

Customer Experience: Challenges and Solutions for the Telecommunications Industry



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Introduction: Telecommunications Industry Customer Experience (CX)

Today, omnipresent connectivity is expected and necessary in both the personal and professional spheres of everyday life. Because they often operate as mobile, landline, internet, and cable providers, telecommunications companies (telcos) increasingly find themselves under the consumer microscope as they largely enable this ubiquitously connected world. In the digital age that demands instant service gratification, consumers have high expectations and telcos must deliver to keep customer satisfaction high and churn low.

Traditionally, worldwide telecommunications industry has operated like an oligopoly, subsequently stifling the incentive for telcos to maintain strong CX frameworks and perpetuating the notion of industry-wide weakness regarding CX. However, an increase in sub-sector competitiveness and consumer expectations has engendered CX's emergence as a key facet within the overall competitive telco landscape.

Service provisioning and pricing are still integral in forging and maintaining a telco-to-consumer relationship, however, customers are giving CX increasingly more weight when deciding to select and/or remain with a provider. As customer retention is cheaper than acquisition, CX is integral to the business viability of telcos as it greatly impacts churn rate. According to Forrester, winning a new customer is at least five times costlier than retaining one¹. Furthermore, as telcos often deliver several different communications products, effective CX in one or multiple service streams will increase the likelihood of a customer expanding their purchased services thus deepening loyalty to the provider. Loyal customers are five times as likely to repurchase, five times as likely to forgive, seven times as likely to try a new offering, and four times as likely to refer².

A 2016 Aspect survey of U.S.-based Internet users revealed that the telecom industry ranked second out of five (general retail, telecom/cable, travel, financial/credit, and big-box electronics) in terms of highest churn rate resulting from poor customer service.³ For the telecom industry, the 2016 figure of 27% represented a four-percent increase over the previous year's survey results. These findings bolster the aforementioned assertion of CX's increased importance on overall customer evaluation of a telco.

The primary service features comprising overall telco CX include bill/contract/material clarity and predictability, personalized offerings, digital platform efficiency, service failure resolution, device management, and general customer service inquiry/issue response times and effectiveness. A telco's performance in these areas defines how its CX competency and delivery are perceived by the customer.

1 "The Perspective Problem in The Customer Life Cycle". David Truog, Aug 2017. Forrester.

2 Temkin Group. 2017.

3 Aspect, "2016 Aspect Customer Experience Index". November 16, 2016. In www.emarketer.com.



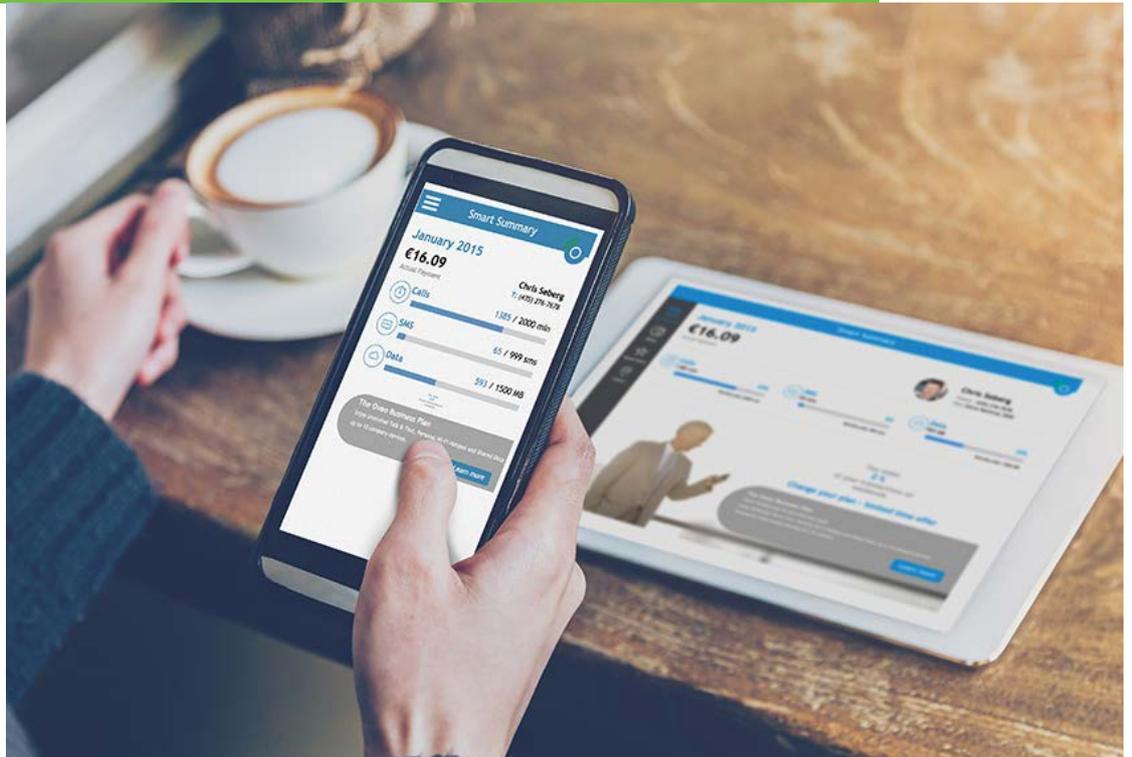
The Challenges: Telecommunications Industry Customer Experience

