



www.pipelinepub.com Volume 4, Issue 2

The solution to Customer Defections: Simplify their Experience to Keep them Happy

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What killed off the VCR? Was it the much higher picture quality of the DVD? Well, to some degree, yes. But judging by the common sight of the flashing 12:00 on the vintage VCRs in many homes, the more likely death knell for the videotape players was the extremely cumbersome set-up and function menus that frustrated the average consumer. No wonder the DVD, with its easy point and click, visual menu, won immediate favor with the masses, relegating the VCR to gather dust, used only on rare occasions to view vintage movies or old family videos. And now, with the advent of video on demand, even the DVD is under threat of being surpassed with the convenience of VoD.

There's no underestimating the fickleness of consumers, who would ditch you the minute they perceive that your competitor is offering the same product as yours at a cheaper price – especially when what you have is deemed dated or harder to use.

When it comes to providing web, video and other content, the same holds true. Keep your product portfolio fresh, competitively priced, and easy to use, or be relegated to the scrapheap of supplanted technology.

You have the opportunity to maintain favor with your customers by anticipating their expectation of "the next big thing." What is now clear is that in the age of Web and TV 2.0, it is all about "me" – that is, a desire for a contextual and personalized user experience. Give the customer what he or she wants, when it's needed, and in a format appropriate to the user device, and you'll win their allegiance and deepen your relationship.

Sophistication = Complexity

The challenge confronting the service provider who is attuned to customer whims is the explosive growth in OSS complexity. It's simple math: customized options yield unprecedented numbers of possible record and service permutations. With increasing customer-driven preferences to access and customize blended services at Internet speed, comes the impetus for a unified and streamlined content management and service delivery mechanism able to efficiently feed mobile, web

and TV portals for services and self-care. Providers that attain these goals at lower cost will benefit from reduced churn and improved agility in servicing niche markets and exploiting fads for increased revenue as well.



As we learned from the VCR example, the user interface holds the key to customer satisfaction and directly impacts churn. In current parlance, this means that the “digital storefront” must be simple to stock with attractive and customized content that will move off the virtual shelf, and the purchasing process must be intuitive and straightforward. Both the back office, where customer service reps toil, as well as the storefront where customers make purchase decisions, need to be simple and efficient, relying on plain language menus for navigation and interaction.

While inherently more complex, then, the task of customization and choice must be implemented in a counter-intuitive, simplified manner. Functions and variables must be classified in abstract terms to streamline the back office management and the storefront itself. A supply chain for web, broadcast and mobile content that’s available to and from the wireless, broadband and IPTV domains needs to account for a multitude of devices, let alone demographic and geographic variations -- virtually a prescription for a database that uses abstractions like meta data to classify all the possibilities.

Today’s fickle customers expect converged services to adapt to their needs and desires, rather than adjusting their own behaviors and habits to the technology. Hence, they demand:

- Instant gratification with activation and delivery of services and content in “Internet time”
- Ubiquity – any time, any where access from multiple screens, whether using a TV remote, mobile device or PC
- Customer and user-centric experience free of technical jargon or presentation in terms only understood from the service provider perspective
- Intuitive personalization of user devices, features and service interaction, free of help desk or customer service rep intervention

With so much riding on a satisfying customer experience, service providers need to have highly consistent and efficient processes for service introduction to accelerate time to market. It's now crystal clear that commoditization and "me too" is not sufficient to attract and maintain customer loyalty. Therefore, business planning and market development must assume far shorter life cycles for service and content offerings. Providers can no longer be dependent on single source integrated vendors who provide both the network equipment and services that run on them. Rather, they need a network-independent service delivery platform that is able to rapidly exploit new fads and market trends like user participation as well as opt-in, context-relevant advertising to supplement subscription revenues.

On the operations side, the complexity posed by greater customer choice and rapid provisioning is taxing the back office operations in an unprecedented fashion.

In the past, customer dissatisfaction was most pronounced as a result of two variables – service disruption and billing errors. Today, customers walk with their feet when they are less than satisfied with a whole range of factors that impact the life cycle of services and support. The same holds for suppliers of content and 3rd parties like marketing partners. To ensure accurate settlement and billing in this far more complex digital merchandising model, OSS must achieve a new level of sophistication for automated mediation and settlement of debits and credits. One potential scenario might be a barter arrangement via 3rd parties like PayPal, who would provide credit on purchases from an affiliate like eBay.

Toward a New Business Model

In a business solely focused on customer satisfaction and retention, OSS isn't merely an internal management tool, but in fact it is now expected to perform an unprecedented level of complex back office operations while simplifying tasks by customer support staff and end users who rely on portals for self care and purchasing decisions. It is a lynchpin for building and retaining customer loyalty.

Moreover, with content originating in, and served up to multiple domains, technical barriers to life cycle management must be obliterated. Today, the norm calls for seamless inclusion of content and services from the web, broadcast sources, and a range of content owners as diverse as the Internet. Individual service silos and their respective OSS can no longer be tolerated in a business dependent on meeting customer satisfaction, because it is simply too cumbersome to manage services, content and support in such a fashion.

To transition to the new market realities, senior managers must ask themselves whether their business is organized for this fundamentally different service model. Are internal organizations that are responsible for IT and network operations aligned to best meet customer needs without causing customer confusion or delay in service and content delivery? Is the underlying technology platform conducive for the rapid intake, packaging and provisioning of content customized to the whims of the fickle audience?

There has to be a fundamental review of the entire workflow to determine how to maximize customer satisfaction and retention. A well-considered organizational model, combined with the appropriate service delivery platforms optimized for the inevitable convergence, offer the most effective means for achieving these desired

results. The closed loop feedback available with metadata-enabled OSS can be exploited by sales and marketing functions to drive change, reduce internal confusion about accountability, while defining areas of new business opportunity. This is the recipe for success in a service provider business that is focused on customer satisfaction.

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