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The quest for network quality in 2022

What is quality?

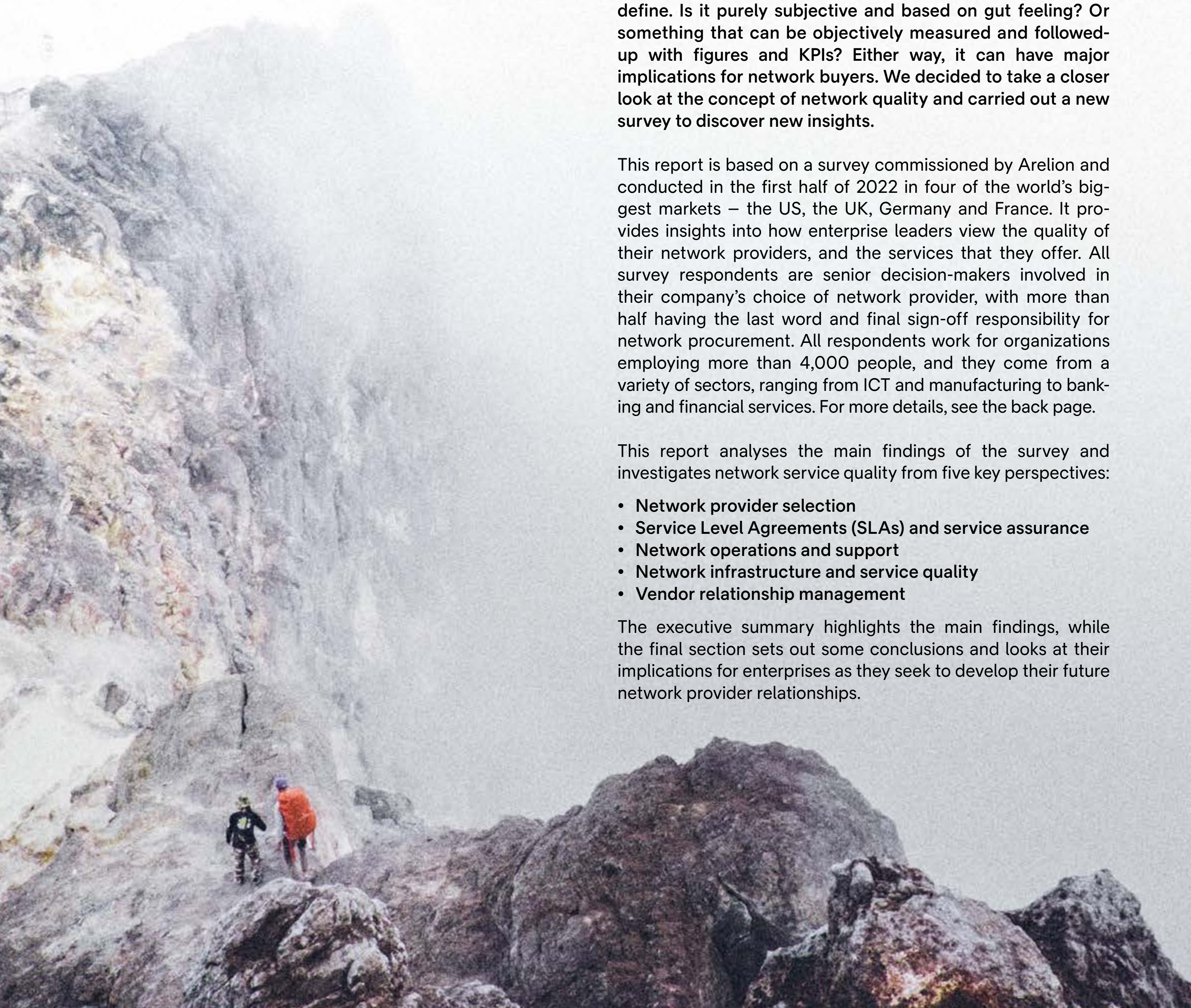
The word ‘quality’ is often used in the telecom industry. However, it is an elusive concept and somewhat difficult to define. Is it purely subjective and based on gut feeling? Or something that can be objectively measured and followed-up with figures and KPIs? Either way, it can have major implications for network buyers. We decided to take a closer look at the concept of network quality and carried out a new survey to discover new insights.

This report is based on a survey commissioned by Arelion and conducted in the first half of 2022 in four of the world’s biggest markets – the US, the UK, Germany and France. It provides insights into how enterprise leaders view the quality of their network providers, and the services that they offer. All survey respondents are senior decision-makers involved in their company’s choice of network provider, with more than half having the last word and final sign-off responsibility for network procurement. All respondents work for organizations employing more than 4,000 people, and they come from a variety of sectors, ranging from ICT and manufacturing to banking and financial services. For more details, see the back page.

This report analyses the main findings of the survey and investigates network service quality from five key perspectives:

- **Network provider selection**
- **Service Level Agreements (SLAs) and service assurance**
- **Network operations and support**
- **Network infrastructure and service quality**
- **Vendor relationship management**

The executive summary highlights the main findings, while the final section sets out some conclusions and looks at their implications for enterprises as they seek to develop their future network provider relationships.



Content

Executive summary

1. Choosing quality: Provider selection

- When choosing a network operator, leaders are most influenced by whether they are trustworthy and professional.
- In the buying cycle, they trust their own research more than any other source.
- Consistent and transparent communication is valued highly by network buyers.
- Leaders agree that “Quality is remembered long after price is forgotten.”
- Surprisingly, many say emotion – or ‘gut feel’ – drives their decision-making process.

2. Securing quality: Service level agreements

- Most leaders regard SLAs as a useful mechanism for securing network quality.
- Most believe a watertight SLA guarantees a great operator experience.
- Most follow up on SLAs on a weekly basis.
- Cultural and sectoral differences exist – for example, US leaders put the greatest emphasis on SLAs, as do managers in IT and financial services overall.

3. Managing quality: Day-to-day operations

- When assessing the quality of their providers, leaders prioritize network performance above all else.
- From a quality point of view, a provider’s service implementation and delivery team is the most important touchpoint for business leaders.
- Network buyers want to speak to an expert customer service representative on first contact.
- There are some notable cultural variations – for example, US leaders put greatest value on easy access to technical experts.

