

# The 7 Key Ingredients of a Successful Customer Experience Program in Telecoms

Beyond Philosophy

Speaker Panel:

Colin Shaw, Founder & CEO

Zhecho Dobrev, Consultant



# Webinar Interface Review

## 1. Viewer Window

### GoToWebinar Example Interface

Audio: Use your microphone and speakers (VoIP) or  
call using your telephone

[www.beyondphilosophy.com](http://www.beyondphilosophy.com)

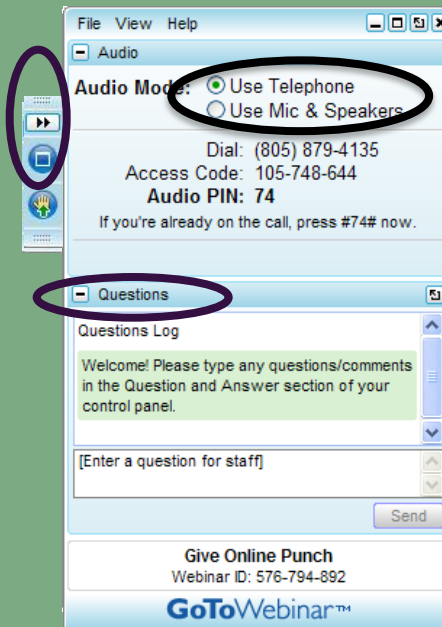


Network



Recycle Bin

## 2. Control Panel



# Questions ...

1. How is CE Governed in Telcos?
2. Organizational challenges to CE – how to overcome silos?
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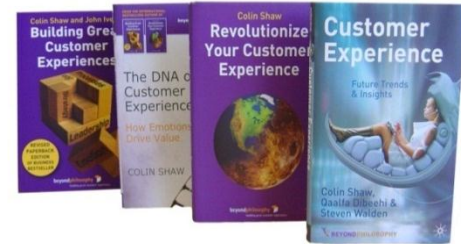
# Who are Beyond Philosophy?



**We are pioneers in the Customer Experience space.**



**We work in many countries across several continents**



**Thought leadership is our differentiator. We have literally written the books on Customer Experience.**



**We put emphasis on the emotional side of customer experience**



**We maintain links with academia to keep us aligned with the latest breakthroughs**



**Evidence based consulting - we look for what really drives business value**

## Some of our clients...



# The 2011 Beyond Philosophy Global CE Management Survey: Telecoms Allocate Most Resources to CE

## Which Industries Allocate Most Resources on Customer Experience?

	Sector	No. Active CE companies	% of total (N= 2,106)
1	Telecoms	441	21%
2	Banking	414	20%
3	Retail	291	14%
4	IT and Services	174	8%
	Insurance	96	5%
	Airlines	67	3%
	Motor	67	3%
	Software	65	3%
	Utilities	60	3%
	Logistics	51	2%

Source: 2,106 companies, and 53 CE professionals

<http://www.beyondphilosophy.com/thought-leadership/webinars/customer-experience-strategies-innovation-and-best-practices-around-world>



# Bloomberg confirmation...

## Customer Experience a Top Priority

In a recent survey, 80% of respondents said that getting closer to customers and providing them with a differentiated experience is one of their top strategic objectives. Here is a breakout by industry:

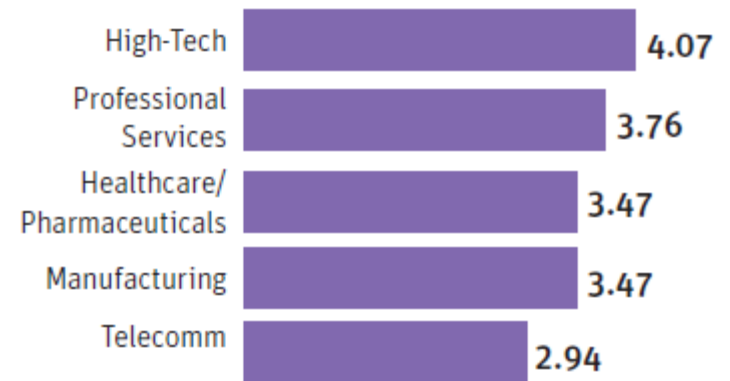


Base: 1,004 respondents from midsize to large companies, worldwide.

Source: Bloomberg Businessweek Research Services, 2010

## Differing Views

The average rating that companies give the customer experience they provide is 3.62 on a scale of 1 to 5, although there are variations by industry sector.



Base: 1,004 respondents from midsize to large companies, worldwide.

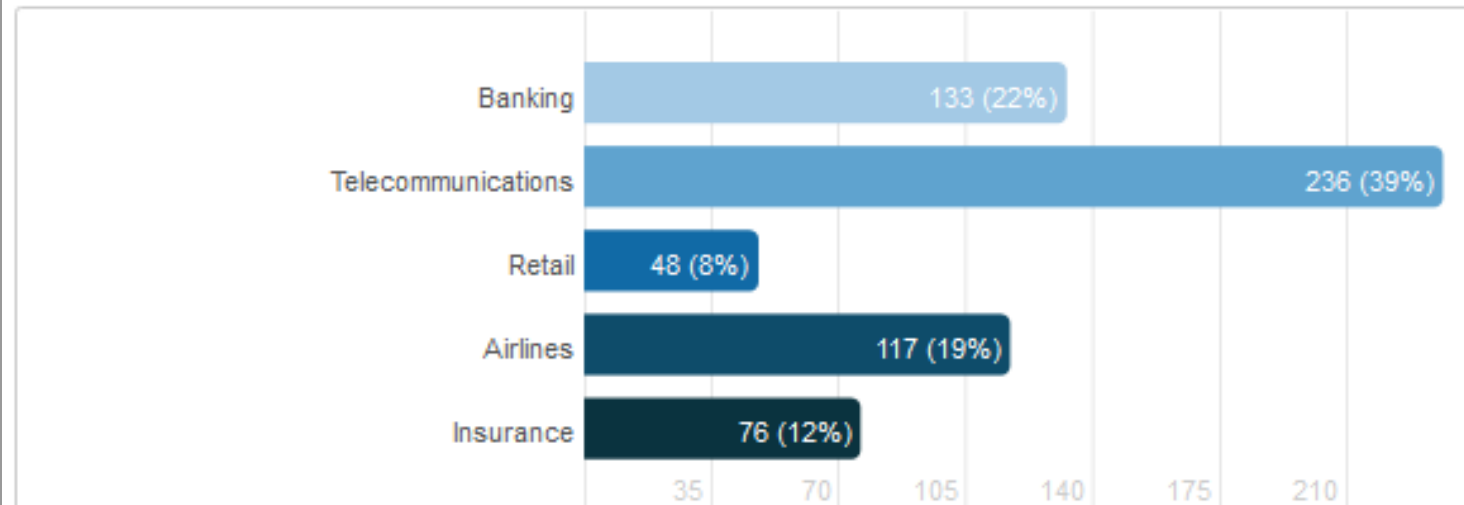
Source: Bloomberg Businessweek Research Services, 2010

**Bloomberg  
Businessweek**

Yet, the experience they deliver is not one customers are particularly happy with...

### Which industry provides the worst customer experience?

By [Pete Bosse](#) Customer Experience Expert | CMO | SVP | VP | Marketing | Leader | Coach | Consultant | LION 2K+ • 610 votes • 48 comments • Ended 31 Jan 2012



Source: LinkedIn



## How we conducted the research?

**Qualitative and Quantitative feedback from Senior Customer Experience Professionals in near 40 companies over four month period from around the globe including:**

