

White Paper

Customer Experience Is More Than What You Think It Is

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INTRODUCTION

Put aside what you know about customer experience within the communications industry, and imagine what you could learn if you were aware of all the interactions that customers have and the time they spend with online and offline entities – including yours – during a typical workweek. Do terms such as key performance indicators (KPIs), care agent, payments, collections, service orders, Net Promoter Score, network troubles, social media, or service portal come to mind? *If so, you are looking at customer experience through the wrong lens.*

This white paper provides insight into the customer experience of tomorrow's digital business. Customer experience becomes a priority as soon as your company stops focusing on its internal business priorities and starts recognizing that customers flock to organizations that understand their needs and make it easy for them to get what they want. This white paper also explains how previously unconnected business functions such as billing, network intelligence, analytics, process automation, and service monitoring play a significant role in influencing how customers perceive their level of experience with a company and sometimes with an entire industry.

A Good Customer Experience Is Strategic

Customer expectations over the past 10 years have grown more sophisticated as network connectivity is now considered to be as vital as air, water, electricity, and even food. For example, a recent IDC survey found that 50% of respondents, in all age brackets, would rather have reliable network connectivity than eat chocolate. Another 19% said network connectivity was more important than taking a vacation.

Customer connectedness includes not only direct human involvement with Wi-Fi, 4G, and now 5G technology through various interface devices such as smartphones, gaming consoles, and augmented reality/virtual reality headsets but also the connected delivery of insight from a diversely growing number of "things." Connected healthcare devices, personal wearables, agricultural mechanization, connected automobiles, and manufacturing improvements as part of the industrial 4.0 revolution regularly tell humans about the "experiences" they have with the environment around them. Every industry expects such devices to drive an intended set of actions to a prescribed audience (humans or machines) or stimulate a mix of behaviors when unplanned responses occur. Your strategy on how to handle these situations must be part of your customer experience plan.

Consumers, small businesses, connected device providers, and enterprises have differing ideas about what constitutes a good experience. Organizations can't have a single-threaded customer experience strategy because each group of customers has different needs, setting in motion a new level of

complexity and operational strategy not seen before within the traditional network connectivity marketplace (e.g., mobile data streaming has major expectation differences compared with fixed-line video streaming or voice calls). The data aggregation needs of multiple sensors connected to an irrigation control module are very different from the data aggregation needs of consumer services but no less important. Different still are the robotic work tasks performed in a manufacturing plant.

From another perspective, too many restarts for a device because of data transmission or alignment problems or the device's interaction with other parts of an Internet of Things (IoT) solution (a bad "machine experience") can prematurely reduce the life of the device. If the device is engineered for replacement when its battery life is exhausted, a bad experience could initiate a costly repair process. Thus customer experience now reaches far beyond the domain of direct human interaction. Your business strategy must cater to the specifics of each of these situations.

The strategy for customer-centric business transformation must align with changes to operating model, internal processes, organizational layout, IT systems, and the right metrics to drive successful execution. If the strategy is devised correctly, the customer experience becomes the central focus that drives an organization's external actions and, most importantly, *internal behavior*. *The IT technology and business change management capabilities to enable this business strategy are available now.*

Change Practices That Enable Competitive Differentiation

A business needs to know several change practices as it adjusts its marketing strategy, modifies its internal processes, and enhances its systems to deliver a more customer-centric experience. While the answers to key questions may be unique, if strategically evaluated, they can yield "secret sauce" for keeping existing customers satisfied and attracting new customers to your business. Some of the most significant change practices are:

- **Focus on personalization.** Customers in all industry segments want individualized attention, with consumers especially desiring customized service bundles and unique pricing plans. An integrated approach to sales and customer care provides customers with an omni-channel means to buy, ask questions, or report problems. Evolution of network technology and business processes gets communications service providers (SPs) closer to delivering on the personalization concept, even for business and enterprise customers. However, focusing on personalization is not enough to maintain customer satisfaction when enabling technology continues to add value such as improved data capacity and responsiveness (latency). When available, 5G network slicing will seriously "move the needle" in meeting the personalization needs of customer groups and/or individual organizations, but only if the right types of automated IT systems are in place to flexibly address the service orchestration, charging, and service assurance requirements from such multi-business model offerings.
- **Maintain transparency and visibility to satisfy customer needs.** What are the attributes your business must provide that will make your customers want more and be willing to pay for more? Then, once these attributes are identified, provide visibility into what they spend. Many consumers, especially small and medium-sized business (SMB) customers, want to compare their expenditures with contracted agreements. Customers also want to make changes as business needs change with evolving market conditions. This type of approach means bringing the right level of insight about ongoing service usage to bear in guiding customers to choices that are right for their present needs. Such a practice entails a simplified approach to business through an omni-channel offering of services and dedicated care resources to provide insight when needed.

- **Anticipate changing needs and rapidly introduce compelling new services.** Competition within many industries today forces companies to change pricing schemas and bundle offers quickly. Can your organization take advantage of impulse opportunities that often include bundled packages with partner-supplied options? A strategy designed to really satisfy customer needs must be able to recognize shifting market conditions and match service offerings with ongoing trends, which can change weekly, daily, and sometimes hourly. Can your organization address online customer inquiries and make recommendations according to previous historical insight tied to ever-shortening intervals?
- **Identify the quality levers that improve your customer's satisfaction.** Quality of experience varies greatly according to customer type, technology capabilities, business objectives, and customer needs. Once quality-of-experience levers are identified and incorporated into an organization's day-to-day operations, service delivery results should be continuously provided. But this is not all that is required to keep customers satisfied. Other factors play a role, including the customer's perception of the ease of doing business with your organization, enablement of partner interactions, speed to service delivery, pricing competitiveness, and customer business needs tied to service operationalization, payments flexibility, and service availability.
- **Continuously reevaluate your customer experience strategy.** How often should the experience process be updated as network technology advances, business strategies are modified, and new business models are executed? In many cases, customer offers last for a few hours before market conditions change, so speed to service delivery is of prime importance. It is greatly affected by the ability of an organization to adapt its systems for meeting changing needs.

Enabling Mechanisms for Enhancing Revenue and Customer Experience

Most communications SPs recognize that revenue from traditional network connectivity services (voice, text, and data access) is declining globally. Growing revenue in ways that are not easily duplicated by competitors is the current business challenge.

Several enabling mechanisms can improve the customer experience and customer perception of an organization if properly delivered, managed, and monetized. These mechanisms, if embraced thoroughly, add value and improve the attractiveness of services to both new and existing customers. Companies embracing these technical capabilities and business competencies stand to gain the most by capturing existing customer attention and meeting new customer challenges. The most significant enabling mechanisms are:

- **Connected intelligence.** Providing network information into business processes for enabling a connective understanding of how and why a customer's service delivers value or falls short of expectations is a good first step. However, network insight containing customer usage detail combined with billing, payments, and social information provides a greater level of insight about customer behavior and propensity to spend more or to potentially churn. Such insight also enables network operators to gain understanding about what new capabilities of the moment capture customer attention.
- **Automation and predictive analysis.** This broad domain includes several parts. Analytics and machine learning can provide global visibility across entire operations, monitor multiple events, predict failure, simulate alternative choices, measure utilization and performance, capture learnings, and automate highly engaging experiences. In addition, analytics can improve understanding of customer expectations and make corresponding service capabilities easier to engage. Analytics can also note how customers use applications and network services to assist in planning new capacity or delivering new service ideas. IDC forecasts that by 2022, consumers across all industries will use artificial intelligence (AI)-powered bots to

programmatically control approximately 12% of online purchases, leading to increased brand loyalty and market share for brands with the best bot marketing. In addition, IDC forecasts that by 2023, half of all marketing interactions globally will be via voice-based assistants, thus initiating the transformation of advertising into sought-after content.

