



Customer experience in the new reality

**Perspectives from the
telecom sector**

Global Customer Experience
Excellence research 2020



Introduction

The COVID-19 pandemic has demonstrated the critical importance that telecommunications plays in keeping businesses, governments, and communities connected and running. Because of the economic and social disruption caused by the pandemic, people across the globe have relied on telecoms technology for information, personal connection and working from home. Connectivity has never been more important.

Social distancing, travel restrictions and quarantine have led to an explosion in the use of telecom services. Video conferencing apps saw 62 million downloads in the final week of March, Social media usage has increased by 61 percent and web usage by 70 percent, gaming traffic has more than doubled.¹

The industry reacted quickly to ensure that services were available for those that needed them most, increasing data allowances and broadband speeds, waiving late payment fees and adding capacity to networks. Streaming services reduced video quality to leave more bandwidth for essential services.

Many new behaviors have merged and are likely to remain permanently. Video conferencing among businesses, greater usage of online shopping, additional e-learning for schools and universities and more frequent use of remote healthcare services and video diagnosis.

Everything from medicine to exercise classes could see some form of lasting change. As professionals blend working from home with working in the office new requirements for security and access will emerge.

What is certain, however, is that good-quality connectivity will become an even greater need. Cancelled domestic and global business travel will likely result in a sharp increase in mobile communications.

On one hand, this should be a positive trend for operators; and provide new revenue opportunities. On the other it will highlight the need for operators to consider new business models and more adaptable and cost-effective forms of network deployment.

62m

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70%

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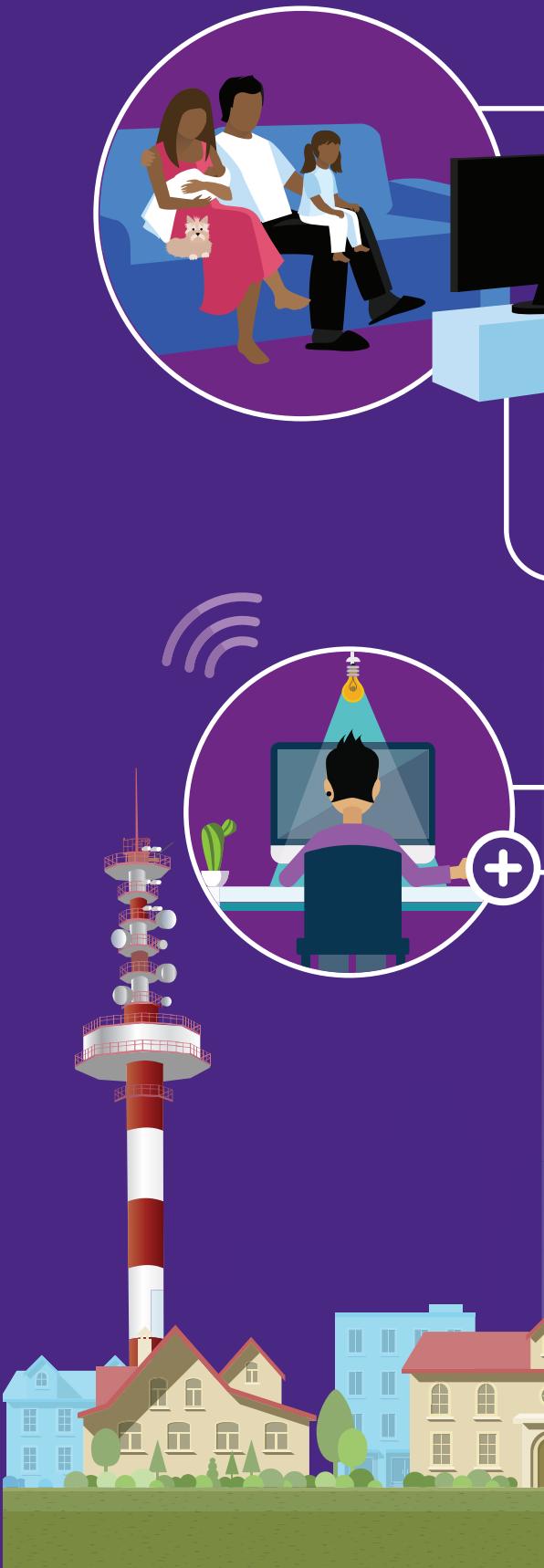
¹ ITU COVID 19 podcast April 2020

The future experience

COVID-19 has introduced a level of uncertainty as to how quickly the industry is able to transition to the new network platforms necessary to handle increased volume and complexity demands. This may have a significant impact on the industry's ability to:

- Respond to the acceleration in remote working which may well increase security and infrastructure risks for customers and telcos. Some elements of telecommunications work cannot be easily duplicated remotely — or in some cases done at all. Creative ways of meeting changing customer needs will need to be developed.
- Keep pace with phone manufacturers already equipping their devices with 5G capabilities. The manufacture and delivery of 5G network equipment is likely be delayed, slowing 5G and fiber network builds, causing a pause in the smooth transition to new technologies
- Handle excessive demand on mobile and communications networks — a function of temporary suspension of data caps and a switch to unlimited plans — which could affect service quality, creating a ripple effect as companies across various sectors implement remote-work plans.
- The acceleration of the connected home and the Internet of Things provides new opportunities for telecoms to be more than simply network providers.

