

The Customer Relationship Report

Telecom

An insight into how the customer experiences
the relationship with their telecom company



In this report, we show how telecom companies' customer relationships largely play out during the payment transaction. What are the consequences? How do customers experience their relationships with the companies and what could a better path for the companies – one that leads to more loyal customers – look like in the future?

How was the report produced?

The report is based on two surveys conducted by Novus and commissioned by Billogram. The purpose of the surveys was to find out how customers experience the relationship with their providers of electricity, broadband and mobile telephony.

All interviews were conducted with people from Novus's Sweden Panel, which was created to give as representative a picture as possible of the opinions and thoughts of Sweden's residents. Read more about Novus's Sweden Panel at novus.se.

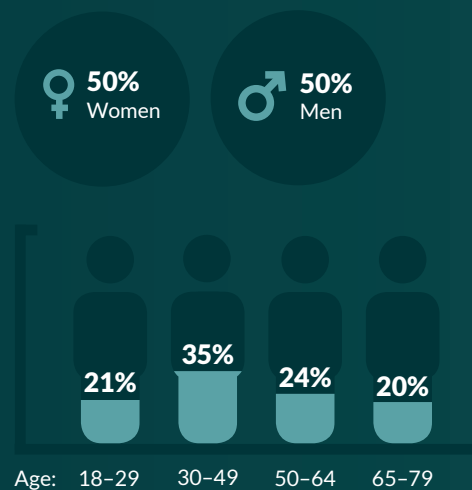
Study #1: 1072 interviews with randomly selected Swedes aged 18–79, which means that the results are statistically significant.

Study #2: 1801 interviews with randomly selected Swedes aged 18–79, which means that the results are statistically significant.

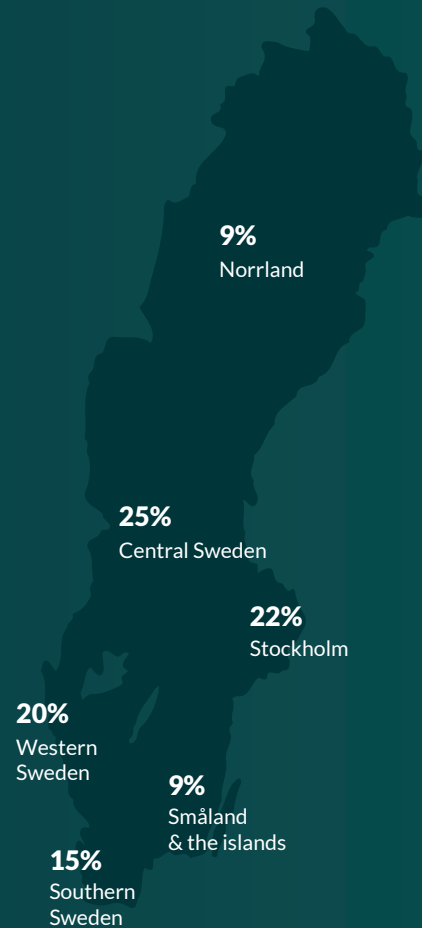
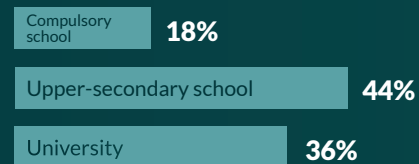


Sampling

The sampling was the same for both Study #1 and #2.



Level of education:



How is the report structured?

The report consists of 8 parts focusing on different topics, where each part starts by highlighting statistics that are relevant to the telecom industry. This is followed by an analysis produced by Billogram and finally by recommendations on the topic, aimed at providers in the telecom industry.



1.

For 67% of mobile customers, the invoice is the only contact they have with their provider

The second most frequently used point of interaction is the website/My Pages, which only 18% of mobile customers report visiting at least once a month.



Analysis

Start where your customer already engages and communicate there

For almost 7 out of 10 mobile customers, the payment transaction is also the only time when the customer is in contact with you as a provider. The natural follow-up question, of course, is whether that brief interaction receives a proportionate amount of attention.



Regardless of what it looks like today, in light of the above figures, every Swedish telecom company needs to think about how they can use the payment transaction. The responsibility for this natural point of interaction usually rests solely with the finance department, which is logical, if you look only at the basic function. However, since the payment transaction is the only point of interaction with the provider for 67% of mobile customers, more people need to take greater advantage of this opportunity. How do you use this interaction for more than just a transaction? How do you use the payment transaction for communication and relationship-building?

