

A Forrester Consulting
Thought Leadership Spotlight
Commissioned By Cognizant Digital
Experience

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Activating The CX Ecosystem With Systems Of Insight: A Spotlight On Telecommunications

Telecommunications Industry Results From The
April 2021 Thought Leadership Paper, “Activate
A Holistic Customer Experience Ecosystem To
Become A Market Leader”





Introduction

Excellent customer experience (CX) boosts a business's revenue and profitability, yet few firms take advantage of the CX opportunity.¹ Most companies fail to engineer a holistic customer experience ecosystem comprised of a CX team, employees, and business partners working closely in concert with one another. Without this ecosystem, firms lack the agility and creativity needed to generate and deliver genuinely valuable customer experiences.

Cognizant Digital Experience commissioned Forrester Consulting to understand the progress telecommunications companies have made in harnessing this experience ecosystem to deliver excellent customer experiences. Forrester conducted an online survey with 109 CX strategy leaders at global telecommunications companies to explore this topic.

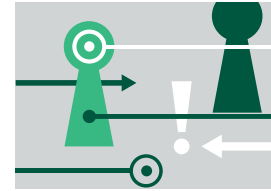
We found that most companies understand the importance of providing the CX delivery ecosystem insights to better understand and respond to customer needs. But most are unprepared to deliver exceptional customer experiences today and in the future.

KEY FINDINGS

- › **Investments that enable the entire experience ecosystem drive business results.** Companies that invest budget, time, and effort into their CX ecosystems see improvements in revenue, customer loyalty, and business efficiencies.
- › **Self-sustained CX enablement is rare.** While many companies prioritize harnessing insights to deliver personalized experiences today, only a third of respondents build evolving roadmaps to serve increasing customer needs.
- › **Telecommunications companies are more mature than their industry peers, but there's room to grow.** Forrester created a CX enablement maturity model to understand advancements in enabling employees and partners to deliver the best possible customer experience. Per this model, there were few low maturity telecommunications companies, which we labeled as followers. Fifty-one percent of telecommunications companies sat at a middling level of maturity, which we labeled as intermediates.

Telecom Companies Underinvest In Enabling The CX Ecosystem

In a hypercompetitive business environment and the post-pandemic worlds, applying data and analytics at every chance to differentiate customer experiences is a prerequisite for success.² Yet Forrester found that companies often underinvest in initiatives to align processes, workflows, and technologies that enable workers with the insights needed to deliver their intended experiences.



Telecommunications companies face growing pressure to provide rich customer experiences to consumer and business buyers. They often employ huge numbers of employees and work with a complex array of partners to deliver an optimized customer experience. The stakes are high: Telecommunications firms provide bedrock services like connectivity that underpin the modern enterprise’s digital infrastructure and the contemporary consumer’s life. A poor customer experience can reverberate deeply. In surveying 109 CX strategy leaders in the telecommunications industry, we found that:

› **Telecommunications leaders prioritize providing employees and partners with an intimate understanding of customer needs.**

Telecommunications industry leaders recognize that understanding customers is a prerequisite to delighting them with world-class customer experiences (see Figure 1). Decision-makers seek to provide employees (67%) and partners (71%) with enough insight to understand and appreciate where a customer is coming from, as well as the information, context, and resources they need to make the right decision for the customer.

Figure 1

“Which of the following is your company prioritizing in its employee enablement efforts?”



“Which of the following is your company prioritizing in your partner enablement efforts?”



Base: 109 CX decision-makers at enterprise telecommunications organizations across the globe
 Source: A commissioned study conducted by Forrester Consulting on behalf of Cognizant, January 2021

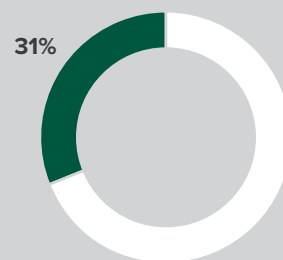
> **Most telecommunications companies struggle to capture a complete view of the customer.** Recognizing that customer insight should be a high priority doesn't ensure success at providing it. The top prohibitor to employees delivering the right experience at telecommunications companies is still the lack of alignment between employee enablement and CX strategies.³ This lack of alignment persists though telecommunications firms have the know-how and tools to deal with the available data and insights. Unless remediated, this gap in alignment will likely widen as companies struggle to keep up with constantly changing customer expectations. About a third (31%) of telecom respondents reported that their organizations currently build roadmaps to proactively anticipate the ways in which employees' roles will need to evolve to meet future customer needs (see Figure 2).

