



Chapter 4

SERVICE AND CUSTOMERS

Service and Customers

Giving the Best Service to All

Bezeq's idea of service is to offer high-quality service to all, without discrimination on any basis. The Company provides service in a variety of languages: Hebrew, Arabic and Russian.

Our Responsibility at Bezeq

To identify categories and trends on the global market, to invest resources, to create appropriate conditions and assimilate them, and to lead the entire market to progress and innovation.

Communications Market Trends

Many companies in the global telecom sector attach great importance to corporate sustainability and responsibility, with emphasis on responsibility towards the customer, digitization, innovation, trust and flexibility. Accordingly, many companies engage in the field of information and cyber security and the protection of customer privacy.

These issues occupy a central place in the daily activity of the companies. **IOT** is projected to be a future growth engine in the market, and telecom companies are starting to take part in the revolution that this process will lead to. All information is migrating to the cloud, telecom services are becoming a basic consumption product, technologies are evolving and consumers expect more.

Global telecom companies can contribute towards the **implementation of the 17 U.N. sustainable development goals**. They are considered a positive factor that reduces negative environmental impacts, they help to advance the economy, to generate growth and momentum in industry, and promote innovation. There are cases where telecom companies also help, inter alia, to increase education, reduce consumption, grow the turnover and mitigate inequality.

Bezeq aligns itself with global trends and strives to conduct itself with transparency vis-à-vis its customers and stakeholders.

Bezeq's Private Customers Division has formulated values that will guide its way to achieving the complex tasks of providing the best service. These values include leadership, excellence, solicitude, and service orientation, which constitute the milestones for attaining the goals of the Division and of the Company as a whole, in the realm of providing customer service.

Udi Atar – VP Private Customers Division:

"As the largest and leading telecom company in Israel, Bezeq strives to provide excellent and stable service over time, by looking at the big picture, offering a customized solution for each customer, and continuously striving for service and product innovation."

Business and Private Customers

The Company is not dependent on any one customer, and no customer accounts for 10% or more of the Company's revenues. The Company's revenues correspond to two major types of customers: 50% private customers and 50% business customers.



Service Accessibility

The Company has an Accessibility Officer, and is committed to facilitating accessibility for all. The accessibility service is intended for customers with disabilities wishing to receive service from various entities such as medical services, ordering a taxi, purchasing products, etc. The service is provided by Bezeq representatives via phone call, email and SMS message, as required by the customer. Today, Bezeq receives around 200 inquiries a month.

Quality Control

Customer complaints are received at Bezeq's call centers or its Public Inquiries Center through the website. Every complaint is reviewed and handled accordingly.

Innovation in Providing Service to Customers

We believe that maintaining an open, accessible and readily available channel of communication is the best way to continue providing professional, fast and high-standard service to our customers. We believe in full transparency towards the customer, as well as availability and simplicity in the presentation of data.

Bezeq's communication channels with its customers include:

Phone Service Center

Bezeq Website

Business Customers Portal that provides direct access to the entire communications network of the business from another location

SELF Interface for time savings and user experience upgrade

Smart routing of calls – Optimizing the routing of calls between customer and representative

B-bot Virtual technical service representative for receiving online service until malfunction is resolved

BE Application designed, among other things, for managing the Internet and plugged-in devices at home.



Commitment to Customer Satisfaction

Bezeq is committed to set a high bar for the provision of fast and professional service to its customers and to be attentive to their needs. The Company carries out ongoing monitoring of the satisfaction of customers who receive service from the Company. Additionally, the Company makes anonymous calls for control and service optimization purposes.

We conduct an in-depth analysis of our service

performance through continual monitoring accomplished by two types of survey carried out among all the customers receiving service:

• **Survey 24** – Forwarded to the customer immediately after a conversation with the call center

• **Cluster survey** – Examines the entire process of customer handling

Every month and every quarter, the Company checks the service provided by the technicians and the service representatives.

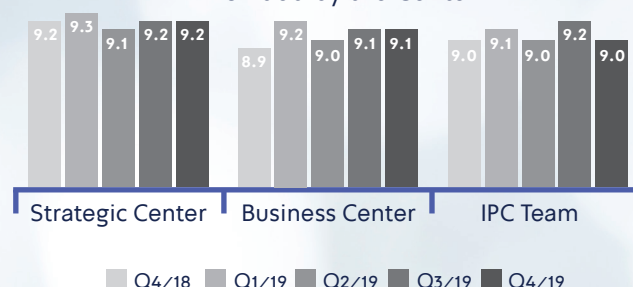
We reward our employees for their good work as determined by the surveys, and invest greatly in customer service.