The idea is not to stop communicating via other channels, but rather to use the payment transaction to add value in the other communication channels. By taking advantage of the customers' attention during the payment transaction, a digital invoice allows you to build natural entrances to other channels or at least create a willingness in the customer to explore more channels.

Recommendations

Start talking about the invoice as a payment experience

Start talking about the invoice, the point of contact for the vast majority of customers, as a payment *experience* and as a fundamental part of the overall customer experience. Then build from there. For example, if you are clarifying your brand, start with the question “How do we communicate this during the payment transaction?” instead of addressing that issue last or not at all. Also, make sure that the payment transaction harmonizes with the other channels so that it becomes a so-called “omnichannel” experience.

Use the invoice for marketing and sales

Clearly task the marketing and sales departments with using the payment transaction. The customer journeys with which these departments currently work must be deepened and developed with the payment transaction as a focal point. For example, since the invoice is unique for each customer, the marketing department has great opportunities to score points by incorporating personalized messages into the payment transaction. Just as different departments see the web or social media as a tool, all departments must understand that the invoice is more than a transaction document – it is an experience and a tool.

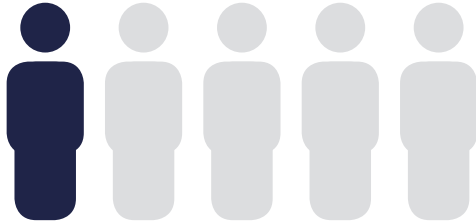
Recommendations

Start where the customer is already

Meet the customer where the customer is, instead of starting from a website that over 80% of them generally don't use. Can the customer read about your offerings on the invoice, and perhaps even make changes to their subscription directly via the invoice? Can the customer contact you during the payment transaction? Does the customer get a good idea of your brand and what you stand for? Can you guide the customer from the payment transaction to your website/My Pages?

2.

1 in 5 think that they should change provider when the invoice arrives



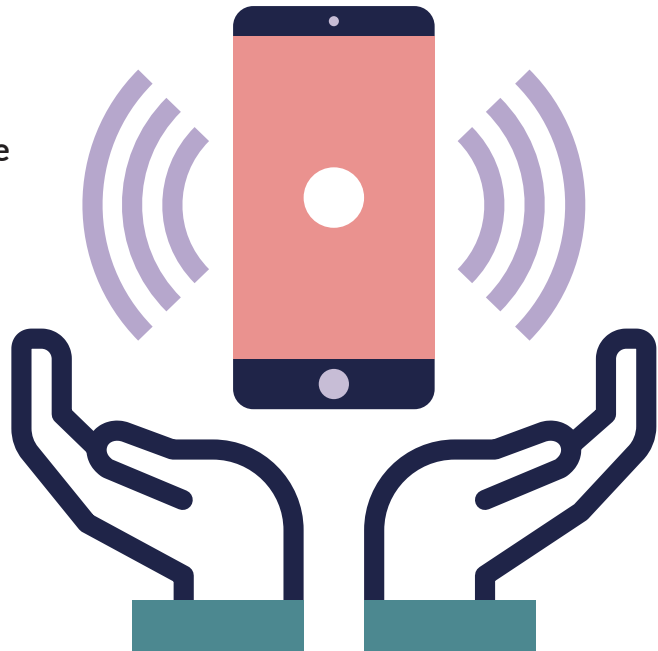
45% of mobile customers actively evaluate their provider when they receive the invoice.

Among young people, this tendency is particularly strong: in the target group of 18–29-year-olds, as many as 80% state that they evaluate their provider when they receive the invoice.



32% of customers agree with the statement *“I often feel that the invoice amount is too high in relation to the service I have received from the provider.”*

Customers who have had the contract for a shorter period of time are more likely to evaluate their provider when they receive the invoice.



