



**ITU/BDT Regional Economic and Financial Forum of
Telecommunications/ICTs for Latin America and the Caribbean**

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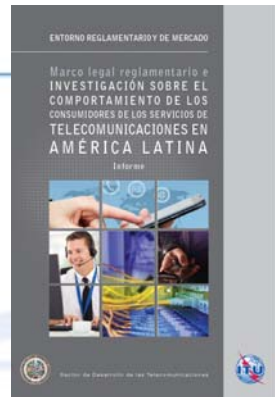
ITU study on Regulatory framework and research on the behavior of consumers of telecommunications services in Latin America

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The ITU/BDT Study on Regulatory framework and research on consumer behavior of telecommunications services in Latin America was carried out by the ITU Regional Office for Americas in close collaboration with CITELE. This study had been prepared by Dr. Amélia Alves

OBJECTIVES

- Understand the composition of market forces in the structure of societies
- Guide countries in Latin America with regard to:
 - Consumer protection in the telecommunications sector,
 - Regulatory instruments to monitor and control the competition, and
 - Usage of available tools to diagnose the quality and consumer satisfaction.

Countries studied



- | | |
|---|--|
| Argentina | Haiti |
| Bolivia (Estado Plurinacional de Bolivia) | Honduras |
| Brazil | México |
| Chile | Nicaragua |
| Colombia | Panama |
| Costa Rica | Paraguay |
| Cuba | Peru |
| El Salvador | Dominican Republic |
| Ecuador | Uruguay |
| Guatemala | Venezuela (República Bolivariana de Venezuela) |

During the research it was observed that:

- Most of the countries in the region have regulatory frameworks and dispute resolution mechanisms well established;
- Regulatory instruments aimed at preventing fraud and malpractice are well established in Latin America
- There are instruments responding to consumer complaints (call centers, customer service offices)

However...

- The quality of regulations is not assessed and updated frequently;
- Regardless of the legal and regulatory frameworks there is little understanding by consumers on how the telecommunications industry works;
- Consumers of telecommunications services don't look for information about their rights;
- The rate of claims for all of Latin America is significantly low in relation with penetration;

It was noted that..

the consumers behavior that should be to vindicate, to declare the understanding of their rights and to request the fulfillment of their needs and demands

is not characterized as a common practice in consumer relations in the Latin American region

Because of this,

operators and service providers may think that
almost all of their customers are satisfied

and that

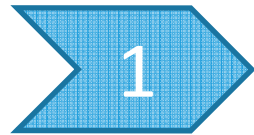
the effort and investment required to solve this
type of problems is not compensated from the
financial point of view

So that,

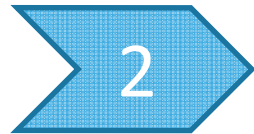
the thermometer used to manage the quality of
service in the market would be a shortage of claims

One conclusion could be that despite the regulatory frameworks and instruments established, the active participation of the society as an agent of competition control in the ICT sector is very low

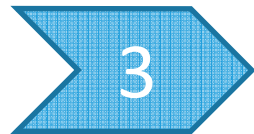
Some Recommendations



Adoption of consumer satisfaction surveys



Adoption of indicators of perceived quality



Using Social Media



Management indicators

Recommendation 1: Adoption of consumer satisfaction surveys

- Results from these surveys should be organized in parameters that could be used as management indicators
- Most of the time all complaints go to call centers
- These complaints should be processed statistically as consumer satisfaction indicators
- These indicators could be used as parameters to evaluate the quality of service
- These results should be shared with all players (operators, consumers associations, consumer protection authorities)

Recommendation 2: Adoption of indicators of perceived quality

- Definition of indicators in relation to the market environment:
 - Company efficiency to resolve problems and complains (such as invoicing errors)
 - Good relationship between the service and customers (such as facility to buy and use prepaid cards, payment of the service, etc.)
 - Quality of service respect to the call, Internet access, broadband services
 - Employee competence vs consumer difficulties when being serviced

Recommendation 3: Using Social Media

Social media could be considered as good practice to approach customers, it can help:

- To reduce the cost of attention to costumers
- To maintain a positive feeling about the image and brand in social networks
- Very important for disseminating consumer satisfaction surveys, and
- Could provide insights for new products and solutions canal.

Recommendation 4: Management by Indicators

- Create and apply Specific Indicators that go beyond technical indicators and cases about the number of complaints in call centers
- To do this, regulators have to make research studies in a systematic scientific manner to determine “Specific Indicators”
- The management through Specific Indicators focused on consumers behavior, dissemination and feedback are critical when making a mainstreaming of perceived quality and satisfaction

This could contribute to end the vicious circle of lack of complaints and encourage welfare in consumer relations procedure.

Thank you for your attention