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White Paper

Communication Service Providers (CSP)

Web Site
www.axians.co.uk

In tough market conditions, utilising the network as a key resource that enables a better customer experience can be the difference that drives success

EXECUTIVE SUMMARY

CSPs are under pressure from major trends affecting the relationship between customers and technology and, critically, their need to create brand and service differentiation based on value in mature markets with commoditized offerings.

A recent study by the TM Forum on customer experience reveals that enhancing customer satisfaction and strengthening of loyalty are top priorities for CSPs. This is being driven by the fact that it costs more to win a new customer than retain an existing one. It has led to a focus on improving productivity through process and organizational efficiency, restructuring to concentrate more on customers and cost reductions through value-oriented, segment-specific customer management. In addition, CSPs are looking at cross and up-selling new offerings such as cloud services or unique ID which require enhanced data protection and the trust of customers.

Overall, the focus is all on improving the customer experience and this has led to numerous challenges and opportunities, in particular:

SERVICE AGILITY - develop personalised service packages, content and self-help tools, reduce time-to-market for new offerings and increase competitive differentiation

SECURITY - meet customer demands for a secure, reliable service and protect the business and brand

INNOVATION - use data analytics to increase understanding of customer trends to refine services, propositions and sales effectiveness and identify new revenue streams

CUT CAPEX & OPEX - use automation to rationalize and standardise products, networks, applications, platforms and processes to remove complexity, simplify customer engagement and reduce cost

This paper looks at each of these drivers in the context of three business imperatives – profitability, market share and brand reputation.

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PROFITABILITY

CSPs are constantly looking to balance the pressure on revenues and margins caused by increasing standardization of products and services and the need to offer something new, exciting and different to customers.

Facing a decline in per user revenue, there is a need to increase the capability and efficiency of their network infrastructure to drive new services and meet increasing customer expectations around service - speed of response, mobility, flexibility and meeting individual needs. Then there is the drive to cut costs through less human contact and the use of portals which need to be simple, clear and intuitive whilst delivering a personalised, integrated omnichannel experience across desktop, mobile, tablet and, where relevant, in store.

The business focus is always on attracting new subscribers by offering something different and increasing Average Revenue Per User (ARPU) through cross and up-selling and, in turn reducing churn. These are all obvious challenges for every CSP and their ability to respond is determined by the network, so if we look at what each area means for customers:

SERVICE AGILITY	**Personalisation** Capability to enable customers to tailor the service mix they buy according to their needs Identify changing customer demands and competitor actions and rapidly respond with a new offering, review results and refine or drop
SECURITY	**Confidence** Reassure customers that their data is secure and that if something does go wrong, the CSP has the expertise to quickly address the issue
SPEED TO MARKET	**Innovation** Capability to rapidly roll-out new products or services ahead of competitors and be seen to be better at meeting changes in customer demand and their emotional need to have everything now
REDUCE OPEX/CAPEX	**Simplification** Automated customer self-service portals Templates to accelerate the development and refinement of designs, processes, systems etc with an audit trail of changes Simplifying any process lowers the opportunity for errors and increases the speed of completion Reducing complexity and focusing on a number of building blocks to scale out a network and make it easier to diagnose and resolve issues

MARKET SHARE

In the age of Digital Transformation and with limited product differentiation, high quality service and customer self-services are key to building loyalty.

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MARKET SHARE cont'

We all know how easy it is to find out if another CSP has a better offering by going onto their website or using a comparison portal. Equally, switching provider is not a major hassle so poor service and / or a perceived better offering can quickly lead to customer churn.

Long term success is gained through protecting and growing market share, i.e. retaining customers by offering products and services that are perceived to have greater relevance and value than competitor offerings. A personalised offering is key with a focus on delighting customers with tangible added value. A worldwide study by the Corporate Executive Board was able to identify a direct relationship between speed of solution, simplicity, and efficiency and customer loyalty – the less time a customer had to spend obtaining a solution to a problem, the greater the level of loyalty.

However, outstanding customer service is only achievable if the infrastructure can manage the constant growth in network traffic this activity generates. If not, it can very quickly impact the Customer Experience. So, we come back to core capabilities:

SERVICE AGILITY	Quickly and easily create new services, test, learn, improve or drop according to market feedback enables CSPs to up-sell customers, develop new revenue streams and learn about their changing needs
DIFFERENTIATED SERVICE OFFERING	To stand out from the crowd, each CSP has to identify and build new product features that deliver a clear and positive experience and that can be readily delivered

BRAND REPUTATION

Building and maintaining a positive, high profile Brand Reputation is vital for all successful businesses and for CSPs that means delivering on their brand proposition during every single customer interaction and experience.

Today, the most important communication channel between brand and customer is web-based. Online offers opportunities to communicate more directly and interactively than ever before with specific target groups. However, the time and effort to build and maintain brand reputation is higher because of the diversity of new channels and the increasingly selective behavior of consumers. Ensuring the network capability is in place to deliver the new service and give it the best chance of success, is therefore critical.

A core part of every offering is securing and protecting customer and company data. When things go wrong, the damage to the brand can be significant so action needs to be considered in key areas:

CAPABILITY TO MEET THREATS	With threats from hackers and viruses becoming more sophisticated all the time, CSPs have to use the latest technology to protect their employee and customer data and IP

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PROCESS SIMPLIFICATION	The simplification and standardisation of business and operational processes reduces potential security breaches
AWARENESS	Analytics can monitor company assets and resources by providing visibility of day-to-day activities and assist in early identification and resolution of security issues
DESIGN SIMPLIFICATION	Reducing complexity and focusing on a number of consistent building blocks to scale out a network makes it easier to apply a consistent security approach across the organisation and network
COMPLIANCE	Meeting internal, national and international security standards, regulations and laws shows that a CSP takes the protection of its customers and business data seriously

SUMMARY and CONCLUSIONS

It's no secret, but it's worth re-stating - the network is the business. Everything springs from it for Communication Service Providers, be that profitability, market share or brand reputation. Our business is no different so when working with a CSP, we naturally start by building an understanding of their objectives and challenges. Then we apply our specialist knowledge, expertise and experience to assist meeting their business ambitions.

If you're looking for a fresh approach, let's talk.

ABOUT AXIANS

In today's connected digital world, we help organisations to meet growing customer expectations for immediate access to the information and services that can make their lives easier and better.

We specialise in helping organisations to develop secure carrier-grade network connectivity that successfully delivers a better end-user experience. We take a pragmatic approach and use incremental changes to optimise network performance and deliver measurable operational and customer benefits.

Axians Network Lifecycle Services bring together teams of experts with business, technical and market knowledge to design, integrate, optimise and support digital networks to deliver our customers' exciting plans and ambitions.

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