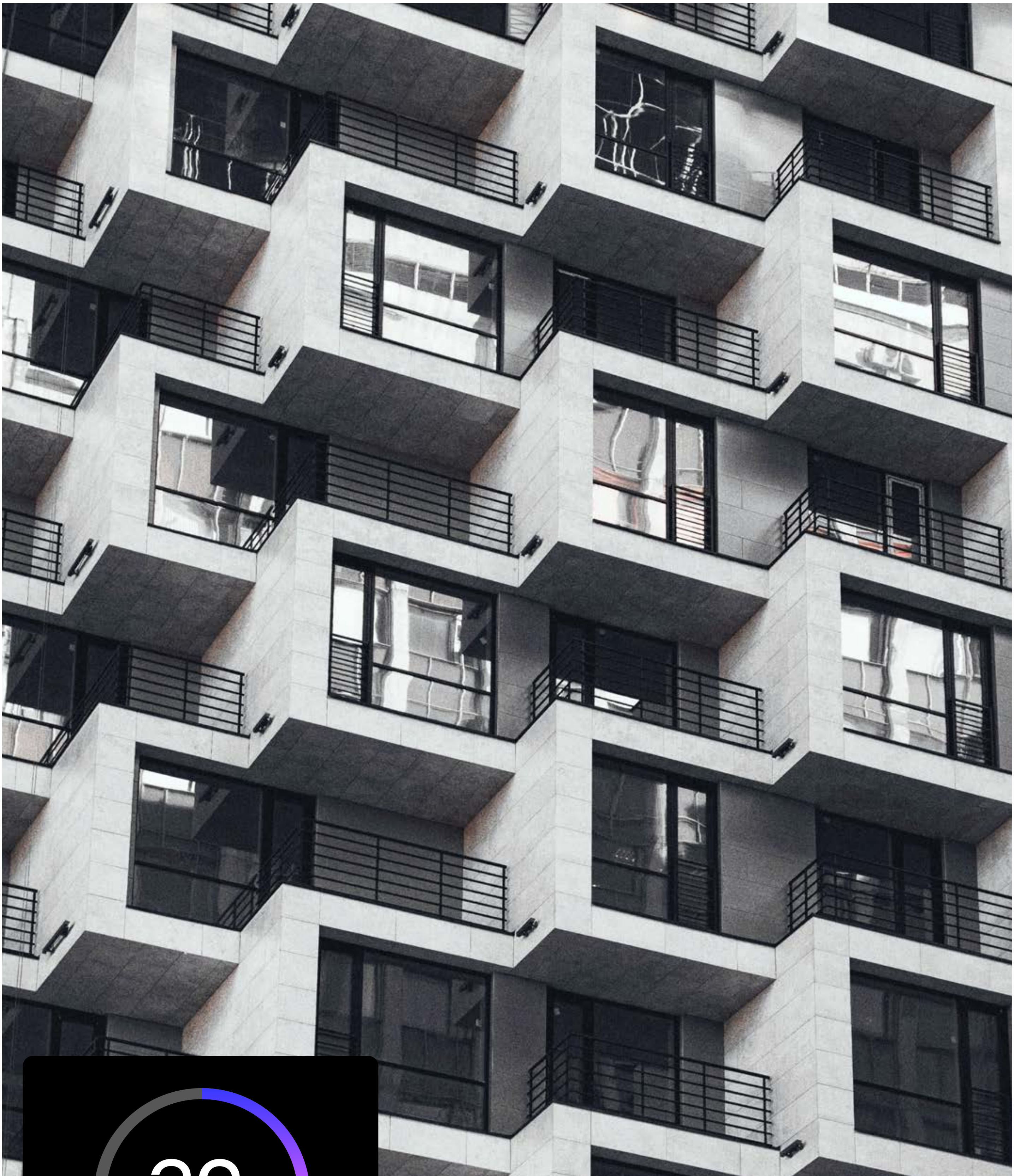
4. Building quality: Network infrastructure

- Leaders say that operators with their own network infrastructure deliver better network quality.
- They would expect a network operator to have a higher quality of service than a virtual network operator (VNO).
- Repeated network failings, followed by dishonesty, have the most negative impact on leaders’ perception of operator quality. Again, there are cultural and sectoral variations.
- The most consistent failings they experience are a lack of transparency and poor security.
- Most leaders agree that higher network quality is synonymous with greater network size.

5. Sustaining quality: Vendor relationship management

- A majority of leaders have changed network provider due to poor quality, especially in the US and in the financial services, banking and IT sectors.
- Most will replace their provider if they have a poor relationship with their account manager. Again, US leaders are particularly likely to act on this.
- Nearly all leaders will pay a premium for a provider that delivers a high-quality network experience.
- They say that overall service quality is improved if there is a local network provider representative.

Most leaders will replace their network provider if they aren't satisfied with their account manager



32%

Almost 1/3 of leaders attributed over half of their decision-making processes to an emotional response

Surprisingly, many leaders rely on gut feeling when choosing a network operator

Choosing—quality
Provider selection

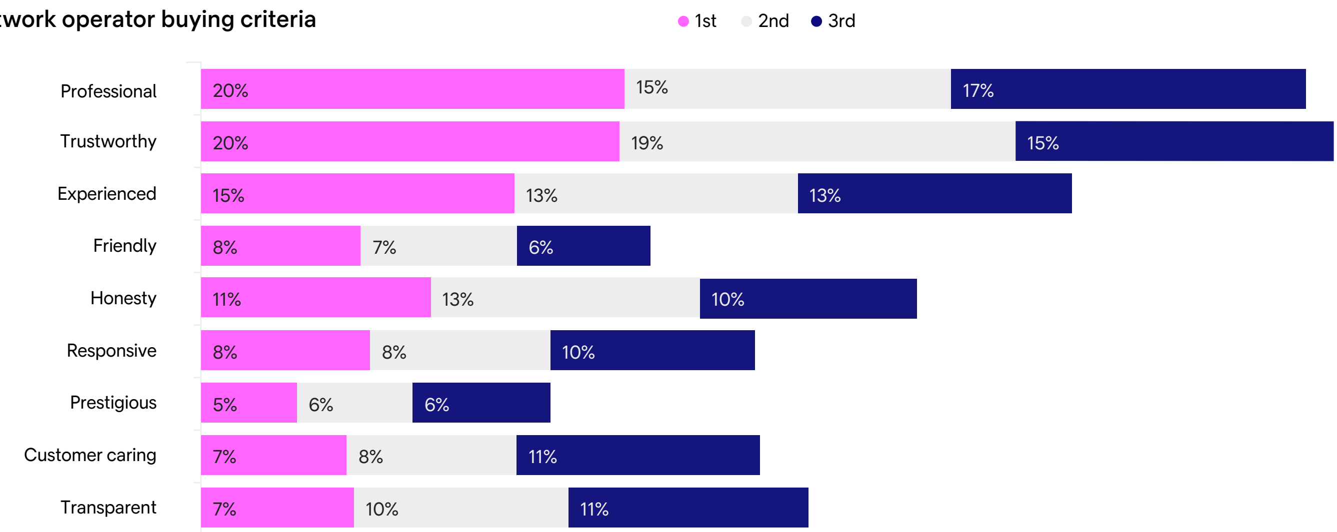
Influencing factors

—

We began the survey by asking leaders what the top three buying criteria would be when choosing a network operator. Trustworthiness and professionalism come top of the list, followed by experience.

