Consumer Satisfaction Survey 2011

Summary Report

Table of Content

List of Table

List Of Figures

1. BACKGROUND

The Malaysian Communication and Multimedia Commission (SKMM) have been monitoring the consumer's level of satisfaction with the overall performance for the customer services that was provided by the local carriers in Malaysia since 2001.

As a regulatory body, MCMC aims to gauge the consumer's needs and expectations while monitoring how these needs and expectations changes over time with a Consumer Satisfaction Survey (CSS). The consumer survey forms a major part of SKMM's quality of service monitoring and is considered as one of the benchmark (from consumer's perspective) for the various services provided to them. The results of the survey presents an insight into the consumers' perceived level of the services offered by the various service providers.

The survey findings will allow MCMC to take on various measures to address the needs and expectations that has the highest impact on the consumers' satisfaction areas identified. The consumer satisfaction survey will allow all parties, which includes MCMC and industry players to prioritize and address shortcoming issues in a tactical manner.

The 2011 CSS study covered mobile cellular services, consumer broadband (includes both fixed-line and wireless broadband) services and commercial broadband service. The SKMM have conducted a total of ELEVEN (11) surveys over the past eleven years. The following Table 1 and Table 2 provide a summary of these surveys:

TABLE 1

Summary of SKMM CSS Surveys (2001-2003)

YEAR	PERIOD	CONSULTANT
2001	[Wave 1] Survey: February – April, Results: June	Taylor Nelson Sofres (TNS)
2001	[Wave 2] Survey: April – October, Results: November	Taylor Nelson Sofres (TNS)
2002	Wave 3	Taylor Nelson Sofres (TNS) and Universiti Kebangsaan Malaysia (UKM)
2002	[Wave 4] Survey: September – October, Results: December	Taylor Nelson Sofres (TNS) and Universiti Kebangsaan Malaysia (UKM)
2003	[Wave 5] Survey: April - June	Taylor Nelson Sofres (TNS) and Universiti Kebangsaan Malaysia (UKM)
2003	Wave 6	Taylor Nelson Sofres (TNS), International Islamic University (IIUM) and Universiti Kebangsaan Malaysia (UKM)

Source: IDC, 2012

TABLE 2

Summary of SKMM CSS Surveys (2001-2011)

YEAR	METHODOLOGY	CONSULTANT	NOTES
2004	Survey: August - December	Taylor Nelson Sofres (TNS)	Residential & Commercial; 11 services
2006	CATI and Face-to-face	International Data Corporation (IDC)	Residential & Commercial; 35,079 sample achieved.
2006	CATI and Face-to-face	International Data Corporation (IDC)	Residential & Commercial; 11 services; 35,079 total sample achieved. (4 services = 9,385 sample achieved)
2007	CATI and Face-to-face	International Data Corporation (IDC)	Residential & Commercial; 11 services; 35,171 total sample achieved. (4 services = 10,154 sample achieved)
2009	CATI	SKMM	Residential & Commercial ; 3 services, total of samples achieved
2010	CATI and Face-to-face	University Technology Malaysia (UTM)	Residential & Business; 4 services; 8,077 samples achieved.
2011	CATI	International Data Corporation (IDC)	Residential & Commercial; 3 services; 4,622 samples achieved

Source: IDC, 2012

2. CONSUMER SATISFACTION SURVEY 2011 OBJECTIVES

The objectives of the 2011 Consumer Satisfaction Survey are the following:

- Measure the satisfaction level of Mobile Cellular Services and Broadband services and to identify areas of improvement.
- To continue in monitoring and improving consumer's needs and expectations where based on the consumers' satisfaction index and impact, tactical targets and goals can be set for each industry player.

3. SCOPE OF COVERAGE

The 2011 Consumer Satisfaction Survey that was conducted by IDC was focused on only THREE (3) services. These three services were Mobile Cellular, Commercial Broadband and Consumer Broadband Services, which involved a total number of 4,622 respondents. The Consumer Satisfaction Index survey for Mobile Cellular and Broadband Services was re-initiated after a lapse of two years, since 2009 that was conducted internally by SKMM.

The last survey, which was conducted by Universiti Teknologi Malaysia (UTM) in 2010, was focused on only FOUR (4) services – free-to-air television (FTATV), free-to-air radio (FTAR), postal and courier services.

The latest survey was conducted entirely via Computer Aided Telephone Interviews (CATI). Each of the Mobile Cellular and Broadband Service providers were rated by their respective subscriber base (both commercial and consumer).

The Mobile Cellular category in 2011 has included

- Mobile operator, U Mobile
- And MVNO operator, Tune Talk.

While under the broadband category, the list of telecommunication service providers has expanded to include mobile wireless broadband service providers and WiMAX operators, namely:

- Maxis
- Celcom
- DiGi
- U Mobile
- YES (WiMAX)
- P1 (WiMAX)

4. SAMPLING AND METHODOLOGY

The population of respondents in this survey were all users aged 18 years and above while the commercial broadband segment were end-users with telecommunication decision making responsibilities for its company.

Details of the sampling and methodology used are as follows.

Sampling

This study covered THREE service categories (3 surveys) as listed in TABLE 3 below, by separating the residential and commercial respondent segments. Certain part of the services categories were asked both in the residential and commercial segments while a few categories were asked only once in their particular segment i.e. residential or commercial depending the nature of the service usage.

The TABLE 3 below summarizes the service categories covered in this study, indicating the segments and service provider(s) covered, interview method and sample size achieved.

TABLE 3

Service categories covered in CSI 2007, indicating the segments and service provider(s) covered, interview method and sample size achieved

NO	SERVICE	SEGMENT	TARGET RESPONDENTS	2011 SAMPLES ACHIEVED	SURVEY METHOD	CONFIDENCE LEVEL AND MARGIN OF ERROR
1	Mobile Cellular		Consumers aged 18 and above	1,542	CATI	95% (+/- 5%)
2	Broadband	Commercial	Telecommunication decision makers	384	CATI	95% (+/- 5%)
3	Broadband	Consumer	Consumers aged 18 and above	2,696	CATI	95% (+/- 5%)
			TOTAL	**4,622**		

Source: IDC, 2012

To represent the population distribution of various subscribers, the responses from the 2011 Consumer Satisfaction Survey was weighted based on the following, sourced as of between November and December 2011:

- Service provider's subscriber population; or
- The subscriber base by regional using subscriber or customer population based on national statistics.