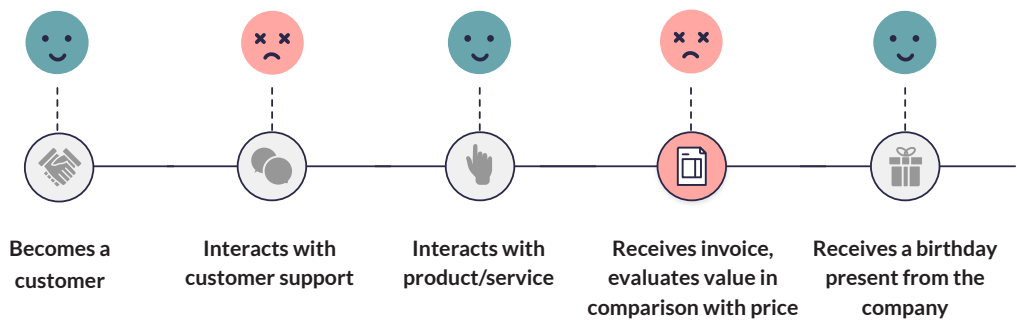
The moment of truth occurs when the customer receives the invoice

Since virtually every other customer evaluates their mobile provider when they have the invoice in front of them, there is no sustainable argument for overlooking the payment transaction as an essential part of the customer experience. If you equate the invoice with a transaction document, you completely miss the opportunity to strengthen your relationship with the customer.

Based on the figures, we propose an approach that will yield more business benefit over time. See the invoice as the occasion when the customer weighs the value she experiences against what she has actually paid. The balance between these two aspects determines whether the customer experience is negative, neutral or positive. The payment transaction is thus a kind of natural opportunity for the evaluation of the relationship you have managed to build with the customer.

Analysis

Formulated as a hypothetical law, it might look like this:



$$L = aV \text{ vs. } P$$

L = Likelihood that customer will stay
aV = accumulated Value
P = Price



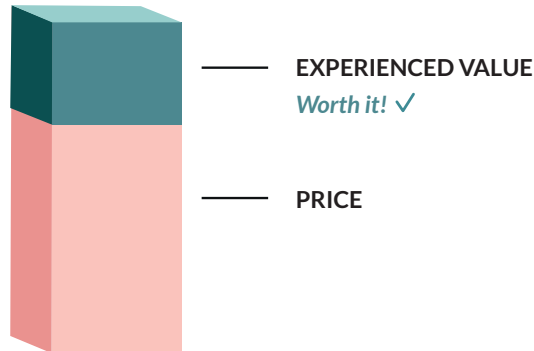
Positive experience
– Adds value



Negative experience
– Detracts value

Analysis

Each individual interaction that a customer has with you as a provider will either add to or detract from the value the customer associates with you. When the customer receives an invoice, she will compare the price on the invoice with the value you have managed to build up in her mind. To keep her as a customer, value she perceives must be higher than the price she must pay. In short, she must feel that your service is worth the price.



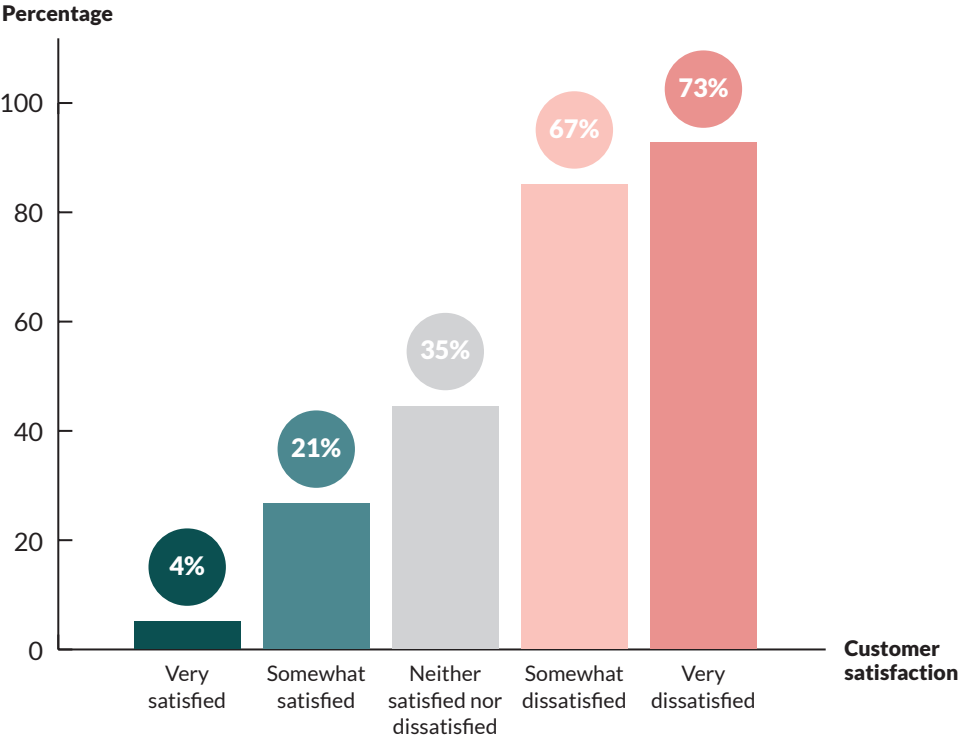
Given that for 79% of broadband customers, the invoice is the only point of contact, this is absolutely critical. The invoice bears the greatest responsibility for the customer experience but is at the same time usually the weakest link in the customer experience chain, as in its current form it does not add value for the customer. As a result, other links in the customer experience chain don't reach their full potential.