While this finding is true for all sectors and countries, there are noticeable geographical variations. In the Anglosphere (the UK and the US), trustworthiness is valued over professionalism, while for France and Germany the reverse is true.

Network operator buying criteria



Who can be trusted?

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We asked leaders who they trust most when making a final decision to select an operator. Almost a third (28%) said that they trust their own research more than any other source throughout the buying cycle, although a significant number have faith in online research sources (21%) and industry analysts (19%).

While this finding is generally consistent across all industry sectors, 22% of leaders in the UK and France have more of a tendency to rely on the input from the analyst community. This compares to their US and German counterparts who favour their own research (30% and 31% respectively) and trusted online research sources (26% and 25% respectively).

Quality versus price

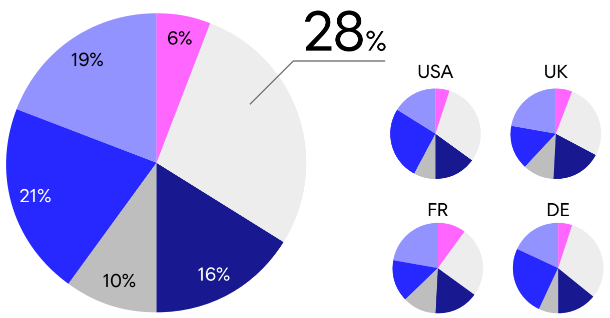
—

For leaders with previous experience of network provider selection, we asked whether they agree with the saying, "Quality is remembered long after price is forgotten".

In general, leaders agree that quality is the more memorable of the two. In terms of geographical and industry variations, this is most true of leaders in France (60%), financial services (68%), and manufacturing (63%).

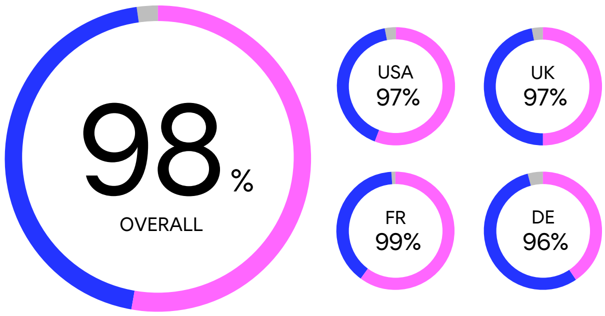
Trust when sourcing an operator

● Pre-sales team ● Previous experience ● Online sources
● Own research ● Advice from peers ● Industry analysts



Is quality remembered long after price is forgotten?

● Strongly agree ● Agree ● Disagree ● Strongly disagree



Communication is key

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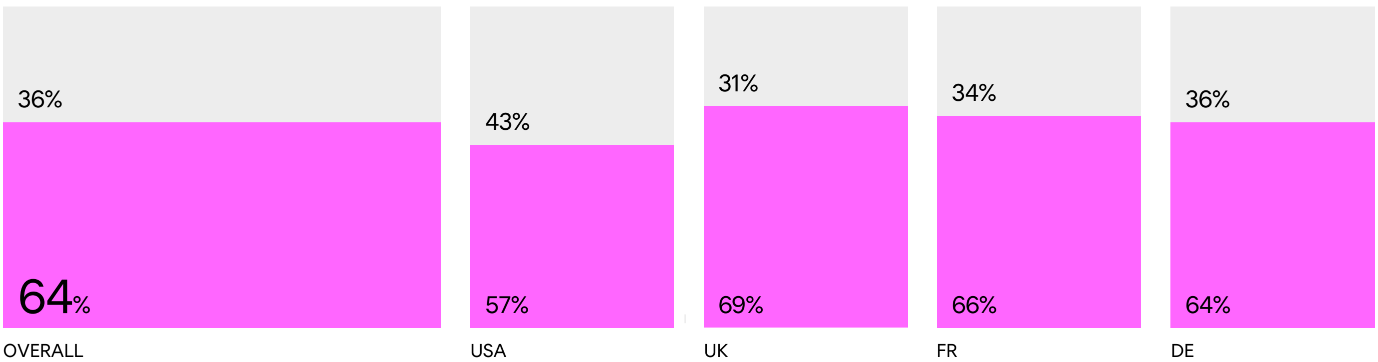
Leaders were asked what is more important to them when choosing a network provider: consistent and transparent communication or speed (in terms of delivery and operational responsiveness). Communication is by far the prime practical quality required, according to 64% of respondents. Speed is also important, but much less so (36% of the vote).

In terms of countries, the US stands out as being the one market where there is more of a balanced regard for these two qualities. When it comes to sectors, banking also recognizes both communication and speed as having relatively equal value.

Prioritiy when choosing network provider

● Consistent & transparent communication
● Speed (in delivery and operations)



Showing some emotion

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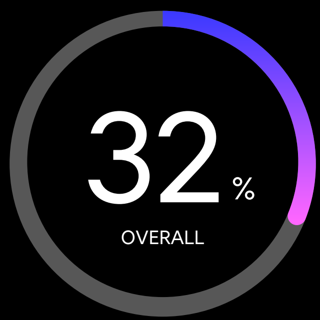
When it comes to the decision-making process, we asked leaders how much they rely on their emotional response or 'gut feel'. A surprisingly high number say that emotion drives their choice. In fact, 32% of respondents state that more than half of their decisions are made in this way.

Leaders in the US are particularly driven by emotion, with 37% attributing over half of their decision-making processes to it. Looking across different sectors, that same gut feel approach plays the biggest part for leaders in financial services (34%), followed by IT (31%) and technology/business services (30%).

