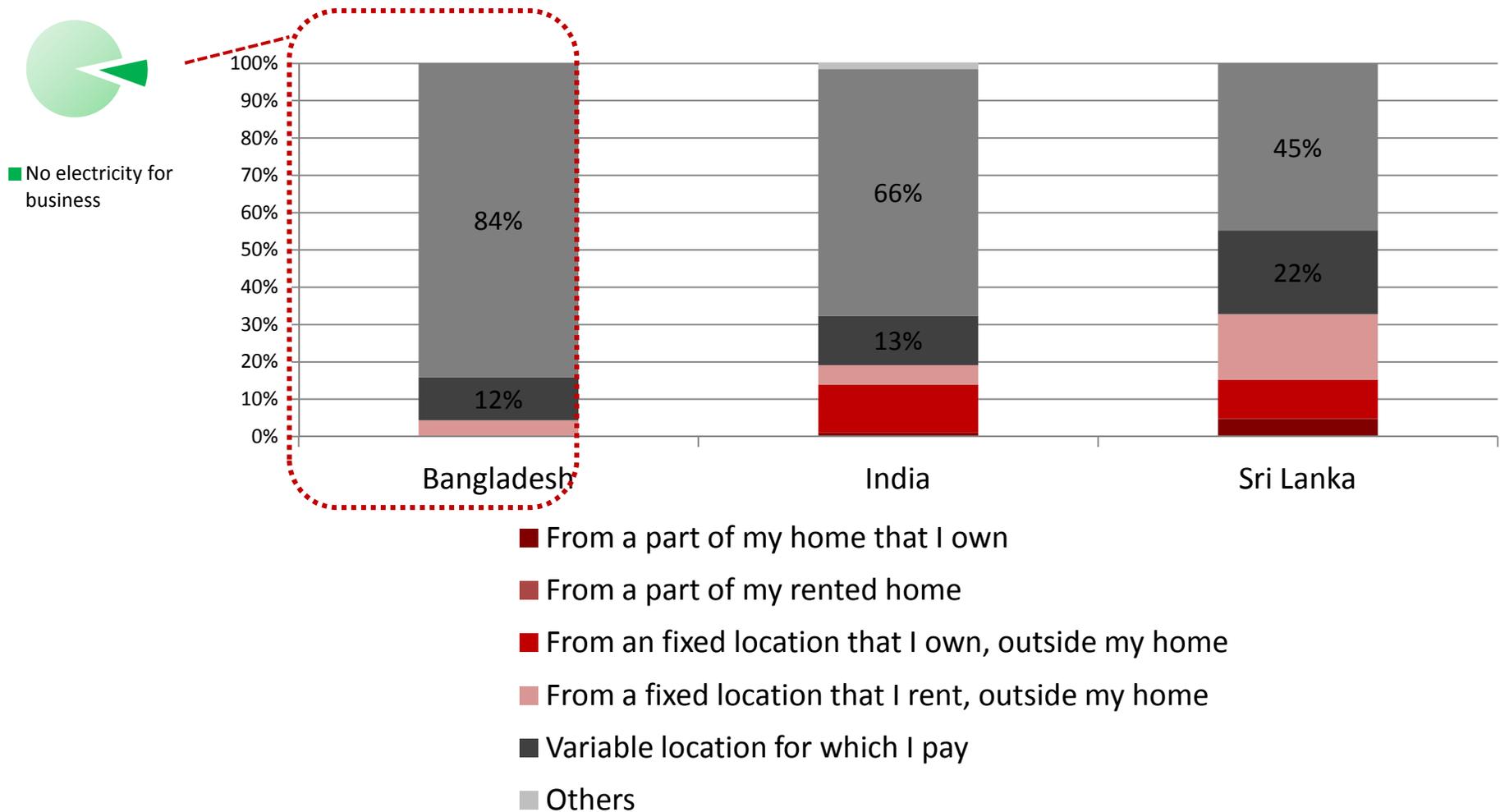
Do you have an electricity connection which you use for business purpose? Where electricity can be from the grid 90

Those who don't have electricity don't see a need for it

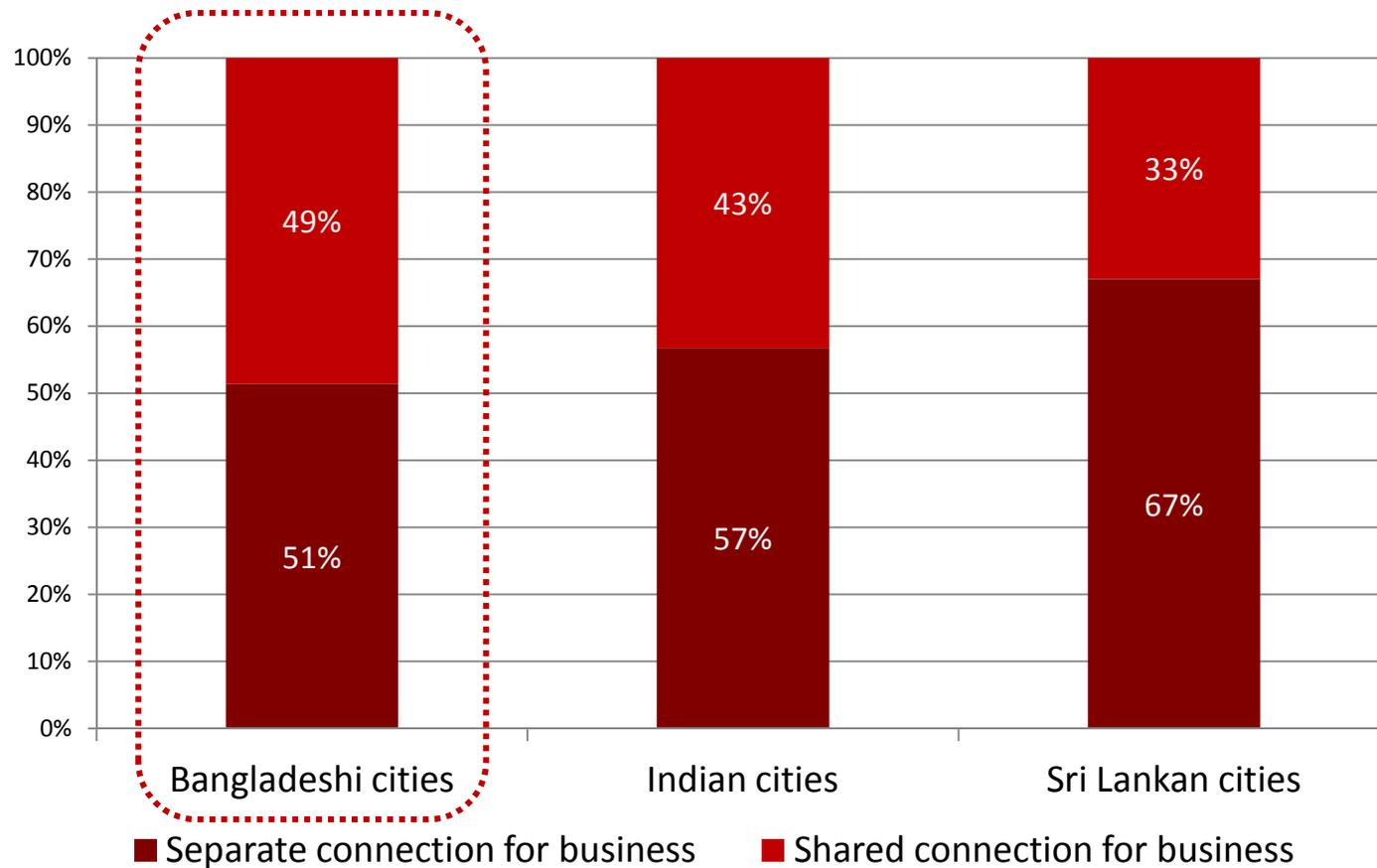


What is the main reason for not having electricity connection for business? (% low income MEs who not have electricity for

Those without a need for electricity operate from a variable location

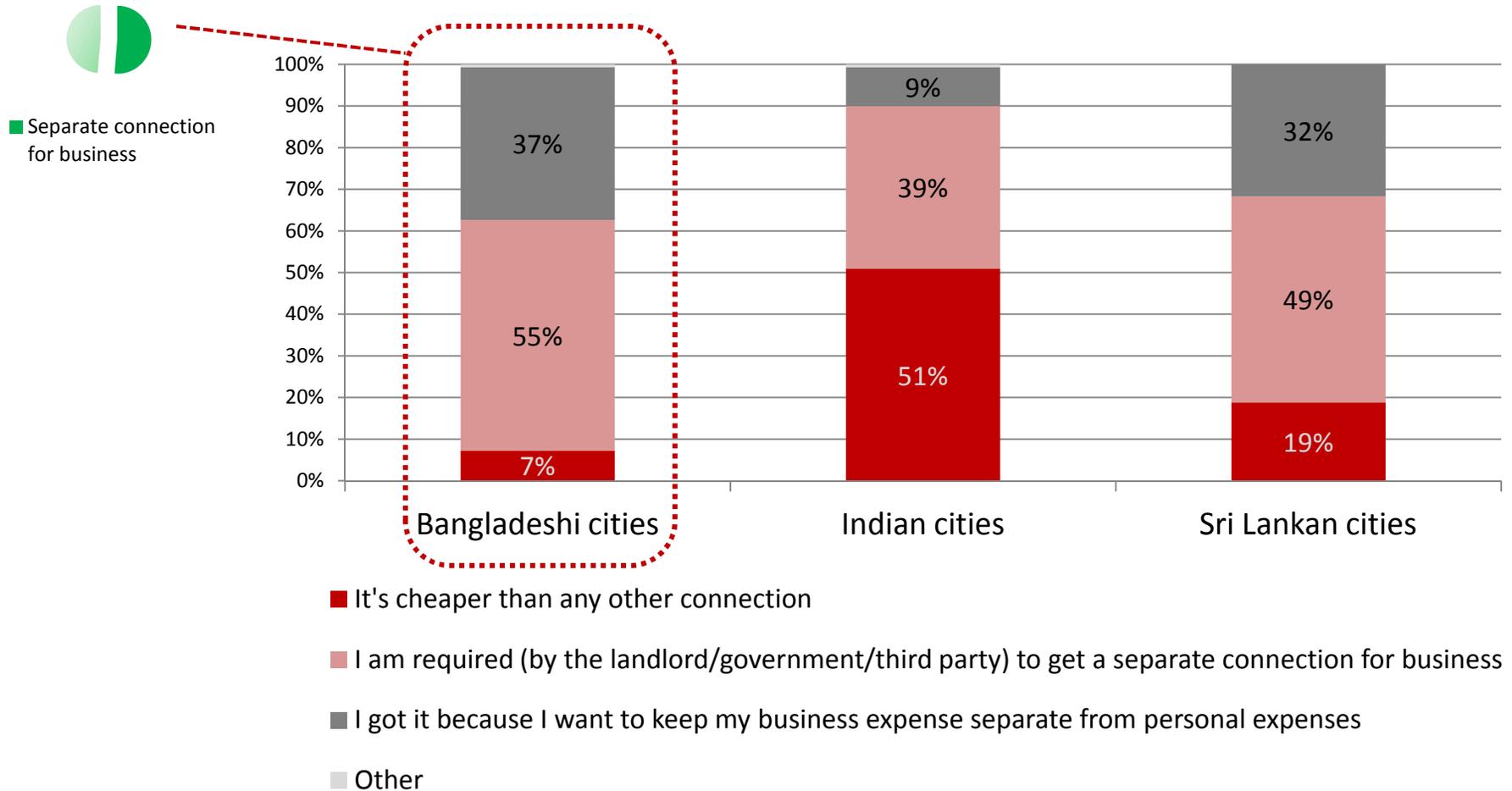


51% of those who have electricity have a separate connection in BD



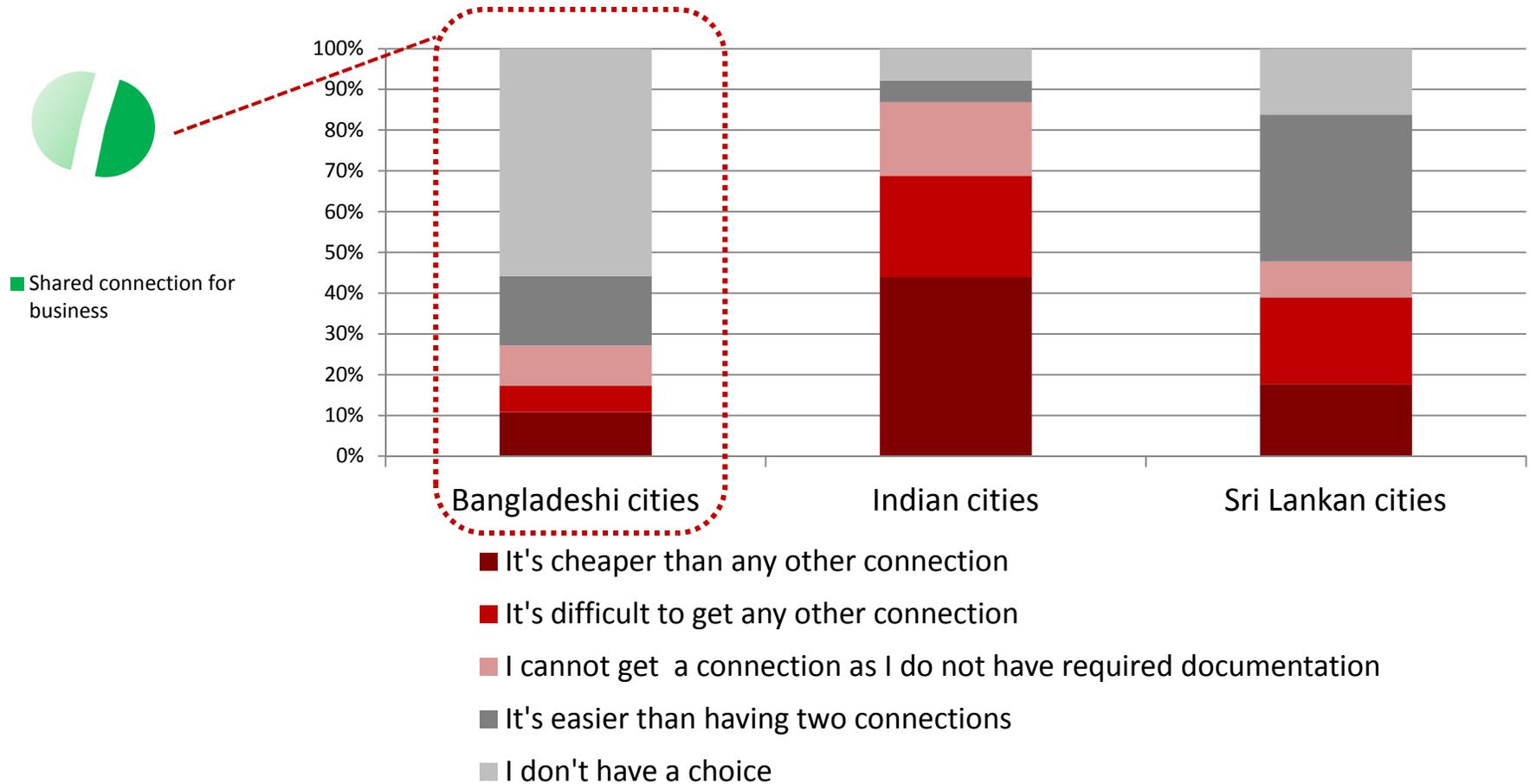
~~Do you have a separate electricity connection separate for your business?~~

55% in BD have a separate connection for business because it is a requirement



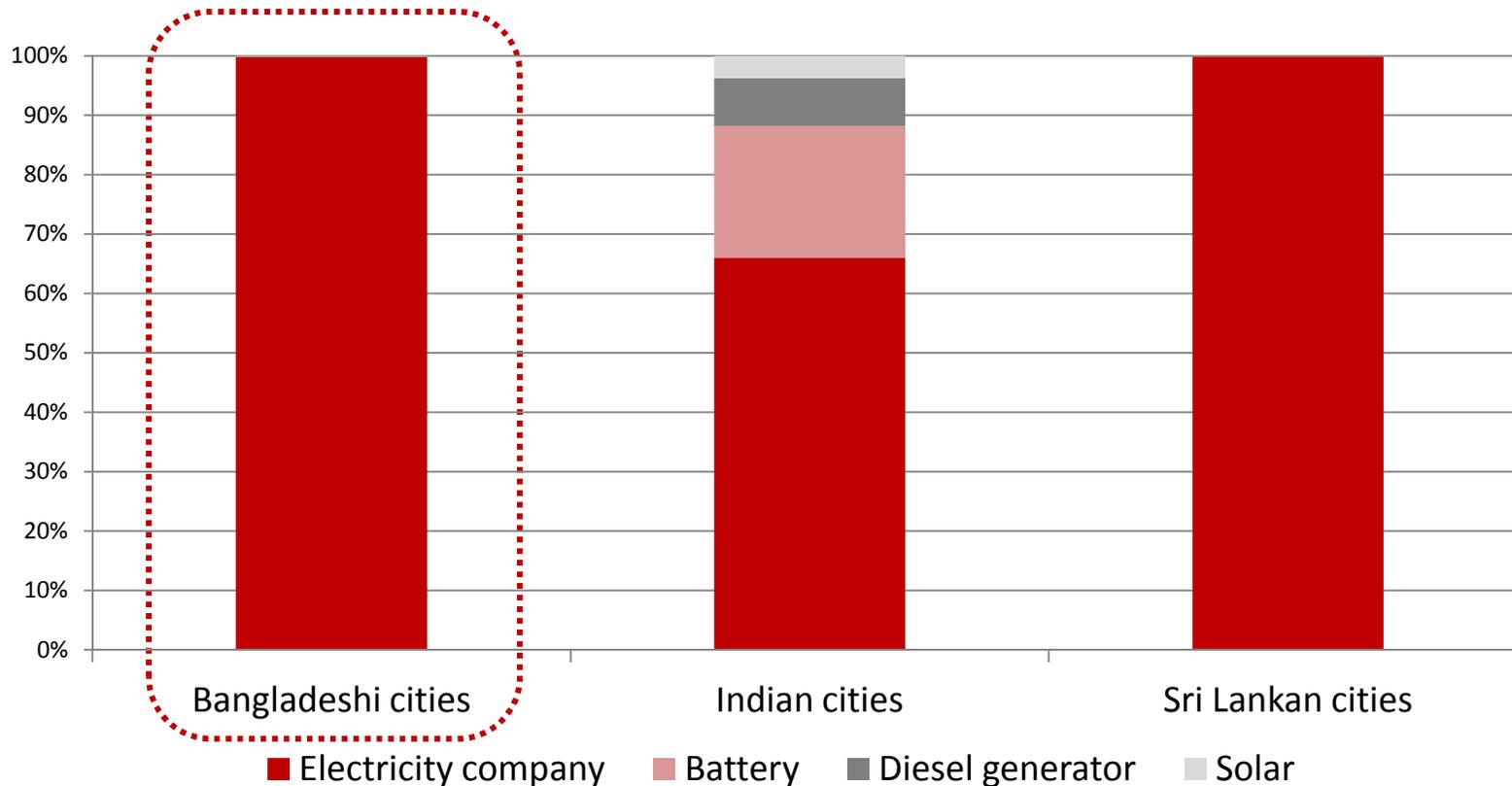
Please tell us the most important reason for having a separate electricity supply for your business? (% low income MFs who

