

# Transforming the Front Office: The Need of the Hour for Communications, Media, and Information Services Companies

## Abstract

We live in a converging world. The rapid adoption of mobility, social media, broadband internet, and other digital technologies is increasingly blurring the distinction between various industries. The communications, media, and information services industries are perhaps best highlighting this dynamic. As the disintermediation of value chains gains traction across this ecosystem, companies operating in this fast evolving landscape have to contend with rapid disruption.

Communications service providers (CSPs) today face declining profits, pricing pressures, and rising customer churn amid the growing popularity of over-the-top (OTT) service providers that have upended traditional communication platforms and services. Media and information services companies, spanning music, television, films, newspapers, and so on, meanwhile, are grappling with a complete transformation of their conventional content creation and distribution models. The emerging trend of direct to consumer (D2C) model continues to pick pace as digitally empowered customers increasingly demand personalized content on demand—anytime, anywhere.

## Customer at the core

For a profitable sustenance going forward, communications, media, and information services companies must aggressively pursue digital transformation to reposition themselves as customer-oriented, integrated digital service providers (DSPs).

Rather than persisting with a 'core-driving-the-edge' approach, they need to embrace an 'edge-drive-the-core' philosophy, wherein the customer is placed at the center of the communications and media universe. Companies should have an outside-in view, with their clients being empowered to play an active role in the way products and services are designed, built and revamped, marketed, sold, and serviced.

## A case for front office transformation

To truly become customer-centric, telecom, cable, media, and information services companies need to effectively leverage digital technologies and transform the front office—their primary interface with prospective and existing customers. In an ultracompetitive marketplace characterized by accelerated innovation and rapid introduction of new offerings and monetization strategies, communications, media, and information services organizations have to deliver unique, compelling, timely, and relevant experiences across the consumer engagement lifecycle.

By orchestrating front office transformation, CSPs and media companies can reduce the time to market and enhance customer experience (CX), resulting in higher net promoter scores (NPS). Front office transformation will also help organizations reimagine their business models for effective monetization of content, network, and other core assets, as well as for reduction of operating costs.

According to an IDC report<sup>1</sup>, 60% of business-to-business (B2B) and 80% of business-to-consumer (B2C) organizations will revamp their digital touch points and the underlying customer engagement systems by 2018. This anticipated

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customer interaction transformation would reflect a pressing imperative to support 1,000 to 10,000 times more customers and customer touch points than companies do presently, the study adds.

## Emerging dynamics

Many companies are currently investing in front office solutions without a proper understanding of customer requirements and preferences. Altimeter's latest annual survey<sup>2</sup> tracking the state of enterprise digital transformation finds 71% of respondents citing understanding of customer behavior as their foremost challenge. Worryingly, only about 50% of the businesses polled in the survey said they have mapped—or, are mapping—the customer journey, Altimeter notes.

In the communications, media, and information services context, some companies see front office transformation as a series of tasks: smooth online transactions, intuitive mobile apps, improved web services, and so on. However, a siloed or piecemeal approach will merely expose the underlying inefficiencies in customer engagement, reflecting the absence of a clear strategy for offering personalized, omni-channel experience.

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## Three key trends

Automation of workflows across functions such as customer support, sales, and marketing has emerged as a major trend, as far as front office transformation is concerned. Organizations want to provision digitally-enabled 'do it yourself' (DIY)—and personalized—customer experiences by eliminating manual intervention in purchase and aftersales functions.

Second, the workforce is being redefined to include channel partners and consumers themselves, with several innovative technologies driving the power of the crowd in front office sales and service interactions. The growing influence of automation notwithstanding, the human dimension in front office transformation is critical, considering that poor face-to-face interactions have an adverse impact on customer satisfaction.

The third major trend relates to ongoing efforts by leading CMI companies to create platform-based business models, in recognition of the shift from supply-side to demand-side economies of scale. As enterprises seek to harness the 'network effect' for their platform initiatives, they will need to re-architect customer experience in a differentiated way. And, that imperative will have significant implications for their customer service, marketing, and sales functions.