Almost 1 out of 3 attribute 50% or more of the decision-making process to gut-feeling

Selecting a network operator



When choosing operator, almost 1 out of 3 attribute 50%, or more, of the decision-making process to gut-feeling

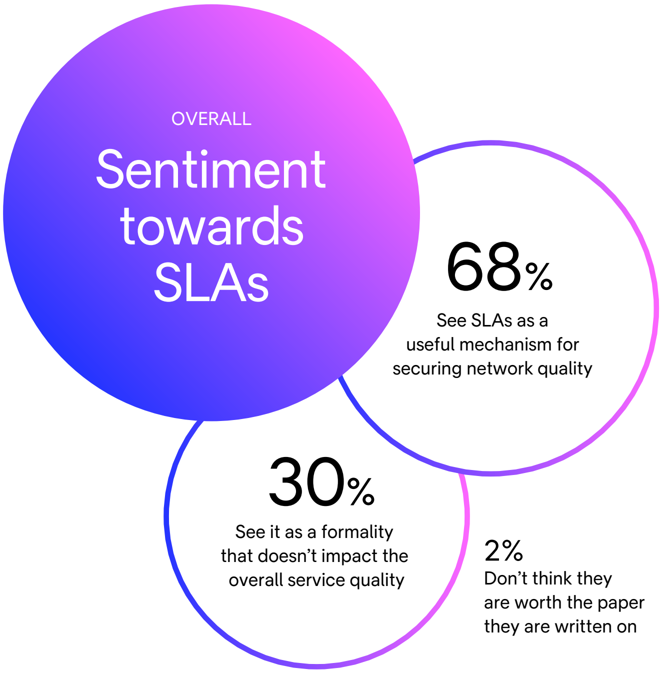
Securing quality
Service level agreements

The true value of Service Level Agreements

—

In this section, we began by asking leaders whether SLAs are a useful mechanism for securing network quality or simply a necessary formality that does not impact overall service quality. The majority (68%) regard them as a useful quality assurance mechanism, while less than a third (30%) view them as a necessary formality with no tangible impact on service quality.

US leaders place the greatest emphasis on SLAs, with 80% citing them as a useful mechanism for securing network quality, ahead of 64% of their counterparts in France, 62% in the UK and 58% in Germany. Financial services sector respondents also rated their importance highly, each at 76%. Interestingly, a third of leaders in manufacturing (34%) and banking (33%) see SLAs simply as a necessary formality.

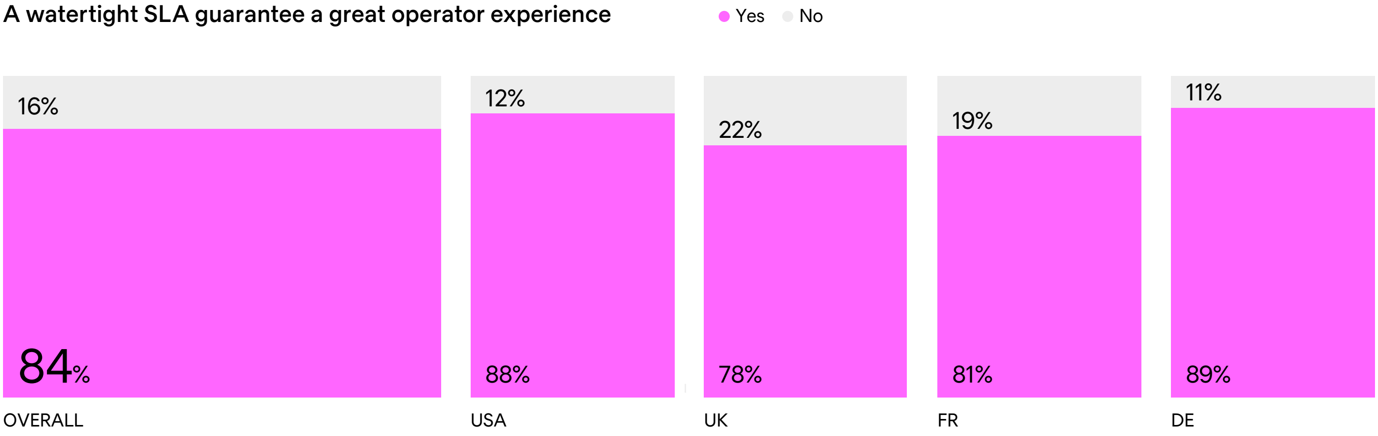


Faith in SLAs

When asked whether having a watertight SLA guarantees a great operator experience, leaders overwhelmingly agree (84%) that it does.

German business leaders are the most enthusiastic (89%), with UK leaders less so (78%). In fact, a significant 22% of UK leaders are actually sceptical about the value of an SLA in guaranteeing a high-quality operator experience. In terms of sectors, all key verticals are strongly supportive of SLAs as a mechanism for quality assurance (over 81%).

A watertight SLA guarantee a great operator experience



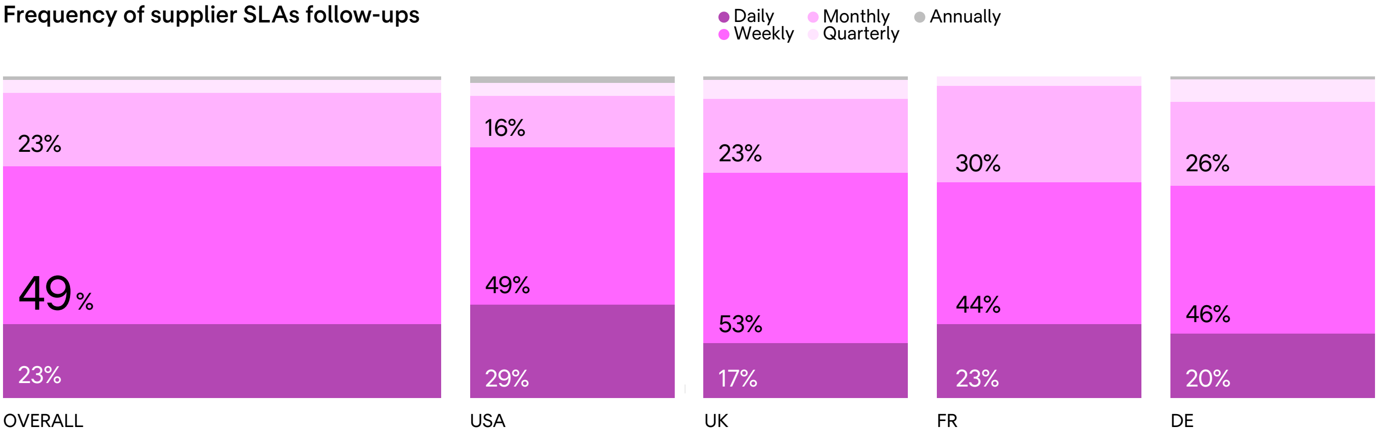
Following-up on SLAs

We asked leaders how frequently they follow-up supplier SLAs as part of their quality assurance routines. Almost half (49%) follow up with checks on a weekly basis, with the rest doing so either more regularly (daily) or less (monthly).

