



Marketing Service



Strategy

Diversity of channels for services to provide consumers multilateral, high quality, and efficient services.



Management

- Formation of a professional technical service team
- Accreditation of the SGS Qualicert service certification
- Establishment of designated internal consultants and supervisors to advocate refined service supervision
- Setup a vibrant service zone



Action

- Establish the system of self-inspection, audit, and supervision for service quality
- Accreditation of a personal information management system



Response

The dilemma of coverage of the base stations



Target

Makes personalized high quality products and services available to customers at Chunghwa Telecom.



Indicator

GRI Average consumer's satisfaction: **7.58** out of 10.

CHT The complaints per million users: **186** cases



Brand Management

Chunghwa Telecom has long been maintaining a brand image of stability, innovation and consumer-centric values by packaging our professional, convenient, and diverse ICT services with marketing creativity. In a crowded and competitive industry, Chunghwa Telecom managed to stand out among others and win consumers' preference and market share by maintaining our stature as the "industry leader" and devotee of the best digital lifestyle.

Chunghwa Telecom adopts a centralized brand management approach that caters for the individuality of each brand. The President is responsible for offering guidance for the creation, management and alteration of brands; these decisions are communicated with branch managers for execution in line with the group's brand strategy. Branch managers may customize the brand to a certain extent to suit their locality.

Brand Policy

Centralized strategy that accommodates the development of individual brands.

Brand Management

The head office outlines, controls and adjusts brand strategies throughout the Company, while individual branches execute them accordingly.

Brand Structure

Centralized brand structure while catering for individuality of each brand.

Comprehensive Network of Physical Channels

Chunghwa Telecom values consumers' voices. Our marketing activities involve more than just conveying technical features of the products and services we offer, but are guided by stringent service standards established from consumers' point of view. With a diverse range of service channels at disposal, the Company provides consumers with the most comprehensive, quality and efficient services.

We have been constantly adjusting our service locations to accommodate the concentrating urban population. With 734 service outlets nationwide in 2015, we continually expand our service centers to provide customers with more convenient and useful services.

We provide manual of products and services informing product characteristics and application, consider the negative overusing effect to consumers, and place friendly reminder in marketing. In addition, Chunghwa Telecom has instituted the "Channel Sale Support Items Management Guideline" and the "Channel Sale Support Items Management Implementation Procedures" to make the display of sale support items and operation management at all service and business locations consistent, and allow for a positive service environment for the consumers. These are vital for maintaining the professional superior image and service quality of Chunghwa Telecom. In 2015, no violation of health and safety and product labeling was reported.

Quantity of Products and Services

Approximately 3,422 unit

Customer Service Kiosk

There is customer service kiosk system in our intranet. Designated personnel review information and upload to the station for the inquiry of all service centers.

Consumer Hotline

Provide complete information on the features of products and services, and related special offers.





Proper Management of Personal Information

Chunghwa Telecom duly observes the Personal Information Protection Act in the collection, processing, and use of personal information and guarantees the security of customer information through strictly designed management system. In 2015, there were 32 cases of complaints on alleged information leaking. This was an improvement by 27% as compared with 44 cases in 2014. Complaints of this type approximately accounted for only 0.0001% of our customer service hotline. Cases of complaints were filed via all available channels, none of which had been proven to violate the relevant regulations .

