Surfing the Digital Channels wave in Telecoms

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The transition from Offline to Online

The complexity of the product and service portfolio in Telco makes the transition from the traditional customer relationship model based on physical channels (shops, call centers, et. al.) to one based more on digital channels very challenging. Telcos offer complex configurable bundles with mobile, internet, content, landlines, and other products The complexity is furthered by various sales processes unique to specific service lifecycles (portability, migrations pre-to-postpaid, fixed service provisioning, etc.). The rigors involved in delivering smooth and simple customer experience make it especially difficult to achieve high effectiveness in digital channels. Hence, the importance of clearly and precisely defining the role that online channels should play in the sales & service ecosystem. This begins by identifying the strengths of the channel and understand the types of transactions most likely to be executed there.

One of online's strengths lies in commercial cost optimization. Part of its role should be to alleviate costly transactions executed in expensive outsourced channels. A perfect example of this is contract renewals done just before contract end. Offline channels are successful but at high cost. And it takes capacity from offline channels' focus on their strength in delivering core product & service sales.

There are two strong arguments for online renewals. First, online can efficiently capitalize on customer intelligence activity that makes the right renewal offer to the right customer at the right time. Secondly, the simplicity inherent in the online sales process brings high conversion rates. Customer convenience is boosted by personalized one-click offers and auto-completed check-out.

Another operation well suited to digital channels is that coming from fiber products & services.

The complex portfolio of fixed products and solutions can be simplified for the customer with online's adeptness in providing awareness of availability, displaying benefits, and digitally linking to offline for closing steps in the sales process.

Online needs three mechanisms to be effective in this type of transaction. The first one is to quickly be able to confirm coverage in the area. The second is a powerful offer configurator that allows users to discover and understand the value proposition clearly and accurately. Lastly, online needs to have click-to-chat/video links to refer good leads to telesales channels with strong success-oriented commission models.

Defining the channel mix and the product mix for each channel is a complex activity to which telecoms must devote strategic attention. Understanding product and customer typology as well as performing detailed quantitative analysis of channel effectiveness by product type and value/cost is key to optimizing budgets and hitting targets.

In addition, it is essential to design a set of well-orchestrated initiatives that help to push this change of mix from offline to online channels.

The most relevant of these are undoubtedly those related to the review of the value proposition of the different channels, the inclusion of new functionalities for digital assets, the readjustment of commercial targets, the adjustment of unitary commissions, and the ensuring of financial health for partners in the process (compensation bonuses, pre-qualified lead pools, etc.).
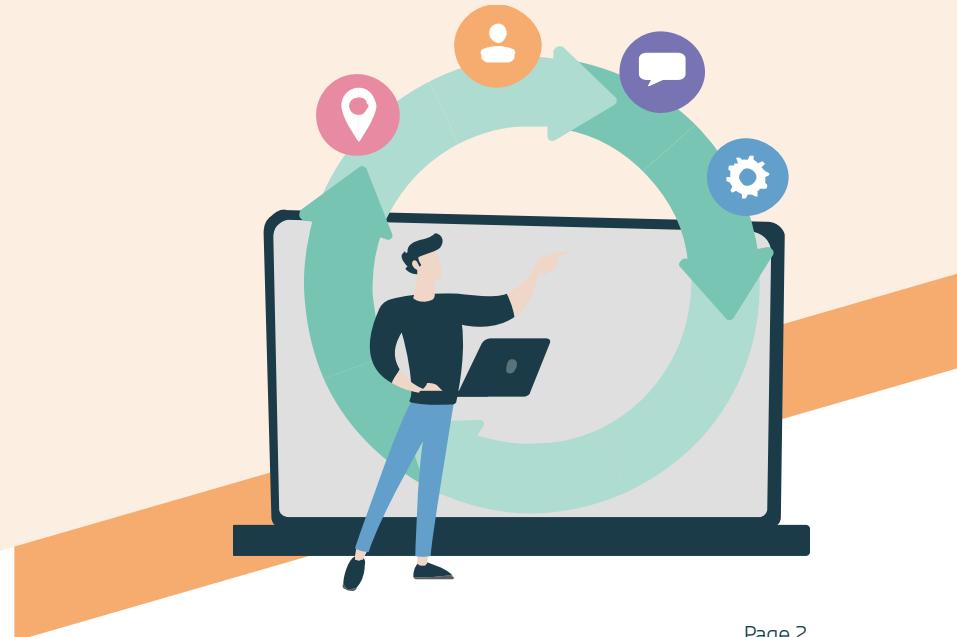
The effectiveness of the Online Channel

Having defined the role that the online channel should play, the next step operators should focus on is improving the effectiveness of the digital funnel.

