

## Customer service value for mobile operators



High attrition rates and the ease with which customers can switch their service provider mean that the effectiveness of customer service processes and teams, and the impact they can have on retention, must be a key focus for mobile phone operators. Yet, in research conducted by Which?, customers rated the service they received from mobile phone operators at an average of only 30% and further Which? research demonstrates that four-fifths of people who switch mobile provider find it easy.

With the current trend for using price comparison websites such as [comparethemarket.com](http://comparethemarket.com), [gocompare.com](http://gocompare.com) and [confused.com](http://confused.com), coupled with the mobile industry's high attrition rates (around 40%), mobile operators should consider these vulnerabilities as an opportunity to invest in customer relationship management tools and customer service training to improve their own customer retention and grow market share by capturing those customers lost by their competitors.

### Direct Debit issues lead to change of provider

Research by Bacs Payment Schemes Limited (Bacs), the industry body responsible for managing Direct Debit, has shown that mobile operators represent 33% of the top offenders when it comes to customer service. Bacs' research, which looked at customer service standards in relation to Direct Debit, reveals that 48% of Direct Debit customers who experience an issue are more likely to change provider. This highlights that mobile operators have a significant customer service hurdle to overcome where Direct Debit is concerned. But by gaining greater understanding of what creates a negative customer experience, mobile operators will be in stronger position to address the issues. Bacs' research also shows that, despite having

experienced a problem, 21% of people who have had a good customer service experience are likely to use Direct Debits more, giving further weight to the value of investing in customer service.

Key negative experiences noted by customers in Bacs' research when talking to customer service teams were:

- They were slow to respond
- They didn't inform us of the problem
- They kept passing the blame
- They charged me
- They didn't listen.

In contrast, key positive customer experiences were:

- They refunded the money quickly
- They handled it well
- They sorted it out quickly
- They apologised.

### The advantages of a personal approach

From this it is possible to identify that speed of action, combined with an apologetic and helpful attitude, are key factors in a customer's perception of how well their problem has been addressed. This illustrates the advantages of a more personal approach to customer service. However, research by Freeform Dynamics highlights that, rather than adopting a more personal approach, many operators adopt a blanket solution that de-personalises Customer Relationship Management (CRM).

Freeform Dynamics suggests that this is the result of three key factors; customers' needs have not historically been a core consideration in the marketing mix; IT solutions utilised by mobile providers can inhibit easy dissemination of key information; and wider cost saving initiatives.

### Customer service teams to be brand ambassadors

Compounding the issue, research by OneCompare shows that one in three customer service staff is unable to answer basic questions relating to products and services. Training provides customer service teams with the 'tools' they require to become brand ambassadors for that company, including:

- Calm demeanour
- Clear communication
- Understanding of the issue
- In-depth knowledge of the product / service and relevant products such as payment solutions
- Ability to isolate the root problem and manage delivery of a solution.

In conclusion, investment in an efficient and effective customer service operation is a critical step for mobile phone operators in order to address the high churn rate. Training is a key consideration in achieving this objective, but this must be combined with a structured approach to CRM that provides an effective support mechanism for customer facing staff.

Bacs offers all service users a wide range of free of charge and paid for training tools to ensure that front line staff are equipped to efficiently and effectively handle any enquiries relating to Direct Debit. For more information please visit: <http://www.bacs.co.uk/training> or for e-learning courses visit: <http://www.bacslearning.com>.