Organization	There is the "Personal Information Protection Team" under the "IT Strategy Committee"
Policies and Procedures	<ul style="list-style-type: none"> The Personal Information Protection Policy, Management Regulations, personal data safety training and awareness plan, personal data process analysis and inventory plan, and risk assessment plan. Introduced the "Notice of the Collection of Personal Information of the Consumers Clause" and the "Notice of Confirmation of the Application and Processing of Personal Information of the Consumers" in response to the promulgation of the Personal Information Protection Act, which enables customers to inquire, browse, and copy personal information, halt the use of marketing news, terminate the contract and delete the function of personal information protection.
Management System	<ul style="list-style-type: none"> The Company has obtained ISO 27001 certification for information security system, and was the first Taiwanese mobile carrier to be validated by NCC for "ISO 27001 - International Information Security Management System" and "NCC ISO 27011 - Telecommunication Supplements". Chunghwa Telecom's mobile service hotline first passed BS10012 certification in 2013. By 2015, 100% of customer service hotlines had obtained BS10012 certification, making the Company an exemplar in the protection of personal information.
Personnel Control Mechanism	<ul style="list-style-type: none"> Consumers' basic profiles are classified as "highly confidential" ; data are locked in dedicated cabinets. All employees are required to sign a "Confidentiality Agreement" and line managers are held jointly responsible for any breaches committed by their subordinates. If an outsourced service involves business secrets, the contractor and its workers would also be required to sign the confidentiality agreement. Employees who access customers' personal information over the computer system will have inquiry history stored on file and audited by the manager on a regular basis.
Customer Service Control Mechanism	<ul style="list-style-type: none"> Risk: The customer service personnel carry portable storage devices to store the information of the consumers in the workplace. Response: The Company has instituted the "Regulation Governing the Carrying and Use of Data Storage Devices at Customer Service Processing and Operation Centers" and made it a part of the training and education at the operation center. And we established ISO9001 Suspected Leakage Handling Procedures to report and handle all privacy complaints.

Upgrade and Transform Physical Channels

We have launched the transformation and upgrading plan for the stores so as to refine our service quality and allow consumers to receive quick and convenient service. Related measures are:

- Develop more business locations for bolstering our service network: by the end of December 2015, we have established 167 service centers, 467 stores, and 267 franchised stores, which made up the total of 734 service stations.
- Set "district consultant" who is responsible for coaching retail store management and marketing performance, to enhance the management efficiency of the store operations.
- Establish the system of self-inspection, audit, and supervision for service quality: all stores must conduct self-inspection and business offices will conduct random inspection and audits of the stores so as to upgrade over-the-counter service quality.

Refined Services

Chunghwa Telecom is dedicated to refining and improving service quality. It ranked first in the telecommunication industry during Global Views Magazine’s “2015 Five Star Service Award.” Meanwhile, Chunghwa Telecom’ customer service personnel - Ms. Yu-Chen Lai was named “Customer Service Officer of the Year” by Global Views Magazine for being attentive to customers’ needs and treating customers as family.

We constantly challenge and exceed our limits solely for the purpose of bringing customers more efficient, convenient, and refined services. We treat customers with respect and welcome them like family; we constantly improve our professional capabilities in the telecommunication field, and have internal consultants and counselors in place to oversee service improvement throughout the nation. We value every moment of our engagement with consumers, and strive to deliver service in the utmost “sincerity, genuineness, attentiveness, patience and caring.”

Customer Service Locations / Size	The Company has 15 customer service centers and 3,900 customer service personnel deployed nationwide.																			
Multi-channel Services	<ul style="list-style-type: none"> • Live Web Chat Service • Web Call Center • Mobile Customer Service • Internet Communities “Chunghwa Telecom Dr.Q” • Customer Service App • SMS customer service 																			
Training and Outcome	<table border="1"> <thead> <tr> <th>Year</th> <th>Total Participants</th> <th>Total Training (Hours)</th> <th>Average Training Hours (Hours)</th> </tr> </thead> <tbody> <tr> <td>2013</td> <td>9,690</td> <td>216,431</td> <td>22.3</td> </tr> <tr> <td>2014</td> <td>9,834</td> <td>213,650</td> <td>21.7</td> </tr> <tr> <td>2015</td> <td>7,838</td> <td>166,960</td> <td>21.3</td> </tr> </tbody> </table>	Year	Total Participants	Total Training (Hours)	Average Training Hours (Hours)	2013	9,690	216,431	22.3	2014	9,834	213,650	21.7	2015	7,838	166,960	21.3			
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Refined Customer Service Training

Chunghwa Telecom is devoted to delivering refined service while placing customers in the utmost priority. To inspire passion among customer service staff, the Company invited Ms. Hui-Er Chen to conduct a “Customer Service Charisma Workshop” in 2015. In order to engage a larger number of participants, the workshop was held physically in Banqiao, Taichung and Kaohsiung, and at the same time broadcast online for remote access. A total of 365 people had completed the training.





