

## **Telephone Operator: Bad Quality Service**

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### **Abstract**

A regular customer wants another phone number and Internet line for an existing house contract. Technical problems arise with the service, and the line works badly over a period of one year. The company offers no solution to the problem and charges the customer for the months during which he had no Internet service.

*Key words:* contract; internet coverage; cut

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### **The Story**

Ever since my parents got married nearly 30 years ago, the company that has delivered our telephone service has been Telefónica, and my parents have always been devoted customers. Fifteen years ago, my parents built a house next to the beach in Albuerne, in order to spend vacations there. It was only and exclusively for relaxing, which is why they only contracted a fixed telephone line, because they wanted to disconnect from the wireless world while they were there.

When I started my university education in Pamplona, my parents decided to move from Gijón to Albuerne, because my father could work from home, and so they decided to spend most of their time there. This changed things, and Internet installation was necessary for my father's work; he needed more than just a fixed phone line. After looking at some contracts and quotes and analyzing which one would be best, he phoned Telefónica in order to set up a new contract. Everything went quickly, and they promised him that the Internet coverage would be perfect. The following week a technician came to install everything.

Over the next year my parents experienced a lot of technical problems related to coverage despite the fact that they had been assured there would be no problem. The worst incident occurred the following year. Suddenly the Internet and phone line stopped working. No one knew what was happening, or what had gone wrong. During one of the several times that he phoned, an employee told him that the company was not going to charge for the service until the problem was resolved.

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However, at the end of a whole month without Internet services, the bill arrived with extra charges.

My father was extremely angry and phoned the company back, but representatives said that it was not their fault. Finally, my father decided to go to the central office in Gijón and speak directly with the person responsible, because he had received no help via his many phone contacts.

The following day he was in the store by 10am, with the bill, trying to explain the situation in order to reach a solution. The manager came out and after making some phone calls he told my father that they could not do anything, because the problem was not their responsibility; it was because my parents' house did not have Internet coverage. His tone was not pleasant, and my father said angrily, "When I signed the contract you promised me that I would have good coverage – if not I would have chosen another company". What worried my father the most was the money wasted. "You have charged us some months when we did not have Internet or a phone line and the operator assured us that we were not going to be charged."

The manager impolitely said that he could not refund my father the money, because technically it was not their problem. As a consequence, my father said that he wanted to cancel his connection. At that point the manager's attitude changed radically, but my father was quite sure of his decision and could not be persuaded otherwise. Over the days following that conversation, an employee from Telefónica phoned my father on an almost hourly basis to offer a better contract with better coverage. My father became more frustrated than ever, because he said that this was not an appropriate attitude to adopt with a client like him, and "You cannot promise something that you can't follow through on." The calls ended there.

### **Possible Solutions**

- A) Telefónica should refund the customer for the charges from the time at which the employee told him that they were not going to charge him until the technical problems were solved.
- B) Telefónica should refund the telephone payments to the customer and provide a free line until the problem is solved.
- C) Telefónica should have rejected the customer's demand for credit.
- D) Telefónica should give the customer a year's free contract for another phone line.
- E) Telefónica should have written a letter of apology.

### **Assessments**

#### **Surface Assessment**

Telefónica is a big telecommunication company. It should behave professionally, but have failed to do so with this client. Telefónica should repay the customer all the money that had been paid for the contract (more or less one year)

and continue to waive charges until the problem is solved. This indicates that the firm admits that it was the company's problem, and that the ongoing failure of coverage is not the customer's fault.

### **Deep Assessment**

The customer's problem with Telefónica has more repercussions than those the reader can see in the story. First of all, the customer is a loyal client; 30 years of paying two different contracts are a long time. The customer had confidence in this company, and Telefónica adopted a very rude attitude with a loyal customer. Phone companies deliver similar services, and people do not see a lot of difference between them in terms of service quality. This shows that the treatment given to the client is vital to the company's success.

The customer phoned the first time to try to solve the technical problems and to complain about the service; from the first person that he called to the last, all were unfriendly. Telefónica did not consider that the person calling up was a client and therefore one of the many people who support the company. Maybe they thought that losing a client is not a problem, but losing a loyal client is the worst thing that can happen to a company. Once customers are recognized as faithful clients, the company should look after them, because they provide continual income for the company. Experts have frequently said, "It is easier to lose loyal clients than to recruit new ones," if a company does not take care of them.

