



# SERVICE QUALITY & CUSTOMER EXPERIENCE

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People, processes and technology critical to assured service quality

Operator approaches to maintaining and improving their customers' experiences are changing to take account of the developments the telecoms sector is going through. Those developments encompass a far wider portfolio of services being

delivered by operators and over the top service providers. The delivery chain has become far more complex as a result, but the end customers don't care about that, they just want their services delivered effectively and reliably. That places pressure on operators because faults within third party service providers may be wrongly attributed to their operations by users. Equally, faults within an operator can affect users' perceptions of the service they get from a third party provider, so for operators, the stakes are now far higher when it comes to ensuring a good customer experience, because they have not only their own customers to satisfy but also their partners.

In saturated markets, service quality is focused on retaining existing subscribers whereas in emerging markets, there is a clear and growing trend towards providing superior quality as



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**Per Blom**  
Head of Consulting  
Ericsson



a means to attract new customers. While the network remains critical, operators need to shift away from their traditional focus on the network and balance it with equal focus on the service performance that their customers actually receive.

It is also important to understand what service assurance is about. It is not, for example, always about delivering the best possible quality to users, but rather the right level of quality to fit a specific offering. It also allows class of service to be offered so those users comfortable with paying more for a better service can do so, and those with limited budgets can opt for a lower service quality and save money.

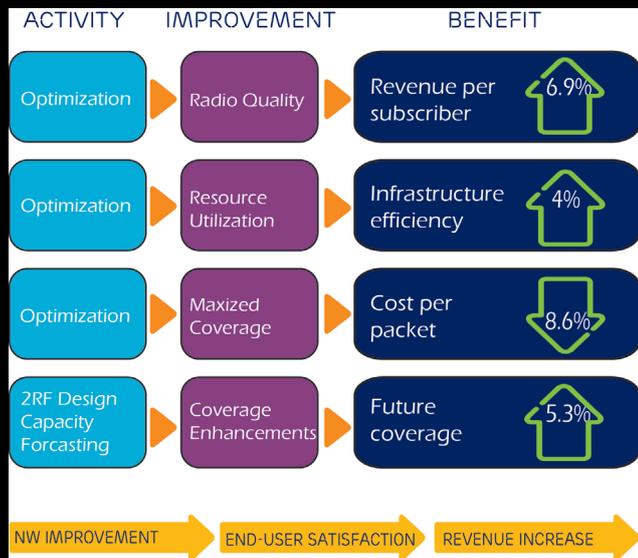
In fact, when it comes to service quality, the stakes are extremely high. Ericsson has modelled the potential additional revenue that an operator in a mature market could generate from the enhanced end-user satisfaction that results from improved service and network. Key findings from the exercise include:

- By optimising radio quality, operator revenue per subscriber can increase by 6.9%
- By optimising resource utilisation, operators can achieve a 4% gain in infrastructure efficiency
- By optimising maximised coverage, operators' cost per packet can drop by 4.8%
- By improving network design, future coverage gains of 8.6% can be achieved

Those are in addition to a range of non-quantifiable benefits centred on reduced churn and more effective capture of additional revenues.

In real world engagements, Ericsson has worked to deliver service quality improvements across a range of operations. For example, at one operator client Ericsson found during a service quality investigation and benchmarking process – using ETSI-based S-KPIs (Service-Key Performance Indicators) and the Ericsson world benchmark database – that the client had a remarkably poor network setup success rate for mobile data services. The operator and the vendor were aware of the issues

but didn't know how to solve them, so chose instead to ignore them resulting in churn. It was therefore a high priority for the management team to fix the network access issue and also the reporting process. Advanced tool capabilities in traffic analysis made the network access problems easy to recognise and trouble shoot at source.



In newer operational areas, Ericsson has engaged with operators to address the challenge presented by the arrival of smartphones in the mainstream market. That has altered the balance between signalling load and traffic load in networks because smartphones necessitate heavier usage of the network from a signalling load perspective. That's partly because of the changes in user behaviour smartphones enable and the consequent increased use of social networking, chat applications and the fast dormancy feature. At one operator, traffic analysis found that fast dormancy of smartphones causes constant connections and disconnections and further analysis showed that, in a worst-case scenario, 80% of radio access establishments were affected by this behaviour. As a direct consequence, the client had to expand the access network in order to guarantee the desired service quality.

Social networking also brings new service quality challenges to operators. Traffic modelling has revealed that social networking has top popularity among the mobile data service population. It is estimated that around 70% of all mobile data transactions are related to social networking services, and especially to the most popular, Facebook. As a result, this application has a direct impact on client revenue. To understand this, Ericsson's Service Quality Optimisation delivered troubleshooting capabilities and key performance indicators for investigation into this area at one client. As a result, an advice algorithm for analysing traffic patterns was applied on the client network and revealed that public social networking applications were by far the most dominant; generating more than 75% of the entire traffic. Previously, the client was unaware of this fact.

The alignment of goals and responsibilities so the specific functions that affect the customer experience are clearly defined is critical for optimising quality. The main ways in which these issues can be addressed are through process ownership and setting appropriate KPIs. This is not primarily a technical issue and this is how consultancy can play an important facilitating role for the operator. As an independent, outside organisation, a consultancy can more readily bridge the gap between IT and operational processes; which traditionally tend to be stovepiped. Consultants can move between and through the traditional lines of demarcation between the various departments within operators, without causing the disruption to existing processes and circles of responsibility or hierarchies that an organisational transformation might cause. An independent organisation can be the facilitator for improved customer experience, and critically, can be a facilitator with an opinion to bring to the project.

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## About Ericsson's Consulting & Systems

Ericsson's Consulting & Systems Integration organisation draws on its experience of helping operators across the world to improve the experience they deliver to their customers, as well as the service quality they offer. Ericsson can address these areas by meeting operators' needs to establish effective processes and to identify appropriate strategies. This consultative approach is backed by technical knowledge that enables it to determine what technology initiatives are required to ensure programmes meet their goals. An effective engagement is a combination of designing processes and automating where possible. Inevitably, those processes don't exist in isolation and are embedded in the landscapes of the operators' businesses, and some will necessarily have to remain manual.

Ericsson's role is to understand what sorts of journeys its customers users are embarking on; and what those consumers want to do. Both a business perspective and a personal perspective is required and is necessary to understand what processes are available in the packages an operator already has in place or plans to have in place. It can be a challenging and dangerous opportunity to take a blank sheet of paper approach to this, because the reality of what is possible to achieve within an IT package has to be considered.

Many operators want to avoid complexity by taking a commercial off the shelf approach, so they can avoid the cost and time to market impact of having to make a lot of changes. However, that limits their ability to adapt and refine their offering so they can stand out in the market. Ericsson sees its role as one of managing the business requirements of the operator within what the technology enables. It sees its role as being one of facilitating the operator's strategic decision and then smoothing the transitional path to enable that strategy.