Satisfaction and time as a customer are two important factors

The statistics tell us that two factors that increase the risk that the customer will consider leaving you in connection with the payment transaction are how long the customer has been a customer and how satisfied the customer is. Among those who have been customers for up to 2 years, it is more common – 25% compared to the average figure of 20% – to think about leaving the provider in connection with the payment transaction. In terms of customer satisfaction, the relationship between how satisfied one is and the idea of leaving the provider is strong (no surprise there). In the groups of customers who are somewhat or very dissatisfied with their provider, 67% and 73% of customers respectively consider leaving. The invoice thus becomes not only a request for payment, but also a reminder to look around for a new provider instead of sticking with the one with which they are so dissatisfied.

Percentage who consider changing provider when they receive the invoice, distributed on the basis of customer satisfaction:

Seen over all surveyed industries.



Young people evaluate more – get used to it

The fact that a full 80% of young customers (18–29 years old) evaluate their mobile provider when the invoice arrives is an interesting difference to highlight. Why do they stand out like that from other age groups? Consider that this is a generation that has grown up in a digital world of “on-demand” options. Watching your favorite series whenever you want, jumping between services and apps at will, being able to shop from anywhere 24/7 – these behaviors and many others are natural for this generation. This flexible attitude is of course transferred to relationships with mobile phone, energy and other subscription service providers. Young customers are constantly ready to evaluate and jump to the next thing.

Will this behavior disappear over time as they move into the next age group? Possibly, but another possible development for which there is more evidence is that the behavior will persist as they age and customers will become more mobile than ever.

Recommendations

Maximize the customer's sense of value during the payment transaction

Challenge yourselves to maximize the customer's sense of value during the payment transaction. How can the customer get more out of their purchase? What value can you add during the payment transaction? Imagine if not just 67% but a full 100% of your customers only interacted with you during the payment transaction. If this were the case, how could you strengthen the relationship as much as possible at that time? How is your attitude to the invoice affected if you think that every invoice that only causes the customer think about price leads to a phasing out of the customer over time? How could you counteract this phasing-out effect by instead being transparent, accessible and communicative, in keeping with your brand?

Clarify the invoice

Minimize the risk that the payment transaction will create problems. The invoice should be clear in both content and design, and it should be ridiculously easy to pay or ask questions about it. By all means, you want to ensure that the customer does not get more things to add to their list of negatives during this crucial moment of evaluation.

Remind the customer why they chose you

Once upon a time, the customer chose you for a reason. How can you remind them of this during the critical payment transaction? During every payment transaction, drill it into the customer's head that they made the right choice. The benefits of your particular brand and offerings must be highlighted to the greatest degree possible during this point of contact.

3.

Those little fees entail big risks

44% of customers fully or partially agree that invoice fees can lead them to change provider.

1 in 3 customers look for a new provider if they receive an unjustified reminder fee, and the same proportion state that they sometimes subsequently share their dissatisfaction with the people around them.

42% of customers fully or partially agree with the statement *“If I receive a debt collection demand instead of being offered the opportunity to resolve a missed payment in another way, there is a risk that I will look around for a new provider.”*



Are those small revenues really small losses?

Adding small fees is easy to justify: you rake in extra revenue that does not require any more effort on your part than having the system add SEK 39 to the invoice.

