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WANT TO DRIVE BUSINESS BENEFITS? IMPROVE CUSTOMER EXPERIENCE

Author: Mike Hibberd, *Independent Analyst & Consultant*
Editor: Dawn Bushaus, *Managing Editor*

Mahindra COMVIVA

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Digital Maturity Model
Enterprise navigation for the maze of digital transformation
“Vodafone sees great value in the work being done through TM Forum on Digital Transformation. The Digital Maturity Model is a valuable diagnostic and planning tool to guide an entire company through its Digital Transformation.”
Lester Thomas
Chief IT Systems Architect
vodafone
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Report author:
Mike Hibberd
Independent Analyst & Consultant
michael.hibberd@gmail.com

Chief Analyst:
Mark Newman
mnewman@tmforum.org

Managing Editor:
Dawn Bushaus
dbushaus@tmforum.org

Editor, Digital Content:
Arti Mehta
amehta@tmforum.org

Head of Research & Media Product Delivery:
Paul Davis
pdavis@tmforum.org

Head of Research & Media Sales:
Denise Tack
dtack@tmforum.org

Director, Solutions Marketing:
Charlotte Lewis
clewis@tmforum.org

Advisor:
Aaron Boasman-Patel
Vice President, AI & Customer Experience
aboasman@tmforum.org

Report Design:
thePAGEDESIGN

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Phone: +1 973-944-5100
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We hope you enjoy the report and, most importantly, will find ways to use the ideas, concepts and recommendations detailed within. You can send your feedback to the editorial team at TM Forum at editor@tmforum.org

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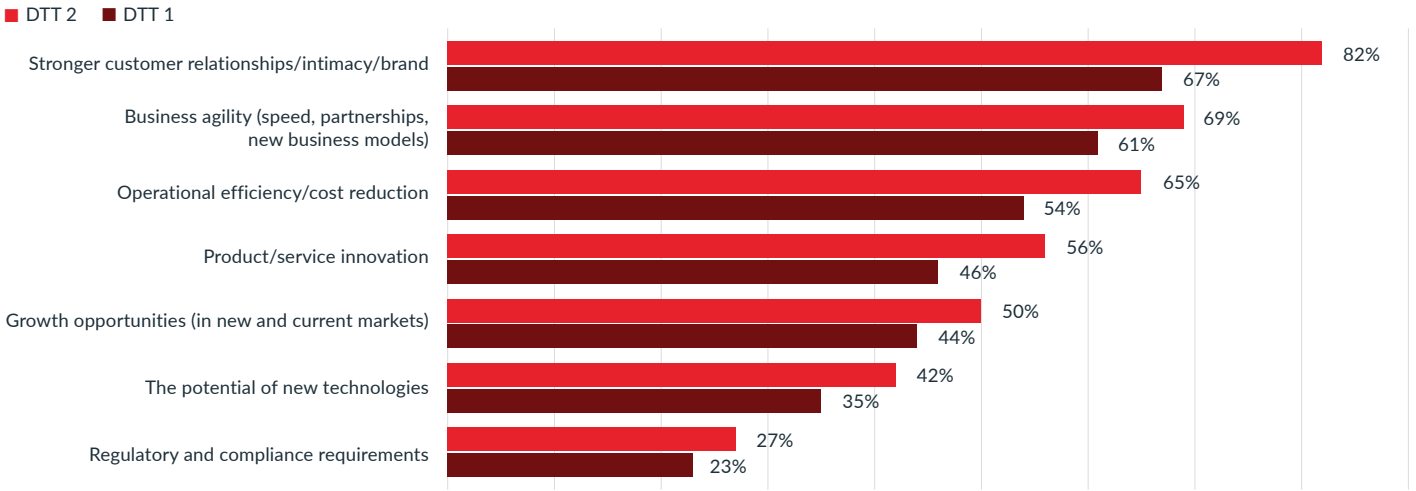
The big picture

Communications service providers (CSPs) operate customer-facing businesses and deliver services to customers, so it goes without saying that they are customer-centric. Right? They have decades of operational history and generate vast quantities of data about their customers, so obviously they know what their customers want. Don't they?

Yes and no. Every CSP naturally focuses on customer experience, but as interactions have become increasingly digital, operators have struggled to keep pace. The influence of hyperscale digital natives such as Google, Amazon and Facebook is paramount. These organizations, which were built from the outset to understand and monetize every aspect of customer interaction, are the paragons of data-driven customer experience.

CSPs want to deliver an experience that is similarly rich in personalization and contextualization because they believe doing so will drive value for their businesses, either by increasing customer spending or reducing churn. This drive for better customer experience is closely tied to a larger tectonic shift: digital transformation. TM Forum's research into the drivers for digital transformation consistently shows that improving customer centricity ranks at the top of the list.

Comparison of 'very important' drivers for digital transformation



TM Forum, 2018

Facing the challenges

Nonetheless, projects to improve customer experience, much like wider transformation programs, are not easy to execute. A customer's journey with a CSP extends from pre-purchase research to product selection and onboarding through to network performance, customer relationship management, and retention or churn. At each stage, valuable data is generated – the raw material from which personalization and contextualization can be refined.

To be valuable, this wealth of data about customers must be accessible in real time or real near time, and CSPs must be able to act upon it. Operators must structure their organizations to achieve these goals and realign culturally to prioritize the processes and behaviors that underpin them.

Some CSPs have made more progress than others. Our interviews with operators for this report reveal that, while they are making progress, persistent tension exists between the grand aims of improving customer centricity through digital transformation and the realities of day-to-day operations.