Many IN BD have a shared electricity connection because they have no choice



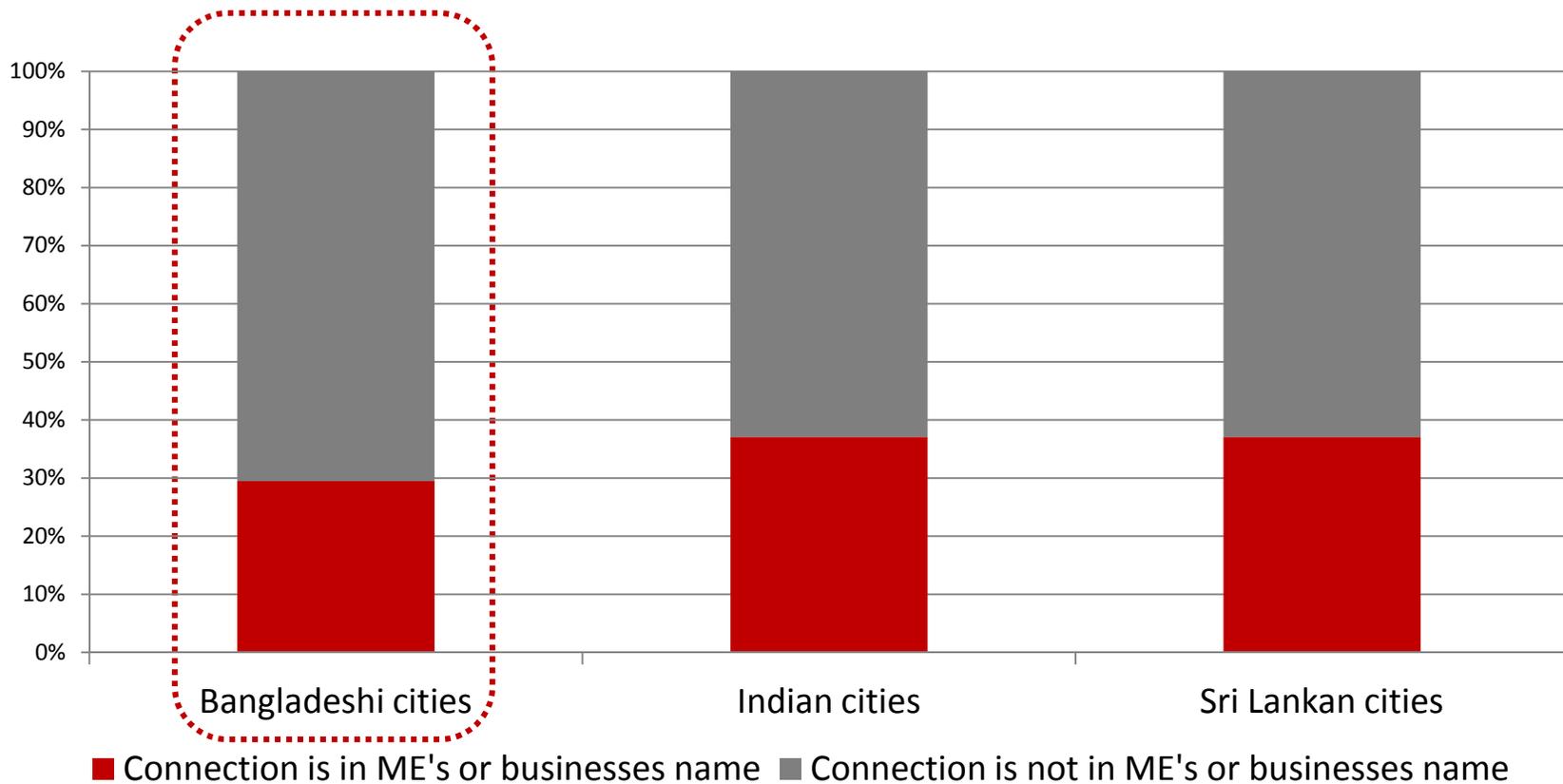
Please tell us the most important reason for having a shared connection [as a part of home or somebody's

Most MEs BD, LK on the grid. Battery/ generators mainly used in IN



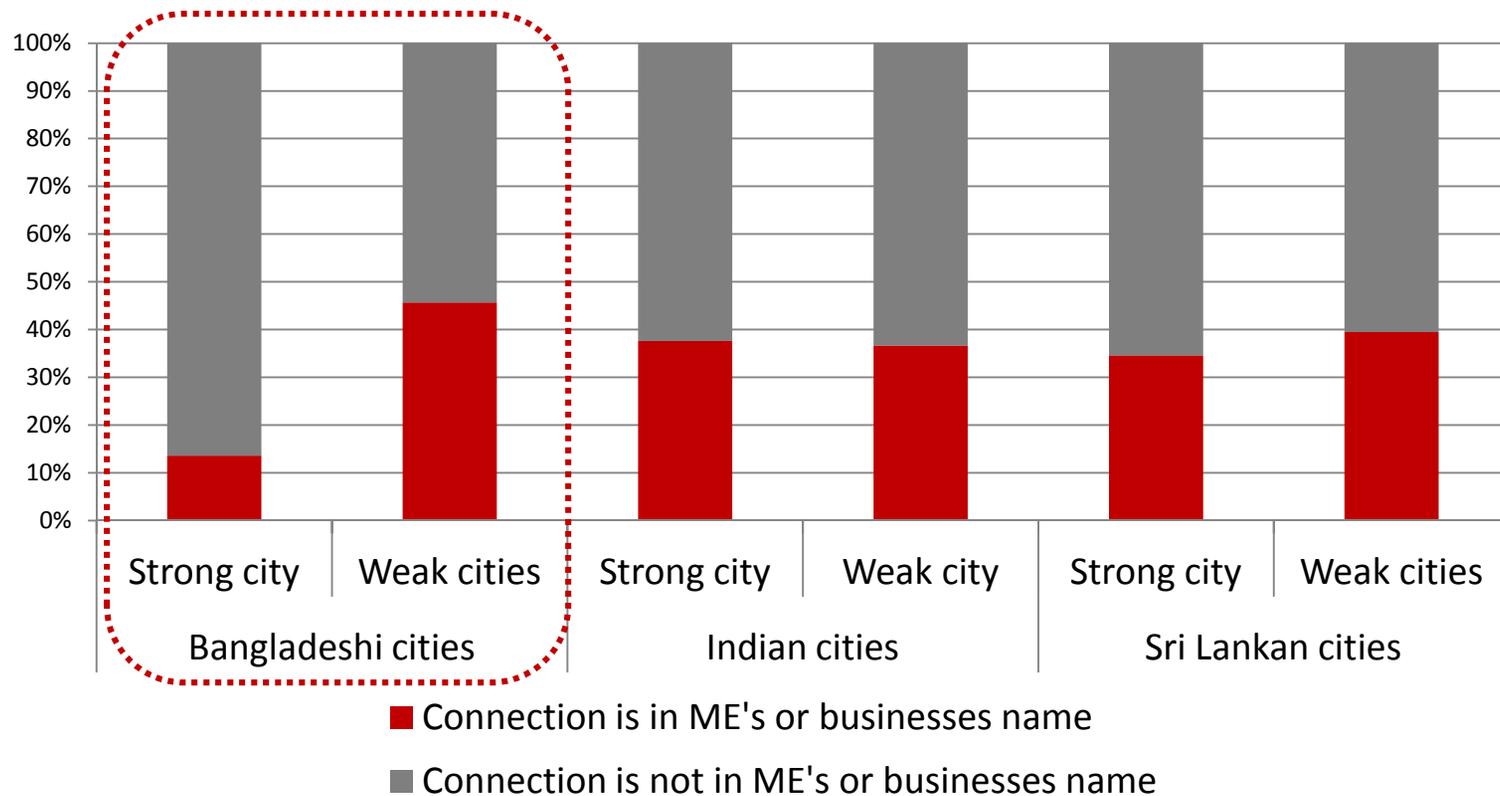
 **Who is the main supplier of electricity to you? (% low income MFs who use electricity for business)**

29% of BD MEs have the connection in their name



 **Is the electricity connection in your/or your business's name?**
10% low income MEs who use electricity for business with

More people in BD weak cities have the connection in their name

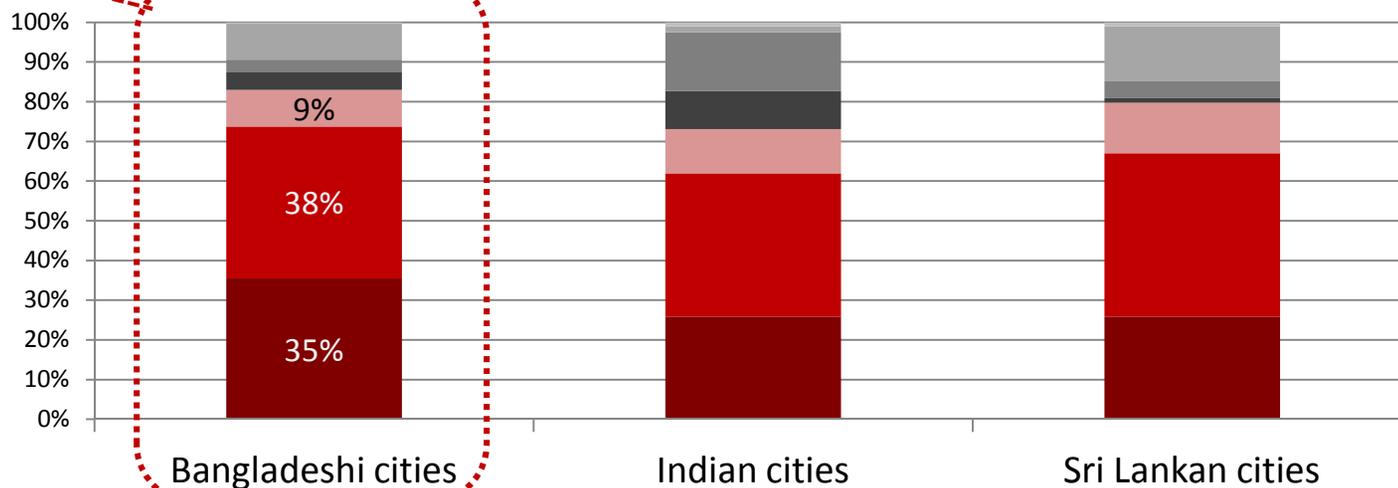


Is the electricity connection in your/or your business's name?
 (% low income MEs who use electricity for business with

Most can't change the name because connection is in landlord's name



■ Connection is not in ME's or businesses name

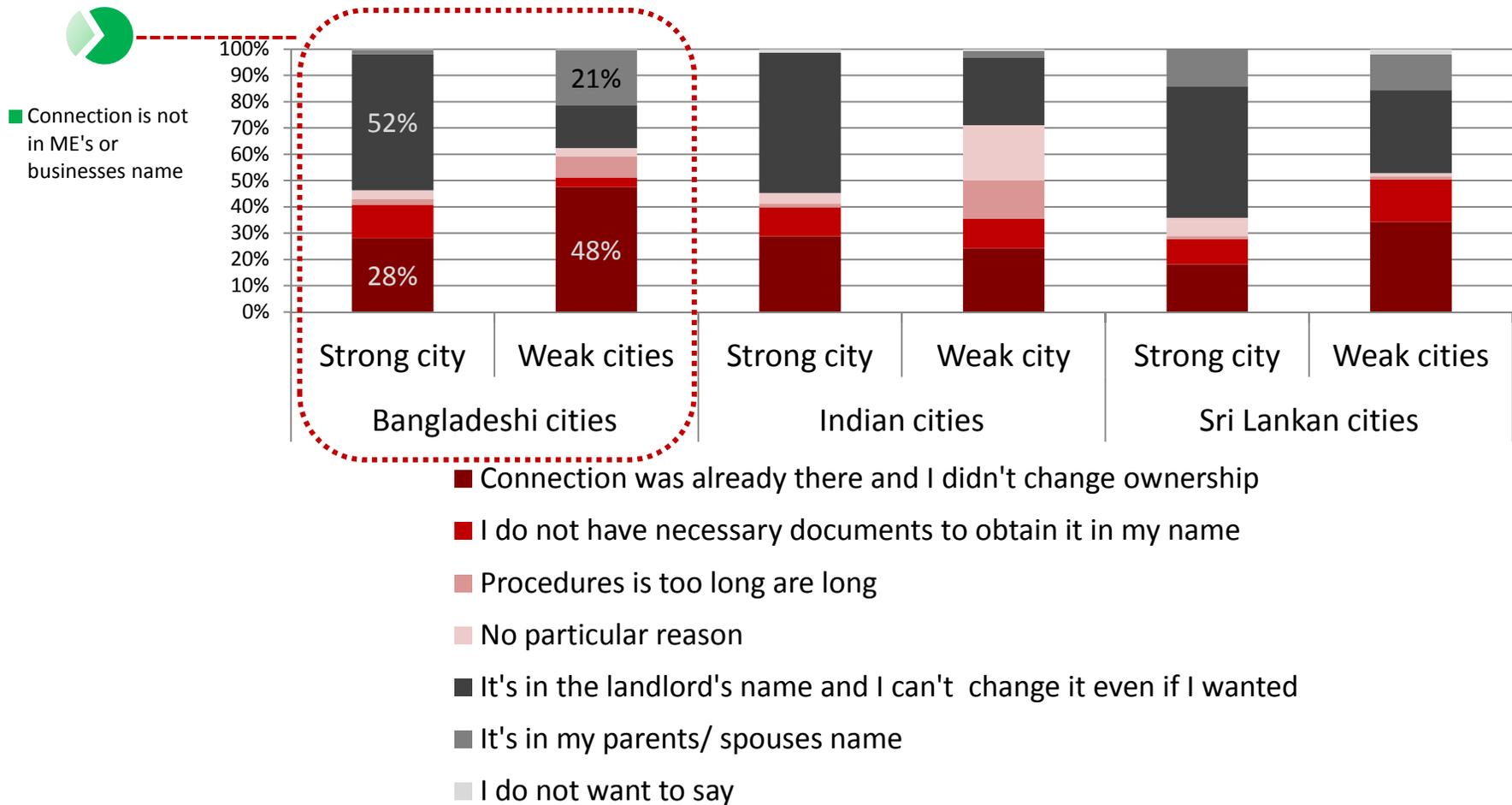


- Connection was already there and I didn't change ownership
- It's in the landlord's name and I can't change it even if I wanted
- I do not have necessary documents to obtain it in my name
- Procedures are too long
- No particular reason
- It's in my parents/ spouses name
- I do not want to say



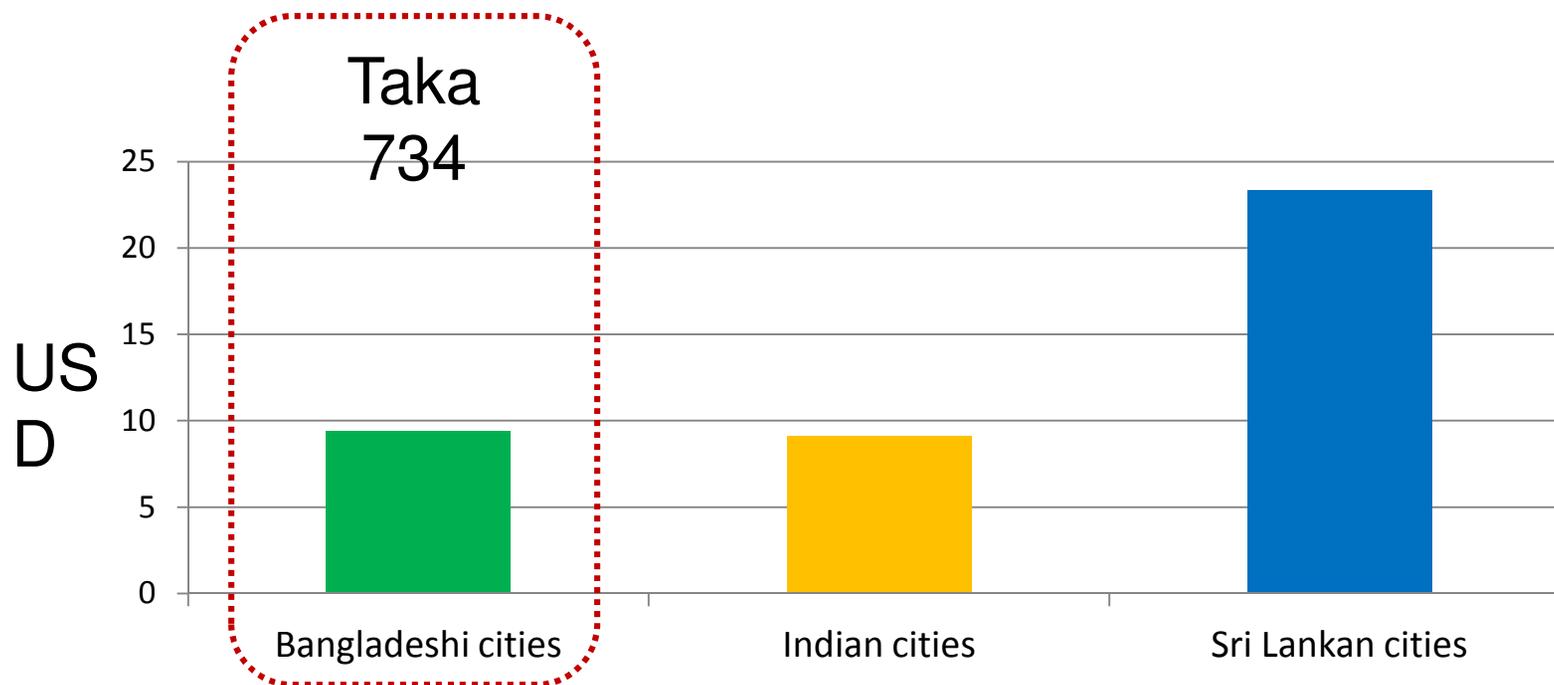
Please tell us the most important reason for not having connection in your name