Examining the differences across geographical markets, weekly checks prevail as the most popular overall. However, 29% of decision-makers in the US opt for daily checks, and 30% of those in France elect for monthly checks.

Almost half of respondents follow-up supplier SLAs on a weekly basis

Frequency of supplier SLAs follow-ups



Managing quality
Day-to-day operations

84%
of leaders want to speak to a real person directly and not go via chatbots

Top teams

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From a customer experience perspective, our research reveals that leaders consider the service implementation and delivery team to be the most important, followed by the network operations team.

For US and UK leaders, service implementation and delivery stands out, whereas in France network operations features more prominently. For the majority of sectors, the service implementation and delivery team is rated most highly. However, the exceptions to this are in banking – where just over a quarter of respondents (26%) say that the network operations team is the most important – and in financial services, where a similar proportion (25%) favours the ongoing account management team.

Speak to me

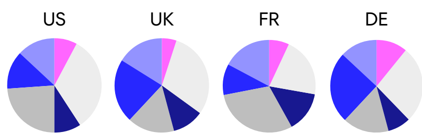
—

We asked leaders: "Do you believe it should always be possible to speak with a customer services person without using chatbots or automated phone lines?". A resounding majority (84%) said yes.

While the decision-makers across all the markets surveyed agreed on this point, US leaders are especially adamant about it (90%) as are leaders in IT, banking, and manufacturing (all over 90%).

Most important team from customer experience perspective

Pre-sales	Service impl. and delivery	Post-sales acc. mgt.	Network operations	Ongoing acc. mgt.	Post-sale service mgt.
8%	29%	10%	21%	17%	15%



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In search of expertise

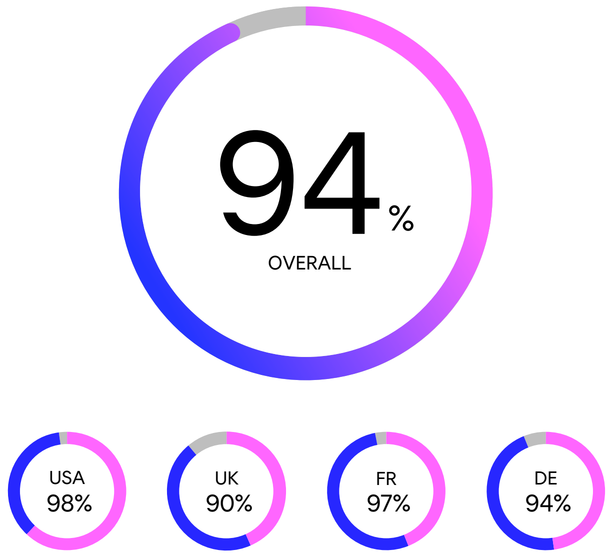
When it comes to first line support, we asked leaders how important it is that the first contact is with someone who is technically qualified to solve their problem. The results show that they are strongly in favour of speaking to an expert, with 94% rating it as either important or very important.

Geographically, 62% of US leaders feel this is 'very important', markedly ahead of their UK, French, and German counterparts. In terms of sectors, financial services (64%) and IT (63%) are the value this the most, possibly because of the technical orientation of these industries.

> **Leaders want direct access to someone who can help them solve their problem**

Importance of technically qualified first line support

Very important · Important



Prioritizing performance

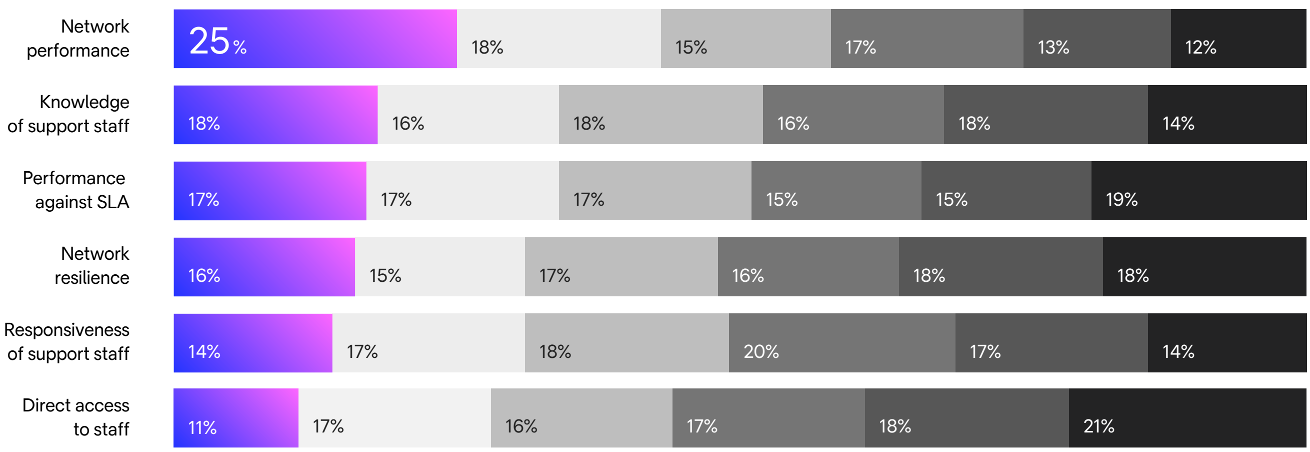
How do leaders assess the quality of the experience they have with their provider? A quarter (25%) prioritize network performance above all other factors, such as knowledge of support staff (18%) or performance against SLAs (17%).

Conversely, for 24% of banking leaders, and 23% of those in financial services, support staff knowledge is rated as the most important factor influencing quality of experience.

> **Network performance is the highest priority when it comes to assessing the quality experience**

Priority when assessing quality experience provider

1st · 2nd · 3rd · 4th · 5th · 6th



Building quality
Network infrastructure

Great expectations

We asked about leaders' expectations when it comes to quality of service from virtual network operators (VNOs) and traditional network operators. A majority (64%) have higher expectations of network operators, but a significant minority (29%) expect more from a VNO.

