

The 2021 CX Divide

Australian telco
research on customer
engagement identifies
gaps in expectations
and reveals what
customers want.



Why customers matter more than ever

While changing telecommunications (telco) providers can be an arduous process, it is set to become easier when the consumer data right (CDR) legislation is rolled out across the telco sector. The CDR will give consumers greater access to and control over their data, putting the power back into their hands; ultimately, it will increase competition and the ease at which customers can change providers.

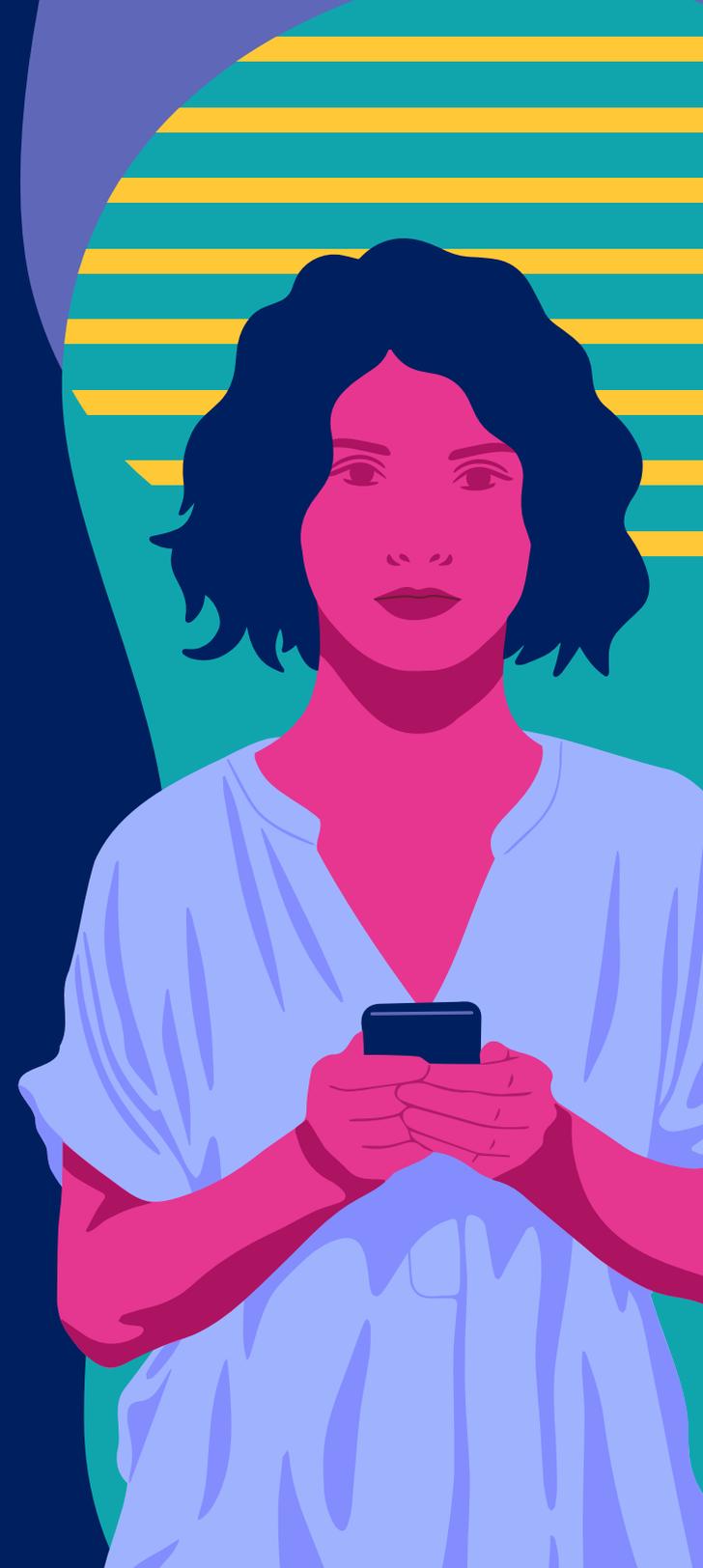
For telco providers, it means they must prioritise and delight customers more than ever, including how they engage with customers and solve their issues.

According to our study, only 21% of customers say their telco provider is “very easy to deal with”. Needless to say, there’s significant room for improvement.