The Permeating Legacy Infrastructure Challenge

Purchasing new technology is expensive, and thus, introducing modern CX solutions can prove arduous, especially for telcos. As they deliver many of their services via aging legacy technologies, most of a telco's tech expenditure is directed toward slowly updating outdated communications infrastructure. Furthermore, integrating new CX platforms with a mixture of older and newer infrastructures is difficult and can inflate the cost of new CX technology implementation.

Customer Tracking

The array of differing communications products and services offered by telcos underscores the importance of constructively tracking all customer interactions. This is challenging, however, as different departments and customer service channels render telcos highly susceptible to developing departmental silos. These silos hinder the effective sharing of highly valuable information and data across departments and this is often a precursor to CX-related issues. For example, a telco may inadvertently over-engage a customer with offers and alerts from various service departments, an occurrence which could have been averted with proper departmental and operational coordination.



Communications in the Digital Age

Relative to companies in other industries, telcos are laggards in their enhancement of digital platforming. Providers are still in the process of optimizing their web- and application-based interfaces, however, these platforms have already emerged as the primary medium over which the provider and consumer connect. To this point, a 2016 Decibel Insight survey of U.S. and U.K. consumers revealed that the telecom industry ranked last out of nine industries regarding customer satisfaction with digital experience.

Efficient, user-friendly mobile and web applications are now essential in distributing bills, contracts, offers, and other miscellaneous materials to customers. This is predicated on both consumer and provider preference for digitally based information distribution over the more traditional paper method.

Of importance to telcos, multi-channel platforming is key in providing usage visibility and overage warnings to customers. The negative impact of “bill shock” on the customer-provider relationship (particularly regarding mobile services) partly stems from the challenge of delivering efficient and uniform platforming.

Regulatory Compliance

As mandated by governmental and quasi-governmental bodies (e.g. Canada’s CRTC, the EU’s BEREC, and the United States’ FCC), telecom industry regulations are constantly evolving, presenting telcos with the challenge of maintaining compliance. These organizations often mandate telcos to adopt more consumer-friendly practices including shorter contract lengths, overage forewarnings, and up-sell/cross-sell limitations.

Regulatory compliance and CX have become intertwined and while the above examples may benefit the customer, implementing them requires effective solutions and tracking. Here again, departmental and operational silos present the greatest challenge. In-house content and marketing teams in addition to compliance personnel need to be coordinated on the types of messaging that can, or even must, go out to specific customers.

The Solutions: Telecommunications Industry Customer Experience

The General Introduction and Integration of Solutions

Despite the increased emphasis being placed on customer experience and the subsequent challenges created for telcos, solutions exist that can help streamline CX undertakings. These solutions can alleviate the previously discussed challenges while turning CX into a competitive service advantage - not burden - for providers. The key for telcos is to implement modern CX solutions that are able to integrate with their existing legacy systems and infrastructure in addition newer systems as they are being updated. Implementing a low-code platform can assist with this by enabling a minimalistic approach to the digital revamping of existing infrastructures and by helping employees seamlessly learn newer technologies.

Overcoming Silos and Utilizing Data

Data analysis has become an increasingly important tool in maintaining a strong CX framework. Implementing solutions that facilitate single-customer data consolidation and eliminating data redundancies are key to attaining actionable data. To achieve this centralized customer view and concise data, departmental and operation silos must be overcome. It is thus integral that any new CX solution enables a telco's various departments and sub-departments to have open lines of communication as well as efficient and compliant data sharing capabilities.

