Telecommunication Services in Jordan: Zain a Case Study

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Abstract

The opening up of the telecom sector to competition is an important step forward for the whole Jordan economy, as well as the telecom sector itself. Telecommunications have become vital for the conduct of any business, and many activities in personal life as well. It is not just a sector, but a key part of the infrastructure supporting the modern state. The move also brings Jordan closer to fully adopting all the requirements to become a developed country, and its free market principles which are very much part of Jordan's goals, It is also expected that other sectors will follow. Over the decades, Zain has done a good job of offering a high standard of services to the Jordan. Thanks to its commercial discipline, its needs have no fear of the forthcoming competition across the board, although it is very likely to find that good player offering particular specializations will challenge it on pricing and how the services are bundled or offered.

When looking at the reality of the matter and after the announcement of the second operator we find that the competition had only started. Zain knew that from other experiences around the world that it is normal that around 30% of the customer will switch to the competitor in 3 years time and had to do something to reduce that as much as possible. As every possible customer is now a Zain customer, more customer focus approach should be developed to achieve the required result which is "Customer Loyalty."

Key Words: *Telecommunications, Services, Competition, Customers, Loyalty,*

Introduction

When we look at the financial aspects of telecom services we find that the 80/20 rule applies. This means that 20% of the customers are making 80% of the profit. When taking a closer look onto those customers, we find that most of them are business customers "i.e. organization and therefore it is natural that Zain seeks ways to keep the current customer happy and find ways to achieve customers loyalty. On the other hand, those organizations will always look for two main aspects regarding their telecom services:

- The cost
- The practicality (e.g. Less Time, Manpower, etc. required for handling the services).

Objectives

The main objectives of this paper are to:

- Provide an overview of the current situation of the organizational telecommunication services requirement.
- Highlight some common telecom problems faced by the organization.
- Use a survey as a base to confirm the status of organization and to reflect its opinion on the provided telecom services.
- Prepare conclusions based on the methodology used in this research.
- Provide recommendation for the telecom provider (Zain) based on the results.
- Explore the requirements of the organizations and the possible steps that Zain can make in order to reach mutual benefits and gain the loyalty of the customers.
- Discover information that is sometime overlooked by Telecom provider managers.

Research Problem

The telecom bills are a main part of any modern organization, and it has different types of services unlike the other common regular bills such as electricity or water bills. However, the billing is not yet considered standalone services that can be enhanced and generate profit from it. The possibility and the demand for such services if provided are explored in this project. It is also common to see customers returning to Zain for billing errors that they cannot confirm or that they cannot control

Hypothesis

The current billing system is lacking information, and in many cases, customers are not able to understand the bill.

Literature Review

Articles on this specific topic are few and mainly focus on different aspects of telecommunication. (Ayden 2005) Indicated that "technological change has shifted competition in the GSM sector from price and core service to value- added services. Therefore, operators should differentiate their services and guarantee their services' quality because of this shift in competition". He also added " Corporate image, perceived service quality, trust and customer switching costs are the major antecedents of customer loyalty, and loyal customers may buy more, accept higher prices and have a positive word- of- mouth effect…. Although this fact is apparent to everyone, many companies are still losing customers at a formidable rate".

(Wang 2004) Emphasized that "much attention is paid to the measurement model of service quality in China's mobile communication market based on the well-known SERVQUAL model, but with reasonable modification by focus group discussions and expert opinions to reflect the specific industry attributes and the special culture of China." Whereas (Fugun 2009) examined "the relations among service quality, value, image, satisfaction, and loyalty in China. Analysis of survey data from 118 customers of a Chinese mobile communications company reveals that service quality directly influences both perceived value and image perceptions, that value and image influence satisfaction, that corporate image influences value, and that both customer satisfaction and value are significant determinants of loyalty".

The Korean mobile telecommunication services industry (kim 2004) says " Telecom is shifting its strategic focus away from attracting new customers, towards retaining existing customers through the promotion of customer loyalty." His paper investigates how "customer satisfaction and the switching barrier influence customer loyalty."

(Loo 2004) In his paper reviews and analyzes changing telecommunications policies in China since the inception of the so called "Open Policy." He argued that " these changes should be understood as the result of a delicate balance between (1) government consideration –including the state's desire to provide universal coverage, control the telecommunications industry and, more recently, improve the efficiency of state-owned enterprises), (2) the call from foreigners (sometimes made through their governments) to open China's".