The customer went to the central office, because he had found that phone conversations were unsatisfactory. Unfortunately, the face-to-face interaction was even worse. The good memories of potential problem solving and a welcoming attitude had become a thing of the past.

The client was not angry with the technical problem. It could have been that the bad coverage was because Albuérne is rather isolated, thus impacting line service quality. However, the customer was angry, because the company had not told him the truth and only treated him as if the problem were his fault.

The accumulated bad attitudes and lack of apologies were what finally made the client decide to change to a different company. What persuaded him to make the change was the fact that when he announced that he wanted to disconnect the line the company phoned him offering better service: the customer saw this as dishonest behavior. The firm only compensates customers who want to leave, but never ones who want to stay. From my point of view this is a strategy with no future. Telefónica should think about the fact that a business without customers cannot exist, and a business with unhappy customers will not be in business for very long.

### **Solution Points for Multiple Choice Section**

- A) Telefónica should refund the customer for the charges from the time at which the employee told him that they were not going to charge him until the technical problems were solved. 1 point. This would be the fair thing to

do if a company does not take care of all the personal implications for the customer. Once the damage is done, the company should put significant effort into compensating the customer.

- B) Telefónica should refund the telephone payments to the customer and provide a free line until the problem is solved. 7 points. This is one of the best alternatives; in doing so, the firm recognizes that it is their problem and the consumer is not responsible for the failure. The customer should not have to pay for something that does not work properly.
- C) Telefónica should have rejected the customer's demand for credit. 0 points. This solution is inappropriate, because doing that to a client, especially a loyal one, is like admitting that customer loyalty means nothing.
- D) Telefónica should give the customer a year's free contract for another phone line. 2 points. While the customer wants a refund for a line that does not work, this is not going to make the other problem disappear.
- E) Telefónica should have written a letter of apology. 0 points. The customer does not want a letter; what he wants is proper company behavior and good treatment (and a working phone line). A letter is not enough in this case.

### **Editorial Commentary**

This case explores how a telecommunications company handled a loyal customer's complaint regarding poor service. The company failed to meet the client's expectations after his first contact with the customer service department (the person he talked with told him he would not be charged for the service for the time it had not worked, but he ended up being charged for it). Moreover, subsequent contacts with other company employees led to no solution to the problem, making the issue extremely fatiguing for the customer and making him feel frustrated. While sometimes customers are indeed not always right, that is not the case in the story here under discussion. Furthermore, the client got the feeling of being treated rudely by company employees during the whole process.

From the facts listed, it looks like the company does not value its customers, even as this specific one had a thirty-year track record with it. The company did not positively react at all until he informed them he was going to change to another telephone provider. However, by then this was too late, as the customer had already made up his mind. Telefónica should be aware of the fact that, even though a majority of consumers are willing to give companies at least one more chance after receiving poor service before they consider switching, more than one third of them will immediately consider switching after an initial poor customer service experience (American Express, 2014). In this case, the poor customer service had been taking place for a long time, reducing any chances for Telefónica to retain this customer after finally reacting in a positive way. Customers deeply resent having to repeat explanations about a problem to different company workers (Dixon et al., 2010).

The company in this case study thus loses a loyal customer due to continual lying with regard to its ability to actually provide the service requested and to its inability to react quickly and satisfactorily to the customer's complaint. The customer's only goal was to ensure that he was not charged when the service was not working and to try to get the service he had contracted. It is by helping customers solve their problems quickly and easily that companies create loyal and retain customers (Dixon et al., 2010). On the contrary, Telefónica fails to keep its word on the solution first offered, making the customer invest excess effort on trying to get the problem solved.

This case shows a "moment of truth" - one of those interactions with the provider of a product or service in which the customer invests a high amount of time and energy in the outcome (Beaujean et al., 2006). Handled correctly, these moments of truth are key to retaining customers. In fact, depending on the sector, after a positive experience, up to 85% of customers increase their opinion value of the company by purchasing more products or services; whereas more than 70% reduce their commitment when issues are not solved as expected (Beaujean et al., 2006).

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