➤ USA

➤ UK

➤ Romania

➤ Spain

➤ Sudan

➤ Sweden

➤ Canada

➤ Belgium

➤ France

➤ Poland

➤ Slovenia

➤ Saudi Arabia

➤ Latin America

➤ Ireland

➤ Nigeria



## Which is the most admired telecom?

Telecoms are too internally focused on what is happening in their industry

Telecoms need to learn from other industries to set themselves higher standards

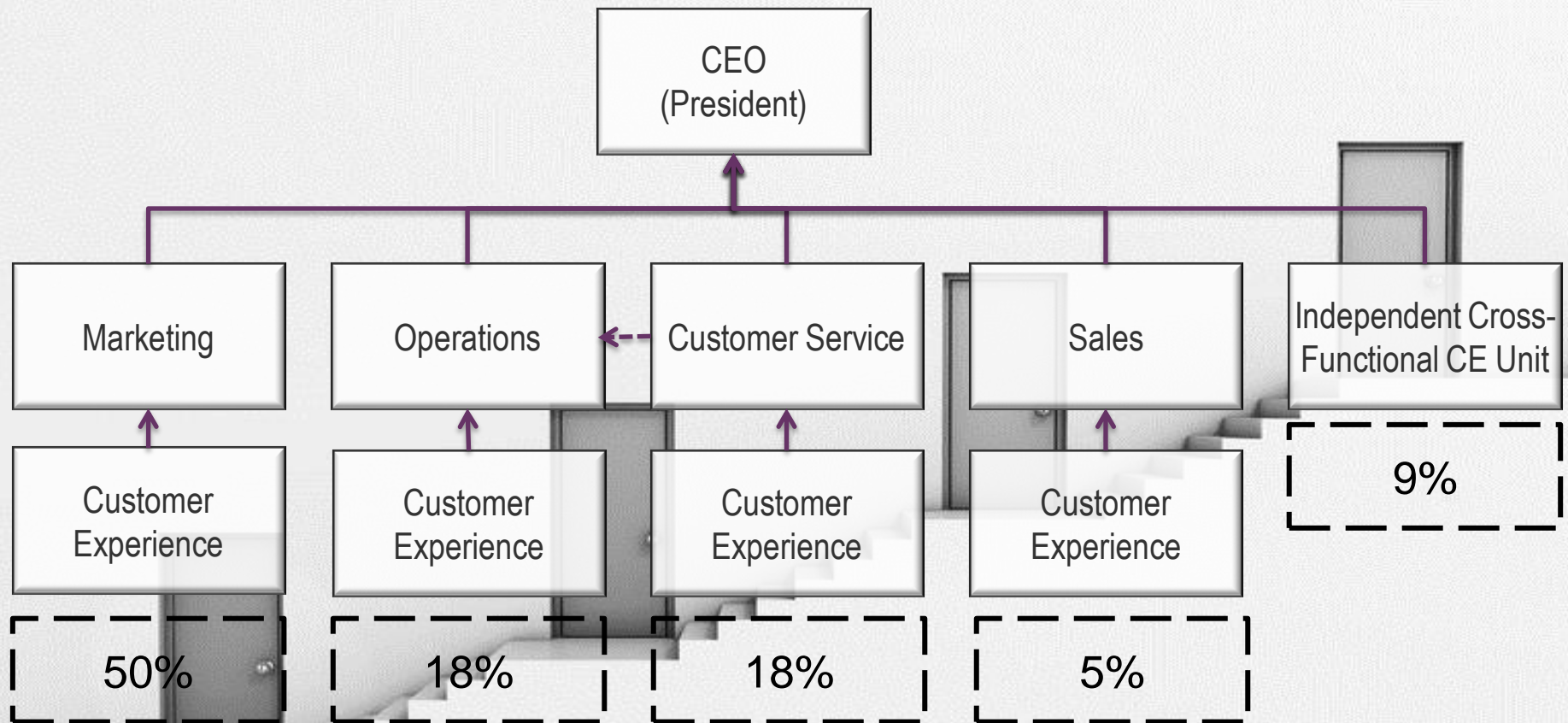


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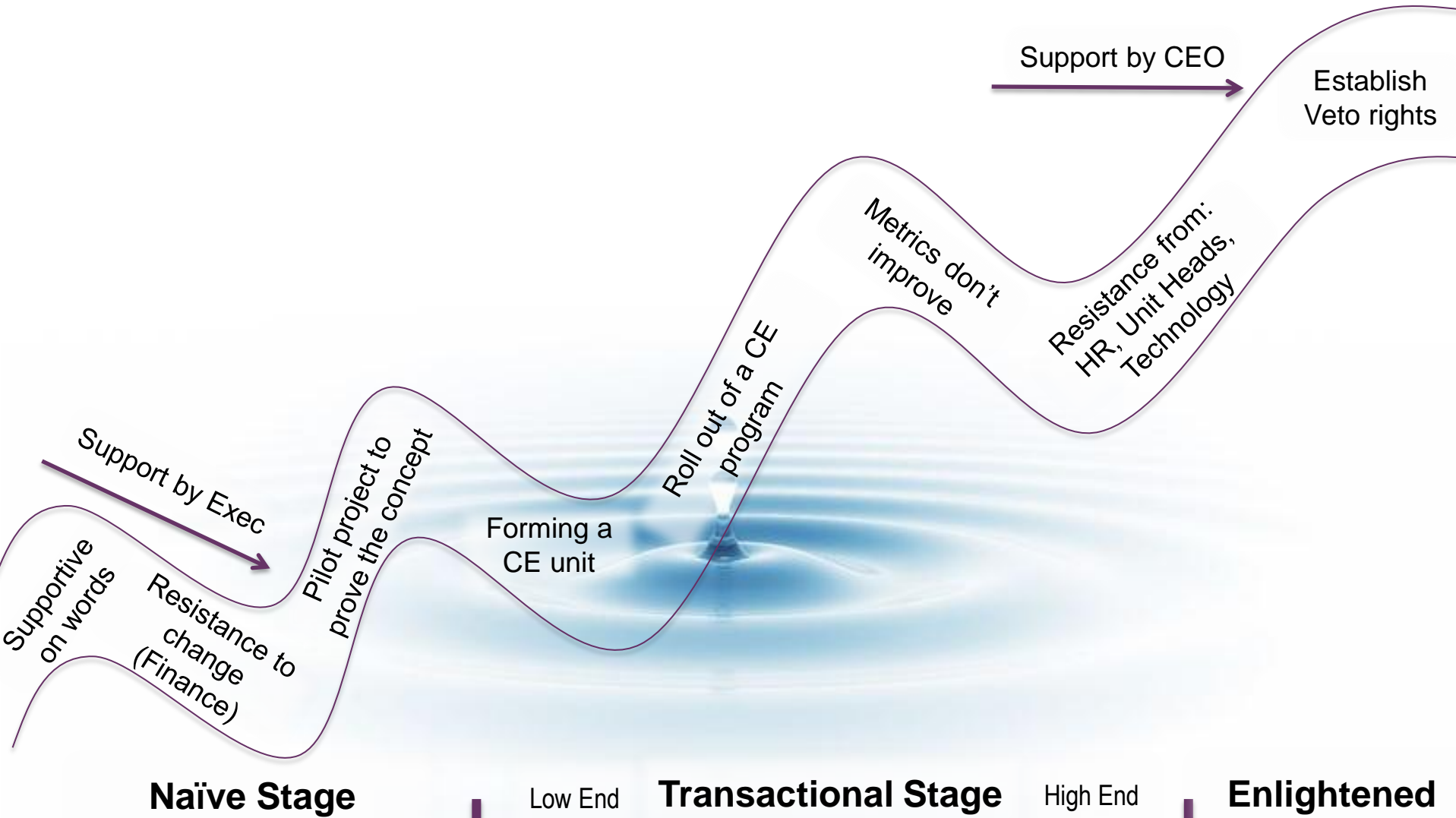
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# Who owns the Customer Experience?

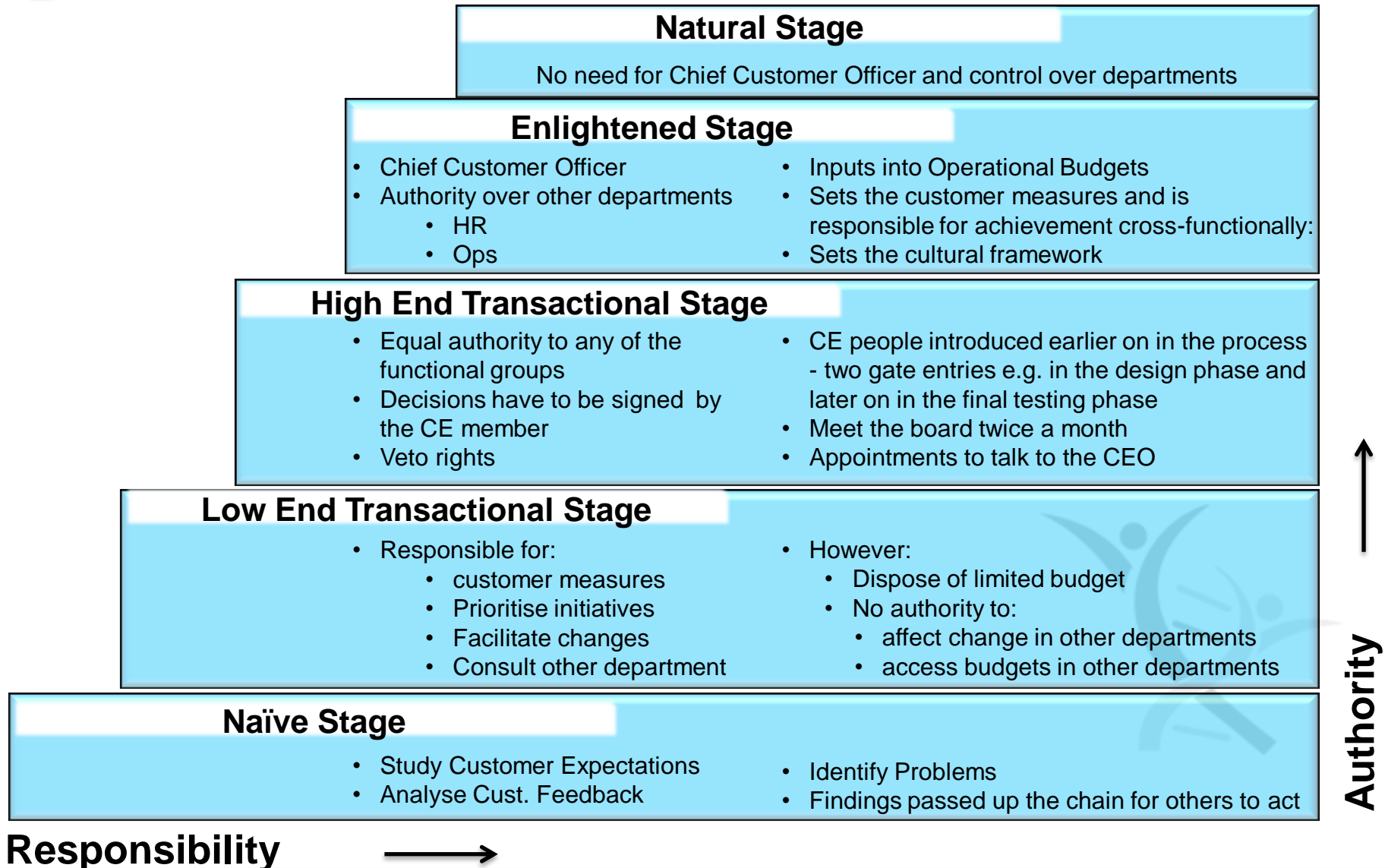


# Observations From Our Research - Typical CE Maturity Path



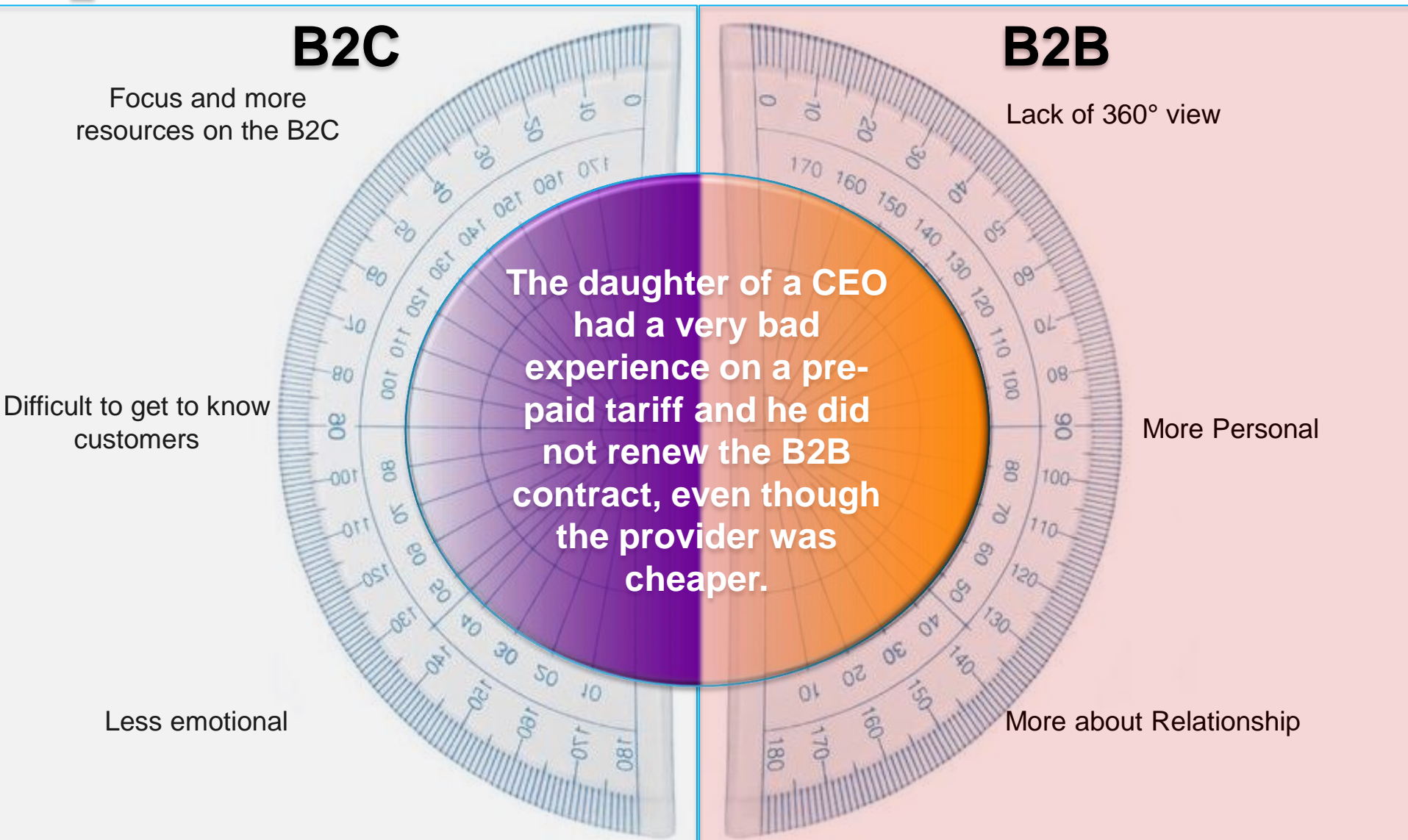


# Five Stages of Organizational Customer Experience Journey





# B2B vs B2C Telecom Experience: Lack of 360° View



# Our recommendations for each stage of organizational development... (based on the research and observations)

- Naïve stage

- Need the support of an exec
- Best if the CE is within customer focused part of the organization
- Start with a few pilot projects to achieve quick wins and prove the concept
- Start sending around materials from other companies who have successfully changed