The TABLE 4 below summarizes the service providers covered in this study, indicating the segments covered, interview method and sample sizes achieved.

TABLE 4

Sample Size for EACH Telecommunication Service Provider according to the Services

NO.	SERVICE	OPERATOR	2011 SAMPLES ACHIEVED	SURVEY METHOD	CONFIDENCE LEVEL AND MARGIN OF ERROR
1	Mobile Cellular	Maxis	385	CATI	95% (+/- 5%)
2	Mobile Cellular	Celcom	387	CATI	95% (+/- 5%)
3	Mobile Cellular	DiGi	386	CATI	95% (+/- 5%)
4	Mobile Cellular	U Mobile	174	CATI	95% (+/-7.43%)
5	Mobile Cellular	Tune Talk	210	CATI	95% (+/-6.73%)
6	Commercial Broadband	TM	384	CATI	95% (+/- 5%)
7	Consumer Broadband	TM	384	CATI	95% (+/- 5%)
8	Consumer Broadband	Maxis	384	CATI	95% (+/- 5%)
9	Consumer Broadband	Celcom	384	CATI	95% (+/- 5%)
10	Consumer Broadband	U Mobile	385	CATI	95% (+/- 5%)
11	Consumer Broadband	DiGi	384	CATI	95% (+/- 5%)
12	Consumer Broadband	YTL (YES)	388	CATI	95% (+/- 5%)
13	Consumer Broadband	P1	387	CATI	95% (+/- 5%)
		TOTAL	**4,622**		

Source: IDC, 2012

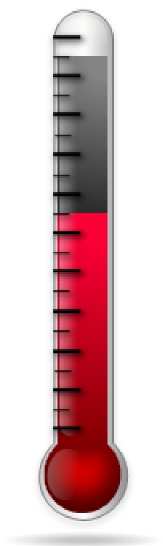
Methodology

The data for this project was gathered using the Computer Aided Telephone Interviews (CATI) method throughout the study. The CATI survey utilized the original customer satisfaction attributes adopted from the previous Mobile Cellular and Broadband Customer Satisfaction surveys. The customer satisfaction attributes and questions in 2011 CSS study were based on the feedback given by service providers to SKMM in the past surveys.

The questionnaires contained questions related to service attributes unique to the service type. These attributes are then asked to be rated against two (2) main criteria – Performance and Importance using a 7-point Likert scale (1 being the least and 5 the highest score). These will then allow the identification of Mean Importance and Mean Performance of each service attribute.

FIGURE 1

7-point Likert Scale and its Statements



Rate as 1 – Not important at all

Rate as 2 – Not important

Rate as 3 – Somewhat unimportant

Rate as 4 – Neutral

Rate as 5 – Somewhat Important

Rate as 6 – Very Important

Rate as 7 – Extremely Important

Rate as 1 – Extremely unsatisfied

Rate as 2 – Very unsatisfied

Rate as 3 – Somewhat unsatisfied

Rate as 4 – Neutral

Rate as 5 – Somewhat satisfied

Rate as 6 – Very satisfied

Rate as 7 – Extremely satisfied

Source: IDC, 2012

While historically a 5-point Likert scale was used, the 7-point scale was adopted this year to provide respondents with a wider selection of grading. This is to identify where the gravity of their sentiment was to lean. Although a 7-point Libert scale has been adopted, the results will be tabulated and normalized according to a 5-point scale rating to provide a historical index comparison and analysis.

Two main outputs are derived from this study. One is the Customer Satisfaction Index (CSI) on each service provider and the other is the Service Quality Gap on each attribute for each service type.

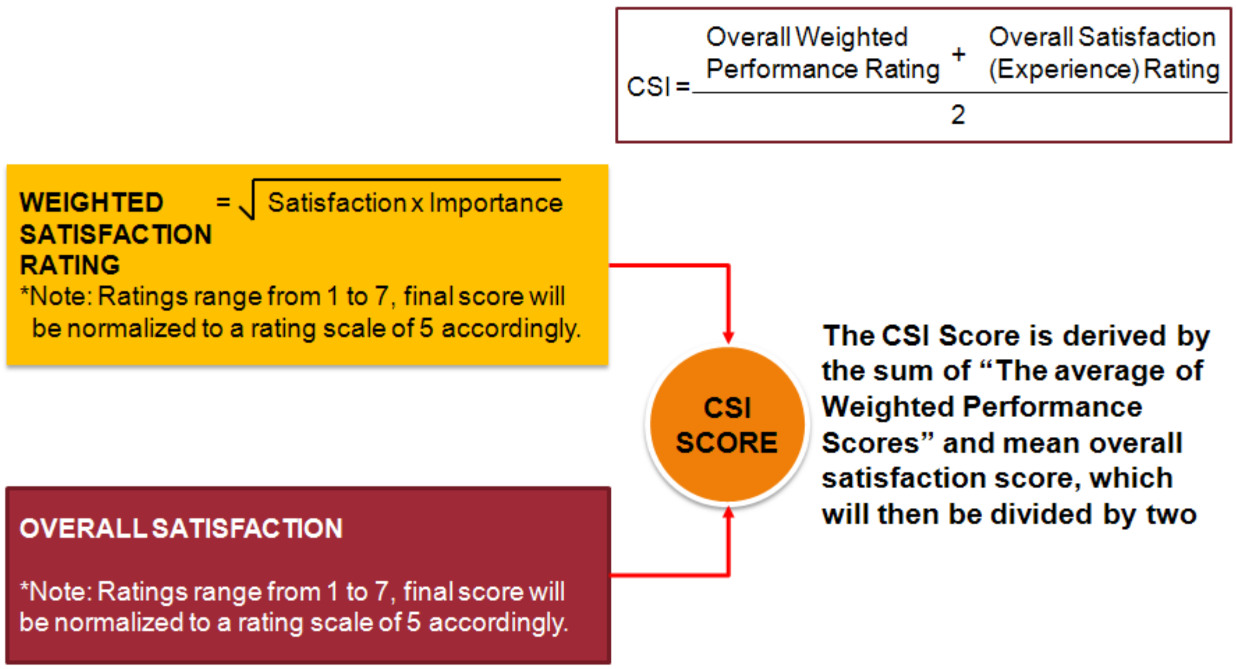
5. CONSUMER SATISFACTION INDEX (CSI) AND SERVICE QUALITY GAP

Consumer Satisfaction Index (CSI)

The calculation for Customer Satisfaction Index (CSI) was adopted from previous surveys by SKMM. It was derived by the sum of the Mean Weighted Performance scores of 1-5 and the Mean Overall Satisfaction score, which are then divided by two, as shown in Figure 2 below. The CSI for each of the four services are calculated using this formula.