A successful response to these issues and the exploitation of the potential opportunities has implications for how telcos understand these new customer needs and behaviors, the types of experiences that are now required and the business model and organization design needed to deliver them.





The recovery pathway

Telcos in the main have been counter cyclical with regards to COVID-19 suffering less and seeing revenue enhancement due to increased traffic. But telcos are at a strategic crossroads and success in the new reality requires putting consumers at the heart of their value propositions and designing seamless new solutions, backed up by meaningful data security.

Many companies in our customer experience excellence research this year have seen COVID-19 as an opportunity to examine every aspect of their business and use the crisis as a springboard for change, adopting a 'never the same again' mantra as they dissect the implications of the COVID-19 for them. For telcos the next stage of development requires first addressing some strategic questions:

- How far do we go beyond network connectivity? In mature markets connectivity is becoming fully commoditized and regarded as an invisible on-tap experience. Consumer IoT and content provision could open new revenue streams.
- How do we build customers trust in a world of cyber security concerns? In a recent KPMG International survey 98 percent of respondents were concerned about data security.²
- How will we leverage customer data? AI offers the opportunity for a quantum leap in customer experience enhancement by utilizing the data to improve targeting and personalization.
- How can we build stronger customer relationships through partnerships? As the world moves to retail platforms what role do these play in telecoms and what partnerships and alliances are necessary to meet emerging customer needs and wants.
- How can we win the hearts and minds of our customers? Globally the telecoms industry is one of the lower performing sectors when it comes to customer experience. In a saturated market customer loyalty is critical. Outstanding customer experiences are the only way to secure loyalty and advocacy.

The Six Pillar model was developed to provide a precise and practical definition of the kind of emotional outcome a successful experience needed to deliver. Based on over 4 million detailed customer reviews, The Six Pillars have been validated in 27 markets this year and modeled against the commercial outcomes of retention and recommendation. The Six Pillars are inextricably intertwined and, in combination, provide a powerful mechanism to help organizations understand how well their customer experience is delivered across channels, industries and company types. The leading organizations demonstrate mastery of these pillars and are outstanding at all of them. [Click here for more information.](#)

² KPMG International Research, June, July 2020

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Alex Holt

Global Head of Telecoms & Media

When it comes to developing a customer relationship that leads to long term relationships The Six Pillars of Experience provide guidance:

Integrity

Trust is at the heart of all customer relationships, being seen to act in your customer's best interests is a key driver of trust. Telcos are perceived as acting in their own interests first. There is work to do here to re-establish trust in the industry. Areas such as network security and digital data are concerns for customers diluting trust.

Empathy

Telcos need to demonstrate they care about their customers and show the right levels of emotional intelligence when dealing with customers in difficult circumstances.

Resolution

The transfer of work from the office to home presents new opportunities to innovate. A problem-solving mindset is required to remove the myriad of frustrations customers have with their telco provider.

Personalization

Customers need to feel they are important and valued. This is more than a rewards program - it is a sustained focus on meeting customers' individual needs expressed and unexpressed.

Expectations

Telcos need to move from treating their customers as captive contract holders to building a relationship across the lifecycle, customers need to have their expectations reset as to what they can expect in terms of service from their provider.

Time and effort

Ease of access, frictionless processes, there is some way to go for Telcos to deliver easy customer journeys.



Case Study

Pepephone

Pepephone are a relatively new entrant to the mobile market. What they have done, is to observe and learn from the mistakes made by the rest of the mobile telephony operators, listening to users' complaints and creating some behavioral "principles" to fill in the service gaps. For them it is about getting the basics consistently right.

This operator's clients are asked to sign no long-term commitment clauses. They are all automatically updated to the best tariff currently being offered to new clients and are compensated for any service incidents without having to lodge any claim.³



Case Study

AIS

AIS's mission is a simple one "To provide the best customer experience". Its commitment to customers is do so "through deep insight into people's needs, personalized products and services that meet those needs, and unparalleled service that says we will do our best to assure you live in "Your World. Your Way". Customer insight is the fuel that drives AIS to ever improving customer service.

There are a large number of international customers in Thailand, a number that is continuing to grow. As a consequence AIS operates service and support call centers in five foreign languages including English, Japanese, Chinese, Burmese and Korean. The call center also supports four distinct dialects of Thai — central, northern, southern and north-eastern (closely related to Lao).

By segmentating the international customer base, they identify the particular capabilities that will be required of employees for each language and recruit from sources such as language institutes. Call center personnel are continuously trained and assessed by language instructors to identify areas for improvement.⁴

³ https://www.gmv.com/blog_gmv/language/en/pepephone-strategy/

⁴ <https://www.ais.co.th/sustainability/en/ais-customer.html>

Hall of Fame 2020

The leaders in this year's global CX research are well adapted to respond to new and emerging customer requirements. Each of the companies in this year's hall of fame are united by their desire to continually improve and innovate. They realize that digital services require a human touch and are mastering the art of highly personalized service across channels.

