
The importance of time, emotion, and interaction in the provider-customer relationship
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INTRODUCTION

As consumers’ digital demands increase, telecommunications companies (known in the industry as telecoms) must reimagine their business models to better address the inherent expectations of highly-informed, multi-service customers when they purchase internet, television, mobile, and/or home phone services.

Telecoms are increasing the value of their products and services at warp speed, but consumers fail to understand or acknowledge the complexities of the telecom delivery model. Fair or not, 21st-century customers hold telecoms to the same standard as brands that, amidst much simpler business and delivery models, do a phenomenal job of providing above-and-beyond experiences.

Perhaps mirroring the growth of the technology that supports it, consumers expect the telecom industry to do more, faster.

While consumers may be more forgiving if their favorite clothing retailers are out of a certain size, or if the local ice cream store is sold out of their favorite flavor, they hold telecoms to a higher standard. Fast, reliable internet service is like oxygen on the digital consumer’s hierarchy of needs.

Often these demands for excellence are based on factors well outside of a telecom’s control. Telecoms have limited jurisdiction over their content, but consumers nonetheless hold them accountable for its quality and availability. The same is true for delivery. Variables like the weather and the infinite permutations of modern delivery touchpoints impact the end-user experience, but telecoms have few favors to call in with mother nature.

Pair these frustrations with well documented (and shared) blunders, and the fact that most telecoms generate mind-blowing revenues, and the industry has become an unsympathetic target everyone loves to hate.

To gauge where the telecom industry stands from a customer experience (CX) perspective, InMoment’s data science team conducted an extensive study via our proprietary consumer panel, which assessed the perception of 11,000 North American consumers regarding their experiences with both telecom companies and individual service lines. The Customer Experience in the Telecom Industry Report (2017) highlights consumer feelings about their experiences, overall satisfaction, and likelihood to recommend telecommunications providers.
Despite being just a few decades old, internet is one of the telecom industry’s fastest-growing services. Telecoms continuously integrate internet capabilities into new and more diverse devices, propelled by a variety of customer segments whose dependence upon the internet is always growing. Just 13 percent of U.S. adults did not use the internet in 2016, a major decrease from nearly half (48 percent) almost two decades ago.¹

These usage trends hold consistent for other popular lines of service, such as mobile. Sixty-eight percent of Americans owned a smartphone in 2015, up from just 35 percent in 2011.² Streaming services benefit from similar growth patterns, with Netflix alone boasting more than 52 million subscribers.³

However, while telecoms’ trademark services enjoy a massive uptick in demand, the providers themselves are still viewed as a necessary evil rather than lauded for providing much-needed services. Even when consumers rate individual interactions with telecoms highly, their overall sentiment hardly budges. And when the inevitable service failure happens, customers are all too happy to air their dirty laundry on social media channels. Another day with great service, however, leads to radio silence.

When broken down, customers rank internet as the line of service with the lowest return on their investment. Customers also say internet is the line of service with which they are least satisfied and least likely to recommend. Despite being newest, streaming services sit at the opposite end of the spectrum, ranking highest among customers for all three categories.
As digital natives age into purchasing positions, telecoms must learn to manage a growing customer pool that is technologically savvier than past customers. Digital natives are heightening expectations across all lines of service and prove much harder to please than digital immigrants. Even when younger customers find value in their service provider, their familiarity with this industry and their above-average expectations overshadow positive feelings.

Take internet, for example. Although customers aged 18-34 rank their value perceptions of their internet service higher than older consumers (14 percent to 11 percent, respectively), their satisfaction is comparable and their likelihood to recommend lower. Customers aged 18-34 are also more difficult to maintain long term, with 21 percent of them having been with their internet provider for less than one year, as compared to 14 percent of customers aged 35-54 and just 9 percent of customers aged 55 or older.

This perception of telecom-as-enemy will likely grow under new Internet Service Provider (ISP) privacy legislation, and across all lines of service. Likewise, telecoms will find it difficult to keep up with the rate of innovation and growth in other digital endeavors championed by industries like retail (e-commerce), as well as the rising expectations these advancements encourage.