Read this report to understand:

- Why improving customer experience is important
- The challenges CSPs face in developing digital customer experiences
- Steps CSPs must take to overcome the challenges
- What CSPs can learn from digital natives and their peers who have succeeded in improving customer centricity
- How TM Forum can help

“ To be valuable, the wealth of data about customers must be accessible in real time or near real time, and CSPs must be able to act upon it. ”

Section 1

How experienced are you?

Customer experience counts. Data published by customer engagement specialist Thunderhead and research firm Populus illustrate the impact of both positive and negative customer experiences. For example, while almost 90% of consumers have a higher opinion about a company that remembers their previous interactions, a quarter of them will switch providers after just one bad experience.

The two faces of customer experience

TM Forum, 2018 (source for data: Thunderhead and Populus)

The importance of customer satisfaction

Some communications service providers (CSPs) report a clear correlation between customer satisfaction and commercial performance.

"The customers that score the highest on CEX [customer experience] measures like NPS [Net Promoter Score] and CSAT [Customer Satisfaction] constantly show increased business performance, reflected in faster sales growth, when compared to customers who seem less delighted," says Ahmed Gharawi, General Manager of Enterprise Customer Experience Excellence at Saudi Telecom Company (STC).

And yet, as a sector, telecommunications does not have a stellar reputation for customer satisfaction. According to the *2016 CustomerGauge NPS Benchmarks Annual Survey*, NPS for the telecommunications sector was 27 – way below the cross-sector average of 44.

Data for 2018 compiled on the UK market by the Institute of Customer Service paints a similar picture. Telecommunications and media ranked 12th of 13 sectors for customer satisfaction in the *2018 UK Customer Satisfaction Index*. And of the top 50 UK brands ranked by customer satisfaction, only two were from the telecommunications sector: Tesco Mobile, the CSP arm of the UK's largest grocer and retailer; and GiffGaff, which is owned by Telefónica.

Both of these brands are relatively young mobile virtual network operators (MVNOs) rather than established CSPs. Tesco Mobile is a highly differentiated and community-focused brand targeting a cost-conscious and generally tech-savvy youth demographic, while GiffGaff rewards its 'members' for

solving one another's customer service issues through a well-used forum.

For more about Giff-Gaff's approach to customer centricity, see our *Quick Insights* report *Targeting millennials: CSPs use social media and sub-brands to improve customer centricity*

To be or not to be digital?

Hyperscale digital natives such as Google, Facebook, Amazon and Netflix have defined the new customer experience ideal. For a consumer who has an Android TV running the Netflix app, a Pixel smartphone loaded with Gmail, Amazon and Facebook apps, a Chromebook running all four, and a Google Home speaker connected to a Spotify account, customer experience can be close to seamless, at least in terms of accessing and running services.

Management of the customer relationship is different, however. How often, after all, do consumers speak to a customer support agent at Google? CSPs must decide whether they want to provide truly integrated omnichannel customer experience or whether they want to migrate towards a fully digital experience, which is appealing in terms of cost efficiency.

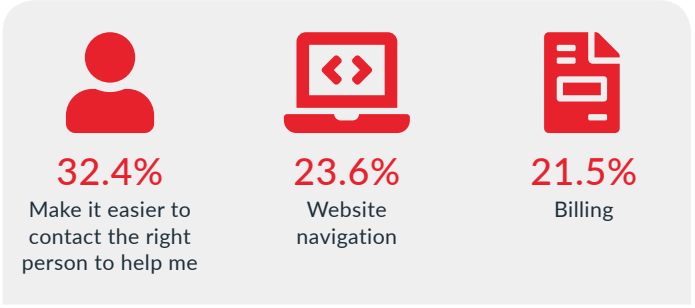
The *2017 Digital Consumer Interaction Report* published by IMI Mobile offers insight into how customers choose to interact with CSPs. The report shows, in line with other research, that CSPs are among the most frustrating organizations for consumers to deal with. (This may be because of the relatively high frequency with which customers interact with their CSPs.)

Customers want human contact

The IMI Mobile report also shows that voice remains, overwhelmingly, consumers' favorite option when interacting with CSPs. Asked how they last contacted their service providers, 71.4% of respondents said it was via a voice call.

Meanwhile data from the *2018 UK Customer Satisfaction Index* shows the continued importance of human contact for CSP customers. The most requested improvement to customer service was to "make it easier to contact the right person to help me."

Customers' priorities for improvements



TM Forum, 2018 (source for data: Institute of Customer Service)

Incentive to change

While customers may like using digital channels for some or even most of their interactions with CSPs, when there is a problem they seek a human response. However, the high customer satisfaction ranking of UK MVNO GiffGaff, which outsources much of its customer engagement to its own community of consumers, demonstrates that customers can be incentivized to use less costly management options.

Moreover, the *Digital Consumer Interaction Report* shows that customers would often prefer to use non-voice channels but that the absence of timely responses is dissuasive: 58% of those polled would be happy to use a chatbot if it resulted in a more efficient response, and 78% would be happy to use a messaging channel, so long as their query was simply acknowledged.

For more about how CSPs are using chatbots, see our *Quick Insights* report *AI & customer experience: Emerging best practices*

In the next section, we'll look at the challenges CSPs face in improving customer centricity.

> "Almost 60% of customers would be happy to use a chatbot if it resulted in a more efficient response."

