

# Pipeline

Knowledge Is Power

[www.pipelinepub.com](http://www.pipelinepub.com) Volume 6, Issue 3

## The BSS Report: Sales Experience Needed

By Ed Finegold

Two different cable companies serve the building where I keep my office. I've thought about switching because my current provider raised its TV rates, but inertia and inconvenience are giving me pause. The other provider just sent me a promotional offer. On the surface it looks like it'll cost me about \$10 per month less. The fine print, however, says they'll charge me for equipment rental – which my current provider does not – and an installation fee when I sign up. It also says they'll charge me a cancellation fee if I terminate service within one year. Way to blow a legitimate sales opportunity. This is the state of affairs for sales in today's communications business. This is why I'm still dubious about new, more complex applications being the ticket to future success.

### Seeking Good Konczal

I've been chatting with a long-time colleague named John Konczal. John and I have known each other for at least 10 years now. He's the Global Industry Executive for Sterling Commerce's Communications and Media business unit. As a result, he lives and breathes the communications sales experience. Fundamentally, we share an opinion about what's wrong with that experience today for most communications service providers.

"The way I think about this," Konczal says, "is that CSPs have had a captive audience to sell to. Competition was non-existent or trivial in most regions of North America and they could take the position of passive order takers... Passive means 'here's my offer, take it or leave it,' but that's just not the case anymore." He's right. In fact, cable operator #2 is insane if it thinks its postcard is compelling enough to get me to call, wait on hold, wait for an appointment, pay set up fees, and maybe run into installation delays that force me to use the free WiFi at the cafe down the street for a few days. The \$5 a month I'm not even sure I'd save by switching definitely isn't worth it, and I wouldn't get any more service for my money than I do today from cable operator #1.

Let's talk about cable operator #1 for a minute. They just raised my rates about \$10 a month, so I'm paying a bit more for the same service I've always had. I think they send all kinds of promotional offers in my bill every month, but I ignore them. The TV in my office is on most of the day because I tend to follow CNBC for business news, to track the market, and because as annoying as I find Maria Bartiromo's Jersey-girl accent to be, I guess it reminds me of home. But for all of that time with the tube on, cable operator #1 has never reached through it to say, "Hey you, I've got an offer you're gonna love!" Once again, way to blow a legitimate sales opportunity...

### European Flashback

Now, folks who know me know that when it comes to height, body type, and hair style I'm more George Costanza than George Clooney. I'm not as socially inept as Costanza, but I can count on one

hand the days in my life that I've played the "Mac Daddy." One such glorious day occurred during my last semester in college when I lived in London. The two most popular women in my study abroad program, who I'd befriended on the flight over, invited me to go shopping with them. Whatever the reason, there I was, hopping from one trendy boutique to another with a beauty on each arm and feeling extremely Clooney-esque.

Being a dork in chic clothing, I took a lesson in sales from that experience. Sometimes selling isn't so much about pitching an offer as it is about getting the shopper in a buying mood; building a stimulating environment; and creating a flow to the merchandise that puts the right items in front in an appropriate and compelling way. The boutiques in London, as well as others I've seen in New York, Amsterdam, and elsewhere, play throbbing club music; have dramatic, theatrical lighting; and pose sleek outfits on idealized mannequins. Those two ladies had a ball, and I realized why I'd been invited – someone had to schlep all the stuff they bought.



Communications providers can learn something from this retail adventure. The sales experience, or buying experience, is really part of the overall customer experience. If I'm watching TV, banging a text into my mobile phone, uploading a video online, or just riding the train home, there's an opportunity to wrap a compelling, consistent, and continuous set of messages and offers around me that at best will put me in a buying mood and at least will give me an idea of the products that might appeal to me. Communications providers need to move from today's come-on oriented ordering process to a compelling buying experience of the sort successful retailers offer. They need to use their many points of customer interaction in a fluid, continuous way that informs, compels and excites, but does not offend.

### **Make Like a Retailer**

Konczal sent me an excellent whitepaper entitled "Becoming Demand-Driven: The Communications Service Provider as Retailer" that Stratecast published last year and which happens to have been authored by my friend and mentor, Susan McNeice. In the opening paragraph, she argues that communications service providers "want to consider the thinking (and operations) of world-class retailers. For many, this means shifting...to a demand-driven, digital lifestyle enabler." Ooh...digital lifestyle enabler. That's exciting. Enablers get you hooked on guilty pleasures. There's no better sales technique than that.

McNeice continues, writing, "It means having...a robust and fully integrated set of distribution (read: selling) channels to provide a consistent, high-quality experience to the customer." This is dead on. CSPs offer the inverse of this today. Too often are promotions offered to those who aren't eligible for them. Worse, promotions are different across web, call center, and retail channels, making for a confusing and frustrating buying experience. Sales channels just aren't consistent and they don't provide continuous, guided, contextual, or compelling experiences.