## Understanding the customer journey

Understanding the customer journey for recalibration of processes and touch points is a major imperative. This is crucial, as enhancing touch points alone in a siloed manner will not help companies engage with their target group in a consistent manner, resulting in subpar customer lifetime value (CLV) or worse, higher customer churn.

Managing the buyer's journey, and not just individual touch points, is vital, given the explosion of potential customer interaction points across new channels, devices, and applications. A 2015 McKinsey study<sup>3</sup> covering seven European Union telecom markets showed that consumer experience during a multichannel journey was materially worse than during single-channel experiences.

The business benefits which the enterprises can accrue from sustained, diligent customer journey management are tangible, and substantial. By delivering superior experiences across the entire customer journey, firms can boost customer satisfaction, grow sales, reduce churn, and slash overall service costs.

## A roadmap for successful front-office transformation

It is important to be cognizant of the key processes that impact customer experience with the DSP. To reap the desired results from front office transformation programs, CSPs and media organizations should focus on three vital customer facing processes—‘concept to product’, ‘lead to cash’, and ‘trouble to resolve’.

All stakeholders need to work in tandem to ensure agile, cost-effective product lifecycle management. Besides responding to customer needs in near real time, DSPs need to formulate effective and informed strategies around product portfolio, promotions, customer outreach, customer service, and partner onboarding. This should be followed by robust infrastructure management across the product lifecycle, through smooth coordination among between the various functions including supply chain, operations, and marketing.

In addition, companies need to make their ‘lead to cash’ processes frictionless, agile, and customer friendly. They should use data-driven insights to revamp customer engagement programs across various stages of the sales funnel—with regard to advertising, campaign management, product configuration, and prospect mining, among others.

Finally, firms must optimize their ‘trouble to resolve’ workflows to deliver superior quality of service (QoS), ensure adherence to service level agreements (SLAs), and address subscriber concerns and complaints swiftly.

## The building blocks

A revamp of the aforementioned processes requires communications, media, and information services organizations to focus on the four building blocks of customer experience.

First, companies need to personalize the brand experience for each and every customer. As digital service providers like Uber and Airbnb keep raising the bar for customer service, CSPs and media firms must deliver contextualized offers and

services, and undertake distinct marketing campaigns based on different stages of the customer journey. Enterprises can leverage Big Data analytics and machine learning tools in this regard, thereby ensuring relevant and meaningful customer interactions across various touch points.

Second, businesses should empower both customers and employees. This means giving customers the tools to help them get on-demand access to relevant information, and act as they deem fit. For example, firms could provision enhanced self-care options, consistent with their back office processes, and offer co-creation mechanisms, as well as reward desirable behavior.

On the workforce front, organizations should allow employees and channel partners to exercise their judgment for faster customer service. However, such discretion has to be exercised within the policy realm of the service provider. This is where machine learning and gamification techniques can be deployed to equip the workforce with data-driven insights, thus driving dramatic improvements in performance and employee engagement.

Third, CSPs and media companies must make customer engagement all pervasive, in terms of removing silos within various channels. This will ensure that existing and prospective clients connect with the brand at any time, and over any device, to get the service they want.

Fourth, service providers need to proactively communicate with their customers across the different stages of the engagement lifecycle. By using analytics-based insights, firms can understand clients' unique context and preferences, and accordingly, anticipate their needs. For instance, telecom carriers could reduce customer dissatisfaction arising from bill shocks by adding a functionality to their mobile apps that would alert subscribers about potential surprises in their bills.

## Conclusion

Transformation of consumer behavior in the digital era across all industries is only going to accelerate, and the communications and media ecosystem is no exception. Sustaining market share, profitability and mindshare in a hypercompetitive and disruptive landscape will require telecom operators and media organizations to deliver truly differentiated and enriching customer experiences. And, the firms that will create compelling business value will be the ones that use front-office transformation as a critical strategic lever for reimagining their business models.

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