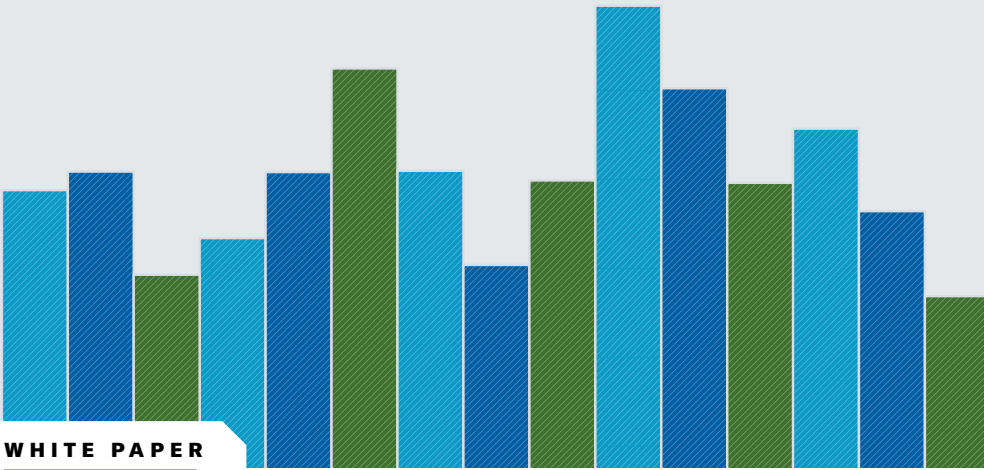




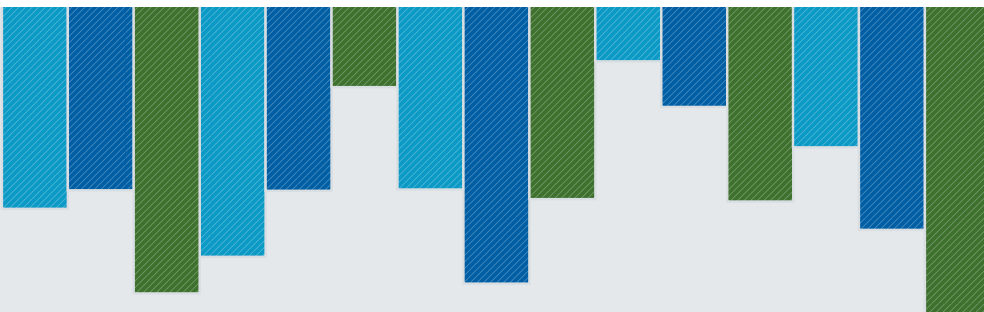
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WHITE PAPER

Rewiring Telecoms for Future Success Means Shifting to a Customer Focus



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Gavin Patterson
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For communications service providers (CSPs), success in a post-pandemic world means centering everything around the customer.

Even before the pandemic, buying behaviors were shifting. Customer expectations soared for connected, personalized experiences online and in stores, during installation and service, and when dealing with billing and accounting questions. The landscape for business-to-business (B2B) has changed, too. Business customers have also increased their expectations, creating the need to simplify processes and offer consumer-like digital purchasing options for B2B buyers.

Now, as the needs of consumer and business customers converge thanks to the rise in remote work, CSPs must shift from a product-centric business model to a customer-centric organization. This requires improving customer acquisition, service, and retention for products and services. Research suggests that CSPs that master customer experience first will create demand and increase market share. And the payoff is huge.

Here's one example from a European telecommunications provider that we recently worked with. The company developed an app for subscribers to sign up and activate its service in just two minutes. The result: a 50% increase in new activations from competitors or new customers. The company also learned that 20% of its new subscribers are from customer referrals.

Centering around the customer requires the most valuable currency: data. With a rich pool of shared customer data to draw upon, CSPs can create identities around services and promote special offers and upselling opportunities. In stores (as well as online), CSPs can empower associates with artificial intelligence-assisted insights to improve customer satisfaction, lead conversion, and sales.