Connection been in landlord's name is bigger barrier in BD strong city



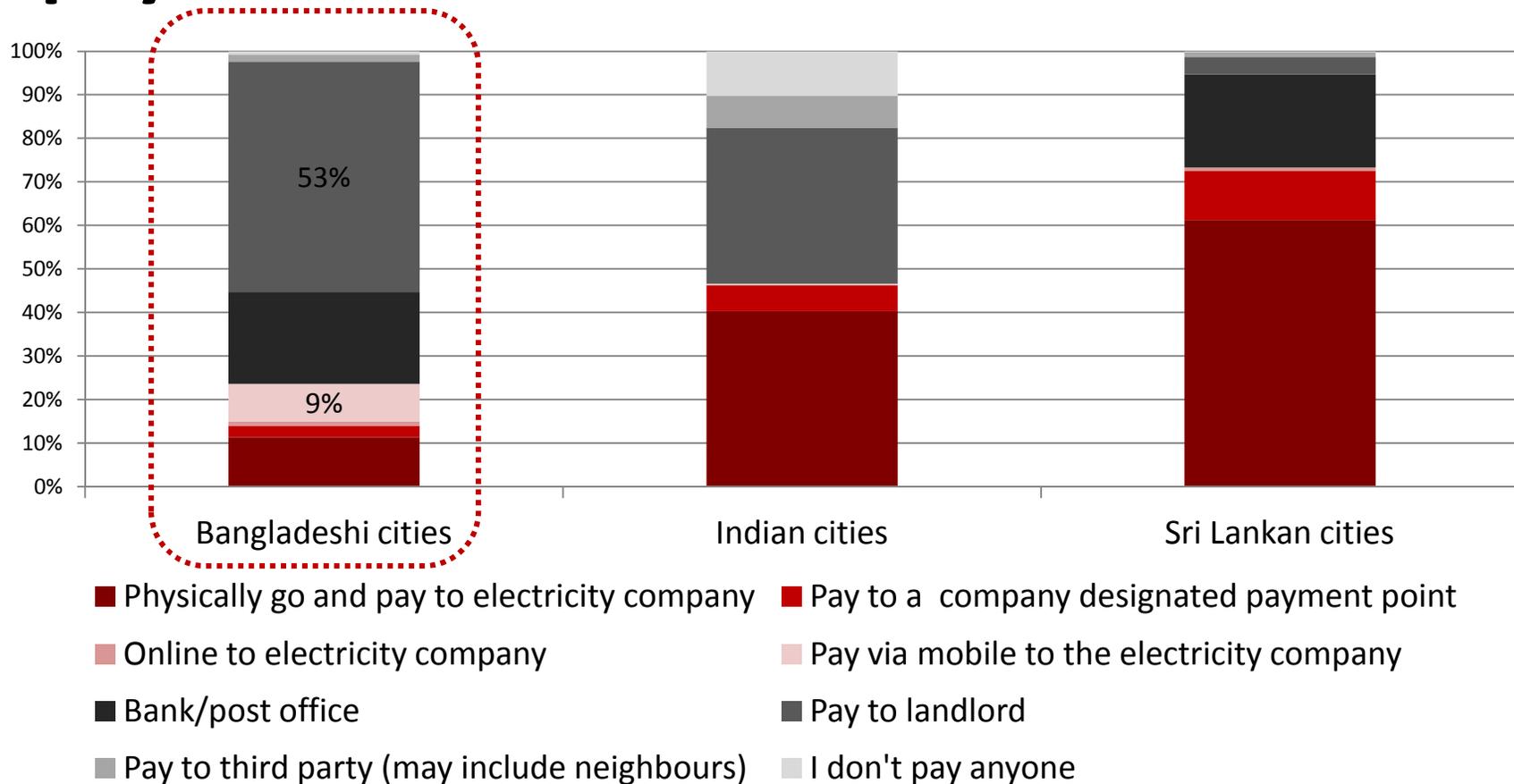
Please tell us the most important reason for not having connection in your name

BD and IN grid electricity customers pay half the amount as in LK



	Strong city	Weak cities
Average monthly bill in BD (Taka)	902	562

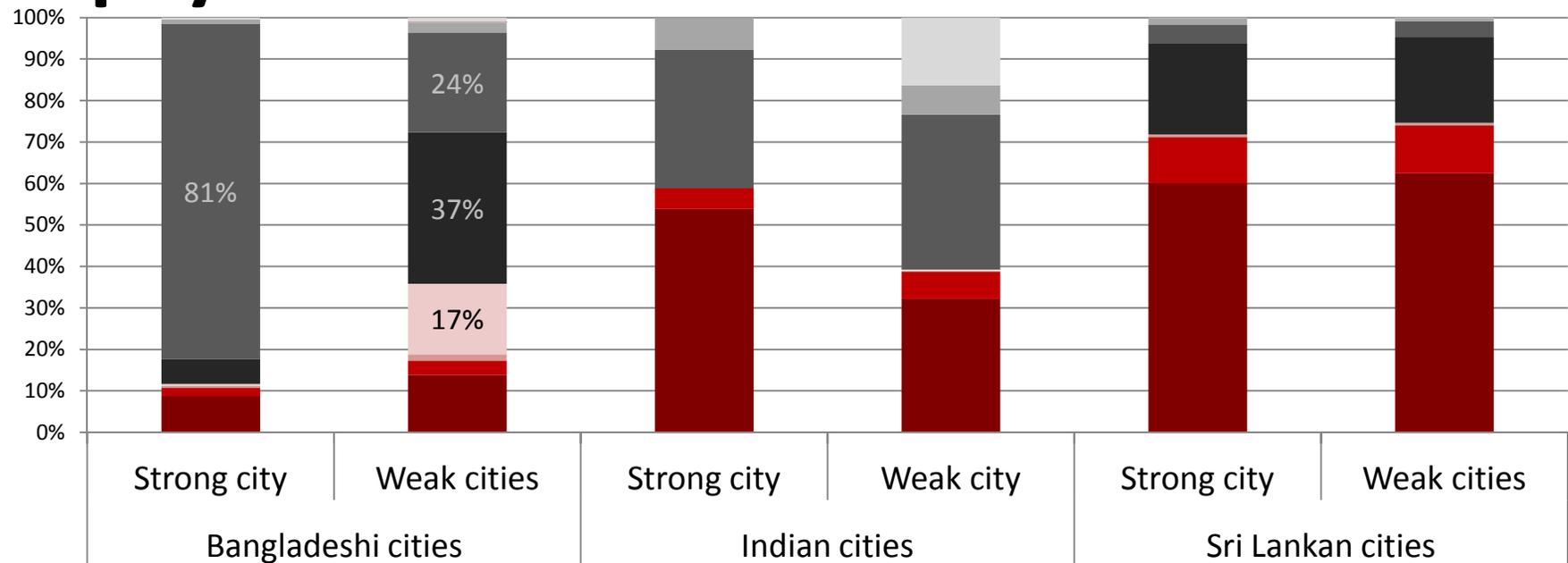
Most BD MEs pay to the landlord, 9% pay via mobile



What is the most frequent used method of payment for your electricity consumption?

More MEs in weak BD city use mobile

to pay



■ Physically go and pay to electricity company

■ Pay to a company designated payment point

■ Online to electricity company

■ Pay via mobile to the electricity company

■ Bank/post office

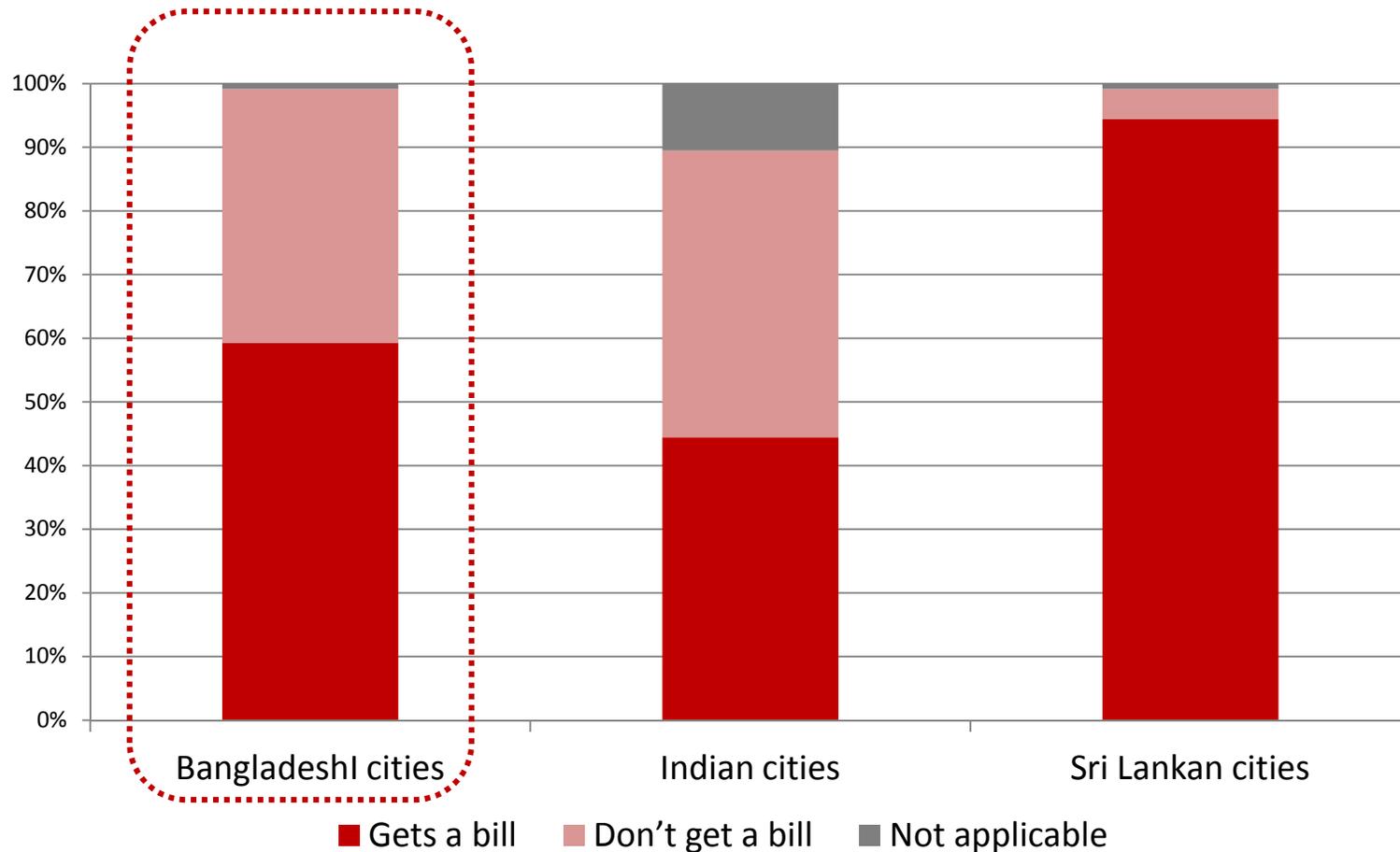
■ Pay to landlord

■ Pay to third party (may include neighbours)

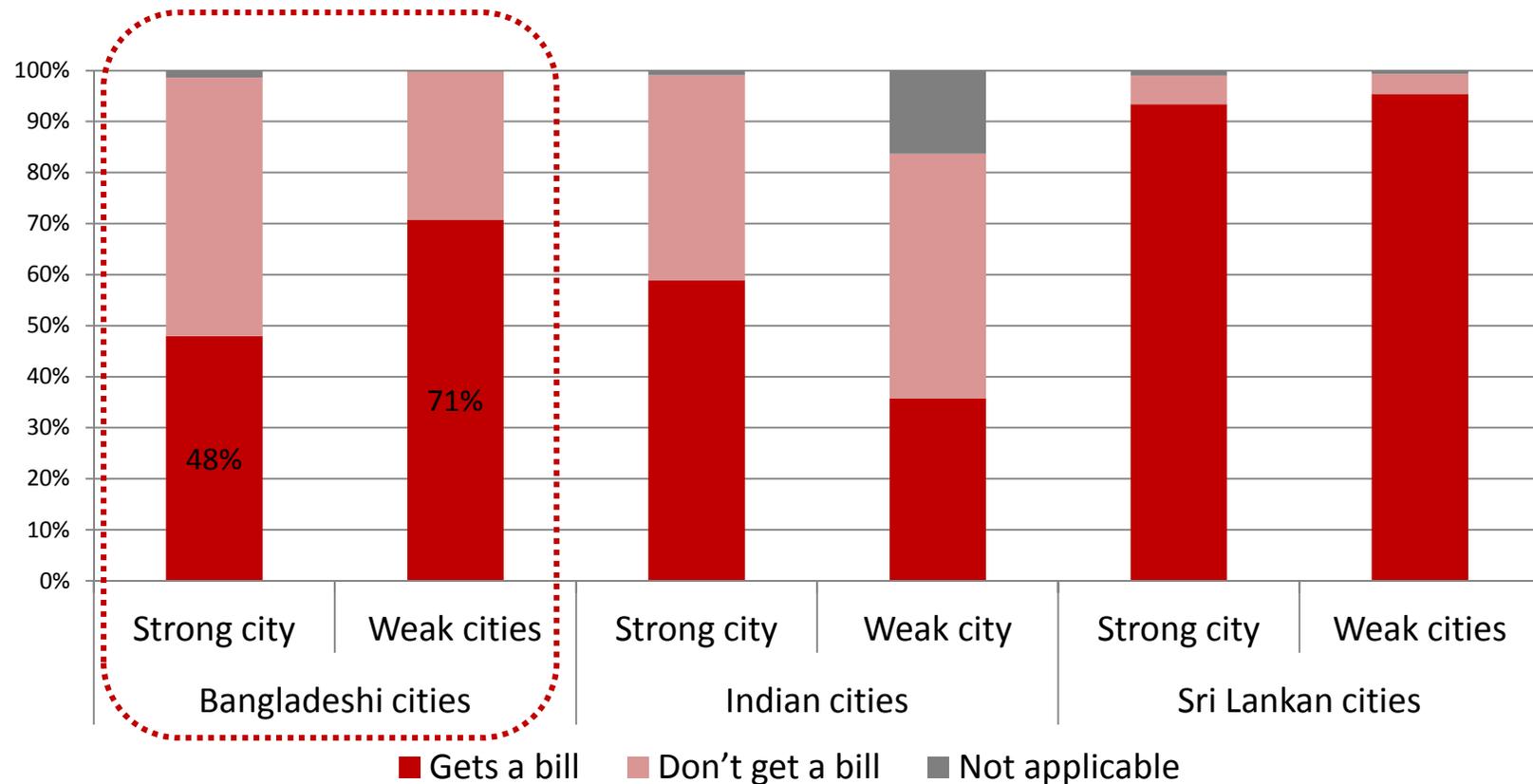
■ I don't pay anyone

What is the most frequent used method of payment for your electricity consumption?

59% of MEs in BD get a bill



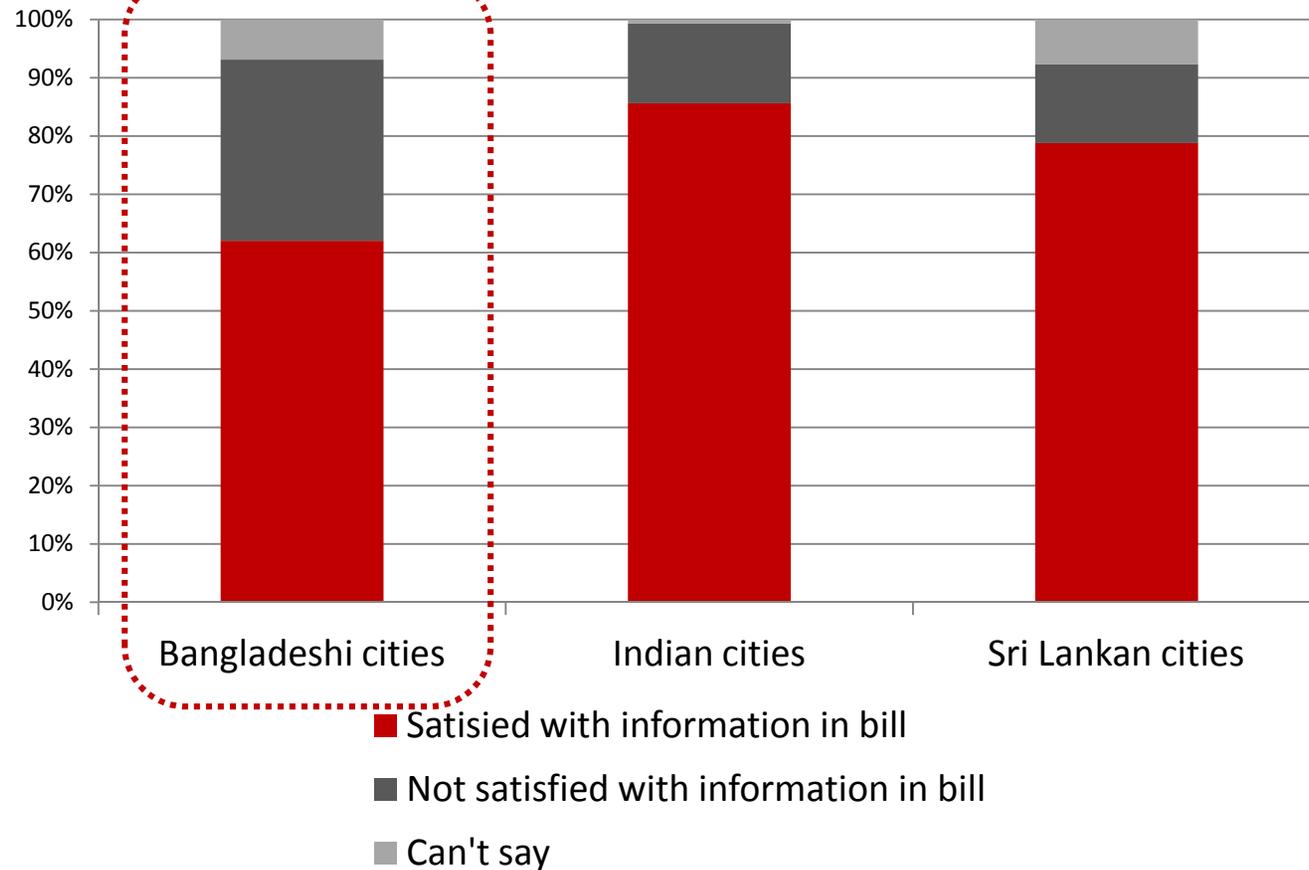
More MEs in BD weak cities gets a bill



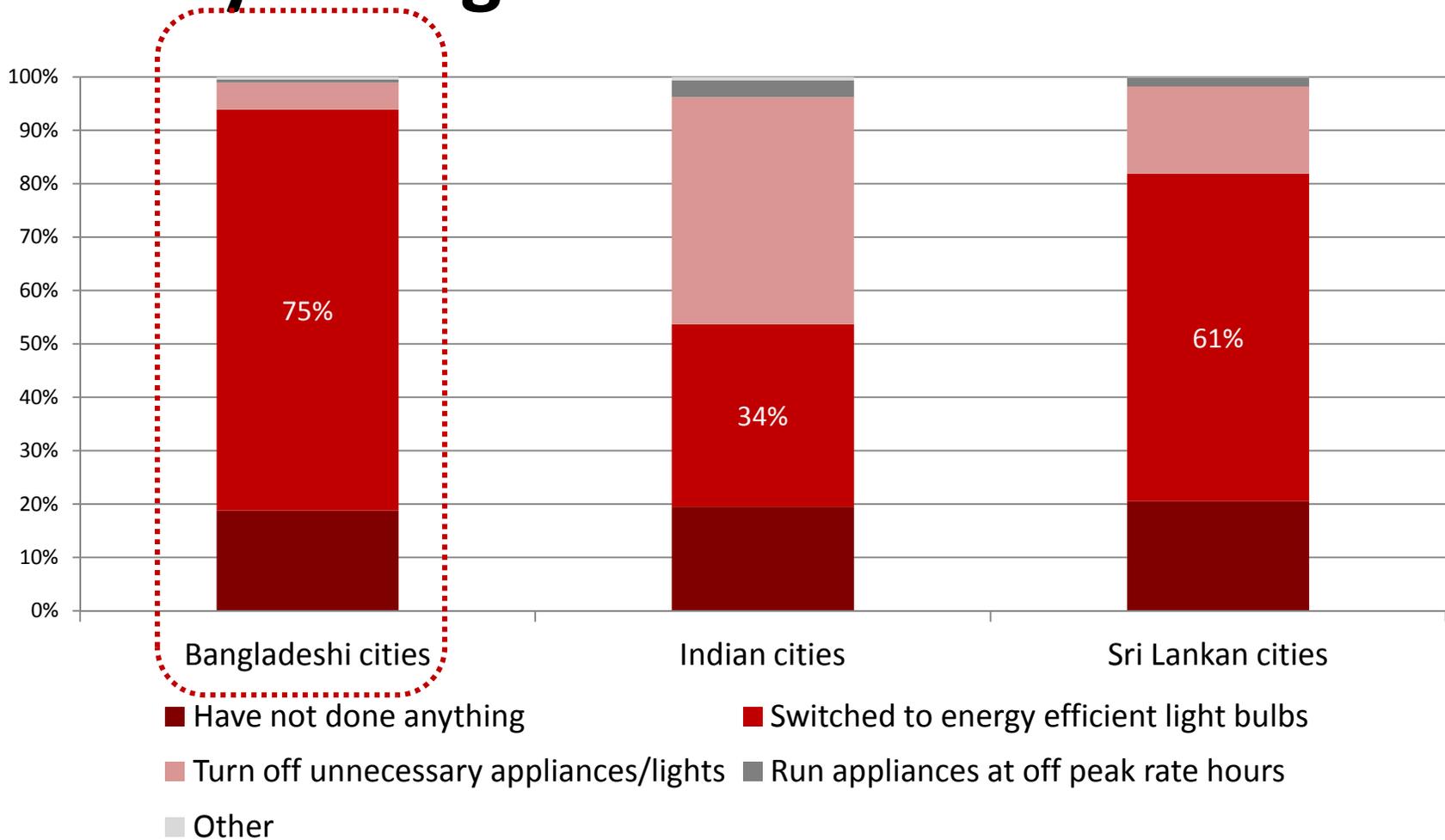
62% in BD satisfied with information in bill.