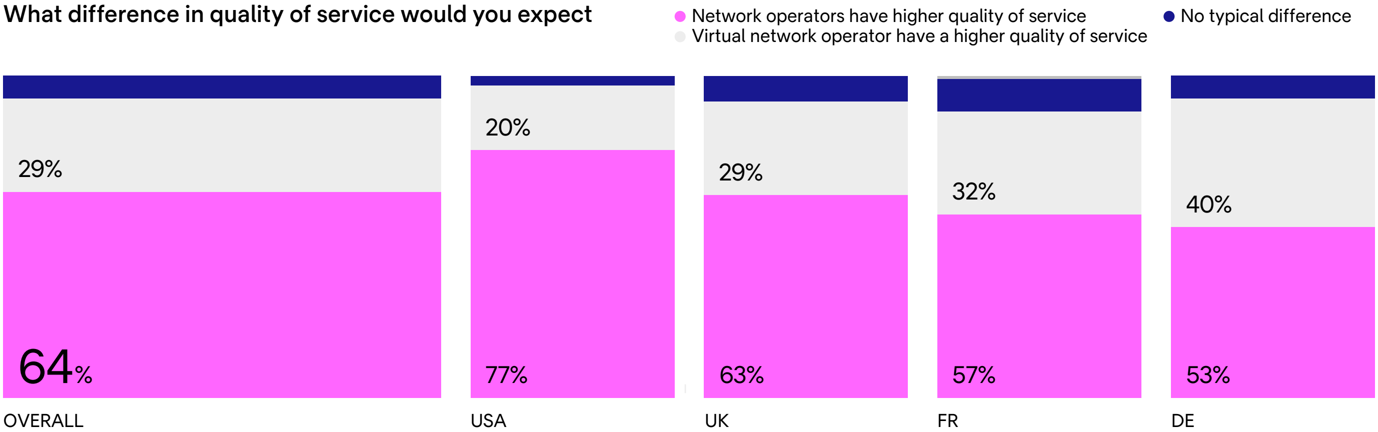
In terms of countries, the bias in favour of a network operator is greatest in the US, at a resounding 77%. While German leaders still have higher hopes for the quality of service from network operators (53%), 40% of the decision-makers in the German market have the greatest expectations of VNOs compared with the other geographical markets – perhaps hinting at underlying cultural differences.

Ownership counts

Do network operators with their own network infrastructure (hardware and optical fibre assets) deliver better network quality? A resounding 90% of leaders agree that, in their experience, they do.

9 out of 10 leaders believe operators with their own network infrastructure deliver better network quality

What difference in quality of service would you expect



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Negative impact

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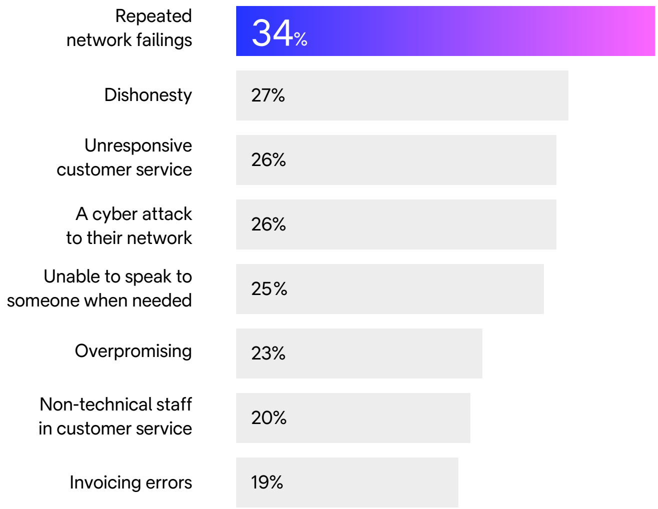
Leaders were asked which experiences would have the most negative impact on their perception of service quality from their current operator.

Not surprisingly, perhaps, over a third (34%) cite repeated network failings. This is followed closely by dishonesty at 27%.

When it comes to specific countries, however, 31% of US leaders say that they are most adversely affected by not being able to speak to someone. In terms of sectors, banking and financial services also break with the crowd. In banking, 43% of decision-makers cite unresponsive customer service, while 31% place being unable to speak with someone ahead of repeated network failings. In financial services, similar to their banking counter-parts, 34% of respondents rate the inability to speak to someone as their greatest pain point, followed by cyber-attacks (31%).

What gives biggest negative impact on quality



Failures in quality

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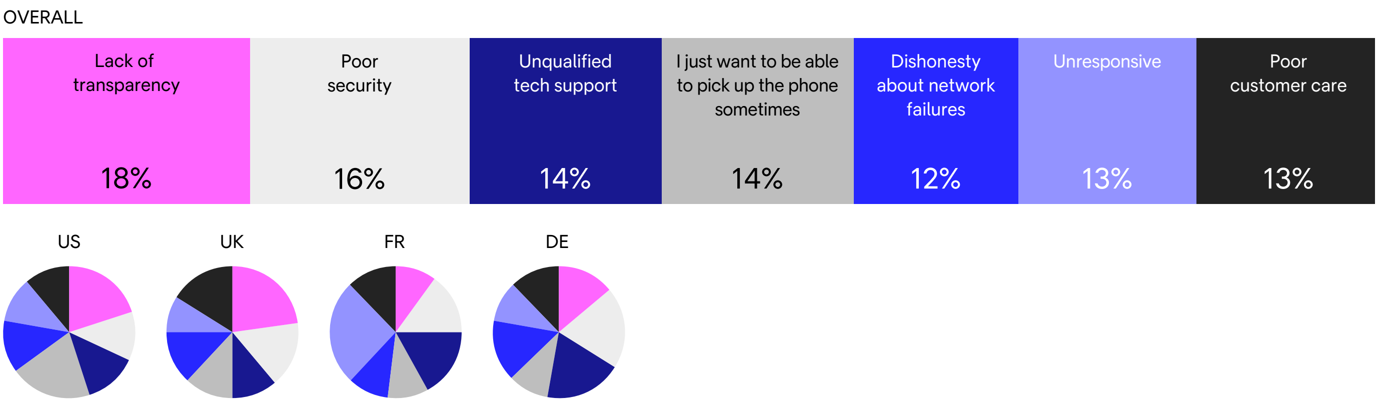
Based on their experience of dealing with different network operators, we asked leaders what they see as the most consistent quality failure across the industry. The primary one cited, with 18% of the vote, is lack of transparency, followed by poor security (16%).

