

View Point



Evolving the Customer Experience

A Convergence Approach

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Abstract

The commoditization of telephonic services has inspired many communications service providers. Consequently, incumbent and established players have to differentiate themselves and ensure customer loyalty. In this white paper, we explore the challenges faced by the communications industry as it prepares itself to embrace convergence.

In the Flat World, new or innovative services cannot be a long-term differentiator given the speed at which technology evolves and convergence gathers momentum. At best, new services provide a first mover's advantage. As the cost of acquiring new customers continues to increase, how do you retain existing customers?

The communications service provider (CSP) must identify a platform that ensures a continuous enhancement of the customer experience. The common thread that runs through a challenging environment, increasing churn, and lower average revenue per user (ARPU) is the "evolving customer experience". CSP companies must shift their focus from technological or business aspects of convergence to "fulfilling the customer experience".

A majority of companies focus on changes in technology, and social, business and operational aspects. In fact, the solution lies in enhancing the customer experience to ensure customers make better use of services, thereby translating into higher ARPU.

Realizing the Potential of Convergence

As a first step, CSP companies must view and apply convergence from a broader perspective. Convergence is not merely technology enabling the innovation of services for the customer. It is a strategic shift that impacts the business, economic, technological and social dimensions in which an organization operates. The touch points of convergence cover the entire OSS/BSS landscape. In effect, all OSS/BSS components undergo a transformation along with the customer experience.

This transformation defines the boundaries beyond the expanse of technology. It demands a pro-active identification, evolution and maintenance of the customer experience. It requires a continuous effort by companies to achieve long-term differentiation in terms of the services provided to ensure consumer stickiness. Such an evolution means the creation of strategic touch points with the customer to continuously evaluate the experience being delivered. Based on this evaluation, a constant re-engineering of OSS/BSS is required to ensure the customer experience continues to evolve.

Takeaway

Create Touch Points

Closely monitor the performance of services and the experience being delivered to the customer. Reinforce the brand value with every interaction of the customer with the network.

A Rich Bouquet of Personalized Offerings

CSP companies must be disciplined in their product packaging approach. The 'one size fits all' approach needs to be replaced with customized and targeted solutions for specific user profiles. Companies must plan lifestyle services to suit the lifestyle and spending patterns of different segments of customers.

Convergence has expanded the possibilities in terms of the services that can be offered to customers. The 'know your customer' approach is a step in the right direction, but it is by no means the end of the road. Companies must pass on the flexibility of service definition and usage to the end user so customers can define a personalized bouquet of services.

In the Flat World, CSP companies must convert the depth of customer-awareness into a strategic tool, enabling the end user to define a unique set of personalized services. In addition, a robust back-end must support the service components to define these services. To effect this transformation, more and more vendors are focusing on solutions that harness customer information to offer personalized solutions and increase customer loyalty.

Takeaway

Personalize Offerings

Know your customer - Undertake gap analysis to understand the differences between the needs of customers and the current product offering. Use technology to offer flexible, ready-to-market solutions tailored to the lifestyle of customers.

Delivering a Uniform Customer Experience

From a service delivery perspective, networks face several challenges. Convergence introduces a myriad of content providers into the picture. Faced with increasing competition, networks sign up with as many content partners as possible. The content from the content provider uses a diverse set of protocols. The same holds true for different device platforms that the end users use to download content. Consequently, end-to-end compatibility for content delivery (that comes at a price to the end user) is a major challenge. Fees levied to the user who cannot download the content due to compatibility issues result in the user migrating to other providers.

Moreover, as the product catalog of service providers gets increasingly complex with the addition of new service variants every day, managing the customer experience is a major challenge. Service providers must ensure that the experience delivered to the end user is uniform across the touch points used by the customer to access the network. The uniform customer experience must be agnostic of the network, services and the device platform used to access them.

To ensure uniformity across the customer experience, a holistic service delivery platform (SDP) is required to enable seamless interoperability of device and information exchange standards. The transformation to converged services is enabled by an integration of the SDP and the OSS/BSS deck to ensure that service creation, maintenance and delivery is independent of technological or domain layers.

Service-Oriented Architecture for telecom services is one approach to the componentization of services, bridging the gap between SDP and operational support systems. From the service providers' perspective, they must engage system integrators (SI) with rich experience in bringing about a transformation. SIs have proven experience of working with network providers as well as content providers, and can play the crucial role of an intermediary to provide end-to-end delivery of content over the network to end users. The task of maintaining compatibility of standards and platforms is allocated to the robust service delivery platform provided by SIs.

Takeaway

Buckle Up

Engage a system integrator with a proven and diligent methodology for transformation and management of the OSS/BSS deck.

24/7 Value Multiplication

Customer care is another dimension of the operations of service providers that has a strong impact on the user experience. Convergence to an end user means that for any service issues or queries, (s)he calls a single number to resolve issues spanning service platforms. For example, a user will call and report issues regarding fixed line as well as downloading content from a portal to the same customer service representative (CSR) rather than choose from a menu of services that directs him/her to different CSRs for fixed line and broadband-related problems. From the customer's perspective, service providers need to take a holistic view of a user's services portfolio available to the CSR at an account as well as service level. CSRs must be well-informed about various services and customer usage across services. They must pro-actively suggest to the customer a plan or package that is ideally suited to the customer's needs from past usage trends by extracting elements from the entire product catalog spanning voice, data and content.

