



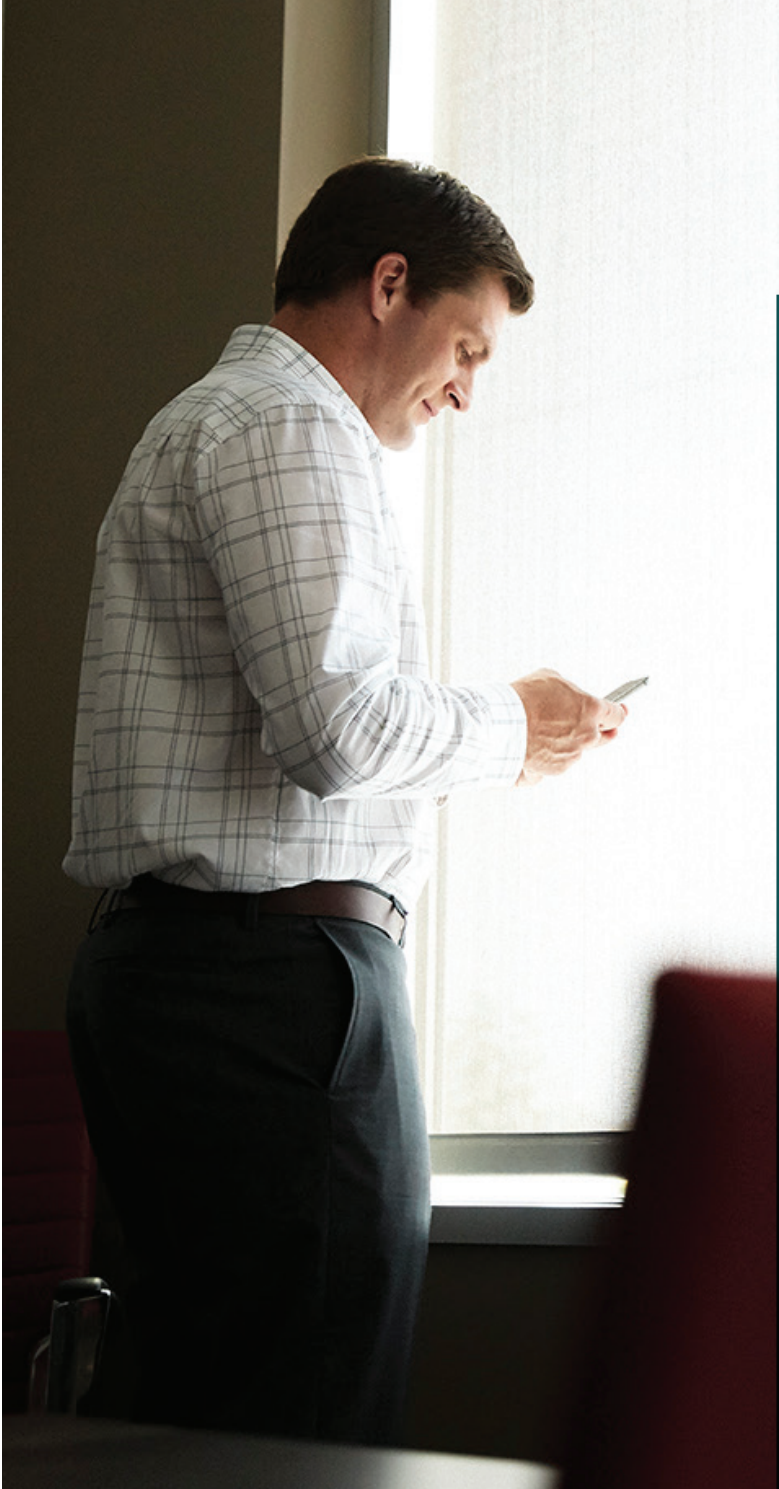
Telecommunications Transformation: Turn Customer Experience into Your Retention Strategy



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Introduction

Customer loyalty is the lifeline of telco businesses. Retaining current customers is more important—and profitable—than acquiring new ones. Across industries, the probability of selling to an existing customer (60-70%) is much higher than the likelihood of selling to a prospect (5 – 20%). Attracting a new customer cost five times more than keeping an existing one.