Yet again, we see geographical differences. While the US and UK refer to a lack of transparency, leaders in France and Germany prioritize unresponsiveness and poor security. A lack of transparency is also the biggest negative factor for most sectors, with the exception being technology/business services, where 23% of respondents citing poor security as the primary failure.

Lack of transparency and poor security is the primary quality failure experienced

Most consistent quality failure for network operators



Size matters

We asked leaders whether they agree that higher network quality is synonymous with greater network size (scale and reach). Most agree or strongly agree (91%), with US leaders (97%) again the most decided on the issue.

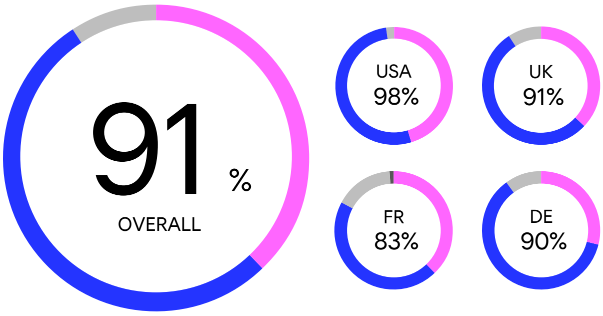
Local advantage

When asked whether having a local (in the respondents' own country) network provider representative improves overall service quality, 87% of leaders agree or strongly agree that it does.

This view is particularly strongly felt by decision-makers in the US (95%) and France (92%), but is of markedly less importance in Germany (74%).

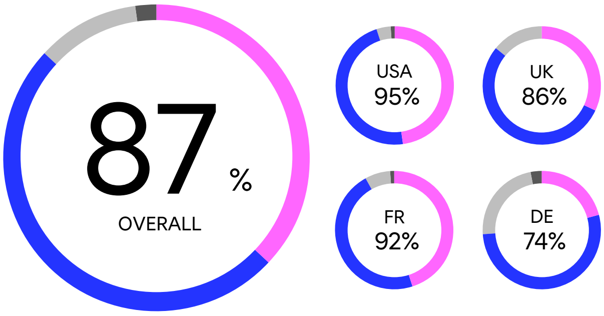
Higher network quality is synonymous with greater network size (scale & reach)

● Strongly agree ● Agree ● Disagree ● Strongly disagree



The presence of a local network provider representative improves overall service quality

● Strongly agree ● Agree ● Disagree ● Strongly disagree



Sustaining quality
Vendor management

Account managers are key

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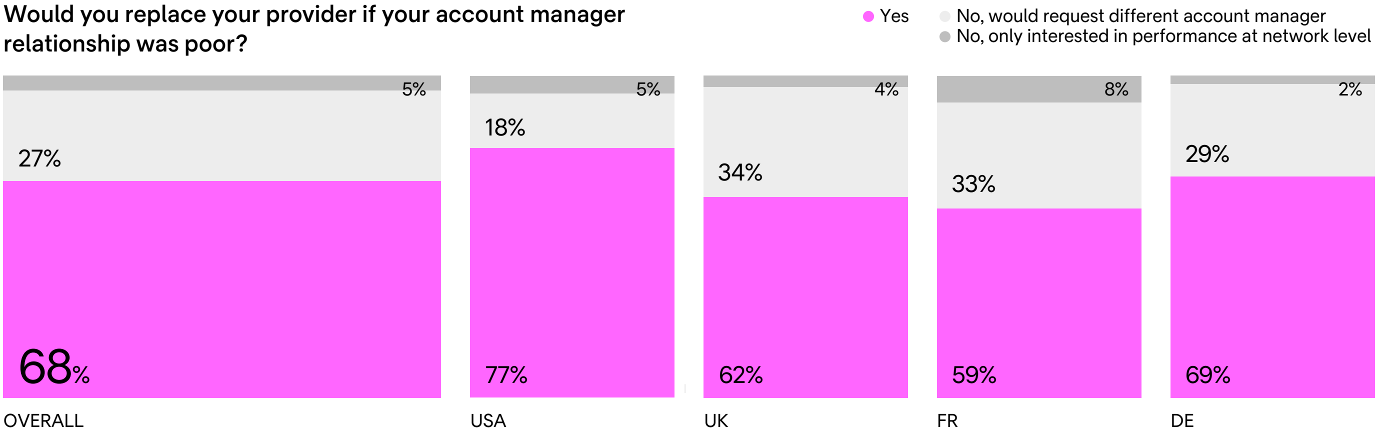
Does a poor relationship with your account manager mean you would replace your network provider? A surprisingly high proportion of leaders (68%) would go ahead and do so, with less than a third simply requesting a different representative to interact with.

US leaders (77%) and German leaders (69%) are particularly prone to pulling the trigger in this way, along with 62% of UK and 59% of French decision-makers. Among industry sectors, leaders in IT (74%), banking (71%), and manufacturing (70%), are the most inclined to change their network provider if they feel that their account manager is not up to scratch. The findings strongly suggest that network providers must get the appointment of their account managers right, as they can make or break the customer-vendor relationship.

Would you replace your provider if your account manager relationship was poor?



Forcing change

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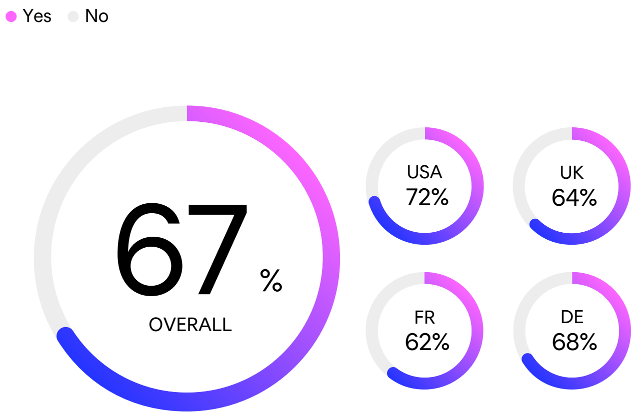
When asked if they have ever changed network provider due to poor quality, over two-thirds (67%) of leaders reveal that they have done so.

When it comes to the responses from the different markets, US decision-makers again stand out as they are the most likely to change provider over quality issues (72%), followed by German leaders (68%). In terms of industry sectors, such action is most common among decision-makers in financial services (76%), banking (74%) and IT (71%). These findings could reflect a more discerning attitude to quality, or more mission-critical applications, in these markets and industries.

