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Top Technology Trends for CSPs in 2022: Total Experience Drives Growth and Customer Centricity

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CSPs can link customer journey improvements to employee experience to enhance business outcomes in a new hybrid future of work. CSP CIOs can use this trend analysis to explore how to support a “total experience” strategy to improve customer centricity, growth and employee satisfaction.

Opportunities

- Communications service providers (CSPs) have an opportunity to build on digital solutions introduced or expanded during the early stages of the pandemic and address gaps by more closely linking customer experience (CX) and partner experience (PX) to employee experience (EX). A total experience (TX) strategy linking CX and PX with EX further enhances experiences for customers and partners across all channels to drive engagement, satisfaction and cost-efficiencies.
- CSPs can build on solutions introduced to support work-from-home (WFH) models and provide easy-to-use, highly functional solutions to minimize the

impact of “the Great Resignation” and contribute to recruiting goals in the era of hybrid work.

- Adding TX capabilities to product portfolios can help position CSPs as a partner to B2B clients and public-sector organizations to help them improve on their EX and CX.
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Recommendations

CSP CIOs and technology leaders supporting digital transformation should:

- Collaborate with CX leaders, line of business, and frontline teams to identify key customer and partner pain points and emerging experience gaps in both digital and in-person channels. Address the gaps by incorporating TX as a key business requirement for implementing any CRM, partner relationship management (PRM), customer care, self-care or point-of-sale (POS) system with a strong consideration for the EX impact, and not just CX and PX.
 - Evaluate employee pain points and gaps in experience to aid in adopting new solutions that enable employees to thrive in new ways of working by liaising with HR and frontline roles to achieve these goals.
 - Identify the technologies and solution bundles that support improvements to customers’ own TX by partnering with product and marketing leaders.
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Strategic Planning Assumption(s)

By 2026, 60% of large enterprises will use total experience to transform their business models to achieve world-class customer and employee advocacy levels.

What You Need to Know

Communications service providers (CSPs) are investing more in their customer experience (CX) strategies for retention and growth, while aiming to improve

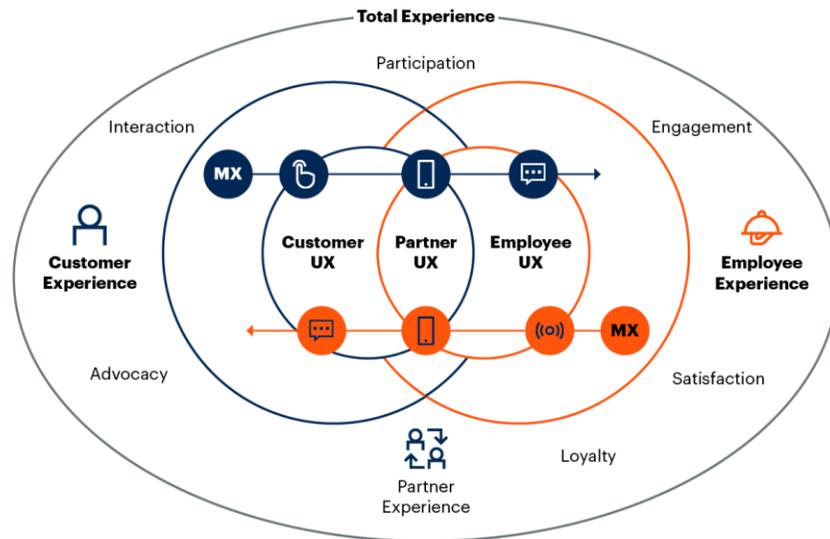
support and sales efficiency. They' re also focusing more on employee experience (EX) strategies to compete for scarce talent and improve business process efficiency. CX and EX strategies, however, are often siloed, developed in a vacuum and not clearly linked in IT system business requirements. Successful implementation of "total experience" (TX) encourages the removal of silos in which CX, EX, user experience (UX) and multiexperience (MX) activities traditionally run. This creates cohesive business requirements for all relevant IT systems, enabling competitive advantage in addition to operational efficiency.

Creating an overarching TX strategy addresses the functional and emotional needs of both employees and customers, and should also consider partner experience and the broader workforce (e.g., outsourced entities, service providers, etc.).

TX simultaneously addresses their respective journeys — especially the parts that intersect — whether through digital or nondigital means (see Figure 1). This creates a superior shared experience for everyone. EX and CX initiatives should reuse the underlying technologies and design the UX holistically for employees, customers and partners for MX interactions across devices, touchpoints and interaction modalities.

Figure 1: CSP Total Experience Interlinks the CX, PX, EX, UX and MX Disciplines

CSP Total Experience Interlinks the CX, PX, EX, UX and MX Disciplines



Source: Gartner
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Total Experience Drives Growth and Customer Centricity

Description:

Gartner defines TX as a business strategy for creating superior shared customer and employee experiences (see Top Strategic Technology Trends for 2022: Total Experience). The goal is to drive greater customer and employee engagement, satisfaction, loyalty and advocacy using digital and nondigital techniques. Applying a TX mindset creates resilience that can adapt to disruptions affecting customers and employees, leading to better business outcomes.

