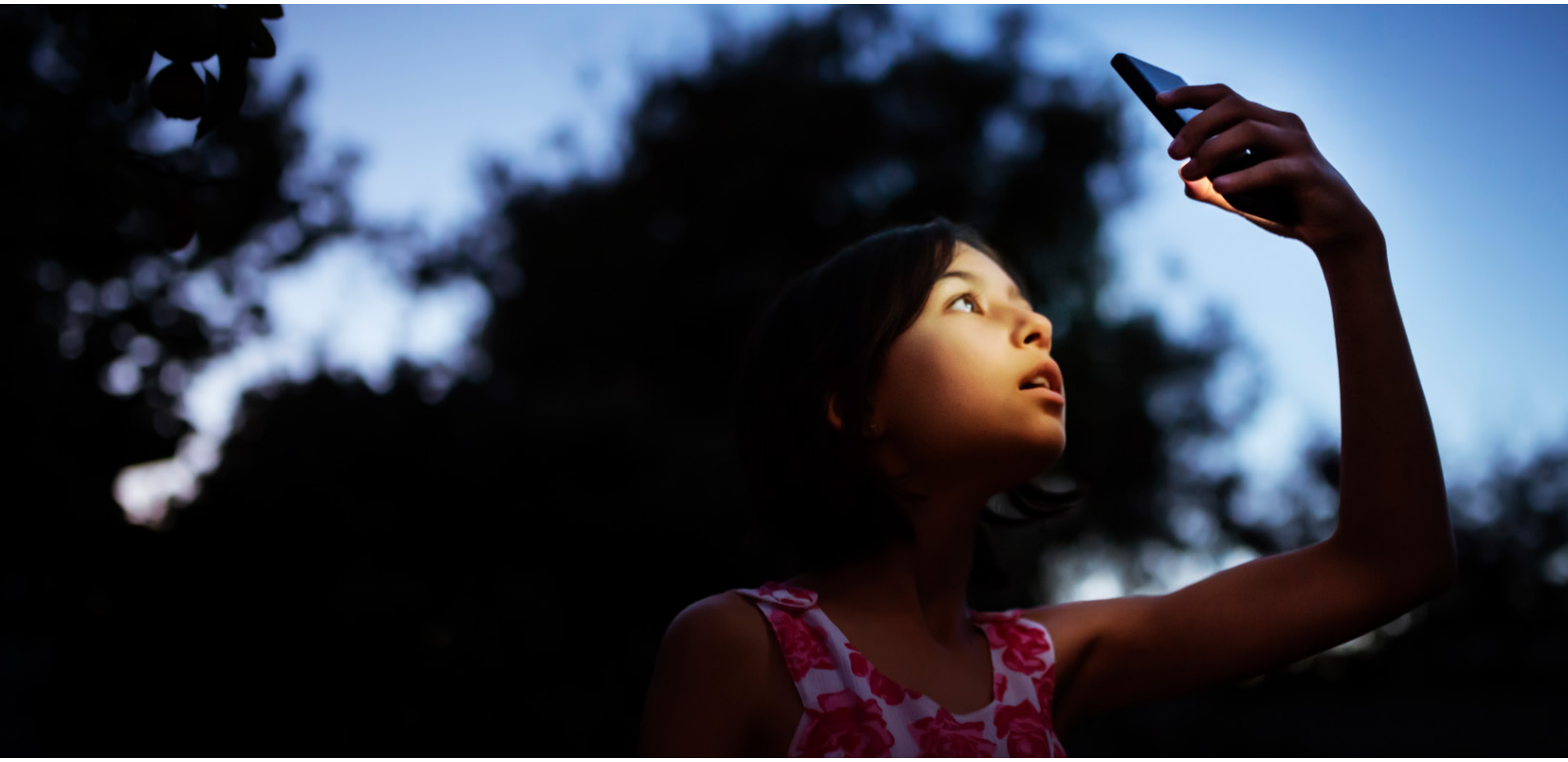


Deliver an exceptional digital experience

The keys to winning the hearts of digital-native customers

White paper

Communications service providers (CSPs) that want to become true digital service providers and compete in the 5G era need to invest in delivering a dynamic, personalized customer experience. Based on consultations with CSP teams tasked with customer value management, Nokia has identified four key factors that can help secure the loyalty of digital-native consumer and business customers through automation, artificial intelligence and machine learning.

Contents

Introduction

Digital-native consumers expect nothing but outstanding experiences. Digital-native companies such as TikTok, Uber and Amazon have set the bar for meeting that expectation, bringing a customer-centric, digital-first focus and creating new kinds of value with simple and transparent subscription business models. Convenience, flexibility and personalization are big parts of the reason why IT giants such as Amazon, Google and Meta (formerly Facebook) have been seizing market share from communications service providers (CSPs) since 2014.

CSPs can win back some of that share and generate new kinds of value by transforming into DSPs — digital service providers — and going beyond connectivity to deliver new applications via new business models that take advantage of 5G capabilities such as network slicing.