Figure 2

“What is preventing employees from delivering customer experiences that align to the company’s CX vision?”



Building roadmaps to anticipate ways in which employee roles will evolve over time to serve evolving customer needs



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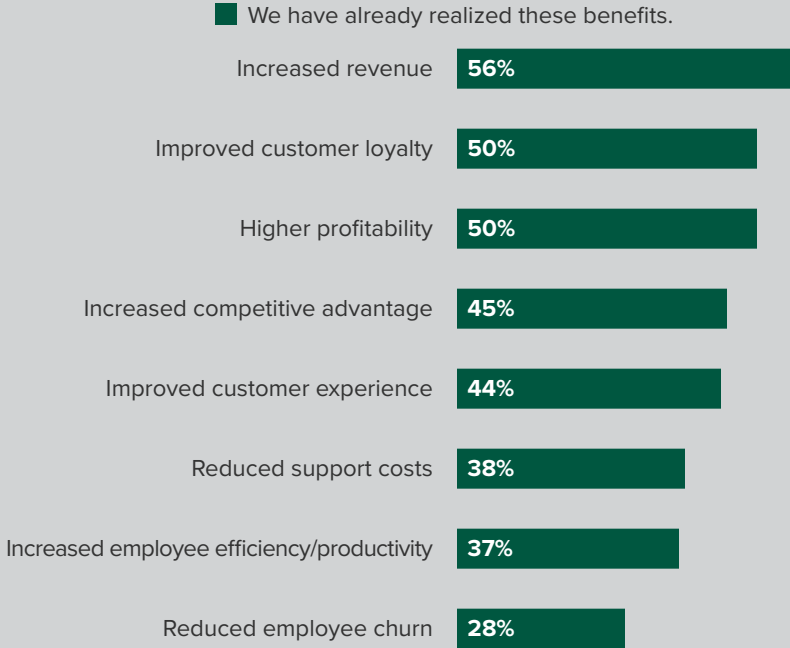
CX Ecosystem Investments Deliver Agility And Business Results

Engineering a holistic CX ecosystem that provides the right insights to employees, partners, and customers drives tangible business results. Alignment around evolving and varying customer needs speeds time-to-market, allowing employees and partners to work hand-in-hand with CX teams to achieve goals. This results in agility and the ability to adapt when customer needs and desires change. For telecommunications firms, CX is just as crucial to a successful launch of 5G as it is to lowering churn from existing customers. Building the case for systematically harnessing insights to enable great experiences includes a number of benefits:

- › **Employees and the bottom line benefit from CX enablement improvements.** Telecommunications companies are already finding that their CX enablement investments result in increased revenue (56%), improved customer loyalty (50%), and higher profitability (50%) (see Figure 3). Yet driving customer experience suggests that these numbers are far too low, and there’s work to be done on giving employees the right tools to become fully engaged and empowered for more than 50% of the time. Likewise, partner enablement is a CX enablement segment that’s often overlooked. Sixty-one percent of telecom respondents said their organization isn’t investing enough in partner enablement, and it’s hindering their CX success. For a cohesive CX strategy, partners must be brought in early and often to encourage alignment in how to serve the customer.

Figure 3

“What benefits of improving employee enablement have you realized/do you expect to realize?”