- Transactional stage

- Best to position the CE as a cross-functional unit
- Highlight cross-functional issues
- CE head need to have authority, not just responsibility

- Enlightened stage

- More focus on cultural aspects

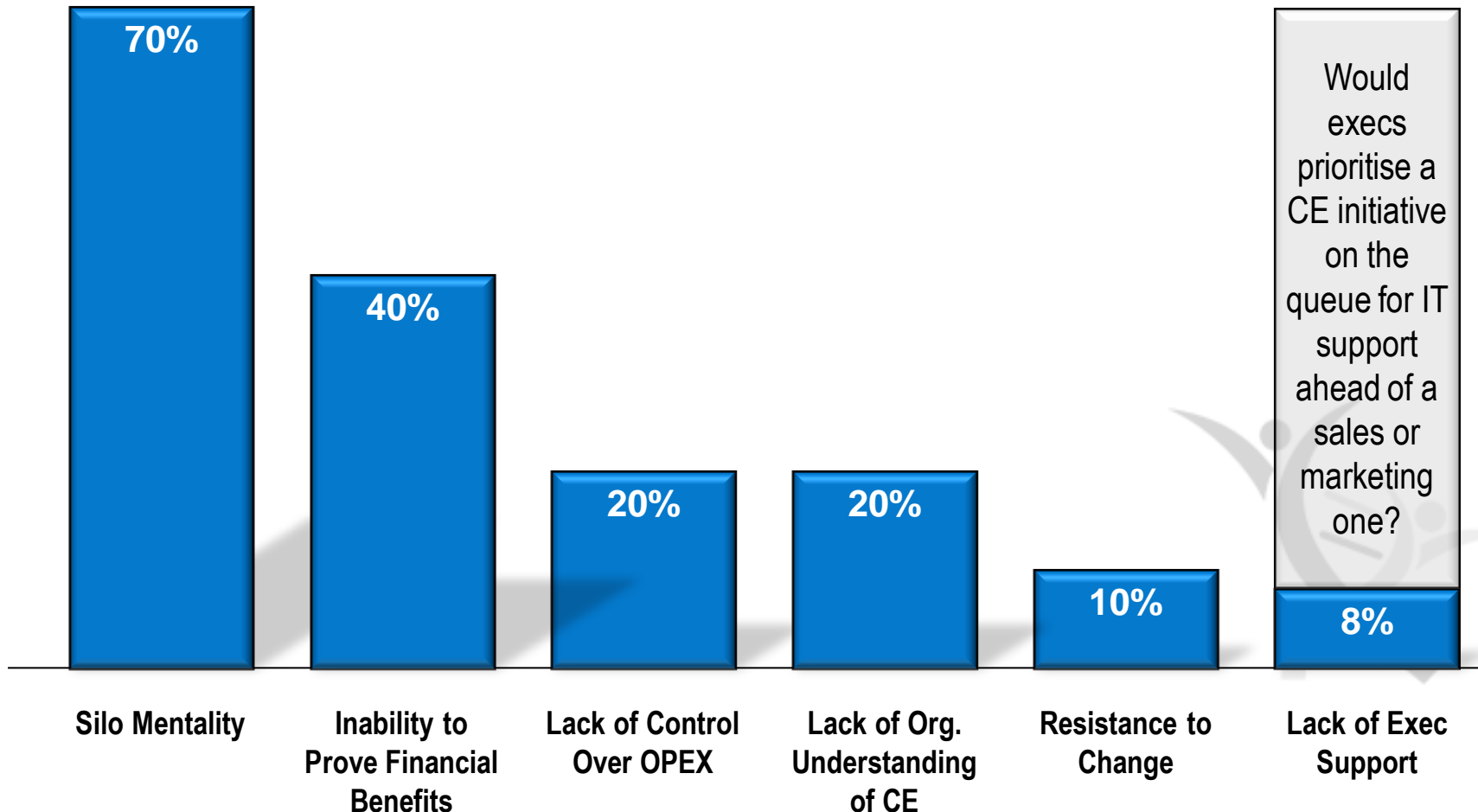


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# What are the biggest organizational hurdles to improving the Customer Experience?



## Our recommendations ... (based on the research and observations)

- Work cross-function – Form a CE Council
- Understand stakeholders' drivers/objectives
- Agree cross-functional initiatives to go into the budget planning process
- Gain central budget resource to implement cross-functional programs
- When senior people not in support - start with mini pilot projects e.g.:
  - decrease of calls; - explain to new customers where to go etc.
  - link NPS to growth
  - 9 out of 10 will spend more money
  - some things don't cost much money - e.g. making employees happy





# Questions ...

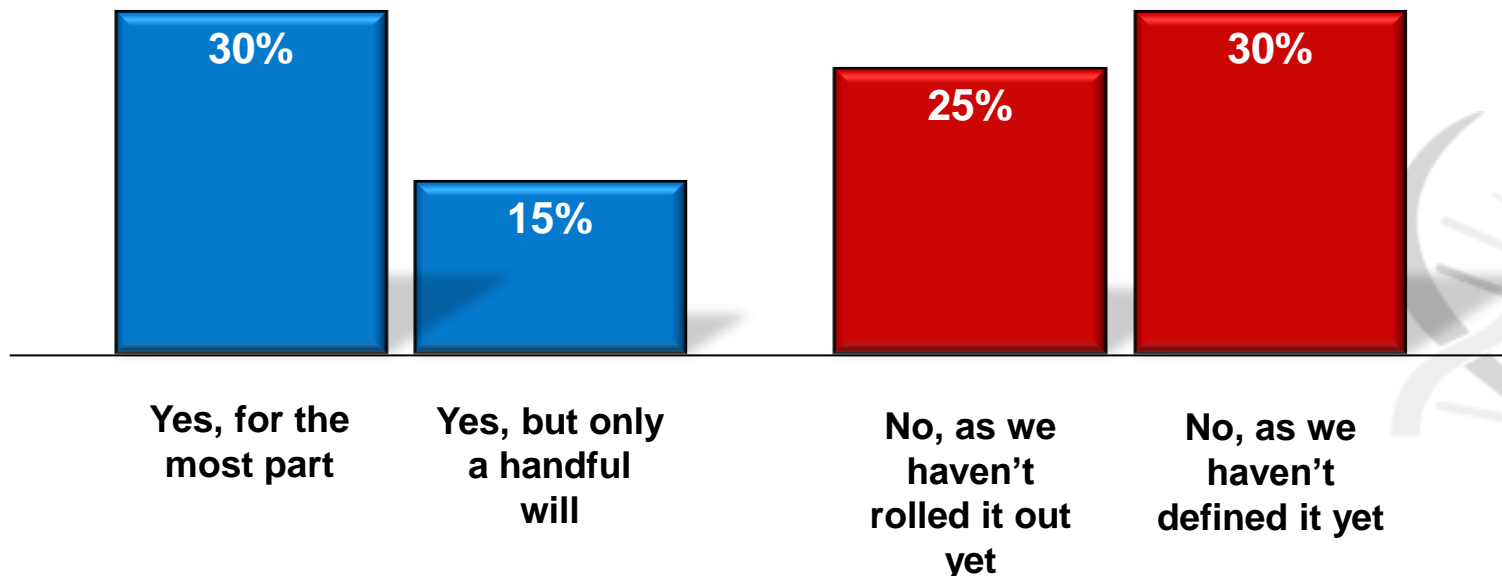
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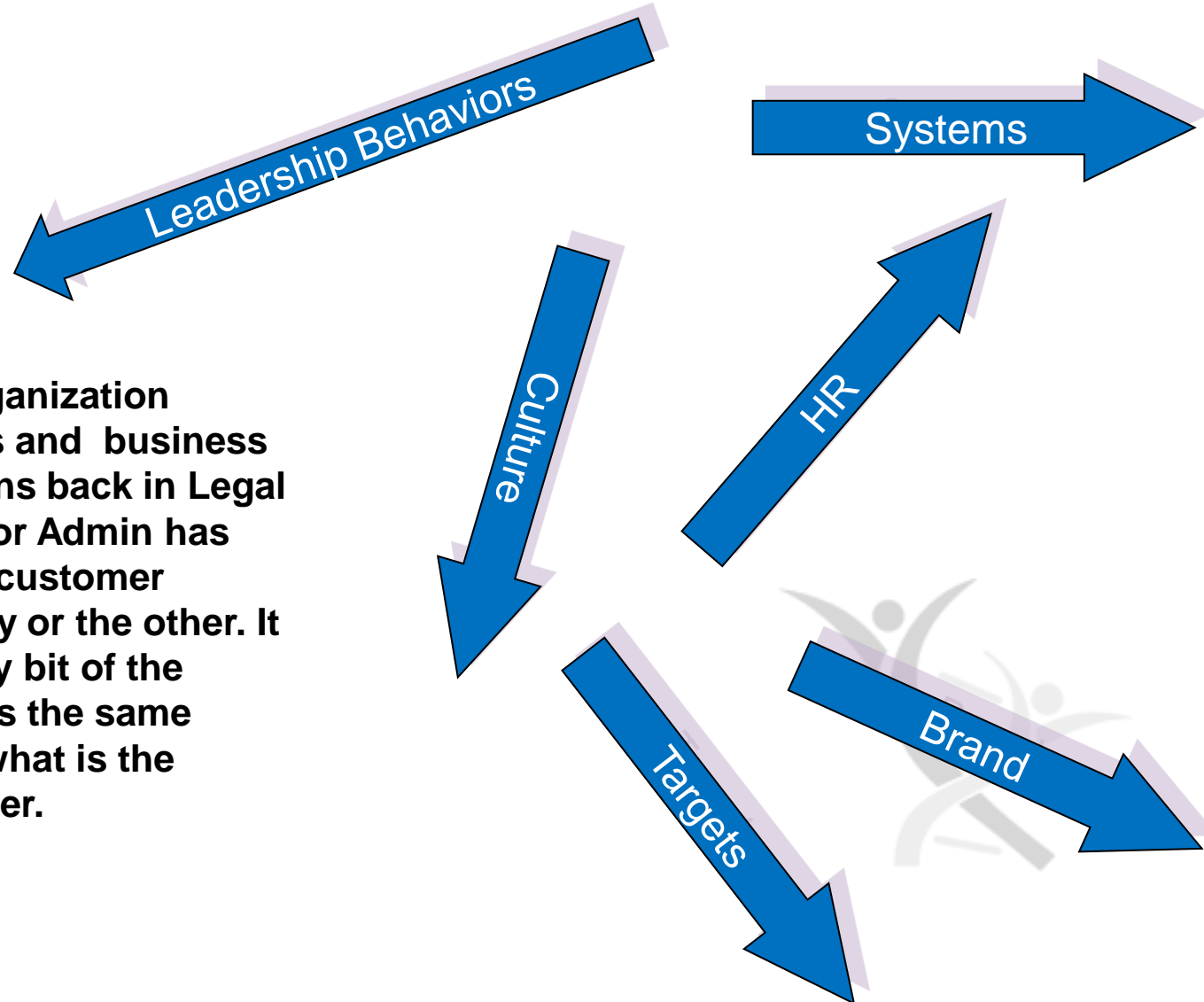
# Would your front line people be able to articulate what is the experience you are trying to deliver?