A continuous experience is one where "you can start an order at one point and complete it at another point," Konczal articulates. This means that if you start an order online, get stuck, and call the contact center, the agent who answers the phone should be able to figure out where you left off and pick up the process from there. "The customer expects the provider to have awareness of that," says Konczal. "The best retailers have that. If I start an order online at BestBuy.com and want to complete it or pick it up at the store, I can do that today," he says.



Let us *drive* your profitability

ASK CONCEPTWAVE ABOUT ...

- multi-play orders
- exception order handling
- centralized dynamic catalog
- processing millions of orders

ConceptWave

www.conceptwave.com

Empowering Service Orders

Proven, high performance order and catalog management solutions.

A guided experience makes sure to "give the user assistance at specific times in the order," Konczal says. In other words, if the customer needs to make a decision – like which set top or wireless device to order or when to schedule an installation – the sales process provides information to help drive a decision that's right for the customer. If you want to record and watch your TV shows anytime you want, get the DVR set top. If you don't use email on your mobile, the Blackberry is probably overkill. If you want to be the first customer installed so you don't miss work, try next Wednesday.

A contextual experience is of the sort to which Amazon, iTunes, and YouTube are habituating customers. If you search for a certain book or product, Amazon tells you what others who bought that product also bought with it. If that's the right HDMI cable that goes with my high-def TV, there's a pretty good chance I'll buy it. That's a contextual up-sale that doesn't really hard sell me, it just makes a useful suggestion.

YouTube also makes useful, contextual suggestions. If I search for X-Men cartoons (and I sometimes do) it suggests other X-Men episodes I might want to watch, and I usually watch them. That helps me sort through all of the nonsense (or long tail content) on YouTube and just jump from one video I find interesting to another. That's part of the viral experience, and it's reinforced by my ability to send a link to that video to my friend Josh who also loves the X-Men.

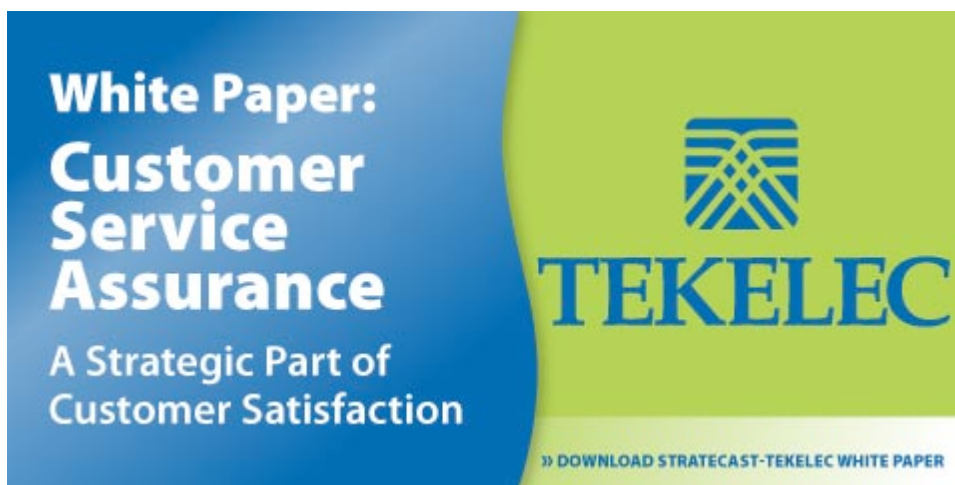
iTunes is similar. I fell in love with a short-lived science fiction show called "Firefly" and bought all 14 episodes on iTunes. iTunes also let me know that there was a soundtrack and let me sample it. Turns out, I didn't want it, but I appreciated the opportunity to check it out. I did listen to some of the podcasts about the show that iTunes put right in front of me. I found comfort in knowing that I'm not the only dork who loves Firefly and that, in fact, there are much bigger dorks than I who are far more obsessed with the show and whom I can count on to keep the Firefly content coming. (In fact, that's how the business case for making the movie *Serenity* was built. I bought that too.)

### **The Wise Men Sayeth**

Okay, so we all know that Amazon.com is much more fun to shop on than say AT&T.com (sorry AT&T, you're just first in the alphabet). And we also know that Best Buy is fun because you can play with all kinds of cool toys even if you have no intention of buying anything. But the important question is, what hurdles are keeping CSPs from creating a compelling and continuous sales and buying experience? For answers to this question, I talked to Konczal. But I also reached out to my ace-in-the-hole. My secret mentor who's a recently retired, C-level executive with a major communications provider who's seen and done absolutely everything there is to do in this business.

He said, "The competitive advantage rests in a flexible and well aligned front-end."

I responded, "What?"