From an operational perspective, such a scenario may be presumptuous as it relies on the CSR's knowledge of the domain, technicalities and the evolving product catalog. Managing this dimension of the customer experience poses a big challenge. However, a carefully planned approach can mitigate risks stemming from a sub-standard user experience. A phased transformation can reduce the fault rates as well as evolve the customer's knowledge to resolve common problems.

In this regard, the Infosys Scenario-Based Customer Service solution provides system-based intelligence to the support desk and enables fault reduction. The solution undertakes a time-scale analysis of past data to help the provider identify common faults across the product portfolio for which customers call for resolution. It helps the CSR enhance knowledge in fault resolution over a period of time and, at the same time, gives the customer an insight into the process flow for problem resolution. Another aspect of utilizing this knowledge repository is to have the basic elements made available on the self-care portal, to be used by the customer.

Bill What You Can Measure

Finally, the area of billing is where the rubber meets the road. Convergence offers a wide choice to meet communication needs for the customer and different modes to spend money. For instance, e-wallet is a basic service in the converged world. A service provider offers fixed minutes of local and long distance usage to the customer who has the option of utilizing these minutes for the fixed line, cell phone or converting them to broadband usage. While such innovative services have been explored to attract customers, mediation, rating and billing hinder rolling out such conceptual services.

Convergence has a footprint across the billing platform, and can be used to bill customers. Electronic stapling of services is now passé. Convergence now translates into promotions across services, discounts that have been provided after getting visibility into the customer's usage across different services, a self-care platform (Web or mobile) that helps the user change the components of his/her plan in real time, choose various payment options (payment convergence) and analyze the best plan that the operator has to offer from usage trends in the past.

To address these challenges, service providers must transform their core processes and legacy systems to align them with Service-Oriented Architecture (SOA), enabling the roll-out of new offerings quickly and at reduced cost. At the same time, it will provide an efficient mechanism to account for usage arising out of complex product bundles.

From a service provider's perspective, the mode of billing services will be a challenge. On the one hand, such usage will enable efficient utilization of the network ensuring that frequent visitors do not pay a flat rate. However, on the other hand, it incurs significant operational costs for the provider to offer such a billing platform. It remains to be seen which end of the spectrum appeals to the customer. Recently, *Time Warner*¹, the second largest cable operator in the US, planned to bill its high-speed Internet customers based on usage.

Another aspect of convergent billing to be considered by the service provider is a consolidated bill to the customer that reflects the usage of services, in a manner best understood by him/her. It has collateral impact in an environment controlled by regulation, besides increasing customer churn.

Service providers also have an interconnect dimension to the billing process. With various content providers, alliances and partnerships playing an active role in the service providers' operations, it becomes imperative to define appropriate controls, SLAs and have a mechanism to provide accurate and timely settlement. However, with settlement spanning voice, data as well as media domains, the network operators must have a robust interconnect system to support all converging usage streams. It assumes significance in the context of customer billing as any impact of settlement issues that gets reflected in the customer's bill can have adverse effects on the service provider's business.

In other words, almost every aspect of the OSS/BSS deck undergoes a transformation when it gets aligned with the organization's convergence model focused on the customer. To achieve a transformation, the service provider needs to engage a system integrator with a proven and diligent methodology backed by rich experience in effecting such transformations in a phased manner. It will help the service provider develop a fail-proof, disciplined and structured approach. Significantly, it will enable the service provider to address the challenges posed by technological and business changes brought about by the transformation and ensure continuous enhancement of the customer experience.

¹ Source: Time Warner to test Internet billing based on usage - <http://www.reuters.com/article/industryNews/idUSN1639580720080118>

Go the Extra Mile

Service providers must develop a relationship with subscribers that transcends communication needs and delivers compelling value to their lifestyle. Service providers need to pro-actively re-visit existing customer touch points and explore how best they can be leveraged to create value for the customer.

One trend gaining momentum is off-deck billing. Customers are increasingly making use of their service providers for payment authentication. The financial transactions of users are charged to their telephone account as they already have a relationship with their service providers. It avoids sharing credit card information with portals to make purchases. In a sense, customers use their billing account as a medium of online payments.

It is a win-win proposition for both the service providers as well as users. For the service providers, it translates into customer loyalty. For users, it provides a single medium of billing for their financial purchases, ensuring a minimized security risk. This medium sets the direction for service providers to create value, enable differentiation and ensure customer delight.

Takeaway

The Wow Factor

Go the extra mile to create additional touch points with the user and create value beyond communication needs.

Conclusion

Certainly, there are challenges along the road to convergence. Also, the technology of tomorrow may not be visible, but guidelines for the future have been established. The mantra for growth has changed from individualism to mutual evolution or symbiosis. Flat World companies will achieve success by evolving with their customers. The experience that a service provider can offer customers will be the differentiating factor.

About the Author

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