**In majority of Telcos employees do not have a clear view as to what is the experience they should be manifesting!**



## All heading at the same direction?

**Every bit of the organization impacts customers and business value. What happens back in Legal and HR, Logistics or Admin has impact on the end customer experience one way or the other. It is crucial that every bit of the organization shares the same understanding of what is the experience to deliver.**



# Best Practice:

## 40 percentage points increase in Net Promoter Score

Maersk Line's **Customer Experience Statement** has been developed by management

### Trust

Be honest, set realistic expectations, follow-up on your commitments

### Cared For

Know your customer, be proactive, be adaptable

### Pleased

Take ownership, show enthusiasm, do a little bit extra

**This is our goal for every  
Customer Experience**



## Our recommendations ... (based on the research and observations)

- Define the Customer Experience you want to deliver
- Think of the implications to make it happen
- Roll it out across the organization
  - define do's and don'ts
  - use interactive ways to embed in people's minds
- Use it in:
  - decision making
  - training
  - recruitment
  - assessment



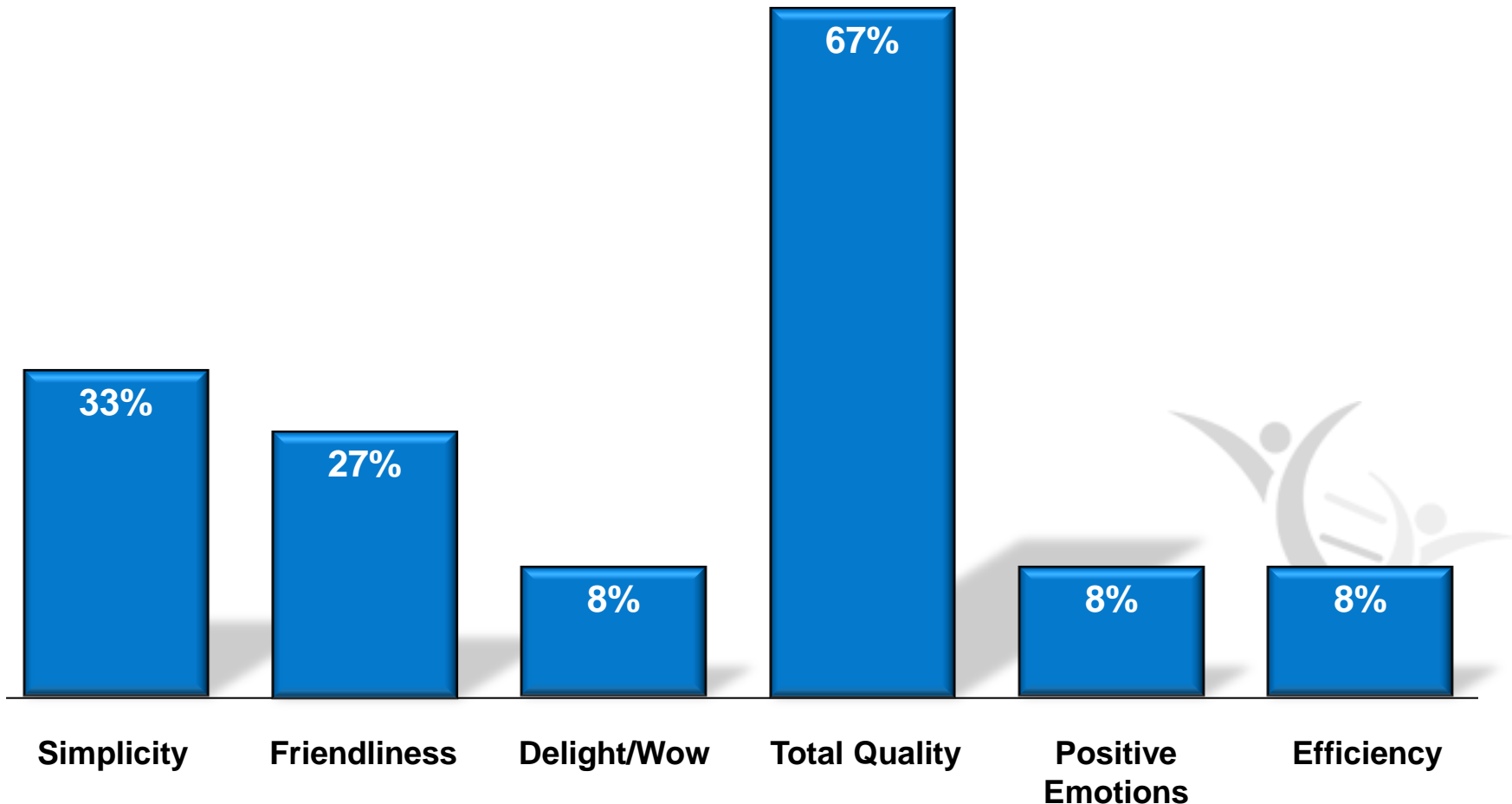
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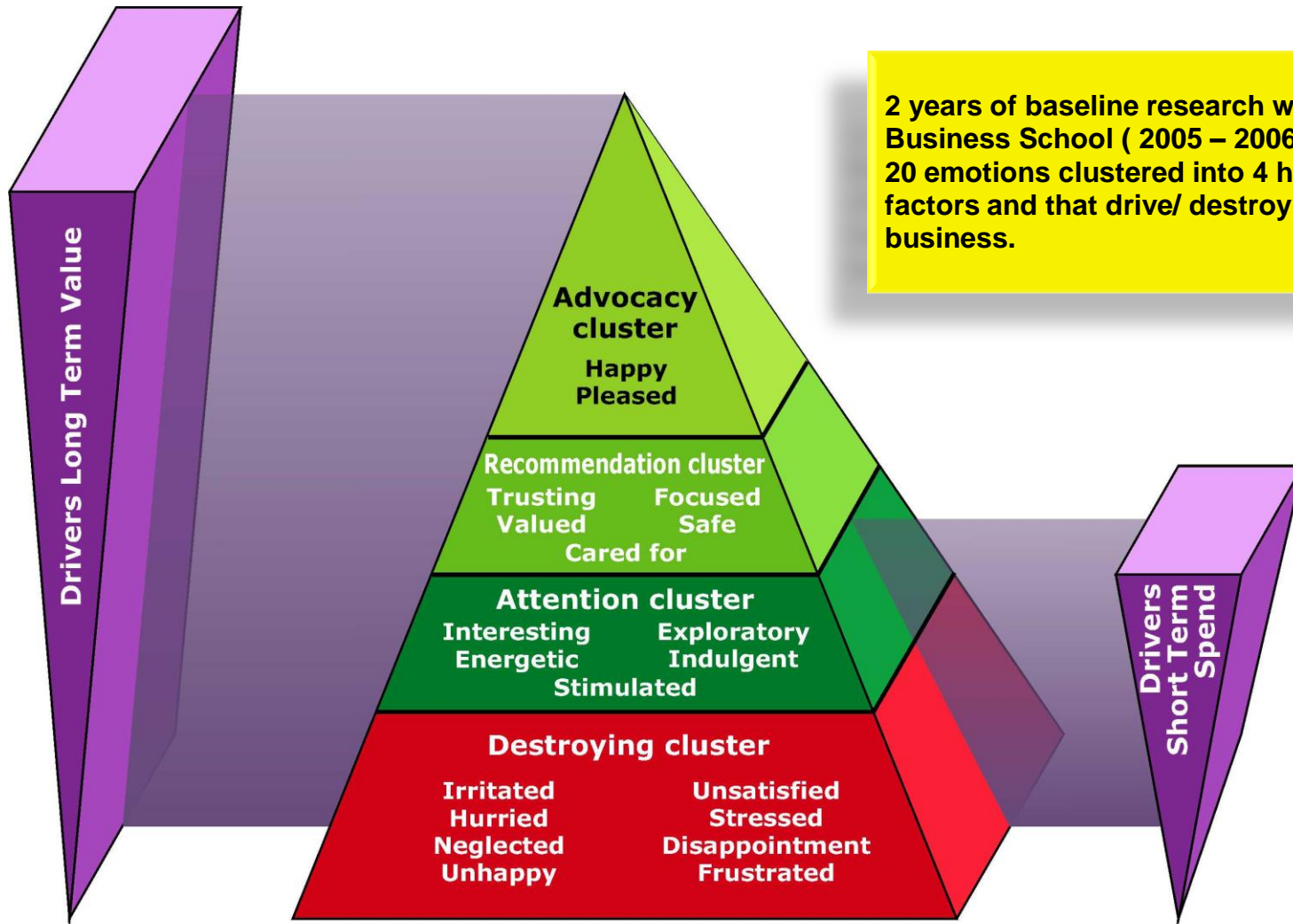
# What are the common elements of the customer experience most Telcos are striving for?

## Fixing the Basics



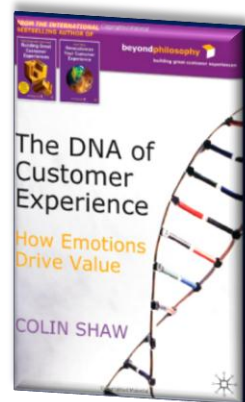


# How do we know which emotions drive business value?

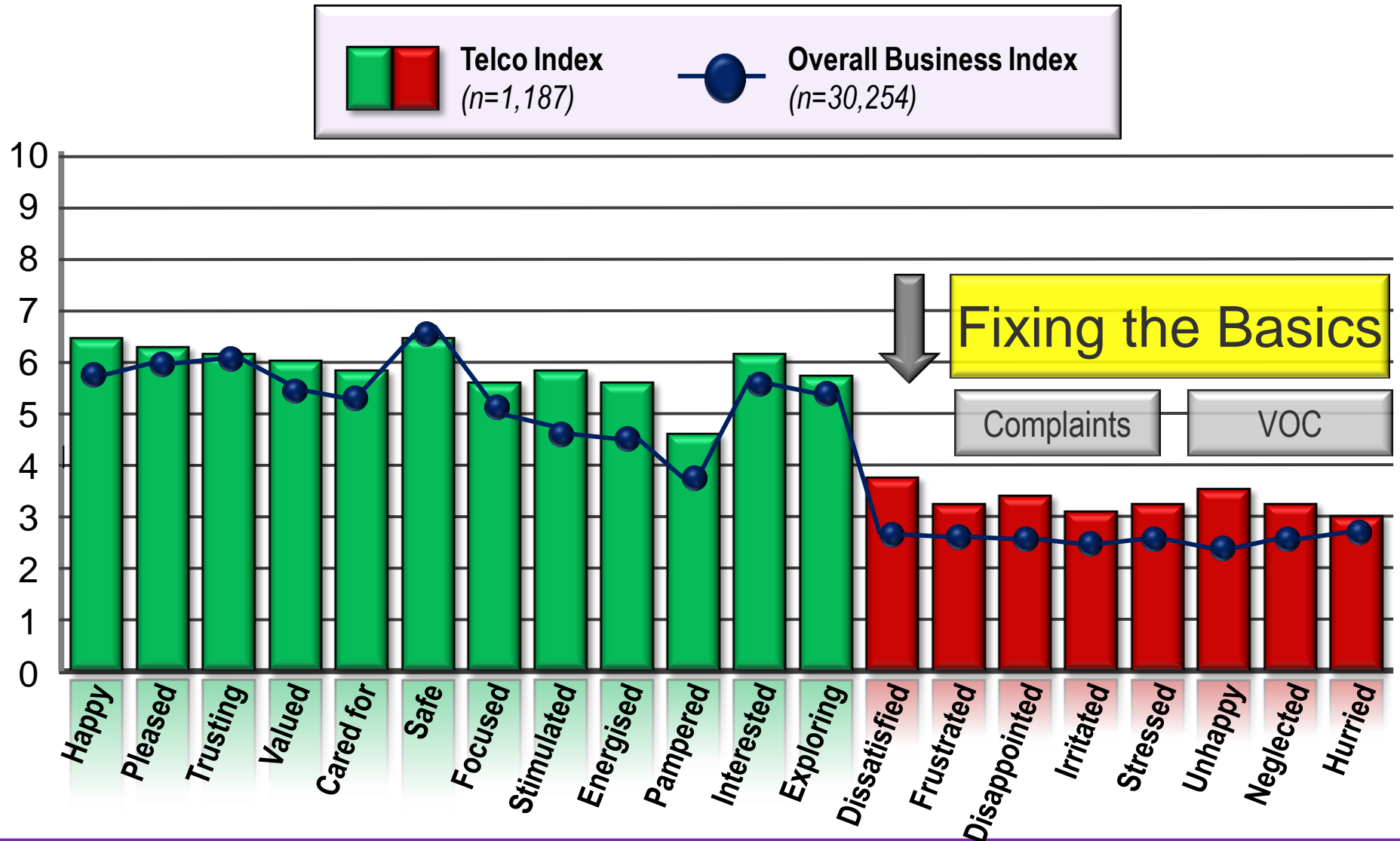


2 years of baseline research with London Business School (2005 – 2006) identified 20 emotions clustered into 4 hidden factors and that drive/ destroy value for business.