Have changed network provider due to bad quality



Investing in quality

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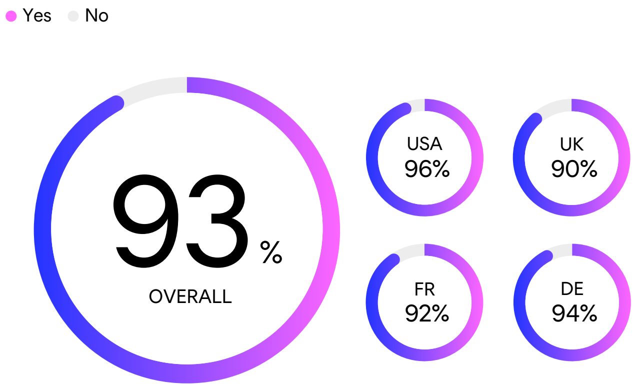
Finally, when we asked if leaders would pay a premium for a provider that delivers a high level of network quality, an overwhelming 93% affirm that they would indeed pay more.

Willingness to pay a premium for a provider that delivers high level of network quality



Conclusions

Quality isn't easy to define

When it comes to the network and services, this research shows that 'quality', in a network services sense, is a broad and somewhat intangible concept which difficult to define.

That said, respondents generally feel that network quality is the area of most importance. And while, for most leaders, network quality is a given – with SLAs acting as a key safety net – it is clearly important for them to consider less tangible quality parameters.

Soft values are often overlooked

Beyond network quality, leaders are influenced by 'softer' factors, such as their providers' honesty, level of transparency, quality of communication, and culture of customer service.

In other words, there is a great deal more to quality than just the SLAs.

People want to talk to people

Many leaders themselves admit that emotion, or sheer gut feel, is a significant driver of their choice of network operator. They also crave communication with real, knowledgeable human beings, rather than 'gatekeepers' or chatbots.

Above all, perhaps, they want to know when things are going wrong, and will respect their network provider more if they acknowledge quality failures and give candid feedback.

Culture makes a difference

Geographical and cultural variations are evident throughout the research. In particular, there are numerous findings suggesting that US enterprise leaders are more direct, demanding, and decisive than their European counterparts.

Note the strength of their call for expert, in-person customer contact, alongside a readiness to fire their current network provider on the back of a poor account manager relationship.

Different sectors, different needs

There are also marked differences across industries. In particular, we see higher expectations of service quality in the banking and financial services sectors, perhaps because they have greater reliance on network support.

At the same time, the manufacturing, IT and wholesale sectors stress the importance of network performance, presumably because they are more susceptible to network outages than other industries.

Quality is a bigger picture

Overall, this research provides valuable insights into what enterprise leaders are experiencing in terms of the quality of their network and services. It gives a clear steer on what they are looking for, which ultimately comes down to their network provider delivering quality – in its broadest sense.

The challenge for network buyers is that a true evaluation of network service quality goes beyond a simple comparison of performance KPIs and business leaders need to make an assessment of several less tangible attributes that contribute to a compelling customer experience. The following section provides a number of practical recommendations to assist in this process.

Securing the best possible network quality

Network service quality is important, and network buyers are prepared to pay for it. That said, assessing the overall quality of experience can be a challenge.

A simple desktop comparison of various KPIs isn't sufficient and a holistic assessment including a review of less-tangible parameters is necessary. From the results of this research report, a number of recommendations can be made for prospective network buyers looking to secure the best possible network service quality.

01

Trust your instincts

Network buyers should use their own instincts and insights throughout the buying cycle. In this report, we found that they trust their own research more than any other source. Previous experience of a particular vendor or, failing that, reliable recommendations from a third party and even try-before-you-buy opportunities are beneficial.

02

Level up

The majority of business leaders in the survey regard service level agreements (SLAs) as a useful mechanism for securing network quality once they have onboarded a provider. Most believe that a watertight SLA guarantees a great operator experience and the majority of respondents follow-up on SLAs on a weekly basis. Network buyers should therefore ensure that they secure a strong SLA from the outset.

03

Choose your allies

Trustworthiness and transparency are an overwhelming priority for most respondents when they define network provider quality. On the flip side, repeated network failings, followed by dishonesty, have the most negative impact on the perception of operator quality. Network buyers should take extra steps to source network providers with a track record of trustworthiness and transparency, including a thorough and critical review of sales pitches and vendor references/ case studies during the procurement process itself.

04

Keep it personal

The vast majority of network buyers want to speak to an expert on first contact, and most will replace their provider if they have a poor relationship with an account manager. Strong personal relationships with network providers should therefore be prioritized.Survey respondents felt that overall service quality is improved if there is a local network provider representative. The importance of securing a network supplier with a local, in-country sales representative or operational interface should therefore not be underestimated.

05

Stand and deliver

When assessing a provider's quality, business leaders prioritize network performance above all else. From a quality point of view, a provider's service implementation and delivery team is considered the most important touchpoint. It is generally agreed that "Quality is remembered long after price is forgotten", and nearly all are prepared to pay a premium for a provider that delivers a high-quality network experience. It is more costly to manage poor quality in the long run and particular attention should be paid to a prospective provider's implementation and delivery team.

Research methodology

Research was conducted on behalf of Arelion by Savanta, a global leader in digital data collection. A survey was carried out online in the first half of 2022 with 754 industry representatives in the US, UK, Germany, and France.

All participants in the research work for enterprises with more than 4,000 people. They come from a range of industries, led by:

- Wholesale: 202
- IT services: 156
- Manufacturing/engineering: 93
- Finance/financial services: 80
- Technology/business services: 70
- Banking: 58

All participants are involved in decision-making regarding their company's network development strategy, with 59% having the last word and final sign-off responsibility for this area.

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About us

Arelion (formerly Telia Carrier) solves global connectivity challenges for multinational enterprises whose businesses rely on digital infrastructure. On top of the world's #1 ranked IP backbone and a unique ecosystem of cloud and network service providers, we provide an award-winning customer experience to enterprises in more than 125 countries worldwide.

Our global Internet services connect more than 700 cloud, security and content providers with low latency. For further resilience, our private Cloud Connect service connects directly to Amazon Web Services, Microsoft Azure, Google Cloud, IBM Cloud and Oracle Cloud across North America, Europe and Asia.

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