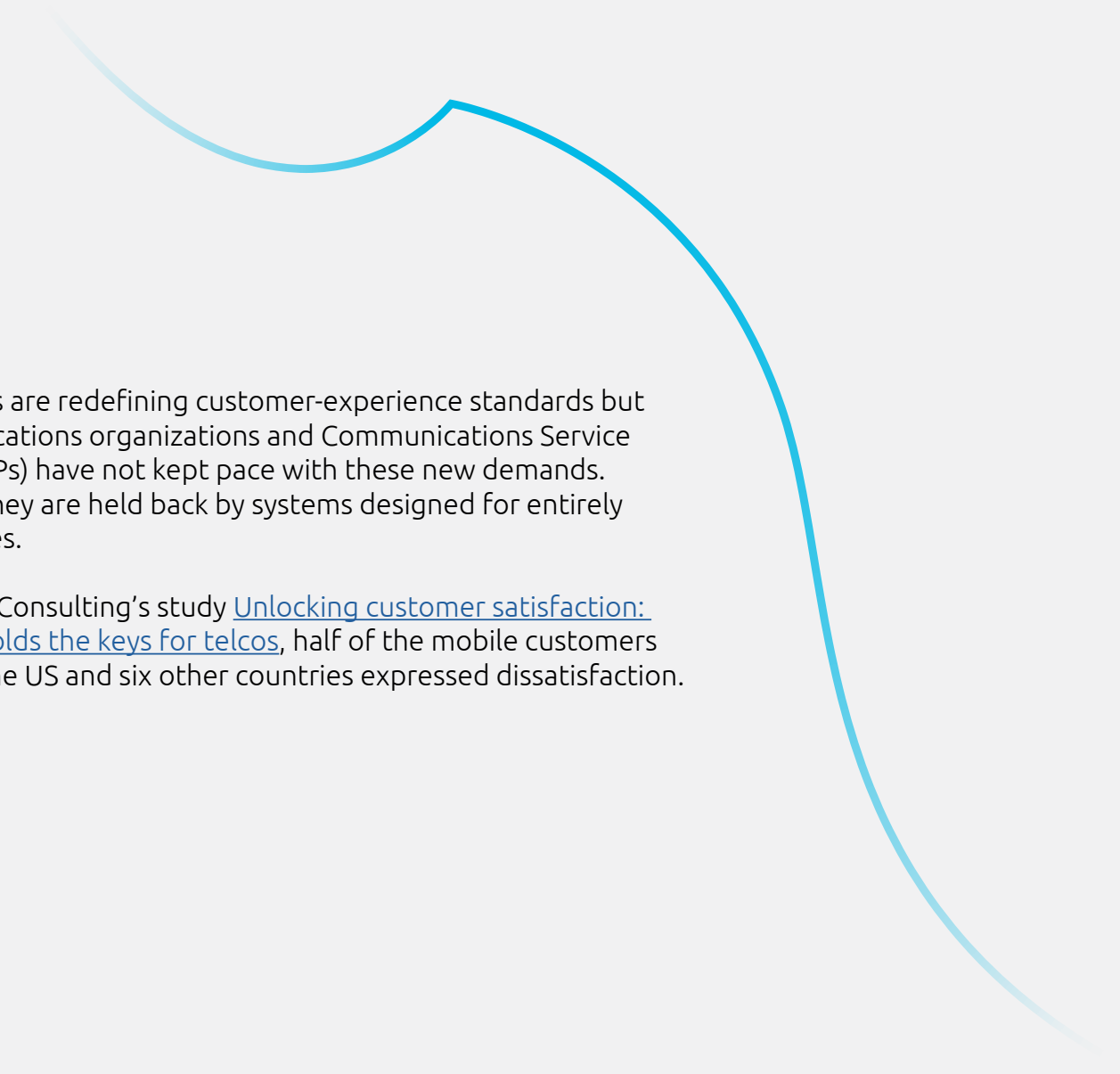# SINGLE-VIEW SYSTEMS CANNOT HANDLE MODERN COMMUNICATIONS CUSTOMERS

Moving from individual interactions and transactions to meaningful, context-based customer engagement in telecommunications

Capgemini

Digital natives are redefining customer-experience standards but telecommunications organizations and Communications Service Providers (CSPs) have not kept pace with these new demands. Specifically, they are held back by systems designed for entirely different times.