Hierarchy of Emotional Value



# Fixing the Basics - Emotional Implications



## Our recommendations ... (based on the research and observations)

- Organizational education required to sell the concept of customer emotions as a business differentiator
- Case studies of other organizations
- Evidence and exposure to senior executives of emotional experiences (based on research)
- Focus on evoking deliberate positive emotions e.g.:
  - Senior people felt embarrassed by young reps treating them as stupid – operator made reps to say “well I don’t know that myself, let’s find out together”
  - B2B customers on the other side needed reassurance; just someone to check at the end on the call that they got what they need



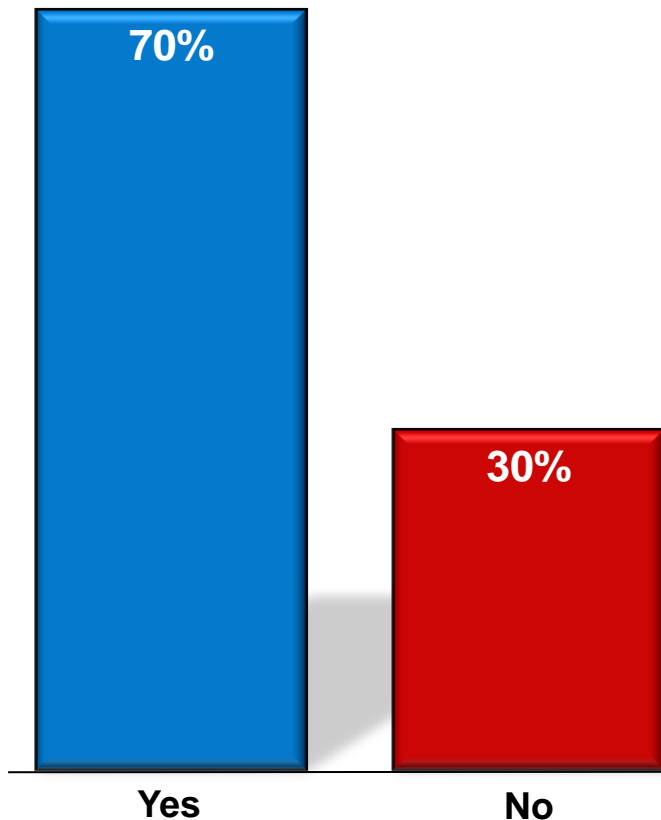
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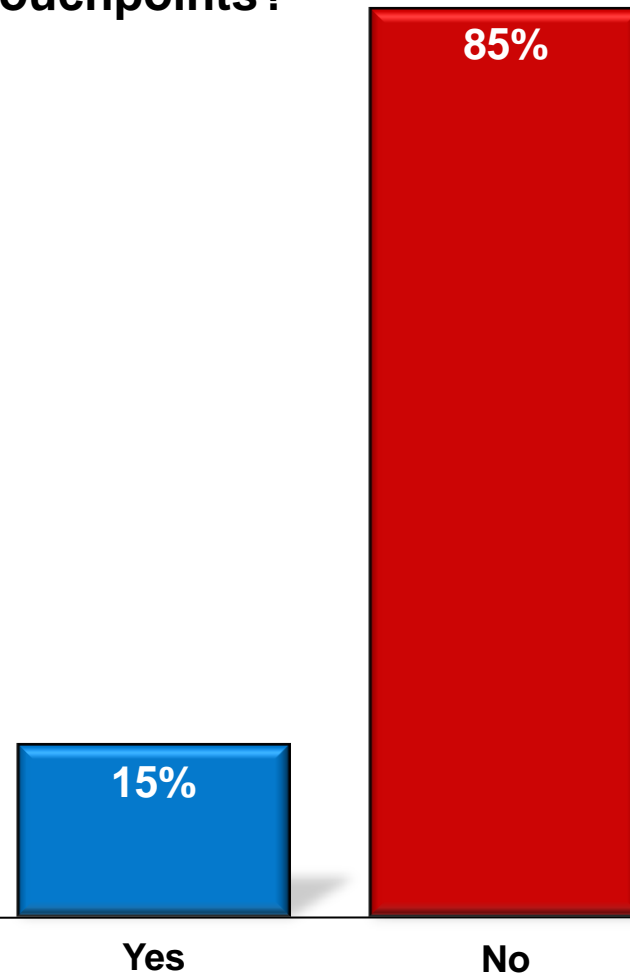


## Yet, are businesses operationalizing emotions?

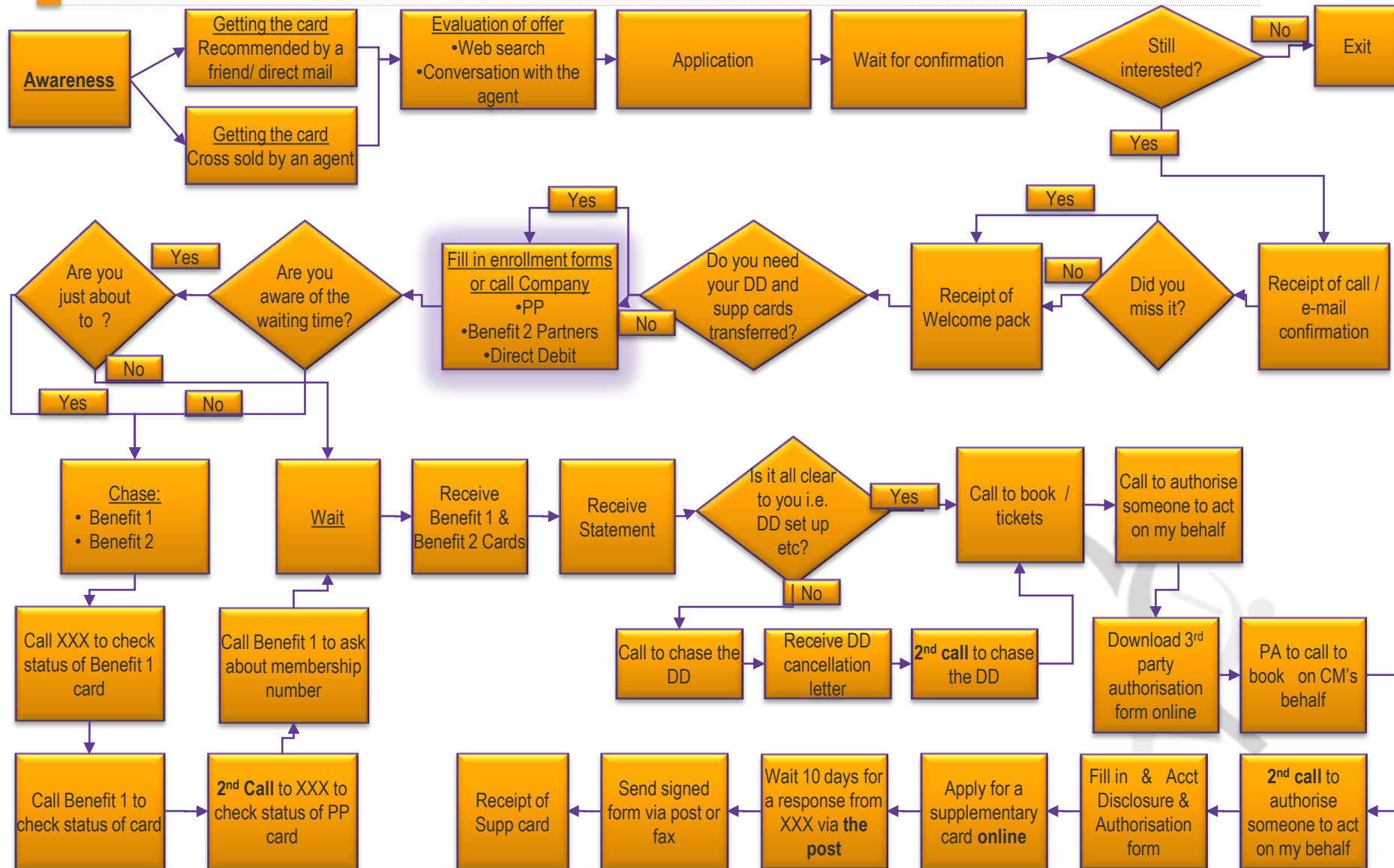
**Do you use customer journey maps within your company?**