Surveys

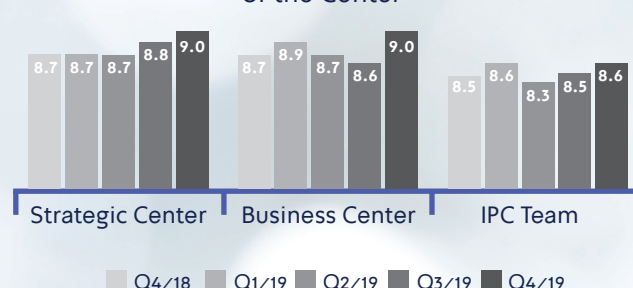
Following are the performance results for 2019 in the area of customer satisfaction, for both private and business customers. Summary of satisfaction with business customer service:

Satisfaction with Service Provided by the Business Technical Support Centers

General Satisfaction with Service Provided by the Center



General Satisfaction with Availability of the Center

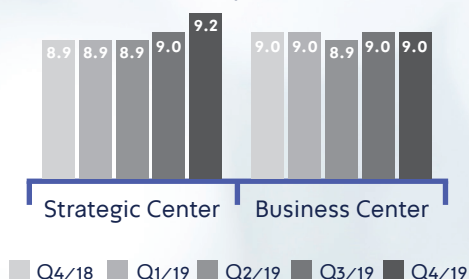


Summary of satisfaction with business customer service

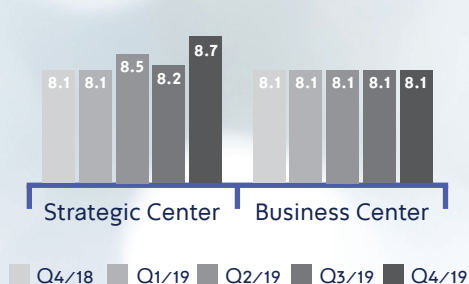
- Level of satisfaction with the service provided by the business technical support centers is very high.
- Satisfaction is high for inquiry handling time. Satisfaction with the technical support center representatives is high and steady.

Satisfaction with Service Provided by the Commercial Call Centers

General Satisfaction with Service Provided by the Center



General Satisfaction with Availability of the Center



Summary of satisfaction with commercial customer service

- Satisfaction with the service provided by the commercial call centers is high over time.
- Satisfaction with the representative at both call centers is high.

Summary of satisfaction with the data line installation process among strategic customers:

Customer experience with data line installation or upgrade over time is very positive:

- In 93% of cases in 2019, the process of supplying lines was fine without any delays.
- Satisfaction with the technician's service in 2019 stood at 9.3 out of 10.
- The rate of malfunctions after completion of installation or upgrade was 13% for 2019, lower than 18% in 2018.

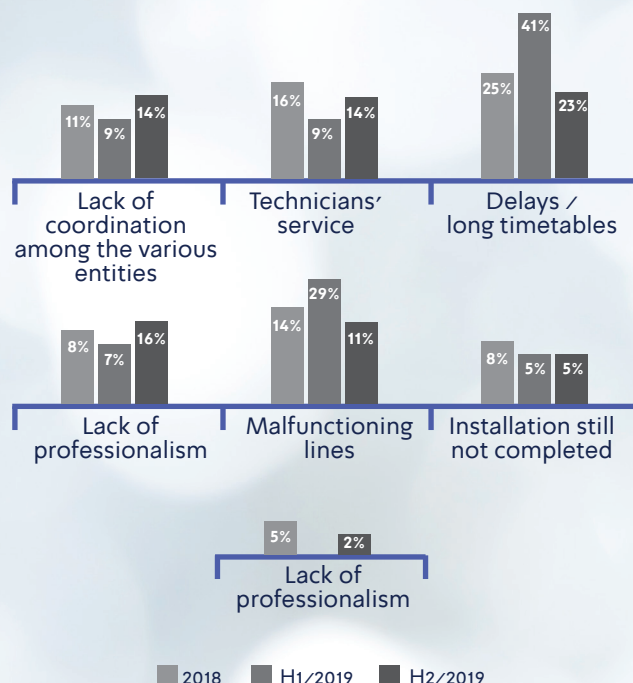
Process of Purchase / Upgrade

- Customer satisfaction with the process of upgrading and installing data lines is high over time, with satisfaction with the process rising among upgrading customers.
- The process is carried out almost without any delays, and satisfaction with the speed of the process continues to grow.

