

## QUALITY OF SERVICE

### INTRODUCTION

As communications services become increasingly important to our everyday lives, so does the quality with which those services are provided.

When internet access was first adopted in homes and businesses, most users had a dial-up connection, rather than “always on” broadband connectivity. Slow download speeds and usage caps were commonplace and acceptable to most people.

Similarly, in the early days of mobile phones, patchy coverage and limited capacity were a common feature of networks affecting the user experience.

Now that we access online services every day for a broad range of important transactions, from grocery shopping to healthcare, both at home and on the move, we rely on fast high-quality connectivity almost wherever we are.

Similarly, as mobile outstrips fixed as the primary platform for voice calls, we expect to be able to make and receive calls with clear audio quality and no drop-outs.

High-quality communications networks and services must be complemented by high-quality customer service. Stakeholders are paying increasing attention to this issue, with a growing number of initiatives to ensure that providers are attentive to consumer needs, including dealing with complaints and putting things right.

This paper summarises some of the key issues associated with quality of service for regulators, policy makers, providers and other stakeholders, and outline options for driving improvements. It also describes how Cenerva can support you in your work on these issues.

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### POLICY CHALLENGES

Generally, quality of service has improved as network providers have invested in capacity and resilience to meet the needs of modern communications users. Competition has proven to be an effective spur to these improvements; providers who fall behind on quality risk losing market share.

Competition also delivers benefits in differentiated service offerings. Consumers can make informed trade-off choices, deciding to pay a higher price for premium quality, or accept lower quality at a reduced price.

In competitive markets therefore, regulators have generally chosen not to intervene directly to mandate service quality standards. (Cont'd)

To do so creates risks, including:

- Regulators can only 'second guess' the minimum quality requirements of consumers;
- Industry investment may become focused on areas where the regulator has intervened, which can give rise to inefficient opportunity costs in other areas of the business; and
- Regulators incur costs in creating and enforcing standards.

Competition and choice can therefore deliver high quality of service. However, even where competition is strong, some factors can negatively affect service quality and require regulatory intervention. Two important examples of this are discussed here.

First, investment in quality can lag consumer demand and expectation. Indeed, there may be no investment at all, for example in sparsely-populated remote areas which are uneconomic to serve. Policy-makers and regulators are working to develop appropriate measures to extend the reach of communications services to these locations (see Cenerva's separate briefing papers on universal service and broadband for further detail). But in doing so they can face trade-offs between coverage and quality.

Second, competition is only effective when consumers are active, well informed and empowered to act on the information they have. Regulators must ensure the ready availability of information which enables consumers to make informed choices on whether to switch provider. This should include comparative data by provider on both technical service quality and customer service quality.

Where insufficient information is offered by the market, regulators should consider stepping in. This can include gathering and publishing data on network performance, focused on the user experience of both fixed and mobile services, e.g. download and upload speeds, and call success rate.

It can also include data on quality of customer service, e.g. research on consumer experiences of contacting the customer service departments of providers, data on numbers of complaints for each provider, and how quickly and effectively they are resolved.

Regulators should ensure that performance data and consumer information is published in formats which are accessible to consumers and the organisations who can help them choose, like comparison websites and consumer advice shops.

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## HOW CENERVA CAN HELP YOU

Cenerva's global network of consultants have expertise and experience working at senior level in communications providers and regulatory offices around the world, creating and delivering innovative solutions to improve service quality and the consumer experience. We would be happy to discuss your challenges and requirements with you.

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