FIGURE 2

Consumer Satisfaction Index (CSI) Calculation Model



Source: IDC, 2012

Service Quality Gap

The Service Quality Gap (SQG) is the gap between a customer's perception of the experience and the customer's expectation of the service. The Service Quality Gap (SQG) used in this study is calculated on each attribute for a service type. It is derived by taking the difference between the Mean Performance (P_k) and Mean Importance (I_k) for a particular attribute (k) as shown in the formula below:

$\mathbf{SQG_k = P_k - I_k}$ where SQG =[>0, 0, <0] and P is Mean performance and I is Mean Importance,

The gap value is either positive, zero or negative. A positive value means that Mean Performance exceeds the Mean Importance of a particular attribute, which indicates that the attribute is above the expectations of the respondents. On the other hand, a negative value means that Mean Performance is below the Mean Importance of a particular attribute, which indicates that the attribute has not met the expectations of the customer and thus should be improved.

6. EXECUTIVE SUMMARY

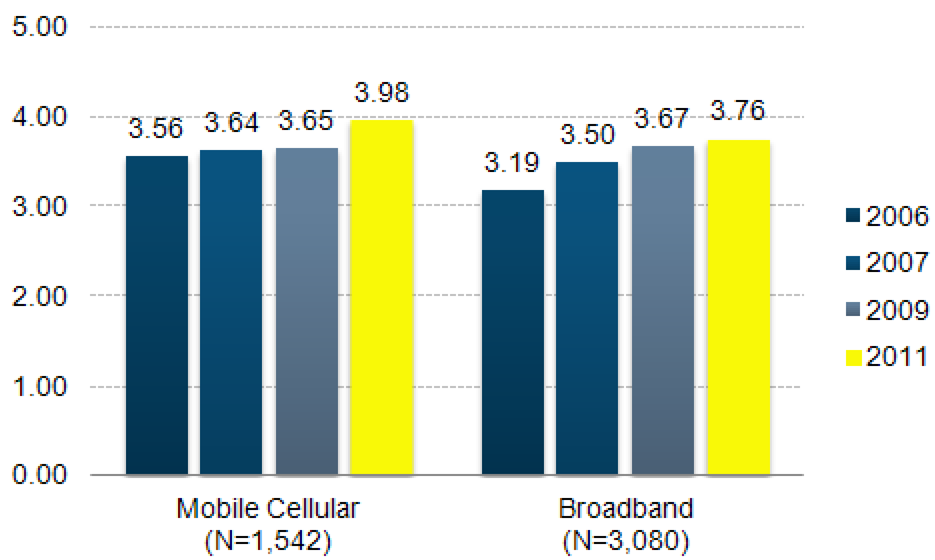
The general consumer satisfaction levels with the Malaysian Mobile Cellular and Broadband service industry have improved in 2011, showing an increase of 0.33 in comparison to a flat increase in 2009 over 2007.

There were improvements in most consumer service attributes evaluated, which has helped with the overall CSI score for each service category. The telecommunication service providers were able to collectively maintain consumer satisfaction above the industry benchmark of 3.2 that was set by SKMM in the "SKMM Strategic Plan" (2010-2012).

Consumer satisfaction levels have increased over the years and IDC feels that this is greatly attributed to the increase in competition among telecommunication service providers today for a saturated but maturing subscriber base, in terms of usage behavior. The Malaysian subscribers are now looking at higher value services from their service providers.

FIGURE 3

Comparisons of CSI Scores (2006-2007 vs. 2009 vs. 2011) by Service Categories



NO	SERVICE	2011 Sample, N	CSI Difference		
			2006-07	2007-09	2009-11
1	**Mobile Cellular**	**1,542**	**0.08**	**0.01**	**0.35**
2	**Broadband**	**3,080**	**0.32**	**0.18**	**0.09**

