

For Telecoms, Cultivating Loyal Customers Requires Better Customer Data Management

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Understanding and mapping the customer journey is the starting point from which to identify the key opportunity moments where access to the right customer data can help anticipate a service need, resolve an issue without asking, or offer a customised product — in other words, make the difference between cultivating a happy, loyal customer or losing one to the competition.

The telecommunications market in Australia is a \$21.2BN opportunity, according to an IBISWorld report, but with profit margins a little over 10% — and expected drop of 2.7% in the next 5 years — and expected drop of 2.7% in the next 5 years — competition for customers among the three major Australian providers and minor players is likely to remain heated. This is placing considerable stress on telco sales, marketing and retention departments to lure and keep customers. At the same time, the telco market has one of the [lowest industry averages](#) when it comes to net promoter score (NPS), a metric used to gauge customer satisfaction and loyalty. The combination of high competition and low customer satisfaction can be seen as a perennial challenge by the industry — or a wide-open opportunity.

The reasons for low NPS scores are not secret. According to [CX research by Pega](#), difficulty dealing with the provider is number one reason telco customers are unhappy. More specifically, failure to proactively offer relevant services at key moments, provide personalised information, know the customer's situation, and reward customer loyalty represent a large part of customers' dissatisfaction with their provider — and a nice cluster of opportunities to differentiate. What it comes down to is data — and how telcos can use it to meet the customer at these critical moments.

Data, data everywhere

Telecommunications companies have a vast trove of customer data that's growing in volume exponentially by the day. But most telecoms struggle to access a comprehensive view of this valuable data so they can develop targeted marketing efforts and personalised customer experiences that can help them deepen and expand customer relationships, reduce churn, sell more products and services, and drive overall business

growth.

Telecoms are hamstrung in their ability to use customer data effectively because it's siloed within specific business segments: consumers, small to midsize businesses, and price-level customers. The customers in these segments differ in their consumption patterns, what kinds of products they use, how much support they expect or require, and more.

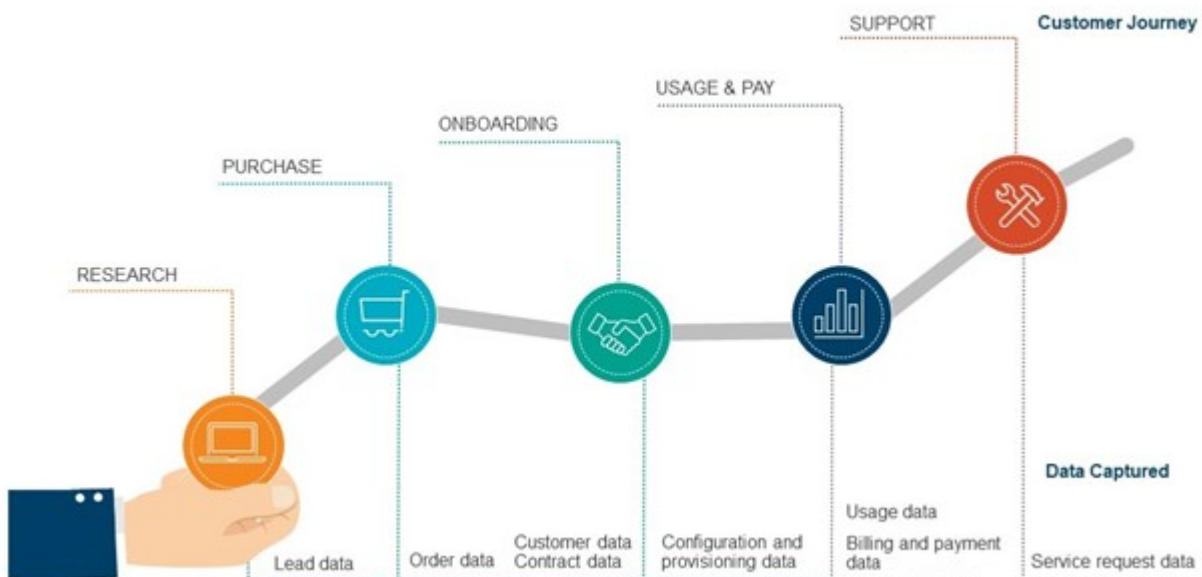
But not all customers align with only one business segment — and a telecom's inability to market to each customer cohesively across relevant segments can impede the company's growth.

For example, consider a telecom customer who uses a mobile phone service as an individual consumer, but as a small business owner also subscribes to a broader range of services from the same company. Instead of having one comprehensive view of this customer, the telecom maintains two separate records — one created by the consumer segment team and one by the small and midsize business segment team — which are housed in two different customer relationship management (CRM) systems.

This approach is inefficient from a data management perspective, but it's also limiting from a business perspective. If the telecom doesn't have a single view of who its customers are, how can it market to them effectively? How can it confidently decide where to offer self-service options or maintain a higher-touch approach to customer care? How can it provide a consistent and personalised experience, no matter which segment of the business the customer is interacting with?

Understanding the customer journey

The first step toward improving customer data management is mapping the customer journey. Most of a telecom's customers, regardless of their business segment, have a similar journey with the company across the customer life cycle, as illustrated below. And at every point in this journey, the business is capturing similar, high-value data about their customers, from what products they research to how they



pay their bills.

In this journey, there are critical touchpoints that the business can maximise to help grow relationships with its customers. For example, a small business customer researching a new consumer product could be offered special pricing on that product and onboarded quickly because of their existing relationship with the company; however, for that to happen, the consumer segment's sales team needs to know the prospect is already one of the telecom's customers. Ideally, that team will have access to the entire customer history, their previous interactions, preferences and choices, and use that information to tailor the new interaction.

Without integration between all the different tools used across the enterprise to capture, manage and analyse customer data, telcos will continue to fall short of achieving effective customer data management. That means they will also continue missing opportunities to attract and retain customers and increase revenue in a fiercely competitive marketplace.

Enabling consistency among data tools

The good news for telecoms is that they don't need to move to a single tool or solution to improve customer data management. While such approach might be ideal, it's rarely feasible. For one, dismantling all the legacy technology would be a tremendous lift — and many of those tools are well-built and worthwhile keeping. Also, disruption and downtime aren't options for companies in the business of providing reliable, consistent service to their customers. And certainly, this level of digital transformation across the enterprise would be very costly.

Instead, telcos can take a strategic approach, by providing the necessary data to all relevant departments, like sales, marketing, product development and customer care, at critical points of the customer journey. Once the business has identified those important touchpoints, it can make adjustments to its technology stack — such as using APIs and other tools, where possible — to open business segment silos and ensure customer data is being shared appropriately and timely across the organisation for a full, 360-degree view of the customer, regardless of what “hat” that customer may be wearing during different interactions with the business.

Foundational to an omnichannel digital strategy

By prioritising technical and business process solutions in areas where it will have the most immediate impact, a telco business can essentially fast-track strategic, digital transformation within its existing IT environment and accelerate the realisation of bottom-line results. Importantly, it will also allow telecoms to develop an effective omnichannel experience — that is, being able to engage with and sell to all of their customers across multiple channels consistently and to make the business available to customers in all the ways they want and expect. That highly personalised, VIP experience can be a major differentiator in a market where customers know they have choices and are often quick to change providers.

Learn more about Protiviti's digital transformation solutions [here](#).

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