■ Gets a bill

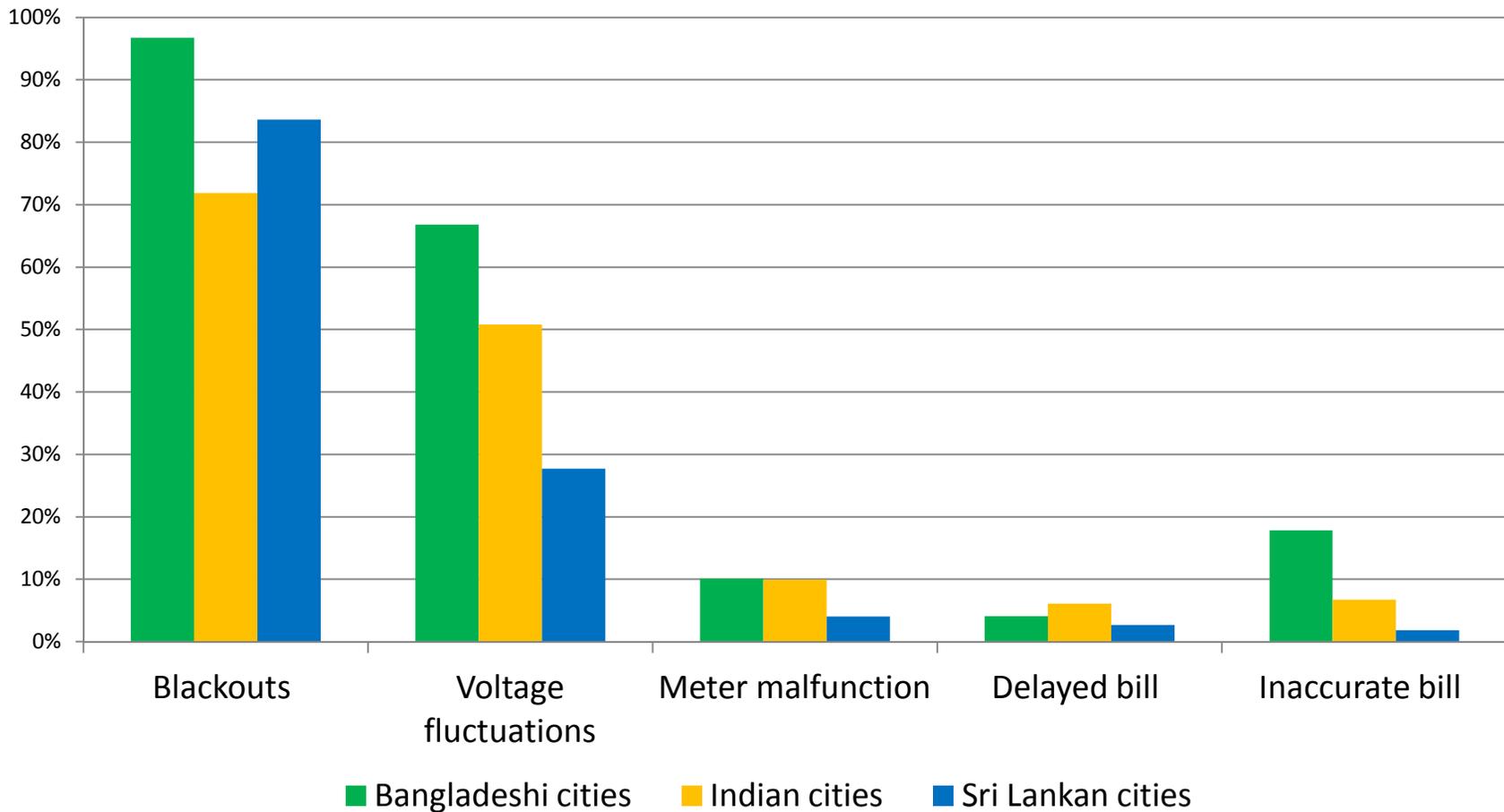


Energy efficient lighting: most popular money saving method

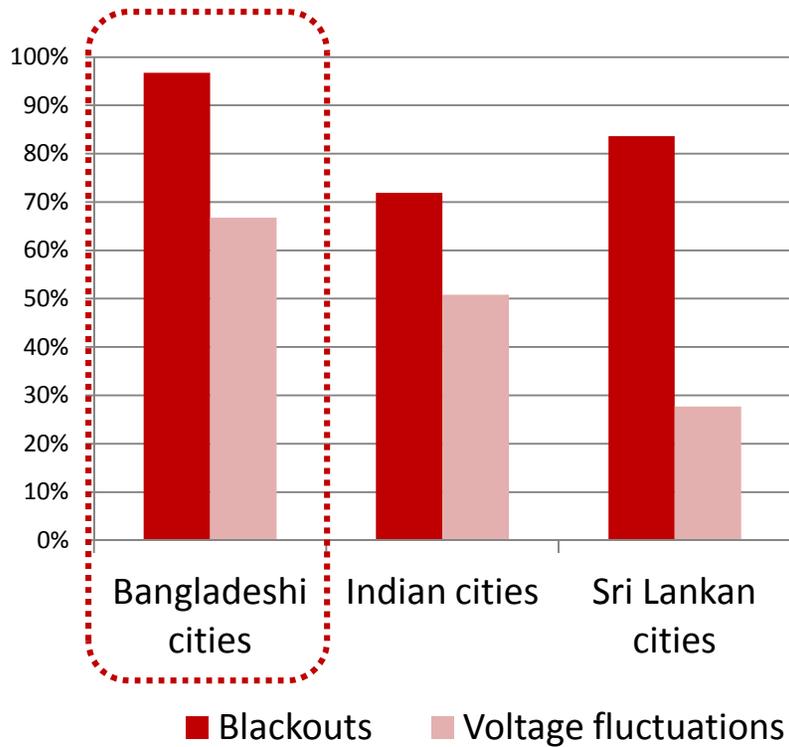


Please tell us about your most important step in conserving energy [reducing electricity bill] you have been following? (% low income MEs who use electricity for business with supply from electricity co.)

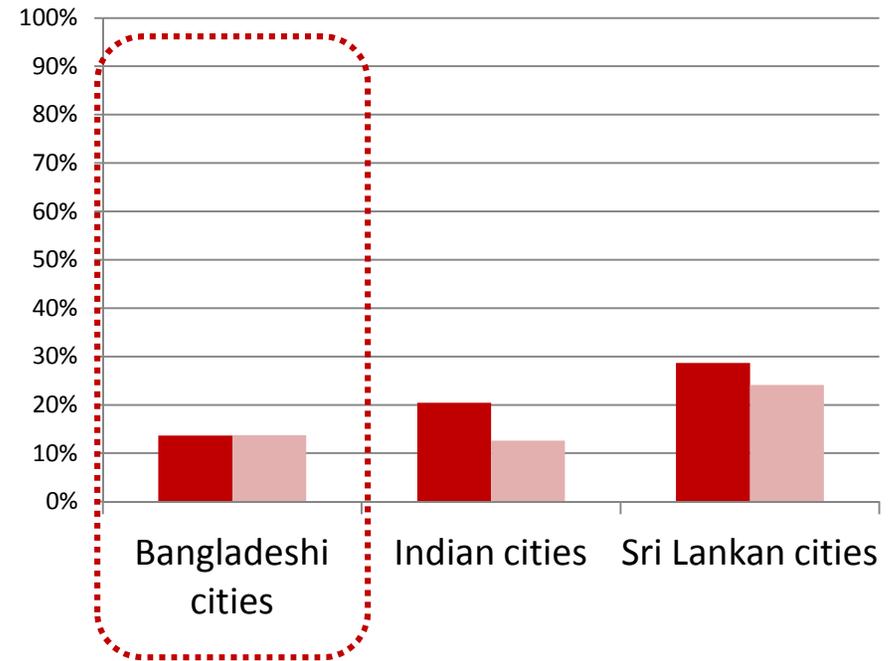
Blackouts, voltage fluctuations, inaccurate bills are common problems



Blackouts and voltage fluctuations most common problems faced



However few complained about it



Please tell us whether you faced these problems in the last 2 years. (% low

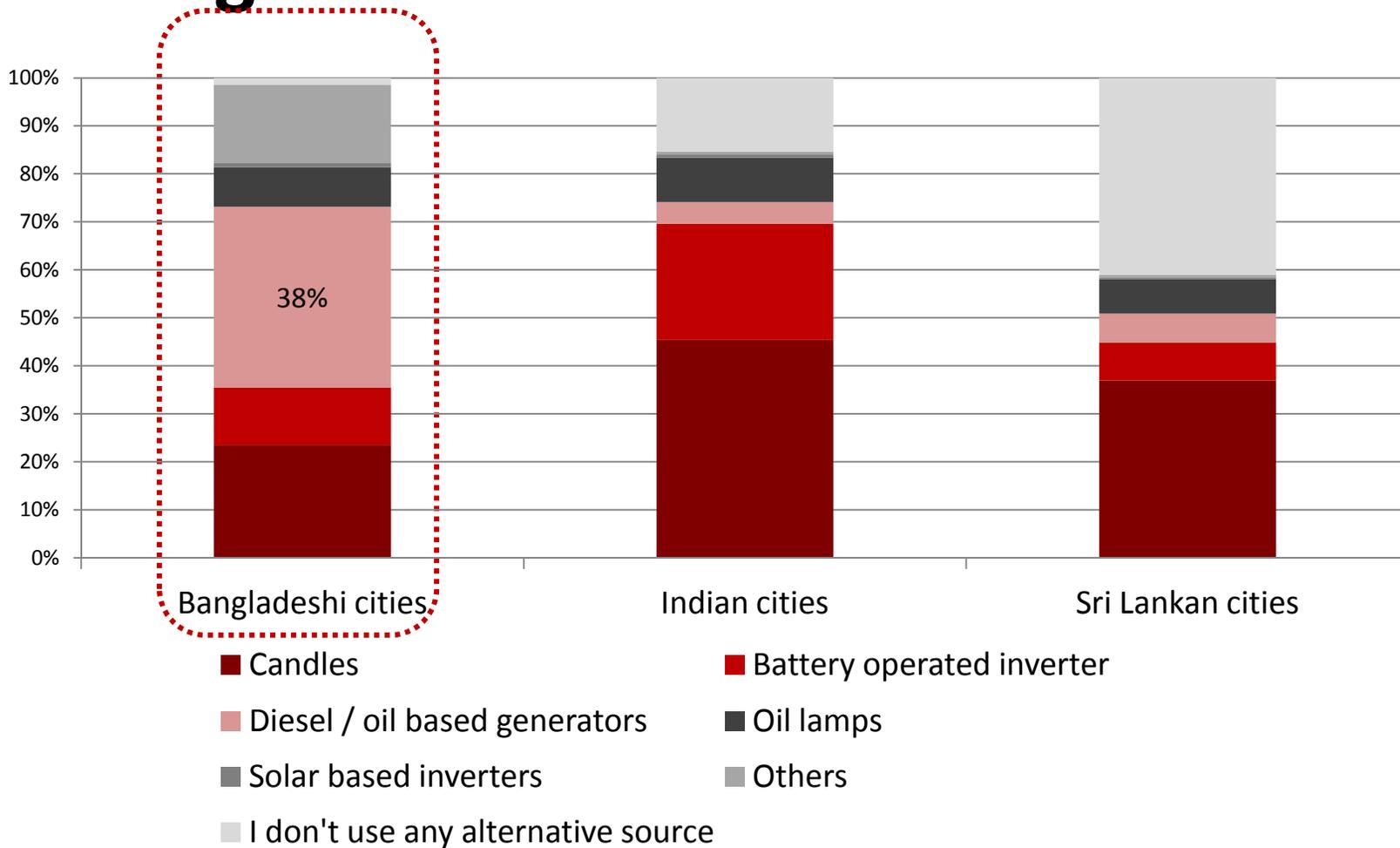


Did you complain about this problem? (% low income MEs

MEs say blackout affect their business severely



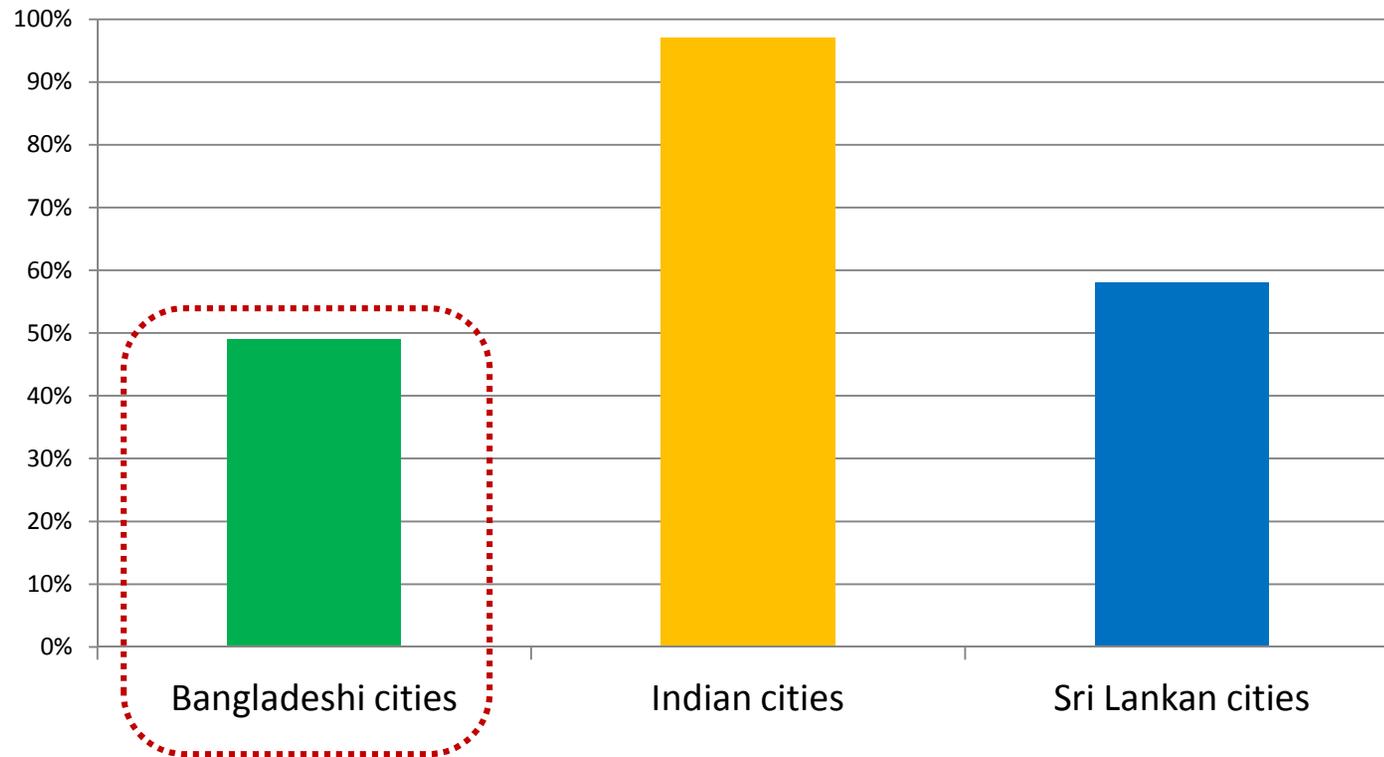
38% of BD MEs have a generator to manage blackouts



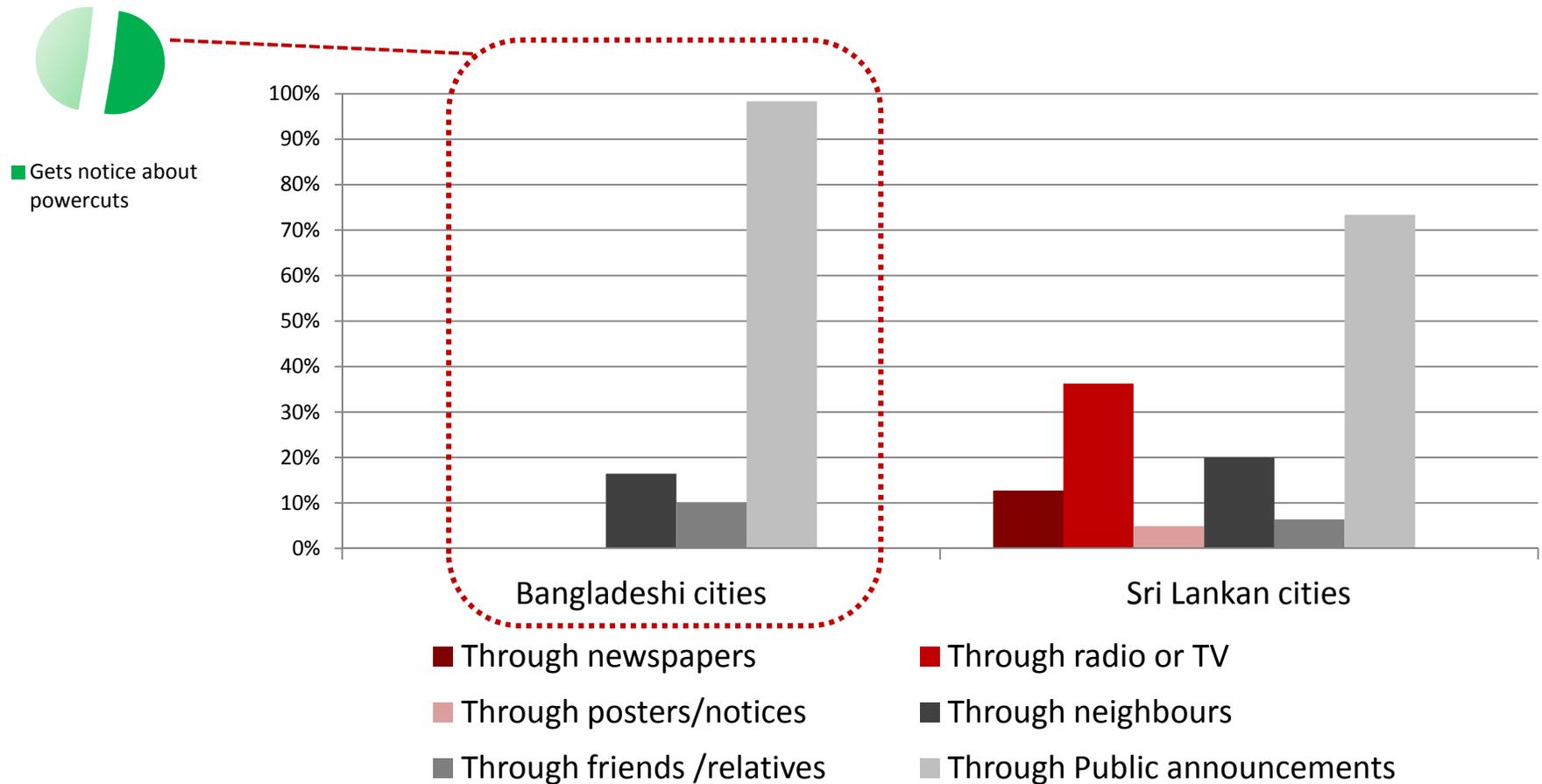
LIRN
Pro-poor. Pro-market.