About Zain-Jordan

Zain is Jordan's leading telecommunications operator and one of the largest corporations in Jordan. Headquartered in Amman, Zain serves 5.2 million residential customers and over 30,000 large, medium and small enterprise and government customers. As well as establishing several "firsts" over the past four decades, Zain has deployed many innovative technologies and services to remain at the leading edge of customer experience.

Zain understands the need to continue its investments in building the networks of the future because its positive effects filter down to the rest of the economy.

As Jordan roars ahead to achieve its "smart" vision, Zain is strategically transforming into a leading integrated digital services provider. In support of Jordan's goal to create smarter cities, Zain has brought smarter services into every aspect of its offering - for individuals as well as small, medium and large businesses. It serves its consumer segment with special offers and enhanced services through a comprehensive plan to meet the needs of all targeted sub-segments. Zain's services are always accessible to customers, located strategically throughout Jordan, in addition to partnering with branded retailers.

Organizational Needs for Telecom Services

The telecom services have become important and in many cases vital to many businesses, and that is due to:

- The general steps above are influenced by many trends in the industry and the workforce. Examples include:
- Increasing importance of telecommunications in general. Reliance on communications services continues to increase rapidly. From telecommuting to Web-based procurement, the importance of electronic communications continues to rapidly increase.
- Continuing penetration of the Internet as a dominant force in the telecommunications industry.

- Introducing dozens of new technologies, including wireless services.
- Increasing levels of technical standardization accompanied by high
- Levels of complexity in the telecom architecture (at the provider and
- Customer level).
- Change in the marketplace from supply-driven ("build it, and they will come") to a market driven environment ("if you are wiling to buy it, we will build it").
- Coexistence of old technologies (copper connecting the customer at the last mile) with many new ones.
- Old technologies that work will remain in the telecom infrastructure for decades.

Common Ways Organizations Refers to Reduce Telecom Cost.

This section will provide a closer look at how organizations usually reduce telecom cost. This will help to build an overall look at these ways and how Zain can use them to create an attractive program for their customers.

There are only a limited number of ways to reduce telecommunications costs, most of them are general. Examples:

- Reduce usage (make fewer calls, use fewer trunks, etc.)
- Outsource telecommunications management (cost savings occur only if this is done properly and will only apply to big organizations)
- Find les-expensive suppliers of telecom equipment.
- Restructure contracts/agreements with existing suppliers (possible now after second operator "DU" introduced its services)
- Monitor and correct errors (Billing mistakes are very common & easily overlooked)
- Use more efficient, les-expensive technology (of course this requires a professional recommendation)
- Decrease tax payments
- Use more efficient internal processes
- Increase security (e.g. eliminate personal calls, uncertified used of wireless networks, etc.)

Research methodology

Descriptive, analytical research methods were used to analyze the study data due to its appropriateness to the study aims, which is to explore the problems of telecom bills. The questionnaire consisted of 15 evaluation questions that address 3 main points.

*Problems with the billing
*Lack of support information
*The need for Development & Support.

The target number of participant in this survey has been achieved. The results of this research have been gathered from the entire participant over the period of 7 days.

Study Population:

The study population consisted of 65 business, government and charity organizations dealing with Zain as a telecom provider.

Unit of Analysis:

The following table shows the nature and number of organizations

Table (1)

Nature of Organization	Number of the organizations
Business	40
Government	20
Charity	5

Data Collection Sources:

The current study will use two sources to get data, secondary and primary sources. In the secondary source, the literature data will be collected from various available sources that include published articles, books, previous studies and website materials to form the theoretical framework of the study.

The primary source will be gathered from a questionnaire that will be designed and developed to reflect the study objectives and questions. Data collection, analysis manners, and programs which will be used in the current study are based on two sources:

Study Validity

To check the content validity of the questionnaire an academic professors and professional bodies were asked to verify the content validity of the questionnaire and after receiving their comments and implementing the needed amendments, the questionnaire was distributed to the study sample.

Study Reliability

To check the questionnaire reliability, Cronbach's Alpha reliability coefficients was used to calculate the study variables, and it was clear that all alpha values were higher than 60% which indicates that all the questionnaire statements are appropriate for this study.