**Have you defined what emotions to evoke at certain customer touchpoints?**

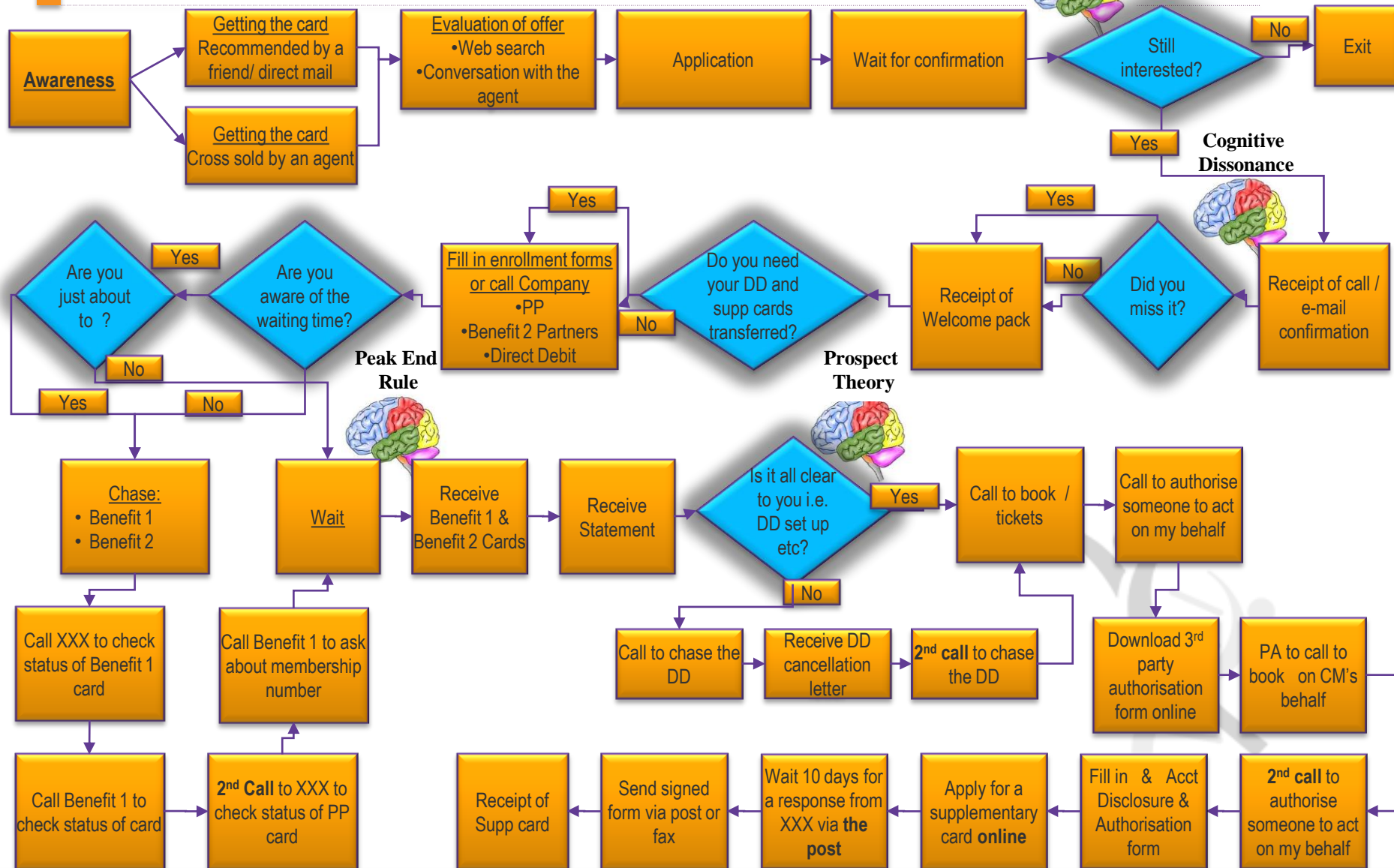


# Example: Process Journey Maps (Charge Card Company)

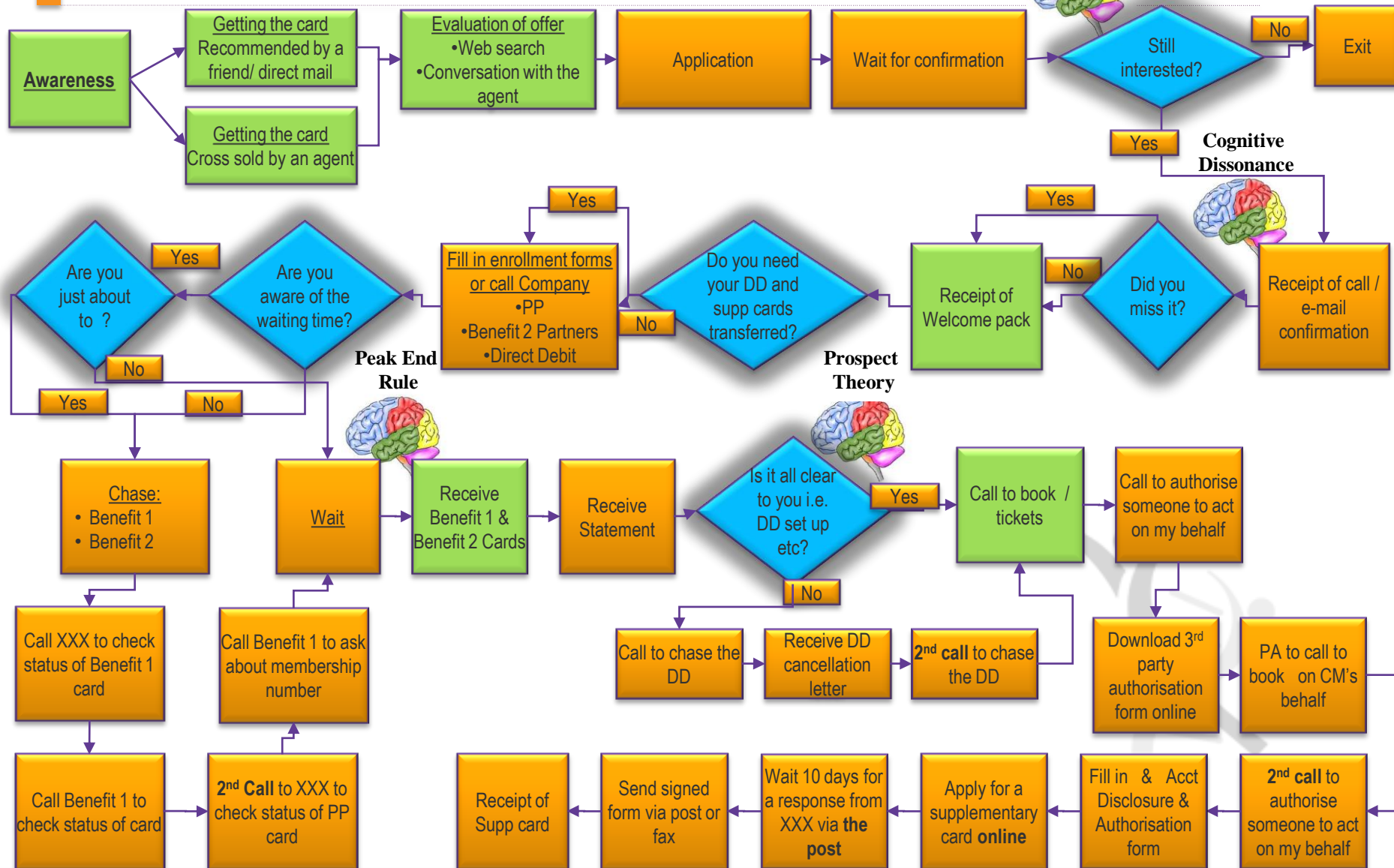




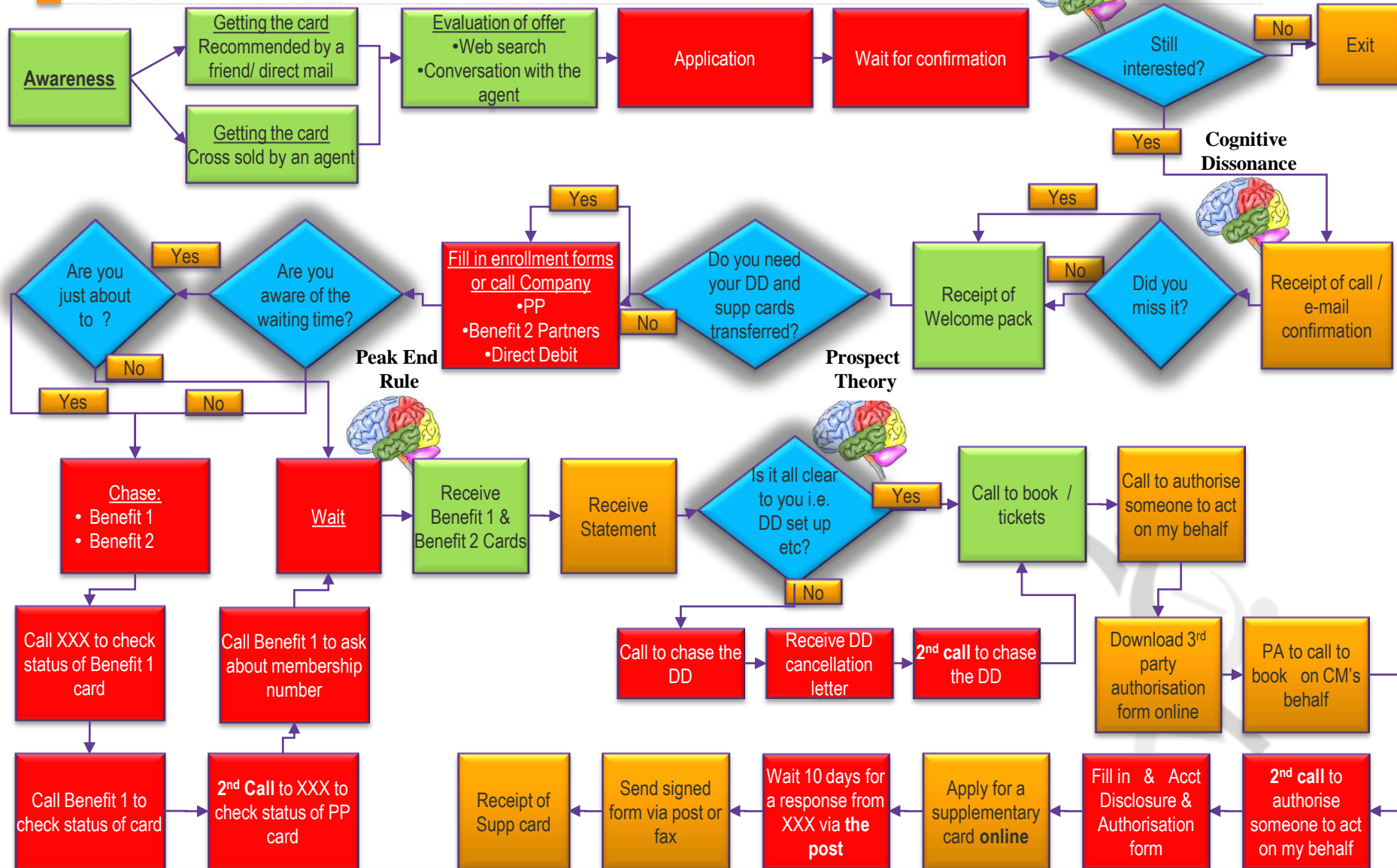
# Experience Psychology Points



# Positive Emotion Points

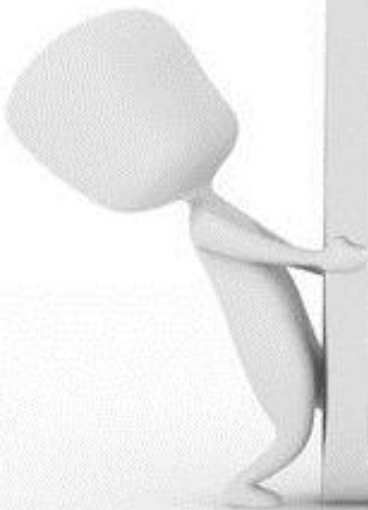


# Negative Emotion Points



## Our recommendations ... (based on the research and observations)

- Operationalize the use of Journey Maps
- Don't just map the process from internal point of view
- Embed:
  - Psychological moments of contact
  - Positive emotion points
  - Understanding of the negative emotion points
- Redesign the experience



