

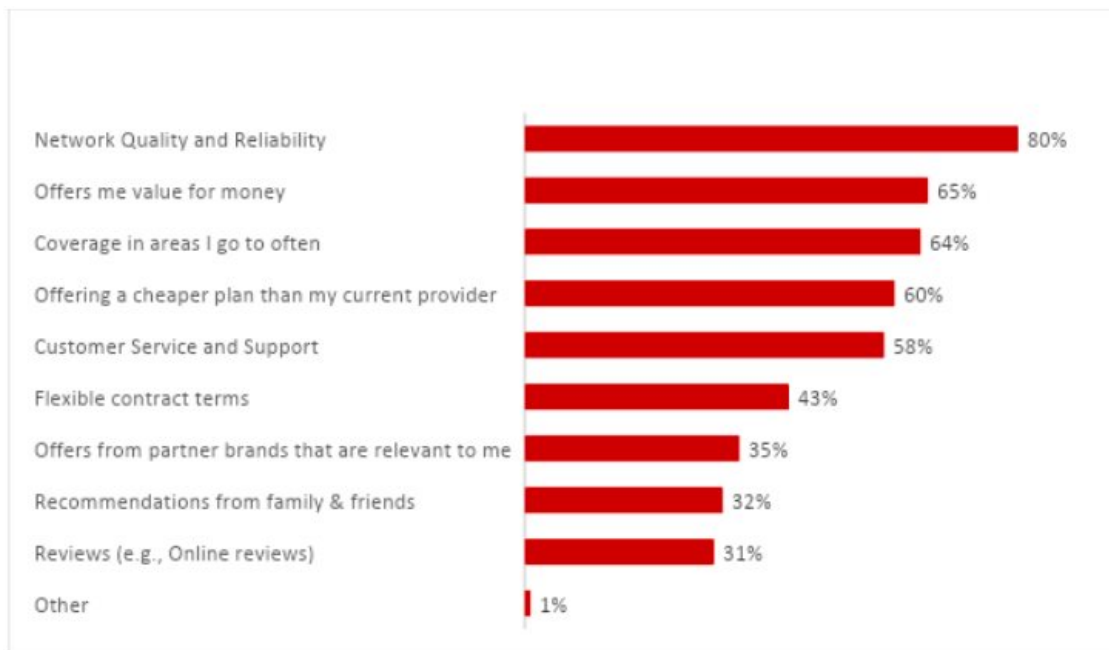
Connecting the dots: Unveiling the dynamics of consumer switching in South Africa's telco industry

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The telecommunications (Telco) industry is constantly evolving, with consumers continually seeking the best mobile service providers to meet their changing needs. KLA, a consumer insights company, undertook a study utilising the YourView tool, to delve deeper into understanding consumer switching behaviour in the realm of Telco services.

The main factors influencing mobile providers' decisions to switch were quality, value, and coverage along with customer service and support, all of which increase overall satisfaction levels.¹



Quality

In a world where connectivity is important, a stable network reigns supreme. Nearly 80% of respondents (79.8%) expressed network quality and reliability as the top factor influencing their decision to switch telco providers.

Load shedding has taken a significant toll on network connectivity, often resulting in poor connection quality. However, telcos who have implemented infrastructure to improve the quality and reliability of their networks during load shedding have gained positive sentiment from their customers. On the other hand, telcos who have not had the opportunity to implement these infrastructures, have experienced loss in consumer sentiment, with many intending to switch.²

Customers demand not just connectivity, but a seamless experience that is reliable and consistent.

Value

In these financially challenging times, consumers are looking to reduce costs to increase their household income. According to the 2023 OMSIM survey, a substantial 29% of respondents are transitioning to more affordable cell phone and data options as part of their cost-saving strategies.³ A total of 59.8% of YourView respondents expressed they would switch providers if another brand offered a cheaper plan than their current provider which highlights the growing significance of affordability.

It's also important to note that it's not just about affordability; but also maximising the value for every rand spent. A significant 65.2% of respondents consider it important that their mobile provider offers value for money. For this group, value goes beyond just pricing; it encompasses what they receive in exchange for their money. This involves not only considerations of price, quality, and coverage, but also considers value-additions.

As much as 64% of respondents mentioned a lack of coverage in areas they travel to a factor that could prompt them to switch providers. Therefore, telcos should prioritise improving product performance, enhancing network quality, and delivering dependable services, to be deemed value enough.

Consumers expect their network providers to offer additional benefits, such as streaming bundles, free call minutes to any network, or even discounts on partner brands.

