Exceeding Customer Expectations Shaped by Digital Disruption

By: Chad Dunavant

Digital transformation has introduced a whole new caliber of connectivity to consumers' daily routines. Amazon's Alexa can pull up a recipe for the buffalo dip your best friend texted you about, turn on your oven for the dip preparation – and then order you an Uber so you can bring the delicious end-result to your friend's house before half-time of tonight's game. Once your Uber arrives, you can stream the nail-biting game on your smartphone, picking up from the exact second that you stopped watching on your TV. The digitally-driven customer experience – and corresponding expectations – have become more sophisticated across all industry verticals. Service providers are not exempt from this transformation. They are uniquely positioned to become the epicenter of it. Delivering a **unified**, **personalized** and **data-driven** customer experience should be the three key focus areas for service providers as they aim to stay ahead of the expectations of the digital consumer.

A unified hub – for everything

Ease of navigation and access to content has become critical to the customer experience of today's consumer. Viewers don't want to be burdened with separately searching their cable catalog, Netflix, HBO Go and Hulu accounts to find out which service has season three of their favorite show. Alternatively, they want a central search location that brings all of their recommended and stored content together. The industry has heard this expectation loud and clear, ushering in a new phenomenon of Pay-TV/OTT co-opetition. The first unexpected partnership between Comcast and Netflix sparked a great deal of shake-up across the cable landscape in 2016. This year, social media and tech giants are emerging as major competitors – and potential partners – to Pay-TV players. For example, last season, the NFL's Thursday Night Football got an unexpected new home – Twitter. Then, last month, Amazon joined the live sports streaming arena winning the rights to stream 10 Thursday night football games for the 2017 season through a $50 million, one-year deal.

A centralized hub for access to premium, original and live video content – able to be accessed anywhere, anytime, from any device – is now not only an expectation, it's the industry norm. As content aggregation becomes a mainstream goal for service providers IoT has evolved into the next frontier for digital operators to grow this concept of a unified hub. Service providers who are looking to exceed the expectations of today's consumers cannot solely focus on aggregating video content for a unified viewing experience; they also need to deliver a unified billing service. Consumers interact with their subscriber accounts across devices and communications channels, making it essential for account information to appear clearly and consistently – whether delivered as a PDF statement or a simple mobile-friendly summary of charges. The customer demand for a universal hub presents service providers with the opportunity to create more value in personalized bundles and discount schemes that are only available when you own the customer, the channels, and the aggregated content. Operators who are able to transcend platform-specific content silos will create unique merchandising schemes to attract – and more importantly, retain – new customers. To exceed the IoT-driven customer experience shaped by today's digital era, and leverage the next frontier of the digital transformation, service providers are presented with the unique opportunity to develop the universal language needed for IoT devices to speak to each other. Forward-looking providers will be tasked with creating an infrastructure that enables them to "own the home." This would spark the role of service providers to evolve from a content aggregator into a device-

agnostic, interactive platform for smart dishwashers, thermostats, washing machines, and of course, video content. Lifestyles enabled by IoT have become the norm with the next generation and, therefore, with the next generation of consumers. Service providers cannot afford to fall behind IoT disruptions and smart device interactions. To stay ahead, they must power them, and create an aggregated ecosystem of connectivity across platforms. To do this, their businesses, systems, and processes need to be open, allowing third party devices to connect, interact and share data through a data driven ecosystem. Services will become tailored to the consumers they support, learning behaviors and routines to fit the lifestyles of these consumers. Comcast is among the first providers aiming to "own the home" – [kick started by the recent acquisition of Icontrol Networks](#) for the company's IoT technology – and they certainly won't be the last.

An elevated caliber of personalization

In the past, offering a personalized customer experience meant delivering subscription offerings to a single head of household account holder. In today's digital era, service has to meet individuals within a household wherever they are, across devices, with multiple payment methods and billing options. The digital transformation has caused "personalization" to take on a whole new meaning – evolving it into one of the main competitive differentiators between service providers in today's increasingly crowded and innovative market.