72%

**OF CONSUMERS WILL ABANDON
A BRAND AFTER JUST ONE
NEGATIVE EXPERIENCE**

In the turbulent, competitive telecommunications market, however, retaining customers is especially difficult. There are 915 wireless telecommunications carriers in the US, alone, and switching providers is easy for customers. In the U.S., the cable television and financial industries had the highest churn (25%) in 2020, with telecom/wireless at 21%.

Recognizing the importance of retaining customers, forward-thinking brands are prioritizing customer experience (CX)—and increasing their budgets accordingly. Improving CX requires focusing on customer engagement and satisfaction throughout the telecommunications customer journey—from researching and acquiring a product/service to using and paying for it—not just at the point of sale.

In this report we'll discuss the telecommunications customer retention problem, sharing what we've learned about CX, retention priorities and challenges from surveying 121 global CX leaders in telecommunications. Finally, we'll highlight customer engagement best practices to improve CX and loyalty.

Summary of Findings

Poor CX takes its toll

Nearly all (97%) the telecommunications CX leaders surveyed have experienced harmful consequences of delivering poor CX, with 59% reporting a negative impact on customer retention.

CX initiatives are high priorities

Seventy-two percent of leaders are focusing on improving customer satisfaction, and 72% are working to improve the omnichannel experience.

Customer engagement solutions are underutilized—and under-powered when they are used

More than half (61%) of telecommunications CX leaders aren't currently using a customer engagement solution (CES). Across industries, relatively few respondents who are using a CES are seeing CX improvements. This suggests that the most widely used solutions (mobile apps, chat, CRM, SMS) aren't sufficient to raise the CX bar.

Software isn't enough to drive change

Many telecommunications CX leaders (81%) find it challenging to deliver consistent CX across channels and gather (78%) and analyze (79%) customer data. Almost two-thirds (64%) of CX leaders said they need help from advisors/consultants who are CX experts.

Best Practices to Improve CX



**FOCUS ON CX THROUGHOUT THE
CUSTOMER JOURNEY**



**INCORPORATE JOURNEY
ORCHESTRATION**



**IMPLEMENT A COMPREHENSIVE
CUSTOMER ENGAGEMENT SOLUTION**



The Problem: Customer Retention

Every consumer brand deals with customer retention. But in the telecommunications industry, the challenge of churn looms especially large. Telecommunications brands can lose loyal customers for myriad reasons, including price, confusing billing practices and the ease of switching brands. But where they especially struggle relative to other industries, is in customer satisfaction.

Customer retention is crucial for sustained financial stability. Without a solid customer engagement strategy, telecommunications are likely to suffer from:

Poor CX and employee experience (EX). Subpar experiences produce diminishing returns (e.g., fewer sales) from existing customer relationships, higher customer churn and high employee turnover.

High call volumes. Without proactive communication, more customers will call the contact center to question their higher rate and/or request a lower rate. These calls can be prevented by contacting customers before their contract or introductory rate expires.

Few referrals. Dissatisfied customers are unlikely to recommend a company to their friends and relatives, meaning incentivized referral programs will go to waste.

While telecommunications customer satisfaction is behind the curve, it doesn't need to be.

Telecommunications Customer Satisfaction: Behind the CX Curve

The American Customer Satisfaction Index Telecommunications Study 2021–2022:

CUSTOMER SATISFACTION BY INDUSTRY 0-100 SCALE



FULL-SERVICE RESTAURANTS

80



BANKS

78



ONLINE RETAILERS

77



VIDEO STREAMING

74



SUBSCRIPTION TV

66



INTERNET SERVICE PROVIDERS

64

Insights from Your Peers in Telecommunications

In September 2022, CSG commissioned a study through Forrester Consulting, who surveyed global CX leaders about their experiences and challenges. A total of 484 leaders (director level and above) in CX, operations and marketing roles completed the survey. Of the participating respondents, 37% work for organizations with revenue greater than \$5 billion.