But have you thought about what losses you risk incurring as a result of this “extra revenue?” Nearly half of the customers who receive an invoice fee say that it can lead them to change provider. “Far from all of those 44 percent will change providers,” you might think – but the fact that these little fees even spur the customer to look around should be a cause for concern. The major potential consequences of a small fee on every single invoice makes it worth asking yourself what other, more profitable alternatives there might be. So if you are not already doing so, recalculate the profit margin for those extra fees so that it takes into account the significant risk that they will cause churn.

A thought experiment: One of your competitors launches a nationwide campaign under the slogan “Sweden’s most sympathetic mobile invoices.” They do away with the invoice fee, say that the first reminder is free and on top of all that, they send out a text message a few days before the due date to help the customer remember to make their payment.

How would that work out? What’s your gut feeling? Would your customers maybe give that offer a sideways glance and start wondering why you can’t have the same policy? Our gut says: untapped business opportunity.

Don't intimidate the customer with debt collection without good reason

As you might expect, debt collection demands aren't popular with customers, either. 42% of them say that there is a risk that they will look for a new provider when they receive a demand and they are not offered any other solution than to pay a penalty fee. In addition to the risk that the debt collection demand may scare the customer away, you also completely lose control of the communication and the entire relationship. Instead, the debt collection company steps in and plays the "tough guy," with "extra everything" in terms of fees, all topped off with customer-hostile words such as "demand" and "the Enforcement Agency."



The debt collection companies' customer experience is also something of a nightmare, which is your problem because it is your customer they're handling. These companies exemplify the customer-hostile relationship by taking on the role of faceless debt collectors. Instead of using a warm but firm approach and making it as easy as possible for the customer to pay, they complicate the process in order to possibly be able to charge an additional penalty fee.

Sometimes debt collection demands are justified; the customer must of course pay their bills. But again, ask yourself: What is it worth? Have you quantified the risks you take when you hand over your customer to a debt collection company? Have you unilaterally focused on how easy it will make things for you if the debt collection company takes over the debt? Turn the tables and ask yourself what you could gain – in terms of customer satisfaction and counteracted churn – by maintaining your relationship with the customer.

Recommendations

Count smarter

If you currently list invoice, reminder and debt collection fees as pure income items, in light of these figures you need to stop doing that. Dig deep to find out how many customers you are actually losing as a result of these fees. Calculate the loss each lost customer entails and compare this to the “gains” from these penalty fees. Is it still worth it?

Investigate the possibilities of skipping the extra fees

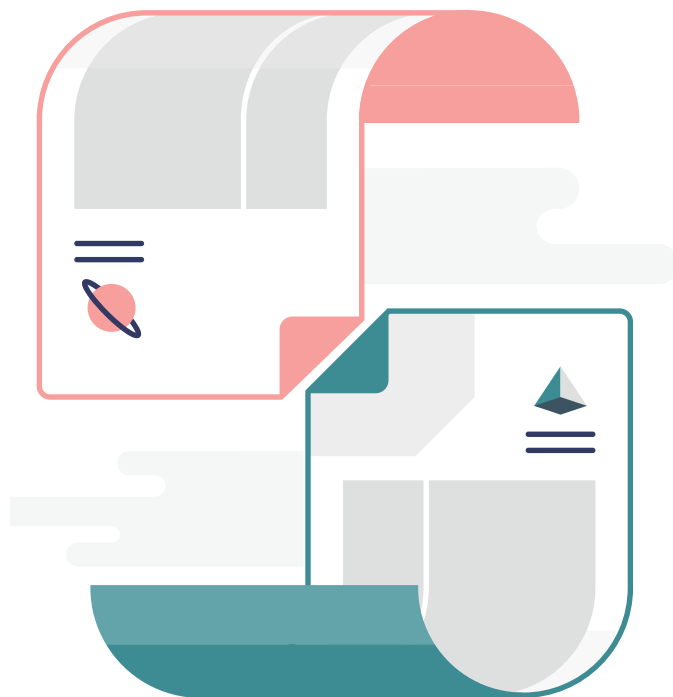
Investigate how you can transform low or zero extra fees into a competitive advantage. Maybe there is even an opportunity to brag that you don't chase your customers and send debt collection companies after them just because an invoice ended up in the wrong pile of paper at the customer's home.

Justify everything

If you still have extra fees, justify them to the customer, so that they become understandable instead of hostile.