Within this new era of personalization, service providers and operators need to think out-of-the-box when looking to attract and retain the digitally savvy subscriber. In tandem, and possibly most critical, service providers need to regularly ask themselves, "what's next?" So, now that offering video and billing content in one central repository for the on-the-go, digitally savvy consumer has become the standard of customer service – what's next?

With access to streaming, video, premium and live content at their fingertips, consumers want their providers to *recommend* content, and devices, to choose from. And, the future consumer will not be satisfied with recommendations that are solely centered on video content. They will soon demand that service providers deliver offerings and recommendations that will make their digitally-fueled lives easier and more convenient.

[CSG recently conducted a survey](#) that polled nearly 1,000 millennials globally on their expectations for the future of mobile service in the next five years. Results showed that 41 percent of millennials want their mobile service to become more useful for the small things in everyday life, such as acting as a pass for the subway, closing the garage door and turning on the central air. Looking to the future, millennials see their service providers as not only completely integrated into their daily tasks, but also powered by a smart, intuitive artificial intelligence platform that can anticipate their needs and then take action on their behalf to the connected ecosystem around them. Almost half of survey respondents reported the desire for their service provider to evolve into a more intuitive personal assistant.

When it comes to personalizing billing offerings millennials demand that their mobile device should act as a replacement for their wallet. They want their devices to act as a credit card, a movie ticket, or a discount coupon that is automatically applied to their payment. Furthermore, millennial consumers want to access these services on-the-go and they want more of these capabilities. They will ultimately expect these devices to consolidate their monetization experience across platforms.

Unlocking the power of data

Service providers are tasked with the challenge of delivering a highly-personalized service experience with offerings tailored to the way customers individually use their cable and mobile services every day. The digital transformation – and corresponding AI, IoT, VR and AR technology innovations within it – has caused customer demands to become more complex and sophisticated than ever before. Although daunting, these customer demands can be achieved and even surmounted. How? The simple answer is customer data.

While data privacy concerns have often raised flags for consumers, the survey found that

millennials at large are more willing to provide information about themselves if it means providers will be able to offer the customizable options they crave. In fact, 76 percent of millennials responded that they would be likely to let providers use their data to make entertainment recommendations based on their previous viewing habits. Furthermore, consumers understand that you get what you pay for and are willing to spend more money for the high-quality service experience they demand. The survey found that 59 percent of millennials are likely to spend more for a service specifically customized to their usage patterns across voice, data, entertainment and other personalized offerings.

As service providers across the board are answering the customer demand for unlimited data offerings they are also being presented with a huge opportunity to apply advanced analytics to these data offerings to power enhanced user experiences.

The connected consumer expects providers to anticipate what they want, which makes predictive big data analytics and customer insight models a critical toolset to harness. Analytics will drive decisions such as which up-sell, cross-sell, next best offer and even promotional items will generate a continual conversation with the customer – creating and strengthening trust and loyalty with the brand.

Furthermore, tapping into location data will enable service providers to effectively act as personal assistants to tomorrow's digital consumer. Location data can be used to provide consumers with the small conveniences they desire. This could mean checking into their flight or sending a pop-up recommendation of a nearby restaurant, with a similar menu to the dinner they paid for on their mobile device last week, once they land in the new city.

Gaining a competitive advantage

Service providers are under relentless pressure to compete in the digital landscape against social media and technology powerhouses like Amazon, Google and Apple. As millennials – the first digitally native generation – increasingly become a revenue-generating consumer base, organizations across industry sectors are feeling the pressure to adapt and evolve their business to meet the needs of this generation. To gain and maintain a competitive advantage, service providers must connect consumers to each other and to the services they care about. To achieve this, providers must align their business processes and infrastructures to leverage data to provide a unified, personalized experience today and tomorrow while leveraging the network, device and consumer ecosystems in which they have built their business.