Section 2

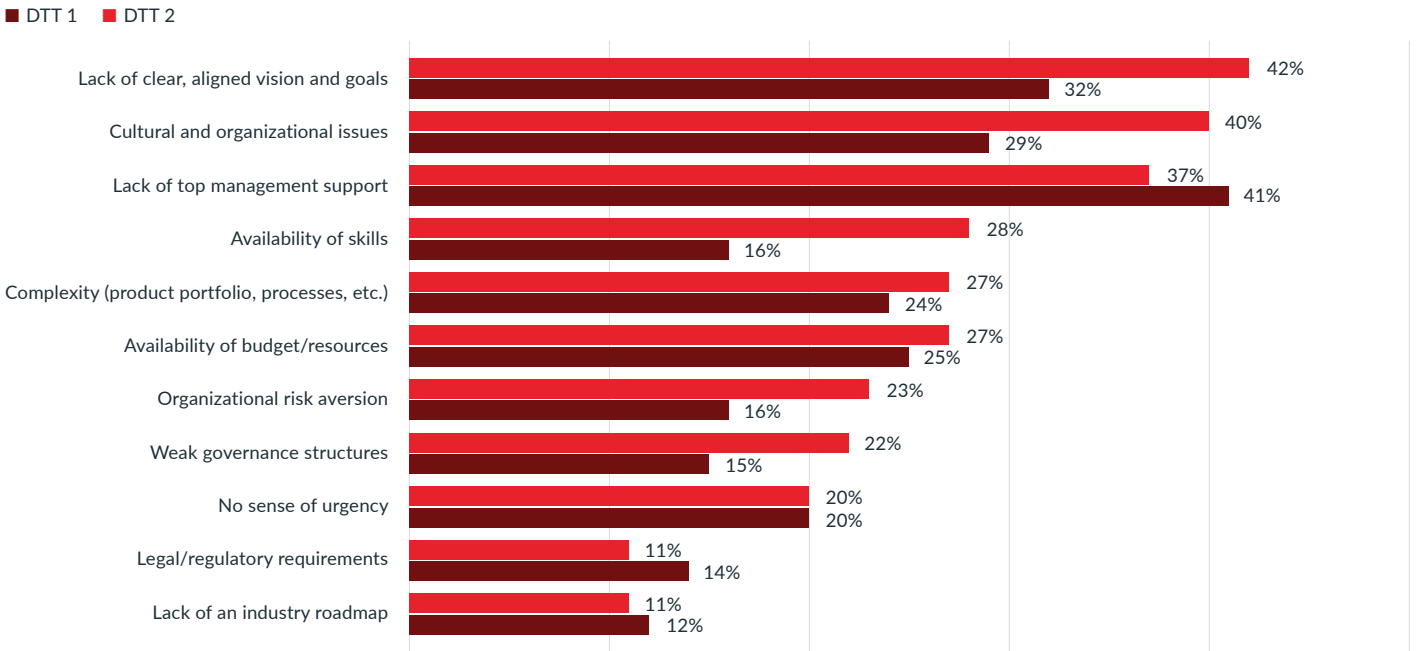
Why is improving customer experience so difficult?

Telecoms is an industry in transition – and disruption. *TM Forum's Digital Transformation Tracker 2* survey, which polled more than 170 CSP executives, looked at the barriers to digital transformation, many of which are also barriers to improving customer experience. Lack of vision, lack of support from management and cultural issues consistently rank at the top of the list of challenges in the DTT surveys.

CSP executives interviewed for this report confirm the seriousness of these challenges and explain why they're difficult to address. They point to four main issues:

- Inertia
- Prioritization of efficiency over growth
- Lack of collaboration across departments
- Leadership failure

Comparison of 'very serious' barriers to digital transformation



TM Forum, 2018

Common frustrations relating to the drive to create and deliver better customer experience are outlined below (quotations have been anonymized so that sources could speak freely):

Inertia

Operational necessities can conflict with programs focusing on significant and wide-ranging change. It can be difficult to break existing cycles of behavior, particularly when that behavior is seen as desirable by the end customer.

Just as mobile operators found themselves having to maintain costly handset subsidies for many years (often against their preference), CSPs today can find it difficult to shift the consumer's perspective on what represents value and/or good customer experience. As one senior manager explains:

"The dominant approach to driving customer loyalty in [our market] is to reduce the cost of service and increase the size of service bundles. I see no evidence of any other approach."

Prioritizing efficiency over growth

Most CSPs operate in highly competitive markets, and cost-cutting is often deemed a faster route to improved financial performance than the pursuit of new and unproven approaches to revenue growth. While 65% of respondents to TM Forum's DTT 2 survey cited operational efficiency as a driver for digital transformation, for example, only 50% cited growth opportunities in new and current markets.

Any 'improvement' in customer experience can be viewed from both angles. For example, increased automation might reduce the need for call center staff while also helping a CSP become more effective at predicting churn or timing offers, but it does not necessarily follow that one outcome will happen as a result of a drive for the other. A senior CEM manager shares this view:

"Our primary focus is to reduce costs and increase internal efficiencies. We plan to remain focused on customer centricity, but we need to see the balance between customer centricity and efficiency."

Lack of cross-departmental collaboration

The siloed nature of CSP organizations, in terms of functions, ownership of customer data and employee mindset, is a significant barrier to broad transformational programs. A customer may have had a poor network experience leading them to contact the CSP with a complaint, but if the team of employees handling the complaint don't have access to network performance data, they will not be fully equipped to assist the customer.

