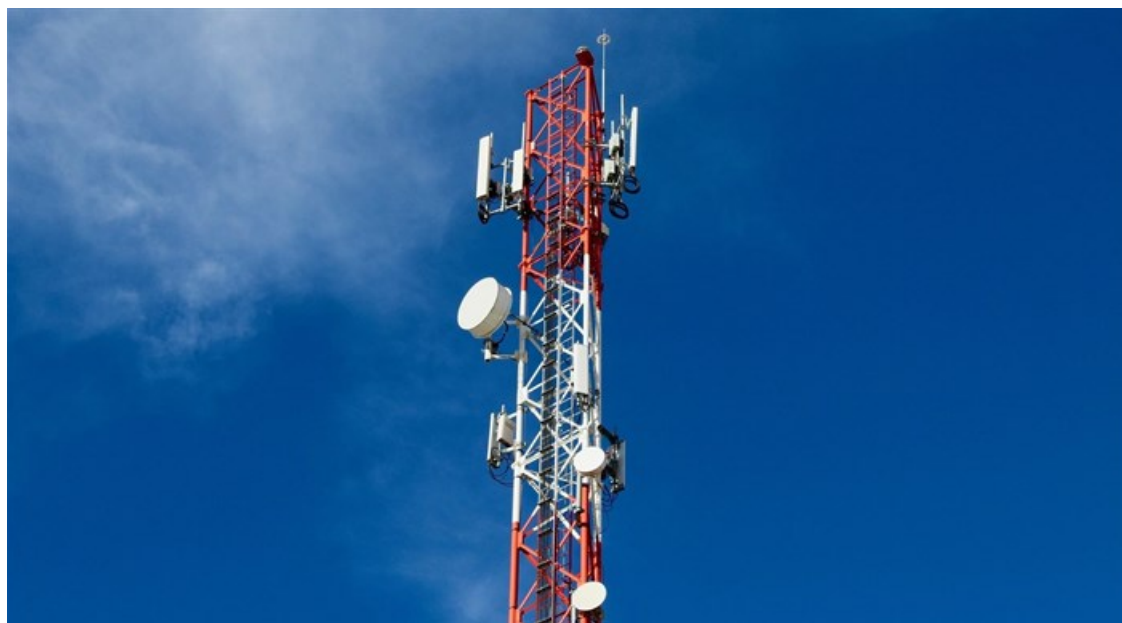


Telecoms remains the least liked industry in South Africa

When compared to the banking, insurance, and food retail industries, the telecoms sector ranks last in terms of consumer sentiment. This is according to the latest South African Telecommunications Sentiment Index, conducted by DataEQ (formerly BrandsEye) in partnership with Deloitte Africa.



Source: [Fixabay](#)

While conditions have been trying across most sectors in recent years, Gill Hofmeyr, Africa TMT industry leader at Deloitte, notes telecom operators have had a particularly tough run.