The complaints

The other method used in this research is to examine the number of complaints received by Zain regarding billing problems. It was important to highlight that the number of complaints was only in Amman Region.

The Questionnaire Results

The result of the questionnaire showed that the companies participated were IT companies, banks, government, and charity organizations, and the possible reason for that was their nature of the business and their dependence on the Telecom services.

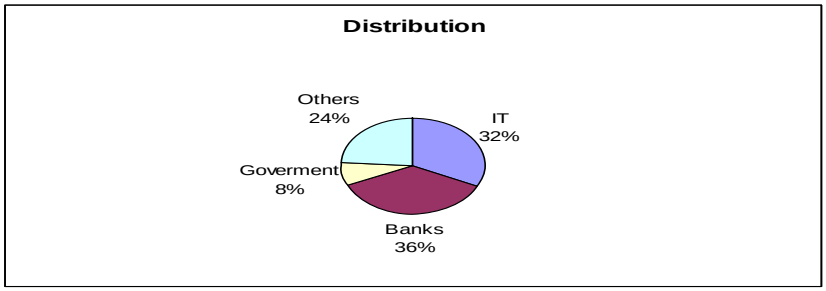

Figure (1) Survey Distribution

Statistics showed that there were many problems that companies sometimes choose to ignore and not submit complains about them. However, it was different with Banks & IT businesses as it affected their direct income. A good example was the ATM machine link failure causing a direct loss of money. Another even worst scenario is when a Bank branch looses the link with the other branches which in many cases result in nearly total transaction shut down.

The Billing Problems

The results showed that more than 70% of the companies either already had problems with the telecom bills or feel the need to review them. This was considered as a very high percentage, and when associating it with the increased number of complaints, it was found that this number was expected to increase and therefore required an urgent solution.

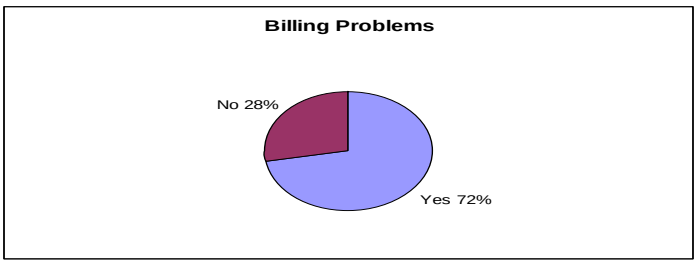

Figure (2) Billing Problems

The results here showed both the concern about the billing errors and the actual problem encountered. It also showed that many had found the current billing system hard to understand and did not provide enough information.

Lack of support information

The result for this part was not expected. The expectation was that many companies required additional support information. However, the results here were different because of the nature of the participants.

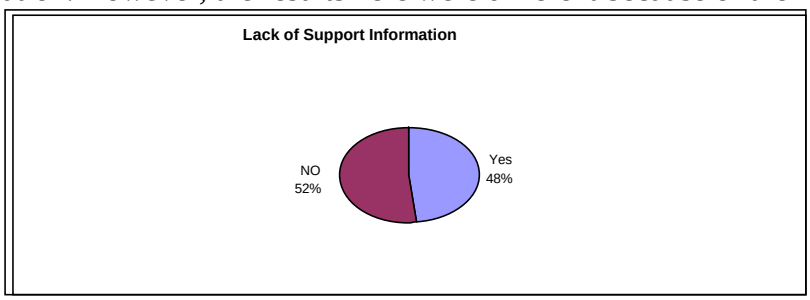

Figure (3) Lack of Support Information

Many of the participants where IT related and therefore required no support from the provider. On the other hand, Banks have very similar to international standard requirements. The government related business where the most lacking support information.

The Need for Development and Support

Here the results are almost identical to all kinds of business. The results indicated that many companies require additional help with the telecommunication services.