CSPs need to rethink how they change behavior and technologies by addressing the feelings, emotions and memories that encompass CX and EX, and the experience of partners and other constituents. Organizations need a TX strategy that considers the UX for multiple constituents across multiple modes of interaction. TX is enabled by design, development, automation, content, data and analytics technologies. These mutually beneficial technologies help uncover and remove effort to transform shared experiences. Executive-sponsored fusion teams that span leaders from IT, business and multiple experience teams apply TX by starting with business architecture to close the strategy-to-execution gap. They

continuously enhance UX and MX capabilities to improve overall CX and EX outcomes.

Why Trending:

CSP CIOs and other technology leaders identify customer experience as a top-three priority investment area (see Strategic Planning in Crisis: A CSP Perspective). At the same time, recognition of the need to better link customer experience with employee experience is growing both internally at CSPs and in other industries. In the 2022 Gartner CIO and Technology Executive Survey, 39% of CSP respondents listed “total experience solutions” as a technology area where they would be spending the largest amount of new or additional funding in 2022 compared to 2021.¹ Listed below are the forces driving this focus on TX:

- **Challenges with digital engagement traction:** CSPs consider digital channel capabilities as fundamental to improving customer engagement and customer lifetime value (CLV), reducing churn, and providing a competitive differentiator. While the early stages of the COVID-19 crisis accelerated customer demands for digital channels and self-service, some CSPs are seeing challenges in growing and even retaining progress in digital engagement. For example, some customers have been abandoning digital channels and reverting to traditional, assisted channels at a higher cost to CSPs. A TX approach can facilitate engagement across both digital and nondigital channels, and transitions between them during a customer’s interaction (e.g., handoff from chatbot to customer care agent) to support evolving channel preferences and improved digital experiences to support cost reductions.
- **Supporting employees:** CSPs continue to look for ways to improve the experience and seek digital tools for their employees as they face heightened competition for talent and employees rethinking their priorities leading to “the Great Resignation.” In addition, emerging hybrid working models and work-from-home (WFH) and work-from-anywhere trends require further improvements in EX.
- **Competition and new disruptors:** In the face of new digital brands, new market entrants and traditional competitors trying to steal market share, CX

becomes more important for differentiation, customer retention, CLV, service growth and partner ecosystems.

- Increased customer expectations: Digitally demanding customers and an expanding mix of services and partners are making it more challenging for CSPs to meet customer expectations. Digitally savvy subscribers are immersed in the CX of digitally native brands they engage with on their broadband devices and expect similar ease of use and personalization from their CSPs.
- Growing integration requests: Enterprises and partners pushing for ease of use and automation are requesting new levels of integration of CSP services into enterprise IT and operational technology (OT) environments with tools to support self-serve. Business account teams and partner ecosystem managers need to position the CSP industry as a partner to deliver business outcomes.
- Ramping up small and midsize business (SMB) services: As CSPs seek to gain traction and grow their service portfolio for SMBs, they need digital tools to help their frontline teams improve the CX for these customers, which have often previously been served (or underserved) through consumer channels (see Research Roundup: Growth Opportunities for Telcos Targeting SMBs in 2022).
- Incorporating TX in CSP B2B services and products: CSPs have been seizing the opportunity to position products and services to their enterprise customers that will enable them to develop TX, by improving linked experiences for their employees and own customers. For example, Verizon explains the benefits of its Unified Communications as a Service (UCaaS) as enabling TX, by connecting employees and customers and providing cloud-based data to support interactions.

Implications:

- TX strategy has implications for both the business model and the IT operating model. Traditionally, CSPs have incrementally architected a service experience based on supporting their CSP-centric product portfolio

with various channels. As customers and partners demand more digital experiences across many channels, CSPs will need to transform not only their technology, but also the processes and operations that lead to well-designed, consistent experiences across all touchpoints.

- Increasing complexity of networks, service portfolios and partner ecosystems demands CSPs to deliver simplicity and ease of use of experience to customers, partners and employees. This is especially necessary for key “moments of truth” such as service or device upgrades, outage support, contract renewals, etc. The quality of experience has both direct and indirect impact on multiple business metrics, including cost efficiencies and revenue growth. The need to improve the experience for all parties involved requires CIOs to work jointly with the heads of other departments, particularly where employees report to other executives.
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Actions:

- Prioritize initiatives that impact overlapping CX and EX (and PX) to maximize shared outcomes and value, with particular attention to business, operating and service model changes that need to be made to support new hybrid ways of working and interacting.
- Rally the right stakeholders to form a TX fusion team across business and IT for sharing and fostering UX and MX innovations to impact CX, EX and PX strategies.
- Implement composable application architecture that mutually improves employee, customer and partner journeys to optimize for TX transformation, such as packaged business capabilities (PBCs) that empower business technologists.
- Develop solutions that ingest data from both employee and customer journeys to support artificial intelligence/machine learning (AI/ML) and predictive data analytics in a unified platform for linked insights.

- Align business requirements for new systems and processes to take into account TX approaches. For example, include EX as one of the outcome-based criteria during procurement and while building the business case.
- Invest in technologies that shift from traditional channels by reimagining customer and employee journeys based on effortless experience design across MX touchpoints and modalities.
- Work jointly with product and marketing leaders to identify and support the technologies and solution bundles that enable improvements to customers' own TX.

*** Attention: research are originally in English and I have translated it into Chinese by Google Translate as instructed by Peter. In case of any discrepancy between the English version and the Chinese version, the English version shall*