However, while telecommunications providers face monumental challenges, this report surfaces several insights that can help these organizations better navigate customer expectations and even gain ground in this complex landscape.
Consumer relationships with telecoms are comprised of many experiences over time. The key phrase here is “over time,” meaning that customers’ expectations, desires, and needs are subject to change over years of service. Engaging consumers in the right ways at the right times helps turn them into brand loyalists, particularly around key benchmarks like the one-year anniversary. This period is make-or-break for telecoms.

The Freshman Funk

When comparing new customers who had used internet, mobile, and television services for less than one year with those who have been with a provider for more than five years, consumers rank mobile higher in satisfaction than internet and television overall.
Yet, what proves more interesting is that satisfaction decreases universally for the first time at the one year mark, no matter the line of service. The same pattern occurs with a customer’s likelihood to recommend.

It’s worth digging a bit deeper into what’s happening at this one-year mark. No two lines of service are the same, but each is similarly affected by challenges in customer service and payment journeys.
When asked about their support staff, respondents indicated a significant dip in satisfaction over staff knowledge-ability and efficiency, as well as in staff friendliness and helpfulness. These attributes fluctuate in performance throughout a consumer’s entire lifecycle with a telecom provider, but the first signs of disenchantment happen at the one-year anniversary. For many lines of service, these metrics never fully recover.

**TV AND TELEPHONE EXHIBIT UNIQUE PATTERNS IN WHAT CONSUMERS EXPERIENCE. FOR TV, CUSTOMERS GO THROUGH A TWO-YEAR WAVE RELATIONSHIP WITH PROVIDERS, REPORTING LOWER SCORES AT YEARS ONE AND THREE, AND HIGHER SCORES AT YEARS TWO AND FOUR. FOR TELEPHONE, YEAR THREE PROVES MOST IMPORTANT, WITH CUSTOMERS NOTING THE WORST CUSTOMER SERVICE EXPERIENCES AT THIS TIME.**
Respondents report similar frustrations with bill payment at the one-year anniversary—both the ease of understanding a bill and the ease of paying it. Streaming is the only line of service to have overcome bill-related woes.
Customers Are Harder to Impress the Second Time Around

In addition to the pivotal one-year mark, customers’ concerns vary based on if they are a customer who’s switched from another provider, or one who’s brand new to the service(s). Let’s take a closer look at internet to see this idea in action.

Although customers who have switched providers in the last year rate key areas of the end-user experience lower than those who have not switched providers, they are still more likely to recommend their second provider.

Acquired customers (those who are switching service from one telecom to another) come into new relationships with all sorts of baggage. Perhaps their previous providers had spotty service, or the internet speed was too slow. Maybe the first provider had a terrible support staff experience, and customers dreaded having to engage with another set of customer service representatives.

Telecoms must recognize that customers switch providers because of an issue or deficiencies, whether it’s technology, services, or coverage area. For those customers who have no choice but to switch providers, the lack of consumer agency can add fuel to the fire.

If telecoms take this baggage into consideration and preempt the negative impact with improved experiences, they earn a major opportunity to convert hesitant acquired customers into brand loyalists, and even advocates. The pressures to provide a comparably better experience are high, but the chance to do what another provider could not is a major opportunity to prove value through differentiation.
The one-year anniversary, along with becoming a customer’s subsequent provider, are crucial time periods for telecoms to monitor and improve relationships with consumers. While there are factors influencing these timeframes that are outside of a provider’s control, there’s a great deal telecoms can do to keep customers happy and engaged long term.
BE PROACTIVE

Knowing that customer relationships take a hit at the one-year mark, it follows that telecom providers should preemptively engage customers leading up to this fragile time.

