

Whitepaper

How to increase customer loyalty: CEMS as an ultimate clue to success for a Telco



Most Telecom operators are at a standstill. They lose existing customers and can hardly attract new ones. The market is overcrowded with telco operators and customers choose those who either provide the lowest pricing and/or good services.

Most of the telcos can't go below the minimum price thus the only way out is to improve the customer service.

However shift to customer service improvement is not an easy step. When Telcos start a large-scale solution implementation they should know which button to push as the cost of failure is high.

U.S. brands lose approximately \$41 billion each year due to poor customer service.

SmartCustomerservice

In this whitepaper, we will describe the main challenges that Telecom operators face today, define the key way to customer loyalty increase and get through other ways on how to increase ARPU.

1 Challenges of Telecom Operators

Most Telecom operators can no longer increase the number of users via core service package. Customers demand for more personalized services and better network coverage.

The growing need for innovation and services` personalization made the operators turn to **Customer Experience Management Systems (CEMS)**.

By 2020, the customer will manage 85% of its relationship with an enterprise without interacting with a human.

Gartner

2 Customer Experience Management System

The concept of CEMS has captured minds of Telecom heads a couple of years ago. So far, the concept is actively promoted and exercised by such Telecom giants as Vodafone, Deutsche Telekom, Austria Telekom Group, AT&T and Verizon.

CEMS allows Telecom companies to deliver customers information and services they are truly interested in.

Delivering a superior customer experience should result in two key benefits:

- Operational efficiencies that lower costs
- New revenue opportunities

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With implementation of CEMS many organizations may even discover that happier, more satisfied and more engaged customers put less emphasis on demanding the lowest price.

Additionally, one of the biggest achievements of CEMS is customer satisfaction that often translates into powerful word-of-mouth referrals to friends and colleagues.

3 Challenges of Telecom Operators

According to Bruce Temkin, Vice President & Principal Analyst at Forrester Research focusing on customer experience:

The essence of CEM is treating customers as individuals! Consumers are statistics. Customers are people.

"Your customers don't live in spreadsheets; you need to go out and talk to them to understand who they are as people. That is, of course, unless each of your customers is really a 55% female with 2.3 kids who is 48% from a suburb and is 11% hispanic."

Building an improved customer experience has to be more than just a corporate slogan. It must include a few fundamental principles:

- Knowing what customers want — even before they do
- Building relationships that last long

That means creating and maintaining complete customer profiles that help you understand and measure your customers' journeys at every touch point across multiple channels.

The better you know your customers, the more effective you'll be at delivering relevant offers to them.

That means creating and maintaining complete customer 86% of buyers will pay more for a better customer experience, but only 1% of customers feel that vendors consistently meet their expectations.

Forbes

The more relevant your offers are, the closer the relationship between your business and your customer becomes – driving metrics like loyalty and retention.

4 Other ways to increase customer loyalty

It would be wrong to see Customer Experience Management System as some universal solutions package. There are some other ways that help boost customer loyalty.



Expand service package

A Telco provider should keep pace with the fast changing trends on the market to provide relevant services to its clients. Constant product line growth enables customers to use services not available before: Smart houses, Machine 2 machines solutions, real-time streaming radio and TV, biometric mobile payments, etc.



Perform intelligent omnichannel marketing

Communication channels play quite important role in growing the level of customer loyalty. How telcos talk to their clients and where they do it (mobile, social network, corporate portal) defines their level of customer engagement.

In-depth analysis of customer behavior across multiple channels helps Telcos to understand the overall users' experience and interests, provide them with specially tailored content and services, which influences the loyalty and the Telcos revenue.

When companies engage and respond to customer service requests over social media, those customers end up spending 20% to 40% more money with the company.

Bain & Company



Address customer complaints

Customer care is a key point for increasing revenues. Fast and efficient processing of customer complaints highly impacts the overall subscriber satisfaction and stimulates subscribers to use mobile data services more actively.

As per above mentioned, the key to revenue increase is information on subscribers' activity which, in fact, is customer experience that can be managed.

Conclusion

Telcos face many challenges as their traditional business is under threat from falling margins, the high cost of new investments and new competitors.

For quite a long time they have been getting profit using a simple billing relationship with their customers, but today it's not enough anymore, and operators have to extend the relationship with their customers in order to retain them. They have to take rapid steps. CEMS is the key to rapid transformation. Relying on the data about customers' behavior Telcos should create a wide range of personalized services to increase the customer loyalty and ARPU.

About Qulix

Qulix Systems is a global solution provider for several business domains like banking & finance, telecommunications, insurance, etc. Read more on our solutions [here](#).

Have questions about CEMS development? Let us know:
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The research raised your concerns? Feel free to contact us:
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