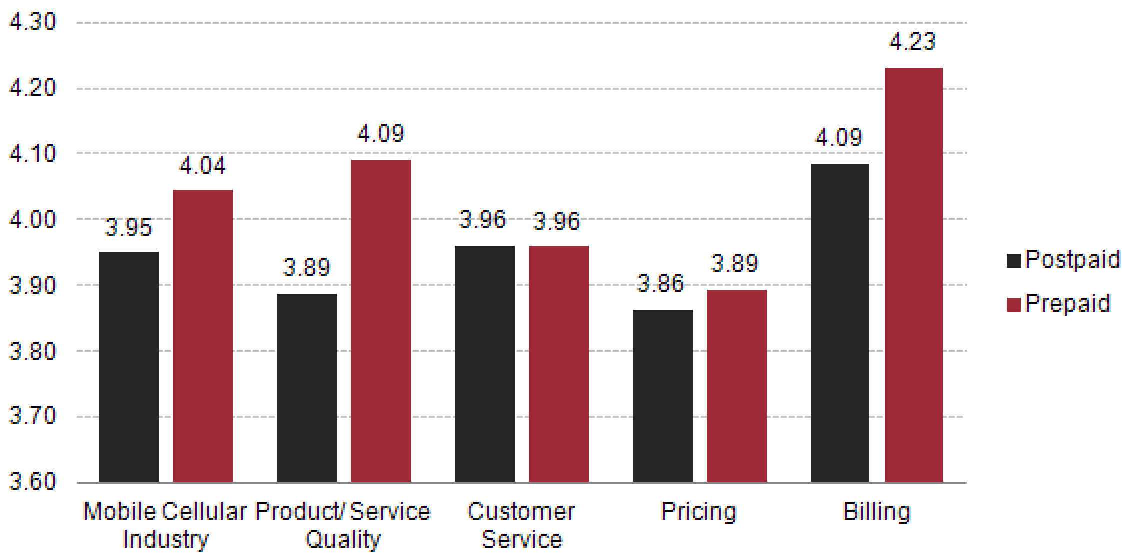
Source: IDC, 2012

7. DETAILED FINDINGS

A. Mobile Cellular Services

FIGURE 4

Mobile Cellular Service 2011 CSI Performance by Service Factors



Source: IDC, 2012

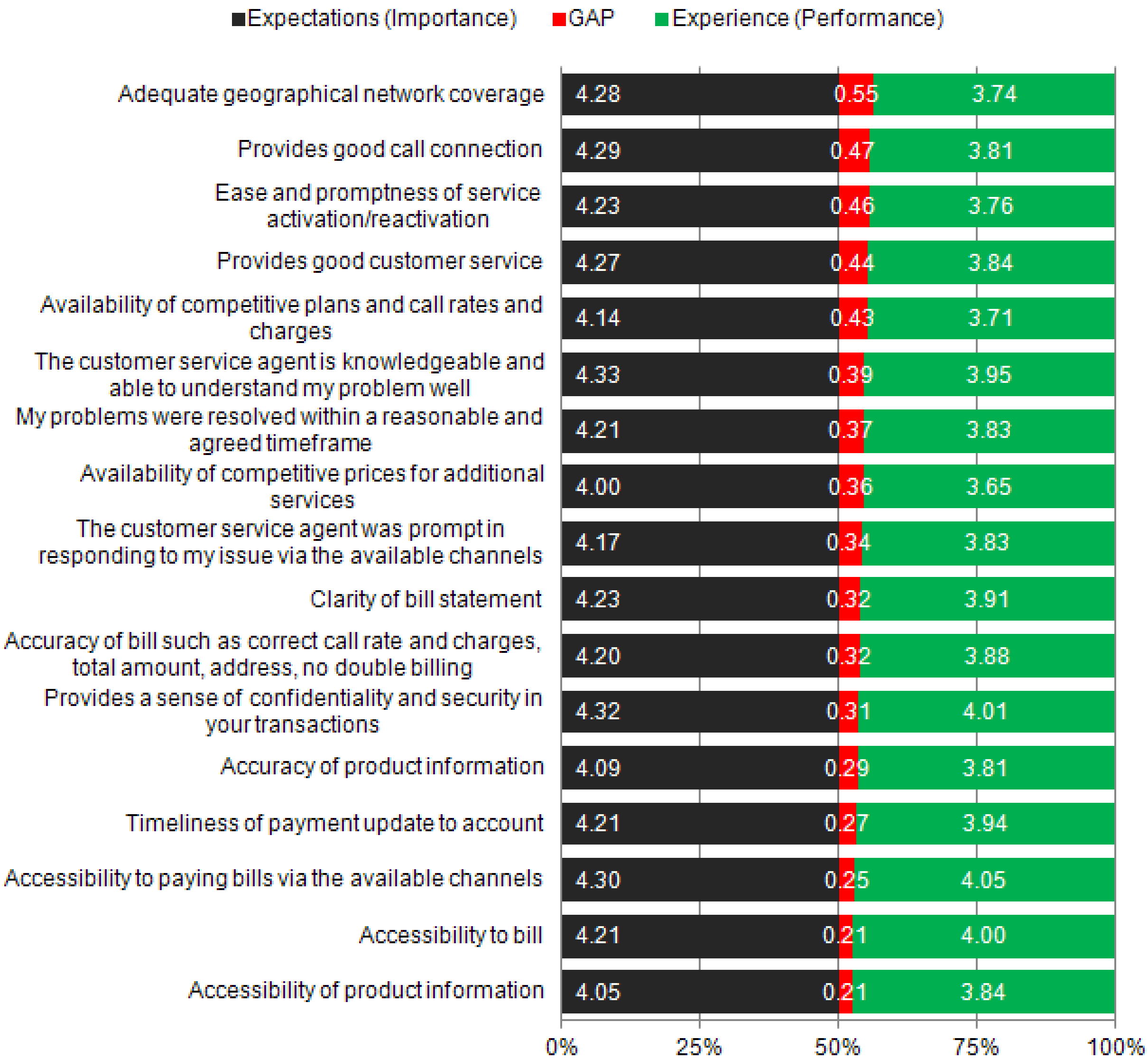
Prepaid subscribers came out slightly more satisfied than their post paid counterparts with an index of 4.04, which is about 3% higher than the index of 3.95. Generally, post paid subscribers tend to be more critical of their mobile cellular service because they are highly reliant on their mobile connectivity and subscribed to a monthly commitment fee.

From the survey, post paid subscribers seem to disagree with the prepaid subscribers on the quality of service received from their mobile operators. Based on IDC's observations, prepaid subscribers tend to utilize the SMS service more while post paid subscriber spend more time on the service via voice calls and possibly data services. With that, post paid subscribers are more critical and have a higher propensity to utilize and experience the performance of the entire spectrum of mobile services available.

Notable responses captured from post paid subscribers pointed out poor network coverage around central business due to black spots as informed by customer service and reception experienced within certain buildings and shopping areas for different mobile operators.

FIGURE 5

Mobile Cellular POSTPAID 2011 Service Quality Gaps



Source: IDC, 2012

Each mobile cellular POSTPAID service provider was evaluated based on SEVENTEEN (17) attributes as are shown in **Figure 5** above. The attributes with the **highest importance ratings** and significant **gaps in Service Quality ratings** are listed below in the order of priority.