The term 'silo' occurred frequently in responses to the DTT 2 survey, with operators repeatedly expressing their desire for "fewer departmental siloes and more initiatives to set up cross-departmental teams", "more unified organizations with common goals and mindsets", and improved communication.

One senior manager identified the absence of incentives to collaborate as illustrative of the problem:

"Employees are not motivated because management doesn't incentivize them. So even if you can bring enthusiastic people together there will be no benefit to them even if they succeed. I see more effective collaboration between different companies within TM Forum than I do within [this company]."

Leadership shortcomings

Lack of effective communication between senior management and employees with day-to-day operational responsibility for functions relating to customer experience is another problem. A survey carried out by EY found that CSPs have common strategic goals, chief among them digital transformation, improving customer experience and cost control/business efficiency, which are set and communicated by senior management. Yet, the tendency among these senior executives is to then focus on tactical goals.

Respondents to the EY survey said not focusing on strategic goals is a significant barrier to success, along with legacy IT systems, lack of digital skills and budgetary constraints. Indeed, 84% said their organization needs a greater emphasis on long-term goals. This suggests a tension between stated aims and practical pursuit of those aims. As one CEM specialist explains:

"In an organization like this it is very hard to convince senior management of the benefits of [programs like improved customer experience]. It is an awareness issue, and this needs to be top-down. Management need to stimulate employees."

In the next section, we'll explore some of the lessons learned by CSPs that have been successful in driving digital transformation and improving customer centricity.

> "More than 80% of respondents to an EY survey said their organization needs more emphasis on long-term goals."

Section 3

Learning from the leaders

Communications service providers (CSPs) can learn from their peers who are aggressively driving transformation and looking to change the industry in the process. We spoke to frontline employees at three operators in different parts of the world – China Unicom, Saudi Telecom Company (STC) and French operator Orange – to get first-hand views.

Lessons learned in transformation

Change comes from the top

Key performance indicators are more compelling than the notion of change

It's vital to share customer data across the company

Not all customers will be responsive to improvements in customer centricity, but data can help identify the ones who will be

Partnering with digital natives is a good strategy

TM Forum, 2018

Change comes from the top

It might sound obvious to say that senior management holds the key to successful transformation, but when rank-and-file employees feel that communication between senior management and the workforce is limited or ineffective, leadership isn't doing its job.

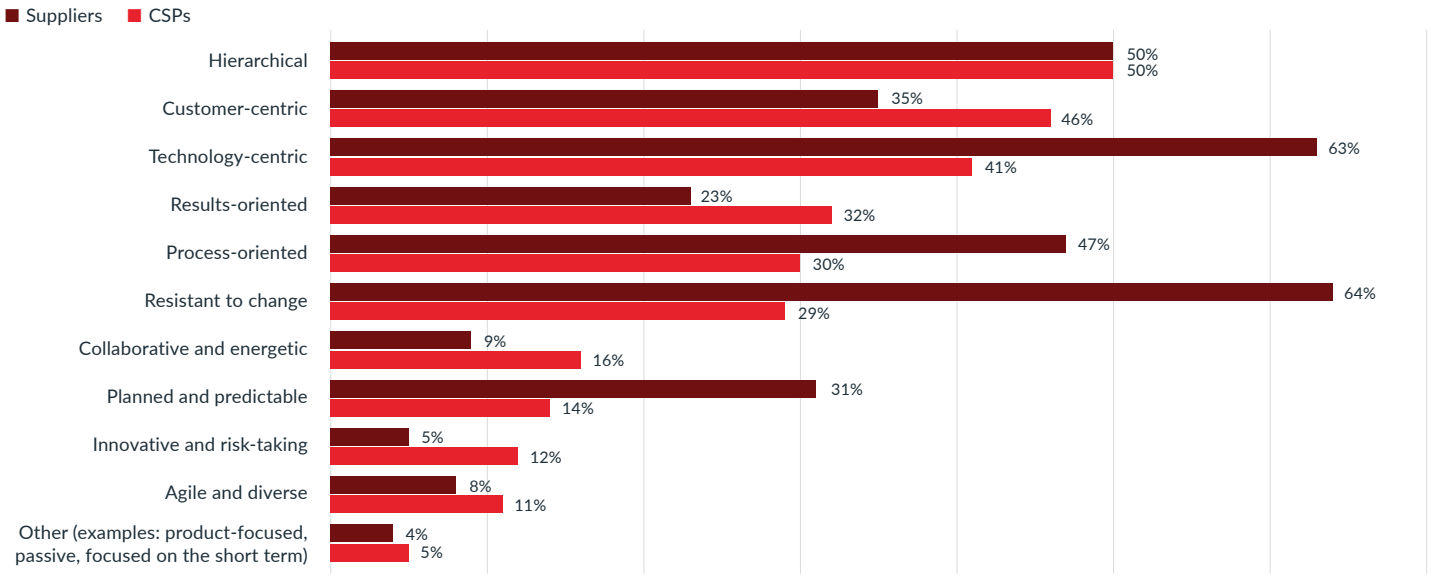
Most CSPs are hierarchical organizations. Indeed, half of CSP and supplier respondents to TM Forum's *Digital Transformation Tracker 2* survey judged CSPs to be hierarchical, while only 12% of CSPs and 5% of suppliers considered them to be innovative and risk-taking (see page 17).

In a hierarchical organization, senior management creates change by communicating a vision which is then implemented in a rigorous and measured way. To become more innovative, leaders must replace this hierarchical approach with flat organizational structures.