As part of that transformation, these emerging DSPs will need to strategically prioritize the customer experience and increase their investment in cloud-based customer engagement tools. Analysys Mason's October 2020 Customer Engagement Forecast projected CSPs will spend about $14 billion per year on customer engagement automation at least until 2025. Adopting modern, cloud-based engagement solutions will allow CSPs to tap into new 5G revenue streams and deliver an advanced digital experience for enterprises and consumers.

A big question for CSPs today is how to compete and win customers' hearts during this evolutionary period as they transition to DSPs and deploy their 5G networks. To find the answer, Nokia consulted with CSP teams responsible for customer value management (CVM) inside their organizations. Drawing on design-led thinking as well as best-practice methods of information collection and prototyping, that process identified a set of four critical factors for successful CVM: **context**, **relevance**, **digital channels** and **ecosystems**.

Context

Knowing how to use data when it's fresh and most valuable, acting in real time with awareness of customers' digital behavior to provide personalized offers.

Relevance

Understanding what matters to customers at a given point in time and creating segments and/or micro-segments — again, in real-time — to provide relevant content in right context.

Digital channels

Shifting from traditional customer care, point-of-sale, email and SMS channels to engage customers via social media and other digital channels such as mobile apps, mobile wallets, games, streaming platforms and more.

Ecosystems

Knowing how to combine offerings flexibly with partner offerings and push on-the-spot, real-time promotions (e.g., a tailored roaming offer or airport shop voucher to a business traveler).

The keys to delivering an exceptional customer experience

To capture the revenue opportunities available with 5G, CSPs need to improve their customer engagement systems for each of the four success factors identified, getting away from today's point or partial solutions.

They also need to be able to engage in CVM with speed and agility. Currently, pursuing any new engagement objective often requires interfacing with multiple systems, usually with support from IT. More often than not, full-blown projects have to be set up, which are typically slow-moving and complex.

Even when CSPs are able to spin up new engagement initiatives, they tend not to be personalized or contextualized for the customer: they don't provide the digital-native experience people have come to expect.

The ideal alternative would be to have a single software solution for CVM capable of delivering five key characteristics:

1. **Simplicity and self-sufficiency** so CVM teams can create and manage any customer value objectives over the entire customer lifecycle.
2. The **agility** to create new customer value objectives (such as recommendations, promotions and ads) and launch them into the market in hours instead of weeks or months.
3. **Real-time engagement** with customers in a contextual and personalized manner, made possible by artificial intelligence (AI) and machine learning (ML), which can analyze and correlate network, business and subscriber data to generate automated contextual and personalized customer engagement recommendations.
4. Flexible use of **all-digital channels** — from mobile apps and mobile wallets to social media and self-service applications — with push and pull mechanisms for convenient engagement. (To "push" is to reach customers through a particular channel, for example, with an in-app notification. To "pull" is to entice a customer to click through to more when they log on to a CSP's mobile app, based on their historical preferences and usage as well as analytical propensity calculations.)
5. The ability to build and launch **innovative offerings** with partners, co-creating end-to-end digital services and applications for an advanced digital experience. Those partners might include entertainment, streaming and online gaming providers, or industrial DSPs serving factories, harbors, airports, healthcare organizations and more.

Nokia has developed its **Monetization Recommendation Manager** solution to meet these criteria: a customer value management interface that enables CSP CVM teams to design and manage customer value objectives in a simple and easy-to-configure way so they can get actions into the market faster.

