How to Capitalize on the Top 5 Experience Management Trends Shaping Telcos

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While much of the world ground to a halt during the pandemic, life at telcos was just heating up. As almost every interaction went virtual, operators provided the essential connection that powered remote work, video conferencing with friends and family, virtual doctor appointments, and important public health information.

During this time, every customer across generations became even more digitally savvy. Newfound comfort with life online led to an increased desire to interact with businesses in 'self-serve' mode, in the customer's preferred channel and timeframe.

But call centers and retail stores aren't going away anytime soon either.

And with more time and stress on top of already high expectations (thanks to digital natives like Amazon), demand for a top-notch customer experience shot through the roof.

The bad news: Consumer patience is at an all-time low. In fact, after one bad experience, 67% of consumers would actively dissuade friends and family from buying from a company, and 42% would post about it on social media.[1]

The good news: This white paper will share the top five experience management trends that can help you provide the superior experiences that source, keep, and grow customers.

[1] https://www.gladly.com/reports/2021-customer-expectations-report/

Trend 1: Employee Experience Matters

In the midst of 'the Great Resignation,' organizations are turning their attention to employee engagement and experience more than ever before – and with good reason. Just one in three customer service reps are engaged, and those two disengaged reps are very likely looking for a new job.[2] After two years of pandemic-related stress (and no clear end in sight), employees in customer-centric industries are tired. They often deal with in-office work despite COVID risk, little remote and scheduling flexibility, and take the brunt of frustration from customers.

And wouldn't you know it, good employee experience leads to good customer experience. Eighty-five percent of respondents[3] in a recent IDC survey revealed that happy employees mean improved customer satisfaction and higher revenues. Employees understand the products and solutions, and are often one of the most critical points of contact when customers engage with a brand.

Crowdsourcing With Crowdicity

T-Mobile uses Medallia's Crowdicity idea management platform to elicit employee input and feedback. This allows employees a voice in everything from their uniforms to critical customer issues. With Crowdicity, T-Mobile can ask – or employees can volunteer – what issues they see and those they want addressed. Then, other employees can upvote or downvote to help prioritize those ideas. Those ideas that receive enough upvotes are routed to the attention of decision makers who will inform the team if the end-user idea is already in progress, if the idea cannot be pursued and why, or if the idea should be revisited after a certain date. Employees have flocked to this program, and T-Mobile's Crowdicity boasts 15,000 users with 4000 ideas generated to improve their business in the past year alone!

Closed-Loop Analytics and the Power of Positivity

Closing the loop has long been used as a powerful method for capturing, prioritizing, and taking action on unhappy customer feedback. When a bad score or comment comes through, an alert is triggered to leadership to take action. Leaders can then resolve the issue by addressing the issue in-house or contacting the customer to apologize, for example.

But more and more, companies are turning to closed-loop text analytics to fuel 'Power of Positivity' programs, or employee recognition programs, for the workforce. Now, they use the closed-loop feedback system in text analytics to capture the positive with the negative. So, when someone mentions they 'had a great experience with Sam at the store' the other day, Medallia triggers this 'praise alert' to the employee and his management chain. Managers can give a shout-out or other recognition.

In essence, for employees, they're turning to 'carrot' from 'stick.' Rather than punishing teammates for bad feedback, smart telecommunications firms want employees to be engaged and incentivized to do a great job. Some organizations are creating contests where positive feedback leads to real reward in the form of money or giveaways, but many companies are starting with the 'shout out' method to positive results as well. For example, one telco using Medallia's closed-loop analytics has sent out over one million praise alerts internally in only three months to recognize employees' hard work, which has raised employee morale significantly.

And those 'praise alerts' for employees can impact the bottom line too. After four months, another Medallia client saw that agents receiving praise alerts had an NPS score of 47.2% higher than they did prior to being recognized for their outstanding performances.

Trend 2: Focus on Service Recovery

There's no such thing as perfect service. Problems will arise. And when they do, the way you handle them will shape a customer's perception of your organization. Where once customer service options were limited to a single phone number (or walking into the store), today, customer service is increasingly complex, running across chat, social media, email, phone, in-person interactions, and more—not to mention different devices.

Telco companies are currently witnessing a substantial amount of bounce across these channels. Your customer might start an inquiry via a digital channel, then contact the call center and not receive the information they want, then go to the retail store. The inability to get the information they want or need in that first digital interaction is a big negative. Telcos and media brands need to figure out how to drive customers to the right channel the first time to prevent the friction and customer aggravation of multiple bounces.

The stats back this up:

- Forty-six percent of inbound contact to contact centers result from digital and self-service frictions and challenges. Many telcos are pushing call reduction initiatives to address cross-channel friction. Solutions such as Voice AI are being used to streamline and enhance operational efficiencies and customer communication. For example, Voice AI can be deployed to minimize call wait times, automate customer journeys, authenticate customers, deliver appointment reminders, and even anticipate customer queries.

- Contact centers continue to face labor challenges. The pandemic has greatly impacted the availability of people in call center positions, which in turn affects wait times and increases customer frustration. As discussed in the employee experience trend, customer service reps in call centers are wary of spending their workdays dealing with angry, frustrated customers. So much so that agent satisfaction (avg. 8.1) is down 50 basis points YoY. This decrease in satisfaction has contributed to higher worker attrition rates, including for telcos specifically. T-Mobile's customer attrition rate hit 65%[4] the summer of 2021, an increase from 20% pre-pandemic, spawning new employee incentive packages, including higher wages, extra breaks, and — you guessed it — employee experience programs.