Among the respondents, 121 telecommunications CX leaders completed the survey. Unless otherwise indicated, the charts display the percentage of telecommunications CX leaders who endorsed each item.

What did we learn?

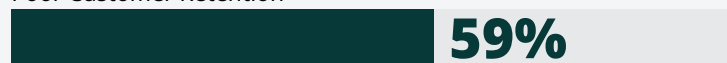
Telecommunications Executives Are Getting the Message: Focus on CX

Poor CX takes its toll. Almost all (97%) telecommunications CX leaders said their organization has experienced negative consequences due to poor CX.

Here are the most commonly reported ones:

Negative Consequences of Poor CX

Poor Customer Retention



High Customer Churn/Customer "Ghosting"



Low Conversion Rates



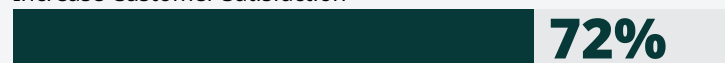
Higher Costs Due to Inefficiencies



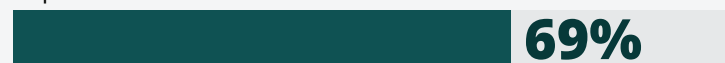
In response, leaders are prioritizing CX initiatives.

Top CX Priorities

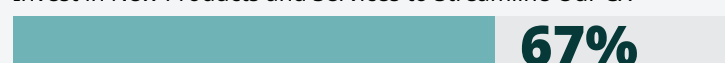
Increase Customer Satisfaction



Improve Conversion Rates



Invest in New Products and Services to Streamline Our CX



Create Loyal Customers



Great(er) Expectations

Customers expect simple, personalized interactions and prompt support from their telecommunications provider—online and offline.

How have customer expectations/behaviors changed over the past two years?

Expect seamless integration of departments for quick support/problem resolution



More customers making purchase decisions based on CX



Increased demand for quicker response times



Expect company to be aware of/sensitive to multiple journeys



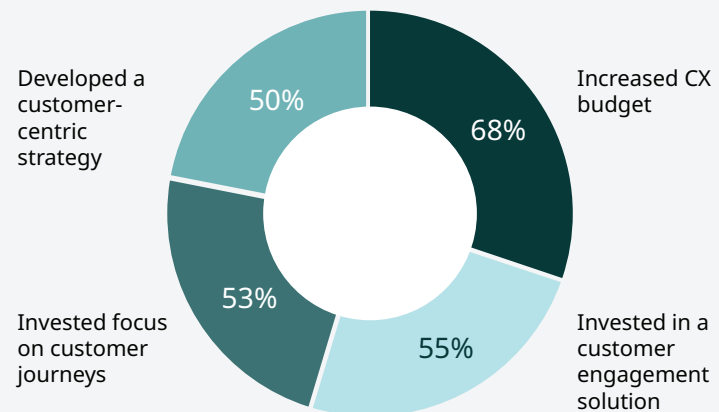
Increased demand for more personalization



Telecommunications Leaders Have Noticed Shifts in Customer Expectations and Behaviors

The biggest difference in the last two years? 60% of CX leaders surveyed said now more than ever, customers expect seamless integration to departments for quick support and problem resolution.

How has your company responded to changes in customer expectations/behaviors?



Customer Engagement Solutions Are Underutilized

Many telecommunications companies lack a critical component of the CX equation—a customer engagement solution (CES).

More than half (61%) of telecommunications CX leaders surveyed are not currently using one.

