

Action Items: Customer Analytics

By Tim Young

It's 2012. Do you know where your subscribers are?

Do you know what they're doing? When they're using more bandwidth and why? Do you have a sense of whether or not they're happy with their overall level of service?

This is, in many ways, an empirical question rather than a theoretical one. In fact, you're already collecting (or are capable of collecting) vast amounts of data about when and where your customers are using their services, the types of services and devices they're using, and when they're experiencing the most substantial problems with those devices and services. And, if you're like many service providers, large and small, you're beginning to understand the benefits of doing something with all that data as the importance of the customer experience continues to be a major theme in telecom.

A Changing View

"The network-centric view of the world is moving to a more customer-centric view of the world," Drew Rockwell, CEO of Lavastorm Analytics, a provider of analytics solutions says. Increased competition, both from other service providers and from new challengers, as well as a troublesome economic environment in many regions has increased the



urgency of customer retention and customer satisfaction. For many service providers, that has meant an instinct of offering customers everything they want for unsustainable prices, or attempting to find ways to reach out to customers and improve the carrier's image.

However, the most compelling brand of customer experience management (CEM) hullabaloo, in my mind, is more about data visibility and analysis than it is about warm-fuzzies and free phones (and you can read more about the extent to which the term CEM serves as something of a Rorschach Test in this article.

Customer experience analytics tools can provide service providers with the relevant information they need about what their customers are actually doing, and can help assist these carriers in sharing this valuable information in an actionable way

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across departments within the service provider's organization.

Analytics tools that specifically focus on the customer experience are an evolution, not a revolution. I remember, back in 2008, reading about how IBM's Tivoli Netcool solutions were attempting to go beyond basic fault management and service quality management (SQM) to try to get a grasp on what the end user was actually seeing and experiencing. Fault management, SQM, have all given way to overall CEM focused on customer analytics. Monitoring and assurance functions can be tuned in a way that allows for a more complete understanding of end-user behavior and experience, and can be tied to business objectives in a way that allows service providers to act on the new depth of information they're receiving.

"Service providers' plans don't match the way that customers use their products," says Chris Gunner, VP and CTO of Active Broadband Networks, which provides subscriber data management, traffic management, and other types of customer experience analysis. "However, in order to evaluate the extent to which this is or isn't the case, service providers need to be able to easily evaluate information about what their customers are doing."

New analytics solutions are helping to make this a reality, both in the types of data they examine and the way in which they present the data. Solution vendors like Aito and Connectiva, among others, are crafting beautiful and useful GUIs that create a clear (literal) image of user patterns, and also have drill-down capability that allows a granular view of usage patterns. What's more, the GUIs mean that you don't need to be an engineer to make sense of the data, so departments across the entire organization can clearly and easily monitor usage. Heck, some of these monitoring dashboards even have fairly slick iPad apps.

Clear Results

Over the past few years, I've had frequent conversations about the customer-centric movement, both here in the Pipeline office and with vendors, service providers, and analysts in the space. One big question mark for many of the products under the "customer experience" umbrella is return on investment. Clearly there are benefits to an improved customer relationship, but is an improved customer relationship everything? It's difficult to quantify many of the results of these efforts, because it's hard to prove the counter-factual. That is, you can count how many customers churned, but it's harder to know how many customers didn't churn.

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Nevertheless, case studies have emerged that paint a clear picture of the benefits of customer analytics.

Take the case of XL Axiata, a major wireless provider in Indonesia, who deployed a customer analytics solution from Anritsu, in partnership with Aito, in October of last year. The provider reports a nearly-instantaneous uptick in first call resolution (an immediate 2 percent improvement), case resolution and SLA adherence (a nearly immediate and sustained 5 percent improvement), and overall customer satisfaction (a similar 5 percent bump).

Finnish B2B provider TDC Oy Finland, likewise, publicly reports improved profitability, decreased churn, and improved efficiency after instituting an analytics solution from Aito.

Furthermore, in a case study by customer experience analytics vendor ClickFox, Lance Williams, director of Customer Management with Sprint Nextel, speaks about that service provider's foray into customer analytics, and gives massive credit to increased customer insight. Williams happily reports delighted customers and an overall improved level of customer satisfaction, but he also makes a claim that is more compelling: massive cost savings. Williams states that Sprint Nextel, as a matter of public record, has a call center budget that is half of what it was in 2008. What's more, back in 2008, the ACSI (American Customer Satisfaction Institute) ranked Sprint last among U.S. carriers in customer satisfaction. Now, despite a trimmer budget, Sprint has catapulted to first place.

Some would argue that this has something to do with Sprint's penchant for offering unlimited data plans, or its new acquisition of the iPhone. Williams, however, credits the carrier's enhanced standing among customers to its more aggressive customer analytics strategy.

Other Useful Benefits

And the possible benefits of enhanced customer analytics don't stop at increasing satisfaction and reducing churn. Knowing what your customers are doing and where can aid in smart network planning, for example. Service providers can understand where an additional tower might have the biggest impact, and where it would be underused, allowing for smart growth.

Furthermore, in an era of sophisticated fraud and malice attempts, a proactive analytics strategy can aid in fraud prevention, as well as increased customer satisfaction. For instance, Mobistar, a mobile provider in the Benelux region, has used Lavastorm Analytics's analytics platforms to monitor and address fraud, ranging from identity to usage to payment fraud. If you know what all of your customers are doing, you also have the capability of knowing what users are doing wrong, which is very valuable information.

In addition, an understanding of customer habits can help you shape your plans in a way that suit customer needs and wants. Gunner, who calls these companies "enlightened souls", offers that this is one end of the continuum of customer analytics usage. "There are also the not-so-enlightened souls who are saying, 'Engineering: Find a way to get them to do what we want them to do,' which is what drove all the deep packet inspection and traffic management deployments. " Either way, higher levels of customer awareness are desirable.

Going from 'Trusted' to 'Loved'

In addition to all of these valuable, practical use cases, customer analytics can be viewed as a part of a larger approach to creating genuine customer loyalty. Whereas other types of fault management and overall quality management can help service providers to be trusted, Rockwell claims that being trusted, alone, isn't enough.

"That's ten years ago. If you think about where the industry's going, they're so much more interested in fan-based, thumbs-up relationships," he says, noting that many of the top carriers are more interested in that approach. "It's more than trust. It's creating loyalty." Rockwell argues that analytics are central to developing that sense of loyalty, as they can aid in the understanding of the root causes of both positive and negative customer behavior. Analytics can help CSPs understand what's driving customers to them, Rockwell says, "or, conversely, what's driving people away from [them]." This may get a little mushy for some, but whether the end goal is undying customer loyalty or simply a more evolved iteration of SQM, understanding your customers through useful, easy-to-use, actionable analytics is something that many smart CSPs are finding well worth the effort.

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