Connecting The Data for a Better Customer Experience

By: Alan Coleman

The first ninety days of a new customer relationship are crucial because they set the tone for all future engagement. Communications service providers (CSPs) who get this onboarding phase wrong risk losing customers within weeks of acquiring them, while those that get it right create a lasting, profitable and valuable relationship.

As the customer profile and the services they use from CSPs have changed, so has the way in which the relationship needs to be managed. Users now rely on their CSPs for an ever-wider range of products, from mobile and broadband connections to TV, music and other content. In addition, customers increasingly look to their CSP for additional value with services such as security, cloud storage or smart home services—with this list of often complex-to-provide services continuing to grow. And a customer who switches all their services to a new CSP will be of great value, taking into account that the relationship has the potential to develop further as they may also add family members to the service.

This is obviously good news for CSPs as it brings immediate revenue opportunities. However, it also creates a significant risk, as losing such a customer would have a bigger impact. This risk is evident from the very beginning and extends from initial installation through billing and payments, to beyond customer care and communications and into personalization.

Installation risk

A plethora of things can go wrong during the customer onboarding phase. Among the biggest hurdles for many new customers are home installations, which involve them either having to book appointments and take time off work or trying to install equipment themselves. When they make a call to the contact center for support, they may encounter long queues and an unhelpful experience, rather than the friendly handholding they have been led to expect from the CSP's marketing.

Billing risk

The first bill from a new CSP is another critical moment, and it can also trigger the first step in a customer's decision to leave. In our report we found that a substantial proportion of customer complaints were due to billing and contract issues. Billing accounted for 30 percent of complaints while contract issues accounted for 15 percent. Compared to this, only 11 percent of complaints were made because of service issues.

Bill-related causes of customer complaint stem both from inaccurate bills but also from charges that are different from what the customer expected. Significantly higher-than-expected charges result in bill shock, which has an extremely negative impact on the customer experience. Even when customers do not leave as a result of bill shock, they will usually take steps to restrict or reduce their service usage, limiting their spend and constraining the usefulness of their services. They will complain or inquire—raising support costs—or they will simply become unhappy, which undermines customer loyalty.

The same research also found that, despite its negative impact, bill shock is still surprisingly common, with 24 percent of customers reporting they have experienced it. If a CSP can anticipate

bill shock and be more proactive by reaching out to customers in a timely fashion, it can lessen the fallout and reduce the associated costs.

Customer communications risk

The bill is not the only communication channel. For a positive customer experience throughout the onboarding phase and beyond, CSPs should make sure that every customer interaction is well thought-out and channels are connected. This includes clear pricing structures published on the website, simple sign-up forms, welcome messages, and service updates that are easy to digest. The CSP should keep the customer informed step-by-step while not overloading him with unnecessary detail. Customers appreciate messages that are consistent, personal and relevant, and they appreciate honesty. Nothing is worse than over promising and under delivering.

It is also important to show the customer that the CSP continues to care, even once the initial honeymoon phase is over. Follow-up support with a well-timed check-in to ensure a customer is happy go a long way in building more trust. Creating a dedicated onboarding team that continuously improves and reviews the onboarding process also ensures a better focus on this key phase of the customer relationship.

Personalization risk

The wealth of data held by telecoms operators about their customers' consumption and preferences means that CSPs can personalize every aspect of the user experience. In the era of customer-experience driven competition, it's essential that CSPs understand how users feel about the touchpoints that contribute to the overall experience they provide. How much a customer likes your product—his or her rational satisfaction— often matters less than how he or she feels about their experience. How they feel is about emotional satisfaction.

Insight into the emotional aspects of the customer experience enables CSPs to gain business advantage and market share at the expense of their competitors. If we take a bill, for example, many customers struggle to understand it, let alone see it as a valuable tool. In our *Customer Perceptions of Telecoms Billing 2017* report, 68 percent of customers stated that they find their bills hard to understand. On the other hand, adding personalized, interactive graphs and icons on bills to convey relevant information to the customer could help CSPs build trust, which in turn builds loyalty and reduces churn.

How to mitigate the risks with innovative technologies

The risks detailed above set out the challenges that CSPs face in meeting the needs of their customers as the service portfolio widens and their requirements become more complex. The good news is that there are mature technical solutions available to address many of these risks. These are now being augmented with innovative technologies that can generate personalized recommendations for each and every customer by analyzing and integrating data sets from BSS, CRM and other systems, including order confirmation, order management and marketing campaign information.

For many CSPs, proactive, consistent and targeted communication with the customer has been hard to achieve because a lot of customer information sits in siloed systems. The lack of cohesion and insight between all the different customer touchpoints, internal systems and processes poses a colossal challenge.

New solutions based on machine learning and artificial intelligence (AI) can now help CSPs unearth, connect and understand all the valuable data hidden in their systems. By giving them a better understanding of their customers' needs and wants, these solutions allow them to provide a

more personalized, more efficient and simpler customer experience.

The role of AI and machine learning for CSPs

CSP data is some of the richest in the world. Even when aggregated and anonymized, there are extraordinary insights that can be drawn from it. However, these can only be revealed in an actionable format if the data is stored, managed, processed and analyzed effectively. This is where AI and machine learning technology can provide the most value for CSPs. It can help enable a successful onboarding experience, leading to opportunities for further interactions and personalized marketing communications.

Technology can bring together and integrate data sets from disparate systems to give a complete picture of the customer. If analyzed correctly, churn can be predicted and therefore stopped. AI and machine learning, while talked about for a long time, are only starting to see mainstream adoption within telecoms, and therefore most of the benefits are only now being recognized.

By feeding the wealth of data available to CSPs into the right algorithms within machine learning technology, CSPs can begin to analyze usage and behavior patterns. Customer sentiment will no longer be based purely on the last interaction, but all information can be analyzed and compared to previous customer scenarios. Recommendations for each customer can be developed based on statistical learning and not just from the gut feel of the particular customer service agent they happen to be talking to.

It is this type of approach that plays to the strengths of CSPs—their data and their abilities to provide complex services at great scale—and will enable them to address their weaknesses, turning the critical first ninety days from a period of high risk into one of high opportunity in which relevant offers for additional, revenue-generating services can be made. The onboarding phase should no longer be viewed as a danger zone but instead as the period in which the CSP delivers on its promises and builds the foundation for a long and rich customer relationship.