AREAS OF IMPORTANCE:

1. The customer service agent is knowledgeable and able to understand my problem well
2. Provides a sense of confidentiality and security in your transactions
3. Accessibility to paying bills via the available channels
4. Provides good call connection
5. Adequate geographical network coverage
6. Provides good customer service
7. Clarity of bill statement
8. Ease and promptness of service activation/reactivation
9. Accessibility to bill
10. Timeliness of payment update to account
11. My problems were resolved within a reasonable and agreed timeframe
12. Accuracy of bill such as correct call rate and charges, total amount, address, no double billing
13. The customer service agent was prompt in responding to my issue via the available channels
14. Availability of competitive plans and call rates and charges
15. Accuracy of product information
16. Accessibility of product information
17. Availability of competitive prices for additional services

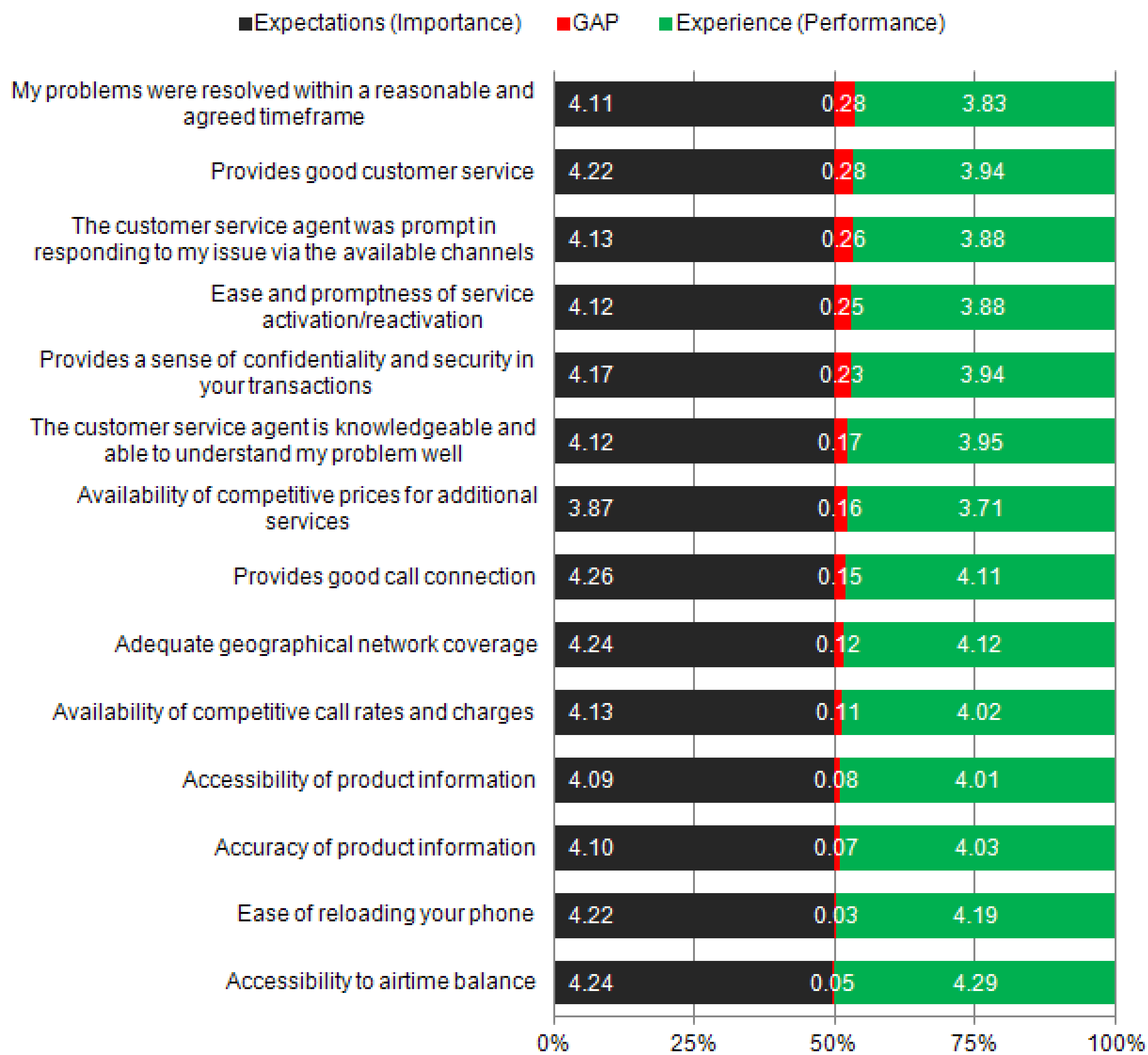
The Service Quality Gap analysis reveals that the average SQG across these attributes were **0.35**. The attributes which have SQG values higher than the average SQG are thus highlighted as areas that needs improvement, in order of priority are as below.

AREAS OF IMPROVEMENT:

1. Adequate geographical network coverage
2. Provides good call connection
3. Ease and promptness of service activation/reactivation
4. Provides good customer service
5. Availability of competitive plans and call rates and charges
6. The customer service agent is knowledgeable and able to understand my problem well
7. My problems were resolved within a reasonable and agreed timeframe

FIGURE 6

Mobile Cellular PREPAID 2011 Service Quality Gaps



Source: IDC, 2012

Each mobile cellular PREPAID service provider was evaluated based on FIFTEEN (15) attributes as are shown in **Figure 6** above. The attributes with the **highest importance ratings** and significant **gaps in Service Quality ratings** are listed below in the order of priority.

AREAS OF IMPORTANCE:

1. Provides good call connection
2. Adequate geographical network coverage
3. Accessibility to airtime balance

4. Ease of reloading your phone
5. Provides good customer service
6. Provides a sense of confidentiality and security in your transactions
7. The customer service agent was prompt in responding to my issue via the available channels
8. Availability of competitive call rates and charges
9. Ease and promptness of service activation/reactivation
10. The customer service agent is knowledgeable and able to understand my problem well
11. My problems were resolved within a reasonable and agreed timeframe
12. Accuracy of product information
13. Accessibility of product information
14. Availability of competitive prices for additional services

The Service Quality Gap analysis reveals that the average SQG across these attributes were **0.16**. The attributes which have SQG values higher than the average SQG are thus highlighted as areas that needs improvement, in order of priority are as below.