Given the challenging (and in many cases, frustrating) process involved with changing providers, many consumers stay where they are, not because they’re happy, but because they’re content. However, with the impending introduction of CDR, those challenges may soon be a thing of the past, meaning customer relationships will become pivotal to telcos’ long-term success.

Supporting this point, our research shows the “big four” telco providers (Telstra, Optus, Vodafone and TPG/iiNet) maintain long relationships with customers **as over half (53%) have a tenure of six or more years**. But how much longer will they remain customers, if changing providers were to become so much easier?

The key to establishing and building relationships with customers lies in the interactions they have with their telco provider. So, it’s up to telcos to improve the quality of customer interactions in order to retain customers.



Customer interactions must improve

Customers rarely engage with their telco provider, with less than a quarter (23%) interacting several times a year. That being said, despite the best efforts of organisations to invest in and improve customer interactions via digital channels, the majority of customers still prefer traditional human interactions—59% would rather call or visit a store.

This pales in comparison with the financial services sector, with banks performing much better than telcos. Our research shows that 86% of consumers say their bank is easy to deal with, compared to less than three-quarters (71%) saying the same about their telco provider.

This shows that while the technology exists, telcos are not utilising and/or effectively deploying it to provide customers with the support they need. As such, **telcos must invest in delivering better and more “human” digital service experiences as the majority of customers are actively avoiding self-service and digital options** (such as visiting the website and/or smartphone apps); a trend not seen in the financial services sector.