Fortunately, CSPs already excel at capturing data. But many still have legacy data silos that are preventing them from unearthing actionable insights to deliver truly differentiated experiences.

So how can CSPs catch up to market demand and meet customer expectations? By focusing on these three guiding directives: integrate, analyze, and act. First, CSPs need to break down data and system silos and shift to a shared single source of truth. Next, they must gather and interpret the *right* kind of data—expanding their data sets to include customer usage, habits, satisfaction levels, and even friction points in the customer journey. Finally, they need to analyze, predict, and prescribe the best actions and offers to provide a more personalized and consistent experience across channels.

We commissioned this research with the Harvard Business Review Analytic Services to better understand the urgency around digital transformation and what CSPs are doing to shift from product-centric to customer-centric business models. We hope you will find it as insightful as we do.

Want more? Visit [The Intelligence Playbook for Communications Service Providers](#) to learn how Salesforce can help you transform your data strategy and put the customer at the center of everything that you do.

Rewiring Telecoms for Future Success Means Shifting to a Customer Focus



People around the world have never been more dependent on communications service providers (CSPs) to enable their everyday lives, both personally and professionally. Consumer and business customers' expectations are evolving faster than many CSPs can accommodate them: They demand reliable, robust bandwidth everywhere, delivered seamlessly, enhanced with products and services tailored to their specific needs, offered at a competitive price. Providing all of that is proving a tall order for wired, wireless, and satellite communications companies, whose business models have historically focused on advancing the products and services themselves, not the experience of acquiring and using them.

“Communications companies need to play offense on customer experience more so than ever,” says Mike Chapman, partner and Americas media lead at Chicago-based consulting firm Kearney’s communications, media, and technology practice in Arlington, Va. “Becoming customer-centric is going to be the way by which they stay relevant, that they stay top of mind with the consumer, and give the consumer a reason to stay with them long term.”


The silver lining for CSPs lagging on customer experience (CX) is the payoff that awaits when they start investing in customer experience in a meaningful way. According to Cambridge, Mass.-based analysis firm Forrester’s CX Index scoring system, CSPs that increase CX scores by one point will generate an additional \$3.39 in per-customer incremental revenue.¹ After the auto industry and upscale hotels, the communications industry has the third-highest potential for increasing revenue by improving CX, Forrester reports.

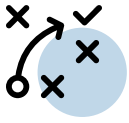
HIGHLIGHTS

The silver lining for communications service providers (CSPs) lagging on customer experience is the **payoff that awaits when they start investing in customer experience** in a meaningful way.

Most CSPs **have plenty of data about service delivery performance**, but no way to make it actionable to impact the customer experience.

To truly make an impact, the CSP must **adopt a digital-first mindset across the enterprise**, connecting teams and breaking down data and departmental barriers, as well as fostering a culture of collaboration.





“Communications companies need to play offense on customer experience more so than ever,” says Mike Chapman, partner and Americas media lead at Kearney.

To achieve those results, CSPs will need to overcome some significant challenges, including a traditionally product-focused culture; infrastructure fraught with multi-stack, on-premises legacy technology; limited access to the right CX data; nonintegrated service offerings; and misperceptions about how to truly measure customer experience and then cater to its improvement. Doing so will require a clearly articulated CX vision and strategy; investment in data, technology, and talent; and a freshening of the organization and culture.

“We’re going to be customer-first. That [goal] has to always be the drive of any company,” says Rory Read, CEO of Vonage, a Holmdel, N.J.-based cloud communications provider. “If you’re going to be successful, it’s enabling your customers to win. When they win, we win.”