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Source: A commissioned study conducted by Forrester Consulting on behalf of Cognizant, January 2021

- › **As telecommunications companies mature their CX enablement ecosystems and practices — including use of automation — they can expect higher returns.** Only 21% of telecommunications companies are considered leaders in the maturity model. Leaders in the study were twice as likely to experience benefits. Followers and intermediates face a number of challenges, including the inability to connect their CX, employee experience, and partner experiences, which doesn't allow them to generate the outcomes customers crave. Telecommunications firms may have personnel with data skills, but the leadership, processes, organizational support, and cultural dimensions of CX must work with technology and data systems to drive success.

Fifty-three percent of telecommunications decision-makers reported a reduction in cost to serve customers from automating manual processes, but 60% reported their companies aren't investing enough in employee enablement, which is hindering their CX success.

Telecom companies must look at the bigger CX picture to properly serve customers. Employees serving customers in a highly automated environment must still adhere to the complex and changeable needs of the customer. That requires company-wide sharing of the company's CX vision statement and a holistic understanding of each customer.



Key Recommendations

Telecommunications industry companies are, in many ways, well-positioned to capitalize on the customer insights revolution. They have the technology know-how to leverage advanced tools like artificial intelligence to make the most of customer data and personalize experiences accordingly. But only 21% of telecommunications industry firms are customer experience leaders who have prioritized CX, EX, and partner experience improvements and aligned them to form an ecosystem of value. Companies that fail to activate this holistic customer experience ecosystem will lose ground to quickly changing customer demands and more effective competitors.

Forrester's in-depth survey of telecommunications leaders about the customer experience ecosystem yielded several important recommendations:



All telecommunications industry decision-makers: Construct an ecosystem.

Customer, employee, and partner experience practices all play a key role in driving customer delight. But too often these practices receive uneven investment and are only loosely connected to one another. Accountable leadership of dedicated experience roles will help create a new cohesive ecosystem. Link reporting, goals, and operational processes between CX, EX, and partner enablement functions. To do so, you must build a foundation of technology and data that can deliver relevant insights at scale and in real time. Harness this ecosystem in service of key goals:

- › **Customer loyalty.** A lost customer will join a competitor's ecosystem, which means you lose today's profit and the promise of future revenue. Align your ecosystem's efforts on customer loyalty to avoid churn and to create opportunities for upsell. Automation and AI can play a role here. For example, best-in-class AI for self-service in residential telecom can offer 24/7 experiences that automate problem-solving without long call center wait times.
- › **Omnichannel.** Ensuring a smooth customer experience across all touchpoints instead of siloed, disconnected experiences is crucial to loyalty, acquisition, and upsell. Enterprise customers need increasingly sophisticated integrations to power their businesses, including when they offer B2B2C services. Consumers and small businesses look for personal, simple, and automated interactions. In all cases, presenting one face to the customer remains a challenge.
- › **The 5G economy.** The transition to 5G will become a key test for many telecommunications providers that need to articulate and deliver a vision of how a 5G economy empowers more distributed workforces with collaboration and connectivity. Differentiating this offering from 4G/LTE requires a team effort from CX, EX, and partner experience. For example, a 5G offering might involve an automotive company, its dealerships, and telecommunications capabilities all harnessed in service of a single, brilliant customer experience. Bringing 5G to life for customers requires the experience teams to align operationally.
- › **Security and privacy.** Collaboration between CX, EX, and partner experience teams is also required to message and deliver upon the core value proposition of security, including data, device, and network security; the privacy of customer data; ID, authentication, and verification; and compliance. Delivering on security requires deep integration between telecom providers and a number of partners.



Followers: Make alignment your north star. Your organization lacks necessary alignment between CX, EX, and partner experience functions. As a result, even when individual components advocate for customers, there's no coordination and the ecosystem can't drive results. Enable each of these experience practices with a common baseline — the customer journey — and spend time understanding how to connect employees, partners, and the customer experience strategy into a well-coordinated ecosystem. Invest in technology platforms that aid visibility into the data, analytics, and automated workflows supporting these functions.



