Why CSPs must focus on the most profitable customers

The days of one-size-fits-all service levels in telecoms are rapidly coming to an end. Falling revenues from traditional voice and text services are driving CSPs to focus on high value customer segments, in particular large enterprises that deliver significant revenue as well as long term, high-spending customers and family groups, writes Erik Couture

> "Real-time network insights help target investment and enable CSPs to proactively manage service quality for their customers"

While CSPs might spend millions of dollars on advertising campaigns, tweaking their brands to target these sectors, enhanced customer loyalty and higher revenues will only come from maintaining and improving the day-to-day service reality that users actually experience. Achieving continuous service satisfaction and enhancements is what engineers might call a non-trivial problem. However, it's one that needs to be solved. After all, resolving it could be critical to future profitability, yielding rich dividends. How should CSPs start addressing this problem?

Identify your best customers – and try not to lose them

We're all familiar with the high costs and effort involved in winning back a customer who has churned away to an alternative CSP. These overheads are costly enough where a single customer is concerned. If instead it's a large corporation regularly spending large sums on premium VPN services or international voice and data traffic, taking the resultant cut to the bottom line can be a painful experience. Put simply, CSPs can't afford to lose such high-value accounts. Large corporate accounts represent hard-won assets: they must be protected and nurtured. It's a far better strategy to invest in appropriate CEM systems and tools to ensure that any service issues don't accumulate to create churn in the first place. Customer satisfaction is paramount.

Why quality of service matters

Numerous market studies have shown that quality of service factors – and how they're interpreted by customers – are the single most important predictors of user satisfaction. In many cases, customers can tolerate temporarily degraded service qualities – if they're proactively alerted in advance to specific geographic or service-specific issues or, again proactively, offered bill reductions or free service to compensate for any impact on their experience. It is however only possible to adopt these kinds of tactics if you have service assurance systems that can identify potential service-affecting anomalies before they hit the customer. Such systems need accurate information that provides the required service performance data, which, in turn, delivers insight that can be used to support active, agile account management and a more customer-centric orientation. Moreover, these insights will lead to enhancements in overall network quality, to the benefit of all customers.

Similarly, these insights also improve return on investment on network investments, enabling them to be targeted to the places that will repay the maximum dividend – both in terms of revenues and customer experience. Moreover, the same information can yield insights that allow new service offers and enhancements to be delivered to key customers. Delivering better customer satisfaction is key – but it's just the initial step in a journey towards putting the customer first and delivering services and packages ▶

The author, **Erik Couture** is executive vice president of sales at Polystar

that really meet their needs. Information obtained from service assurance systems enables such processes to be created, based on objective information and not guesswork. Real-time network insights help target investment and enable CSPs to proactively manage service quality for their customers.

Embark on the customer-centric journey

As the services, applications and content that our industry delivers to its customers become ever richer and more sensitive to disruption or delays, it's critically important for CSPs to make changes to their own systems and processes to not only deal with emerging service vulnerabilities, but also to take an aggressively proactive approach to improving the customer experience for their chosen target segments.

Implicit in this is a requirement to first gather data in format- and vendor-agnostic ways from multiple sources across the service or content delivery value chain, spanning all relevant parts of the infrastructure. By converting this data into standard business objects reusable across different platforms, it becomes possible to expose it to all relevant supporting systems across the entire OSS/BSS environment. In turn, this enables the interpretation of the collected data, driving insight and improvement in vital areas, such as customer account management, as well as providing tactical information on user behaviour that can then be used for upselling new tariff plans, new devices and for enabling the targeted delivery of new services, tuned to actual user needs.

The increasingly critical role of service assurance means that gathering and delivering such information to the right systems has become a fundamental aspect of a CSP's business. Quality of service, which is the foundation of service assurance, accounts for more than 50% of the influencing factors in customer experience. If customers experience poor service quality, all other efforts CSPs make to influence their experience will be wasted. CSPs therefore need to implement service assurance and optimisation programmes in a cost-effective manner.

If CSPs don't deliver the right quality to the right users, other investments will be seriously undermined.

CEM is a vast topic. It involves all aspects of the CSP's

organisation and can consume many resources. As such, it's essential to minimise risk and to focus investment where it can deliver the most immediate returns – and support a customer centric strategy that targets the most valuable customers. While the integration of multiple sources of data for different platforms to consume is one option, another is to deploy a standalone platform that performs all of these tasks, including the presentation of data to other solutions. Polystar provides both standalone and fully integrated solutions that can be deployed quickly to collect the information required to support such a programme. They include integrated CEM functionality and can be used to deliver subscriber, customer and marketing analytics, which enable CSPs to build new offers and specialised programmes for their customers, and to enhance network quality and optimise investments.

New services, new technologies, new devices lead to new assurance strategies

Today, there is a wide diversity of equipment and infrastructure in a CSP's network, spanning 2G, 3G, 4G and carrier wi-fi. In addition, there is also a multitude of backhaul, switching and transport techniques employed as well as third party OTT content and applications. This can appear to present insurmountable problems when it comes to developing appropriate assurance systems able to present a single, integrated perspective to monitor the customer's experience as they move between different communications environments. Help is at hand. Polystar provides a complete solution to kick start CEM programmes, delivering immediate ROI and helping CSPs focus on the most pressing problems.

Data integration issues have long been recognised as probably the major headache confronting CSPs and their suppliers. If you need to have reliable, multi-service, multi-technology access to a consistent view of a single customer's experience – historically, in real-time and even predictively – then your assurance system supplier must be able to collect and aggregate data from other vendors' systems and probes, and abstract and integrate that in intelligent and dynamically real-time ways. Polystar's strategy of using open system principles wherever possible simplifies the data integration overhead, while simultaneously freeing the CSP from vendor lock-in.

"If CSPs don't deliver the right quality to the right users, other investments will be seriously undermined"

www.polystar.com