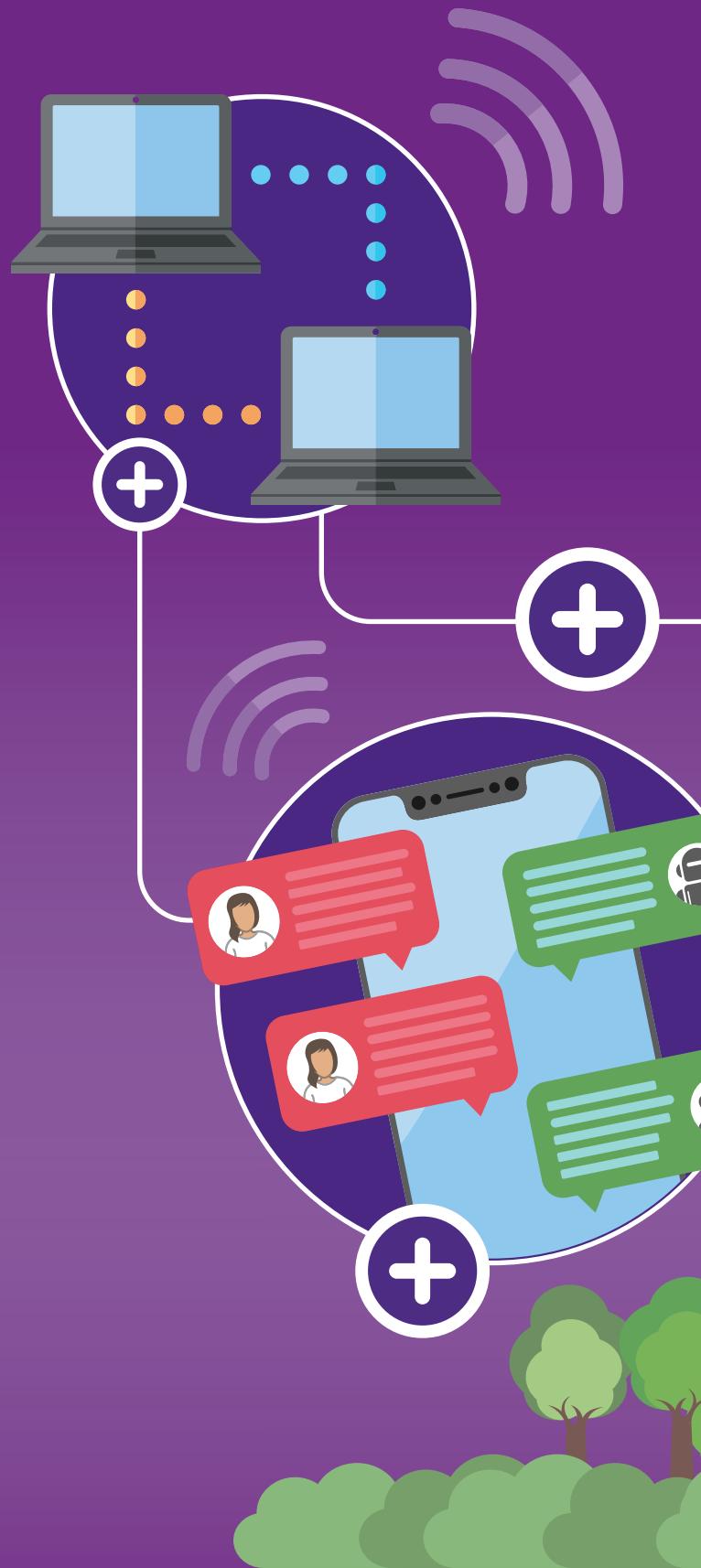


Note: Hall of Fame based on brands' CEE performance relative to their market, according to consumers in the market specified.



Summary

As COVID-19 drives a surge towards an ever-increasing world of connectivity, where the pace of change accelerates year upon year. Telcos still have considerable work to do, centralized around the customer, if they are to utilize new technologies intelligently and profitably.





Get in touch

COVID-19 presents challenges to businesses — but also opportunities. It throws light on the need for organizations to put the customer at the heart of the business and have a coherent, consistent intent across their Front Office functions — and indeed connect the entire enterprise. It highlights the importance of digitalization and robust data collection so that organizations make decisions based on evidence, not instinct. And it foregrounds how essential it is for organizations to consider how each function fits together.

To flourish rather than flounder, businesses must determine the correct investment strategy across the Front Office by considering their customers, their brand and their place on the economic curve, so they can invest with greater certainty of return. All companies will be physically constrained during the measures to contain and limit the impacts of COVID-19 and their values will come under close scrutiny. However, they must leverage their ability to adapt and be resilient, embrace technology and, above all, trust their teams to put their customers' needs first and foremost — as this will bear fruit long after the pandemic is over.

If you have any questions regarding the possible impact from COVID-19 or are looking for help to position your customer experience strategy to be resilient in the face of future threats, please do not hesitate to get in touch with our global network of consultants.

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