



## Transform the Telecom Customer Experience With Conversational AI and Automation

Despite the increased global dependency on reliable and fast connectivity since the pandemic, the telecom market is predicted to remain stagnant (+0.1% CAGR) up to 2024 while shareholder returns continue to disappoint.<sup>1</sup>

In fact, during the pandemic, telecoms created less value for shareholders than every sector except for one, financial services, trailing the average total shareholder return (TSR) of all sectors by 16 percentage points.<sup>2</sup>

The drivers of this disappointing financial performance are not all new but have been exacerbated by the challenges faced during the pandemic. These downward trends include declining ARPU (average revenue per user), competitive disruptions, customer churn, and the

struggle to achieve return on investment into 5G and other technologies.

The only way forward is to take bold steps to reinvent and reimagine the business. And one of the most important areas on which telecoms need to focus is customer experience. Today's telecom contact center is the hub for client interactions and, as such, is a primary driver of revenue as well as customer satisfaction. Now, more than ever, telecoms must find a way to deliver

<sup>1</sup> ["The Tech-Driven Telco,"](#) TM Forum and Accenture, 2021

<sup>2</sup> ["Telcos in 2021: Challenges Are Back With a Vengeance"](#) Herbert Blum, Steffen Zimmer, Paul Smith, and Jennifer Binder-Le Pape, Bain & Company, February 2021



a frictionless customer experience and exceptional service.

## Customer Loyalty Still Lacking for Telecoms

With a Net Promoter Score average of 31, the telecom industry ranks at the bottom of industries for customer loyalty.<sup>3</sup>

<sup>3</sup> "Telecom NPS Benchmarks and CX Trends in 2022 | NPS in Telecoms", Cvetilena Gocheva, CustomerGauge, 2022

### Ongoing friction in the telecom customer journey

When it comes to the customer experience, many telecommunication service providers are laggards compared to other industries, and the high call volumes generated during and since the pandemic only serve to accentuate the state of the archaic systems and processes in the contact center. Long wait times, slow resolutions, and the challenges of remote work combine to frustrate both customers and the agents trying to support them.

Increased friction across the customer journey leads to customer dissatisfaction and higher churn. Unlike early in the pandemic, telecom customers are again more willing to change providers. After falling in the second quarter of 2020 to 6.4% of U.S. customers who say they are likely to switch carriers, 7.5% were likely to switch in the second quarter of 2021.<sup>4</sup>

### Conversational AI and automation create frictionless experiences

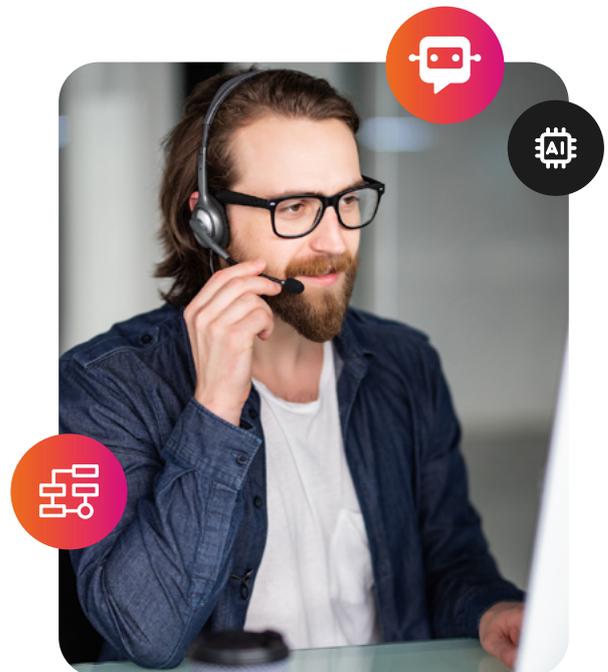
Effective conversational artificial intelligence (AI) and automation solutions provide telecom companies with a way to move from the laggard position in customer experience to a place among the leaders. To become a customer satisfaction and experience leader, telecom companies must use these technologies to deliver a

frictionless customer experience everywhere along the end-to-end conversation—from self-service channels (mobile, web, and IVR) to live agent interactions.

