Total Customer Experience (TCE) Evaluation

For

TELECOM OPERATORS

GOCEM

Common Challenges of

Telecom Operators

Telecommunications service is big business. So big that almost every marketer is jealous of the scale, scope, budget and size of the business that telcom operators handle year after year. The recurring revenue seems to be a lucrative model to keep cash flowing in, too.   However, if you are a telecom operator, you see the story differently.   You see a rapid erosion of your core business, caused by commoditization of products and services, fierce price wars, continued investment to keep pace with new technologies and even the emergence of virtual operators.

Telecom operators in different countries and markets face different challenges and threats. Nevertheless, the four challenges below may be the most common pressing concerns for telecom operators nowadays:

Decreasing ARPU   You may try very hard to earn extraordinary ARPU from High-value Customers, to drive ARPU from Low-value Customers, and to drive up VAS Revenue and Margins. Despite the fact that you have spent tremendous resources to implement your winning strategies, *ARPU is still decreasing*.

Increasing Churn   You may have the most innovative Loyalty and Retention Programs, highly competitive Prices, Structures and Plans, and deliver best-in-class services to your customers. Although you get pretty high Satisfaction scores, *Churn rate is still increasing*.

Lack of Brand Identity   You may have the largest market share in your region, but that makes you particularly vulnerable to low-cost operators. Both customers and employees feel no differences between your brand and your competitors' brands.   You struggle to build your brand but just don't know what to do or how to do. *Your brand is Big but Empty*.

Channel Complexity   You are adding more and more product and service offerings for your customers; and they are experiencing and perceiving you through new and emerging touch-points and channels, especially through new social media. Managing such a dynamic and complex mix of channels is a nightmare. *It creates Inconsistent Customer Experiences across Channels.*

How do you manage these challenges? You need the following: a management system that provides you quantifiable metrics to measure results; a scientific approach that clearly explains the relationship between satisfaction, buying behavior and referrals or word-of-mouth; sound and solid management principles to correlate customer experience and your brand strategy; and a systematic framework and methodology to design and monitor effective customer experience delivery across multiple channels and touch-points throughout the entire customer lifecycle. In short, you need to manage using a Total Customer Experience approach.

TCE Evaluation

An Overview

Customers perceive you and your brand as a whole, not by different functions or departments. Customers experience you at some touch-points or channels that you may not even be aware of. Customers at different lifecycle stages have entirely different customer journeys. The conventional approaches for managing customer experience can hardly take you towards delivering a Total Customer Experience (TCE).

Limitations of Conventional Approaches

- Without an *integrated* approach, you are always working independently as departmental or functional silos and delivering inconsistent experiences.
- Without a *quantifiable* approach, you are not able to measure, and thus can hardly manage or improve the effectiveness of the customer experience.
- Without a *pragmatic* approach, you may build an extremely detailed Total Customer Experience model, good-looking on surface, but taking you nowhere in execution.

G-CEM has created an *integrated*, *quantifiable* and *pragmatic* Total Customer Experience approach -- TCE Model Building and TCE Assessment, representing TCE Evaluation service. The skeleton and content are based on our patent-pending CEM methodologies. The Branded Customer Experience Management Method deploys time-tested theories and uncommon principles in a structured approach for experience design and assessment. The extensive X-VOC (Voice of Customer at Experience) research across different industries evaluates touch-points' effectiveness in driving desired outcomes and achieving target objectives. The Evaluation helps companies to generate three distinct advantages over competition:

1. **Managing TCE by Increasing ARPU & Decreasing Churn** There is a vital difference between making customers Happy and making them BUY. More satisfied does not equal more purchases or increased consumption. Similarly, more satisfied does not equal more loyal or less likely to churn. You can move customers to be both Happy and Buying (whether driving new Acquisitions, increased ARPU, or decreased Churn) by adopting a results-driven TCE approach.

2. **Delivering Consistent & Branded TCE across Channels** When customers perceive and experience your brand in a way that your brand values stand out, they can feel the differentiated experience brought on by your brand.   Then, you leave the price-driven Red Ocean. To accomplish this you do not have to spend more; but a different yet integrated TCE approach Is required.