In Capgemini Consulting's study <u>Unlocking customer satisfaction: Why digital holds the keys for telcos</u>, half of the mobile customers surveyed in the US and six other countries expressed dissatisfaction.

The problem: a single view of the customer

Personalized, contextual engagement remains a pronounced challenge for CSPs, but executing on the opportunity provided by data-driven, contextual experiences offers a promising way forward.

One of the primary problems is the age and purpose of CSP systems of record. Often, these data architectures are merely an extension of the billing systems. With a direct lineage to the Bell telephone days, these systems were designed to focus solely on a single subscription delivered to a single address but are now being asked to shoulder today's complex service, product, and customer environments. This is not possible.

The main issue today is a stark lack of context in customer interaction. CSPs serve such a diverse range of markets, industries, and solutions that it is impossible to deliver the real-time personalized experiences customers demand using a single-view system. For instance, negotiating a deal with an auto manufacturer who is looking to implement a massive 5G Internet of Things solution requires very different datasets and analysis than selling a simple phone or mobile subscription to a consumer in a store.

Quick fixes only make things worse

Some CSPs have tried to retool billing systems to become customer oriented. However, these systems remain rooted in the single-view model.

An example is the rollout of "lifetime value" customer scoring. In theory, this model captures the total worth of a customer throughout the length of a relationship. But, in practice, this model has continued to fall short. Why? Two reasons.

1. Lifetime value is based on one codified definition of a customer prioritizing one type of subscription: an extremely simplified view in today's complex world.

2. Lifetime-value mechanisms view future projections through a very narrow lens of past interactions. Instead, they need to look to the future and model potential growth avenues.

These quick fixes are no longer enough to meaningfully connect with customers, and these patchwork strategies restrict the organization's ability to pivot towards digital transformation, damaging brand perception and choking revenue streams.

LIDA: a way forward

The staggering implementation, customization, and optimization costs of completely tearing down old technology infrastructures is often enough to stop organizations dead in their tracks.

We have worked, though, to develop solutions that strike a balance between immersive, contextual customer interaction and strategic realities for CSPs. This approach – Legacy Isolation through Digital Architecture (LIDA) – is the practice of using digital integration-architecture patterns and solutions to build an abstraction layer between modern digital systems and classic systems of record (billing).

There are two approaches to getting to market quickly and then iteratively creating a more robust system that delivers consistent context on the customer.

APPROACH 1

First-to-market with microservices. The goal here is getting to market as quickly as possible. This is done by surrounding the legacy architecture with a microservices abstraction layer. The microservices layer meshes customer billing data with additional data to inform the context of the interaction from existing datapoints.

This approach quickly rewards CSPs: they avoid the sizeable investments required for a complete transformation while adding context and depth to customer interactions. While this is indeed a valuable solution, it is somewhat held back by the limitations of the legacy systems. Immediate results require robust existing datasets, and the system can be strained by dissonance between complex interaction systems and simplistic billing processes.

APPROACH 2

Persistent customer context layer. The second approach is a little more complex but much more insightful. The customer context layer creates a 360-degree customer view. All common definitions of customers, their various internal interactions, and potential interactions combine to create specific, contextual recommendations.

The approach leverages a cloud-data solution to individually serve the multitude of customer and value definitions inherent in today's customer expectations. The solution encompasses various engagement contexts, such as marketing, sales, service, or repair from the perspective of a comprehensive customer profile, not just a singular data point. Essentially, every customer is known at a complex, individual level, and this information is made available within the context of each interaction.

Real-time interfaces aggregate data from key systems of record, and customer data, relationships, behaviors, and interactions are mapped in their historical context. These complex blocks of diverse, customer-centric datapoints are then prescriptively analyzed by AI algorithms to inform future engagements with nuance, context, and depth.

Telecommunications organizations are racing from behind when it comes to contextual customer experience – and rapidly changing customer demands and overtaxed legacy billing systems are to thank for that.

