



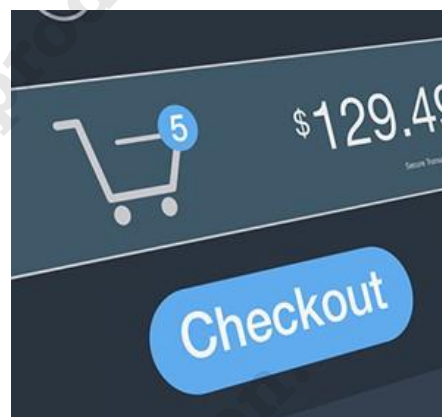
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Embedded Everything: Enhancing the Customer Experience and Accelerating Business Goals

By: [Dan Carella](#)

Humans tend to overcomplicate matters. Rather than follow the simplest path to a solution, we often seem to prefer more intricate routes. Yet, embedded solutions can help counter that misguided instinct, helping people accomplish tasks quickly, efficiently and precisely when needed. In other words, embedded experiences help humans get out of their own way to make faster, smarter, and sometimes safer, choices. By learning from banks, insurers and retailers that have successfully executed embedded strategies, telecom providers can enhance the customer experience while simultaneously smoothing the path to various business goals.



Embedded Strategies Create Win-Wins for Companies and Customers

One instructive example comes from the world of lending. By embedding payment protection options into the digital borrower's journey, the lender alleviates a common worry customers have, since [six in ten](#) are concerned unexpected expenses will hurt their ability to repay a loan. At the same time, the strategy can improve the lender's bottom line: reducing defaults, increasing revenue, and decreasing customer acquisition costs.

Insurers take a slightly different tack: embedding technology in vehicles and wearables to offer usage-based policies like pay-as-you-drive auto insurance or health insurance premiums based on activity levels. Policyholders get personalized experiences, while insurers benefit from reduced portfolio risks.

Embedded payments return similar benefits for retailers and their customers. Ecommerce businesses are integrating a growing suite of card-on-file systems, digital wallets, and buy now, pay later platforms that enhance the user experience while reducing cart abandonment rates.

As lenders, insurers and retailers continue to expand their use of embedded tactics. Industries like telecom are increasingly looking for opportunities to reap similar benefits within their own ecosystems.

Five Embedded Use Cases for Telecom Providers

Telecom providers have several opportunities to deploy embedded strategies for the benefit of their customers and businesses.

Bundling services: In addition to bundling mobile plans with broadband and streaming subscriptions, telecom providers can embed highly relevant and personalized services into the account opening experience. Products like mobile device insurance or cybersecurity protection carry great value for consumers who increasingly experience fraud attacks via their mobile devices, something the majority of consumers believe their mobile phone carriers should [help protect against](#). When customized to the buyer, such embedded offerings not only enhance the customer experience, they may also create new revenue streams for the business.

Embedded finance: Telecoms can take a page from their lending counterparts by enhancing their apps with targeted financial services. Prepaid cards, microloans and the like can help consumers manage their telecom services and other financial obligations from one place. Segmenting these offerings by consumer group can offset costs, ensuring only those most likely to find value in the services are targeted. Financial wellness tools, such as free credit report checks and credit score calculators, are additional resources to consider integrating into the digital experience. Among consumers polled in TransUnion's Q2 2024 survey, a majority (60 percent) believed [monitoring their credit reports](#) was extremely or very important, and 55 percent reported monitoring their credit at least monthly. Deploying this kind of strategy can differentiate a telecom provider from its competition while contributing to the financial well-being of its customer base.

IoT integration: Offering connections to smart home devices and security systems is a potential differentiator for telecoms. If given the opportunity to manage smart home devices and systems from their telecom providers' apps, customers could have a seamless, one-stop channel for controlling their homes' safety, comfort and connectivity. Embedding IoT connections also helps telecoms enhance their understanding of how various segments of their customer bases engage with technology. Depending on the IoT platform and its data sharing policies, telecoms may be able to leverage IoT intelligence for predictive analytics, such as next best product recommendations or customer lifetime value, or to identify accounts at risk of default or leaving for a competitor.

Identity security: Data privacy is increasingly important to consumers as [research consistently points](#) to public concerns over the availability of personal information. Mobile and social media adoption have supercharged fraud and identity theft rates and customers have noticed. Thirty-eight percent of consumers said they were [concerned about fraud when using their mobile devices](#). This creates an opportunity – some may say a responsibility – to further solidify trust by embedding personal security tools into the telecom customer experience. A few examples include migrating to passkeys instead of passwords for account access, gifting customers free identity theft protection, and bundling credit or identity monitoring with their telecom services.