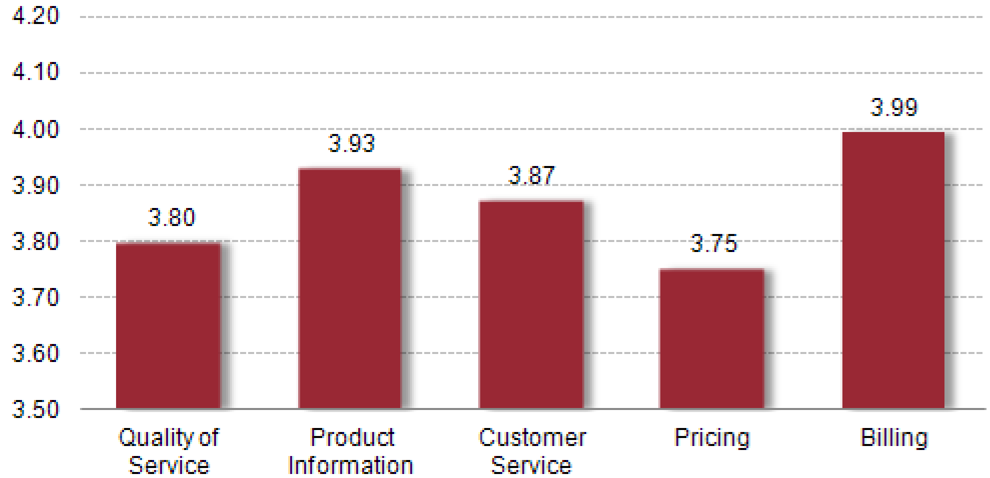
AREAS OF IMPROVEMENT:

1. My problems were resolved within a reasonable and agreed timeframe
2. Provides good customer service
3. The customer service agent was prompt in responding to my issue via the available channels
4. Ease and promptness of service activation/reactivation
5. Provides a sense of confidentiality and security in your transactions
6. The customer service agent is knowledgeable and able to understand my problem well

B. Consumer Broadband Services

FIGURE 7

Consumer Broadband Service 2011 CSI Performance by Service Factors



Source: IDC, 2012

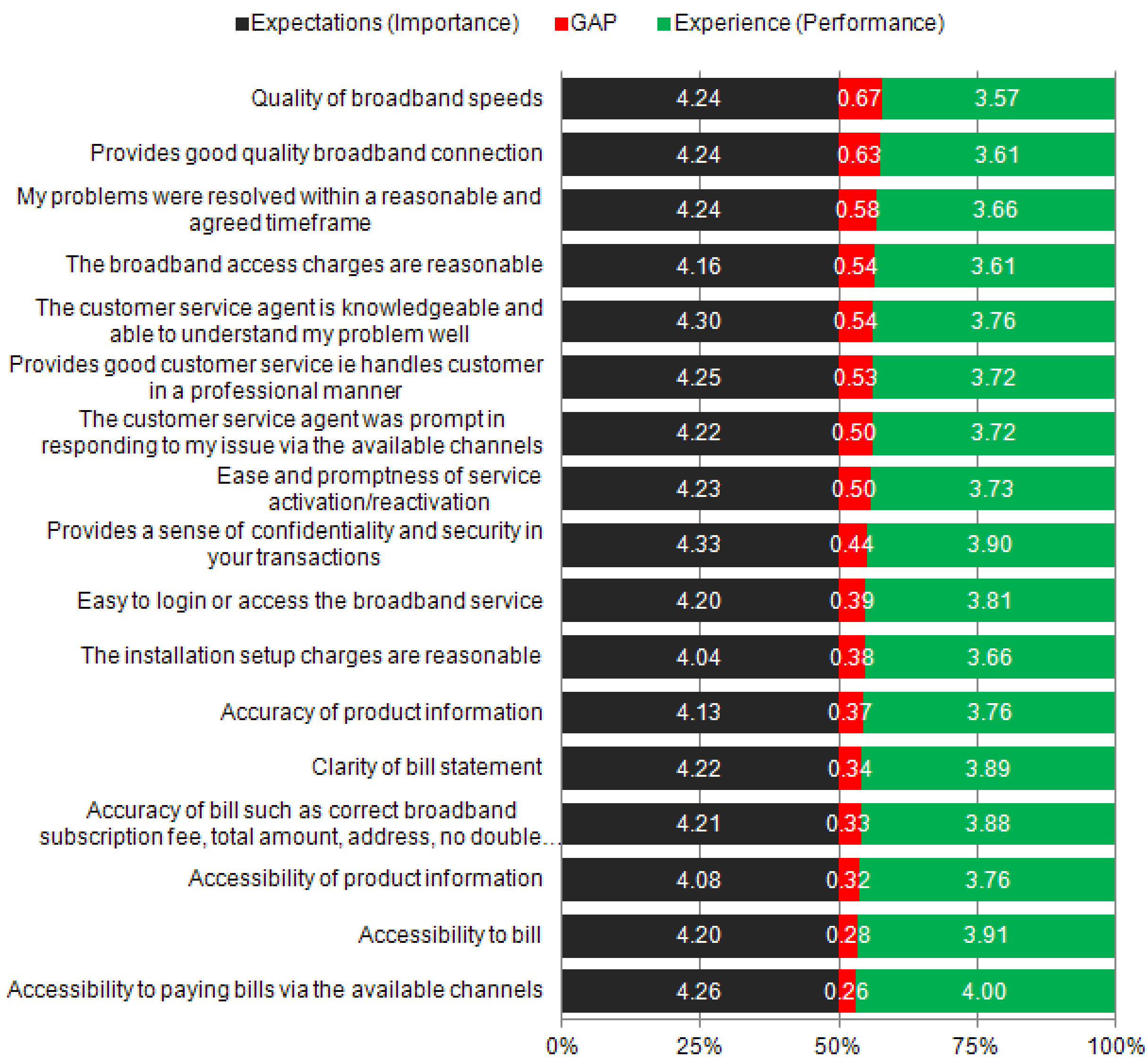
Survey respondents came out generally satisfied with the consumer broadband industry's performance in Billing and Customer Service, scoring 3.99 and 3.87 respectively. Meanwhile, respondents still find that the customer service provided to requires further improvement in its response time and turnaround time in resolving customer issues and complaints.

Both Pricing and the Quality of Service had the lowest scores with ratings at 3.75 and 3.80 respectively. Pricing is constantly weighed against the perceived value of the product or service received. The respondents would like the expected Quality of Service to be better balanced with a reasonable and competitive price.