STC and China Unicom are implementing management-driven shifts in corporate culture to implement data-driven, personalized and contextualized customer experience. At STC, for example, all employees are incentivized to improve customer experience.

"Starting from the top, STC has reformulated its core values revolving around customer treatment and employee capability," says Ahmed Gharawi, General Manager of Enterprise Customer Experience Excellence. "The aim is to build a corporate culture where employees have the customer's best interests in mind and feel empowered to have an impact in delighting the customer. To this aim, customer experience-related aspects were introduced to the performance management of all employees, from senior executives to frontline staff."

Characterization of CSP culture



TM Forum, 2018

At China Unicom a more dramatic shift occurred, stemming from a $12 billion investment made in the CSP in 2017 by a group of 12 digital-native Chinese companies that includes Alibaba, Tencent and DiDi Chuxing. The investors now have three seats on the Unicom board, and the members are active and highly influential, according to Haoyang Lu, Senior Marketing Director, Unicom Big Data Co., Ltd., a China Unicom subsidiary.

"These are pioneering reforms. To have [these companies] sitting on our board shows that our high-level management is being very open-minded," he says. "This is a challenge for many operators; it has also been a challenge for us. But we must focus on the customer and we must be innovative. And to be innovative you must be open-minded."

KPIs are more compelling than the notion of change

There can be a tendency to frame broad transformation projects in notional and emotional terms. Better customer experience is certainly desirable and laudable, but what does it really mean? Additionally, expressing aims in terms of large and sweeping transformational projects can be so daunting to both management and the wider organization as to be counterproductive.

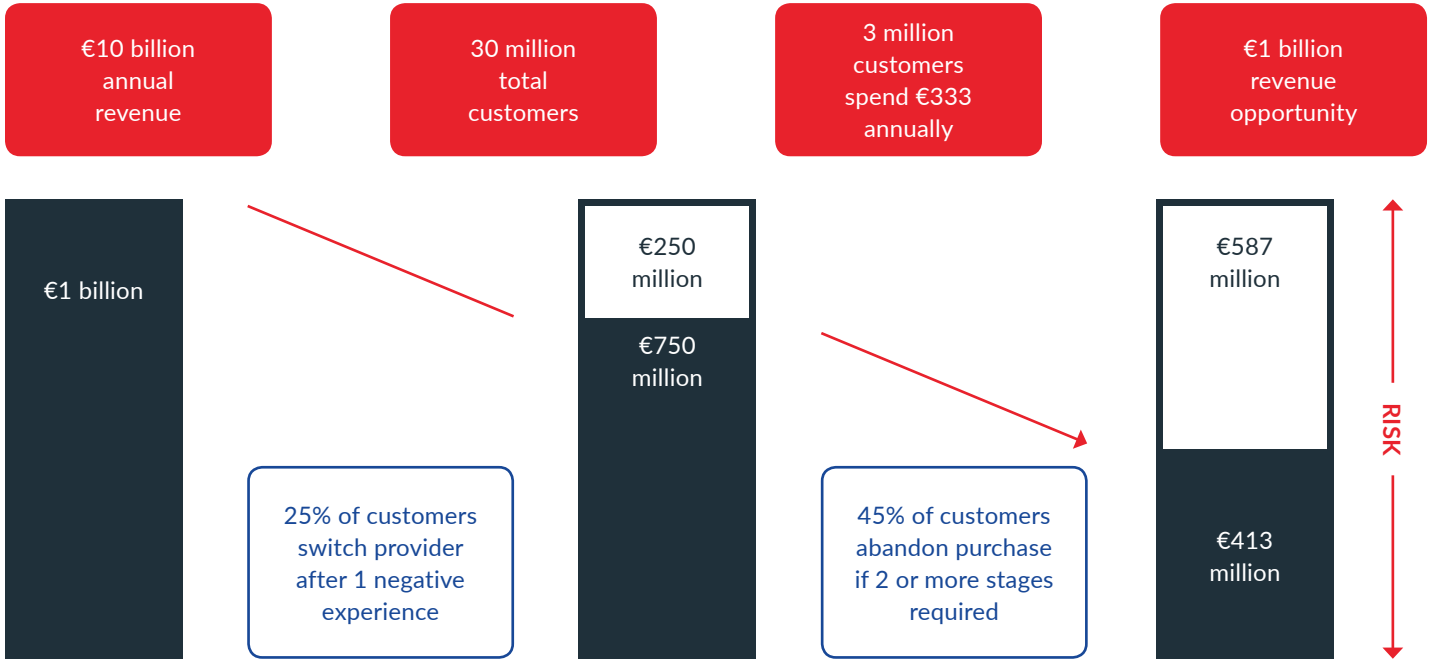
CSPs need to focus on hard financial KPIs, such as increases in revenue or decreases in churn. These are, after all, the desired business outcomes — and the ones senior management can be

expected to pursue with vigor.

Both STC and China Unicom report that the relationship between customer experience and business improvement is a core tenet of their new philosophies. Orange's Arnold Buddenberg, Enterprise Business and IT Digital Transformation Architect, agrees, explaining that focusing on financial outcomes when communicating the need for better customer experience is essential.

Buddenberg has applied this approach using the negative experience data from Thunderhead (see Section 1), modeling a CSP with €10 billion in annual revenue and 30 million customers, focusing on 10% of the base who will buy annually at a value of €333 per customer. In this scenario, poor customer experience results in abandoned purchases and churn that puts almost 6% of annual revenue, or nearly €600 million, at risk.