- Customers prefer digital communication channels for assistance (72%) versus traditional calls (28%). Digital-first is now the norm for both consumers and companies, and leading organizations continue to invest in digital solutions for self-service. Digital pioneers, such as Amazon, have set the standard for customer experience across industries. Telcos need to follow suit and capitalize on evolving customer behaviors to rethink how best to serve and delight customers. This means optimized self-service platforms that serve use cases across mobile support, plan management, routine monitoring, and others.

[4] https://www.wsj.com/articles/companies-call-in-better-pay-and-perks-for-contact-center-workers-11640608201

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Trend 3: Driving Higher Service Margins Through Digital Innovation

E-commerce is dominating telco and media landscapes by challenging brands to continue to optimize, streamline, and personalize new service connections and improve the customer experience, leading to higher margins. McKinsey suggests telcos "reimagine and reverse engineer" their way to a digital-first future. Instead of digitizing existing interactions, they suggest "designing entirely new interactions by focusing on a digital-back approach to create distinctive digital experiences robust enough to be customers' first port of call."[5]

Because consumers want contactless options—whether for customer support or shopping—brick-and-mortar stores and traditional call centers are increasingly supplanted by digital-first operational models that offer more robust solutions for customer personalization. A platform like Medallia's Decibel, for example, can help telcos better understand where they're succeeding and failing in their online customer experience so they can continuously improve for increased loyalty, conversation, and sales. Organizations use it to identify at which point a customer was frustrated while interacting with their site and understand the corresponding effect on their bottom line.

[5] https://www.mckinsey.com/industries/technology-media-and-telecommunications/our-insights/a-blueprint-for-telecoms-critical-reinvention

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Trend 4: Leveraging Consumer Insights to Accelerate Market Growth

Consumers have adapted to the 'new world' quickly, and brand affinity plays an important role in capturing market share growth. Customer insights are crucial to building this brand affinity and accelerating market growth. *What is improving their experience, and what's impeding it across both services and channels? What does the customer really need regarding both experiences and products? Are they getting what they want in the way that's best for them?*

Organizations need to understand the customer perspective on a deep level to effectively pinpoint the journeys that resonate and build upon that to further optimize the customer experience. An ideal way to obtain deeper insights into the digital experience is by empowering customers to provide feedback and streamlining engagement throughout all interaction channels, including mobile apps, social media, contact centers, and websites. Brands should capture customer signals in real time from surveys, operational data, and digital body language.

For example, one Fortune 500 telco, with millions of subscribers across 25 states, had a perplexing situation on its hands a couple of years ago. Its customer touchpoint scores for Helpdesk, Customer Care, and Field Operations were high and continued to rise steadily. However, its customer relationship scores were low—showing an apparent disconnect between the level of service the company intended to provide versus the customer perception of service.

The US-based teleco realized that though it was successfully capturing data from its own touchpoints, it was still missing crucial insights into the customer experience journey. The company took swift action to close the gap, assembling an agile team dedicated to improving the customer experience and deploying Medallia's Ask Now

technology to get instant insights from real-time customer interactions. Once the team identified the top reasons for customer contact, it undertook weekly, cross-functional action plans—including simplifying communications and self-service tools—to eliminate the key causes of customer dissatisfaction.

By renewing its focus on the customer, the teleco has reaped impressive results, including the following improvements:

Reduced customer churn by

31%

Increased

executive engagement

Decreased customer care call volume by

23%

Enhanced customer retention — NPS grew by

13 points

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Trend 5: Using Predictive Analytics to Drive Competitive Advantage

With constantly evolving consumer behavior, telco and media brands must leverage data-driven insights to anticipate and uncover needs in real time and deliver targeted personalization and proactive service.

Digitally native organizations have introduced disruptive competition, and telcos must leverage data and advanced analytics to attract and retain customers and facilitate seamless multi-channel experiences. Predictive analytics enables telcos to pivot from a reactive to a proactive model and forecast future customer behaviors, surpass customer expectations, and predict short and long-term customer needs.

Forecast network demand

Monitor and tailor network patterns and capacity based on fluctuations in network demand and prepare network expansion priorities.

Precision marketing

Identify potential customers and personalize campaigns appropriately, and use historical customer data to build customized offers and promotions at the right time.

Reduce churn

Mitigate churn risk by analyzing network usage patterns to predict and minimize customer churn.

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Conclusion

Telcos and media organizations must reinvent themselves through continuous transformation or face another "decade of decline."[6] The pandemic provided telcos with an opportunity to shine and provide stability and connectivity amidst profound uncertainty as nearly every facet of human interaction shifted online.

A company's ability to leverage this potential—via increased investment, digital prioritization, and the adoption of intelligent technology—is the decisive factor in determining if it will thrive or fail in the future.

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[6] https://www.mckinsey.com/industries/technology-media-and-telecommunications/our-insights/a-blueprint-for-telecoms-critical-reinvention

About Medallia

Medallia is the pioneer and market leader in Experience Management. Medallia's award-winning SaaS platform, the Medallia Experience Cloud, leads the market in the understanding and management of experience for customers, employees and citizens. Medallia captures experience signals created on daily journeys in person, digital and IoT interactions and applies proprietary AI technology to reveal personalized and predictive insights that can drive action with tremendous business results. Using Medallia Experience Cloud, customers can reduce churn, turn detractors into promoters and buyers and create in-the-moment cross-sell and up-sell opportunities, providing clear and potent returns on investment. www.medallia.com

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