While most major telecoms have developed proactive outreach programs in the first year of their relationship with customers, this high level of communication diminishes over time. It would behoove telecoms to maintain the consistency of these early interactions, especially around crucial areas of the customer experience such as bill payment. Many promotional offers expire at the one-year mark, and a customer’s bill may look different than she expected. While consumers may be willing to tolerate more friction during the first year because of intro offers, their frustrations can skyrocket after, and telecoms must anticipate these changes with proactive communication.

To assuage any confusion or misgivings, a member of a telecom’s retention team can proactively reach out to this customer 90-days from the promotion’s end. Then, the team member can follow up after the year anniversary to ensure no problems have occurred. Questions like, “Does this bill make sense?” or “Is this bill what you were expecting?” are quick and easy gauges of what does not register with customers. This tells team members where it would be most prudent to intervene.

It’s difficult to overstate the importance of prompting customers for feedback and suggestions as they close in on the one-year mark. Catering so much to newer customers may feel like pandering, but it’s the best strategy to ensure customers get full value from their relationship with a provider, or to work toward full value if this is not already the case.
BE TRANSPARENT

Telecoms may be tempted to ignore the aspects of service they cannot control, but these areas are where providers should actually double down on transparency. Any changes in price or service level, which are critical moments in the customer journey, warrant outreach on behalf of the provider.

If a big storm hits and internet service goes out, for instance, a telecom should first notify customers that it is aware of the issue. Then, the service provider should send out regular updates on the resolution process so that consumers feel a part of the solution, rather than constantly wondering when their internet will come back. Much like an Uber or Lyft, where the company has limited control over the effectiveness and expediency of its drivers, telecoms should communicate every step of the way to avoid incremental workflows and a disconnect between provider and customer.

Simple efforts of transparency like this can bolster trust between customers and their telecoms, potentially avoiding moments of frustration that contribute to customers leaving at the one-year mark.

EDUCATE CUSTOMERS

Rather than letting customers grow frustrated and then mending relationships thereafter, telecoms can educate consumers early on to avoid tough spots down the road.

With ample utilization data at their disposal, telecoms can personalize the education process to please customers further. For instance, telecoms can learn what a customer watches and when, and then reach out to him or her with advice and resources on how to drive greater value from the service package. If a customer has never watched an on-demand video before, the telecom can start a conversation around why and make sure the customer understands how to operate this feature (perhaps with a remote guided tour).

Rather than escalating to a point of frustration if left untouched, education is an opportunity to both proactively communicate with at-risk customers and demonstrate value that customers may not know exists. This approach is especially useful when engaging with acquired customers, as the discovery and education process helps telecoms avoid making the same mistakes as a customer’s first provider.
PEOPLE STILL LIKE PEOPLE

Staff engagement is a key component in a service provider’s ability to have a positive impact on customers. Although self-service, automation, and Artificial Intelligence (AI) applications like chatbots are top of mind for most businesses today, they are only appropriate in some scenarios, and always in balance. There are many areas of the typical telecom customer journey where positive human interactions are essential and contribute directly to a top-notch customer service experience.

Personal interactions can remain an area of strength for the telecom industry moving forward, across all major lines of service. Our research finds the following areas are ones telecoms should give greater attention.

Tipping the Scales

It’s no surprise that customers who reach out to service providers to report a problem rank their interactions lower than those who contact the provider for other reasons, including general product and services questions, or upgrading their package. In this study, we saw a difference of between nine points for overall satisfaction and value, and a 12-point difference in likelihood to recommend among those who’d had a problem and reached out, and those who had not.

We also came at this question in a slightly different way, revealing an additional layer of insight that isn’t as obvious. We asked consumers whether they had visited a store or contacted customer support recently for any reason. We then asked each group to rank their overall satisfaction by service line. With the exception of landlines, customers across all service lines who’d had a personal interaction with a brand representative reported higher satisfaction levels than those who had not.

While the differences in satisfaction were fairly small, ranging from 4 points to 6 points, in telecommunications, every little bit counts.