Facing Stiff Headwinds

Telecommunications is a capital-intensive industry, since companies within it must make considerable investments up front. Those investments are necessary to not only develop products and services that attract customers but to also support research and development, acquisitions, and partnerships that enable the organization to stay on the cutting edge of technology. That pattern has produced many engineering-driven and sales-led CSPs offering a disparate array of services. While on the surface they may market services as bundled packages, behind the scenes each one is typically supported by separate business units, with their own legacy tech platforms, data stores, and business processes. As a result, silos predominate—whether it’s tech platforms, customer data, processes, or among a CSP’s business units themselves.

The metrics and incentives that drive all this siloing are often based on each unit’s individual performance rather than an overarching, customer-centric goal, and this fragmentation of purpose has added to the challenges CSPs

face. Kearney’s Chapman has seen some business units and functions selectively share data within the organization. “In some cases, data is seen as a competitive advantage within a business unit to deliver outsized performance relative to other business units,” he asserts.

In one particularly egregious case of misaligned incentives, a global CSP altered the way it was calculating net promoter scores (NPSs) so the number could never be negative, making it a vanity metric to drive bonuses rather than offering a true picture of the customer experience it needed to improve, according to Ian Golding, founder of Customer Experience Consultancy, a British CX consulting organization.

Because of their siloed approach, many CSPs lack an enterprise data management strategy, data standards, adequate analytics tools, actionable data, or a deep bench of analytics talent. Siloed systems also create a time tax on organizations, because employees must be trained on multiple systems, then swivel from system to system to gather the data they need to serve customers. As a result, they cannot create a 360-degree view of the customer, measure CX effectiveness, or personalize experiences across the customer journey. When points of customer friction can’t be seen, they can’t be addressed.

“Many organizations think they are doing customer experience, but actually they are delivering experiences accidentally,” says Golding. “They talk about it, but there’s no structure or rigor that gives them the ability to deliver consistently intentional experiences.”

Without a rich pool of shared data about customers and their experiences, CSPs sometimes also lack a true understanding of who their customer has become. For example, many divide their consumer and business services into separate units, but those lines were already blurring even before the pandemic shifted massive amounts of work time into the home. Usage patterns and service needs vary widely within those broad consumer and business customer groups, but without a 360-degree view, companies struggle to segment and serve them properly.

Understanding and serving the business customer is critical to CSPs’ future. A survey by TM Forum, a global telecom industry association, found that while CSPs currently are generating 10% or less of their revenue from business-to-business (B2B) services, the majority of respondents said they expect in five to 10 years to be generating over 50% of their revenue from B2B.² Driving that revenue is becoming increasingly challenging as decision making within businesses has grown much more complex. According to Stamford, Conn.-based analysis firm Gartner, buying groups now typically include six to 10 decision makers, each bringing four to five pieces of independently sourced information that must be resolved to make a decision.³ To successfully understand and serve business customers, CSPs need better



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insight into the needs and views of their customers’ entire business, including their customers’ customers.

“The decision-making process is becoming much more democratized within their customers’ organizations, so that if you just talk to the IT guy, you’ll get his biased views to what his company needs and wants,” says Jerry Power, former executive director of the USC Institute for Communications Technology Management and now founder of I3 Systems, an internet of things software firm focused on data flows that is based in Glendale, Calif. “You’ve got to start digging even deeper than that to understand not just the decision making, but what are the rank and file doing with the network?”

Business customers also increasingly expect consumer-like digital experiences—an idea that some CSPs have resisted. They believe business communications sales—which typically involve buying committees and large-scale solutions—are too complex to execute online, says Angela Leavitt, founder and CEO of Mojenta, a San Diego, Calif.-based communications marketing consultancy focused on the business-to-business space. “I understand that it’s kind of mind-boggling that someone’s going to buy, say, a complex UCaaS [unified-communications-as-a-service] system online. It will happen. The companies that make it really easy to do business with them are going to get all the business. And the ones that resist that change are getting left behind.”

Setting the Telecom CX Vision

The global pandemic has accelerated an awakening across the communications industry to the importance of transforming CSP business models so that they embrace the customer experience as a critical differentiator between organizations in the sector.