Poor customer experience puts revenue at risk



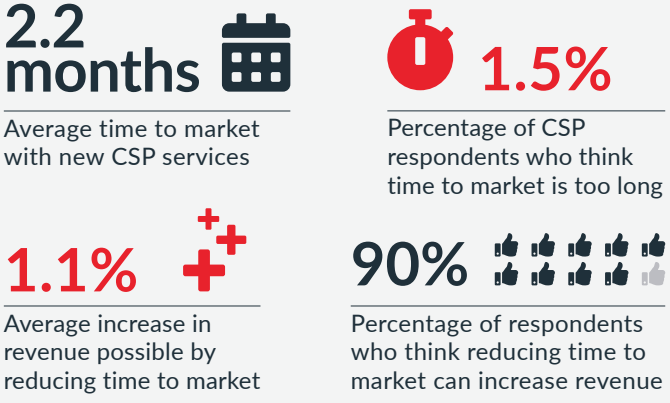
TM Forum, 2018 (sources for data: Orange's Arnold Buddenberg, Thunderhead and Populus)

Metrics aren't useful in isolation

A survey of CSPs carried out by Sigma Systems offers intriguing insight into contradictory viewpoints relating to KPIs. The survey, which polled employees involved in rolling out new products and services (as opposed to those working in technology or IT), found that only 15% rate their CSP's time to market for new products as "too long". However, almost 90% said they believe that reducing time to market could increase annual revenue by 1% to 1.5%.

There is a difference between judging a metric like time to market in isolation and judging it as tied to a core KPI like revenue. If reducing time to market could increase a core KPI like annual revenue by such a significant margin, it follows that time to market is definitively too long. This is one example of a great opportunity to improve performance.

Similarly, Sigma found that only 28% of CSP respondents believe that product creation is "not well managed", but 78% said their current systems and processes are unable to "define new products without any challenges".



TM Forum, 2018 (source for data: Sigma Systems)

It's vital to share customer data across the company

STC and China Unicom emphasize the importance of sharing all available customer data across the business. As STC's Gharawi notes, "The best telcos have a 360-degree, real-time view of the customer and use APIs to share the same snapshot across departments."

Creating the environment in which this huge task can be achieved takes time, however. As an early step, STC and China Unicom opted to create created standalone data units.

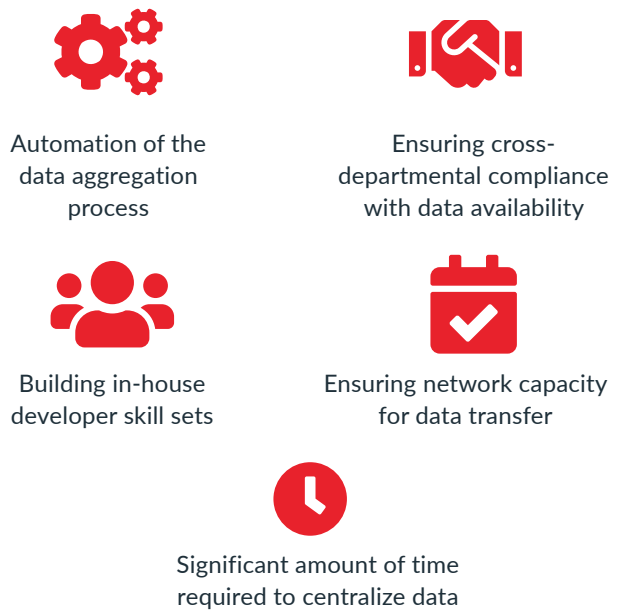
"Data is the basis for decision-making at all levels of the organization. A separate and dedicated unit was formed with the aim of governing data policies, usage, and advanced analytics," Gharawi explains. "This enables all stakeholders across the company to collaborate and leverage the use of data for multiple business decisions. With the increased use of machine learning and AI [artificial intelligence], advanced data analytics has become a core stream of data science to improve customer centricity."

At China Unicom the decision to create a central data unit was taken as far back as 2012. According to Haoyang Lu it then took three years until the basic processes had been set up to allow for the automation of data aggregation. The firm's centralized big data

platform was built in 2014, but four years later the company is still working to make all required data available within Unicom. The project is scheduled for completion in 2020, in parallel with the centralization of all IT systems (a significant challenge for a CSP covering a huge geography with multiple regional operations.)

Perhaps the most important KPI for measuring the success of centralization at Unicom will be the ratio between the extent to which IT centralization is complete and the percentage of all data centrally available.

China Unicom's data challenges



TM Forum, 2018

Data can identify customers who will be responsive to offers

Disruptive transformation involving a fundamental shift in corporate structure is desirable but difficult to begin, time-consuming to execute and not guaranteed to succeed. CSPs need to fight the battles they can win.

By starting out with a focus on a single product, or a subset of customers, operators can begin to implement improvements to customer experience and measure outcomes. Mahindra Comviva's VP and Head of Customer Value Amit Sanyal suggests CSPs should bear in mind two important practical realities:

- Some customers will churn irrespective of any improvements in customer experience
- Some will neither change their behavior, nor increase their spending

As a result, he argues, CSPs should use the wealth of customer data at their disposal to identify which customers are the most likely to respond positively to improvements in customer experience. In targeting this subset of the customer base, operators stand the best chance of driving the all-important financial KPIs upwards.

As STC's Gharawi explains, the STC customers who score highest on Net Promoter Score (NPS) and Customer Satisfaction (CSAT) measures consistently show faster sales growth. STC has implemented a policy by which these customers are singled out for a higher level of customer service.