How power black outs are managed for business purposes? (% low income MEs who use electricity for

49% in BD do not get an advance notice about power cuts

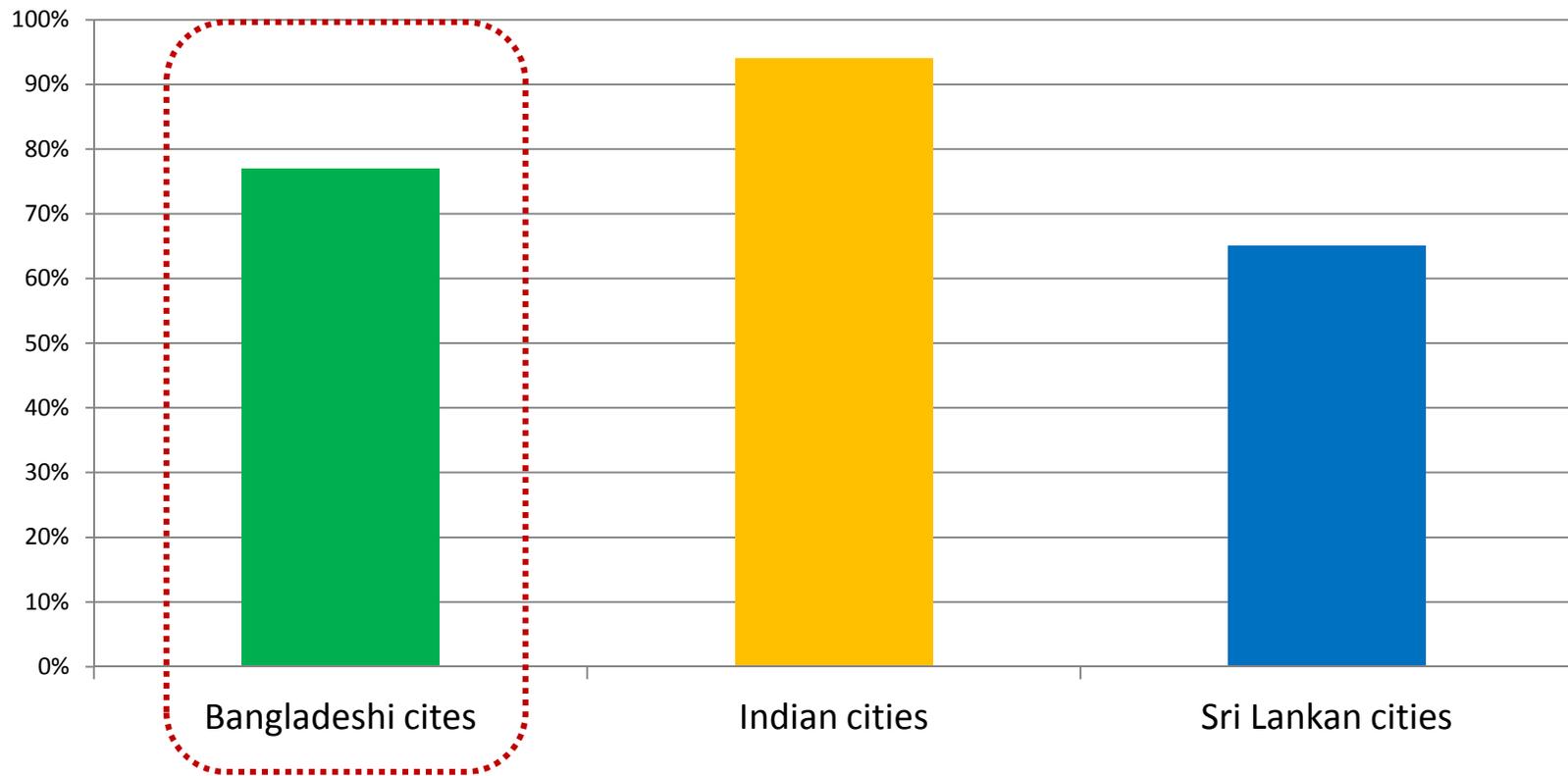


Public announcements the method of getting through to most about power cuts



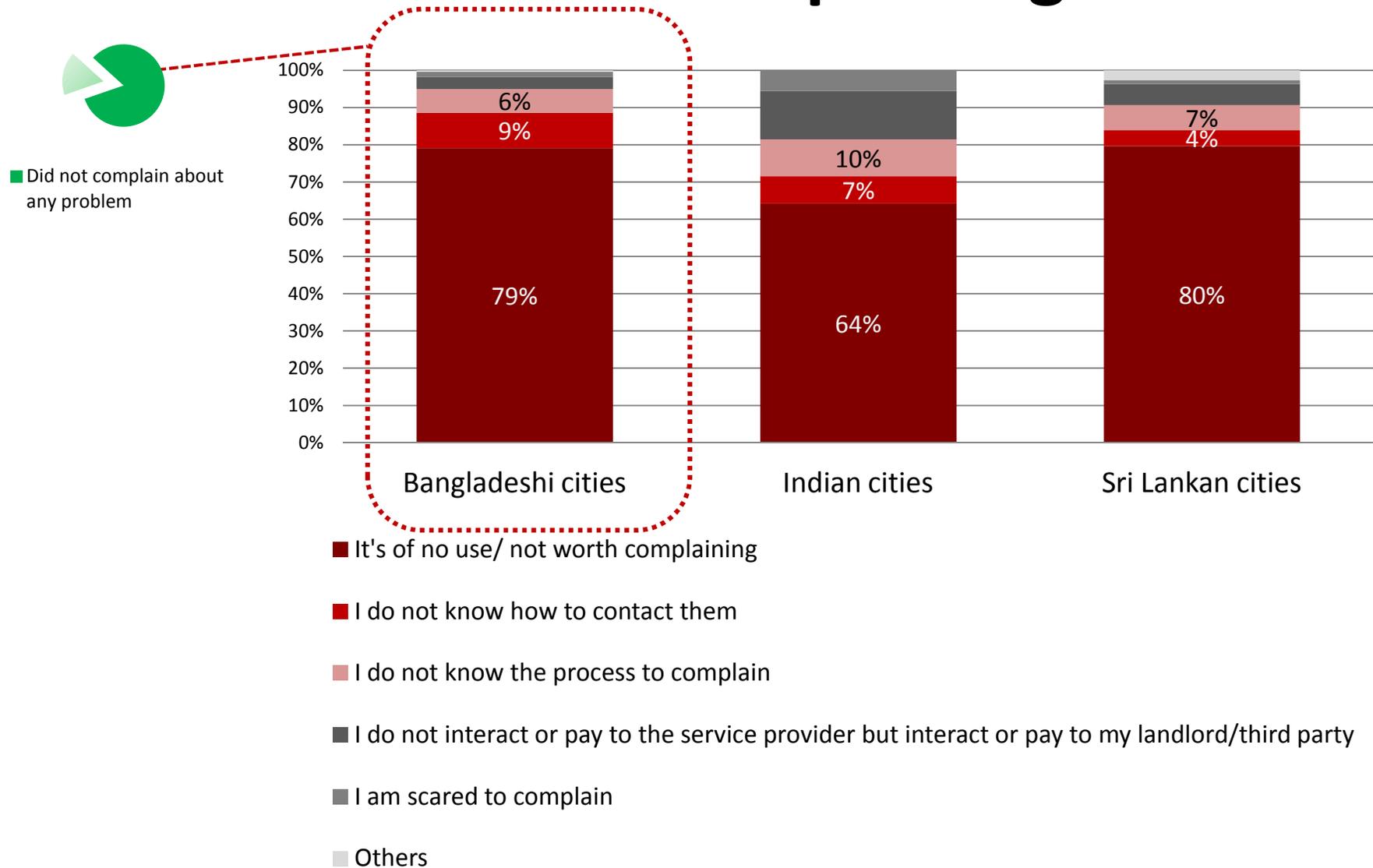
How do you get advance notice about power blackouts? 113
 [Multiple Answers] (% low income MEs who get advance

77% in BD have not interacted with the service provider



 **Have you ever interacted/talked with the electricity service provider?_ NO**

Most see no use of complaining

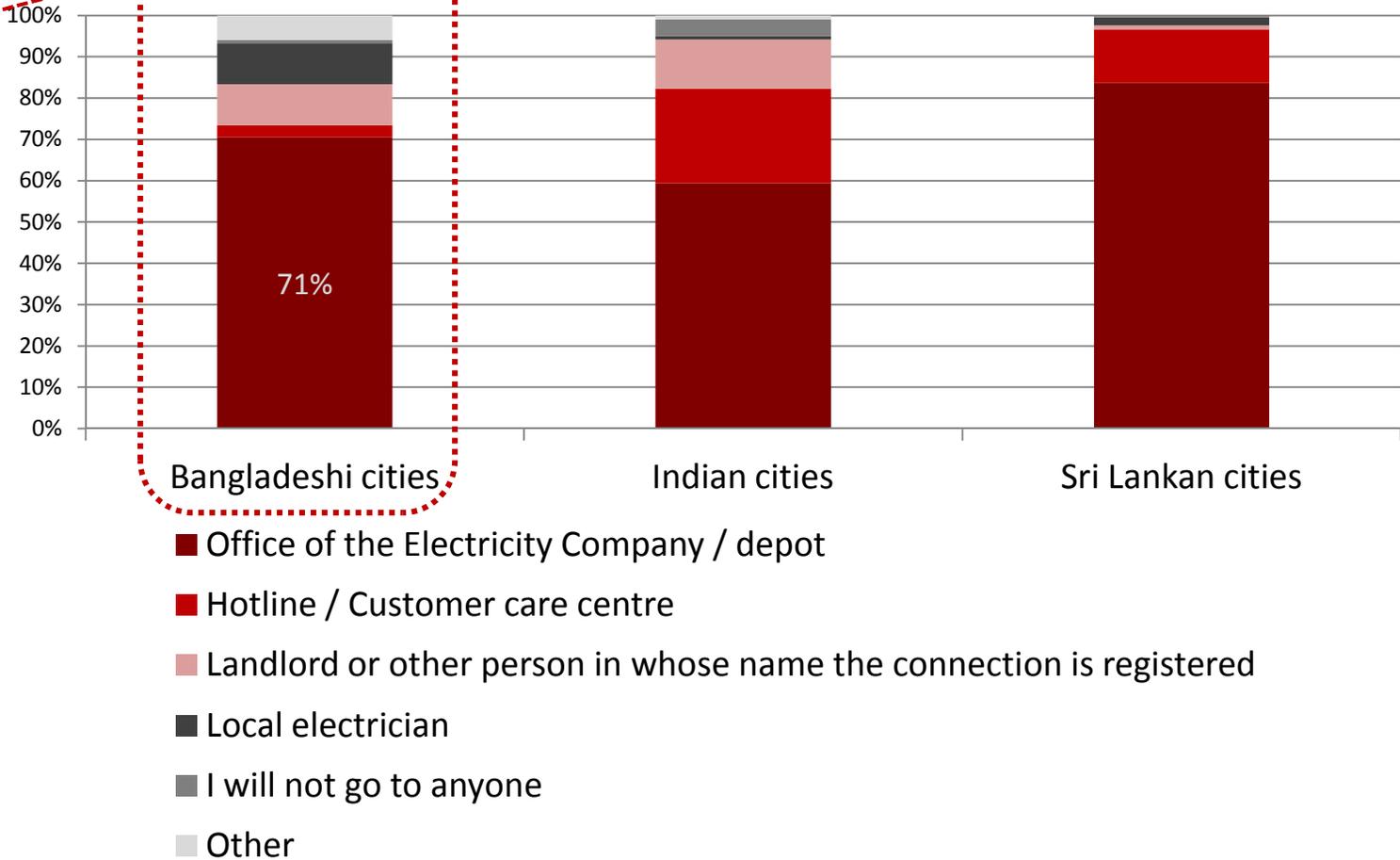


Why did you not complain to the service provider? (% low income MEs who use electricity for business)

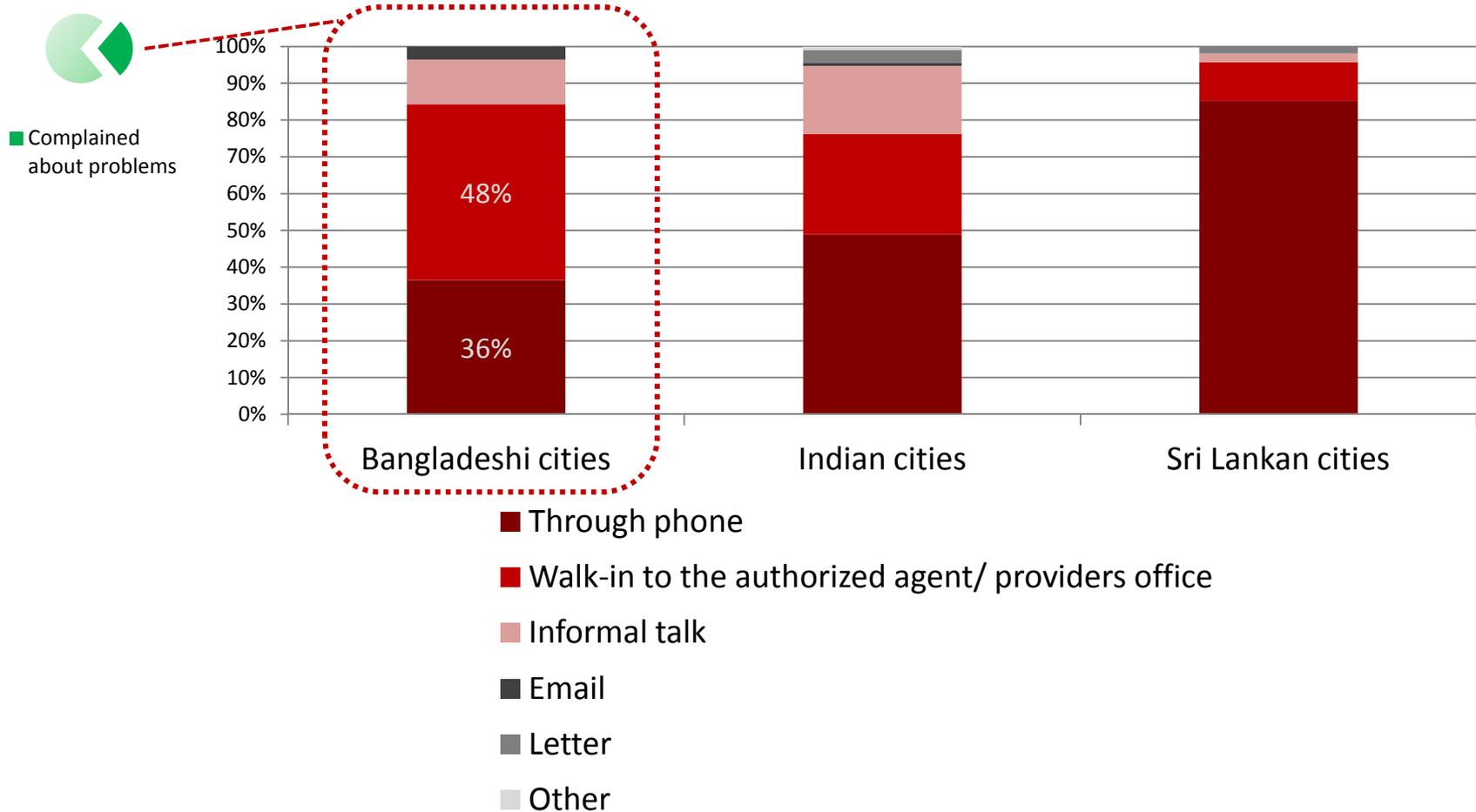
71% of MEs in BD mainly complained to the provider



