

## “The Personal Touch”

### How Operators Can Use Number and Service Personalization to Drive Customer Engagement

By **Stuart Cochran**

Driven by prosperous economies, growing levels of competition for telecoms services and a drive to target underserved sectors of the population, the resilient mobile industry is still growing despite the many challenges it faces. According to industry analyst, BuddeCom, overall global mobile revenues are predicted to reach over \$1 trillion around 2012.

Adding to the positive picture, a report published by Strategy Analytics indicated that the service revenues of mobile operators had increased by four per cent in the first quarter of 2010, while EBITDA increased by 5%. In addition, annual growth in mobile services revenues increased to five percent in the first quarter of 2010, up by 2.8% in the last quarter of 2009. Latin America, Middle East and Africa also experienced positive growth, up by 1% and 1.2% respectively from the last quarter of 2009.



Operators across the world are fighting to achieve a competitive edge over their rivals in order to develop and maintain market share. At the same time, users of mobile services and applications are becoming ever more sophisticated and demanding.

This combination has led to a new focus on the ‘user experience’ as a key battleground for operators in their ongoing struggle to achieve business advantage. In particular, there is a growing emphasis on broadening customer choice and, by so doing, improving the customer experience.

In this context, giving subscribers the opportunity to

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choose their own personalized phone number can be key to both building loyalty and expanding the user base.

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### **Why Number Choice Matters**

For decades now, individuals have been prepared to pay thousands of pounds or dollars for the privilege of having their own personalized car number plate. In recent years, mobile phone numbers have become monetized in a similar way. In many parts of the world today, the ability to choose a personalized number exerts a powerful attraction for prepaid users.

The reason is sometimes cultural. The digit eight has special significance in China, for example, while seven is seen as lucky in many parts of the West. In other cases, users look for numbers which either have special significance to them or that are easy to remember – numbers that contain a sequence of digits that relate to birthdays, for example, or consecutive numbers for family members.

In many markets, the level of interest is such that operators can expect significantly increased revenues simply by offering this service. From the operator's perspective, there are two key elements to this: firstly, the revenues generated from the ability to charge for number itself, secondly, the fact that a customer who has chosen their own number is likely both to be higher spending overall and to stay longer with the operator. This is a particularly key issue in the Middle East, where subscribers, many with high disposable incomes, look for the cachet of owning their number of choice.

### **Issues to Address**

So, there is clearly a market demand for broader number choice. Unfortunately, for a variety of

structural and logistical reasons, it has been difficult for operators to provide this service effectively using today's pre-provisioning model for SIM card distribution.

The issue is that while many operators offer number choice to postpaid customers, most can only offer it to their prepaid subscriber base through limited channels - often via a flagship store at the operator's headquarters. Even then, the selection is typically restricted to numbers allocated to SIM cards currently stored on the premises.

The SIM card distribution model used by most operators today means that the telephone number is associated with the card early in the process - typically weeks before going on sale. The use of this pre-provisioning model means that the number has to be paired with a specific SIM card in various systems on the operator's network. Typically, it is even printed on the packaging containing the card.

From the perspective of operator and user alike, this is unsatisfactory as it mitigates against flexibility in number selection.

### **Benefits of a New Model**

Fortunately, technology has advanced to the point where it is now possible to allocate numbers dynamically when SIM cards are first used. This provides an opportunity to offer number choice to prepaid subscribers at the time of first use via the handset. Not only is this more convenient for the subscriber, the user experience is further enhanced as the choice of number is much wider. It is now possible for users to have access to all numbers available for allocation - not only those in stock at a particular retailer.

A menu containing a series of questions can be presented to the user on the handset when the SIM is first switched on. This provides a list of available numbers, can offer special categories of numbers (Golden, Platinum) and can also enable the subscriber to search for vanity numbers with personal significance, containing specified digit sequences.

Also, because the system is in the operator's network and connected to its IT infrastructure, users have access through their handset to a greater range of numbers than the retailer has on-site. To complement this approach, the handset dialogue can be customized to support a tiered charging structure. Operators can now more easily monetize specific numbers. And the ability to offer potentially valuable vanity numbers to more users further increases revenue potential.

The time of first use also presents an opportunity to offer additional, value-added services to new subscribers. The same handset-based dialogue that supports number choice can be used to offer other services, from cheaper home-based calls to bundled voice tariffs for families, further increasing the incremental revenue opportunity.

From the operator's perspective, the use of this kind of approach to deliver enhanced number choice and other bolt-on services to customers has the added benefit of increasing the level of interaction between operator and customer, which has previously been poor in the prepaid environment.

**A customer who has chosen their own number is likely both to spend more and to stay longer.**

The approach also has benefits when it comes to managing the growth in the mobile broadband market and the consequent surge of usage of connected devices, most of which require their own SIM card and many of which employ different screen types to standard mobile phones. Operators can now become device aware in this situation. They can, for example, now adapt their promotional and marketing messages according to whether they are dealing with a feature phone connected to a GPRS network or a mobile broadband network connected iPad with large color screen and multi-touch capability.

#### **Delivering Competitive Edge**

In today's highly competitive mobile communications sector, operators are looking for ways in which they can achieve business edge. Offering prepaid customers the option to choose their own number can



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be an excellent means of doing this while at the same time allowing operators to tap into another potentially lucrative source of incremental revenues.

Problems with the inflexible pre-provisioning process can be avoided by using this new approach to activate the cards, allowing operators to offer flexibility in number selection to prepaid customers. The number selection dialogue with the end user can then be enhanced to offer the ability to search for vanity numbers and to apply tiered charging as appropriate.

Extending this model still further, the interaction with the subscriber at the time of first use provides a great opportunity for the operator to deliver additional value added services to further build competitive edge. As we look to the future, flexible number personalization for prepaid users as part of an increasingly personalized overall service approach will become a key tool in the armories of mobile operators across the world.