Technicians

- Satisfaction with the technicians is high. The technicians arrived on time in 96% of cases in 2019, compared to 93% of cases in 2018.
- Satisfaction with the technician's scheduled visit time was relatively low, standing at 78% in 2019, but up from 74% in 2018.
- Overall satisfaction with technicians' service was 9.3 out of 10 in 2019, remaining steady compared to 2018.

Reasons for Dissatisfaction Among :Those Who Gave a Score of 1-7

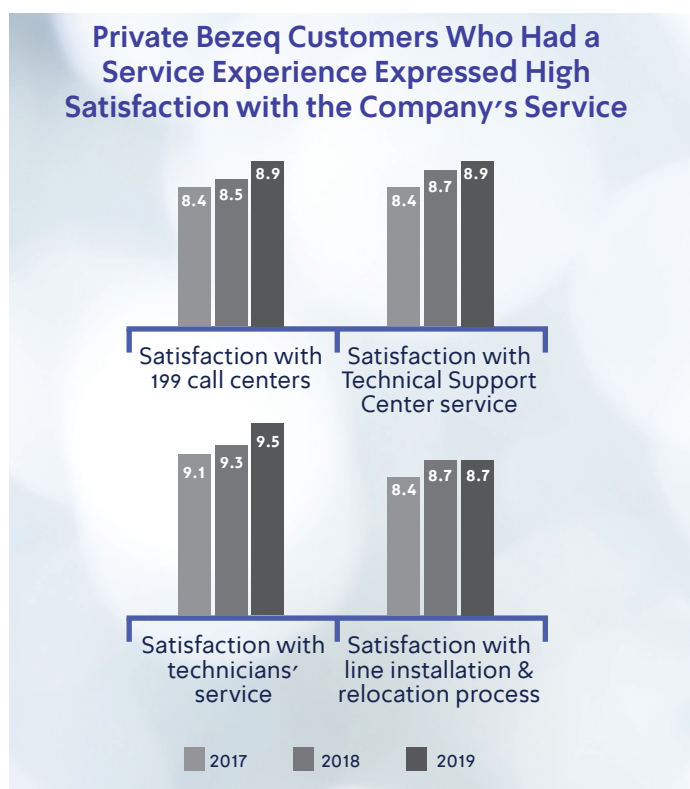


Completion of Installation Process

- In 85% of cases in 2019, the installation process was completed successfully, compared to 80% of cases in 2018.

Summary of satisfaction with private customer service

- Satisfaction with the speed of the repair of a telephone/Internet line stood at 7.4 out of 10 in 2019, unchanged from 2018.
- Satisfaction with the service provided by the technical support center in the repair procedure for a telephone/Internet line stood at 8.1 out of 10 in 2019, similar to 2018, while satisfaction with the technician's service in this process was steadily high, standing at 9.3 out of 10.
- In 2019, approximately 53% of inquiries were repeat inquiries, and 25% of malfunctions were recurring problems, similar to 2018.



The Company's leadership in customer service is manifested by call centers that respond quickly to inquiries, technicians that are deployed nationwide and professional employees who maintain a high-performance level. The Company has clear service provision procedures in place designed to ensure the best service for its customers.

Public Complaints

The Public Telecom Complaints Report for 2019, issued by the Director for Supervision and Enforcement at the Ministry of Communications in May 2020, presents a comparison of several parameters among telecom companies in Israel. Among other things, the report states that Bezeq is ranked first.