- **Augmented reality and virtual reality.** Augmented reality has been used in manufacturing, medical, and some industrial areas for nearly 10 years. Today, the technology is more portable, and that portability enables organizations to create engaging experiences that not only inform and teach customers about brands, products, and services but also support those offerings. It enables customers to hold or try items and learn even when they are not near the product. IDC forecasts that by 2022, approximately 20% of brands will use augmented reality and some virtual reality to create a more engaging and effective customer experience with their social engagements and advertisements.
- **Biometrics.** Biometrics such as fingerprints, voice signature, and facial recognition are gaining popularity with personal device manufacturers and certain industries such as financial services, security, and healthcare; for example, Apple, Samsung, and Huawei now use facial recognition over touch ID to unlock their newest smartphone models. IDC believes that by 2021, nearly 75% of enterprise smartphone shipments will include facial recognition as a primary security measure. Facial recognition in combination with other biometric measures, including sympathetic nervous system responsiveness and/or heartbeat, will add layers of security, which can elevate certain applications or services to greater customer awareness. Enterprise personnel have a better experience because they can engage with a securely defined application or service without having to remember constantly changing passwords, while enterprise IT managers are pleased that employees are using more secure access to sensitive applications.

Why is it so essential to create positive customer outcomes and increased opportunities for new revenue generation? IDC believes that by 2022, 35% of customer experience-focused organizations will adopt "commerce everywhere" business models and generate 50% of their revenue through contextual discovery experiences. In addition, over 60% of global GDP by then will be from digitally enhanced offerings, operations, and relationships. Companies that recognize these global perspectives understand the impact that digital services have on their organizations and are instituting the needed changes to meet customer expectations. As they do, such companies have the greatest opportunity for achieving improved business results.

Remaining Competitive Requires Modern IT Systems and Processes

Mindful of the aforementioned enablers for growing revenue, IDC believes that one of the most significant factors affecting the customer experience concerns rigid processes and departmental functionality that keep organizations from gaining a full view of the customer. The underlying systems for many organizations were defined and built for a single company to sell, bill, and support the products the business brings to market. They are rigid by design with minimal flexibility, engineered with multiple silos of data according to functional domain. These systems were not meant to support the multiparty and multipurpose service offerings companies are finding most appealing today, nor were they designed to enable the real-time business and revenue management capabilities that are critical to the administration of digital services.

To be a customer-centric business means that internal processes and systems can address a variety of essential operational, organizational, and customer-centric needs. Adjusting today's operations environment to meet these needs involves modification, augmentation, and/or replacement as follows:

- **Creating a contextual and automated experience.** Organizations can expand from a partial to a full view of customers by integrating and joining internal functional data silos to get a complete customer view and to redefine business processes so that it becomes easy for customers to buy – maximizing average revenue per user (ARPU) by owning the customer. In addition, organizations manage the complex interactions, business rules, and dependencies an enhanced business development strategy entails across the partner ecosystem while providing the agility and flexibility to continuously develop, test, launch, and monetize joint solutions and services.
- **Analytics tied to aggregated customer insight.** Customers expect an organization that is selling network connectivity or complex partner-enhanced solutions to know something about them and their service-usage preferences. Flexible systems and analytical insight enable a communications SP to rapidly introduce new service offers that are personalized around customer interests. Because the boost that communications SPs can receive from analytics for enhancing the customer experience is so significant, IDC forecasts that by 2021, 30% of enterprises will exploit AI and advanced customer analytics to suggest innovative customer experience actions for delivering value from the perspective of a segment, a persona, or an individual customer.
- **Service-level resource orchestration.** Orchestrating multiple network resources to deliver end-to-end service and support for the dynamic allocation or reassignment of resources according to technology requirements and/or customer demand, whether internally defined or externally supplied by a growing number of partners, is significantly more complex than the traditional physical network configurations of the past. With partner-enabled service offerings on the rise, and a predicted sharp increase in end-to-end service component interactions as the latest wave of new network technologies enters center stage, it is inevitable that resource identification (catalog), dynamic allocation (fulfillment inventory), and end-to-end management of customer services will play a growing role with communications SPs globally.
- **Partner management (ecosystem enablement).** Partner management has a role at the network operations level as well as at the customer service level. From a customer experience perspective, both are important, but partner management at the customer service level is strategic. Improving the experience of partners with other partners and communications SPs – enabling digital business management concepts that help each partner directly onboard and manage its services while also enabling it to source services from other partners for resale to its customers – is a must. Enabling each partner to sell offers directly to end-user customers and to sell services to other partners in the ecosystem is another strategic need as partner interactions increase from the call for more enhanced services to satisfy growing customer needs. The most challenging requirement is to track revenue by the percentage of partner contribution and compensate each partner based on resource consumption for each provided service, which will often vary from one service offering to another. To address these needs, organizations require a new kind of IT – a platform that not only meets these requirements but also uses open application programming interfaces (APIs) to connect with existing systems as needed to deliver end-to-end customer services.
- **Collectively enabling charging, billing, and revenue accountability.** How customers are charged and billed is strategic and often is a way for them to compare organizations offering the same types of services or products. Whenever possible, charging should happen as the customer agrees to buy. In some cases, this means enabling partners to offer your services as

part of a bundle package with their offerings. In all cases, usage transactions need to be accounted for in near real time so that collected revenue can be allocated between partners. In doing so, new revenue streams are opened to each participating organization.

- **Real-time service assurance.** Quality of service and quality of experience are gaining importance as new network technologies tied to 5G and network functions virtualization (NFV) are deployed over the next several months (and years). Service-level monitoring and immediate network reliability measures are linked to the key business parameters that 5G will emphasize, including latency, speed, and data processing capacity. These must be connected together with measures of software usage in network design, software usage license management of virtual network functions (VNFs), and software-controlled network operations. The customer experience is significantly impacted when any of these components do not perform as expected. Existing service assurance systems must be enhanced to show real-time network challenges and to enable associated fixes as needed.

Inflexible systems hinder the ability of any organization to respond to evolving market conditions and competitive needs by forcing it to scale back ambitious growth plans, partnering strategies, or innovative pricing offers and accept what the systems can address rather than what is right for the business.

Conclusion

Customer experience has evolved to more than just an interface between customer needs, evolving network technology, and an organization's ability to deliver value. It will soon be, if it isn't already, *the source of differentiation and competitive advantage* for any company. Growing revenue from new sources requires continuous business model innovation that starts with deep insight into what customers want coupled with a faster way to validate, implement, charge, and collect on value generation from new ideas.

For a moment, table today's customer expectations pertaining to always-on connectivity, prompt interactive attention when needed, simplified payment processing, and quality service. Think instead about the functional capabilities that can make the customer experience better. If personalization, natural voice recognition with context, augmented reality, AI-powered bots, usage-based recommendations, automated processes, biometrics (fingerprints, voice signature, facial recognition, sympathetic nervous response, heartbeat), and orchestrated collaboration enter your thoughts, then you are on the right track about what technology can deliver in providing customers with a "good" experience. But is technology enough, or is there something more that is essential for keeping customers satisfied? *Flexibility* in work processes, systems, and business model execution is key.

Creating a good customer experience – that is, understanding customer needs and then making it easy for customers to get what they want – sounds like a reasonable goal. Yet, achieving this objective is the crux of what the communications industry has struggled with for years. Now, as the new wave of network technology (5G-NFV) has grown from technical curiosity to the early stages of mainstream deployment, what do customers really want? That depends on the type of customer – consumer, business, enterprise, or machine – industry focus, and communications SP business objectives.

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