As the pandemic took hold, consumers became reliant on their communications service provider to enable not just their online gaming or binge-watching habits, but also support multiple data streams for online work and school. As a result, the quality of their CSP’s service delivery and customer experience became paramount. On the business side, CSPs’ traditional sales techniques suddenly had to give way to digital engagement as lockdowns prohibited face-to-face sales. “Some of our clients who were already thinking a little more digitally forward have had their best year ever

this year, because they were in that position already,” says Mojenta’s Leavitt.

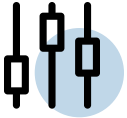
Because of these trends, the most commonly held vision among CSPs for an elevated customer experience is largely the same, regardless of whether the customer is a consumer, a business, or somewhere in between. This elevated CX includes an easy, seamless, integrated cross-channel experience that starts from the moment a customer begins researching a provider and extends through purchase, post-sales service and support, and everyday use of their products and services. These experiences are to be delivered via streamlined, intuitive, personalized tools, such as portals and pricing calculators via a wide range of digital channels and include self-service options.

For KCOM, a British fiber broadband and telephony provider, its future vision is to pull the entire organization together around a well-orchestrated customer experience. “It’s greater choice for the customer with front-end digital enablement, while significant upgrade of back-end processes allows for more high-volume, repeatable processes end to end, and the ability to have more data-driven decisions,” says Dale Raneberg, CEO at KCOM.

Executing the CX Transformation

Evolving from its current state to a holistic CX vision requires a CSP to commit to changing how the organization thinks about its purpose. But it also requires other transformations, in how it organizes itself, leverages its talents and resources, and delivers its products and services to put the customer, rather than the product, at the center of everything it does. At the core of these efforts are a common language and set of metrics based on a data-rich, shared view of the customer, and the data management, analytics, and CX capabilities that make this endeavor possible.

Most CSPs have plenty of data about service delivery performance, but no way to make it actionable to impact the customer experience. While performance certainly supports CX, many CSPs will need to expand their ability to capture data around the full customer experience. This effort means adding new data collection points, such as customer usage, habits, and satisfaction levels across marketing, retail, and customer-service touchpoints, and capturing new types of



“Having the right tools and systems in place that give you all the data is really important so that we can tell the whole story all the way from stranger to customer and beyond,” says Angela Leavitt, founder and CEO of Mojenta.

data, such as where customers are experiencing friction as they move through their journeys.

“We’re suggesting that you become intentional in how you design and execute data capture to utilize it as a competitive advantage, gather more intelligence, and define better customer experiences across the enterprise,” says Kearney’s Chapman. “Data is going to be the currency that allows a communications company to differentiate in the future.”

Collecting the voice of the customer via data is important, but it’s not the only key data stream to cultivate. Besides adding ways to collect customer data, Customer Experience Consultancy’s Golding recommends CSPs also consider two other data streams: voice of the employee and voice of the process.

According to Golding, collecting the voice of the employee does not mean assessing their level of engagement in their work, but rather, their own perception of the customer experience. Anonymous and forthright feedback from the employee serves as a check on the voice-of-the-customer data collection, ensuring the organization is asking the right questions. Employees can provide this check because they have both firsthand observation of customers and direct, unvarnished feedback from them that can identify opportunities for enhancement. In addition to these two voices, Golding says organizations must also collect data on the performance of customer-facing processes themselves when it comes to measuring how well they are meeting customer needs.

“The third voice is the most critical of the three, and that’s the voice of the process, because if organizations want to genuinely be proactive in managing customer perception, they need to understand the relationship between what the company does every day and the way the customer feels about it,” Golding explains.

Becoming CX-centric requires infrastructure to capture, interpret, and share this CX data across the enterprise.

“Having the right tools and systems in place that give you all the data is really important so that we can tell the whole story all the way from stranger to customer and beyond,” says Mojenta’s Leavitt.