Complained about problems

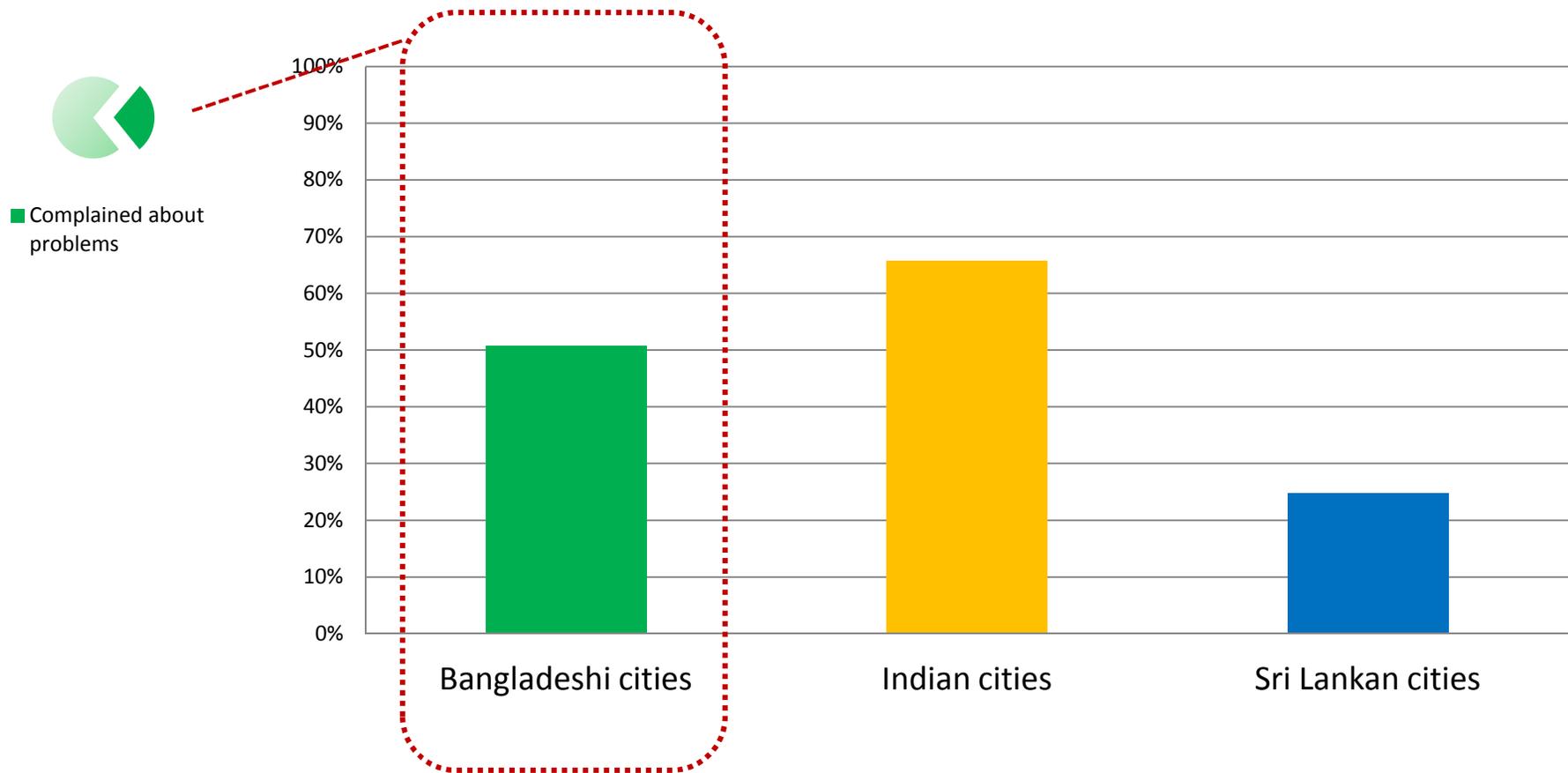


Walk-ins to the provider the most common way to complain in LK



For the main problem with electricity you complained about, how did you complain? (% low income MEs who complained)

50% in BD unsatisfied with the action taken for problem complained about



For the main problem with electricity you complained about, were you satisfied with the action taken? -NO

Unpacking consumer unhappiness: polite but slow



■ Have interacted with provider

	Bangladeshi cities
I was treated politely by their office / call center personnel	75%
It is easy to find the locations where payment can be made	66%
Information on how to contact the service provider is /was readily available	51%
The waiting time to reach a concerned officer was appropriate	50%
Information on procedures and documents to get new connection was readily available	49%
The amount of time I need to wait to get a new connection is satisfactory	39%
Information on procedures to reconnect was readily available	39%
The amount of time taken to reconnect was satisfactory	33%
Information about the procedure for changing ownership of a connection was readily available	29%
The amount of time I need to spend to change the ownership of the connection satisfactory	19%

Experience with the service provider- YES (% low income MEs who have interacted with the provider)

Improving Consumer Services in Telecoms

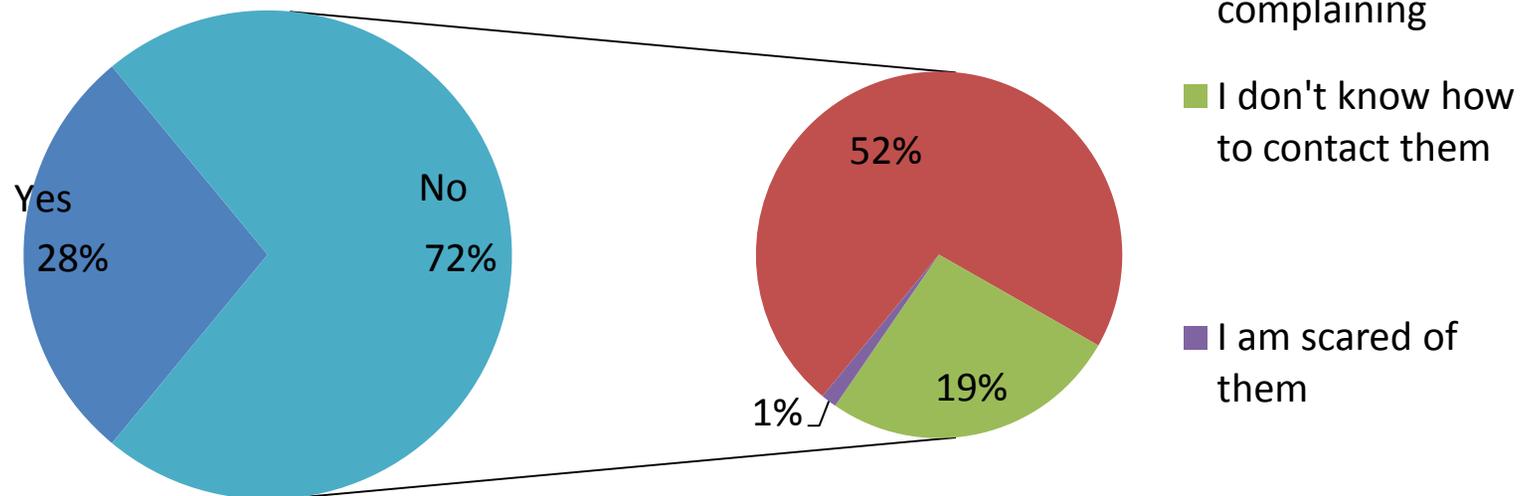
Roshanthi Lucas Gunaratne

Dhaka, 30th April 2014

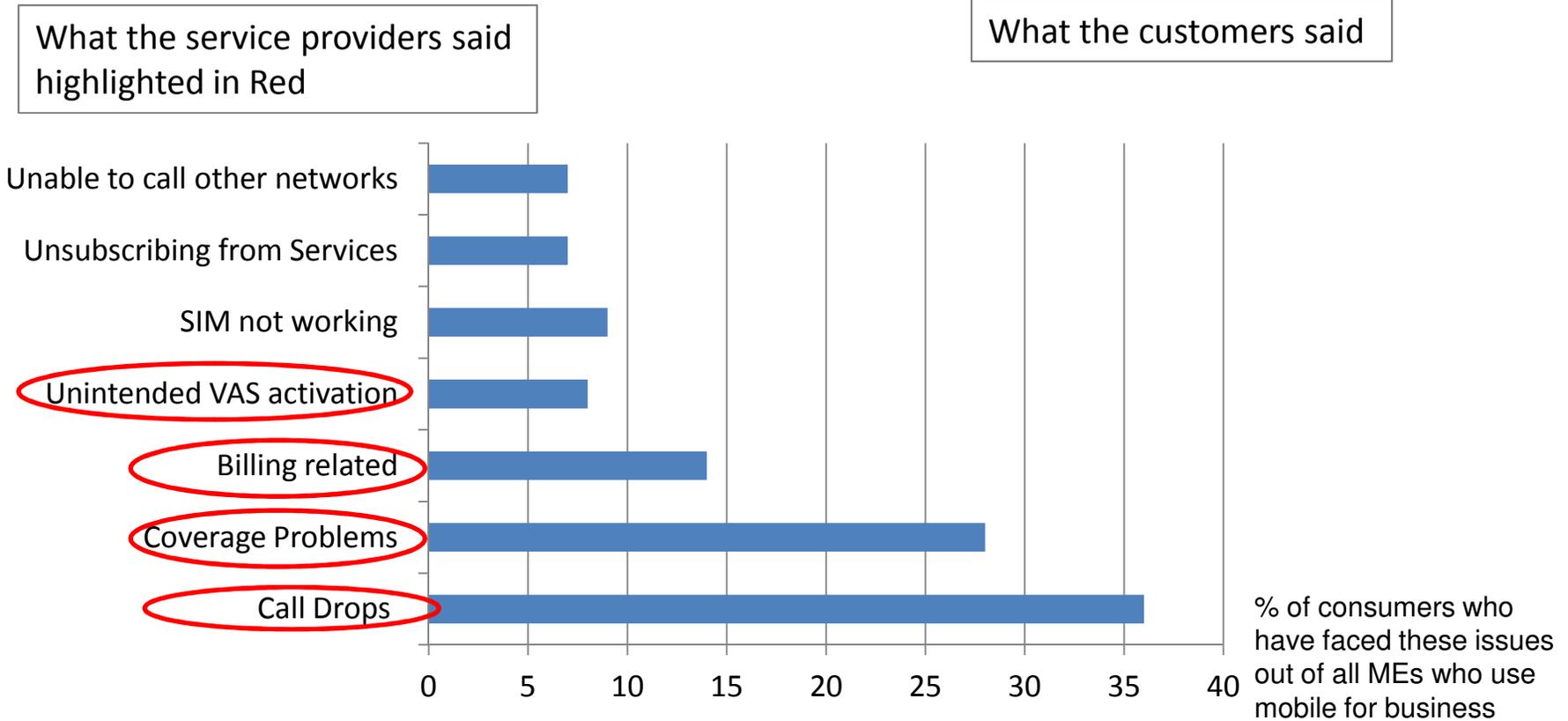


In BD: 72% don't think complaining is worthwhile; 19% don't know how to reach

If you faced a problem did you complain?



Our supply side and demand side studies echo the same problems



In BD, frequent call drops resulted in customers leaving for a competitor without complaining

Problem: Network Coverage / Frequent Call Drops



“There are times when there is no network coverage because of which I lose out on my business. I wish there was a way to resolve this instantly.”

89% in BD use mobiles for business purposes
35% in BD say connectivity issues affects their livelihood

Name: Asif

Age: 56 years

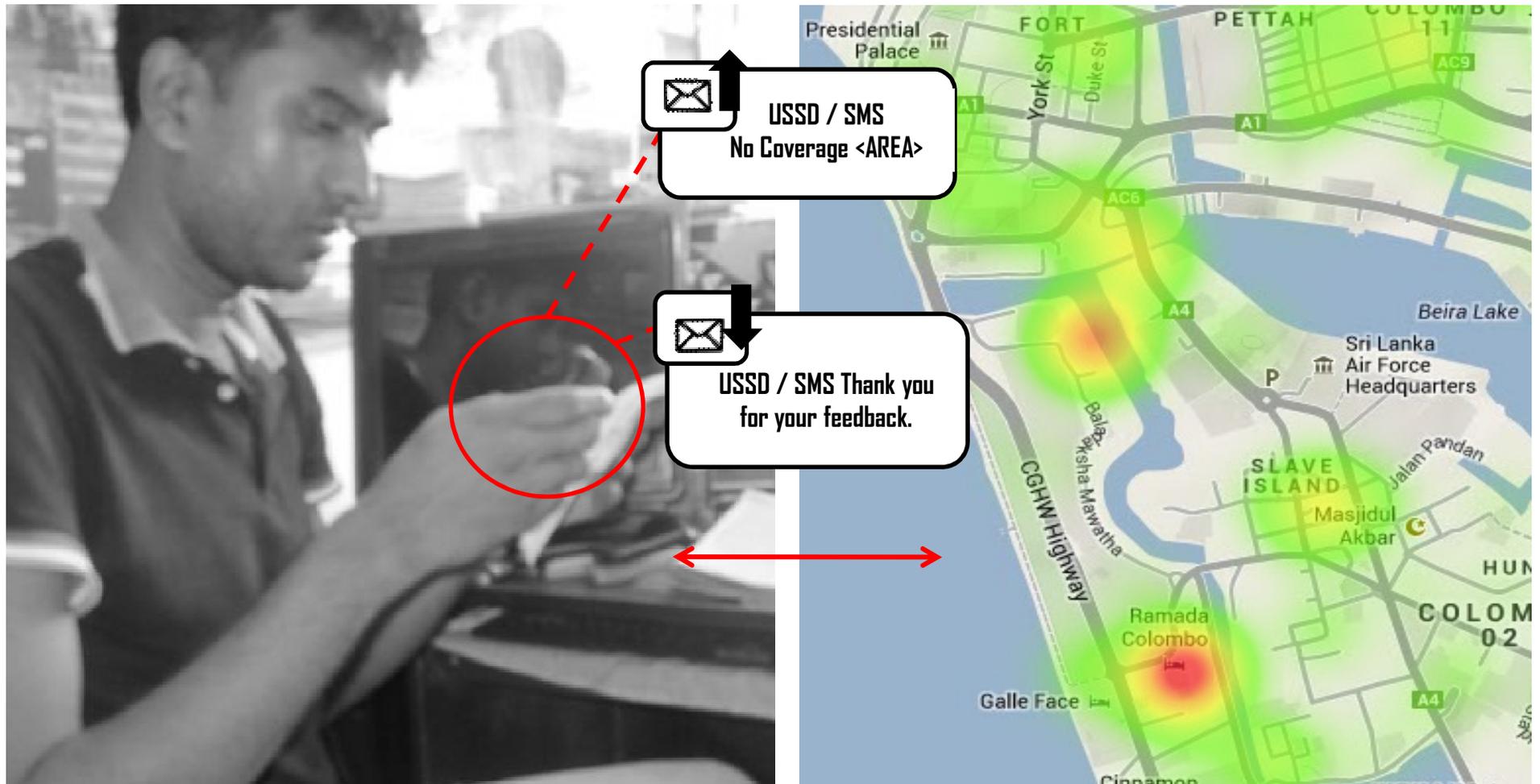
Education: Grade 9

Occupation: Rental company dealing with furniture, cutlery, glassware

Number of Employees: Four (Family members)

I have been running my business for the 15 years and I need good telecom service for my business. I need to be constant touch with my customers to follow up with them about their requirements and my payments.

Solution: Crowd Sourced Map of Problem Areas



Enable customers to log problems pertaining to coverage through USSD/ SMS. Operators can use this information to optimize the network and improve network connectivity.

Problem: Call Drop While Calling Customer Care

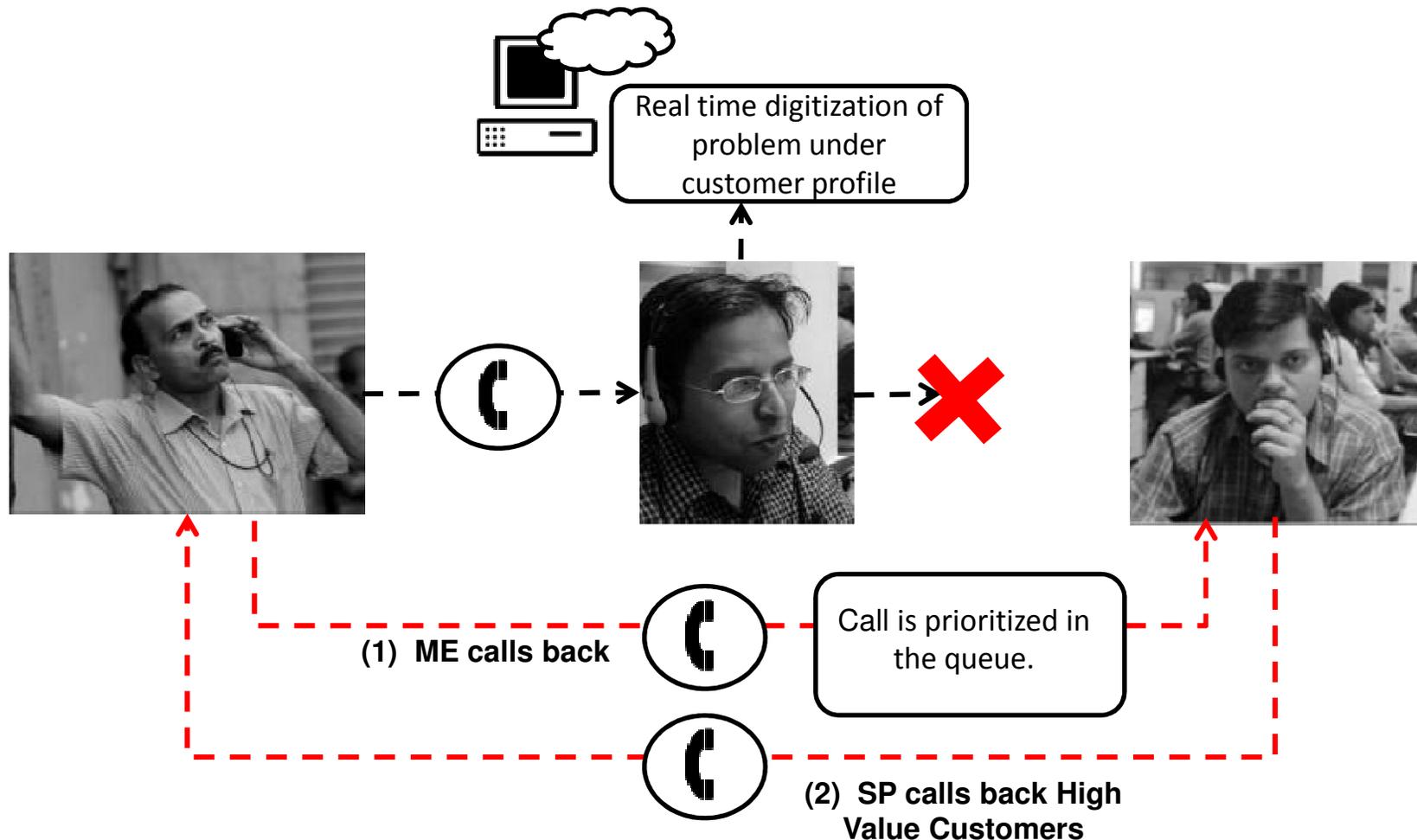


“The balance on my phone gets deducted on its own for no reason. It is difficult to get this problem fixed as the call drops the minute I get connected to the customer care.”

Name: Mohammad
Age: 44 years
Location: Dhaka
Education: Grade 8
Occupation: Electronic Services
Number of Employees: Two

My phone is important for my business and I use a prepaid mobile connection. It is convenient to obtain balance from a flexi load shop

Solution: Prioritized Queues or Call Back Option



Solution: Customer Care Executive digitizes the issue in real time. In case of a call drop and the customer calls back within a stipulated span of time (for high valued customers) or the customer is prioritized in the queue. Customer will not need to repeat the problem as it is in the database.

