

Mobile self-service applications for ‘mobile-first’ economies

How mobile operators in emerging markets can enhance customer experience for their most valuable mobile data customers

SUMMARY

Introduction

Mobile self-service apps present a good method of improving customer experience, while reducing the telco’s own cost to serve. While mobile self service apps are often explored in the context of high smartphone penetration markets in Asia, North America and Western Europe, there is an untapped opportunity for mobile self-service applications in the emerging markets of Africa, Asia and Latin America. Here we see many consumers using feature-phones for their first experience of the Internet. Mobile phone usage and the frequency and duration of transactions initiated by feature-phones and smartphones are all set to increase. However, assuring those interactions places great demand on the telco’s current service and support structures, and any poor customer experience potentially damaging the operator’s relationship with a valuable customer segment.

In emerging markets, where SIMs or handsets are sold separately to network usage; it can be difficult to engage with the customer. The relationship can be considered more transactional in nature, as the handset may be viewed as a functional rather than a lifestyle enhancing tool. This makes it difficult for MNOs to personalize services and deepen the customer relationship. If deployed correctly however, mobile self-service apps provide a potential solution to this MNO dilemma. However, the MNO will need to guide the customer through a self-service discovery process and educate them about the benefits they can obtain. MNOs will benefit as it will divert a portion of inbound call volumes away from their calls centers. Self-service apps can also be used as a service discovery tool that adds immediacy and proactivity in to a wider customer engagement. This paper reviews the challenges and opportunities for MNOs in ‘mobile-first’ economies to adopt the value-added service of mobile self-service applications.

Ovum view

Competition among mobile operators in emerging markets is fierce, as they fight to attract and retain mobile data users. The number of smartphone users is relatively low in these markets, but

feature-phone usage has gained traction. However as users embrace mobile data, browsing and Internet access they may from time to time experience difficulties with their services. Typically, whilst averaging handling time to resolve a query relating to a voice call is two minutes, it can take three to four times as long to resolve mobile data issues. Unfortunately, the more straight forward communications queries can get caught in the lengthening queues at the call centers, and the system does not differentiate based on customer value to the MNO. This leads to customer dissatisfaction and a higher customer propensity to churn.

To manage churn, MNOs will need to establish a good relationship with their customers. They can build service loyalty by helping them with service discovery, as well as providing swift and easy to access sales support. An on-device app that allows mobile users to access information and benefits and removes them from lengthy call center queues has clear benefits to customers and their MNO service providers.

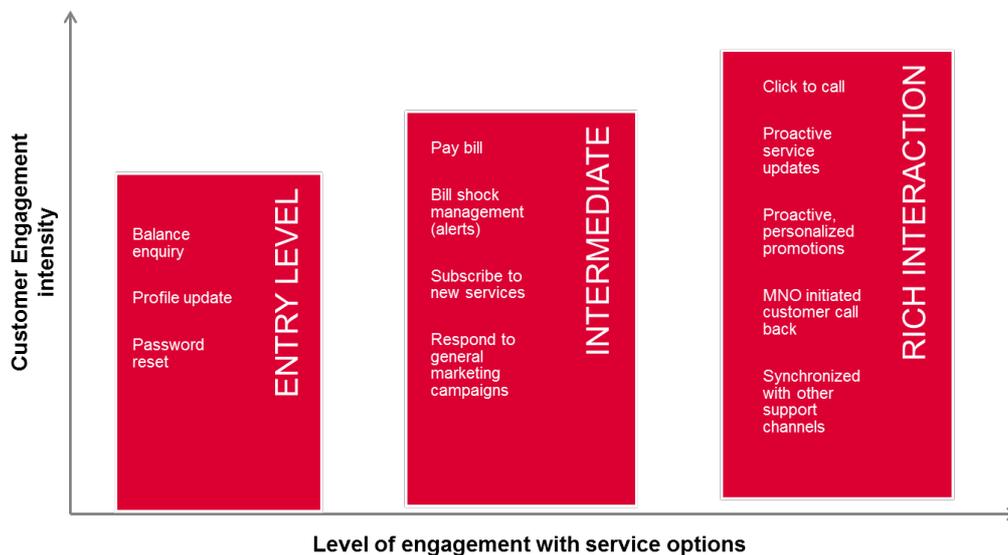
MOBILE SELF-SERVICE APPS MARKET CONTEXT

Delivering mobile self service capabilities

One method of enhancing the customer experience for the most valuable customers is to allow them to resolve or 'self-serve' some of the simple queries that typically go to a contact center for, e.g. viewing or paying a bill, resetting a password or updating personal profile details. Mobile operators must ensure that they have an application and process that is fit for purpose for use on the move, and on a smaller screen form-factor of a mobile phone. MNOs need self-service apps that can be downloaded and installed on the feature or smartphone, or hosted and optimized for those devices, and so allow customers to access and resolve issues on the go. MNOs will also need to educate their customers how to use the mobile self-service apps and then entice them to use it by showing the benefits of self service – for example, the convenience, time saved, and access to extra benefits.