KCOM overcame the limitations of its legacy data platforms by investing in software-as-a-service (SaaS) platforms, eliminating handoffs between its old systems, and enabling data sharing across the enterprise. “That has not only connected activities across the company, linking up different groups, but by making data more accessible, it’s also enabled marketing and channels teams in the business units to bring together a closer understanding of customer needs with design thinking principles,” says KCOM’s Raneberg. “These new platforms also allow the commercial teams to then configure and customize interactions with customers themselves based on their own data insights and without needing IT support.”

Vonage undertook a similar journey, assessing what customer data it had, assembling a business intelligence team, and ensuring a trusted source of data. Then they applied the right technology and embedded those inputs into the company’s business management system so those insights became available across the enterprise. “I think we’ve done a good job of that, but there is more to do,” says Read. “I think there’s so much untapped data yet, and so much more opportunity to gather it. But in a short period of time, I think we’ve tripled the impact that we get from the data that we already have.”

Many CSPs are building or completing that systems foundation, and, for them, technologies like online and mobile digital, artificial intelligence (AI), 5G, and network as a service are heavily involved. According to March 2020 research by TM Forum, 90% of CSPs surveyed believe AI will play an important role in CX.⁴ **FIGURE 1** More than half see superior service and support and proactive communication of customer-impacting network events as very important roles for AI in customer experience.

Vonage’s Read sees significant potential in AI to enrich insight into the CX. For example, applying AI to video interactions with a customer can help capture the emotional texture of the encounter to further enrich understanding and inform future interactions.

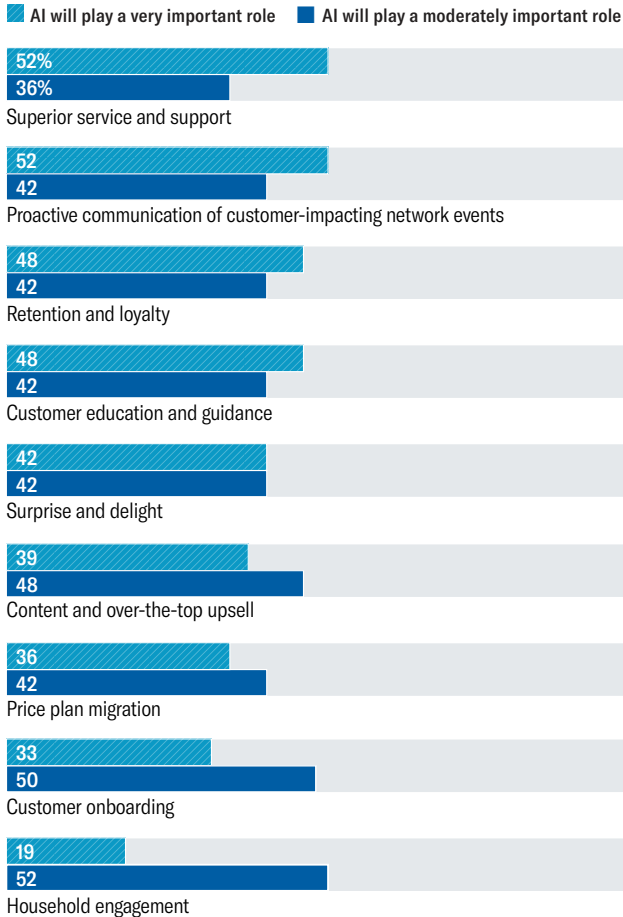
“We’re just scratching the surface because we’ve got this combination of huge amounts of data and the processing power to distill it and then analyze that data and apply it,” Read says. “I think in this communication revolution, leveraging AI and machine learning is going to be the next wave, where customers will expect businesses to engage with them on their own terms through various communication channels.”

In addition to using data to directly support the customer experience, savvy CSPs are tapping the same infrastructure to make delivery of the CX more efficient, as well as identify

FIGURE 1

CSPs Seek Wide Application of Artificial Intelligence

Service and support, proactive event communication lead anticipated AI applications



Source: TM Forum, March 2020



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efficient support activities, better prioritization, and more impactful development to capture it,” Vonage’s Read explains.