3. **Improving Sense & Response Time and Effectiveness**   Speed alone is not the most important aspect of handling customer calls. You need speed plus accuracy. There are so many customer needs that can be addressed but you have limited resources. With a complete TCE Model in place, you can figure out which areas are critical and address and prioritize them. You deliver can deliver timely and proactive TCE at channels and touch-points across the entire customer lifecycle.

TCE Evaluation – Phase I

Model Building

TCE Model Building sets a comprehensive blueprint and renders a complete architecture to *measure*, *manage*, and *improve* the total customer experience perceived at multiple touch-points and among multiple channels across the entire customer lifecycle. Patent-pending CEM methodologies are adopted to generate the three key deliverables of TCE Model Building:

1. Map Touch-points and Associated Channels across Entire Customer Lifecycle

Any inappropriately-selected, missing, or mistakenly-defined touch-points and associated channels may impose misleading effects on model building and assessment. This may lead to incorrect analysis and inappropriate recommendations.

2. Define Typical Customer Journeys

Failing to distinguish the different experience paths of different customer segments at different customer lifecycles may lead to over-generalization of customer journeys, block vision, and handicap the ability to manage different combinations of touch-points and channels when designing the target branded experience.

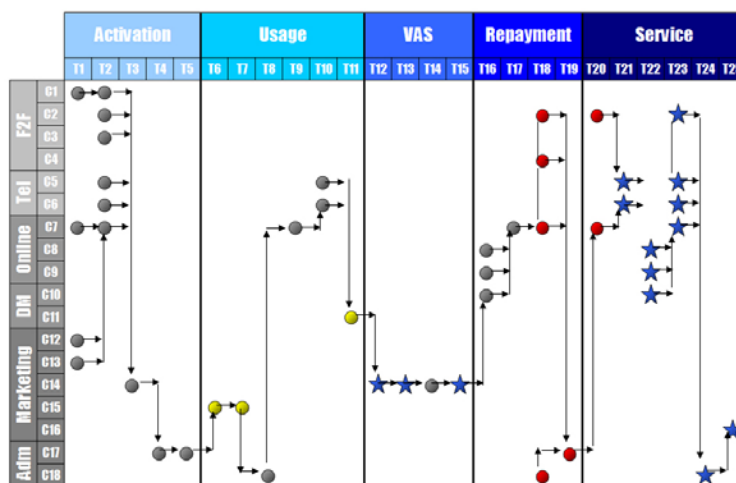## 3. Build a Total Customer Experience Process Model

Less is more, especially when deciding what to and what not to include in the TEC process model. Including too many touch-points and channels in chaotic tiers, or mixing up touch-points with sub-processes and attributes, not only damages accuracy, but also may cause the TCE model and assessment to malfunction.

Samples of Touch-Points	**Samples of Channels**
● Face-To-Face	● Marketing
● Retail	● Sales
● Online	● Service
● Call	● IT
● DM	● Admin
● Advertising	● Finance
● Promotions	● Warehouse
● Events	● Logistics
● Social Media	● Management
● Handset	● Distributors
● Network	● Partners

An Example of a Simplified Version TCE Process Model (Visual)

TCE Evaluation – Phase II

Assessment

The TCE Assessment quantifies the effectiveness of the experience in driving customer satisfaction, brand differentiation, acquisition, retention, and advocating; derives the critical moments; and benchmarks the total customer experience. Patent-pending CEM methodologies are adopted to generate the three key deliverables of the TCE Assessment:

1. Evaluating Experience Effectiveness in Driving Target Objectives

A TCE Assessment is entirely different from traditional service audits or satisfaction surveys. It goes far beyond these as it not only measure satisfaction but also the effectiveness of an experience in relation to other business objectives.

2. Deriving Critical Moments to Customers, to the Brand, to the Bottom-line, and to Loyalty

If you purely focus on critical moments that drive customer happiness, you may be putting your brand equity or even company's profitability at risk. Customer satisfaction may have an inverse correlation with brand differentiation and buying behavior. Knowing what to measure and how to analyze the results are the keys.

3. Benchmarking Total Customer Experience against Internal & External Parties

The true value of TCE Benchmarking is not only comparing the highs and lows of performances, but also the extent to which an integrated and branded experience is delivered, with the best use of resources amongst touch-points and channels.

