

Using billing and customer care

in the fight against churn

THE REASONS FOR CUSTOMER CHURN

Within the increasingly competitive cellular industry, levels of churn are high, with some operators in Europe experiencing a 30% turnover in customers. Subscribers change networks or disconnect their cellular service for a variety of reasons: poor quality service, uncompetitive pricing and service offerings, the general failure of operators to understand customers' needs. Operators therefore must address the reasons behind customer dissatisfaction when planning their business strategies and the infrastructure needed to support them. Only then will they be able to secure, maintain and support their subscriber base, and increase their revenues.

BRINGING BILLING AND CUSTOMER CARE TO THE FORE

When operators consider their initial infrastructure needs, billing and customer care are not often at the top of the list. Other issues – such as coverage, network capacity, and the backbone transmission network – tend to have higher priority. When customer retention and service differentiation are considered, clear solutions such as value-added services (voice mail, short message and data services) are usually foremost in operators' minds.

However, when considering their infrastructure and value-added services, it is vital that operators address billing and customer care in detail. By doing this, they can ensure that their system will support and enhance their plans for increased growth, loyalty and customer retention.

ADDRESSING CUSTOMERS' NEEDS

Many requirements need to be considered if a billing and customer care system is to add value to an operator's business. Some of these depend upon individual operators' market segments, business processes, budgets, and so on. There are requirements, however, which are common to all operators. These include issues which address how customers want to have their service activated, query their bills, report network or service faults, request information on services, and secure the support of customer care service agents. By understanding these needs, operators can ensure that their billing and customer care system provides the best level of service, and increases customer satisfaction.

REACTING RESPONSIVELY TO MARKET DEMAND

As with all the other network infrastructure elements, the billing and customer care system must accommodate rapid subscriber growth and ever-changing customer demands. Only through swift activation of new services and tariffs can operators react to market pressures and launch innovative offerings. Imagine having a service that's sure to take the market by storm, only to find out that the billing and customer care system will take six months to adapt. With competitive pricing one of the major factors in reducing customer churn, the inability of the operator to change or introduce tariffs will be obviously detrimental.

By providing fast and flexible tariff and service structures, the billing and customer care system permits operators to rapidly bring new ideas and tariffs to the market. Efficient service activation allows new subscribers to start using their service immediately, at the right price. Customers are therefore satisfied, and churn is reduced. Moreover, if an operator is not seen as being at the leading edge of technological innovation, its reputation will be further damaged. Consequently, its subscriber base and competitive position will suffer. The costs to win back customers' confidence and regenerate a positive market perception will be substantial.

ACHIEVING THE BEST FROM YOUR BILLING SYSTEM

The fundamental function of a billing system is to provide customers with an invoice for network usage. Operators thus have direct access to the customer in the form of a bill. This provides the opportunity for direct marketing of information such as new tariffs or special offers and other services. This can enhance the customer's perception of an operator. Moreover, by using various formats and media, operators can ensure that when customers read their bills, they can extract the information that they need as quickly and easily as possible.

Poor billing has customers asking more questions of customer care representatives. As a result, subscribers will doubt the accuracy of the bill. This delays payment, unnecessarily ties up valuable customer care resources and, if unresolved, will lead to the customer seeking the service of another operator.

A COMPREHENSIVE, INTEGRATED APPROACH TO CUSTOMER CARE

Customer care involves the set of activities required to acquire and retain subscribers. Subscribers contact customer care centres for a variety of reasons: to make queries about their bills and payments; to complain about their service or network; to change services or details within them; to inquire about new products and services. If service agents are to handle this variety of calls, there needs to be very close and regular contact between an operator's marketing, sales and customer care teams.

Such a relationship guarantees that the latest network information is available whenever a customer care representative talks to customers.

With quick access to information, service agents can provide the most recent and relevant information to customers. This includes a unified management process which permits the coordination of those business functions that relate to network faults and problems. For example, when a customer reports a network fault, the service agent must

have sufficient network expertise and information to explain the nature of the specific problem and say when it will be fixed.

In this way, an initially negative perception of the network is turned into a positive call. The customer is left feeling confident about the competence of the operator and satisfied with the service they are receiving.

THE CUSTOMER-CENTRED APPROACH

With such a customer-centred approach, operators can turn their billing and customer care system into a strategic, revenue-generating asset. For example, one operator has found that in 10% of cases, prompt and courteous responses to a customer promoted additional sales to that customer.

Also, customer care centres must learn from their customers. This requires a front-end mechanism for screening and directing calls, as well as systems that capture information collected by the representative. The time to start developing the environment and staff to support these critical functions is while the subscriber base is small, so that flexibility can be maintained and some learning accomplished at an early date.

KNOW YOUR MARKET

An effective billing and customer care system can also be used as a primary service differentiator and revenue generator. By providing real-time rating and credit monitoring, the billing and customer care system allows operators to keep close track of subscriber usage. This enables operators to reduce fraud and control bad debt which, if left unchecked, result in lost revenue and increased churn. By accessing detailed subscriber information, marketing departments can create service offerings that meet the needs of existing and potential customers. In this way, operators can release market competitive services and combat churn.

A KEY DIFFERENTIATOR

With competition in the cellular market ever increasing, the need to attract and retain customers is more important than ever. Operators must use all available resources to reduce churn. If a complementary, service-differentiating billing and customer care system is to benefit an operator, the complex and detailed requirements of the system must be considered early in the infrastructure selection process.

Planning and implementing a fast, effective billing and customer care system requires the full support of the entire business. This allows access to the information that's needed to satisfy the customer, while the system provides operators with a real service differentiator. Gathering the necessary customer information required to promote new or higher-value services will not only help to generate additional revenue, but also maintain the customers' perception of the operator as innovative.

To ignore the important benefits of a billing and customer care system in the fight against churn is to dramatically reduce operators' ability to compete in the marketplace. By including such a system, operators can provide customers with the support that they need. This secures customers' satisfaction and loyalty, and thus reduces churn.

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