

Managing telco customer loyalty

Telcos face challenge to attract new customers while keeping long-time ones happy

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SINGAPORE – Mr Cason Neo, 24, does not consider himself loyal to his mobile service provider, but when asked what has made him stick to M1 for four years, the fresh graduate can readily cite a list of reasons: It offers him “free calls to M1 friends and more outgoing minutes” and the convenience that comes from having “both my fibre (Internet) and handphone services in the same bill”.

Likewise, long-time SingTel customer, Teo Te Wei, 25, a business development intern, said that his “whole family has been using SingTel all the while because of the discounts we get from having multiple lines with them”.

They may keep an eye on what other perks the other telcos are offering their customers, but citing loyalty programmes that provide bundled discounts and convenience, Singaporeans appear generally happy with their respective service providers.

Indeed, the attitudes expressed by the customers that TODAY spoke to echo the latest Customer Satisfaction Index of Singapore (CSISG) findings by the Singapore Management University’s Institute of Service Excellence (ISES). The survey, conducted in the first quarter of the year, found that customer satisfaction with the info-communications sector was at an all-time high, rising 2.6 per cent to achieve a score of 67.7 points.

However, the survey also found that longer-tenured customers — those who have been with their telcos for two years or more — are becoming less loyal to their service providers and are more sensitive to price changes. ISES researchers proposed that these results might be due to the fact that telcos are “getting better at servicing their new customers”.

COMPETING TO KEEP CUSTOMERS HAPPY

Mr Neo, a fresh graduate, signed up with M1 when there was a “port-over S\$100 promotion” — which allows customers to retain their mobile numbers even when they switch providers. Asked what would make him go for another telco, he responded: “(Whichever) telco offers the best value will determine my decision to switch.”

Another M1 customer Alex Ang, 24, a student, said he and his family have been with M1 “from the beginning because the 35 per cent multi-saver promotion is good”. He added: “I am also staying with them because of perks such as handset upgrade vouchers, SunPerks points and movie tickets promotion on Sundays.”



Besides tantalising customers with attractive service plans, the right attitude can also make or break customers’ opinions of their service providers. BLOOMBERG

But further “mess-ups” — like the three-day service outage in January this year — might change his mind. “Or if there is an increase in price of services that is too much,” he added.

When contacted, the three telcos — SingTel, M1 and StarHub — disagreed that they were more focused on new customers than long-time ones.

M1 said it has not noticed such a trend. A spokesperson said: “We are constantly working to retain our customers and have in place various mobile service plans and programmes to encourage and incentivise customers to stay with us.”

Echoing a similar stance, a spokesperson from SingTel said: “We value all our existing customers and make sure they get the best offers from us. These include targeted and exclusive offers, additional discounts on bundled services, and rewards under our loyalty programme. We see a favourable response from existing customers on these additional benefits.”

StarHub’s Senior Vice-President for Customer Service Diana Lee, told TODAY that the company “will always treasure our existing customers”, and they are doing that by “expanding our loyalty programme to reward our customers with exclusive merchant privileges that are relevant and highly sought after”.

A REAL DIFFERENCE BETWEEN PROVIDERS?

Industry analyst Adrian Ho from research firm IDC believed that “churn is not a major issue for many telcos”, although not necessarily due to cus-

tomers’ loyalty. “Few consumers would bother to change service providers even with bad customer service as the perception is that this is the industry norm,” he said.

Consumers TODAY spoke to were mixed in their views on whether the telcos are doing enough to stand out.

Said Mr Neo: “I would say that service-wise, they are pretty much the same because they are unlikely to go the extra mile for you.” Mr Teo disagreed, pointing to differences in mobile services, such as the three free outgoing calls monthly offered by M1 to customers.

Mr Ho said the “bigger challenge for many telcos is to cross-sell or up-sell new services or get them to spend more money with them”. Therefore, the key for telco providers who want to retain customers or to get them to spend more is “to use service differentiation, like apps (applications) and content”, he noted.

THE HUMAN TOUCH

Beyond tantalising customers with discounts and comprehensive mobile service plans, the right attitude from service staff can also make or break customers’ opinions of their service providers, especially at call centres.

Sports executive Justina Tan, 40, said that her experience with SingTel’s customer service staff when she needed help with her Blackberry remains etched in her memory.

“I needed to have my Blackberry connected to my work email for work purposes, so I kept asking them how to do the syncing. In the end, the SingTel staff helped me to call Blackberry

* HOW THE TELCOS PERFORMED		
	Score	Increase (in points)
Sub-sector	67.7	+1.4
SingTel	69.3	+3.7
StarHub	66.8	+0.2
M1	64.3	-3.7

SOURCE: ISES

in US to help me to configure everything. I was very touched because they became a middleman to help me, and they were really good because they did not push me away,” said Ms Tan.

On the other hand, student Ong Yan Jie, 24, also a SingTel customer, has so far been less than impressed.

“Good customer service is when they are able to understand my problems and give me a reasonable and satisfactory response with a calm tone,” he said. “(SingTel staff’s) attitude might be okay, but when I ask them stuff, they don’t seem to know very much. They always have to call the relevant departments to check, and that takes a very long time.”

Similarly, Ms Gillian Choo, 22, an undergraduate, felt that StarHub could do a better job in communicating with customers. “I had some problems re-contracting my plan because one person promised me something, but when the follow-up call came, another service staff told me that those benefits were not applicable,” she said. “Although I empathise with them, I realised that kicking a fuss is sadly the fastest way to get a quick response from them.”

“We value all our existing customers and make sure they get the best offers from us.”
 A SingTel spokesperson