Introducing Nokia Monetization Recommendation Manager

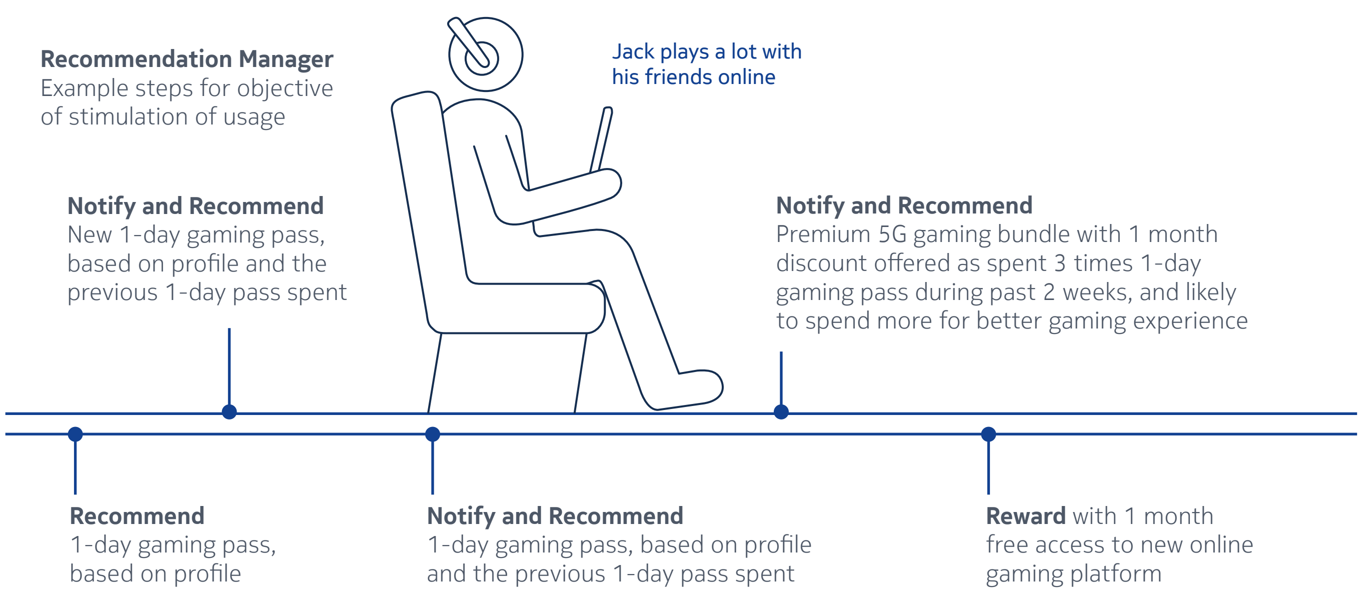
Nokia Monetization Recommendation Manager correlates data from real-time CSP systems (e.g., charging systems) with subscriber information and relevant inputs from other business support systems (BSS) to launch automated, contextual and personalized engagement actions such as recommendations, promotions and ads in real time. It starts from an understanding of customer contextual behavior and usage patterns, blending historical intelligence with real-time data and triggers.

A "trigger" is virtually any situation to which an offer can be attached. For example:

- If a user's online trial for a particular app has expired, Monetization Recommendation Manager might launch a new promotion for that person.
- If a segment of online gaming customers has tried out a new low-latency, high-bandwidth offering by taking advantage of single-day trials during the past two weeks, when a new gaming session begins, Monetization Recommendation Manager might prompt them with a premium gaming bundle, as they are likely to upgrade.
- If a 15- to 25-year-old subscriber is geo-located at a shopping mall, she or he could be pushed a food voucher through their CSP mobile app, or a discount coupon for a particular store or service. (This also helps increase use of the CSP mobile app: as customers get more relevant recommendations and promotions, they will return to the app more often and likely spend more on services provided by the CSP directly or on behalf of digital partners.)

Because it is automated and integrated, Monetization Recommendation Manager hides the complexity of data integration and processing that is a barrier to agility for CVM teams today. It requires no major investment in additional big data technologies or heavy involvement by IT teams, and enables CSPs to create and get to market with new engagement objectives in hours.

The Nokia Monetization Recommendation Manager workflow



Nokia Monetization Recommendation Manager in action

One example of how Nokia Monetization Recommendation Manager can strengthen the customer experience comes from a DSP in the Middle East/Africa region, which reported success at increasing real-time and contextual engagement with residential pre- and post-paid customers as well as corporate customers (including in partner-based B2B2X relationships). The DSP is a forerunner in the region both in rolling out 5G and launching new services and applications with digital partners.

Specifically, the DSP has been able to use the Nokia solution to:

- Launch **relevant** recommendations, promotions and ads in less than an hour — from designing the new objective to delivering it to the target customer base.
- Increase take-up rates for new campaigns by up to 900% through real-time and **context**-specific recommendations.
- Achieve a more than 20-times increase in visits to its mobile app in 12 months, making full use of all available **digital channels**.
- Provide a rich set of partner-driven digital service offerings as part of an **ecosystem** approach, including health and wellness services (e.g., a yoga app), games and video streaming that subscribers can purchase through their DSP wallet, and credit card or loyalty points (including partners' loyalty programs).

Combined, these results — which touch on all four identified success factors — have generated US$20 million in revenue in the first year and strengthened customer loyalty.

Conclusion

By investing in meaningful, personalized, contextual and real-time customer engagement, CSPs can progress toward their strategic goal of becoming DSPs — delivering the kinds of experiences digital-native customers expect and competing effectively with digital-native service providers and internet companies.

Stronger CVM enabled by automation, AI and ML can significantly strengthen loyalty and satisfaction in a short span of time by increasing overall value to the customer, which translates into higher revenues for the CSP. This requires holistic utilization of digital and traditional channels as well as the ability to build digital partner ecosystems and provide innovative offerings that can be launched quickly.

Nokia Monetization Recommendation Manager is a purpose-built solution for CSP teams based on consultations and research that provides the full set of capabilities required to address all four critical factors of successful CVM: context, relevance, digital channels and ecosystems.

Learn more about Nokia Monetization Recommendation Manager by visiting the monetization page of the Nokia website.

Nokia OYJ
Karakaari 7
02610 Espoo
Finland
Tel. +358 (0) 10 44 88 000

Document code: CID210950 (November)