From the MNO perspective, they need to have clearly defined parameters for their customer engagement process, and ensure that their B/OSS and CRM systems can support the stages in the service discovery process (see Figure 1). This will require one-touch access to an integrated customer profile for account status, and real-time charging capabilities to pay a bill or top-up in response to status or usage alerts.

Figure 1: Incentivizing customers with a path to service discovery using mobile self-service apps



Source Ovum

MOBILE SELF-SERVICE APPS - CHALLENGES

Delivering self service over an app entails multiple challenges. In mobile-first economies, the handsets tend to be open rather than locked to a specific operator. There are thousands of mobile device models attached to pre- and postpaid contracts on 2G and 3G networks, so developing a mobile self-service app in such a fragmented device environment is challenging. The telco needs to abstract information from multiple handset types. With postpaid and to some extent with prepaid contracts, it is clear who the customer is, and which handset is active against the account, but when the phone is bought separately from the network contract, or the customer is SIM only, any correlation is more difficult.

Complexity needs addressing

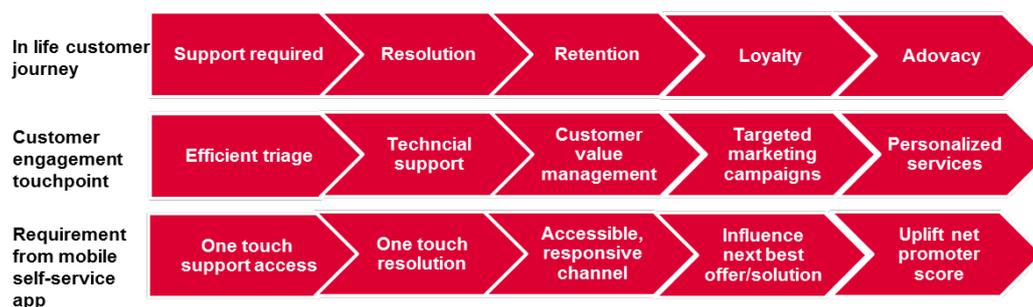
So how does the telco ensure that it can engage with its customers, in an optimal way? Certainly the interaction with a mobile self-service customer has to be simplified. The telco must:

- review the touchpoints (pre-sales, sales, fulfillment, activation, service discovery and billing) in the engagement process (see Figure 2), and
- evaluate the various points and triggers for interaction with the customer, and then
- assess the best method for customer interaction at each touchpoint, as they deepen the level of engagement with customer.

In markets with poor literacy rates, menus and click-throughs need be kept to a minimum, and one-touch options will provide the most effective customer experience. As shown in Figure 2, a

positive customer experience via a self-service app generates repeat usage, loyalty and advocacy. Because there are so many diverse customer segments, with varying levels of technical awareness, the self-service app should enable one-touch access to contextual support - only then can the telco advance to the rich interaction shown in Figure 1, and add transactional functionality with the app.

Figure 2. Mobile self-service app mapped to the touchpoints for smart- and feature phone users



Source Ovum

Integration with existing systems

A mobile self-service app is the proverbial tip of the iceberg. To embed it in the MNOs functions, there is a need to address back-end integration issues with network nodes, B/OSS and CRM.

- Onboarding or registering the customer for the mobile self-service app needs to be fast, and painless. Any problems at this stage will discourage use of the app for other purposes. Integration is required with various aspects in the OSS stack.
- One-touch bill access or payment, changing a profile, or adding new services to a subscription will all need capturing and synchronizing in real-time with the app, and all the data will need to be rendered so that it is easy to view and navigate on a smaller screen. This means integration with elements of the BSS and OSS stacks, as well as sales and service information held in the CRM systems, and business intelligence (BI) platform.
- If the self-service app is linked to personalized promotions, particularly with third parties, then the customer data will need linking to the MNO's CRM marketing data, and discounts will need addressing through the mediation and charging systems.
- If the MNO allows the customer to report faults or raise their own trouble ticket using the mobile self-service app, then it will need tight integration with the OSS functions for service assurance, fault reporting and testing.

Future proofing the app

In emerging markets, marketing promotions and new service/bundles may appear every week, so building enough capacity and flexibility into in-house customer service and support systems (and business processes to support the frequent service updates) can be difficult. MNOs should consider third-party hosting of a mobile self-service app as a means of controlling their own development costs. Customers would only need to download the app once, and so allow rapid updates in response to new offers and services. Updates could be managed by a third party and automatically updated when the customer launches the app. One of the most compelling use cases for mobile self-service apps is to handle customer support queries proactively. For example, one Nigerian MNO, with a high installed base of featurephones found that most calls into the call center were billing queries. If the MNO can provide the customer with options to view their bill, or send the customer alerts about spend and changes to their normal usage patterns, then they can help reduce call volumes in to the contact centers and address the call-waiting issue.

