

TIME TO CHANGE?

A guide to
transforming your
phone numbers

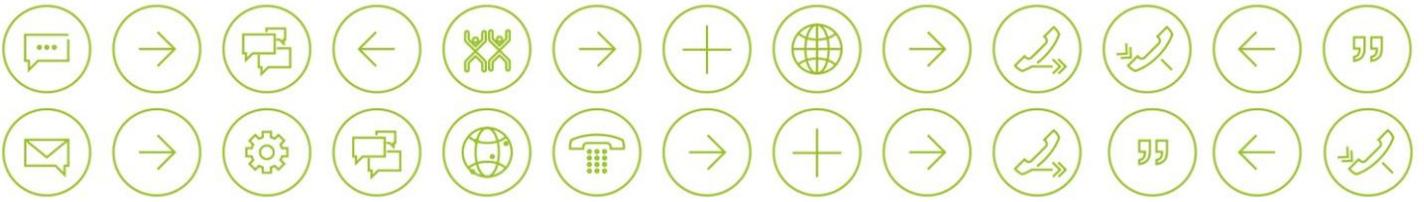
As consumers we might not recognise the term ‘non-geographic numbers’, but we’re actually surrounded by them every day. Non-geographic numbers are present in almost every example of product packaging, websites, stationary or bills that we come across. Many of us rely on them to assert our consumer rights and access essential services.

However, despite this everyday need for non-geographic numbers, the majority of people do not understand how they work and are suspicious of call charges. This had led the most cost-conscious or vulnerable consumers to avoid calling non-geographic numbers altogether, potentially excluding them from vital services.

These concerns have not gone unnoticed and statutory and regulatory changes are underway to make life clearer and fairer when we call these numbers.

Although the new regulations are designed to make things simpler for consumers, they present challenges for the organisations being called. Some of the changes are not universally applied rules and include sector-specific exemptions. Organisations that answer calls made to non-geographic numbers will have to re-evaluate their customer contact strategy and costs in the light of these changes.

In this e-book, we’ll explain what is happening to non-geographic numbers and provide some guidance about the implications for businesses that offer them to their customers. We’ll also suggest ways in which their use can be integrated into a more sophisticated customer contract strategy that puts the emphasis on improving customer experience.



What do these changes mean in practice?

Before we explore what these changes could mean for your organisation, we'll explain what the various terms mean.

Non-Geographic numbers

These are numbers starting in 03, 08, 09 and 118. They are not associated with a geographic area. You may also hear them referred to as IN - Intelligent Network (as they need a sophisticated network to direct them to the right place) or NTS - Number Translations Service (as they need to be translated into the geographic number to which the call will be delivered). It's important to remember that numbers starting in 03 are always charged at local call rates.

Geographic numbers

These are numbers starting in 01 or 02, where the first part of the number determines the geographic location of the number being called. They are also known as STD (Subscriber Trunk Dialling) numbers.

Freephone numbers

These are numbers starting in 080 that are free to the caller from a land line and some mobile networks.

Basic rate

The price the caller is charged for a standard local or national call to a geographic number.

IVR

Interactive Voice Response. In practice it's used for 'Press 1 for Department A, 2 for Department B or 0 for the Operator.

Out-payment

This is money collected by the service provider from the caller and paid to the called organisation. Out-payments generally only apply to non-geographic numbers with higher call charges (such as 0844 and 0871). They are used to generate revenue from those calling such numbers e.g. to help fund a support operation.

Access Charges and Service Charges

In the days of a sole telecommunications provider, the caller would be a subscriber to the same network as the called party. Today, calls can originate on one provider's network (who collects the charge from the caller -

referred to in the new regulations as the Access Charge) and be delivered on another provider's network (and may even transit yet another provider's network on the way). When the call is delivered to the final network, the cost to the caller is referred to as the Service Charge in the new regulations. Splitting (or unbundling) the cost of calls into Access and Service charges is the most fundamental change in the new regulations and is something that callers will need to understand.

The journey so far...

There are two significant changes that affect non-geographic numbers. The first (which came into effect in June 2014) is a statutory change which relates to the Consumer Rights Directive.

This change determines that callers who are a customer of the organisation they are contacting should not have to pay more than the basic rate for a call relating to post-contract customer service.

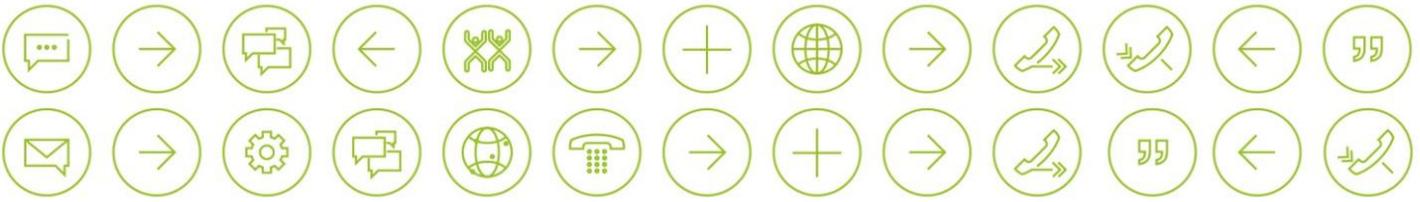
There are exceptions to this e.g. a number set up to provide an additional service (such as a technical help line) can charge more to fund the provision of the service. There are also certain industries that are exempt but many exempt organisations are still adhering to the directive for the benefit of their customers.

'Freephone means Free'

The second change is a regulatory change being implemented in June 2015 by the regulator Ofcom. The initiative is referred to as 'UK Calling'.

It has been created firstly to make sure that Freephone truly means free wherever you call from and secondly to help callers understand how their charge for calling an 08 or 09 number will be made up.