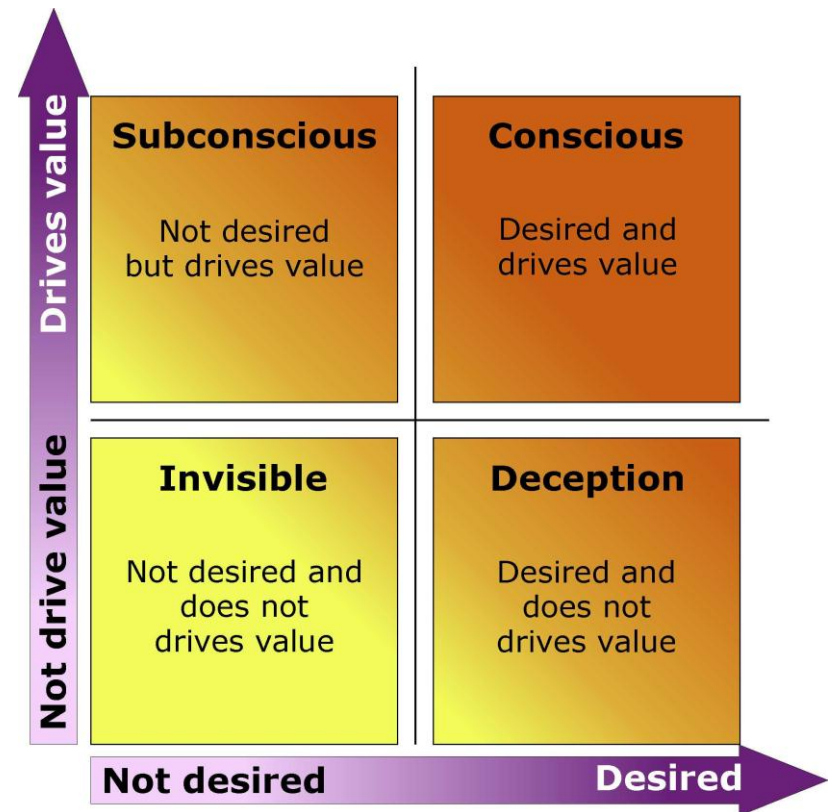
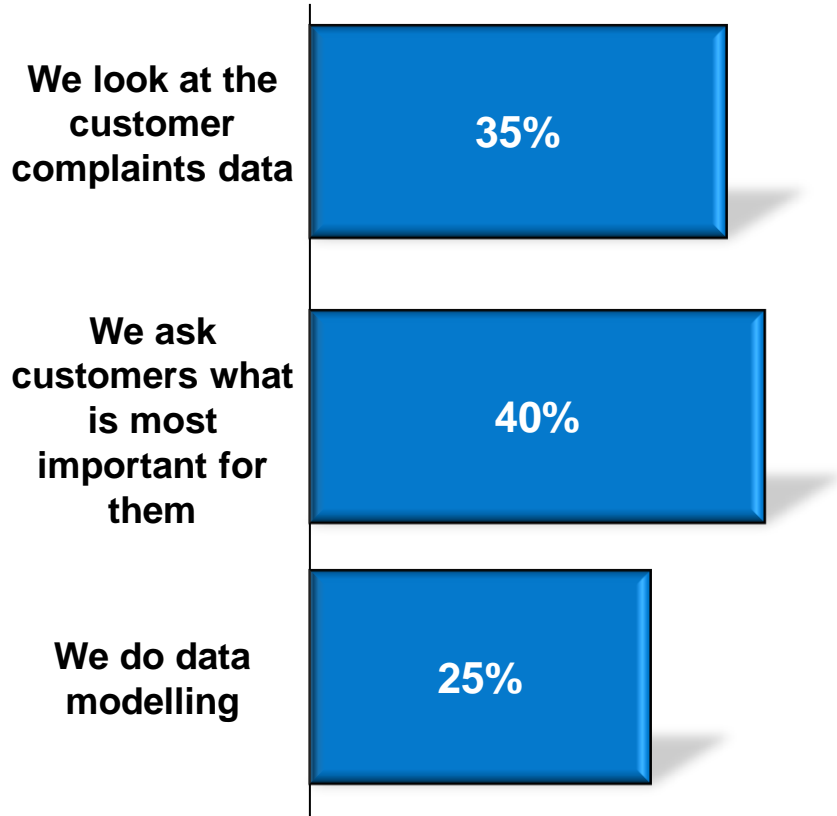


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# What plays the biggest role in deciding where to focus your efforts on improving the CE?





# SEM Summary Table – Premium Consumers

Premium Consumers			Max Diff	Factor	Recommend	CSAT	Preference	Tenure/ Loyalty	Innovative Brand	VFM	Exceed Expectations	Spend	Sum Total Effects	
Conscious / Subconscious	[ 90% statistical significance]		Desirability	Label	Mean = 5.66 Percentage explained=73%	Mean = 5.02	Mean = 5.29	Mean = 5.85	Mean = 5.63	Mean = 5.27	Mean = 4.32	Mean = 808		
Attributes that Currently Effect Value														
C	Speed of problem resolution	5.97	Customer care	0.35	-0.1	---	0.13	---	0.82	0.4	-0.62	0.98		
C	Helpfulness of Customer Care Agent	5.21												
C	Consistency when dealing with customer care	4.99												
S	Knowledge of Customer Care Agent	3.74												
S	Quality of information on IVR (interactive voice menu)	1.91												
S	Simplicity of customer care IVR (interactive voice menu)	1.85												
S	Acceptable waiting time	1.18												
S	makes me feel special	0.47	Innovation	0.19	0.99	0.31	0.38	0.2	-0.81	-0.3	1.4	-0.05		
S	Speed of activation for products and services	3.53												
S	Confirmation of services set up correctly	2.44												
S	Ease of sign up process	1.26												
S	Waiting time to be served	2.32												
S	Fully informed of waiting time	0.30												
S	Appearance of retail store staff	0.28												
S	Look and feel of store	0.18	Advertising/ Brand	0.19	0.99	0.31	0.38	0.2	-0.81	-0.3	1.4	-1.23		
S	Appropriate literature in store	0.08												
S	as a company that keeps its promises	2.99												
S	I feel like I have a relationship with	1.14												
S	as a company that is setting trends	0.80												
S	Appropriate information messages are sent to me	0.53												
S	Positive presence of in my local community	0.52												
S	is a brand that I can relate to	0.37	Network	---	0.19	---	---	-0.37	---	-0.13	0.07	-0.24		
C	Reliability of network / services	6.90												
C	Quality of network / services	6.74												
C	Speed of network problem resolution	6.16												
C	Accuracy of bill	4.24												
S	Convenient bill payment/recharge options	3.35												
S	Simplicity of bill layout	1.37												
S	Timeliness of bill delivery	0.41	Activation	---	---	---	---	0.53	0.42	0.85	-0.51	1.29		
S	Choice of bill delivery method	0.23												
C	delivers the best value for money	4.14												
S	products meet or exceed my telecom needs	3.47												
S	launches innovative products in the UAE market	1.11												
S	keeps me informed of offers relevant to me	0.26												
S	Services are activated on time	3.49												
S	Service engineer can answer my questions	3.04												
S	Fully informed of any delays with service activation	1.99												
S	Full information provided about products and services	1.37												
Net Total Effect per Value Indicator					0.87	0.86	0.76	0.43	0.68	0.78	0.70	-0.11	4.97	
SumTotal Effect for Segment					4.97									

Not very desirable but drives lots of value

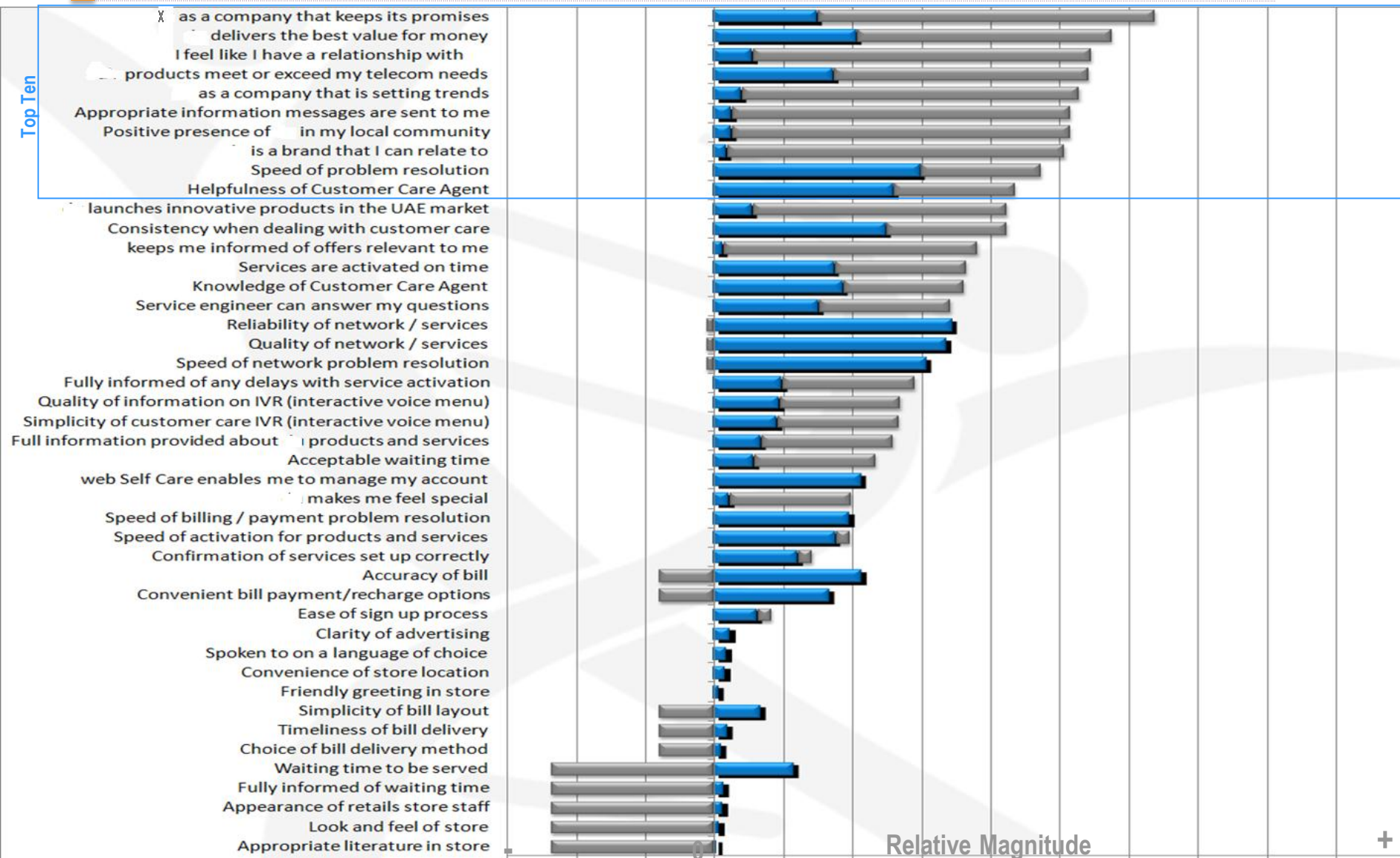
Big opportunity to increase ARPU

Very desirable but drives little value

# Priority Order of the Attributes (Combined desirability and current value)

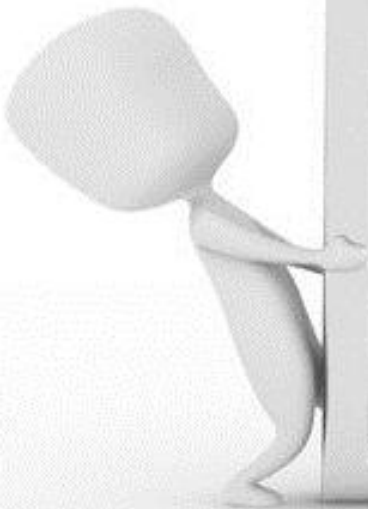
Desired by Customer

Effect on Value



## Our recommendations ... (based on the research and observations)

- Surveys and focus groups bring out only what's easy to verbalize
- And what's easy to verbalize is not necessarily what's important
- Prioritise your initiatives on what would actually drive business value, not just what customers say they want
  - Insert emotions into your predictive modelling
- Prioritise work to gain further engagement from different parts of the organization