Survey results found a significant performance gap in the quality of broadband speeds received and connectivity established by their customers. The respondents are expecting better consistencies in the internet speeds subscribed for the prices that they are paying as the dependency on internet connectivity increases with the explosion of data consumption among internet users and the proliferation of smart devices.

FIGURE 8

Consumer Broadband 2011 Service Quality Gaps



Source: IDC, 2012

Each Consumer Broadband service provider was evaluated based on SEVENTEEN (17) attributes as are shown in **Figure 8** above. The attributes with the **highest importance ratings** and significant **gaps in Service Quality ratings** are listed below in the order of priority.

AREAS OF IMPORTANCE:

1. Provides a sense of confidentiality and security in your transactions
2. The customer service agent is knowledgeable and able to understand my problem well
3. Accessibility to paying bills via the available channels
4. Provides good customer service ie handles customer in a professional manner
5. Provides good quality broadband connection
6. My problems were resolved within a reasonable and agreed timeframe
7. Quality of broadband speeds
8. Ease and promptness of service activation/reactivation
9. Clarity of bill statement
10. The customer service agent was prompt in responding to my issue via the available channels
11. Accuracy of bill such as correct broadband subscription fee, total amount, address, no double billing
12. Accessibility to bill
13. Easy to login or access the broadband service
14. The broadband access charges are reasonable
15. Accuracy of product information
16. Accessibility of product information
17. The installation setup charges are reasonable

The Service Quality Gap analysis reveals that the average SQG across these attributes were **0.45**. The attributes which have SQG values higher than the average SQG are thus highlighted as areas that needs improvement, in order of priority are as below.

AREAS OF IMPROVEMENT:

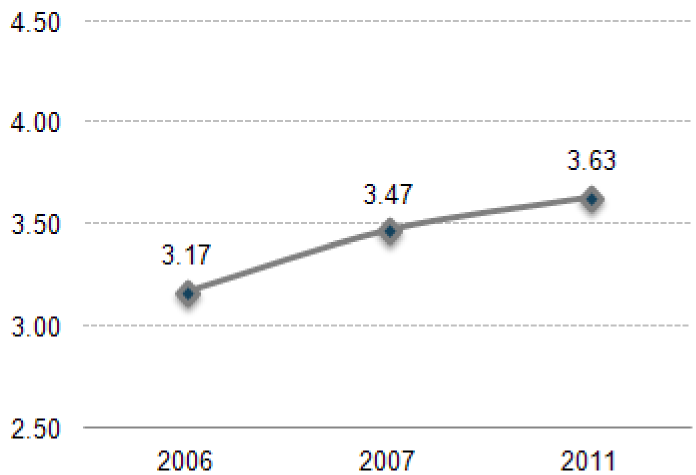
1. Quality of broadband speeds
2. Provides good quality broadband connection
3. My problems were resolved within a reasonable and agreed timeframe
4. The broadband access charges are reasonable
5. The customer service agent is knowledgeable and able to understand my problem well
6. Provides good customer service ie handles customer in a professional manner
7. The customer service agent was prompt in responding to my issue via the available channels

8. Ease and promptness of service activation/reactivation

C. Commercial Broadband Services

FIGURE 9

Commercial Broadband Industry CSI SCORE



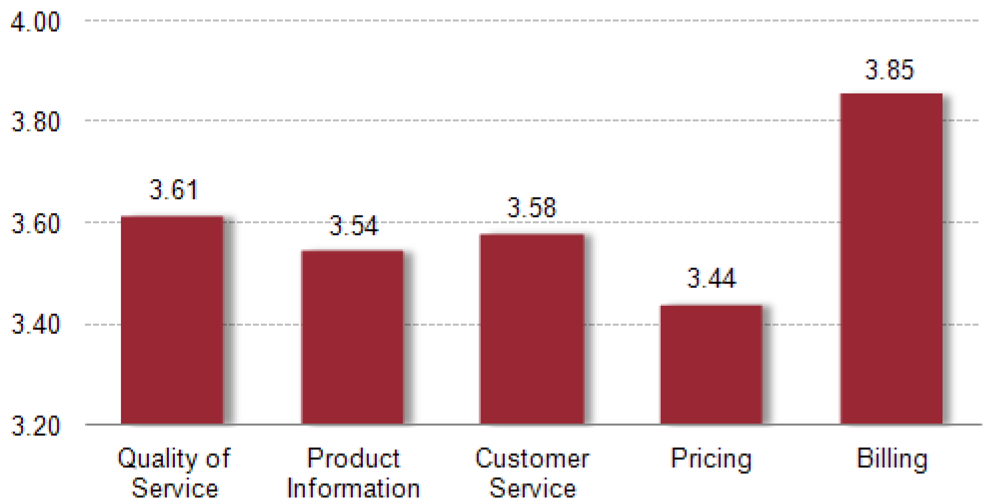
Source: IDC, 2012

Overall commercial broadband service satisfaction levels have increased by 4.6%. This improvement was benchmarked against the last comparison made in 2007 where the score was at 3.47.

Survey respondents have shown better satisfaction and have identified the quality of service as its top two performing service factors by its commercial broadband service provider. The commercial broadband service provider was rated 3.61 for the quality of service it has provided its commercial users.