Intermediates: Focus on enablement and connection. You have created valuable CX, EX, and partner experience roles and some alignment between them, but they do not form a cohesive ecosystem. Employees haven't reached a high level of employee experience and are therefore not as engaged as they could be. Enablement can play a key role here. Give employees and partners a rich understanding of customer needs and how they are changing, even as you build up EX through listening data. Also, remediate any disconnected data and technology platforms; disconnected platforms lead to disconnected ecosystems. Invest in platforms that will bring insights to employees and partners at signature moments that matter when dealing with customers.



Leaders: You deserve kudos for setting a baseline, but don't celebrate too soon. Great customer experiences are exceedingly rare, even among companies that have lined up a cohesive ecosystem. Push yourself to develop a roadmap for changes before they happen, and anticipate shifts in customer demands and in the employee jobs and tasks needed to fulfill them. Artificial intelligence, data, analytics, and related tools must play a part here. Reinforce a self-regulating culture that adapts and pivots along with the changes in market conditions, becoming a truly adaptive workforce.

Appendix A: Methodology

In this study, Forrester conducted an online survey with 109 CX strategy leaders at global telecommunications companies. Survey participants included 50% IT decision-makers and 50% business decision-makers, all with a CX strategy remit. The study began in November 2020 and was completed in January 2021. To evaluate the progress companies have made in improving ecosystem enablement in pursuit of delivering better CX, we created a maturity model based on the criteria in the table below.

Prioritization

“How important are the following to your company’s overall success?” (Ranked on scale of 1 to 5)

- Improving CX
- Enabling employees to deliver better CX
- Enabling partners to deliver better CX

Employee Enablement Approach And Sentiment

(Ranked on a scale of 1 to 10)

- My company is committed to providing employees with high-quality tools/technology to help them do their jobs as well as possible.
- My company consistently considers the CX impact when making employee technology decisions.
- Our existing processes make it easy for employees to serve customers.
- My company provides all employees with ample training to help them execute their part of the customer experience.
- Employees in my organization understand who our customers are and what they need from interactions with us.
- My company reinforces customer-centric behaviors through routines, celebrations and rewards aligned to our CX metrics.
- Employees feel a strong commitment and responsibility for delivering positive customer experiences.
- Employees feel a strong commitment and responsibility for improving customer experiences.
- Employees in my organization have access to insights that provide them an intimate understanding of individual customer needs.
- My company is committed to providing employees with a productive workplace environment that supports collaboration.

Investment

“What steps is your company taking to improve customer experience at your organization?”