Yet, while some telecoms have deployed point AI or automation solutions, they haven't been able to create the much-needed frictionless, end-to-end experience for customers. For example, many self-service channels still don't understand the customer sentiment, emotion, or intent nor transfer this context as conversations move between channels.

Agents have limited in-call coaching guidance or lack immediate access to customer information, such as customers' current equipment, which increases average handle times and creates delays in order fulfillment. That's because point solutions don't cover the entire conversation and instead create additional silos within the customer journey.

In comparison, a conversational automation platform uses conversational AI, robotic process automation (RPA), workflow automation, and other advanced technologies to bridge humans and machines as well as back office and front office operations throughout the customer conversation and across digital and voice channels.



<sup>4</sup> "The Return of Churn in Telecom", Alexandre Mercier, Cory Needle, and Alex Dahlke, Bain & Company, September 2021



## Customer-centric telecom experiences with conversational AI

Telecoms can deploy conversational AI to meet the new needs of customers with empathy and understanding, help agents be more effective and productive whether they are working from home or in the contact center, and deliver a high-quality experience at a lower cost. By using a conversational AI and automation platform to automate and transform the customer journey, telecoms can remove the friction that frustrates their customers with:

- **Conversational Self-Service:** Automate telecom journeys such as paying bills, inquiring about services, upgrading current services, tracking usage, and more via an omnichannel intelligent virtual assistant (IVA), supporting voice, web, and mobile channels. An IVA with conversational AI helps telecoms understand customer sentiment, emotion, and intent to drive self-service automation rates, thus reducing contact center costs. Should a customer need agent assistance, the IVA passes context from self-service to agents to create a frictionless interaction and a lower average handle time.
- **Real-Time Agent Assistance:** Use a conversational AI and automation platform for real-time analysis of customer context including sentiment, emotion, and intent to help improve agent performance with in-call coaching alerts, giving agents the insight to be more empathetic as well as improving upselling and cross-selling. For example, conversational AI could suggest that the agent offer a triple or quadruple play bundle when a customer already has more than one service, which helps increase ARPU. With a conversational AI and automation platform, telecoms can automate after-call work and call disposition across high-value telecom journeys such as opening new accounts to ensure higher accuracy and reduce average handle time, which shortens wait times for customers.
- **Interaction Analytics:** Automate post-call analytics on 100% of customer interactions including voice, email, and chat to understand reasons for customer churn and sales effectiveness, drive 100%

compliance, and identify other core, customer- and agent-centric experience areas for planning and operational improvements. Telecoms can also get insight into how customers are using channels such as self-service as well as identify potential points of friction in the customer journey to optimize the customer experience.

### **Growing Adoption of AI in the Telecom Industry**

*To improve customer experience, telecom operators are increasingly adopting AI. The global market for AI in the telecom industry is expected to reach \$6.3 billion by 2026, growing at a CAGR of 38%.*

Source: [“Global AI in Telecommunication Market \(2021-2026\),”](#) ResearchandMarkets.com, October 2021

### **Understand customer conversations to build stronger, lasting relationships**

To drive measurable and sustainable improvement in customer satisfaction and loyalty, it's imperative for telecoms to understand, optimize, and act on the customer conversations happening every day in every channel. Conversational AI and automation help telecoms deliver the kind of frictionless experiences that consumers today demand, while reducing operational costs.

Automating and optimizing the entire conversation—self-service, real-time agent assistance, and after the call—using a conversational AI and automation platform is the best way for telecoms to overcome their challenges and realize transformative outcomes.

Learn more about conversational AI and automation for the telecom industry in our ebook [“Four Strategies for Using Conversational AI to Optimize Customer Experience and Outcomes.”](#)

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