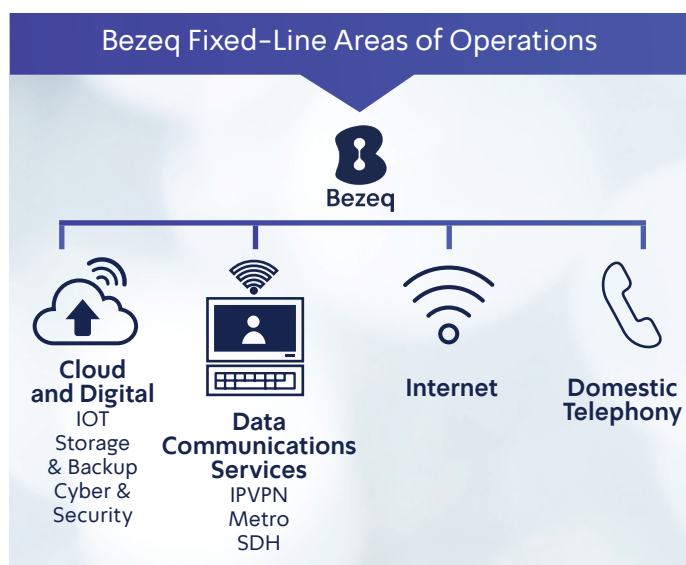
The Company's market share in Israel is 69%, and the rate of justified complaints has declined considerably from 2018.

Summary of Complaints

In 2018, Bezeq received 1,158 complaints from the Ministry of Communications, of which 960 were handled and closed. In 2019, Bezeq received 1,288 complaints from the Ministry of Communications, of which 1,025 were handled and closed.

Services for Customers:

The Company provides a wide range of telecom services for its business and private customers:



Telephony

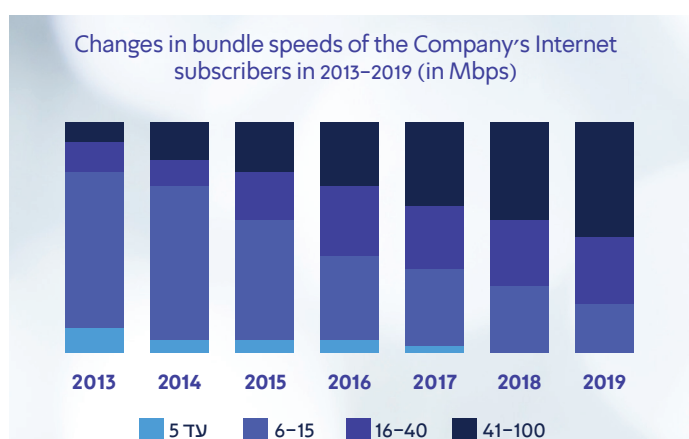
The Company's telephony services include mainly the basic telephony services on the domestic telephone line, and associated services such as voice mail and caller ID. The Company also provides its customers with a national numbering services for businesses (1-800, 1-700), for full or partial payment for the calls by the business. The Company operates a unified telephone directory and unified website, in addition to the Company's 144 service.

Internet Access Infrastructure Services

The Company provides broadband Internet access infrastructure services.

The average speed per subscriber of the Company's Internet at the end of 2019 was 67.8 Mbps compared with an average of 59.1 Mbps at the end of 2018.

The Company is obligated to provide broadband Internet access services in a wholesale format to BSA service providers.



Transmission and Data-Communication Services

Data communication services are network services for point-to-point data transmission, data transmission between computers and between various communications networks, services to connect communications networks to the Internet, and remote access services.

The Company offers transmission services, including at high speeds, to communications operators and their business customers over a variety of interfaces.

Cloud and Digital Services

This category includes, among others, virtual server services; Bcyber service; smart home, smart business and smart city services; private virtual PBX (IP Centrex) services; and B144 service, which is the Company's advertising platform for digital advertising and marketing to small businesses, BCam, Wi-Fi, SMS, and remote backup.



Operators

The Company provides services to other communications operators, including: cellular operators, international call operators, HOT, NEP operators, ISPs, domestic carriers, and Palestinian communications providers. Among the services provided by the Company are infrastructure services, connection to the Company's network, billing services, leasing of space, and services in leased premises.

Broadcasting Services

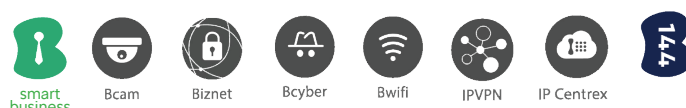
The Company operates and maintains radio transmitters for, among others, Israel Broadcasting Corporation, Israel Army Radio (Galei Zahal), and several regional radio stations. It also operates the DTT transmitters for the Second Authority. The Company is responsible only for operating and maintaining the transmitters for broadcasting radio and television content, and not for the content of the broadcasts.