At KCOM, investing in SaaS platforms is delivering both efficiencies and new opportunities across the business. By integrating all its sales channels with a new provisioning system, for example, data is able to flow automatically to customer accounts and billing, streamlining the onboarding process. The addition of a new field force management system means required data on customers flows through automatically to field engineers, so they have insight into specific needs before they visit the customer site. The move to SaaS also automated the collection of operations data for reporting and regulatory compliance. “Because a lot of that reporting is built into our IT tools, we can spend more time on analytics. It’s been a very significant change, and a very empowering one,” says Raneberg. “We’re able to spend more time on value-added activities, and we’re also managing our resources much more, improving productivity.”

new revenue streams and new sources of value for customers, by sharing actionable data across functions. This broad use of existing infrastructure is instructive because of the heavy investments CSPs must continue to make in products and services, such as 5G, fiber deployments, and upgrades to video delivery, among other things.

Vonage uses data from its video usage, for example, not only to understand CX and consumption differences between a peer-to-peer conversation and a virtual Lady Gaga concert, but also to guide its development maps so those investments align to usage trends.

“We’re using that data and customer-centricity focus to create better products, more efficient sales activities, more

Rebuilding the Organization Around CX

Creating the infrastructure to enable CSPs to harvest fresh customer touchpoint data is only half the battle, of course. To truly make an impact, the CSP must adopt a digital-first mindset across the enterprise, connecting teams and breaking down data and departmental barriers, as well as fostering a culture of collaboration.

Because traditional CSPs must overcome a legacy of separate, even competing, business units, enacting the cultural change required to adopt a CX mindset, and the cooperative work styles that come with it, can be a significant undertaking. Clear, consistent messaging from leadership about where the organization is trying to go with its CX—and

why—is paramount, but making that a reality of day-to-day work often means making structural, educational, and goal-setting changes. “Becoming more integrated on CX from a business and functional perspective is going to be key,” says Chapman.

The work includes unifying the processes and workflows that support both the delivery of integrated suites of service packages and the CX around their purchase and usage. This alignment effort requires collaborating cross-functionally not just to map customer journeys, but also to chronicle how the departments and functions that support those journeys will work together to ensure a great customer experience with them.

Data can be key to helping disparate departments understand their role in CX. Finance, for example, may better connect with the importance of CX if they receive data helping them craft payment, collections, and credit policies based on insights into customers and their behaviors. Detailed customer touchpoint satisfaction data will help engineers drive better product enhancements or lead to new product development opportunities. The right customer data helps

operations increase their understanding of how customers experience processes and infrastructure and where they can better leverage their internal capabilities to increase satisfaction.

Training and reskilling are often essential to ensure these newly collaborative functions can make the best use of the data and tools now at their disposal. This need became particularly clear as the pandemic caused changes in usage habits that indicated the need for new CSP products and services. KCOM, for example, created a business intelligence and data analysis group charged not just with collecting and disseminating meaningful data, but also with educating users on its value and how to interpret what they are seeing.

Incentives must also be realigned to support, rather than work against, CX goals. This undertaking includes not just setting shared CX goals across business units, but also ensuring cultural practices that reward CX-centric behavior, such as what actions earn rewards, accolades, and promotions.

But don’t just think of incentives as an internal tool, suggests i3Systems’ Power. “You also have to then look at your business models and think about, ‘Do my business

With Great Data Comes Great Responsibility

Along with the increased insight into customer communications habits and preferences that richer data brings comes additional accountability to be good stewards of that data. Communications service providers must navigate both increased regulatory attention to data privacy and security, and higher customer sensitivity around how data is collected and used, particularly as they begin sharing more data across the enterprise and within their partner ecosystems.