Device-based identification: Telecom providers often authenticate customers with challenge questions like mother's maiden name, address or account number, sensitive data that's increasingly available to cybercriminals through a rising number of data breaches. Fraudsters can buy this data relatively inexpensively from the dark web and use it to impersonate legitimate customers. What's more, social engineering and other cybercrime schemes enhanced by AI are getting better and faster at guessing passwords and intercepting one-time passcodes. Device-based data, such as phone type, usage patterns, and length of device ownership, however, is less likely to be stolen or spoofed. Telecom providers that embed [device-based identification platforms](#) into the customer experience can more confidently authenticate good consumers while reducing false declines, undue step-up authentication, and unnecessary manual reviews. All of this combines to create safer, "[friction-right](#)" customer interactions.

Best Practices for Effective Embedded Strategy

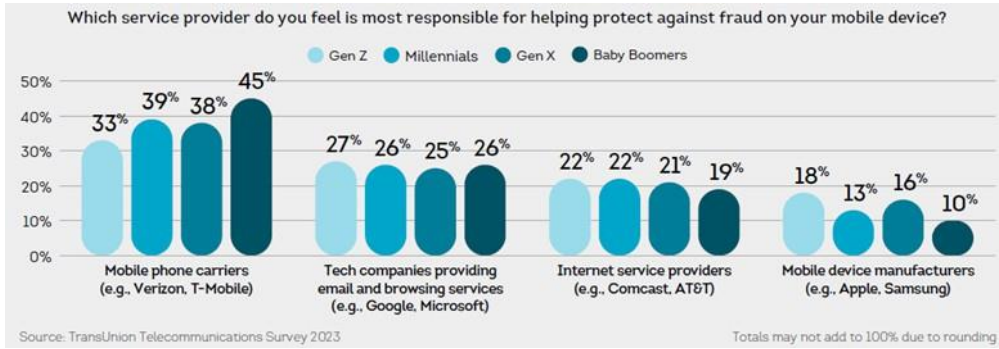
Even as embedded strategy becomes more prevalent, most companies are still in the early stages of developing and executing their plans. Early adopters of the embedded approach have found a few keys to success that others may choose to emulate.

Align with business goals: To avoid innovating for innovation's sake, growth-oriented telecom providers understand how the embedded solutions they've chosen to pursue will advance the holistic objectives of the company.

A goal to modernize the customer experience, for example, is well-aligned with embedded use cases. In a [2023 survey of telecom providers](#), limited self-service billing capabilities was named as a top challenge. For these companies, solutions that integrate directly with billing platforms make a lot of sense, enabling customers to access their bills, make payments and resolve issues within their trusted telecom app and on their own timeline.

Commit to customer-centricity: A successful embedded strategy prioritizes the customer experience. Telecom providers that take the time to gather and analyze customer behavior data leverage those insights to design and, importantly, prioritize the experiences most likely to solve pain points or enhance engagement. If a significant volume of customer service calls is due to forgotten passwords, for instance, strategists may choose to accelerate the integration of device-based identification platforms over the other embedded initiatives they are considering.

Maintain focus on security: Like all tech-enabled capabilities, embedded strategy will continue to evolve rapidly alongside the IoT, AI, and data analytics solutions that underpin them. Telecoms that prioritize privacy and security have policies and procedures in place to ensure strong protections are in place, both at the outset and as new integrations come on board. This is not only to safeguard the company against the steep financial losses associated with cybersecurity incidents; it is also to mitigate reputational risk. Although consumers do their best to protect themselves against fraud and identity theft, they expect the companies they do business with to shoulder some of the burden, too. In fact, a [2023 survey of mobile phone customers](#) found that consumers view their mobile phone carriers as the most responsible party for helping them protect against mobile device fraud. Regardless of age group, survey respondents consistently held carriers to higher account than Big Tech, ISPs, and device manufacturers, as depicted in the chart below.



Becoming a Telecom of Choice in a Crowded Market

A telecom provider that weaves relevant, personalized lifestyle solutions into its services can help keep day-to-day decisions and tasks easy, intuitive, and accessible for customers. The approach can elevate the provider to a telecom of choice in an oversaturated telecom marketplace, positioning the company as a partner that helps customers meet the complex needs of modern life.

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