

Business Analytics - the future for communications

Acknowledge the invisible asset that is data

The Web 2.0 world is having a profound effect on the way telecoms services and content are accessed and consumed. New customer generations no longer feel constrained by traditional factors such as price or device. Instead, communications and content have become part of the fabric of their lives and they expect accessibility and diversity as a matter of course.



The advent of social networks and collaborative technologies has shattered conventional communication structures. And with tariffs and handsets no longer central to customer decision-making, telecoms companies – particularly established incumbents – are having to face the challenge of a market that is now driven by content and presentation.

As consumers become more dynamic in exercising their power of choice, their demands are evolving almost on a daily basis, making it imperative for service providers to anticipate the needs of a market that is, at the same time, becoming younger, more segmented – and highly complex. Getting it right is vital if they want to remain competitive with swift, agile new entrants who seem to emerge breathing the same air as their customers from the start.

Too many players remain fixated on technology innovation without properly understanding how to match it with customer demand. Now, it is time for them to start listening to what their consumers actually want from that technology.

Those consumers want highly personalised communication options, available at the time and place, and via the channel, of their choosing. They are multi-tasking individuals, who pick their consumption up and put it down constantly, dipping in and out then coming at it again via yet another interface. They expect their services to be plug-and-play, effortlessly usable and completely interactive.

For the telecoms service provider, this means that innovation – still an essential part of the chain – must emerge from the lab and become part of the actual customer interaction process.

But faced with such a basic conundrum, incumbents are still not making effective use of their most powerful asset – Data. Customer data holds all the clues about what their consumers want from them. Yet it still sits, largely redundant, in its silos, doubling in size by the month. As a result, for too many telecoms businesses, the voice of the consumer remains silent, trapped behind the equivalent of a thick glass wall.

Business analytics should be their new weapon of choice. Business analytics provides true insight to their customers - an understanding of what is and what has happened. It gives companies access to the intelligence that allows them to understand, connect and interact with their audience and segment it, so that services and content can be developed and delivered in the most profitable ways for the business, and designed to fit the way their consumers actually work.

They should be looking at ways to harvest the data across multiple channels and bring it together, analysing it as a single entity, so that they can fully understand the many conversations their customers have with them at every stage of the journey – and use that information to respond in increasingly engaging and profitable ways.

That intelligence must become part and parcel of every permutation of the customer relationship. At the same time, it must reflect, anticipate and respond to the fluidity of the relationship, reacting to a complete view of customer behaviour that until now has been lying dormant in the data repositories.

Nobody should under-estimate the scale of the task. While access to Web 2.0 communications, content and networks is simply taken for granted by today's user generation, delivering what the customer is looking for becomes an ever more complex challenge for the service provider. And each new twist in complexity, each new channel or interface, creates another touch point that will generate more vital data.

But this is the challenge the telecoms industry must accept. The more products, services and platforms it delivers, the more data will be drawn into the business. In other words, business analytics is set to become an important new battle ground on which established telecoms and mobile service providers will find themselves in competition with flexible and nimble new players.

Once they start tapping more effectively into that wealth of data, telecoms companies will see a step change in the relationships they have with their consumers. A strength of Business analytics is that on-top of *insight*, it can provide *foresight* - an understanding of what could be. It can provide the ability to predict customers' behaviours and wants, enabling companies to create offerings that will appeal to valuable customers in the future. This can only have a positive impact on revenues, at a time when the slimming margins available from minutes and handsets have long since become a fact of life – and when the average communications consumer is more promiscuous than customers in practically any other industry.

Product research and development alone are no longer enough to address the complexities of an increasingly fragmented global audience. Now, they must go hand in hand with customer intelligence, so that providers can identify the most relevant products and adapt them to the behaviour and preferences of their most profitable consumers.

This is one of the keys to solving the ongoing challenge of customer churn. Business analytics will spot trends that tend to be hidden away in the data and help service providers to identify the content and services that are most relevant to their audience.

But while telecoms businesses are gradually waking up to the importance of the data at their fingertips, firm action is required now. The stark reality is that if customer data appeared on the profit and loss sheet, it would have one of the highest values on the page. Telecoms companies should now be making an investment in business analytics that does justice to that value and will take them closer to their consumers than they have ever been before.

In many ways, this new appreciation of the value of data goes hand in hand with the trend to open innovation, combining to herald a more collaborative age in which telecoms organisations seek out and share best practices with each other and from across other sectors, including retail and financial services.

The desire is there. CIOs and CTOs are increasingly aware that business analytics can drive the changes they need to make, and raise the bar in order for their businesses to compete more effectively with new market entrants. But too many are simply letting the issue keep them awake at night rather than making it a focus for board-level commitment.

Now, they need to immerse themselves in business analytics and drive it into the heart of the organisation so that it informs innovation in direct response to customer behaviour. Innovation through business analytics should be their new call to arms.

Alastair Sim, Director of Strategy and Marketing, SAS UK