This means that callers will need to understand the components of the call they make. Access Charges will vary depending on the caller's service provider's tariff and Service Charges will be determined and collected by the organisation being called. So this change will help to clarify the common statement "Calls will cost XXp from a BT Land Line, other networks may vary" and will need to be replaced by: "Calls will cost 10p, plus your phone company's access charge" where the 10p charge will be the service charge.



The regulatory change will also put an end to the subtle and confusing difference between 0845 and 0870 numbers, as well as other numbers starting with 084 and 087.

Previously, charges for calling 0845 and 0870 numbers were capped but other numbers starting with the same three digits could cost callers more and callers found it very difficult to work out just how much that might be. That cap will now extend to all 084x and 087x numbers and will be set at a service charge of 7p per minute for 084x and 13p per minute for 087x.

How does it affect me and my customers?

Whilst some of these changes might merely sound like tweaks, their impact is quite significant.

Despite the good intentions of the new rules, 'Freephone means free' is not quite true as the elements of the call that were not free previously will still need to be funded. This could potentially increase costs for a called organisation receiving calls from mobiles as it is the called organisation rather than the caller who will need to pay for the Access Charge. In fact, a sizeable increase in calls from mobiles is likely as these changes become widely understood by mobile callers.

Anything that adds complexity to the costs of providing non-geographic numbers should prompt the organisations offering them to reassess how much they are paying, the tools available to manage the numbers they use and ultimately whether there are better ways to serve the customers who use non-geographic numbers to contact you. If you are faced with considering these issues we've put together a step by step plan to explain what you need to do.

Step 1 - Pay the right price

The first and most obvious step is to review the price you are paying and the contractual arrangements for the numbers you already have in service. Tariffs do vary and prices will continue to change. It is also worth confirming that your organisation is not paying for any unused numbers – if you're not using a number why pay for it?

There is an on-going approach to paying the right price which we will cover in Step 3.

As a long term participant in this market, we're aware of the need to keep prices competitive and we continually monitor and manage our pricing in relation to industry competition.

Step 2 - Know what to expect

If your business relies on non-geographic numbers, it is essential that you understand the detail of these changes. This e-book serves as an introduction to the topic but links to more detailed and technical information are available on our website or call us on 0330 333 0330.

After you have understood that detail, you will need to relate the changes to your existing call patterns. The more information you have about call volumes to the numbers you offer and particularly where those calls originate from, the better equipped you'll be to determine both the impact on your customer experience and the cost of the changes to you and your callers.

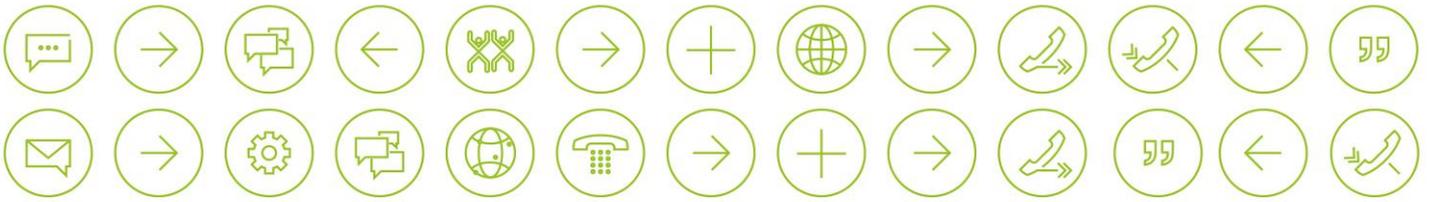
Getting professional help at this complex stage will be extremely beneficial. At Diva, we can help you speed up the process and give you some additional insights into the potential impact of the changes and make cost effective and customer friendly recommendations. Call us on 0330 333 0330.

Step 3 - Keep on top of your numbers to maintain customer experience and control cost

Keeping on top of number usage and having the ability to fine-tune call routing in real time is essential, especially where call volumes may vary with peaks and troughs in demand. This is essential in two respects, firstly from the perspective of customer experience – are calls routed to locations with the right expertise to help them or with the shortest call queues? Have you got appropriate business continuity in place so that calls re-route automatically to alternative locations in the event of a connection failure?

The second aspect to this is cost control, understanding how much each number is costing you and bearing in mind that many operations will also feature outbound calling to resolve customer issues. It is important that costs associated with both inbound and outbound calling are appropriately allocated.

This crucial visibility and control is best achieved through online tools. We offer complete control of non-geographic numbers through our Online Portal and



Reporting Portal. This allows you near real-time views of the cost of providing the service, broken down to the level of detail required – for example to individual numbers or locations. Additional online tools allow you to take immediate control of call routing and change where calls are routed to or the basis of routing (for example time of day or load balancing between locations). Tools like this are essential to keeping on top of number usage and the closely associated customer experience and cost.

Step 4 – Finding a better way through simple changes

Whilst evaluating your customer contact strategy in the light of these changes, there is also the opportunity to change the way that service is provided – ultimately improving efficiency or lowering costs for both the caller and the called organisation. There could be a better way of operating, just by making simple changes. If you currently use numbers in the 084 or 087 range, take the

time to understand how much these cost you or indeed deliver in the form of out payments and consider simple changes such as replacing them with a virtual geographic number or an 03 number.

For the caller, moving to an 03 number gives them the confidence that they are not going to be overcharged. For the called party, the benefit lies in the fact that the entire cost of the call will be covered by the caller, irrespective of the network they are calling from. This is not the case with 080x numbers, where calls from mobiles may result in higher costs for the called organisation.

Why not take this opportunity to conduct a complete company communications review with Diva Telecom we may be able to offer you more productive solutions that add real value to your business offering.