Of the 47 companies using a CES, many have invested in generic tools (mobile apps, live chat, CRM, and SMS) that only solve a single touchpoint. Only 40% are using the more robust journey orchestration platform.

What type of customer engagement solution are you using?

Mobile apps



Live chat



CRM solution



SMS/MMS/voice communications



Journey orchestration platform/template



The Struggle to Connect and Analyze Data Is Real

More than 75% of telecommunications CX leaders indicated that it is somewhat to **extremely challenging to gather and analyze real-time customer data to gain insights about customer behavior**. Without making sense of customer data, it is difficult—if not impossible—to determine why customers are leaving your brand in the first place.

How challenging are these tasks?

Keeping CX consistent across platforms/channels



Analyzing/interpreting customer data



Gathering real-time data about customer behavior



Identifying where to start to improve customer journeys/experience



Anticipating customer preferences and expectations



Personalizing experiences across channels



Breaking down data silos to get holistic view of customer journey



Percentage of telecommunications CX leaders (N = 121) who indicated that the task is somewhat to extremely challenging.



Telecommunications Leaders See a Need for Outside Expertise

CRM and other customer engagement software systems are necessary—but not sufficient—to improve customer experience. Executives also need effective CX strategy and journey orchestration tools that demonstrate ROI in months, not years. So, it's no surprise that many telecommunications CX leaders (64%) said they need access to consultants/advisors who are CX experts.

What resources/tools do you need to deliver a better CX?

Access to advisors/consultants who are CX experts



Proven ROI for our business case to support new CX investments



Development of an enterprise-wide CX strategy



Operational processes evaluation and redesign



Access to pre-built/templated customer journey maps

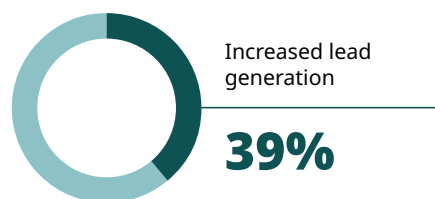
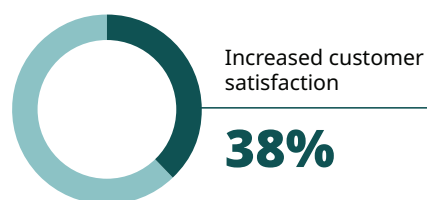
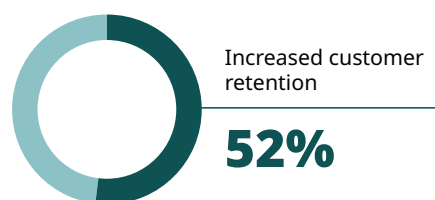


Customer Engagement Solutions Power Retention and Revenue

The survey asked, “Which business benefits have you experienced—or would you expect to see—as a result of implementing a customer engagement solution?”

Improvement in retention was the benefit CX leaders cited most often.

Top business benefits of a customer engagement solution



52%

consider increased retention a significant benefit of CES

Solution: Customer Engagement Solutions Spearhead Better CX Programs

Across industries (telecommunications, retail, healthcare and financial services), relatively few (less than 40%) CX leaders who are using CES reported improvements in CX. This suggests that widely-used customer engagement tools (mobile apps, live chat, CRM, and SMS) are limited in their ability to provide insights about customer behavior and create personalized experiences. Meanwhile, only 41% of organizations are using a journey orchestration platform. An industry-specific journey orchestration solution would improve outcomes.

A customer engagement solution improved the ability to:

Deliver more consistent customer experiences*



Meet customer expectations



Orchestrate journeys



Create personalized experiences*



Access customer data and insights about behavior



Respondents: 267 CX leaders across industries (telecommunications, retail, financial services, healthcare) who are using a customer engagement solution

*Across channels, platforms and lines of business



Best Practice 1

Focus on CX Throughout the Customer Journey



Many customer engagement programs focus on touchpoints—individual transactions through which customers interact with certain departments (e.g., sales, billing or customer service). But this siloed focus overlooks the customer’s end-to-end experience with a brand. Examining the customer’s interactions along the entire journey (from product/service research to acquisition, payment and usage) will truly let CX executives understand how those journeys interact with one another and how to improve each touchpoint.