Commendation for Best Customer Service Officer

To inspire passion and professionalism among customer service officers to constantly exceed consumers' expectations and build Chunghwa Telecom's outstanding service reputation, we reward customer service officers who receive praises from customers annually, and accept these credits as part of their performance appraisal. Candidates are given prizes and commendations depending on the level of excellence they have achieved. Meanwhile, a "Service Excellence" section has been created on the intranet to publish cases of excellent service for officers to share, learn and download.

The Right Customer Service Officer

Ms. Hsieh's cellphone had been giving her small troubles daily; she grew even more frustrated when she learned that even the authorized service agency could not solve her problem. Ms. Hsieh approached Chunghwa Telecom for help and she was immediately assigned to customer service officer Wen-Li Luo. The customer service officer tended closely to Ms. Hsieh's problems for half a month and was finally able to identify the root cause. After conveying this issue to the cellphone engineer, Ms. Hsieh's problems were finally resolved.

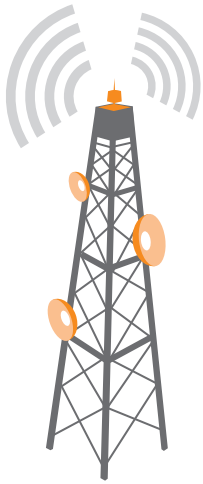
Ms. Hsieh was overwhelmed with relief knowing that her phone was working properly, and said to the customer service officer: "Thank you! After all this trouble, I finally found the right person, just when I was about to give up. Only you were able to solve my problem, and I am very happy!"

Later, Ms. Hsieh gave an extensive complement for the customer service officer at Chunghwa Telecom's web page, hoping to encourage and recognize the efforts made by this "right customer service officer." In response, customer service officer Wen-Li Luo replied that Ms. Hsieh was about the same age as her mother, which naturally caused her to treat the customer as family, as all customer service officers are expected to do. Being able to solve Ms. Hsieh's problems and receive compliment for it has been a pleasantly memorable experience to her.

Ensure Service Quality

Chunghwa Telecom makes ceaseless effort to expand the volume and upgrade the quality of our 4G mobile communication system. We introduced advanced technologies, which echoed with the 1800/900MHz base stations. This arrangement allows for the coverage of service from points, lines, and to planes for even more extensive and better quality mobile broadband network service.

In view of upcoming demands for digital convergence and new digital lifestyles, Chunghwa Telecom has launched high-speed fiber services at 300Mbps to satisfy users' need for high-speed applications. With this service, Taiwan has formally progressed from the megabit era to the gigabit era.



Broadband Internet Infrastructure Progress

Year of construction:
2012 ~ 2016

Amount invested:
NT\$100 billion



The infrastructure met the goals of the government's "Digital Convergence Program," which is to achieve "7.2 million optic fiber users and 11 million wireless broadband users by 2015."





Expand Wireless Hotspots

By the end of 2015, we have installed more than 55,000 public Wi-Fi hotspots, giving users access to stable, high-bandwidth and densely covered Wi-Fi service.

In the meantime, we have also supported the government's initiative in promoting free wireless Internet services on a nationwide scale. With the availability of a reasonable Wi-Fi rental package, a robust user authentication platform and a nationwide maintenance/monitoring system, we have helped the government deploy free Wi-Fi hotspots all over the country. In terms of social engagement, we have been working with local county/city governments to install hotspots and enable Internet access during festive occasions, such as the 215 hotspots installed for New Year's Eve event and the 257 hotspots installed for Taichung Lantern Festival. Overall, the Company had spent more than NT\$8.55 million in this regard.

Wi-Fi Hotspots in Taipei Metro

To satisfy the public's expectation for available communication, Chunghwa Telecom has signed a lease agreement with Taipei Rapid Transit Corporation to install Wi-Fi hotspots at Taipei Metro stations on top of the public pay phones that are already in place. These hotspots have provided a boost to Internet connection quality for the benefit of commuters and tourists.

Currently, there are 826 public pay phones and 282 Wi-Fi hotspots deployed throughout 117 stations of Taipei Metro system. In 2015, the Wi-Fi hotspots were used by 25 million people and logged in 45 million times, which was an extraordinary achievement.



Ensure Customer Satisfaction

To ensure that consumers' need is satisfied, we conduct customer satisfaction survey for Chunghwa Telecom service center, customer service hotline and installation & repair service every year so that we can provide the best possible service and continuous improvement on our services. In addition to regular consumer satisfaction survey conducted by third party, we also accept NCC's service quality survey on telecom carriers on the regular basis. The results show that our performance is significantly better than the standard requested by NCC.