Samples of Effectiveness Evaluation
- Driving Satisfaction / Creating Positive Memories
- Driving Differentiation / Reflecting Brand Values
- Driving Acquisition / First Time Customers
- Driving Retention / Reducing Churn
- Driving ARPU / Sales Volume per Transaction
- Driving Advocates / Positive Word-of-mouth (WOM)
- Driving NPS (Net Promoter Score) / Referrals

Samples of Critical Moments Derivation
- X-MOT (Moments of Truth at Experience)
- MOD (Moments of Differentiation)
- MOB (Moments of Buying: acquisition, Churn, ARPU)
- MOA (Moments of Advocates: WOM, NPS, referrals)

	Experience Ratings	Importance to Satisfaction	Importance to Differentiation	Importance to Acquisition	Importance to Retention	Importance to ARPU	Importance to Net Promoter
Activation T1	6	21	23	9	19	19	19
T2	4	23	21	23	18	10	23
T3	20	25	25	25	23	25	24
T4	13	19	19	21	2	4	22
T5	12	24	24	24	25	24	25
Usage T6	21	17	1	19	12	18	17
T7	22	16	2	15	10	12	16
T8	7	18	17	6	7	15	12
T9	8	20	18	13	22	23	6
T10	15	14	15	14	11	16	14
T11	23	15	4	18	24	21	13
VAS T12	14	9	9	7	8	5	8
T13	19	10	3	11	13	6	9
T14	25	22	12	22	20	13	21
T15	18	11	10	12	14	8	11
Repayment T16	2	13	20	17	21	20	20
T17	1	12	16	20	1	1	18
T18	5	7	22	10	6	22	15
T19	16	8	14	8	15	9	7
Service T20	3	2	13	2	3	2	2
T21	11	1	7	1	4	3	1
T22	10	3	8	5	9	17	4
T23	9	5	5	4	16	11	5
T24	17	4	11	3	5	7	3
T25	24	6	6	16	17	14	10

A Snapshot of Touch-points' Importance Rankings

Samples of TCE Benchmarking
- Industry Competitors' TCE Performance (for formulating competitive TCE strategies)
- Different Geographical Regions' TCE Performance (for companies with global operations)
- Different Business Units' TCE Performance (for companies with diverse product range / customer segments)
- Target Versus Current TCE Performance (for deriving the required capabilities)
- Different Periods' TCE Performance (for KPI setting and performance monitoring)

Total Customer Experience Management
12 Building Blocks

TCE model building and assessment is only the first step of the journey. The following 12 Building Blocks give you a roadmap for delivering a branded and consistent total customer experience.

1. TCE Assessment (X-VOC) includes building the TCE process model covering multiple touch-points and channels across the entire customer lifecycle and evaluating the current effectiveness of touch-points' experience.

2. Voice of Customer (VOC) includes identifying the most critical needs of customers and assessing the current performance levels against critical needs.

3. Customer Value Management includes quantifying the value contributed by your customers and measuring and managing the migration of customers.

4. Target Customer Segmentation includes defining your most valuable customers for acquisition, growth and retention and grouping them by critical needs.

5. Brand Values & Needs Positioning includes determining the target brand values needed to meet or exceed some of the most critical needs of your target customer segments and deciding on target performance levels for the remaining critical needs.

6. Experience Design by Objectives includes identifying target objectives and prioritizing the expected results generated by the total customer experience across all touch-points and channels.

7. Touch-Point Innovation & Reengineering includes transforming the target brand values and embedding the target objectives into innovation and reengineering of touch-points, channels, attributes, and sub-processes.

8. Multiple Touch-Point Synergies includes optimizing resource allocation among multiple touch-points and channels, creating an integrated and consistent experience across the entire customer lifecycle.

9. Single Touch-Point Optimization includes maximizing the pleasure and pain gaps during a touch-point experience and creating a branded (reflected target brand values) and effective (achieved target objectives) customer experience.

10. Capabilities Identification & Development includes translating performance gaps into required capabilities on leadership, people, process, product, and technology and developing and enhancing those capabilities.

