Mobile Trends: Consumer Attitudes Toward Mobile Operators
Introduction

The ubiquity of the mobile phone means that the market is fiercely competitive, with telecom operators all vying for consumer attention. Given this, it is important that mobile operators create competitive differentiation based on services in addition to broadening the variety of handsets they have to offer. This is particularly important today, as consumers switch between operators just so they can adopt a particular handset.

Costs are also high in the operator market. The need to offer and deliver new services, from the mobile internet to video calls, Multimedia Messaging Service (MMS), and gaming—in addition to standard Short Message Service (SMS) and voice calls—means that network build is a huge overhead for every operator. It is essential that providers ensure the network bandwidth and capacity necessary to support the wide usage of all these services. In an increasingly competitive marketplace, organizations are trying to reduce churn by better serving their customers—while simultaneously reducing the cost of providing that service.

Against this backdrop, ATG (acquired by Oracle in November 2010) commissioned a survey to understand the attitudes of European consumers toward their mobile phone operators. The online study polled 5,038 mobile provider customers to explore how people in France, Germany, the Netherlands, Spain, and the U.K. feel about the customer service they experience online. The questions drilled down into the frequency with which consumers seek various types of online service and looked into the factors that would encourage consumers to engage more deeply with their providers online. This white paper presents the results of this survey and enables mobile operators to identify how to differentiate their offerings and gain market share.
Research Highlights

The survey results reveal some similarities among Europeans’ attitudes and behaviors, and yet there are marked and substantial differences in the way consumers react to their online experiences. For example, consumers in France and Germany are more loyal to their operator than any of the other European countries surveyed and generally tend not to leave for the sake of a new handset. Meanwhile, the Spanish are some of the least satisfied customers in Europe when it comes to the provision of online customer service from their mobile operators. The research also shows that consumers in the Netherlands and the U.K. rarely access their operator’s Website to access services. The report findings suggest clear areas for operators to improve, especially concerning the range of online services they offer their customers.

Consumers will churn to address handset preferences in France, the Netherlands, Spain, and the U.K.

- Spain has some of the most “handset loyal” customers, with as many as 61 percent of consumers saying they would switch operators if a provider did not have the handset they wanted.
- Consumers in France (48 percent), the Netherlands (40 percent), and the U.K. (45 percent) show similar signs of loyalty toward their handsets, stating that they too would switch operators to use the handset they wanted.
- The Germans, however, are the most loyal to their service providers, with more than 82 percent indicating that they would not switch operators just to get a particular handset.

Although the majority of customers have remained with the same operator, a significant number do switch, suggesting that other factors outside of handset preference are influencing consumers’ decisions of relationship longevity with their operators.

- More than half (53 percent) of consumers across Europe have been with the same operator for the past five years.
- However, more than a third (34 percent) of consumers across Europe have been with two operators in the past five years, and a further 12 percent reported that they have been with three or more mobile networks in the same time frame.
- Consumers in Spain are more likely to have been with two operators (41 percent) than their counterparts in France (33 percent), Germany (35 percent), the Netherlands (37 percent, and the U.K. (32 percent).
- Meanwhile, 15 percent of consumers in Germany claim to have been with three or more operators in the past five years, suggesting that handset preference may not be the only reason they switch providers.
Satisfaction levels for online customer service are inconsistent across Europe.

- Spanish consumers are among the least satisfied in Europe, with just less than half (40 percent) rating online services as poor or very poor.
- Just less than a fifth (19 percent) of French consumers indicate similar levels of dissatisfaction with the online customer service they experience.
- In contrast, consumers in Germany (22 percent), the Netherlands (28 percent), and the U.K. (27 percent) are some of the most satisfied in Europe, rating their online customer service as excellent.

Consumers across Europe want operators to improve the quality of services offered online.

- European consumers feel the need for a more personalized experience on their operator’s Website, with 40 percent of consumers in France, 30 percent in Germany, 45 percent in the Netherlands, 33 percent in Spain, and 29 percent in the U.K. all asking for personalization.
- 30 percent of consumers in France, 31 percent in Germany, 25 percent in the Netherlands, 34 percent in Spain, and 33 percent in the U.K. indicate that a “click to call” service would improve their online experience.
- Just less than a quarter (23 percent) of consumers in Germany call for more-personalized search results based on their browsing history, a priority echoed by those in the U.K., with 21 percent of Britons indicating the same desire.

Consumers are accessing services online but do so infrequently.

- About three-quarters of consumers in Germany (76 percent), the Netherlands (74 percent), and the U.K. (72 percent) access their operator’s Website once a month.
- Only 12 percent of consumers in Spain access their operator’s Website more than five times a month, rising to 54 percent of those that access it just once.
- About a fifth of consumers in France (22 percent) access their operator’s Website two to three times a month, compared to more than two-thirds (66 percent) who access it once a month.