Preferred way to contact main telco



15%
Visit a store



10%
Online self-service



10%
Visit the website or app



6%
Email or Text



9%
Live Chat



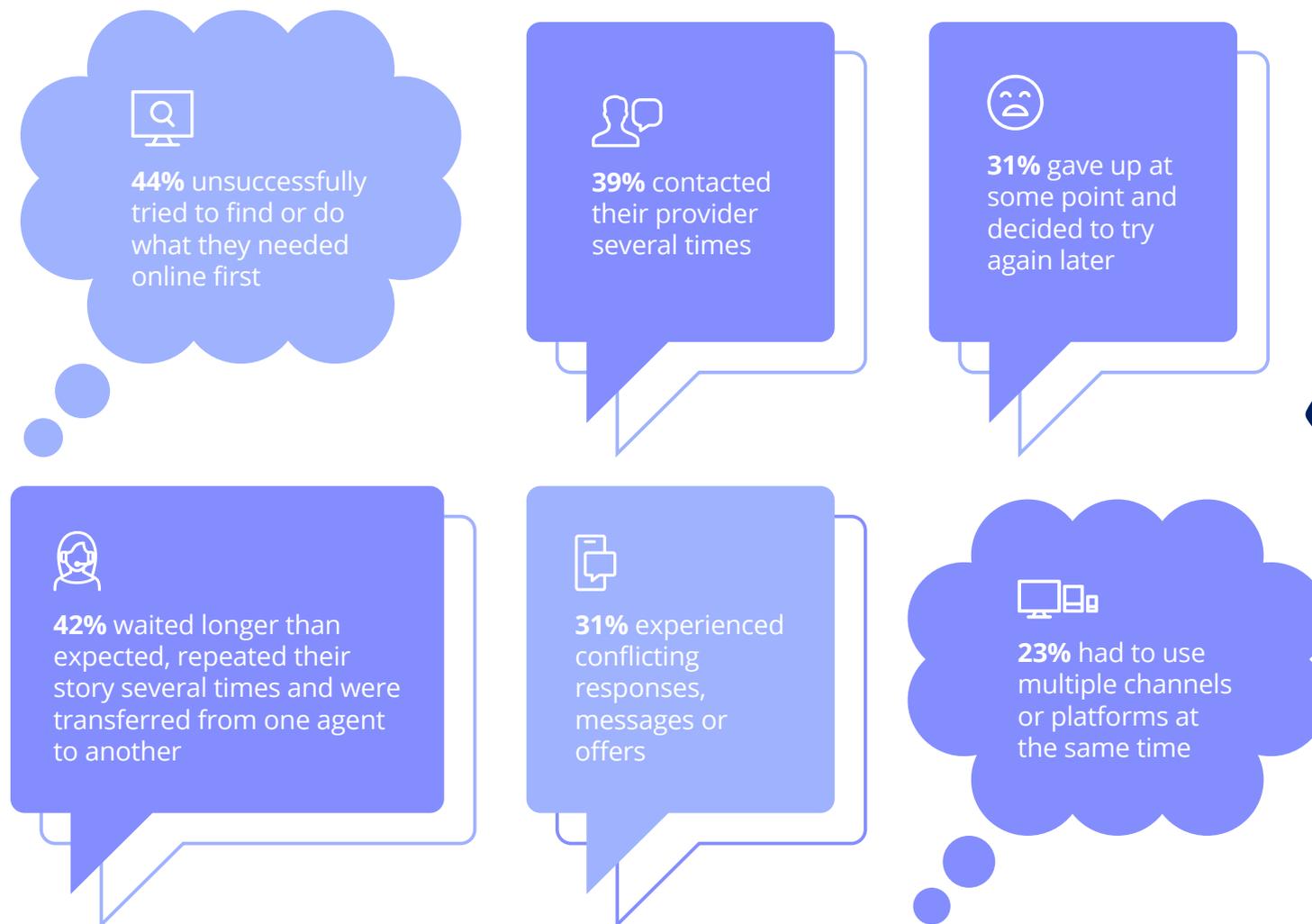
0.4%
Social Media



5%
Can't Say

Customer frustrations

While customers are rarely engaging with their telco provider, when they do, they're facing significant challenges in resolving issues in a timely manner. **Almost half (44%) of customers are unable to resolve an issue after the first contact** and almost three-quarters (71%) encounter at least one problem during their last contact.



Reduce frustrations, improve overall satisfaction

With so many customers sharing the same frustrations, it's important for telcos to acknowledge and address the issues they have; in doing so, customer satisfaction will improve and meaningful relationships will be established.

When looking at the eight factors impacting overall satisfaction, it's clear telcos fail to make customers feel valued.

Our analysis shows the top three contributors to overall satisfaction are:

- 1 Being easy to deal with
- 2 Sending communications and information relevant to the customer
- 3 Being good at rewarding customer loyalty.

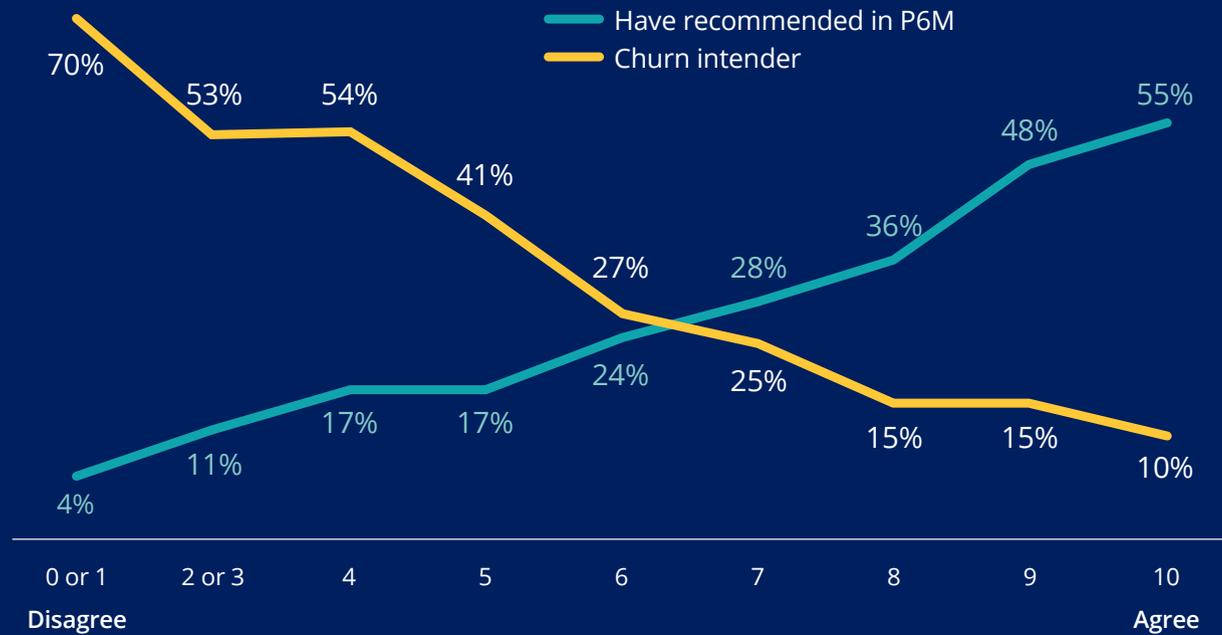
While this isn't a quick-fix, a good place for organisations to start is by **utilising centralised customer data to deliver personalised experiences**. By improving experiences, organisations inherently become "easier to deal with".