11. Implementation Roadmap & KPI includes setting a phased implementation roadmap and KPIs.

12. TCE Monitoring Mechanism includes installing a system to monitor the experience levels of multiple touch-points and channels across the entire customer lifecycle. TCE is not a destination; it is a closed-loop management system. You have to continue the journey with Step 1 to evaluate the effectiveness of touch-points' experience in driving target objectives.
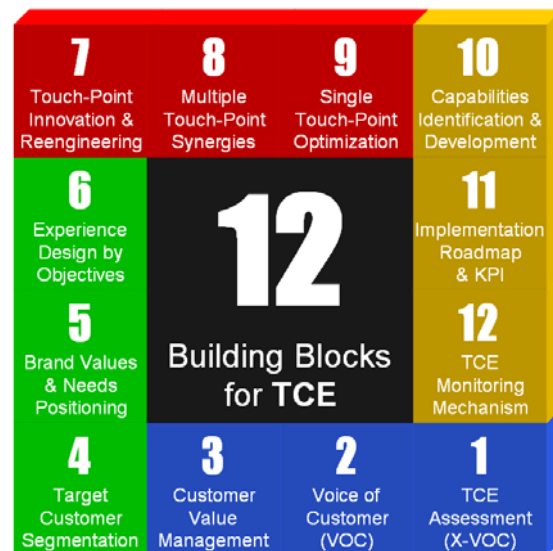
Kick-off Your TCE Journey

## Building a solid foundation for successful TCE

TCE Evaluation is the first step of the TCE journey. G-CEM has created an *integrated*, *quantifiable* and *pragmatic* Total Customer Experience approach – TCE Model Building and TCE Assessment representing TCE Evaluation service. The skeleton and content are based on our patent-pending CEM methodologies.

→ **Managing TCE by Increasing ARPU & Decreasing Churn**
→ **Delivering Consistent & Branded TCE across Channels**
→ **Improving Sense & Response Time and Effectiveness**

TCE Model Building

TCE Model Building sets a comprehensive blueprint and renders a complete architecture to *measure, manage*, and *improve* the total customer experience as perceived at multiple touch-points and among channels across the entire customer lifecycle.
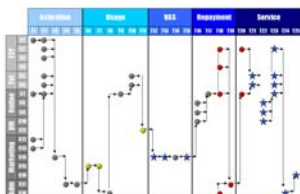
→ **Map Touch-points and Associated Channels across Entire Customer Lifecycle**
→ **Define Typical Customer Journeys**
→ **Build a Total Customer Experience Process Model**

TCE Assessment

The TCE Assessment quantifies the effectiveness of experience in driving customer satisfaction, brand differentiation, sales transactions and creating advocates; derives critical moments; and benchmarks the total customer experience.

→ **Evaluating Experience Effectiveness in Driving Target Objectives**
→ **Deriving Critical Moments to Customers, to the Brand, to the Bottom-line, and to Loyalty**
→ **Benchmarking Total Customer Experience against Internal & External Parties**

For further discussion, contact Alice: Alice@G-CEM.org

About G●CEM

G-CEM (Global Customer Experience Management Organization) helps companies to create effective customer experience. Our patent-pending methodologies combine the art and science of CEM in assessing and delivering branded and total customer experience (TCE). G-CEM International Partners are located in Europe, Asia, and North America. Our services include TCE Evaluation and CEM Certification. Visit Us: http://www.G-CEM.org.

Total Customer Experience (TCE) Evaluation

The TCE Evaluation consists of two parts: TCE Model Building sets a comprehensive blueprint and renders a complete architecture to measure, manage, and improve the total customer experience as perceived at multiple touch-points and among multiple channels across the entire customer lifecycle. The TCE Assessment measures the effectiveness of experience in driving customer satisfaction, brand differentiation, sales transactions and creating advocates. The combination of TCE model building and assessment helps companies deliver a branded and effective total customer experience. For details, please visit: http://TCEevaluation.G-CEM.org.

Global CEM Certification Program

The Global CEM (Customer Experience Management) Certification Program is designed and co-delivered by G-CEM International Partners and endorsed by nine authorities. Since January 2006, G-CEM has run the program in 16 cities including London, Amsterdam, Barcelona, Frankfurt, Paris, Dubai, Hong Kong, Shangahi, Singapore, and San Francisco etc., with clients from 58 countries. For details, please visit: www.cemcertification.org