The take-away is that in general, human interaction can boost feelings of positivity for providers. The data also reveals that when customers reach out to a brand with concerns, there’s still opportunity for improvement.
This is the place where telecoms can actually enhance their brand and relationships with customers. As in life, one bad experience can quickly reinforce other bad experiences, making it nearly impossible for providers to recover and get ahead with consumers. However, dedicating greater attention and resources to resolving concerns through empowered humans will help telecoms fix a simple piece of the overall engagement with customers, moving the needle for customers overall over time.
Tips for Telecoms

Telecoms have yet to nail the resolution experience, but there are achievements to celebrate. In general, human interaction is a plus, however this lesson isn’t being applied to maximum effect. Leveraging customer-facing employees, as well as technology, more effectively is critical for providers that want to gain ground. Following are a few tips on how to do this well:

HIRE FOR EMOTIONAL IQ

Hire and train personnel with high emotional intelligence for all client-facing roles, especially physical locations where elevated support issues will likely be handled. Storefront staff with the right demeanor can dramatically improve how customers perceive their service provider overall. To better exceed customer needs, telecoms must train team members on how to successfully navigate the emotional and functional factors of unsatisfying experiences.

The right team can help telecoms leverage existing physical locations to provide authentic, human experiences and build a trusted presence in communities.

This is especially important in regions where telecoms have less of a physical presence, such as the West Coast.

OFFER CUSTOMER A RANGE OF RESOLUTION OPTIONS

Customers’ needs can look very different, and so should the avenues available to them for resolution. Customers should be able to mix and match contact channels to address an issue in the way that feels most agreeable and productive to them.

For example, in-store customer service works well for mobile because staff have physical access to a custom-
er’s device and can often resolve the problem quickly. Conversely, a customer hoping to fix a problem with her landline telephone is unlikely to want to go in store, and would rather contact her service provider through a self-help portal online. An important and growing segment comprises customers solving an issue with their internet connectivity by blending both options. Identifying that the issue is with his or her router may be best handled on the phone, but picking up a new router may be easier to do at the provider’s local storefront. The key for telecoms: Give customers more options, not fewer.

Adding customer touch points and contact channels (in store, online, call center, etc.) is a smart choice for telecoms, but it comes with the added risk of managing more experiences. No matter where a customer interacts with his or her telecom, the experience and messaging should be consistent.

INVEST IN POWERFUL TECHNOLOGIES

Telecoms can incorporate new technologies to empower customer service and sales teams to create better experiences for customers. For instance, remote diagnostics tools with video capabilities are a useful alternative when in-store visits are not possible. In lieu of face-to-face interactions, customer service teams can use these solutions to replicate the intimacy and convenience of that experience digitally.

However, no matter how advanced technologies get, telecoms cannot forget the value of human assistance. Every customer resolution strategy should blend automated, self-service solutions like chatbots with the possibility of intervention by a human representative. To provide the most seamless experience possible, all contact channels should be integrated and share information. This prevents a customer from needing to restart the resolution process if he or she switches from one mode to another, or from having to repeat or re-enter information like name, account number, or service issue.
Over the past several years, leading CX researchers from Forrester, Temkin Group, and others have firmly established emotion as one the—if not the—key drivers of customer experience and satisfaction. And while this study did not ask specific questions regarding customer emotions toward their telecommunications providers, the data—and well established anecdotal evidence—make it clear that there are significant challenges.

With emotional connection more important than ever to business success, telecoms must do the necessary work to understand how the functional aspects of the customer experience contribute to a customer’s emotional state. Greater attention to emotional trends (and related areas of weakness) will help service providers prioritize the right actions, and design journeys that move relationships beyond problem solving, generating positive feelings and the related business outcomes.

Looking at the reasons customers switch providers gives us a window into the emotional spectrum providers face. When asked why they switched from a previous provider, three chief reasons emerged: moving (also included when a provider was acquired or sold), the cost, and the quality of service.

The only line of service that did not follow this pattern was mobile due to its portability.