Item	Target	Performance
Landline Connection Rate	≥ 95.6%	98.32%
Interruption Rate of Mobile Phone Communication	≤ 3%	2G: 0.79% 3G: 0.28%
Packet loss % in Data Transmission	≤ 3%	0.0166%



*Measured in 2015.01.01-12.31

Consumer Satisfaction Survey

We conduct a broad variety of satisfaction surveys to identify consumers' most concerned issues and expectations, and use these findings to guide our future improvements.

After each survey, consumers' opinions and suggestions are conveyed promptly to product or business personnel (including risk management and public relations departments) using the consumer feedback system. Furthermore, consumers' opinions are brought to the attention of the head of product and customer service departments, and discussed in monthly meetings to ensure that consumers' expectations are met.

2015 Consumer Satisfaction Survey Results

Consumer category	Survey method	Survey result
 Customer Satisfaction Survey	• Dialing out manually from our call centers	4.60 (out of the full score of 5 marks)
	• Automated surveys	4.60 (out of the full score of 5 marks)
	• Mail out questionnaires (Entrust Chunghwa University)	7.78 (out of the full score of 10 marks)
 <ul style="list-style-type: none"> • Large Enterprise • Small and Medium Enterprise • Average Consumer 	Designate external market survey company to conduct consumer satisfaction survey	9.35
		8.17 (out of the full score of 10 marks)
		7.58

Regarding to the items belonging to the fourth quadrant (high importance and low performance) according to the results of annual satisfaction survey, we will request relevant functional units to conduct further analysis and propose concrete improving measures annually. Also, there will be a follow-up keeping track of the condition of corrective actions next quarter.

Customer Service Hotline KPI

Chunghwa Telecom was the first (in 2011) telecommunication carrier to have call center certified for “ISO 10002:2004 - Customer Complaint Management System.” The Company sees customer’s complaint as an opportunity to make ongoing improvements. We have imposed rules to resolve customers’ dissatisfaction, complaints and opinions within 3 working days, and hence ensure continuous improvement of service quality.

Apart from the customer service hotline, consumers may also use the corporate website or the general line (02-23446789) to raise complaints directly to assistants of the senior executives. To further enhance consumers’ satisfaction, we have collaborated with external institutions to develop a detection system for potential customer complaints while at the same time taking step to improve on the complaints raised. Owing to our effective control, the NCC’s 2015 “Telecommunication Consumer Complaint Monitoring Report” showed Chunghwa Telecom exhibiting the lowest complaint rate among peers.



KPI	2013	2014	2015
Customer Service Response within 20 Seconds	78.4 %	74.0 %	78.5 %
Service Satisfaction (5 marks for full score)	4.59	4.60	4.61

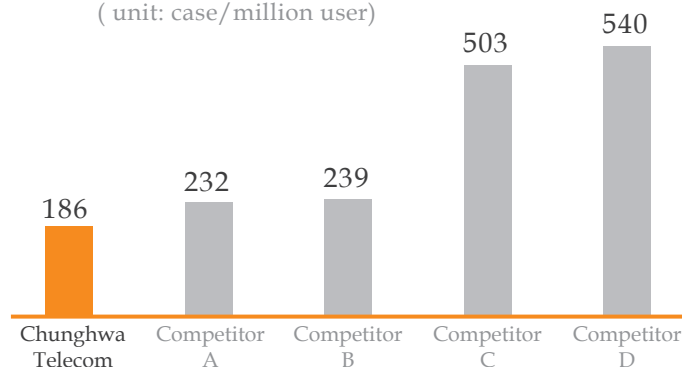
Lowest Average Cases of Customer Complaints

According to data on mobile communication customer complaints compiled by the NCC in 2015, which is based on the complaint per every millions of users, Chunghwa Telecom is the service provider with the least complaints!

In the future, we will further improve our service quality by simplifying our complaint process for consumers’ convenience, so that all consumers’ needs can be addressed in a professional and timely manner.