Research by Jerry Power, former executive director of the USC Institute for Communications Technology Management and now founder of i3 Systems, an internet of things software firm focused on data flows based in Glendale, Calif., found that customer happiness with a company and its trust of that same organization are very different things—a critical distinction when it comes to data and privacy. “We found people really wanted to do business with, and would pay a premium to do business with, companies they trust.” The same was not true of companies they loved. “Privacy will start to become not a question of doing the minimum requirement expressed in a law, but trying to do things that stimulate incremental trust from customers,” he says.

Both Vonage, a Holmdel, N.J.-based cloud communications provider, and KCOM, a British fiber broadband and telephony provider, incorporate customer data privacy awareness into their cultures and assign accountability not just to their data protection steering groups, but also to individual business areas and teams. At KCOM, data protection training is mandatory for all employees.

“You have to have stewardship and make sure that your CISO [chief information security officer] and your HR team and your legal team are really conscious about how data is protected, privacy is ensured, and that data isn’t used in ways that are just advantages to create a dollar,” says Rory Read, CEO of Vonage. “That’s not what I think data is about. It’s about creating a better outcome for that customer. As long as they see that value, they’ll participate in it.”



KPIs are an essential tool in both setting incentives and helping the entire organization focus cooperatively on CX needs as they continue to evolve.

models actually stimulate customers to behave the way that we want them to?” Rather than one overall customer behavior incentive, he adds, it’s important to align specific incentives with customer segments.

Key performance indicators (KPIs) are an essential tool in both setting incentives and helping the entire organization focus cooperatively on CX needs as they continue to evolve. NPS, customer satisfaction score, and customer lifetime value are among the most commonly used metrics CSPs and other industries use as an overall CX KPI. But organizations may need more nuanced KPIs to drive CX improvement.

“In the future, I believe the KPIs are going to be much more tactical, yet comprehensive and focusing on every touchpoint across the lifecycle of a customer,” says Chapman. This KPI evolution includes developing indicators, such as how the customer feels about the CSP when they consider buying a new service, when they interact with a particular support channel, or when using video versus voice. Blended KPIs will focus on how customers view the integration across offerings. In addition, “I believe you’re going to see more KPIs that drive an experience-led culture, with shared success metrics that drive more collaboration, that incent different parts of the company to come together to serve the customer as one,” Chapman says.

Effective use of KPIs helps employees avoid a natural tendency to focus inward on their jobs and instead approach everything from the customer back to the business, according

to Read. The company clearly states its data-driven customer focus in strategy documents used to set the tone for its “Vonage Way” culture and incorporates NPS into its bonus metrics to keep that perspective top of mind.

The Future of Communications Is Data

Communications service providers enjoy considerable opportunity to become trusted partners to the consumers and businesses they serve by enabling innovative, next-generation digital experiences. But they face legacy tech stacks, product-focused cultures, and often, too little of the data they need to truly understand customers and make accessing those new digital worlds satisfying, reliable, and delivered in a way that’s tailored to their clientele’s specific needs.

These deficiencies can be addressed with a shared, easy-to-understand, always-accessible 360-degree view of customers made available to every corner of the enterprise. CSP leaders are achieving that vision by investing in the infrastructure, skills, and new data sources they need to collect, analyze, and share key CX data across their organizations. They’re complementing these investments with concerted efforts to transform their workforces to embrace a customer-first mindset, using tools such as incentives, shared metrics, and skill-building.

CSPs can be fully prepared to deliver a modern and convenient customer experience; be proactive in their outreach; offer omnichannel communications/marketing and self-service options; and develop the capacity to define, build, and roll out new products and services quickly by fully committing to this data-driven approach to CX.

“Data is the key to everything,” says Read. “The amount of data that’s being aggregated today and the ability to learn from it provides the information needed to create a better customer experience. The challenge is that many businesses still silo customer information across a number of business applications, so it’s difficult to get the complete view of the customer. It’s a journey, and I think many businesses have just scratched the surface.”

Endnotes

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