"We continuously track customer experience measures and have established a strong and direct correlation with business performance," Gharawi says. "To make the correlation stronger, we directly reach out to [customers that score highest on CEX

measures], and as we strive to delight them, we notice a positive impact on their business performance."

Meanwhile, McKinsey points to an unnamed CSP that was able to reduce churn by offering customers contextualized products and services, that is, tailored to their specific requirements and addressing their motivations to switch CSPs. The operator identified that 2% of its customers had a 48% likelihood of churning within three months. This compared to a 5% likelihood across the base.

The company segmented the 2% and delivered contextualized offers accordingly. Thanks to the targeted approach, churn among this group dropped by 15%, with a 40% reduction in the cost of outreach.

Reducing churn through contextualized offers

TM Forum, 2018 (source for data: McKinsey)

Partnering with digital natives is a good strategy

With several hyperscale digital-native companies now sitting on its board, China Unicom is unusual in terms of the depth of collaboration it is driving. Its experience offers useful lessons on how a platform approach can succeed. Unicom has already established dedicated cross-company teams to bring new products to market, and the company is keen to embrace the "technological and competitive advantages" that collaboration with internet companies can bring.

There are no restrictions on what the partners can do, no ring-fenced areas of operation, with Unicom focusing on what Haoyang Lu refers to as "cross-industry positioning". It doesn't matter which technology is used, he says, whether it's from the telecom or the internet side.

"Our strategy is to build a business that combines telecom and internet services," Haoyang Lu says. "We take value creation as our orientation and customer satisfaction is the first priority."

Unicom's partnerships with digital-native players are based on a shared understanding of mutual benefits. The digital players need access to network capabilities and the CSP customer base, while Unicom needs the software and customer experience expertise and skills these partnerships bring to transform digitally. Other CSPs can learn from Unicom's experience and Haoyang Lu's repeated assertion that CSPs need to remain "open-minded".

For more about platform business models and digital ecosystems, see TM Forum's *Trend Analysis* report *Vision 2020: Future CSP business models*

Section 4

Make it happen

Consumers' expectations of customer experience have changed. Digital-native organizations designed and built to understand their customers in detail with a view towards improving service uptake and design have raised the bar. The value of communications service providers' (CSPs') core services has never been in doubt, but if they wish to retain a meaningful stake in the relationship with customers, the customer experience they present must increasingly come to resemble that of digital natives. This requires lengthy transformation of processes, which will at times surely be uncomfortable. However, transformation is essential if CSPs are to participate on the frontlines of the digital economy. Here are steps they can take now to get started:

Make customer experience a real priority

Customer centricity must start at the top of the organization and become pervasive. Disconnects between employees and executive management appear to be a source of significant frustration. While employees feel the need to convince senior management of the importance of the customer experience, it is surely incumbent upon management to recognize the need for change and set the agenda. All employees should be incentivized to deliver a positive impact on the customer experience. Two TM Forum maturity models — the Digital Maturity Model and the Customer Experience Management Maturity Model — offer valuable insights to this process.

Use KPIs to measure results

Change often is uncomfortable, and transformational change can feel overwhelming. Transformation programs should be tied to tangible business goals that can be measured in order to help CSPs understand the real benefits they can deliver and make the process seem less daunting. This will also help to convince senior management of the value of such change. Operators can use TM Forum's CEM ROI Calculator to assess the impact of improving customer experience. It is intended to enable better and more objective decisions by accurately predicting the business benefits to a service provider of an investment in CEM.

Encourage innovation

While management must lead, an essential part of that leadership involves freeing employees to embrace risk and innovation on their own initiative. CSPs must break down the internal structures blocking collaboration and progress. Centralized data divisions that oversee the collection, processing and accessibility of data from across the business are essential.

Look beyond the business

No single organization has all the answers. CSPs must externalize the collaborative processes they introduce within their own operations and partner with innovative third parties to create new services and models to delight the customer. Partnership and third-party enablement are fundamental to success and can help improve the customer's experience of CSP-delivered services. A 360-degree view of the customer's experience across partners is essential. TM Forum's Guidebook on the 360 Degree View of the Customer offers valuable insights.

Focus on responsive customers first
Not every customer will react positively to improvements in customer experience. CSPs should identify those most likely to respond and make them their initial priority.

Be in it for the long haul
Transformational change, both in customer experience and the wider business, will take time. Beginning with limited and targeted activities may bring results relatively quickly, but operators must be prepared for wider programs to take the better part of a decade to accomplish.

> “ CSPs should identify customers most likely to respond and make them a priority. ”

Mahindra COMVIVA

The Brave New World of Digitization

It would be a bit of an understatement to say that today, digital transformation has become the norm, not the exception. This is especially true for the global telecommunications space which doubtlessly has been facing challenging times.

how: Today an operator's business is characterized by rapidly shrinking revenues, wafer-thin margins and shifting competitive boundaries. In addition, the core businesses of voice and messaging have shrunk to mere shadows of their former selves. Why? Owing to the advent of new communications channels, of course!

Naturally, then, operators would do well to treat digitization as an opportunity to regain their former glory. After all, what better way to rebuild lost (or crumbling) market positions, build innovative offerings for customers and gear up for the future?

This is, needless to say, easier said than done. The aim of this report, therefore, is to examine the various facets of an operator's business, where digitization is likely to (and has in most cases) left an impact. For the better, obviously. The topics covered include data-driven campaign management, digital business management, sales and distribution networks and data monetization.