The top three relationship drivers of overall satisfaction with their main provider are:

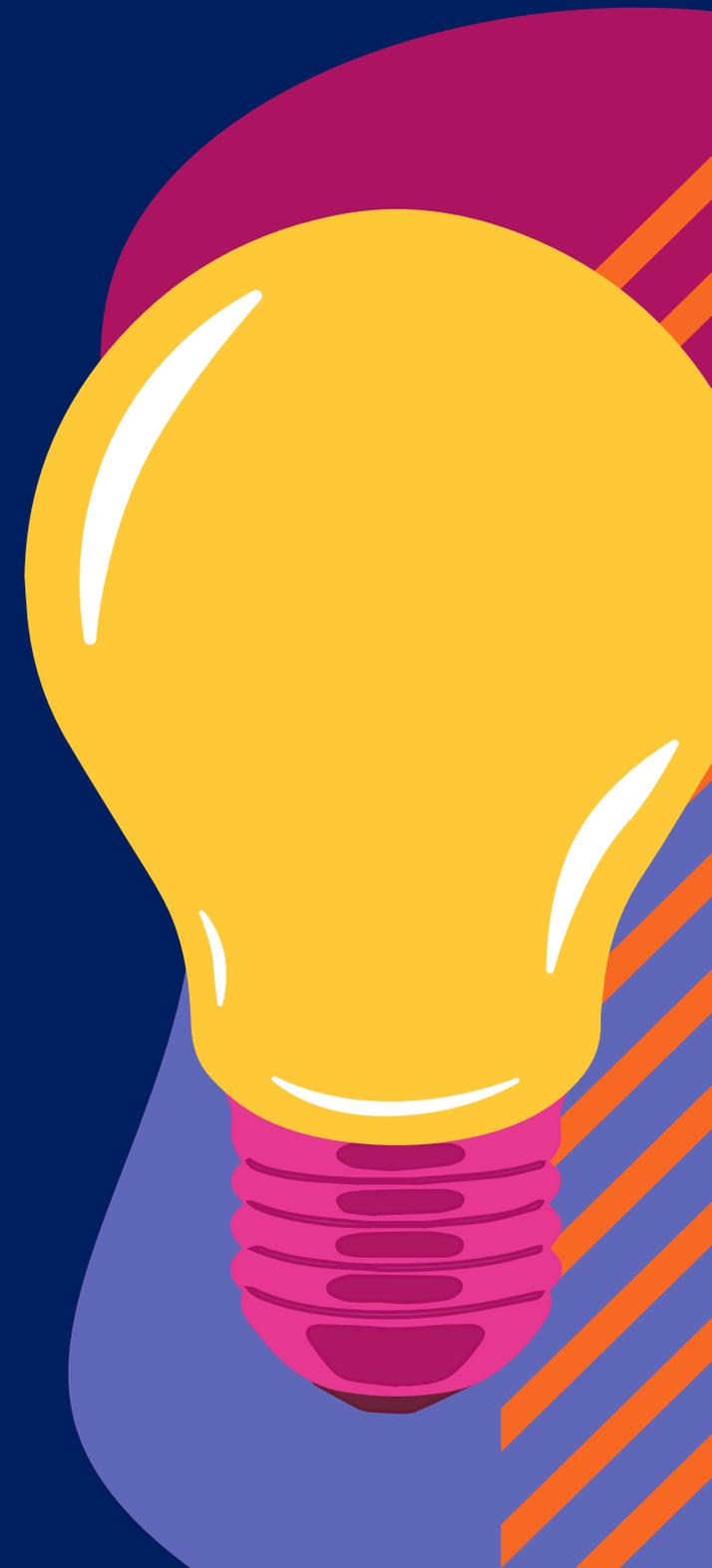


How much, on a scale from 0 to 10, do you agree or disagree that your main telco **is easy to deal with.**



Notice a correlation between a telco's churn rate and the likelihood a customer will recommend them? **It's no coincidence.**

Customers that find a telco "easy to deal with" are less likely to switch providers, while the likelihood they'll recommend the provider to someone else, increases. This shows being "easy to deal with" is a key driver when it comes to customer retention and advocacy.