Problem: Unintended VAS Activation

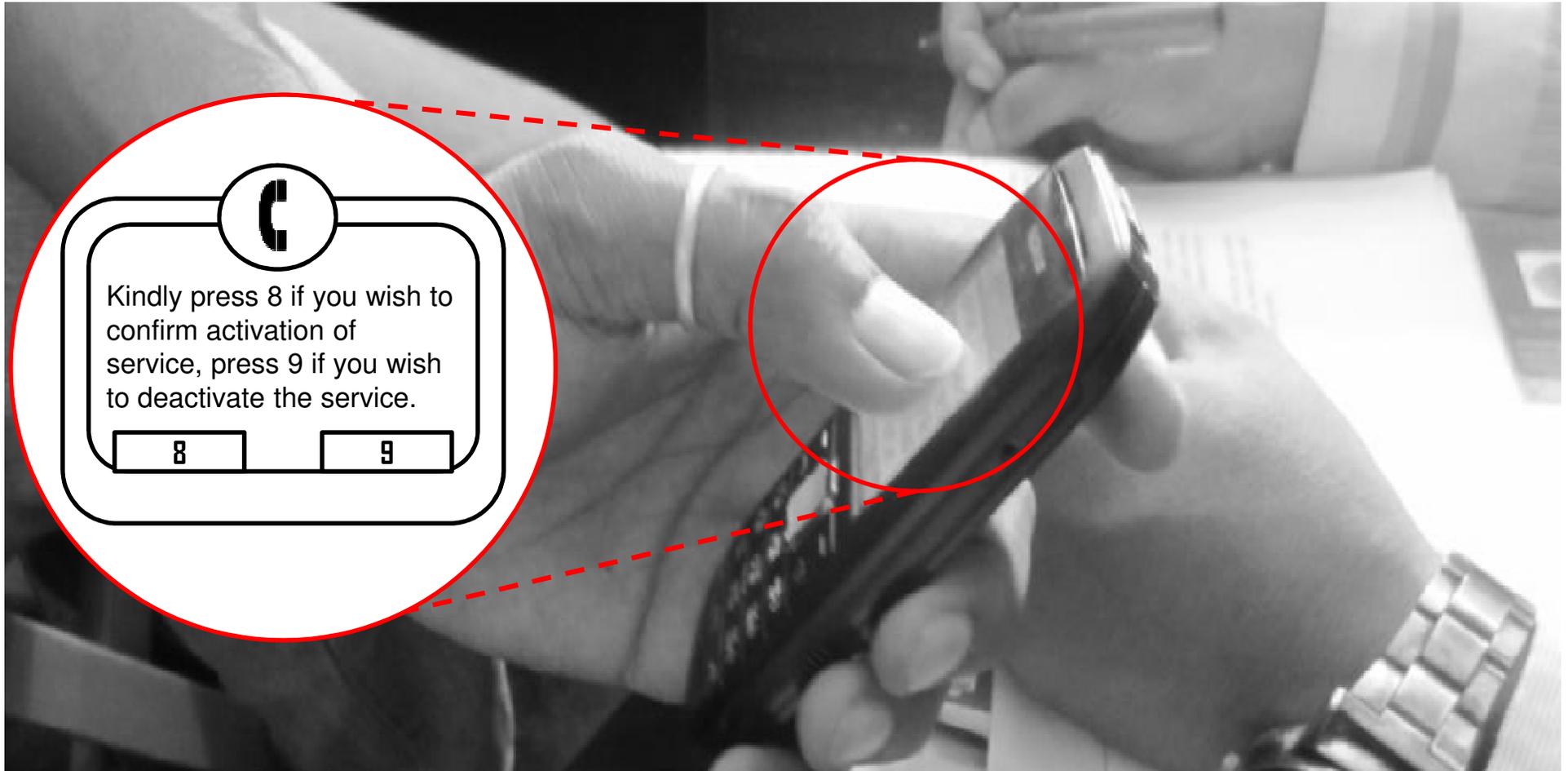
“My balance was continuously being deducted and I was not able to understand why. I had a friend working with the customer care who told me that my internet is active. It was easy to get it deactivated because my friend was there, otherwise, it would have been difficult.”



Name: Iqbal
Age: 26 years
Location: Dhaka
Education: Grade 9
Occupation: Bakery
Number of Employees: Three

I have inherited this business from my Father and I have been running this business for the past five years. I usually require a phone to stay in touch with my family and friends.

Solution: Active reconfirmation



Solution: On activation of VAS, the ME receives a confirmation (automated call or SMS) requesting them to confirm their activation.

OR

Reconfirmation request sent through SMS or IVR about VAS activated on phone at a given frequency (every 3-4 months). If VAS is not confirmed, it will get automatically deactivated.

Problem: Lack of a phone backup

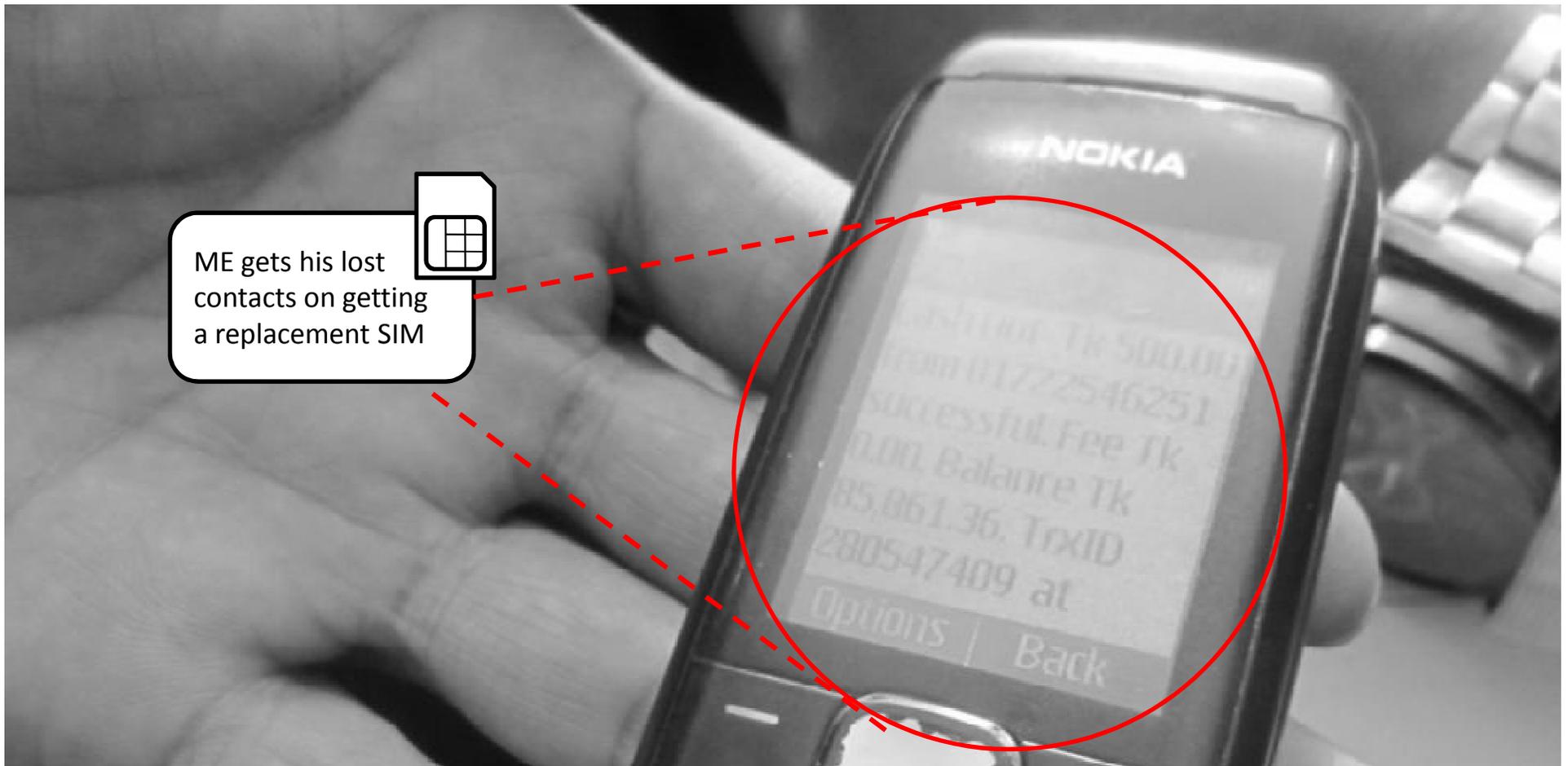


“I lose my SIM frequently due to which I keep losing my contacts. Obtaining a SIM replacement is also a very tedious process, I am asked for old documents which I am unable to produce. I wish there could be a phone back up service.”

Name: Husain
Age: 30 years
Location: Dhaka
Education: Grade 5
Occupation: Mechanic
Number of Employees: Four

I have been running my business for the past 18 years. I learnt this work and then started my own business.

User friendly phone backup option



Solution: It is understood that a number of operators currently provide phone backup options, many MEs do not seem aware of it in BD. Publicizing and ensuring that it is user friendly would enable more MEs to use it.

Extending mobile connections to other services for MEs



Information on the type of businesses to be recorded at the time of getting a new connection (ME packages etc). This connection will be linked to a broad package of services such as business loans / accounts.

Mobile payment history can also help establish a ME's credit history

Extending to Bundled Services

- Tailor make marketing strategies – not blanket promotions. Micro-segment! (The McKinsey Quarterly, 2008)
- Recognize low-income micro-entrepreneurs (MEs); i.e. often unbanked poor, as a target market segment
- Use Transaction Generated Data (TGD) to generate predictive models to design financial products or propensity models for marketing (CGAP, 2012)
- Example: Tested hypothesis → Consistent credit loads = Predictability in income, Ability to repay

MNOs have access to an abundance of data – how much of it is being used?

- mMoney / mWallet use (avg daily balance, frequency of payment, type of payments, purchases)
- Level of credit at time of top up
- Age on network
- Internet use

- Monthly use
- Calling network
- Time of use
- Location

- VAS
- Social media use
- Response to surveys
- Language used to contact service provider

Directly relevant for financial services

Less directly relevant for financial services

WAY FORWARD

Improving
CRM Practices in Electricity Sector

CHALLENGES

Multiple challenges were identified from both supply and demand side studies. We have already discussed the supply side perspective in earlier session. Following slides briefly highlight the demand side challenges.

Challenge A: Obtaining a New Electricity Connection



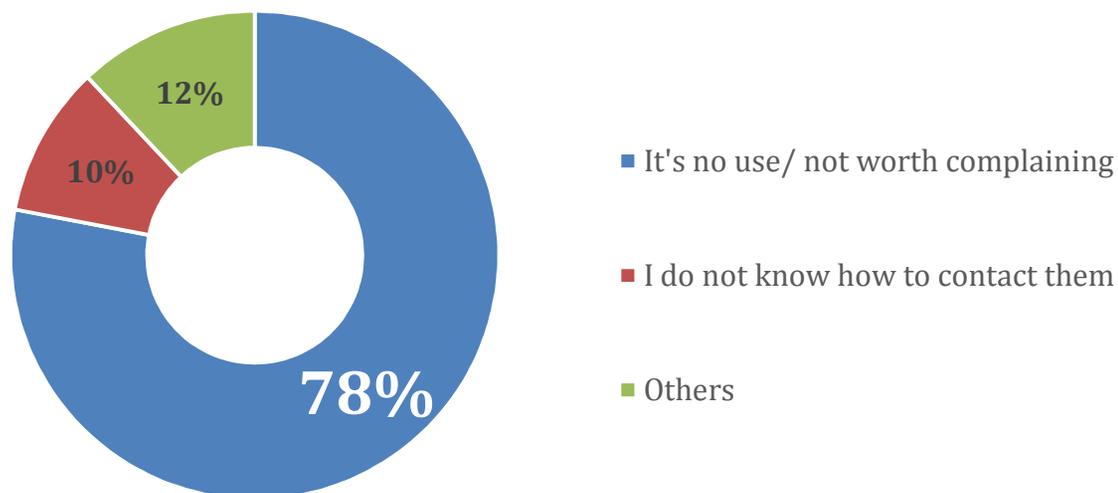
“I obtained my electricity connection after a period of six months. I had to bribe the intermediary and give him Tk. 22,000. I had to run around a lot before I finally obtained my connection.”

Name: Harunur Rashid
Age: 31 years
Location: Dhaka
Education: Grade 8
Occupation: Welding
Number of Employees: One

I have been running my business for the past 17 years and I require electricity at all times to conduct my business

Challenge B: Grievance redressal

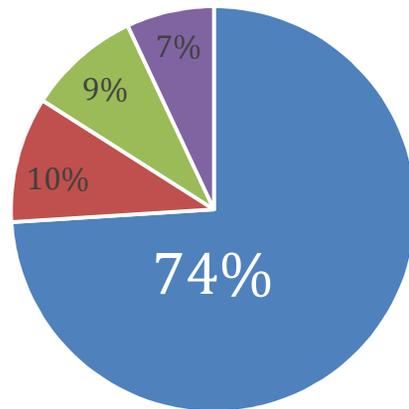
- About 80% MEs think it is not worth complaining. A small percentage said they don't know how to contact the electricity utility.
- Some said they don't know the process. A few even said they are scared to complain.



Challenge B: Grievance redressal (contd.)

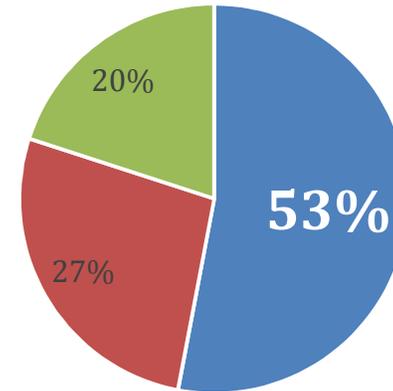
- When a problem arises, majority (74%) lodge complaints with the office of the electricity company. However, most of them need to visit the provider's office or customer care center to lodge complaints. This results in a long queue and high average waiting time.

- Office of the Electricity Company / depot
- Landlord or other person in whose name the connection is registered
- Local electrician
- Others



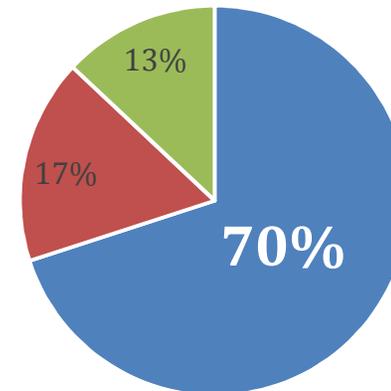
Challenge B: Grievance redressal (contd.)

- Majority (53%) of the respondents are not satisfied with the action taken upon their complaints.



■ Not Satisfied ■ Satisfied ■ Don't know

- 70% MEs said they have not received any reference ID verbally or in written form for their complaints.