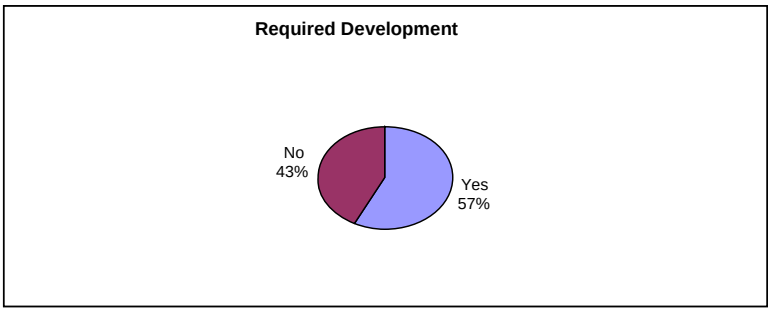

Figure (4) Developmental Requirements

The results and the additional suggestion question showed that there was a genuine need for development which in my opinion could be invested by the Provider (Zain) for both, additional profit and customer loyalty.

The complaints

The customer support section provides information that the number of complaints in 2016 was 453 until September and that only represent complaints in Amman Region only and that was a 15 percent increase from the year before.

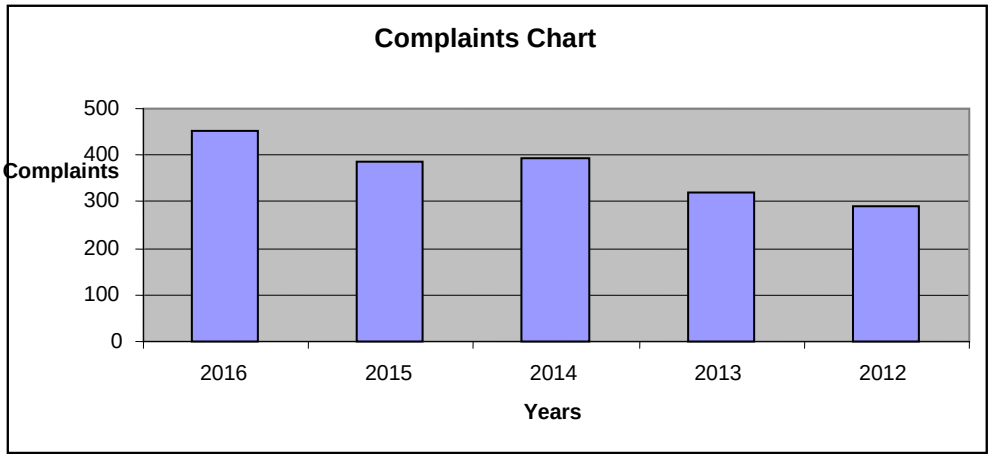

Figure (5) Complaints Chart

From the figure above, it was confirmed that the number of complaints is rising and it was expected to rise in the coming few years. The reasons behind that can be due to:

- Increased number of subscribers.
- The increased number of businesses that depends on Telecom services.

- The complexity of the new system.

Conclusions

The results of the survey clearly showed that there is a real problem with billing services. It was confirmed that many customers do have a problem with the current billing system. However, the nature of the problems with billing does vary from a participant to another.

Recommendations and Future Study

In order to solve the problems that this research highlighted, two main recommendations had to be implemented to achieve the required targets (increase profit and customer loyalty). The two recommendations are:

***Implement a Service Level Agreement strategy (SLA)**

A SLA is a formal negotiated agreement between two parties. It is a contract that exists between customers and their service provider, or between service providers. It records the common understanding about services, priorities, responsibilities, guarantees, etc. with the main purpose to agree on the level of service. For example, it may specify the levels of availability, serviceability, performance, operation or other attributes of the service like billing and even penalties in the case of violation of the SLA.

In our case, Zain should provide this agreement to customers with sensitive needs for the services such as banks. As an example, Zain should ensure that this service will be up to more than 99.9% percent of the time and if any problems encountered, the maintenance team of Zain should repair the service within 2 hours or face penalties.

This SLA had to be based on reliable software that will result in the following benefits:

- **Reduced operating costs**: End-to-end performance monitoring, visibility, and alerts enable operators to quickly identify potential SLA violations and reduce the time between the restoration of the network and resumption of normal Operations at the customer site.
- **Enhanced productivity:** Insight into how a service provider's business operates– through metrics that tie Granular system, network, and process events to quantifiable business impact lets companies fine-tune business processes. Correlation between SLA performance and industry metrics such as Six Sigma provides tangible quality of service improvements.
- **Improved customer satisfaction and lower risk of customer defection:** Ability to view enterprise events in the relation of KPIs allows operators to identify and manage risk of non-compliance proactively, prioritizing actions to focus on those customers with the greatest business impact.