4.

41% of customers feel locked into a contract with their mobile provider because it is a hassle to change providers



If you want to keep the customer, you need to know why you still have them

This figure underscores something we have said before and which is demonstrably worth saying again: it is not enough that you keep the customer from quarter to quarter, year to year. You need to know why the customer stays. Nearly one in three mobile customers feel “locked” into their contract and that it is “a hassle” to change providers – how loyal would such a customer be if a competitor suddenly appeared that made it as easy as possible to switch? Perhaps right now the customer only has a notion of how difficult it would be to change providers? In that case, it would really be enough for a competitor to show them that it’s not so complicated – and presto, you’ve lost the customer.

You must evolve for a world of more mobile customers

If we look beyond your competitors as a driving force, it becomes quite clear that the whole of society is moving towards rewarding freedom, mobility and transparency, with digitalization as a major contributory factor. More and more comparison services allow customers to compare the value of different contracts or the quality of various service providers, new laws such as the GDPR raise the requirements for security and clarity regarding data and privacy issues, roaming charges are vanishing – and so on. The entire telecom industry is transforming, and the direction is clear.

Some tag along when the law requires it – others lead the way. For example, we have recently been closely studied and been impressed by the British telecom giant O2, which is ambitious in its work with the customer experience and making the best possible offers to their customers. In the fall of 2018, they launched their Custom plans, which allow the customer to tinker with what should and should not be included in their subscriptions.

What do we want to achieve? Customer expectations will continue to evolve towards mobility and freedom. In connection with this, the threshold for what the customer feels is “troublesome” and what it means to be “locked in” will become lower. You will need to develop in a direction that will make it easier for the customer to be mobile. And when you do, the million dollar question is: In a scenario where the customer can drop you as a provider at the touch of a button, who’s your competition?

Recommendations

Investigate why your customers renew their subscriptions

Dive deep with your customers to find out why they extend their subscriptions. Don't just ask them straight out, "Why did you extend your subscription?" When you do that, most customers give a simple answer ("because it works well"). Instead, dig deeper! Introduce the customer to hypothetical alternatives. "Describe how you would like the process of changing electricity provider to work," "If you had to change, which provider would you choose and why?" or "Why haven't you switched to that provider already?" And so on, in that style. Don't be afraid to find out a potentially uncomfortable truth.

Investigate how you can make it easier to switch to you

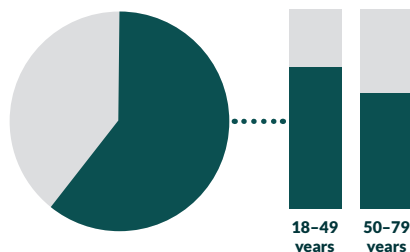
Work hard on the question of how you can make it as easy as possible to switch to you, without mixing in prices or offers. Completely limit your approach to the customer experience – what does a competitor's customer need to do to switch to you, and how can you drastically simplify that journey?

Learn from the best

Look at other modern subscription services to which today's users are accustomed (such as Netflix and Spotify) to gain inspiration and get a taste of what customers will increasingly begin to demand from you as well when it comes to the simplicity of starting/terminating a subscription.

5.

Invoice hassles hurt you as a provider



61% of customers say that a complicated invoice can make them adopt a more negative view of their provider.

Younger people seem to have the least patience, regardless of industry. In the target group of 18–49-year-olds, 71% agree with the statement that complicated invoices make them view their provider more negatively.

The corresponding figure for 50–79-year-olds is 58%.

1 in 5 fully or partially agrees with the statement *“If the invoice was easier to pay, it would improve my overall experience with the provider.”* This figure is significantly higher in the 18–29 age group, where 35% agree in whole or in part.

Nobody likes a hassle – so don't let the whole experience be dominated by it

Thus, 6 out of 10 mobile customers believe that a complicated invoice has a negative impact on their relationship with the provider. Of course, no one likes hassle, but again we would like to remind you that for 67% of mobile customers, the payment transaction is the only notable point of contact. If the experience during the payment transaction is complicated, then all their contact with you as a provider is complicated. That doesn't make for a loyal customer base.