Complaint Per Every Millions of User

(unit: case/million user)



Enhance Disaster Response and Communication Coverage

With experiences learned from past disaster relief, we have established multi-route transmission, backup routing with wireless sensor and higher capacity (good for 72 hours) backup battery in remote areas, so that the remote areas will not be isolated from communication with the outside world due to power outages caused by natural disaster.

Response Measures

We conduct annual rehearsals on a broad number of situations from coordinating network resources and equipment to emergency repairs. Our base stations have been deployed in a diversified manner and are covered by robust backup plans so that failure of circuitry, power or equipment at any base station would not disrupt another base station nearby.

Occurrence of Disaster

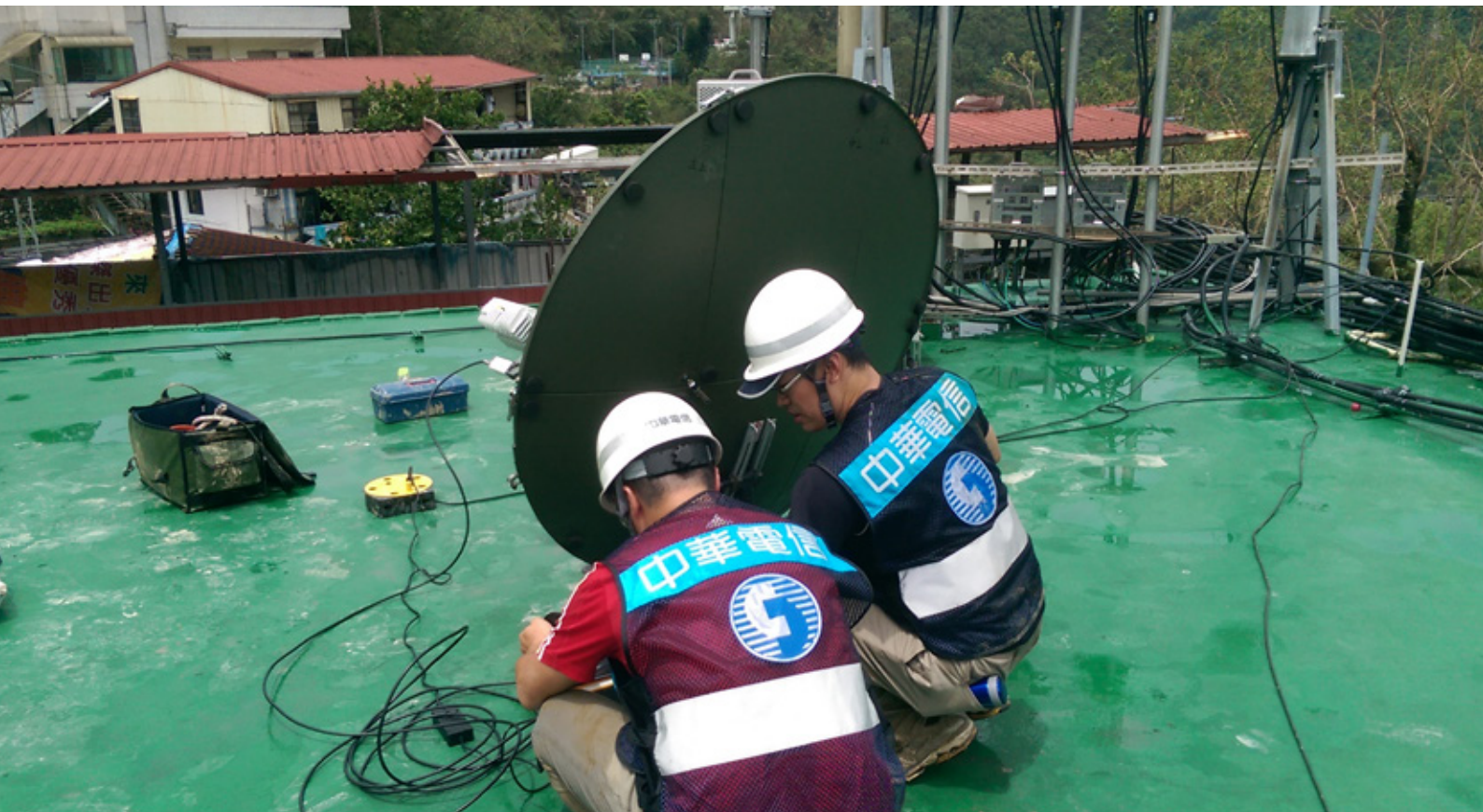
If communication is severed in the unfortunate event of a natural disaster, we would take contingency measures (such as microwave radio, satellite transmission, movable base station etc.) depending on the actual circumstances to maintain communication between the disaster location and the outside world