As an example, predictive analytics is an emerging data type that enables telcos to better assess when and why a customer will be dissatisfied. This data is highly actionable as it helps in anticipating potential churn and creates an opportunity for pre-emptive mitigation. By using this data, telcos are better suited to redirect customers quickly to the correct service representatives that results in faster issue resolution, a more positive interaction, and reduced backlog of customer service channels.

Customer Journey Mapping

As telcos provide an array of communications products and services, holistic visibility of customer interactions is integral to their overall CX performance. A form of data analysis, customer journey mapping (CJM) is the ultimate tool into understanding a customer's entire service experience. CX itself can be defined as the holistic experience of a customer with a particular company or provider and CJM summarizes that experience into actionable detail. With CJM, for example, a telco can constantly monitor how and where it has failed a customer, better equipping it to prevent recurrences. When a telco commits the same service mistake more than once, it exudes indifference to the customer and increases the likelihood of churn.

Effective CJM must be truly comprehensive with all points of contact between customer and provider - both digital and otherwise - accounted for. Furthermore, through fully understanding a customer, CJM helps in tailoring communications and offerings to individual customers, enriching their overall experience with a provider.

Material Consistency, Omni-channel Communication, and Low-code

Improving material intelligibility is key in eliminating customer confusion and subsequently reducing customer service inquiries and thus channel traffic. Presenting materials digitally and visually via graphs and charts can help increase customer understanding of the information. However, consistency is key and material formatting and design should be uniform across all media (mobile/tablet apps, web, and paper) creating a strong omni-channel approach to customer communications. A centralized communications platform works across the silos of differing communications departments to produce the consistent communications that customers desire. Consistency also lessens confusion, reducing the number of calls to the contact center and general wait-times as well.

Compliance is also relevant regarding telco materials as only certain content can be legally distributed to specific customers. These restrictions often result from individualized and regionalized communication opt-out regulations and upsell/cross-sell restrictions (e.g., mobile data top-ups). Here again, the potential for lapses can be greatly reduced through centralizing all communications and content platforms through a single interface while concurrently collaborating with in-house compliance personnel from the outset.

Given the growing telco communication reliance on web- and mobile-based applications, low-code solutions can further improve the optimization of omni-channel performance on an ongoing basis. A low-code platform will enable simplified integration and on-boarding of solutions and helps in reducing strain on telco in-house IT departments.



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Conclusion: The Key Takeaways

A general shift in service approach is clearly taking place within the telecom industry and the days of CX's relegation within overall provider priorities are gone. Customer satisfaction has now emerged as a leading element in telco business modelling success and the proper CX solutions can help bring this to fruition.

A strong CX framework is now essential for telcos to keep pace with competitors. By constantly adapting to new technologies and consumer expectations, telcos can maintain an increasingly important CX edge. Furthermore, being vigilant regarding the industry's ever-changing regulations is a legal necessity but also a service benefit given the increase in consumer-friendly mandates. It is clear that when approached correctly CX can indeed become a service boon, not burden, for any telco.

As telecommunications providers look to compete in today's marketplace, they must do so by providing an exceptional customer experience across a multitude of systems and customer touchpoints. Modern CCM solutions, extended out via a low-code mobile development platform are helping telecommunications companies to bridge the CX gap, allowing them to serve their customers more effectively, resulting in decreasing churn and increased profitability.



About Quadient

Quadient helps companies deliver meaningful interactions with current and future customers. A Neopost Digital Company, the Quadient portfolio of technology enables organizations to create better experiences for their customers through timely, optimized, contextual, highly individualized, and accurate communications for all channels. Our solutions bring together and activate the entire organization in the name of customer experience, through better collaboration and visibility into the customer journey.

Quadient supports thousands of clients and partners worldwide in the financial services, insurance and service provider industries in their quest to achieve customer experience excellence via mobile, digital, social media and print technologies.



About NBI/Michael Sone Associates

Founded in 1993, NBI/Michael Sone Associates (NBI/MSA) is a Canadian market research and consulting firm whose mission is to provide substantive and detailed information on the Canadian ICT industry. In the complex environment of communications, NBI/MSA's independent, full-service research provides the vital tools for strategic and market planning.

When it comes to furnishing both quantitative and qualitative intelligence on the Canadian ICT market, our data is without equal. NBI/MSA reports cover the broad spectrum of the telecom landscape including Data Communications, IP-based Voice & Data Hosted Services, Wireless Services & Mobile Device Management; Digital TV & Streaming Services, SIP Trunking, Data Centres, Contact Centres, Cloud Computing, Managed Security Services and IoT.

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