When grouped into two categories, these reasons for switching service providers represent the spectrum on issues telecoms must overcome. On one side are the issues (like moving) that a telecom will always struggle to control, no matter how big or advanced they become. An added nuance with this factor is that consumers don’t have much if any control over it either, which likely contributes to an elevated level of frustration. On the opposite end are problems that a telecom has ample influence over, such as cost and service. Telecoms may not be able to improve these areas directly, or at least quickly, but greater attention to driving customer loyalty can mitigate customers’ most severe negative feelings and terminations of service.

What telecoms must understand is that, at least at present, consumers are always looking for a reason to switch to another provider. In an environment where their customers already have limited choice and control, and don’t feel invested in a particular brand, small emotional triggers can translate to millions in lost revenue.
Tips for Telecoms

Consumers turn to the internet, their phones, TV, etc. for all kinds of emotional needs, from applying to college to finding love to staying connected with family and friends. It should come as no surprise that their relationships with providers are driven by emotion, too. Telecoms should focus on the following to boost positive emotions and prevent negative ones.

**DO WHAT YOU SAY**

At the very least, telecom providers must deliver on the promises they make to customers. Fast internet means fast internet, and the best mobile service nationwide should fall nothing short of that.

When expectations for these brand promises are not met, providers risk irreversible damage in customer perceptions and willingness to be long-term customers. Considering that top emotions consumers associate with a bad experience are disappointment, frustration, and disrespect, telecoms must do everything in their power to support brand promises and exceed customers’ expectations in these key areas.5

In industries like telecom, delivery of brand promises can also act as a differentiator between providers and help a company earn greater market share, a stronger brand reputation, and more. It’s relatively difficult to earn back trust when functional needs are not met.

**HUMANS TO THE RESCUE**

Again, a poor service experience should never be the reason a customer defects. Yet, customer service is a top-three reason why customers switched providers across multiple lines of service. As outlined earlier in this report, customer-facing staff are absolutely critical to providers’ ability to both solve problems quickly and well, and forge authentic relationships.
CONCLUSION

In a world where even the “Can you hear me now?” man can switch from Verizon to Sprint, complacency can unravel any telecom. Fortunately for providers, the popularity of their services is undeniable. If anything, dependency upon lines of service like internet and mobile will only grow in America as the world at large becomes more interconnected and digital.

Consumers may be willing to give telecoms their business; however, they’re much less eager to grant their their loyalty, trust, and praise. It’s an uphill battle for most providers, but telecoms can make life easier for themselves by recommitting to their CX strategies and solutions with an understanding of the influence time, emotion, and interaction have on the provider-customer relationship. Simply paying more attention to the customer experience—both its strengths and weaknesses—is the first step. The second is to turn those powerful insights into improvements that put the customer at the center of all decision making.

The third step? Repeat.

The telecom industry is fast moving, but consumers are faster. Constantly evolving communication, commerce, and entertainment technologies are changing how we relate to one another, and it’s still telecoms’ job to continuously listen to customers, adapt, and then develop strategies and experiences that meet consumers’ ever-changing demands—because, in this industry, unhappy customers are just one phone call away from the competition.
METHODOLOGY

InMoment’s data scientist team used its Expert Outpost consumer panel to survey 11,000 North American consumers regarding their experiences with telecommunication companies to better understand customer experiences, overall satisfaction, and likelihood to recommend providers. These customer experience (CX) findings were then analyzed by popular lines of service like internet, telephone, mobile, streaming, and TV. InMoment has conducted industry studies for more than five years.
REFERENCES


6. See https://www.expertoutpost.com/
About InMoment

InMoment™ is a cloud-based customer experience (CX) intelligence platform, arming brands with compelling customer insights to drive high-value business decisions and relationships with both customers and employees. InMoment’s industry-leading analytics power a full suite of Voice of Customer (VoC), Voice of Employee (VoE), Employee Engagement, and Social Reviews & Advocacy solutions. InMoment also provides strategic guidance, support, and related services to more than 350 brands across 95 countries. For more information, visit http://www.inmoment.com/.