Contract Works

The Company carries out work for the setup and operation of networks or subnetworks for various customers (e.g., the Ministry of Defense, HOT Telecom, radio and television broadcasting companies, government bodies, etc.). The Company has different types of suppliers: cable equipment, outlets, routers, office equipment, and the like. The services of external contractors are supplied mostly to business customers.

Bezeq Store – Sale of Terminal Equipment

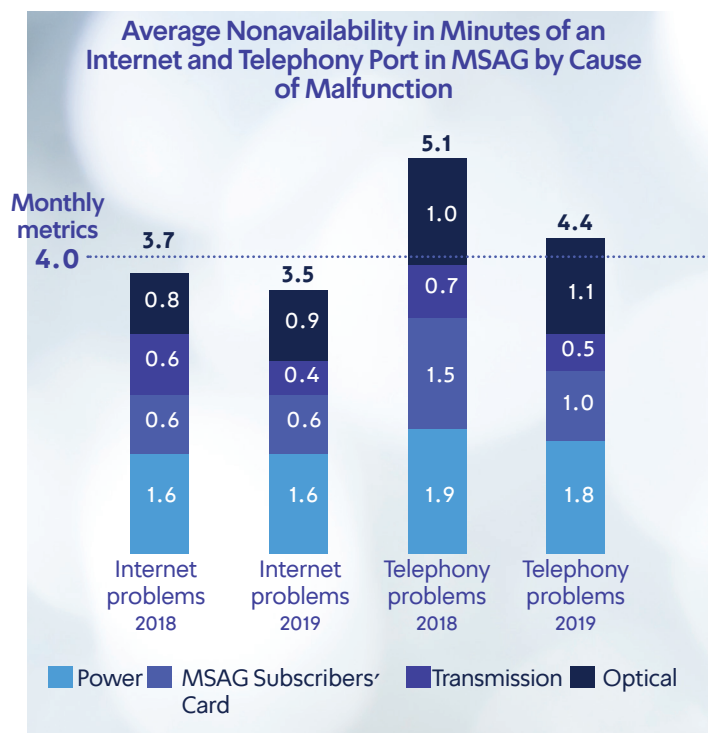
To make it more convenient and accessible for our customers, the Company operates a chain of Bezeq Stores throughout the country. In 2019, the Company started selling smartphones in addition to the other terminal equipment that it sells (e.g., smart products, earphones, speakers, televisions, etc.). A "return policy" is posted on the Company's website.



Internet Disconnections and Interruptions

The monthly metrics is for average nonavailability for Internet and telephony to be 4 minutes or less. Average time for optical malfunction repair stands at 5 hours.

The energy survivability of an MSAG unit, a multi-service switch, is defined as the rate of the unit's failures up to two hours after an electricity outage as a percentage of total electricity outages. The annual average stands at just 1.8%, with most failures occurring in December-January.



Service Improvement Targets

Bezeq will work to expand the service and sales to accessible and readily available digital channels, while maintaining a human approach at the call centers. The Company will strive to preserve excellent customer satisfaction, which distinguishes it from its competitors, and maintain the Bezeq brand as a leading service company.

Average Nonavailability in Minutes of MSAG Telephony Port Segmentation by Region

Cause of Malfunction	National	Tel Aviv	north	center	south
Optical	0.7	0.4	1.5	0.3	0.3
MSAG unit	0.5	0.4	0.9	0.1	0.5
MSAG subscribers' card	0.8	0.8	1.0	0.8	0.7
Power	1.6	1.6	2.0	1.6	2.3
Total	3.7	3.2	5.4	3.0	3.8
Monthly average in 2019	4.4	3.7	5.3	3.9	4.6

Monthly metrics = 4 minutes

Average Nonavailability in Minutes of MSAG Internet Port Segmentation by Region

Cause of Malfunction	National	Tel Aviv	north	center	south
Optical	0.6	0.4	1.5	0.3	0.2
MSAG unit	0.4	0.4	0.8	0.1	0.4
MSAG subscribers' card	0.8	0.5	1.1	0.5	0.9
Power	1.3	1.1	2.3	1.2	1.7
Total	3.1	2.3	5.6	2.1	3.1
Monthly average in 2019	3.5	2.5	4.8	2.6	3.8

Monthly metrics = 4 minutes