Multichannel delivery

Customers will opt to use different channels to access support, so MNOs need to consider voice, WAP, SMS, USSD, and digital channels. Digital customer services still need aligning with the more established service and support channels, to ensure a complete view of telco-customer activity. However, when a self-service app is dimensioned correctly, it can ensure more holistic customer engagement. Many MNOs opt to create their own Facebook app with customer support being one of the objectives. Whilst MNOs can push out marketing information and service advice, it is also a vehicle for capturing customer complaints and dealing with them swiftly. However, it is important for MNOs to remember that they should never hide the live agent from the customer view, as this is an important aspect of customer service and support. Consequently, the self-service app should provide single-click access/escalation to a live agent via a phone call.

Consistency across channels

There must be consistency between the service channels, so the customer and service data held within the telco must be clean, and synchronized across channels. Equally, any response the customer gets should also be consistent across the various channels. If 'better' offers or 'quicker' solutions are provided through a particular channel, it will incentivize customers to use it above others. This can of course be played to the telco's advantage for short periods of time, but it will do nothing to improve customer experience and satisfaction in the longer term.

MOBILE SELF-SERVICE APPS OPPORTUNITIES

The merits of the approaches discussed in the previous section can lead to direct revenue improvements, as well bring wider commercial benefits. These will include but not be limited to:

- **Faster lead to cash:** By developing a rich interaction suite through the mobile self-service app, a telco can deliver tailored offers to customers. These will be

automatically presented to customers as they go in to the app, and take up by customers will improve revenue recognition.

- **Proactive, outbound care:** Around 80% of all calls into contact centers are related to simple or non-revenue generating queries, for example: balance enquiries and charging or billing issues; resetting passwords; or obtaining a personal unlocking key (PUK). The telco can dramatically reduce its cost to serve, if it can divert customer calls of this nature away from its call centers. This can be achieved if the mobile self-service app can present billing information, show customers when they are approaching their call limit or data threshold, and give them simple and secure options to act upon that information, for example, change their data plan, top up their accounts or retrieve a PUK.
- **Immediate resolution for the customer:** This is the most compelling of all propositions. When something goes wrong, customers want help immediately, because they are in the process of carrying out some action and then suddenly prevented from carrying it out. In these scenarios, immediate has to mean immediate, the customer needs to be able to resolve the issue within that session - not after 30 minutes of waiting to speak with a live agent, and not within 24 hours via email. Immediate access and satisfactory resolution are still so rare in customer service that a good customer service experience can become a talking point (on social media for example) and help generates customer advocacy.
- **Customer feedback for the telco:** This has two benefits for the telco. For example the customer can raise their own trouble ticket or request. As customers often experience the network and service problems before the MNO's own fault-reporting systems identify a problem, this is an invaluable source of information. Secondly, there are gains in the context of customer satisfaction surveys. MNOs who have educated customers on the benefits of the mobile self-service app, also use it to collect real-time customer feedback. Once an interaction has concluded, a pop up menu will ask for feedback on how the operator performed (provided it is a suitably brief response). Hit rates for these engagements are far higher than requests that are not tied to a recent customer interaction.
- **Drive personalized, outbound customer engagements:** The mobile self-service app is destined to become the customer's window into the telco. (This is true for any service provider company). MNOs can use that as a vehicle for further customer engagement, provided it is a personalized and secure interaction. If the app has been successfully integrated with other channels, and can draw on customers' search and discovery activities and location, then highly targeted offers can be pushed through the app, and updated in real-time.

MOBILE SELF-SERVICE APPS RECOMMENDATIONS

- **All MNOs should have a service and/or strategy for mobile self-service apps.** There are many challenges MNOs will have to contend with, but chief among these is the speed of change (new service launches, tariffs, marketing offers) that the self-service app will have to keep pace with. If the self-service app is out of step, then it could become a source of customer frustration, rather than enhancing the customer experience.
- **Opt for a client-server solution.** This will deliver the fastest results in terms of installation and maintenance of the systems that are able to deliver the mobile self-service app.
- **Consider a third-party option to manage the self-service app.** MNOs in emerging markets, and those markets where competition drives changes to service and tariffs virtually every week, should consider the third-party option for maintaining and developing a mobile self-service application.
- **Develop a Facebook application for customer support/complaints.** As this will be easy for the small segment of smartphone users to access, it also offers a differentiated offer for high-value users.
- **BSS, OSS and CRM competence required.** Supplier expertise in the telecoms vertical is essential. Many software and IT service players are moving into the telecoms vertical, and while they may offer technical or process expertise, they must be able to apply this to the demands of the telco sector. Along with personal banking and retail, customers deal with telecoms constantly both for business and socially. It is a 24/7 industry that uses its own infrastructure and has complex dependencies across IT platforms and systems. More precisely, expertise is needed working with telco BSS, OSS and CRM domains so the supplier is able to integrate the self-service app with these systems.

APPENDIX

This white paper was researched, authored and produced by Ovum in association with Mahindra Comviva, as part of a series of papers assessing the current state and future market direction of value-added services for mobile operators.

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