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Ensuring Customer Layalty During Network Consolidation

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Mergers are premised on combining the resources of two companies to create greater value than either entity can alone. However, communications service providers (CSPs) often encounter a major obstacle: The challenge of integrating diverse product catalogs inherited during the M&A process.

Recent research by the Yankee Group illustrates the problem:

- The timeline to launch new products ranges from 3 – 12 months.
- CSPs launch between 5 and 25 new product initiatives each year, not including feature enhancements and upgrades to existing portfolios.
- Product portfolios in a single CSP often exceed 1,000 different products, of which only 30 – 40 percent are actively sold.

Adding to the challenge is that the terminology and language of each product catalog may vary not only within a company, but also between locales and even among a company's own marketing, product development, operations and billing departments.

As a result, marketing and product development teams often confront a confused product environment where there is no clear definition, ownership or documentation of products, and an uncontrolled proliferation of product information. Product maintenance may be handled across multiple systems, without uniform visibility. Introducing a new product may require manual intervention, introducing errors that further slow the launch process.

Equally troublesome is that today's product catalog quagmire undercuts revenue assurance. Inadequate or conflicting data across multiple catalogs inevitably fuels order fallout and revenue leakage.

At a time when CSPs need to move quickly to launch new products and retain customers, they are hitting a product data management wall that leads to the opposite outcome: slow response times, reduced customer satisfaction, increased churn and lost revenue.

Relationship Management and the Customer Experience

In addressing product catalog issues, CSPs need to look beyond the immediate challenge to the long-term opportunity: Using network consolidation as an opening to align BSS/OSS with the core business objective of delivering the superior service experience to customers.

A new approach called relationship management points the way. The premise of relationship management is simple: By delivering value to the customer, the company boosts satisfaction and loyalty, and opens the door to new cross-sell/up-sell opportunities that will drive greater value from the relationship over the life of the account.

Relationship management spans strategies, operations, new technologies and solutions to ensure a loyal, profitable customer base. Two developments that aid in this process during and after network consolidation are Enterprise Product Management (EPM) and Predictive Analytics.

Enterprise Product Management: From Many to One

EPM is a strategic business solution that supports the creation, management, dissemination and use of product definition data across the enterprise. The goal of EPM is to support product lifecycle management – an end-to-end approach from conception through design, development and bundling, service and disposal.

EPM integrates with and manages existing product catalogs on a single integrated platform that, in turn, provides a consistent, unified approach to new product development across the enterprise. EPM supports the creation, management, and use of product definition data to help ensure that orders are accurately captured in real time, thus supporting rapid, spot-on service fulfillment.

The single platform approach to product catalog management improves operational efficiency to deliver lower costs, higher margins, and greater customer satisfaction. Customers are the immediate beneficiaries. By creating a consistent approach to product definition, EPM eliminates the delays typical of fragmented legacy systems, thus significantly speeding new product launches for customers. EPM also defines and improves the product lifecycle process. As products reach the end of their lifecycle, they can be turned down quickly and replaced with newer offerings geared to the customer's constantly changing needs and interests.

CSPs benefit from reduced costs, both for new product introductions and for product change management. EPM simplifies and streamlines order configuration, reducing errors and gaps in product configuration, and eliminating error-ridden manual intervention. In addition, by enabling carriers to easily bundle products, EPM reduces churn, providing multiple "hooks" into customers to keep them on-board.

EPM is not only about saving money, but also about making it. An enterprise approach enables a CSP to boost ROI on next generation networks by leveraging network assets as reusable components. Further, EPM works hand in hand with another relationship management solution to optimize the profit value of each customer through cross-sell/up-sell activities, and by ensuring customer retention over the full lifecycle of the account.

Predictive Analytics: Where Product and Customer Data Intersect

What if CSPs could develop products based on known customer preferences, and offer them in real time during customer interactions? They can do just that, using predictive analytics.

The function of predictive analytics is analogous to EPM. Predictive analytics sifts through mountains of data to provide a precise, real-time view of the customer – services used, billing, and known preferences. Predictive analytics integrates with EPM product definitions and establishes policies that generate automated offers based on available product offerings and network resources to support them.

Predictive analytics works by continuously polling customer databases, creating a "360 degree view" of customers that enables real-time profiling for marketing and product opportunities. Among the benefits, predictive analytics proactively automates custom-tailored offers, and delivers pertinent data to a customer service representative's desktop during an interaction. Because the value of the customer is known in real-time, the operator can deliver the appropriate level of service, based on the value of the customer.

Predictive analytics is commonly found in the retailing and banking industries, where companies can turn customer service inquiries into profit-making opportunities – first by handling the customer's request, then by moving immediately into cross-sell/up-sell mode with offers best-suited to a customer based on purchase history. Now it's gaining traction in telecom. For example, when a mobile customer dials in with a question about a service feature, the predictive analytics solutions can pull up the customer's profile on the agent's screen. Seeing that the customer keeps tabs on New York Yankees game highlights via his mobile phone, the system then prompts the agent to tell the customer about a new mobile video offer featuring the next Yankees/Mets game. The mobile CSP's ability to extend the offer proactively, and in real time, creates a positive experience that increases that customer's satisfaction and loyalty.

The combined power of EPM systems and predictive analytics not only drives revenue, it also saves customers. What if that Yankees fan had paid for a pricey feature on his mobile phone but not yet activated it? The predictive analytics system spots the error immediately and sends an automated alert to the customer with simple instructions on how to activate the feature. Alternately, predictive analytics can send the alert to an agent during a live customer interaction. By catching a mistake before it becomes a problem, the system ensures a higher level of customer satisfaction.

For CSPs, using predictive analytics was, until recently, more challenging due to the multitude of product catalogs to be managed; The more catalogs, the greater the number of policies required within a predictive analytics solution to generate offers. Now, however, EPM facilitates predictive analytics, providing a consistent set of product definitions and reducing the policies required to generate offers.

Brave New World: BSS/OSS as Competitive Asset

Given today's tough competition and tougher customers, CSPs can't afford to let the product catalog component of network consolidation take a toll on customer loyalty. Cable MSOs, Internet companies, and the new generation of content packagers have all converged on the communications and media marketplace, offering a continuing stream of product innovation. With so many choices available, customers are naturally more demanding – and they're about to become more so.

Soon CSPs will have to compete based on personalization. When that happens, companies relying on legacy product catalogs will find product management and service delivery infinitely more complex – and slower.

CSPs should leverage this time of network consolidation as an opportunity to embrace relationship management solutions that deliver greater value to the customer and to the corporate bottom line. A brave new world of financial performance awaits those that decide to transform the BSS/OSS as a vehicle for supporting the superior service experience.

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