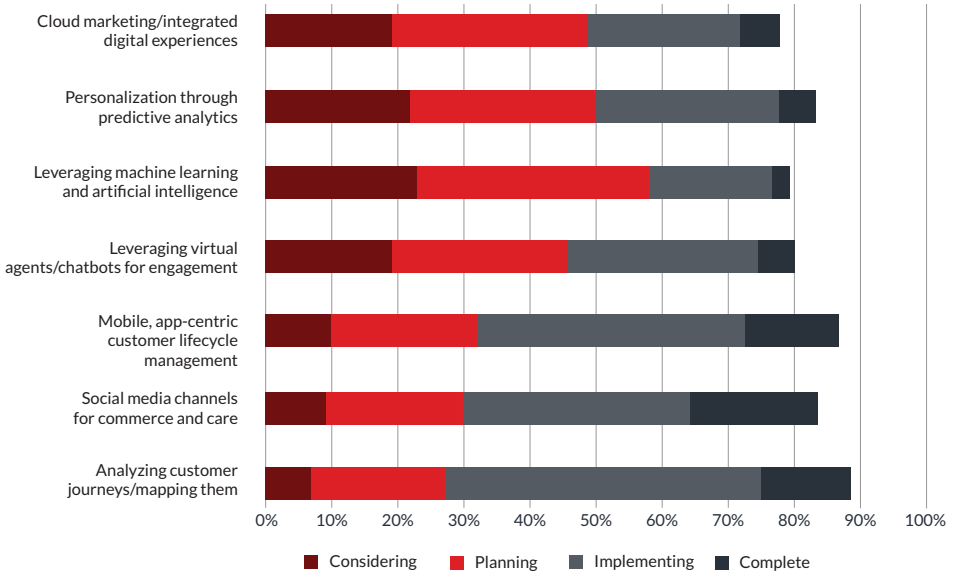
Very broadly, the report examines how digitization has enabled a paradigm shift in the way information flows through an operator's networks, or, indeed, the global telecommunications space. Of course, all while building a solid foundation for the emergence of new businesses.

TM Forum's Digital Transformation Tracker 1 found that most operators are still in the early stages of leveraging digital capabilities (see graphic below). But they need to move more quickly if they truly want to improve customer experience.

Digital acceleration enables personalization

In the area of customer experience management (CXM), interestingly, experts argue that the term digital acceleration is more apt. Here's why-operators would be able to integrate similar touchpoints (for instance the web and application-based) to offer a uniform experience. In other words, the application would be tuned to cater to the customer's behavior on the network.

CSPs' customer experience strategies



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Mahindra COMVIVA

The Brave New World of Digitization

Going a step further, digital acceleration would mean that all communication sent to the customer would change as well. More specifically, push-based communication would steadily give way to personalized experiences. The customer's role in this scenario would be merely reaching a digital touchpoint. Now, the implications of this are quite straightforward. The operator would be able to increase a customer's per unit value, whilst ensuring longevity on the network. The experience part, of course, entails making it so optimal that the customer reconsiders leaving the network.

Having said that, however, several challenges must be addressed first. Setting short term goals of incremental value is the key. Remember, digital acceleration can be achieved by pushing changes rapidly, all whilst making minor investments.

Similarly, here's why operators are scrambling to keep up with the digital age, especially in terms of digital business management. As digitization is becoming rampant, these players, too, are changing their strategy accordingly. Notably, operators are expanding their offerings beyond entertainment. In other words, a vast array of vernacular content is becoming very easily available and accessible. This very largely (but not strictly) entails education, health, social issues, et al. Simply put, the process of interacting with customers is simplified and becomes more interactive. Of course, new age technologies, such as artificial intelligence, personalization and recommendation engines, etc. have a large role to play. Customers are able to access (and are offered) relevant and personalized content in a streamlined manner. Clearly, a win-win for all!

Improving sales and distribution networks

Meanwhile, digitization has also meant that operators have a trick or two up their sleeves, especially with regard to existing sales and distribution (S&D) networks. First and foremost, the existing S&D environment will have to be overhauled. Why? To keep pace with the new age digital environment, of course! A new age S&D network would typically encompass the service provider, the consumer, business-to-business-centric sales modules and a services model.

Data monetization must be a priority

Last but certainly not the least, data monetization is and always will be a priority. Digitization has, for all intents and purposes, led to major disruption in the telecommunications space. The bottom-line for operators now is to become more nimble and agile and leverage the digital opportunity (of course). These players ought to pull out all the stops to monetize the growing opportunity offered by digital engagement. The need of the hour is to move beyond being a bulk SMS provider to providing omnichannel platforms to engage enterprises. In terms of business models, the idea would be to create new revenue streams with higher profitability. Operators ought to aim to move beyond the traditional services, namely voice, messaging, data and video. Instead, becoming integrated digital services providers is the need of the hour. The aim is to bridge the digital divide between enterprises and customers.

There is a catch, though. While digitization does, without a doubt, promise significant transformation, there are challenges to surmount. Briefly, these include (but aren't limited to) new risks pertaining to data and security, changing customer expectations, barriers to effective monetization, et al.

Nonetheless, operators are moving, undaunted, towards using digital technologies for a better tomorrow. After all, what better preparation to survive in the brave, new digital world?

> "CSPs need to pull out all the stops to monetize the growing opportunity offered by digital enablement."

For more about TM Forum's Customer Centricity Program, please contact Aaron Boasman-Patel, Vice President, AI & Customer Experience, via **aboasman@tmforum.org**