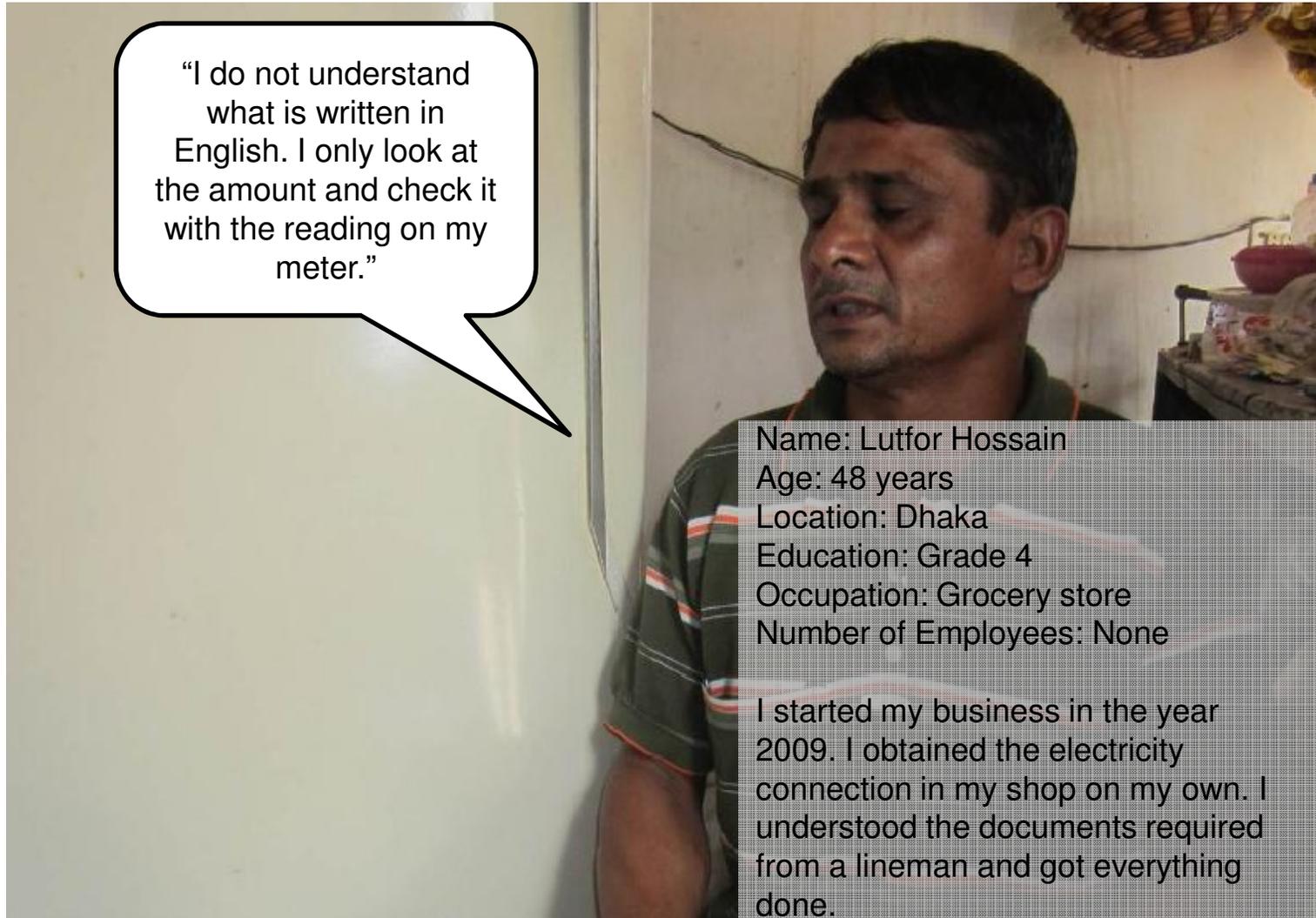


■ No ■ Yes ■ Don't know

Challenge C: Bribing the Lineman



Challenge D: Difficulty in understanding the electricity bill



POTENTIAL SOLUTIONS

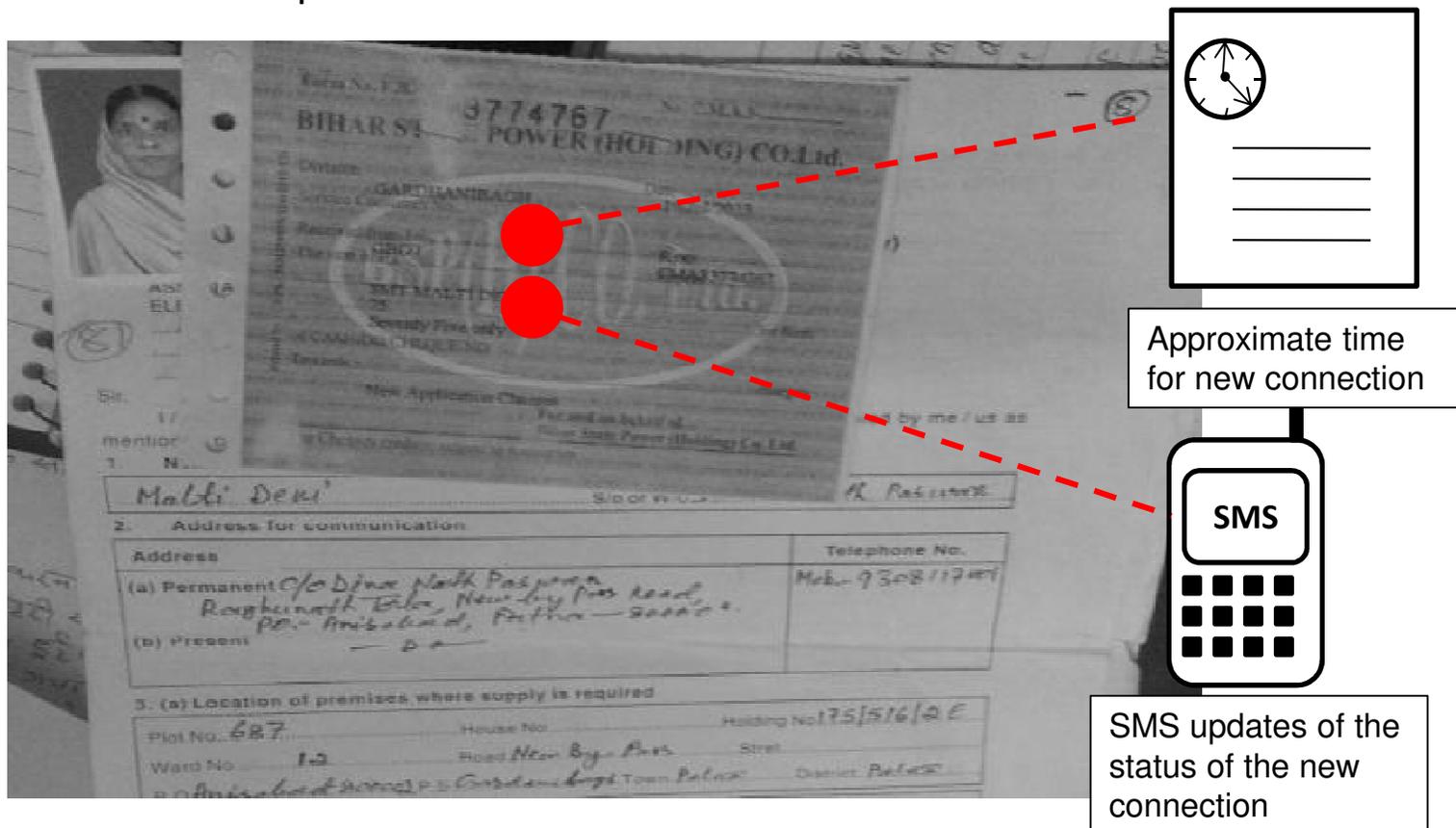
Following slides highlight a number of potential solutions addressing major challenges discussed so far.

Solution - 1: Separate Service Center for new connection

- Service provisioning for a new connection could be separated from rest of the services. A separate service center (i.e. **Fast-track center**) focused only on providing new connections could be helpful in this regard.
- Consumers who will be applying for a new connection be it residential or commercial, will be served from Fast-track centers. Applications will be processed as a separate, high-priority work stream so that the entire process could be completed by a given period of time (e.g. within 30 days).

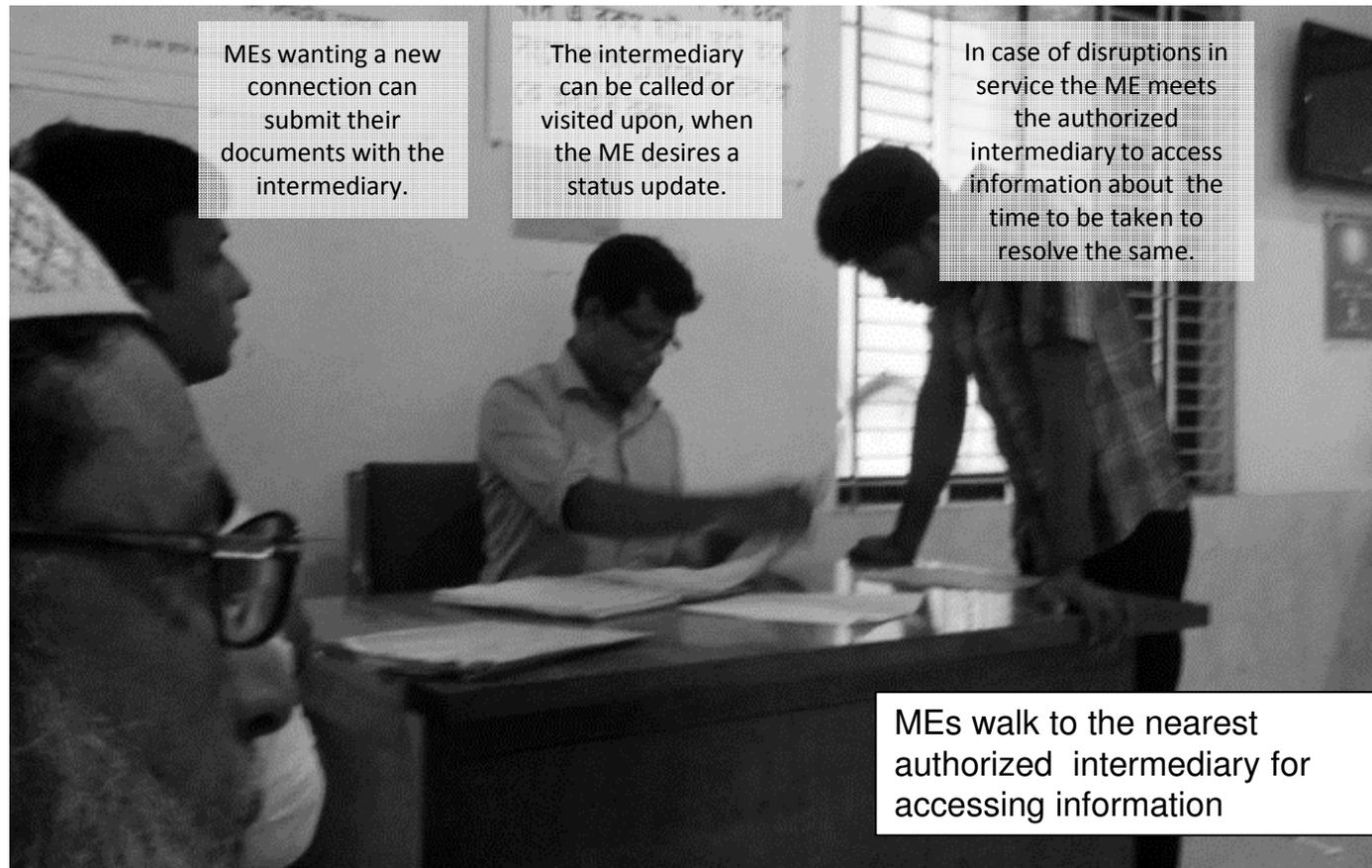
Solution - 2: Know Your Connection

- The electricity board conducts a pre-evaluation of available infrastructure in order to help understand backend requirements for processing new connections. An approximate time range is established within which a new connection has to be processed.



Solution - 3: Electricity Agent

- Deploy authorized intermediaries who act as agents (more like Mobile Banking Agents) on behalf of the distributors for providing information and resolving consumer complaints quickly since consumers are unable to get adequate information about their electricity connections.



Solution - 4: 24/7 Call Center

- Each of the distributors should have **24/7, dedicated Call Centers** so that consumers don't need to visit the Customer Care Center in-person for minor issues.
- The communication tool and method adopted by call centers need to be tailored to the extent possible. **More human interaction** instead of IVR and preferably with greetings through respective **local dialects** could make a big difference in the customer experience.

Solution - 5: Service Rating

- Consumer calls made to the electricity office by the MEs should be recorded so that the Supervisors can keep track of SP interactions. After the query of the ME has been resolved, the ME



Solution - 7: Bill with useful information

- MEs are given an approximate consumption for various appliances because MEs are completely dependent upon the bill to understand their usage.

2014	Due Date :	19/02/2014	X-former Loss	:	0.00
	Sig. Reg. / Off Peak	Peak	Total Energy Charges	:	3,277.34
2014	31,348	0	Demand Charge	:	50.00
2013	30,765	0	Sub-Total or Mini	:	34
	583	0	Service Charge	:	00
	583	0	Supplimentary	:	00
			Adjustment	:	0
			Current Dues	:	437.34
			Re-Bright Charge	:	0.00
			Instalment of S/Drop	:	0.00
			Meter Rent	:	0.00
			Total Duse (Rounded)	:	3,437.00
			VAT (On Current Dues)	:	172.00
			Total Bill	:	3,609.00
			Total if paid after due date	:	3,789.00

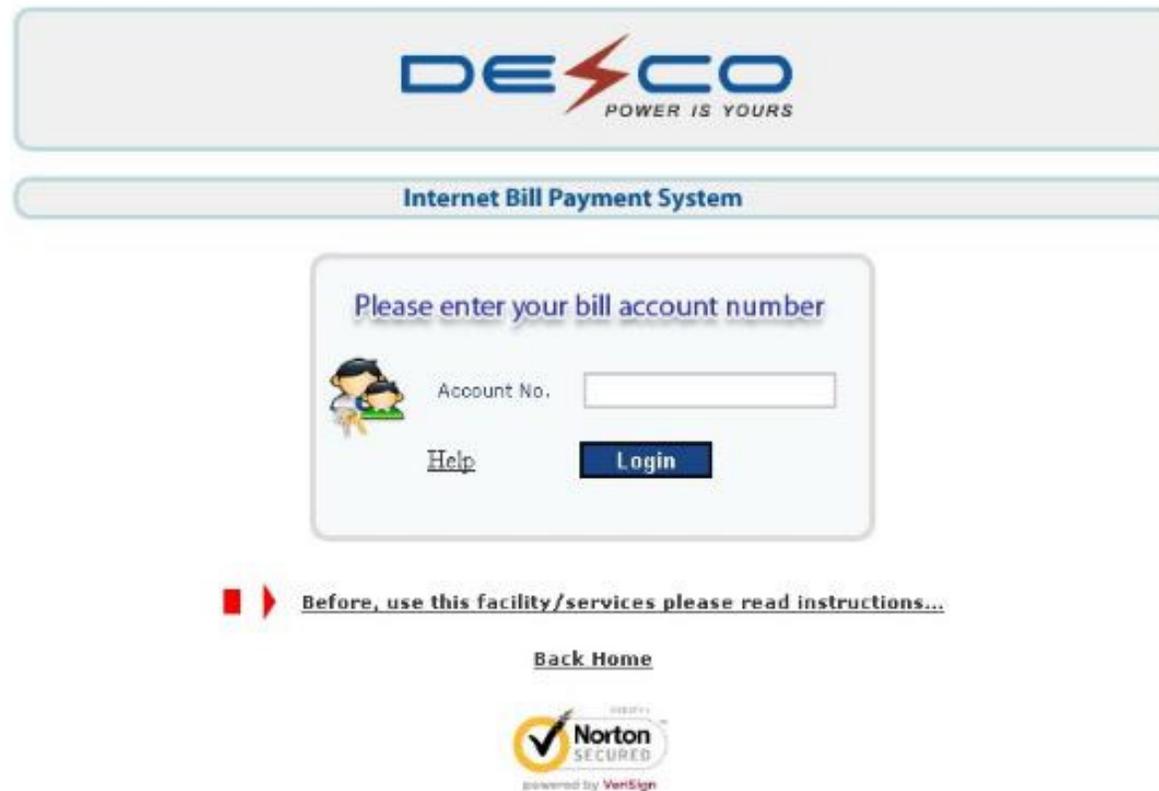
1 fan for 10 hours = 10 units

খসড়া: ০৫৫৩ নম্বর ফীচিউর
 কলকাতার অলিম্পিক গ্রান্ড স্টেডিয়ামে ফীচিউর
 (মাপের মতোই ২০১০ ইং সনের বিল পরিশোধ
 প্রায়শ পত্র ইস্যু করা হবে। **Full Paid**
 ৩ প্রতির লক্ষ্যে ২০১০ইং সনের অন্দের উল্লিখিত
 বন্দে পরিশোধের উদ্দেশ্যে করা হয়েছে।
 নেটে কিংবা গ্রাটীশ কেন /
 বিলিং সিস্টেম / সার্ভিসের মোবাইল কেন বা বিল পে সেন্টার /
 পয়েন্ট ব্যাঙ্ক অথ কোথাও চেসকো'র বিদ্যুৎ বিল গ্রহণ করা হয় না।

Three Thousand Six Hundred Nine Only
 Date: 04/02/2014. Line will be disconnected. No further notice will be issued.

Solution – 8: Data Security

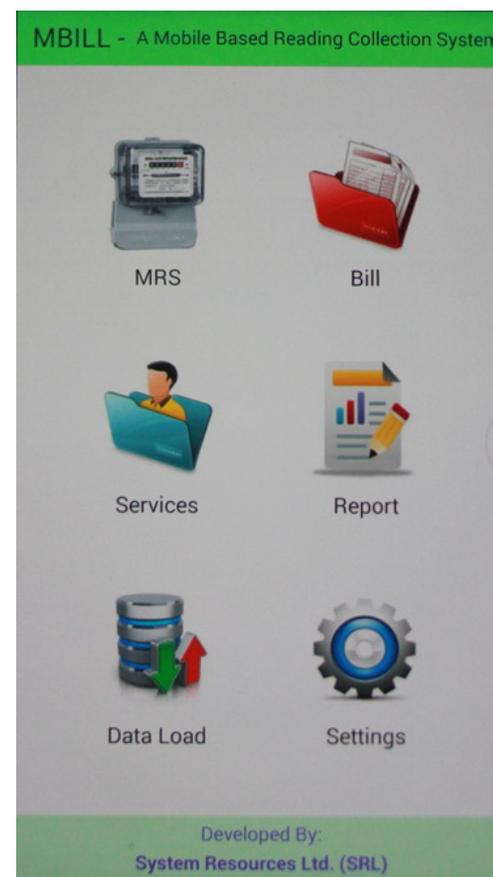
- A number of distributors are providing online bill payment service. However, most of them are not sufficiently equipped with security measures. For instance, an urban-centric distributor does not have any password protection against its consumers' data.
- Each account should be provided with a password for online log-in into the distributor' websites so that a two factor authentication is ensured.



The screenshot shows the DECO website interface. At the top is the DECO logo with the tagline "POWER IS YOURS". Below it is a header for the "Internet Bill Payment System". The main content area prompts the user to "Please enter your bill account number" and features a text input field labeled "Account No.", a "Login" button, and a "Help" link. A red arrow points to a warning message: "Before, use this facility/services please read instructions...". At the bottom, there is a "Back Home" link and a Norton Secured logo powered by VeriSign.

Solution – 9: Smart Billing

- BPDB is currently testing a new solution for their billing system. The new mechanism (developed by SRL) is designed to reduce cost, reduce delay and enhance transparency in the billing process.
- In this new system, a meter reader remotely connects with a workflow management system through a mobile app.
- He downloads his target households on daily basis, takes pictures of the meters, and enters the information in the mobile app.
- At the end of the day, he uploads a batch file to the server with the picture, meter reading, timestamp and GPS location of all households he visited that day.
- This solution is expected to be piloted for 100,000 connections across the country.



Solution – 10: Renewable Energy

- Only 55% of the households in Bangladesh are connected to the electricity grid. Renewable energy may offer viable opportunities for the remaining 45% off-grid households.
- Up to 2013, the total number of SHSs (Solar Home Systems) installed across the country is around 2.7 million (5 times the number of DESCO's connections).
- To meet the limited energy needs of rural customers and many MEs, renewable energy could be a good alternative.

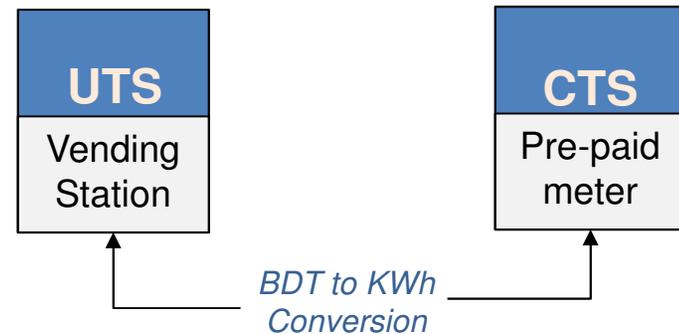
Solution – 11: Prepaid Metering

- To date, two distributors (DESCO and BPDB) deployed around 57,000 pre-paid meters across the country. We have talked to a few consumers who talked about some issues they still face.

Solution – 11: Prepaid Metering (contd.)

- Despite the early uptake, there are still a number of areas where further improvement is possible.

- Given the slab-tariff rate in Bangladesh, all pre-paid meters should work in **CTS (Currency Transfer System)**; not UTS (Unit Transfer System).



- Distributors don't have any mechanism to **get information from pre-meters and install tariff rate updates in real time**. For instance, DESCO can have this done only when the customer comes to the vending station to recharge his account.
 - If someone recharges his account for a longer period of time (say six months) and does not come to the vending station for a prolonged period of time, DESCO won't have any information about that specific meter for that long period. Further, the meter won't be updated if there is any change in tariff rate in the meantime.

Summary Mapping

- Solutions discussed so far can directly address multiple challenges as following:

SOLUTIONS

Solution - 1
Fast Track
Center

Solution - 2
Know Your
Connection

Solution - 3
Electricity
Agent

Solution - 4
24/7 Call
Center

Solution - 5
Service
Rating

Solution - 6
Bill in Local
Language

CHALLENGES

DEMAND SIDE

Challenge - A

New
Connection

Challenge - B

Grievance
Redressal

Challenge - C

Bribing the
Lineman

Challenge - D

Electricity
Bill

SUPPLY SIDE

SOLUTIONS

Solution - 7
Bill with
Useful Info.

Solution - 8
Data Security

Solution - 9
Smart Billing

Solution - 10
Renewable
Energy

Solution - 11
Pre Paid
Metering