5 keys to creating the gold standard of customer engagement

Collectively, the data shows the need for telco providers to focus on their engagement and retention strategies in order to give customers compelling enough reasons to stay with them besides inertia.

Here are 5 keys to successfully reducing the gap between customer expectations and satisfaction:

1

Personalise for the individual on a 1:1 basis

With customer expectations evolving fast and the ability to switch service providers becoming easier, customers demand experiences that are tailored to the individual. The only way to achieve this is by operationalising data on an individual customer basis to personalise every interaction.

2

Real-time matters

To foster customer relationships in today's fast-paced world, organisations must identify the moments that matter and respond instantly. This means not only being able to (access and assemble real-time data in order to) recognise important signals on need and intent as the customer engages, but also respond in-channel within 100 milliseconds.



5 keys to creating the gold standard of customer engagement

3 Lead with empathy first

To truly put the customer first, organisations need to lead with empathy. This means staying human during hard-times, prioritising service, and nurturing conversations when the customer has a problem, all while being sales-ready when it's relevant and suitable.

5 Go channel-less

To ensure engagement flows, it's important to deliver consistent and connected conversations across channels. Customers may start a conversation in one channel and finish it in another—this process has to be seamless. To maintain relevance, adapt and pivot with customers as needs change.

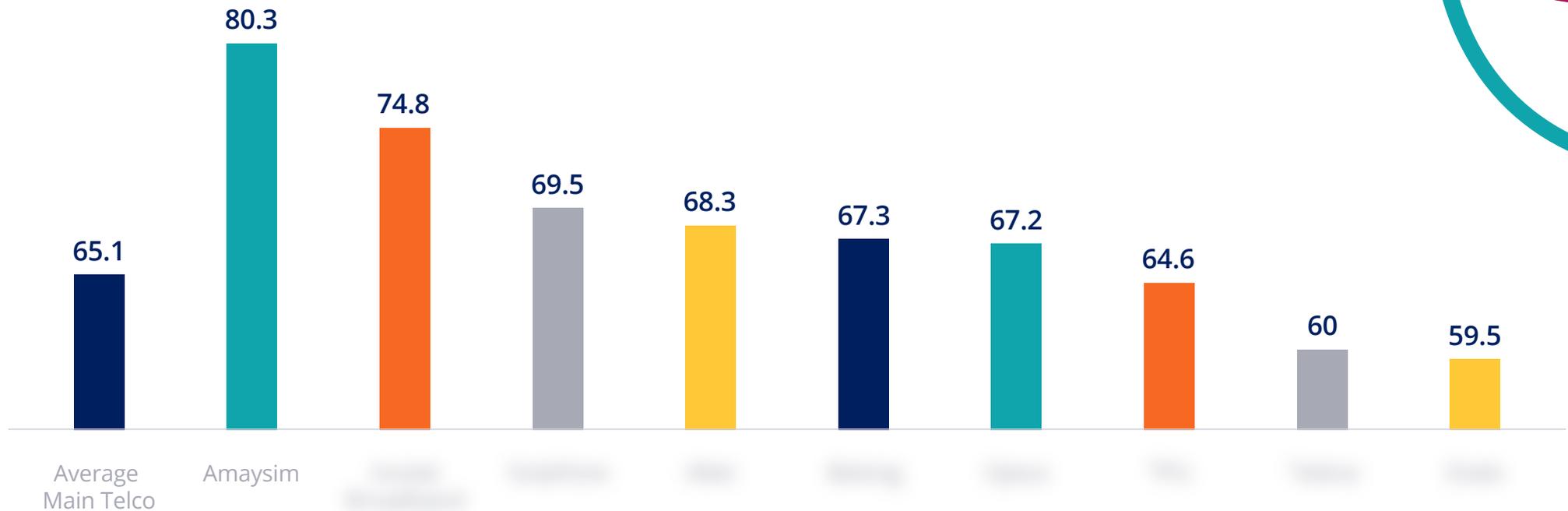
4 Engage proactively

Customers face tough choices; make them feel valued and cared for. To foster high value long-lasting relationships, organisations must engage them proactively with empathetic retention & loyalty programs.



Relationship index for telco providers

Taking into account a number of factors, we have developed the relationship index for telcos (ranked out of 100). The provider with the highest score is Amaysim (80.3) and the lowest score is 59.5. The average is 65.1.



To **find out where your organisation ranked**, or for more information on how we can support you in your customer engagement journey, **get in touch with your Pega account representative**.



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