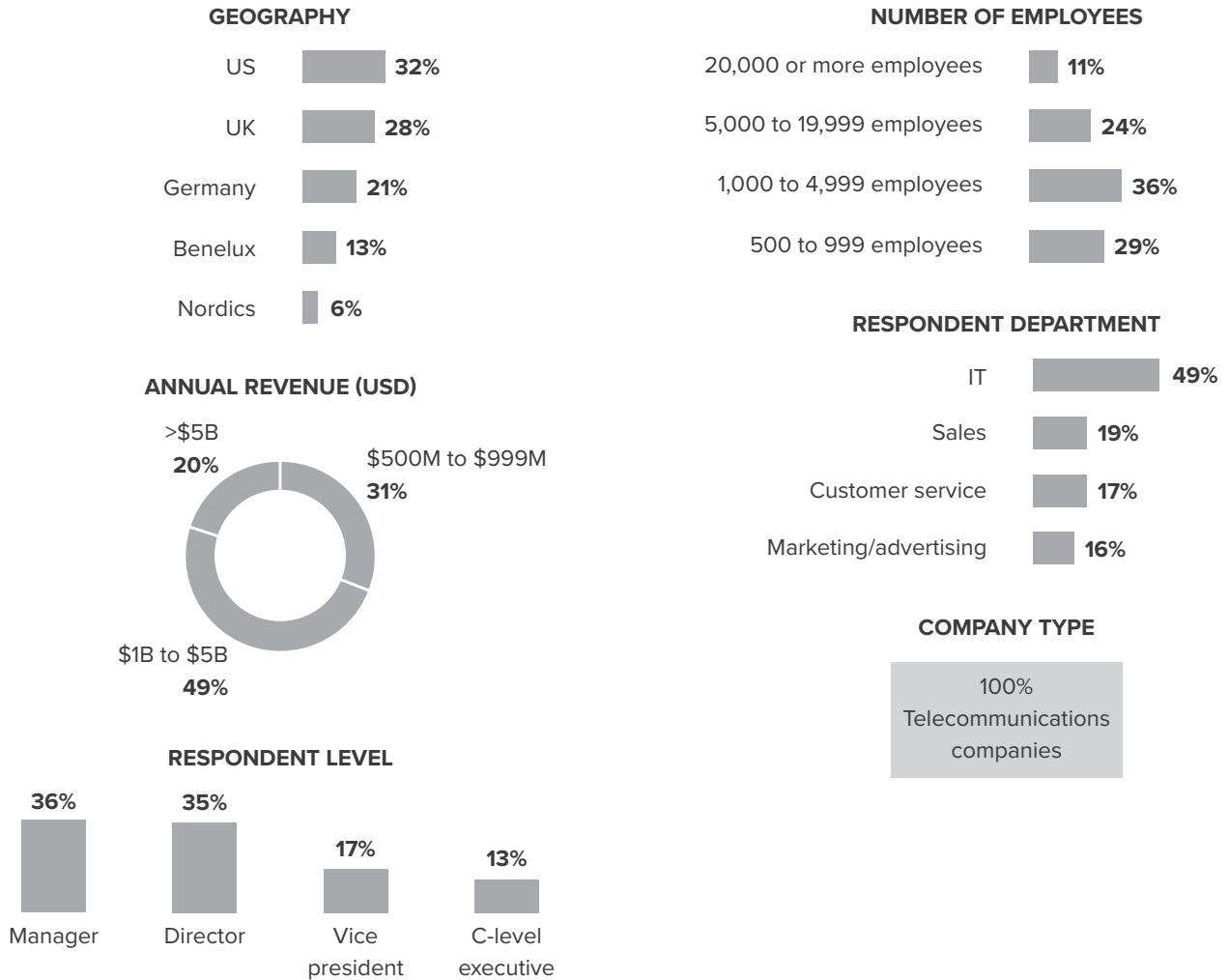
(Ranked on a scaled of 1 to 4)

- Assessing and improving how well our technology and processes empower employees to serve customers
- Including employee enablement as a key tenet of our CX vision
- Expanding the amount of customer data we collect to include new sources and data types (e.g., sentiment data)
- Expanding our analytics capabilities to create a more complete, 360-degree view of our customer
- Applying data insights across all phases of the customer journey to improve or enhance customer interactions
- Mapping our CX delivery ecosystem to include customers, employees, and partners
- Improving our omnichannel delivery

Base: 109 CX decision-makers at enterprise organizations across the globe

Source: A commissioned study conducted by Forrester Consulting on behalf of Cognizant, January 2021

Appendix B: Demographics



Base: 109 CX decision-makers at enterprise organizations across the globe

Note: Percentage may not total 100 because of rounding

Source: A commissioned study conducted by Forrester Consulting on behalf of Cognizant, July 2021

Appendix C: Supplemental Material

RELATED FORRESTER RESEARCH

“How Customer Experience Drives Business Growth, 2020,” Forrester Research, Inc., December 3, 2020.

“Five Steps To Enable Customer Experience Delivery,” Forrester Research, Inc., February 5, 2021.

“Build An Insights-Driven Business,” Forrester Research, Inc., December 9, 2020.

Appendix D: Endnotes

¹ Source: “The ROI Of CX Transformation,” Forrester Research, Inc., January 22, 2021.

² Source: “Build An Insights-Driven Business,” Forrester Research, Inc., December 9, 2020.

³ A CX strategy as a plan that guides the activities and resource allocation needed to deliver an experience that meets or exceeds customer needs. An employee enablement strategy as a plan that guides the activities and resource allocation needed to enable and empower employees to deliver on customer needs.

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Contributing Research:

Forrester’s Employee Experience
And Customer Experience
research groups

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