The age differences are interesting, because they offer a preview of how this will change over time. Younger people expect simpler and more comfortable experiences, and of course they expect everything to be digital. As more people who don't remember a time before the internet start paying their first mobile bills, expectations for you will rise. Soon you will have large crowds of customers who have been chatting with brands on Facebook Messenger for a decade but have never called a telephone support service, who have made seamless microtransactions using thumbprint verification on their phone but have scarcely made a withdrawal at an ATM. Now that they're starting to manage their own finances and pay their own mobile bills – what differences in customer experience will they react to?

Analysis

The root of much of the evil? The format.

In order to gain a better understanding of what it is about invoices that creates hassle for customers, we need look no further than the FAQ page of your average energy or mobile telephony provider. The questions are often about:

- that the invoice is difficult to pay,
- that information about what the customer is looking for is lacking,
- that the customer does not understand exactly what costs money and why,
- that it is difficult to change something that is incorrect.

Many of these problems could easily have been remedied if most invoices did not use such hopelessly outdated formats. The classic, completely “dead” paper invoice lands in most customers’ mailboxes, and if it is “digital”, it often takes the form of the same paper invoice in PDF format, or of an e-invoice from the bank. This saves paper but doesn’t really solve any of the problems we listed above.

To eliminate the hassle and meet customers’ rising demands for convenience, the invoice must be a payment experience delivered via a digital platform, where you have the opportunity to change things in real time, to communicate directly with the customer, and to easily enter data and information from other sources. Simply put, you should be able to do everything that your customers expect you to be able to do in the digital age.



Recommendations

Find out what customers consider to be a hassle

You need to make it a priority to find out what your customers consider to be a hassle and how you can improve this. Don't accept being just as much of a hassle as everyone else; the figures show invoice-associated hassle is far too great a source of negative customer experiences for it to be sustainable.

Change the format

Switch to a digital and interactive format for the payment experience that allows you to meet the expectations of today's customers.

Simplify your contact paths

When questions arise, your contact paths must be as easy to navigate as possible. With Billogram's platform, customers can chat with their provider's customer service directly via the interface in the payment experience – how can you make yourselves as accessible as possible?

6.

Customers want personalized communication on the invoice

60% of customers are happy to take advantage of an offer included on the invoice for a new contract that better fits their consumption habits.

71% of mobile customers say that they are happy to receive information about, e.g., consumption, commitment periods and the like when they receive their invoice.

38% agree with the statement:
"In general, it feels like contracts aren't flexible and personalized for my situation."



The data society leads to demand for personalized offers

6 out of 10 mobile customers are open to, e.g., more personalized offers delivered directly on the invoice. That message should go straight to the board room of every telecom company in Sweden. By and large, customers are happy to receive offers!

Why? This is probably due to the digital development we have seen in just the last five years, where increasingly personal data about users is collected and used by platform holders to adapt their offerings to each user's tastes. More and more people have experienced how good it can be when things are personalized, for example when services such as Amazon, Spotify and Netflix seem to be able to predict what content we might like.

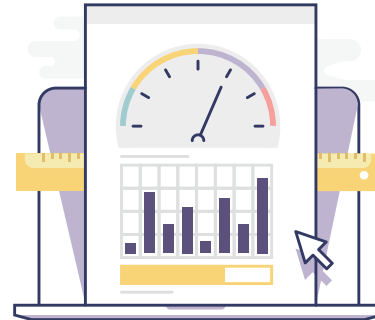
However, when it comes to mobile telephony and how we use personal data for, the stage is set for challenges around privacy and security that do not affect, e.g., the energy industry to such a great extent. We do not need to point out how important it is to comply with the legal requirements and your customer's expectations about personal privacy. However, the figures show the importance of not becoming paralyzed. Despite the privacy issues that are raised, customers are so largely in favor of allowing you to use their personal data in order to customize offers. Let their positivity guide you; don't shy away from the challenge, because then one of your competitors will seize that opportunity instead. In an era where virtually every company that wants to develop is thinking about how it can better customize itself according to the customer's needs, it is reasonable to assume that openness to customized offers will increasingly strengthen into an expectation.

Analysis

Data collection must be characterized by transparency and clarity

In this case, one results in the other. As many as 71% of customers want information about consumption, commitment periods and the like. Simply put, customers want to know what they are paying for.