Special Case

Areas that are enclosed and accessible only through one road, such as Suhua Highway, are covered using multiple base stations so that even if one station were to be damaged due to natural disaster, other paired stations may still function and keep the area covered with signals. This arrangement has served its purpose in major accidents happened in the last two years, and kept the disaster area connected at all times.

Renewable Energy-Powered Based Stations at Remote Locations

Chunghwa Telecom has installed solar energy modules with 1~2kW rated capacity for 10 base stations located at remote areas including Yilan, Hsinchu, Shoushan (Keelung) and New Taipei City. These solar modules provide base stations with clean, carbon-less energy under normal circumstances, and can be used to power emergency communication if primary power is disrupted due to natural disaster.





Disaster Reporting and Upgraded Safety

Sought to minimize the impact of disasters through prompt information communication services, Chunghwa Telecom's "Emergency Response SMS System" sent out more than 210,000 SMS alerts in 2015. Its role in disaster prevention and notification is outstanding.

Additionally, we have assisted the Directorate General of Highways by sending SMS messages to warn nearby pedestrians and vehicles of possible or occurred collapse, landslide, snow buildup, and road accident. This service has been well-received by government authorities and the public.

Civil Safety Drill #1

The Company assisted New Taipei City Government in organizing "Civil Safety Drill #1," during which more than 16,000 SMS messages were sent in the drill location. Furthermore, there are hundreds of areas that have been identified as prone to the risk of flood and landslide (e.g. downstream of dam and lowlands), and if an alert event occurs, the Company will distribute SMS to warn residents of nearby area to take precautions early.

Nuclear Safety Drill #21 - 2015

The Company assisted Atomic Energy Council, Executive Yuan in organizing "Nuclear Safety Drill #21," and supported regular drills held by Taiwan Power Company.

Compensation and Discounts for Disaster Victims

The arrival of Typhoon Soudelor in 2015 caused disruptions of land line telephone, Internet connection and MOD services to our customers. We then followed the terms of our business policy and service agreement and took the initiative to reduce subscription charges in protection of consumers' interests. A sum of NT\$1,916,000 had been spent to compensate 5,133 pieces of equipment that were damaged during the disaster.

Furthermore, the Company has also been providing the following discounts for victims of Wulai as a means to relieve their financial burden:

- For fixed line network, leased lines, broadband connections, HiNet subscriptions, and MOD services, monthly subscriptions were reduced or waived entirely according to terms and conditions until services were restored, while billing and overdue disconnection were postponed accordingly.
- Fee waivers for victims who applied for relocation of land line telephone, broadband (ADSL and fiber network), HiNet or MOD, or modification of call forwarding or voice mail services.
- Disaster victims may replace phone units, broadband modems and set top boxes they have rented from Chunghwa Telecom at no charge.

Alleviate Public Concerns in Electromagnetic Radiation

Research conducted by international organizations including WHO have found no conclusive scientific evidence regarding the harmful effect of electromagnetic waves on human health. However, to eliminate customers' doubts, Chunghwa Telecom ensures strict compliance with the authority's safety standards when constructing telecom infrastructures.

All mobile communication products purchased by us have a Specific Absorption Rate that complies with NCC's limits. In addition, we donate NT\$500,000 per year to Taiwan Electromagnetic Industry-Academia Consortium to study the effect of electromagnetic wave on health and safety.

In 2015, Chunghwa Telecom was incurred NT\$7.8 million of fines and administrative penalties on 20 counts of violation associated with base stations. These violations had occurred as we sought to address consumers' demand for "good reception" and concern towards "base station health impacts." Given the scarcity of suitable base station locations, the Company will strive to comply with regulations by taking precautions at different stages of installation.

Communication and Assessment Phase

- Assess factors such as the size and concentration of population, radio coverage, and number of customer complaints, capacity of existing base stations nearby, and local residents' tolerance towards a new base station. Once consent has been obtained from the building management board or local residents, the Company may proceed to rent land and space for the construction of base station.