He said, "The more products and the more complex they are, the more difficult it is to train people and give customers a personal experience... This business about complex products, complex contracts, maintenance and replacement may or may not be included - that's confusing, and when people are confused, they have a bad experience."

So I asked him what a CSP can do about it. He offered three critical points.

- 1) **Simplify the process.** Don't just have it mimic the complexity in the background. "You have to reinforce simplification again and again and again and not just react to what a sales or marketing guy wants. It's not just about optimizing how quickly a transaction works. How does it affect the customer?"
- 2) **Take ownership of the customer all the way through.** "If you sell a disjointed product with different levels of service and maintenance, who owns the customer? It should be

someone who cares about the customer over time...and stays with you until they finish the experience.”

- 3) **Establish trust in your brand.** “I think it’s very difficult to maintain a good relationship with a customer when your brand doesn’t imply good customer service...Establish trust in your brand with messages that come through all channels the same way, whether it’s on the web, in a store, or in the contact center. Customer trust has to be established across them all.”

Putting him to the test, I asked “If this is so straightforward, why aren’t CSPs doing it already?”

He gave me two good reasons. “In many cases,” he said, “there isn’t a long term plan or roadmap. So you’re building complexity on a platform that hasn’t been renewed or aligned completely.” Second, he said, “The numbers are huge. You’re talking about hundreds of thousands, or millions, of people. How do you reach them all? People don’t want to be bothered. What do you do – *send them a letter* (sarcasm intended)?”

This is Konczal’s point exactly. You can’t reach out to every individual to create trust and upsell. Sales must be inherent in the customer’s experience with services and points of contact. It has to be more about shopping than selling; more about well lit mannequins in sexy clothes than telemarketers. If I’m flowing from web to mobile to TV, offers should be made to me subtly, based on my usage and preferences, with helpful hints for getting the most for my money. It has to be simple for me to buy what I want without standing in line, waiting on hold, or being told I’m not eligible for the great price on that product I just told you I want to buy.

### **Billing is a Problem**

Konczal argues that the reason CSPs don’t provide anything remotely like this vision is because of their channel strategy – or lack thereof. “I think the biggest problem is the channel strategy,” he says. “I don’t think most CSPs have a clear channel strategy and don’t think about the buying experience in a unified way. They also think of sales channels as competing businesses or warring factions. That can’t fly anymore. Someone needs to say ‘we want an aligned channel strategy.’”

Another big problem is that pricing and product catalogs often live in billing systems and no one wants to touch them. “I’ve seen IT really trying to understand how the business needs to operate. But I think the issue is more about the continued dominance of billing. It’s still the issue in realizing a better sales environment.” CSPs don’t want to mess with billing systems because they collect revenue. Plus, problems with billing tend to lead to customer dissatisfaction and expensive calls into the contact center. Billing is complex, and too often that complexity ends up being manifested in sales and ordering processes.

Ordering and order management, however, have been addressed with layers of abstraction that make it easier to design, manage, simplify, and automate ordering processes. Many CSPs have done this with some degree of success. Konczal argues that the same concept needs to apply to sales. “There are tools meant to work with different billing, CRM, and product catalog systems to orchestrate the sales processes. Those orchestration tools are about how I can orchestrate all of my data and rules to work in harmony across all channels. That stuff is available today and other industries have used it successfully. It’s something that hasn’t been embraced that much in communications because of the reliance on the billing system.”

He says CSPs usually try to solve the sales problem within billing and CRM, but “that’s the wrong approach. There has to be a level of abstraction across the existing systems to simplify the sales and

ordering experience. Frontier, DirecTV – these guys are doing it right.” Both of those CSPs are Sterling Commerce customers who have embraced multi-channel sales strategies and solutions. Frontier, he says, has succeeded by shifting its focus from net-new subscriber adds to increasing the revenue flow from existing customers through better sales and buying experiences. Sterling has also helped companies like Best Buy and Borders to create continuous, compelling, and guided buying experiences across their online and in-store channels.

For CSPs, Konczal says, it’s not necessarily about jumping from where they are today to a complex, interactive, analytics-driven model in one step. More pragmatically, there are solutions that can help them in the short term to align their offers across their channels, provide visibility into customer activity as they move between channels, and leverage existing customer data to make sure knowledge of the customer is represented at each interaction point.

This makes it easy, for example, to give the customer a feeling of individuality – which leads to a personalized experience. It also makes it possible to make valuable offers to customers, rather than up-selling them products they already have or promotions they can’t access. Those would be the first, simple steps toward a better buying experience. With many new and more complex devices and applications coming to market, CSPs need to take these basic, pragmatic steps right now or risk overwhelming, confusing, and turning customers off.

In other words, cable operator #1 better make me feel like the Mac Daddy again, or I’ll probably just let Hulu and YouTube make this my Summer of George.