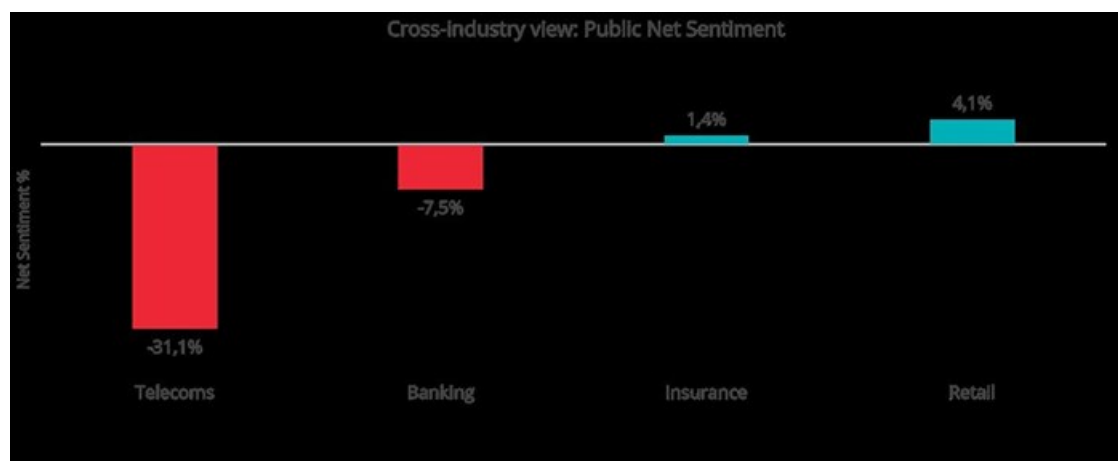


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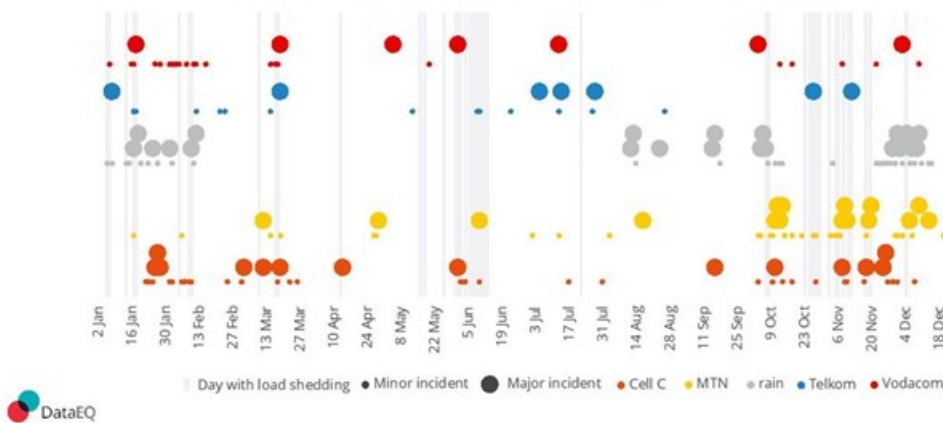
“Amid increasing data traffic, telcos have battled for additional broadband spectrum. Load shedding has also had a devastating impact on the industry, pushing operational costs up at a time when margins were already under immense pressure,” Hofmeyr says.

Load shedding compounded network stress across the industry

Data provided by EskomSePush confirms that load shedding was implemented on a total of 45 days in 2021. According to the index, over half of these days also saw unusual volumes of network complaints, evidencing the negative impact of load shedding.

Over half of all days with load shedding coincided with network downtime

Competitor comparison: Daily network incidents and load shedding



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In terms of individual telco rankings, having tracked close to two million social media posts about Cell C, MTN, rain, Telkom, and Vodacom throughout the year, the index saw minimal movement in rankings from last year.

Most telcos see annual net sentiment improvement

MTN extended its lead by producing the largest year-on-year net sentiment improvement, while Rain's uptick wasn't enough to see a ranking shift.

The biggest improvement in both reputational and operational sentiment came from Telkom, which saw the partly state-owned telco climb the rankings to share second place with Vodacom.

MTN strengthened Net Sentiment lead in 2021

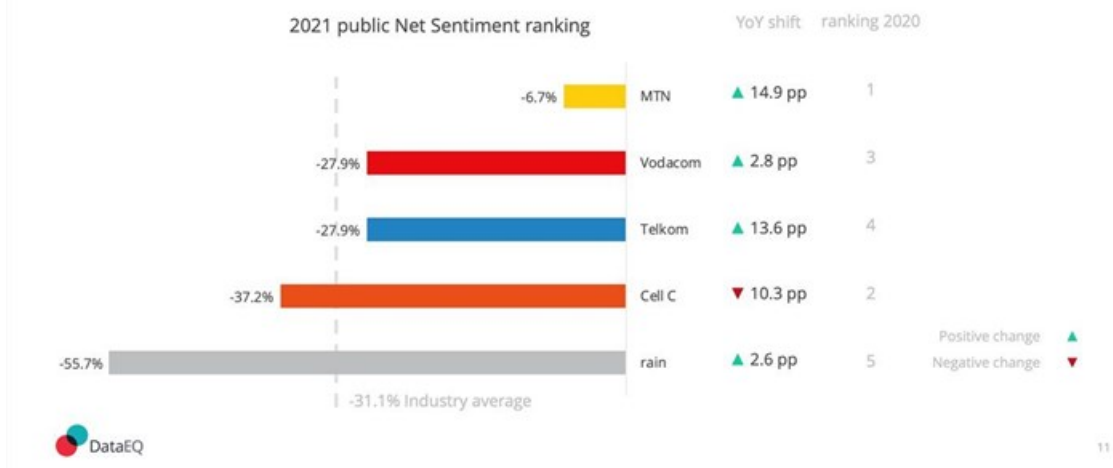


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Bucking the trend, Cell C was the only provider whose net sentiment worsened in 2021, which saw the telco slide down one spot in the ranking.

Telcos' reputational efforts masked poor customer service

Of the improved sentiment from 2020 to 2021, DataEQ MD, Melanie Malherbe, notes that much of the progress relied on telcos' reputational efforts.

"Notwithstanding some successful brand and influencer campaigns, customer experience remained a major shortcoming across the industry, with consumer sentiment for this aspect worsening year on year.

"Considering that telcos' efforts in 2021 did not translate into an improved customer experience when compared to 2020, this remains a key potential area for differentiation going forward," adds Malherbe.

As network providers continue to delve deeper into the financial services space, this year's index also includes a dedicated analysis of telcos' adherence to the Financial Sector Conduct Authority's (FSCA) Treating Customers Fairly (TCF) regulatory framework with regards to their financial services offerings. Poor response to customer conversation in this regard therefore not only impacts a brand reputationally but could pose a market conduct risk as well.

"Beyond these rising regulatory pressures, the results indicate that telcos lag the broader financial services sector in terms of consumer sentiment. It will be important for telcos to seek to close these gaps through improved customer service if they are to grow their financial services businesses," Hofmeyr concludes.

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