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Premium customer support as a key to high performance in a networked world

By Andy Zimmerman and Max Kleinman

Beyond the immediate urgencies of an economic downturn, the communications and high-tech marketplace is in the midst of extraordinary change. In the age of convergence and a pervasive network, where the traditional lines of distinction between the industries of communications, high tech and media have been blurred, consumers have more choices than ever about devices, services and service providers.

So what will be the competitive differentiators that will drive some companies to high performance? Based on recent Accenture research, keys to success for any company operating in the communications and high-tech marketplace will be masking technical complexity for consumers and providing them with high-quality, unified customer support. Customercentric design and service increase the value consumers derive from their products and services, and help deliver an effective customer experience.

Usability, service and support, therefore, have now assumed critical roles. Our research finds that consumers have very high expectations: networked devices must work together, simply and easily, and there must be comprehensive, one-stop shopping for service and support needs. It's a tall order. But companies must meet that challenge if they expect to compete and achieve high performance in the years ahead.

Expectations of tech-forward consumers

For this Accenture study, "Telecommunications Competitive Future Research: A Consumer Perspective," we surveyed the more sophisticated users of technology devices and networked services a group we termed "tech-forwards"—in the United States, Europe, Japan, Brazil, China and India. Participants were screened to make sure they were users of a large number of products and services.

We found that these consumers are optimistic about the technological world and its possibilities. Most believe that their lives will be enriched both personally and professionally by a trend Accenture calls "trivergence." Trivergence is the coordination of three components—devices, data and controls—over a ubiquitous network, providing an integrated user and service experience (something that can be seen in products such as the Apple iPod).

At the same time, even in the relatively early days of this trend, consumers appear to realize that a world of millions or even trillions of processors and devices linked to a ubiquitous network could become unmanageable and unusable. Therefore, consumers expect to cast their loyalties with companies capable of making things look simple. They want a single point of control for their digital devices (which Accenture calls a "soft panel"—see "Hard demand for a soft panel," Outlook Point of View, December 2008, No. 1). And when they need help, they are looking for a single point of contact.

Who has the edge?

What kind of company is most capable of providing this platform-based interoperability and corresponding support that delivers a compelling user experience?

No clear leader has emerged in the minds of consumers, according to our research. A variety of well-known global brands emerged among Internet service providers, software companies, device makers and carriers. Fifty-eight percent of survey

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The importance of unified customer support

However, if consumers are as yet uncertain about the type of company capable of dominating the networked, digital world, they are speaking up loud and clear about the capabilities needed to achieve that success: excellent customer service and support. Asked what they are looking for in selecting a company that "makes everything work together," customer service and support was the top answer.

But customer service in the convergent, networked environment means something very different than in the traditional world: it means *unified* customer service. Consumers no longer want to have to contact a phone company for one need, an electronics company for another and an ISP for still another. They want to reach out to one company, which then has the responsibility for delivering a consistent, high-quality customer experience across all digital components.

Our research also included interviews with executives from a range of communications companies, high-tech firms and device manufacturers. These executives are aware that unified customer support represents a stiff challenge. Companies today want to own the entire customer experience, from marketing to sales to service, but providing superior support may mean partnering with external sources that have expertise in this area and an established infrastructure. This was the perspective of one ISP executive. who told us that customer service is a huge challenge for his organization. The company is looking to subcontract customer support while being mindful of the need to nurture the consumer relationship under the company's brand.

The executives we spoke with noted that the carriers have an edge in the area of customer service because that kind of support has represented a core capability. Yet the interviewees also pointed to the fact that providing the level of service needed to succeed in a networked world

will require new infrastructure and business models.

The opportunity of premium technical services

One of the sticking points in providing tailored customer support, or what can be called "premium technical services," has been the important question of "Who pays?" A presumption at the heart of the typical customer support business model for service providers and electronics companies has been that companies must subsidize support—configuration, set-up and management of devices or even of an entire digital home—simply as a cost of doing business.

However, other Accenture research suggests otherwise: Consumers are actually willing to pay to have a provider remove some of the technological complexity of the digital home from their lives. A majority of respondents in Accenture's recent Digital Home Study indicated a willingness to pay for premium services such as in-home installation, technical phone support, and back-up and remote monitoring services. Almost 50 percent of consumers would be willing to pay a provider a monthly fee to manage their digital home.

The importance of new collaborative models

Different kinds of companies need to step up in different ways to enable the trivergent, networked world of devices and services. Usability enhancements are important, which means companies must incorporate plug-and-play features that make networked devices easier to set up and manage. Companies must also be more willing to offer in-home set-up and maintenance services, which would give customers the confidence they need to create their own home networks and connect their trivergent devices.

We believe collaborative partnerships will be a key to success—at least in the near term. As the Accenture Digital Home Study found, the combination of hardware, software, connectivity access, content, field support and service is too much for one company to handle on its own. Intelligent partnering and collaboration among hardware, content and service companies will be essential.

But the framework for collaboration is still underdeveloped. As one carrier executive put it, "The main thing that needs to happen is a clear strategic framework for the partnership—understanding what we as carriers want to keep as our assets, what we are happy to share and what we would like to obtain from the partners. Application providers need to be clear about who owns what in the relationship, particularly in terms of customer data, customer experience and customer support."

This sense of partnering for mutual benefit is a window that will not remain open to industry players forever, however.

Carriers have many assets and capabilities that other players in the digital ecosystem would like to tap into: billing, customer care, user data, location, presence and so forth. At the same time, high-tech and media players are rapidly developing carrier-independent resources in these areas. It's time to start forging the collaborative relationships needed to achieve high performance by attracting and retaining consumers in these exciting years ahead.

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