The objectives are clear in this area:

1. Generate a higher volume of traffic with better quality and lower cost

2. Improve the conversion rate for the different types of transactions to be executed in the online channel

For the first point, there is need to optimize the work in many dimensions.

Everything must start with a good distribution of the advertising investment mix in order to guarantee a good return on investment. An optimal media mix should be created that guarantees alignment with target customer segments through their ideal channel.

In this digital media mix, in addition to the traditional SEM, Facebook and Google Ads, the presence emerging formats (Youtube, Tiktok, etc.) should also be taken into account.

Another of the dimensions to tackle is the presence in search engines (SEO): mainly in Google (which accounts for 96% of searches in Spain).

SEO traffic remains the highest volume traffic (44% on average) and will po1se new challenges for companies in 2022 to meet Google's new requirements.

These requirements will come in three areas. The first is the improvement of the customer experience through the effective resolut2ion of the Core Web Vitals that will measure the load, interactivity and visual effectiveness of the site. The second being the quality of the content in terms of expertise, authority and relevance. Finally: the alignment with Google Discover to leverage that information to improve customer intelligence.

In the conversion rate arena, the trends are very much aimed at the implementation of Conversion Rate Optimization (CRO) methodologies and systems.

Assembling multidisciplinary work teams, where digital analytics, CRO, UX, UI and multivariate testing are represented, will provide telco companies with two competitive advantages. First, consistency is delivered, since everything that is made available in the digital environment will be duly tested and its effectiveness validated, Next, continuous Improvement becomes prevalent, since the gradual increase in the conversion rate will come from the sum of small incremental actions that speak to customers needs in the most effective way.

Phygital – The digitization of the Telco point of sale

One of the industry's priorities is to remove the barrier that currently separates the physical world from the digital world. To do this, a digitized point of sale must make a difference both in terms of customer experience and in improving the effectiveness of retail sales funnels.

Today, there is sufficient technology for the implementation of a Phygital concept at the Telco point of sale. on two distinct levels.

The first is interaction with the customer. The customer relationship model should evolves along the shop journey: improving traffic traceability with Wi-Fi sniffers, heat maps with new generation camera technology, simplified greeting and queue management processes without tickets but Apps, and digitizing the waiting process by means of digital signage that can be customized in real time using QR codes and, lastly, more robust digital sales process where mobility within the point of sale and the digitization of the closing process (signing, onboarding) become reality.

The second area to be digitalized is shop operations. Real-time management of the point of sale by store managers and cluster management by area managers enables better control, visibility and reaction time behind effective sales activities. Implementing solutions that allow the control of the main sales KPIs in real time (traffic, conversion rate, value per transaction, etc.),

as well as the main operational KPIs (shifts, utilization, commissions,etc.) will allow telcos to evolve towards more effective point-of-sale operational models.

Omnichannel

A recurring concept in the telecommunications industry in recent years is omnichannel. As a concept, it is clear. We can define omnichannel as a communication and touchpoint strategy that seeks to offer a comprehensive customer experience by making the right channel available for subsequent customer interaction without losing traceability and context.

In this area, the challenge for telecommunications operators is obvious. How can it be put into operation? How can we make omnichannel a reality in our daily customer interactions? In this area, the trend in the sector is also clear. The concept is built on three fundamental dimensions.

1

The first is the comprehensive definition of customer journeys. The optimal experiences,through various interaction channels, for different types of customers (buyer personas), and for types of activity needs to be mapped out.

These omnichannel journeys must take into account both customer preference and the strengths and effectiveness of the channel at different stages of the sales funnel.

2

The second fundamental lever is technology. Omnichannel platforms (Digital Hubs) must be made available to centralize all information related to customer interactions.

These platforms must include front ends available in all channels (offline and online) so that the different offline sales agents can include all collected information related to their customer interactions: basic customer data, offers made, lead qualification, opportunity, etc. This enables the Digital Hub, through advanced intelligence mechanisms, to accurately decide which channel should handle the next customer interaction.

3

Lastly, omnichannel is operationalized further by the set up of omnichannel sales attribution and governance models. The world of commissions is key to both sustaining cross-channel sales activity and fostering omnichannel contribution.

These models, again through the information collected in the Digital Hub, should be able to transparently track and identify the exact contribution in the sales process of each channel and associate commissions according to the value provided. This will encourage offline to generate actionable leads for online. Tracing the lead's lifecycle and value enables fair remuneration distribution when deals are closed.

Do you want to find out more?

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