Installation Phase

- Information of the proposed base station is submitted to NCC for review; installation may begin only if the proposal passes review.



Pre-operation Phase

- Conduct emergency phone tests. Aim to pass NCC's base station assessment tests that have been developed based on the standards developed by International Commission on Non-ionizing Radiation Protection (ICNIRP). Conduct routing tests to verify the functionality and coverage of the tested equipment.
- All our base stations have been tested to exhibit power density that complies with standards.



Reduction of environmental impact

- To prevent antennas from promising visual appearance, the Company will coordinate with other carriers to make coherent and integrated base station designs that conform to the overall environment. Doing so would minimize environmental impacts and facilitate more effective use of limited space.
- The Company had completed visual improvements on 60% of base station antennas in accordance with "Regulations for Administration of Base Stations of Mobile Communications Network Businesses."
- The Legislative Yuan passed the "Recognize performance credit for offering of state-owned building or land in base station constructions." This new policy will improve communication quality.

Advocate the Accurate Understanding of Electromagnetic Wave

- The Company joined NCC and 19 county/city governments nationwide to host 19 seminars on the topic of electromagnetic wave. 269 complimentary electromagnetic wave measurements have been completed to date; all results are compliant with government regulations.
- Local government bodies were issued promotional materials and pamphlets on the knowledge of electromagnetic wave, which could be distributed to the public during various activities to promote proper understanding.
- In 2015, a series of training seminars were organized for frontline engineers stationed in North district branch to enhance communication skills when confronted by protesters. Meanwhile, the Company continues to promote proper knowledge of electromagnetic wave using short videos.



Telecom Service and Promotion

Fraud Prevention

In 2007, Chunghwa Telecom assisted the government to establish the 165 Anti-Fraud Consultation Hotline to support the police authorities to fight fraud and to protect the property of the public.

Resources Committed	<ul style="list-style-type: none"> • There are an average of 9 customer service personnel that joined the service every month for working with the Criminal Investigation Policy Bureau in concerted effort in front-line duties . • “Disconnection Service Fraud Prevention System” offers the information on suspected telephone gimmick for cheating customer and timely settlement of the problem. An average of 3 customer service personnel participated in the program monthly.
Prevention of Fraud	<ul style="list-style-type: none"> • A two-way, SMS-based authentication system was introduced for small-sum payments since 2013. • In 2014, a scam alert was added in all SMS authentication messages.
Progress	<ul style="list-style-type: none"> • The hotline received 208,099 calls, and 16,320 cases of fraud were referred to the authority. • The Company assisted Criminal Investigation Bureau, National Policy Agency in disconnecting 730 phone numbers, and successfully stopped 905 scams.

Digital and You - Reduce Negative Impacts

Eliminating adverse impacts of telecommunication is the only way to give consumers’ the peace of mind when using our services. We have constantly been taking steps to minimize negative impacts of the Internet, including: “safe surf” that promotes proper Internet usage, and “Internet time management” and “Content guard” services designed to protect children’s health. In addition to relying on our own influence, we have also been sponsoring other entities in the promotion of Internet safety. In 2015, the Company sponsored NT\$50,000 to Taiwan Indigenous Cultural Industry Development Association for the publication of Internet safety commercials.

Junk Mail	Adult Content
<p>By using a HiNet mailbox, customers can enjoy free webmail service. Through a simple setup, users can decide whether questionable e-mail will be automatically deleted in the future. Also, we continue to monitor formulation of regulatory obligations of the “Regulatory Regulations on Commercial Spam Electronic Mail.”</p>	<p>Provides K12 mailbox forced isolation, HiNet Adult content gatekeeper, and mobile internet adult content security guard keep children and teenager far away from harmful websites.</p>
Usage Time Control	
<p>“HiNet Online Time Management Service” and mobile phone “3G Talk without Worry” programs, give parents effective control on mobile phone and online status.</p>	

Types of Base Stations Installed by CHT

System	🏠 Independent Station	🏠 Shared Station
4G	9.0%	91%
3G	6.8%	93.2%
2G	30.5%	69.5%

Note: Installed on existing buildings.