Customer journeys can be long, stretching across multiple channels and touchpoints, and often lasting days, weeks or years. For example, when a customer is about to roll off their promotional rate, they have to examine the bill (to understand current charges), compare plans/packages (including those of competitors) and sign up for a new plan. If a telecommunications brand doesn’t make it easy to enroll in an upgrade plan tailored to the customer’s needs, they will go elsewhere.

To orchestrate this journey, brands must predict the customer’s needs and preferences, identify suitable packages, and send them personalized messages over their preferred communication channel.

According to McKinsey & Co. research, failing to manage customer journeys leads to negative consequences, including customer churn, dramatically higher call volumes, lost sales and lower employee morale.

In contrast, delivering exceptional experiences throughout the customer journey:

- Enhances customer satisfaction
- Improves sales and retention
- Reduces end-to-end service cost
- Strengthens employee satisfaction

Best Practice 2

Incorporate Customer Journey Management



Customer journey management refers to using real-time customer data to analyze current behavior, predict future behavior, and send the right messages at the right time via the customer's preferred communication channel. An organization's performance on journeys is strongly correlated with customer satisfaction—and business outcomes such as churn, revenue and repeat purchase—more so than its performance on touchpoints. Delivering a positive journey experience makes it more likely that customers purchase from your brand again, spend more, recommend it to their friends and stay with your brand. **To deliver exceptional CX, prioritize mastering these crucial telecommunications-specific journeys:**

- Purchase devices, bundles and offers
- Receive change in fees and charges notifications
- Schedule service appointments
- Receive proactive service outage notifications
- Renew and upgrade contracts (promo roll-off)
- Provide feedback about service or bills/charges
- Pay late fees and settle collections

Customer journey management is the key to delivering smarter customer notifications regarding offers and support.

What does that look like? On the next page, see an example of a journey that can be deployed for impact.