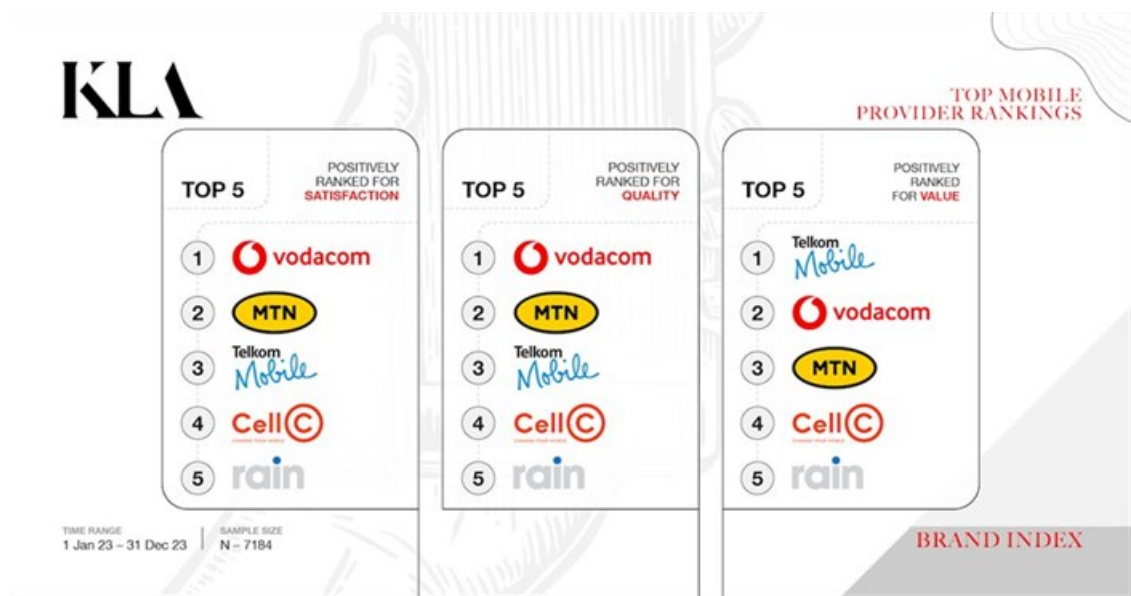
This emphasises the changing landscape of consumer expectations, as they look for more than just connectivity at a cheaper rate; they seek a well-rounded experience from their mobile providers; leading to customer satisfaction and retention.

Satisfaction

A substantial 58.1% of respondents indicated that customer service and support play an important role in their choice of telco provider.

In 2022, 90% of telco customers in South Africa expressed their dissatisfaction with the service they received, highlighting the need for telco companies to improve customer experience (PwC, 2022).⁴ To achieve this, they need to implement a more customer-centric approach, focusing on innovation, digitalisation, and the development of accessible services that meet and exceed customer expectations. By aligning their strategies with the evolving needs and expectations of their customer base, telcos can not only retain their existing customers, but also attract new customers seeking exceptional service and support.⁵

According to YouGov BrandIndex, these are the top mobile providers ranked for satisfaction, quality, and value.



Conclusion

South Africa's telecom industry is undergoing a transformation driven by shifting consumer preferences. It's evident that several contributing factors play a role in influencing the decision to switch network providers. These factors work together to create a comprehensive and fulfilling experience, contributing to an overall satisfying outcome.

For telecom brands, it's crucial to recognise and address these influencing factors. The dynamic landscape of consumer expectations demands a holistic approach that extends beyond mere connectivity, aiming to provide a well-rounded experience. By prioritising network quality, delivering value, and ensuring customer satisfaction, telecom brands can not only retain their existing customer base, but also position themselves to attract new customers in a fiercely competitive market.

In essence, this understanding underscores the strategic importance for telecom brands to adapt and cater to the evolving needs of their consumer base, paving the way for sustainable growth and long-term success. For more information, visit www.kla.co.za.

References:

- ¹ *Using the YourView platform, we conducted a comprehensive study involving individuals from various income brackets, age groups, and genders. A total of 1,858 respondents participated, providing invaluable insights into South African consumer switching behaviours in the telco industry.*
- ² <https://www.bizcommunity.com/Article/196/663/239217.html>
- ³ <https://businesstech.co.za/news/wealth/705655/what-south-africans-are-sacrificing-to-make-it-through-the-month/>
- ⁴ <https://www.bizcommunity.com/Article/196/663/239217.html>
- ⁵ <https://www.bizcommunity.com/Article/196/663/239217.html>

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