Survey Results

Consumers today are increasingly less loyal to mobile providers than to handset brands. They are very willing to switch between mobile operators based on the handsets they want. So how can operators reduce this churn and keep their customer base loyal?

For telecom operators looking to retain their customers in a fast-paced and increasingly online environment, this research highlights a significant opportunity to increase brand loyalty through increased personalization of customer services and what the differences and opportunities are in France, Germany, the Netherlands, Spain, and the U.K. For example, in France and the Netherlands there’s a real opportunity for operators to increase the levels of personalization and customer services they provide online. In Spain, where handset loyalty is at its highest, operators could broaden the range of handsets they offer in an effort to reduce churn. Meanwhile, operators in Germany and the U.K.
could encourage customers to visit their Website more frequently by adding more features, such as click-to-call services and personalized home pages.

The report also gives operators valuable insight into the types of services customers would like to see integrated into their online experience. With 43 percent of consumers across Europe indicating a preference for a desired handset over an operator brand, alarm bells should be ringing for operators. Operators must strategize how they can offer value to European consumers that will trump their desire to leave the provider because of a handset preference.

Improving the online experience is the ideal avenue for operators to explore. With only 20 percent of consumers in Europe rating their online experiences as excellent, consumers are keen for operators to improve customer service online. For example, more than one-third (35 percent) of customers in Europe surveyed said they would like to have personalized home pages based on their individual requirements, while 30 percent would like to see click-to-call services integrated into operator Websites, to make contact simpler and easier when issues arise. Across Europe, there is also a desire for user reviews (16 percent) and personalized search results (18 percent) based on browsing history.

Consumer interaction with their mobile phone providers online is consistently low throughout Europe. Nearly three-quarters of consumers (68 percent) visit their operator’s Website only once a month to access services online. Operators should look for ways they can encourage consumers to make repeat visits, such as offering incentives or discounts on deals sold solely online or by giving customers greater flexibility in the way they pay for and manage their bills. Given the frequency and familiarity that many consumers now have with online services across various other sectors such as travel and retail, telecom operators need to implement advanced technology platforms to help them drive online engagement, bringing their customers closer to the brand.

Key Recommendations

Taking note of these findings, here are a few recommended actions operators can take to increase customer loyalty.

Fight for Your Customers

Mobile operators are increasingly fighting against customer churn, and mobile providers have a significant opportunity to differentiate their online service offering as a way to increase loyalty. Operators also must look for ways to drive a consistent and satisfying experience throughout the customer lifecycle, and across each of the various channels to market. It is essential that customer interactions are consistent across each of the contact channels so the customer remains at the center of any engagement with the brand. Above all, operators need to find ways to leverage what they know about their customers to ensure a satisfying and ultimately profitable relationship.
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Have a Single Customer View to Replicate the Offline Experience Online

Operators must look for ways to constantly increase individual customer satisfaction and, perhaps most importantly, to encourage repeat visits and interactions with the brand. Not only will this maintain loyalty, but it will also help to attract prospects. Operators should take previous customer interactions into account when providing service online. For example, if a customer last logged in to check a bill, the next time they visit the Website the operator could show them new ways to analyze their bills or offer an SMS service with bill updates.

Give Customers an Easy Way to Speak to a Service Agent

Giving consumers visiting the Website the option to speak to a customer service agent in their local language is an excellent way to enhance the online customer service experience. A click-to-call service allows consumers to bypass lengthy feedback and inquiry forms or confusing voice response menus. This can be set up in a way that connects users with the most appropriate sales or service agent based on their specific needs, rather than their having to endure the frustration of being put on hold when contacting a call center. For the operator, the benefits include being able to control exactly where click-to-call invitations appear and then offering relevant help and support, which in turn enable operators to increase sales, satisfy more customers, and reduce service costs.

Offer Personalized Services

In such a fiercely competitive market, operators need to pull out the stops if they are to keep and expand their customer base. After all, when consumers are satisfied with their experience they are more likely to return, making them good candidates for cross-selling and up-selling in later interactions.

Conclusion

Essentially operators need to offer something different from the competition. In a world that increasingly turns online to purchase goods and services, there is a real need to find ways to better engage with the consumer using this channel. An obvious way to do this is by deploying technologies for presenting the consumer with all the information they need so they can make the most informed decisions possible. The benefits this brings in terms of deeper customer engagement and increased satisfaction cannot be ignored. Done well, not only will this help to reduce customer churn, but it will also drive cross-sell and up-sell by creating deeper loyalty to the Website and brand, ultimately leading to improved Average Revenue Per User (ARPU) and increased market share.

Operators therefore need to implement solutions that allow them to deliver targeted content, whether in the form of a promotion, a personalized recommendation, or relevant product information based on each individual customer’s profile and the context of their shopping experience. This approach cuts through the white noise of information overload, providing customers with a more relevant and personalized experience.