FIGURE 10

Commercial Broadband Service 2011 CSI Performance by Service Factors



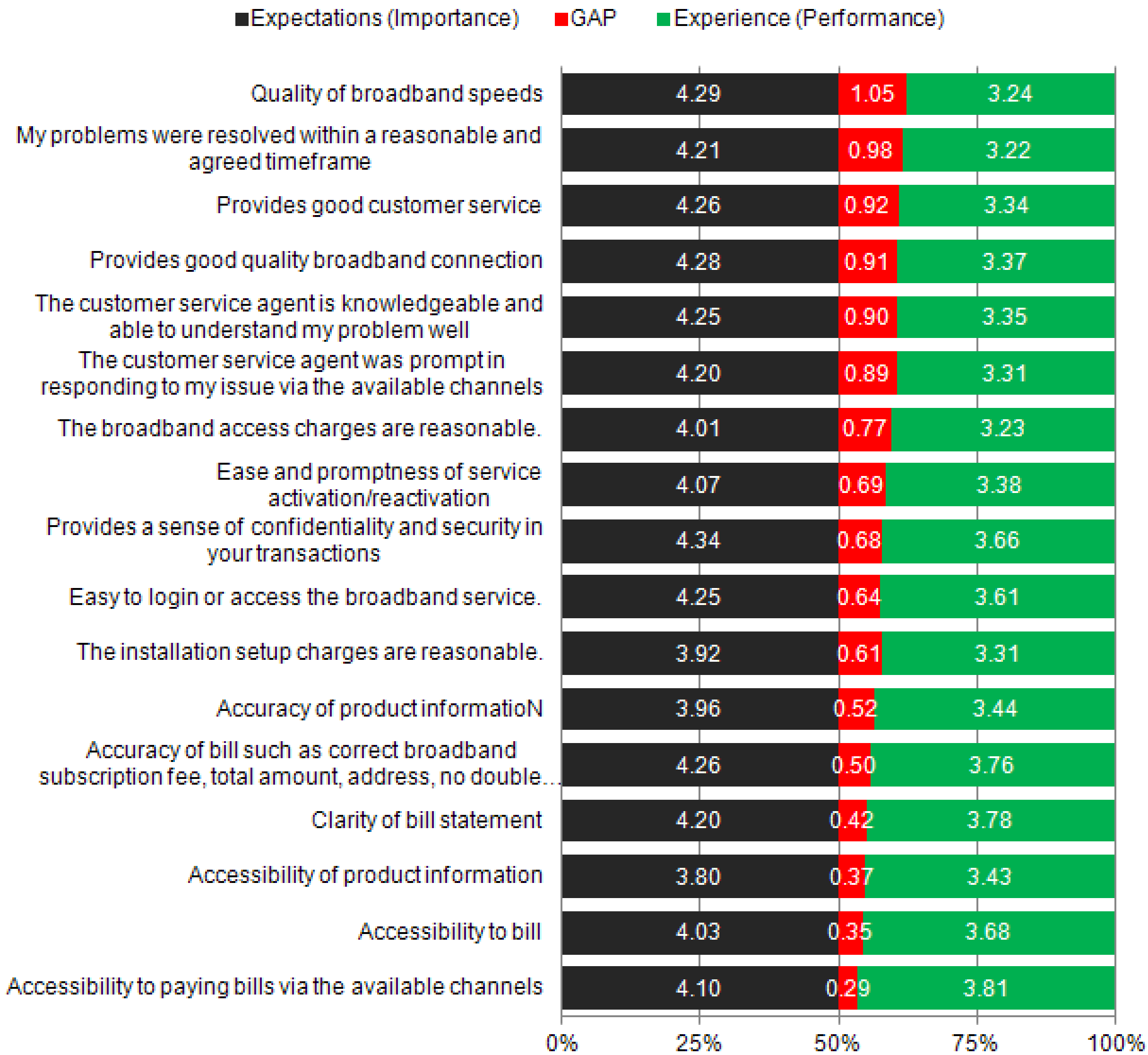
Source: IDC, 2012

Pricing was scored the lowest among the service factors measured. The commercial subscribers do not find the prices of its broadband service to be competitive enough for business use. The respondents have scored Pricing at 3.44, which is below SKMM's industry benchmark of 3.5 and lower than the average consumer broadband service performance.

While customer service has the third highest rating with 3.58, it has also the widest performance gap across its attributes as shown in the following slide. The commercial broadband service provider needs to ensure that their customer service agents are able to solve customer's issue within reasonable and the agreed timeframe. On top of that, the commercial broadband service provider needs to build the competency of its customer service agents so that they are better equip to resolve customer issues.

FIGURE 11

Commercial Broadband 2011 Service Quality Gaps



Source: IDC, 2012

Each Commercial Broadband service provider was evaluated based on SEVENTEEN (17) attributes as are shown in **Figure 11** above. The attributes with the **highest importance ratings** and significant **gaps in Service Quality ratings** are listed below in the order of priority.

AREAS OF IMPORTANCE:

1. Provides a sense of confidentiality and security in your transactions
2. Quality of broadband speeds
3. Provides good quality broadband connection
4. Provides good customer service
5. Accuracy of bill such as correct broadband subscription fee, total amount, address, no double billing
6. The customer service agent is knowledgeable and able to understand my problem well
7. Easy to login or access the broadband service.
8. My problems were resolved within a reasonable and agreed timeframe
9. The customer service agent was prompt in responding to my issue via the available channels
10. Clarity of bill statement
11. Accessibility to paying bills via the available channels
12. Ease and promptness of service activation/reactivation
13. Accessibility to bill
14. The broadband access charges are reasonable.
15. Accuracy of product information
16. The installation setup charges are reasonable.
17. Accessibility of product information

The Service Quality Gap analysis reveals that the average SQG across these attributes were **0.68**. The attributes which have SQG values higher than the average SQG are thus highlighted as areas that needs improvement, in order of priority are as below.

AREAS OF IMPROVEMENT:

1. Quality of broadband speeds
2. My problems were resolved within a reasonable and agreed timeframe
3. Provides good customer service
4. Provides good quality broadband connection
5. The customer service agent is knowledgeable and able to understand my problem well
6. The customer service agent was prompt in responding to my issue via the available channels
7. The broadband access charges are reasonable.
8. Ease and promptness of service activation/reactivation

8. CONCLUSION

The overall consumer satisfaction levels have made progress since it was last conducted separately in 2007 for commercial broadband service and in 2009 for both mobile cellular service and consumer broadband service.

The improvements in CSI scores were partly attributed to the 7-point scale system that was adopted in 2011. The scale gave the respondents the opportunity to decide on whether the performance of their service providers would gravitate towards a good or bad service. This led to a stronger performance rating.

Based on the overall analysis and findings gathered, both mobile cellular and consumer service providers need to balance the quality of their service delivery with the competitiveness in pricing. Moving forward, service providers will have to focus on developing their service attributes and bridge the performance gap between the expectations of their subscribers and its current perceived performance, which was highlighted in the study.