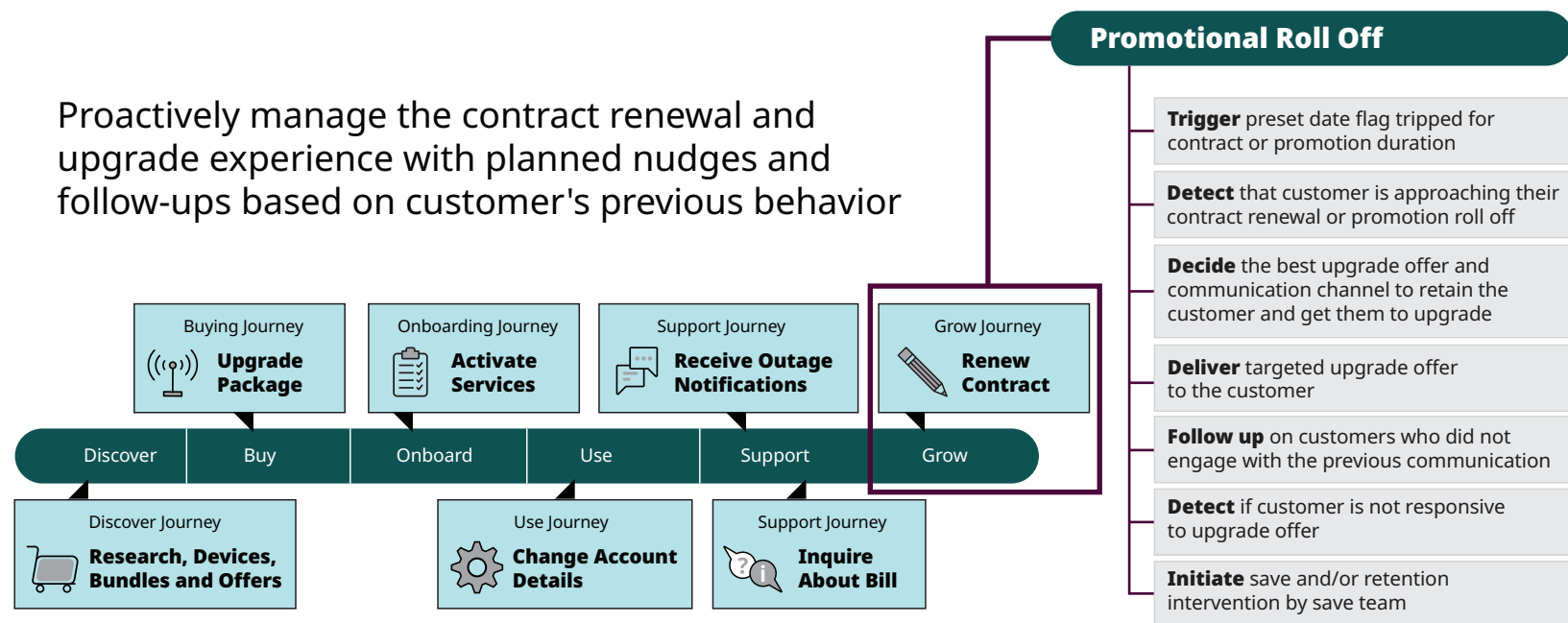
An Example: Promo Roll-Off Journey

Retaining customers requires anticipating their needs and meeting them at the right time. Case in point: one of the most common frustrations telecommunications customers experience is being surprised by a rate increase. Not only does that situation raise contact center queues with complaints and questions, but it creates churn when customers don't receive a satisfactory upgrade offer.

To keep customers happy, communicate proactively when they are approaching their promotion roll-off date. To manage this journey:

- Select the best upgrade offer and communication channel, based on each customer's previous behavior and preferences
- Deliver the personalized upgrade offer via the customer's preferred channel
- Follow up with customers who didn't engage with the upgrade communication
- Initiate save and/or retention intervention for customers who don't respond to the upgrade offer

By communicating proactively and offering packages or upgraded services based on customers' needs, you can keep customers happy and loyal.



Best Practice 3

Implement a Comprehensive Customer Engagement Solution



To improve CX and retention, telecommunications organizations need an industry-specific customer engagement solution that gathers and analyzes customer data across their business to deliver personalized messages at the right time, via each customer's preferred channel.

CSG Xponent Ignite provides pre-built customer journeys for telecommunications companies. It helps you illuminate the path to value by assessing your company's CX maturity, identifying desired business outcomes and calculating your expected ROI. Pre-configured integrations to your CRM and other CX software connect customer data across departments and systems. Xponent Ignite makes it easy to transform today's static journey maps into tomorrow's exceptional experiences that wow customers.

A MAJOR TELECOMMUNICATIONS COMPANY SAW THESE RESULTS WITH XPONENT IGNITE:



111% INCREASE IN EMAIL ENGAGEMENT



336% INCREASE IN UPSELL SUCCESS



887% ROI FROM INITIATIVE



Your Partner in Customer Experience Success

The foundation of Xponent Ignite is CSG Xponent, our award-winning, industry-leading customer engagement solution that combines a customer data platform with best-in-class customer journey orchestration and journey analytics. Xponent unlocks a new reality—transforming your vision of better customer engagement into tomorrow’s extraordinary experiences, orchestrated in real time.

About CSG

CSG empowers companies to build unforgettable experiences, making it easier for people and businesses to connect with, use and pay for the services they value most. Our customer experience, billing and payments solutions help companies of any size make money and make a difference. With our SaaS solutions, company leaders can take control of their future, and tap into guidance along the way from our more than 5k-strong experienced global team. Want to learn more about how to be a change maker and industry shaper like our 1,000-plus clients?

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