The good news is that CSPs are facing a valuable opportunity to leapfrog the competition with the highly contextual interactions customers want. By moving quickly to solve these challenges with approaches like LIDA, organizations can create deep, meaningful connections with their customers once again.
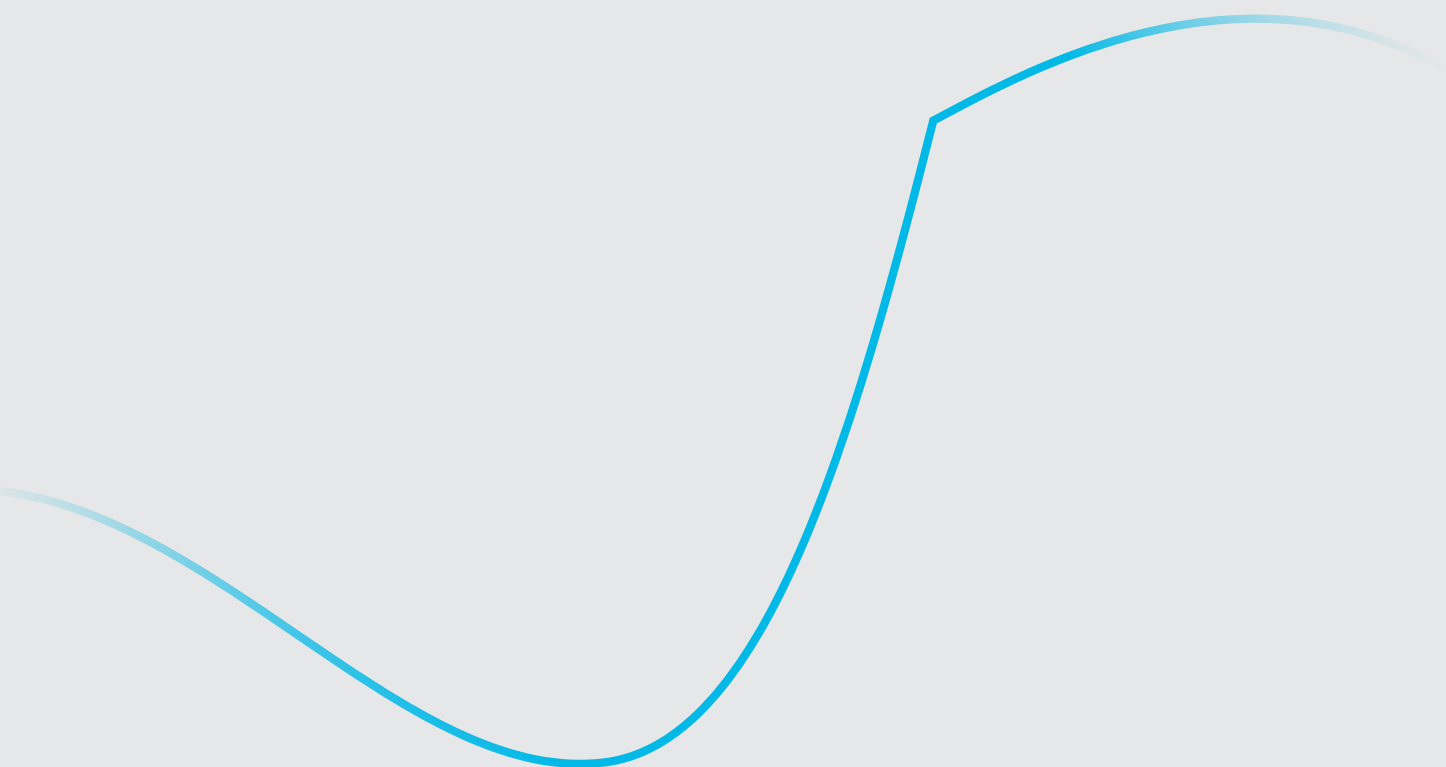
About
Capgemini

Capgemini is a global leader in partnering with companies to transform and manage their business by harnessing the power of technology. The Group is guided everyday by its purpose of unleashing human energy through technology for an inclusive and sustainable future. It is a responsible and diverse organization of 270,000 team members in nearly 50 countries. With its strong 50 year heritage and deep industry expertise, Capgemini is trusted by its clients to address the entire breadth of their business needs, from strategy and design to operations, fuelled by the fast evolving and innovative world of cloud, data, AI, connectivity, software, digital engineering and platforms. The Group reported in 2020 global revenues of $19.3 billion.

Get the Future You Want | www.capgemini.com

Note: current conversion is €1 to $1.20 (2/17/21)

Macs NA_July'21_Amitabha