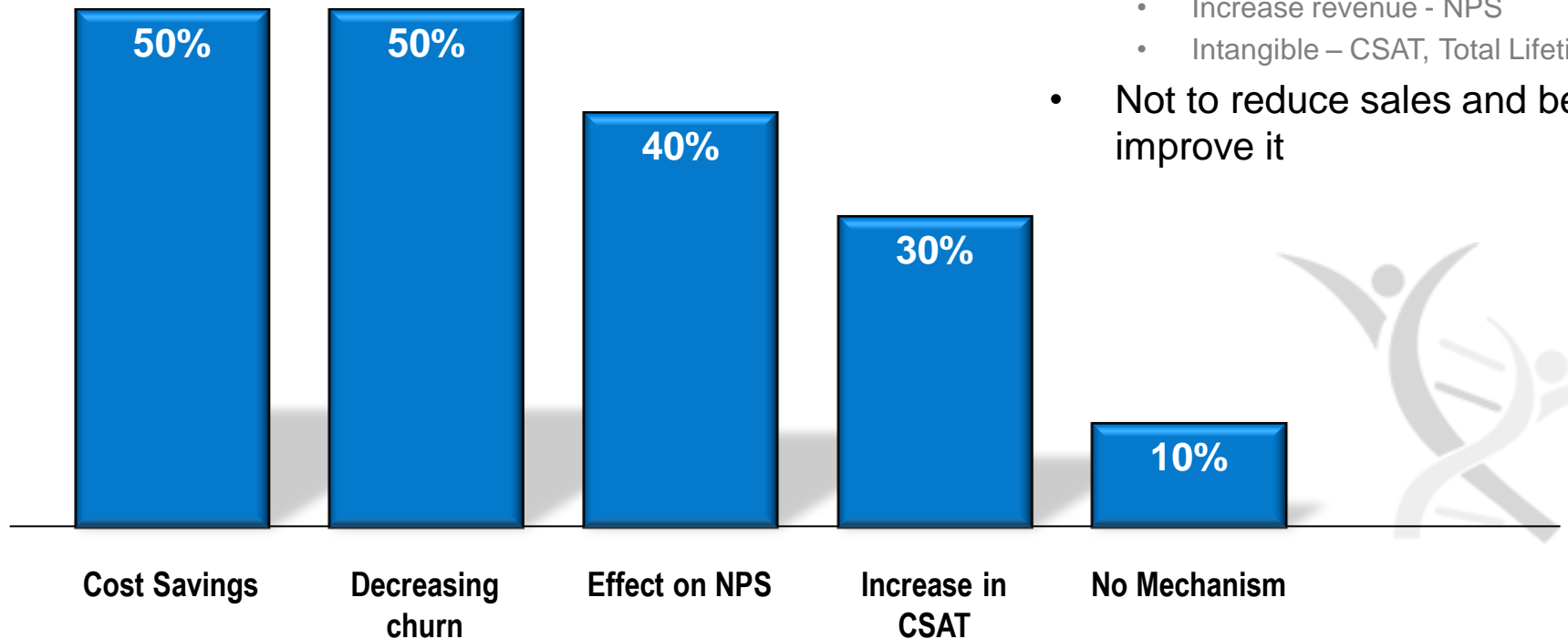
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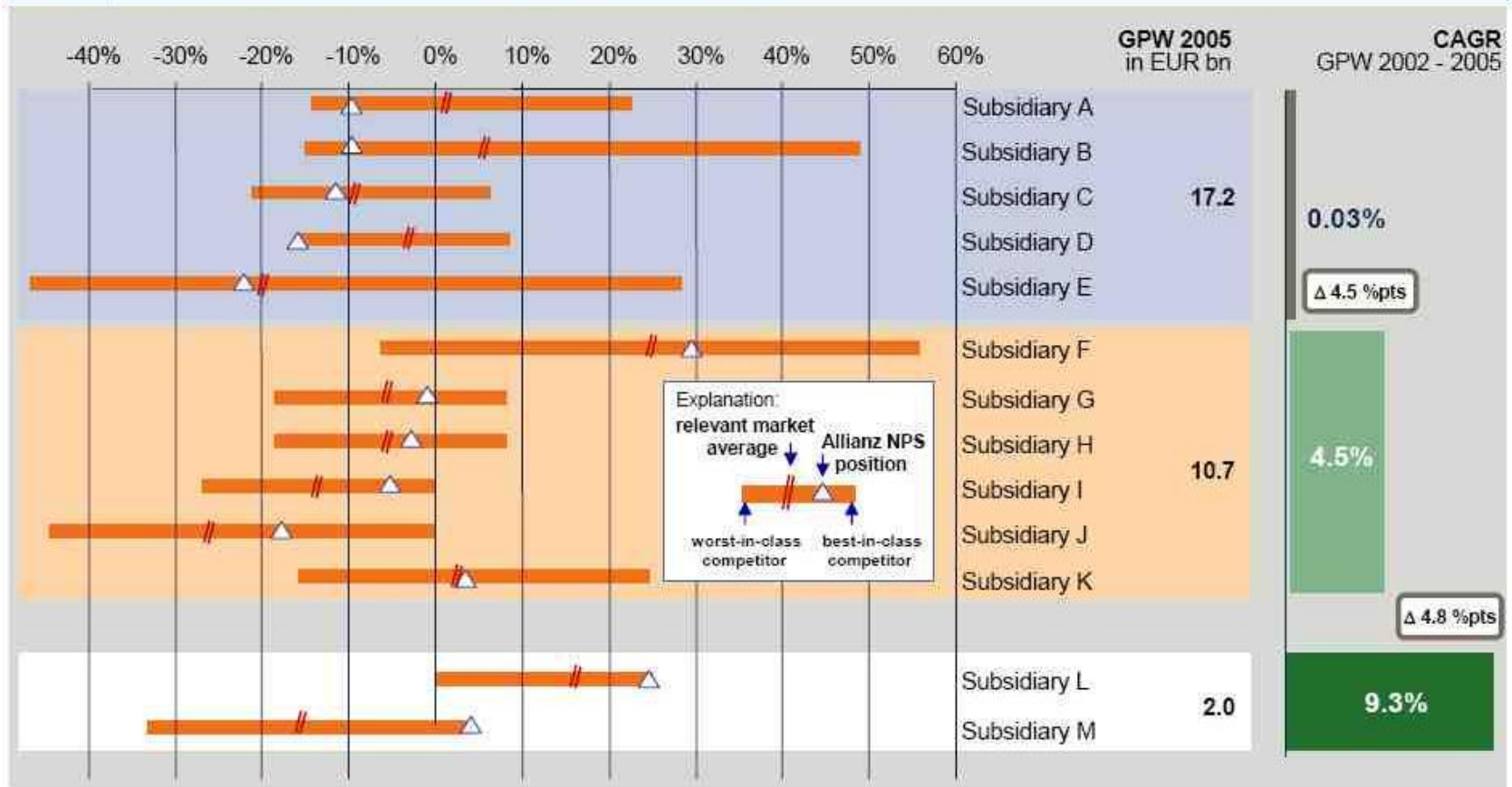
# How to build a business case of CE initiatives?



- All CE initiatives cost money
- Justify using cost savings
  - Improvements in efficiency
  - Operational expenses
  - Cost per complaints
- Impact on Growth:
  - Churn
  - Increase revenue - NPS
  - Intangible – CSAT, Total Lifetime Value
- Not to reduce sales and better to improve it

# Link between Net Promoter Score and Growth (Allianz Research)

## NPS performance within local benchmark

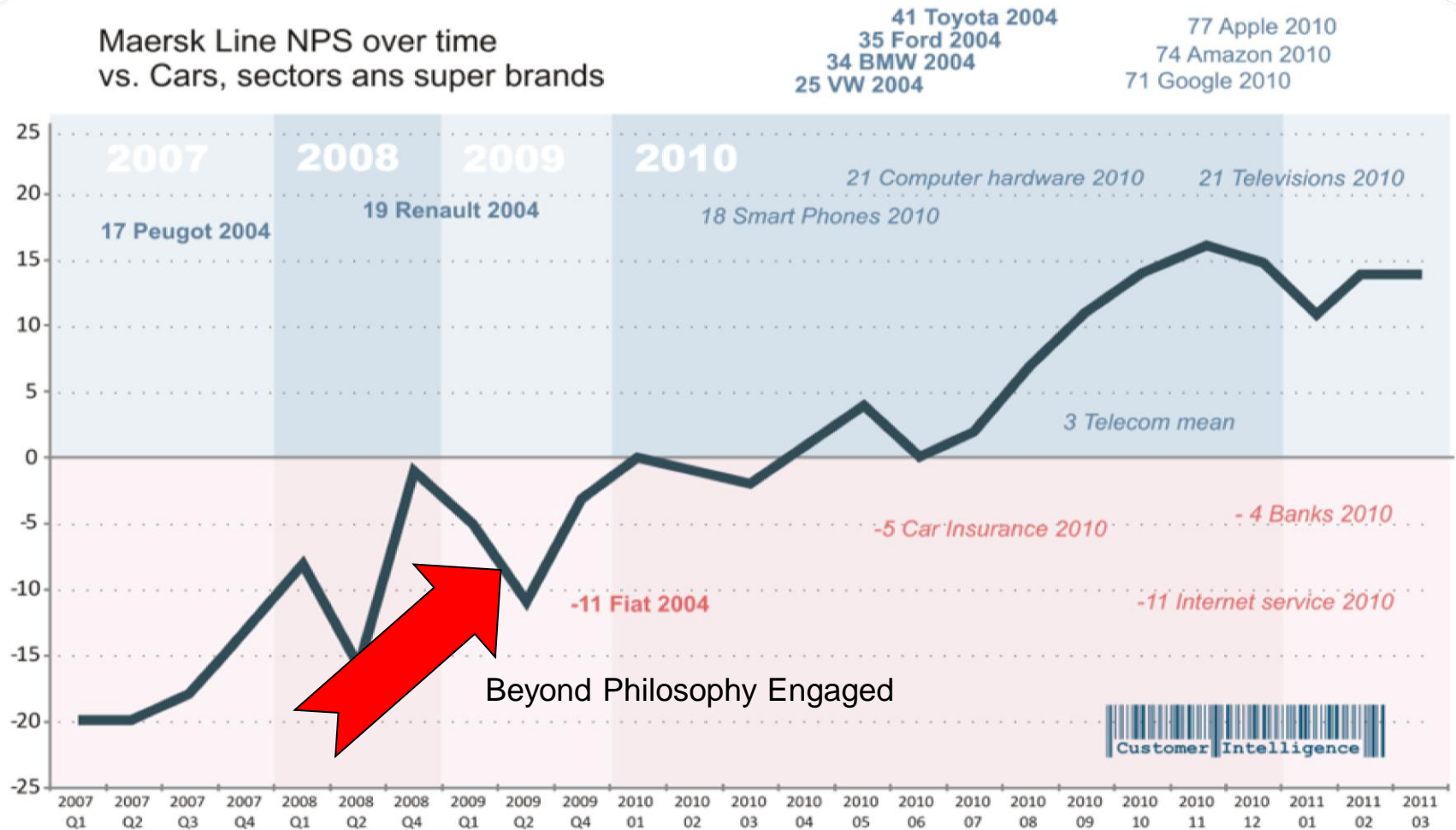


Source: Allianz 2006



# Maersk Line : NPS up by 40%, Cargo volume by 10% over 30 months

Maersk Line NPS over time  
vs. Cars, sectors and super brands



## Summary

- After the naïve stage, position the CE as a cross-functional unit. Form a CE council
- Give the head of CE authority, not just responsibility
- Define the Customer Experience you want to deliver
- Focus on evoking deliberate positive emotions, not just controlling the negatives (VOC, complaints)
- Prioritise your initiatives on what would actually drive business value, not just what customers say they want
- Base your business cases on evidence based customer research; also link NPS to growth, calculate customer lifetime value, cost per complaint (incl. management time etc.)
- Look for best practices outside the Telecoms and lead the way!



# Thanks for Attending!

## Events you might be also interested in...

How Maersk Line improved their Net Promoter Score by 40 points, through improving their Customer Experience?

Thursday, June 21, 2012  
11:00 – 12:00 PM EDT  
4:00 – 5:00 PM GMT



Customers are Irrational stop fighting – Embrace irrationality!

Tuesday, May 15, 2012  
11:00 – 12:00 AM EDT  
4:00 – 5:00 PM GMT



<http://www.beyondphilosophy.com/thought-leadership/webinars>

# Thank you!

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