***Implement a Total Telecom Cost Management (TTCM) Service**

These services include software solutions, consultation, business process outsourcing, and host application services that reduce the unnecessary costs related to inefficient telecom expense management.

This service must include:

- **Contract Management**

  Telecom invoices are verified for compliance with the rates, terms and commitment levels for each contract signed with telecom service providers. SLA's are verified for proper execution and where necessary claims are prepared to obtain credits for detected deviations.

  Periodic renegotiation of the contracts results in improved rates. Using a streamlined RFP process, and applying this regularly, results in optimal rates, terms, commitment levels and SLA's.

- **Invoice processing**

  Electronic invoices from telecom operators are received electronically, either directly from the operator or through an Electronic Billing and Payment Platform. Invoices are validated and enrichment with chargeback, location, and cost allocation information.

- **Telecom bill audit**

  All details of the invoice up to the Call Detail Record (CDR) level are entered into the system for analytic application for analysis. Real time and batch audits are performed using specialized industry

knowledge of the typical errors and billing practices of each operator, of service types and regions. The validation process ensures that companies are billed properly for line subscriptions, rentals, and any other applicable cost element.

- **Telecom inventory**

Through the in company installed or the web accessible asset management application customers may access, review and modify a complete, up to date inventory database of all lines and systems. Attributes are coded to each line, subscription or service, including cost allocation information, departmental and location data, expense posting number, chargeback information and rich asset information such as brand, type, model, serial number and so forth. During the bill auditing process, the inventory database holds the billing details. The process ensures that you are billed only for active lines, systems and service agreements and in compliance with the initial order specifications.

- **Telecom order management**

Here orders are tracked and documented automatically. The order management process includes authorization, configuration, check for appropriate features, restrictions and services and verification for optimal rate plans. When using our outsourced services companies may leave the administrative workload to Zain. We take care of all moves, add, changes and disconnects. At the same time, accurate documentation and tracking are produced in a shared electronic format.

- **Usage/rate optimization**

Through the automated functions of TTCM system usage patterns and call, behavior is analyzed.
This allows for optimization of the types of services and calling plans and improves the effectiveness & efficiency through account consolidation system.
Call behavior reports and analytics provide information on reasonability and allow for benchmarking and trending information against typical usage patterns. Excessive call behavior, fraud, misuse, and abuse are highlighted through advanced exception reporting, aligned to your individual telecom profile.

- **Information management**

TTCM solution should provide extensive reporting functions and an advanced analytical application which allows for batch and real time access to information to the lowest level of detail. The interactive business intelligence solution allows performing lookups and queries aligned to customer's individual needs. The support system should provide solutions for installation at customer sites, as hosted applications at Zain Data Center.

- **Outsourced TTCM**

Outsourcing has been popular for decades. Turning over a project, a network or ongoing management responsibility to a professional service company reduce the workload. Outsourcing can spread the cost of budget breaking technology or services among multiple customers, add instant expertise to in-house staff and fill other needs which are otherwise beyond the reach of an individual enterprise.
The complexity of today's telecom networks and the even bigger complexity of telecom cost management make the TTCM services.
While the customer keeps full access through their portals workspace, the outsourcing of TTCM takes the daily operational and administrative burden away from the customer.
Convergence's outsourced management services provide a remote telecom management function with expert skills addressing customer's unique business objectives, fully realizing the benefits of the TTCM approach.

- **Network Optimization Services**

Telecom overspending isn't limited to billing and service errors. The network itself may be costing too much, either through inefficiencies in design or through performance failures that consume

valuable human resources. With employee turnover, budget restrictions and rapidly evolving network needs, many companies struggle to maintain proper control over this critical function.
The new service can greatly help in the directing customer's decision about:

- Design and deploy network elements
- Upgrade technologies and equipment
- Network discovery and documentation

The implementation of the recommended solution will insure Zain leadership in customer service. The SLA will reflect Zain's confidence in its network and will increase the customer confidence of the telecom services.

The financial aspects of implementing these solutions are clear. The demand is a real one, and it increases every year. Also, the implementation of these services will make customers more dependent on Zain from their daily work, and thus customer is guaranteed. The professional picture of these services will surely add to the company name. It is important to mention that no other telecom company in the region has any similar solution.

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