Hasn't that always been the case? Not exactly. Because as consumers are now learning how much data providers have about them – and thus are open to offers that are personalized based on these data – this brings with it a counter-demand for transparency and clarity. The customer says: “I know you know. Now tell me and be open.” If you want to be a leading telecom company, report as much as you can, as clearly as possible.



Recommendations

Show what costs money and why

Develop your communication during the payment transaction so that it reports what things cost money and why, with all the clarity that customers desire. Listing the number of text messages and gigabytes of data in what can best be described as an Excel document is not in keeping with the clarity today's customers demand.

Use data to produce offers

Work hard to examine how you can use data about customers to produce relevant offers. If you're lacking data, just ask the customers! The figures point to a great willingness to share personal data if it results in customized offers, so go out and get the data you need.

Use data to customize the payment experience

Use personal data about customers to customize the entire payment experience. Who receives the invoice? A younger man who is responsible for his own mobile bill for the first time and almost gets nervous when it arrives? A middle-aged woman who routinely sits down and tackles this week's pile of papers? It is only reasonable that these two customers demand, and thus receive, different payment experiences.

7.

Too many people feel that you don't change with the times

39% of mobile customers fully or partially agree with the statement "The offer I receive from my provider have not changed significantly in the last 3 years."

52% of mobile customers fully or partially agree with the statement "*When new customers receive better offers/contracts than I have today, it negatively affects my view of my provider.*"



It's one thing to change, another thing for customers to understand that you have

More than 4 out of 10 customers do not think that the offer they receive from their mobile providers have changed “significantly” in the last 3 years. If you react to this with “Yes, but we haven’t made such big changes in 3 years,” then you’re probably being left in the dust by the competition.

If your reaction is instead “We have certainly changed, but the customers haven’t understood that we have,” then your problem is this: The fact that you have changed is little consolation if 39% of the customers haven’t noticed. They are completely unaware of the new values you have added, and the investments you have made in the customer experience or the quality of your service could all prove to have been in vain if the customer opts to look for another provider.

How are you going to communicate the changes you have made to your customers, so that they actually understand what you are doing in exchange for the money the customer is forced to cough up month after month, beyond connecting their calls and making sure their text messages go through?

On the other hand, your old customers see you wooing new ones

While a large proportion don't feel that you're changing – and thus don't believe that you're improving – just over 3 out of 5 say that their attitude towards you deteriorates when new customers receive better offers or contracts. If you think about that situation, you'll realize that it's a fairly potent cocktail: the customer continues to pay the bills but feels that nothing happens, while you seemingly pour all your energy into attracting new customers with enviable prices.

In short, this is not sustainable.

Are you actually making the profound changes necessary for customers to notice a difference? Or is the picture that many customers have of you actually true: you aren't developing your offerings significantly, and instead focus on attracting new customers with favorable prices?

Recommendations

Communicate how you are developing your offerings and why

Invest a great deal of effort in communicating how you are developing your offerings and why. Don't forget to use the invoice in this communication; remember that for 67% of your customers it is the only point of interaction with which they engage.

Stop guessing

Ask yourself tough questions and conduct frequent tests with your customers: Do your changes actually add value? Or are you wasting precious resources on projects that management thinks are great but that the customers don't feel add value? You must *know* the answer to this; guessing is brutally costly.

Find out how campaigns targeting new customers affect existing customers

Evaluate in detail how campaigns aimed at attracting new customers affect your existing ones. That it pays to campaign a new customer home set against the customer's potential lifetime value, that's one thing – but have you factored in the effect of 52% of your existing customers getting a worse attitude towards you when they see it?

8.

84% of mobile customers have higher expectations of digital solutions than they did 5 years ago

In addition, 81% of mobile customers have higher expectations that it will be quick and easy to pay than they did just 3 years ago. This figure is even higher in the 30–49 age group, where a whopping 86% have higher expectations.



A single experience can change everything

It only takes a single experience to change a customer's expectations of an entire industry or of a certain type of activity. If a friend with another mobile provider shows your customer how their new digital service works, the lightbulb will turn on: "Why can't my provider offer that kind of service?" A satisfied customer can become a dissatisfied one who has seen what is possible. It can happen in the blink of an eye.

In other words, as a provider, there is a major risk here that you will be overtaken by your competitors – unless you yourself are proactive and act first, that is. For example, look at Max Burgers or Amazon. They have changed their business model and offerings based entirely on digitalization and led the development in this area. Rather than becoming slaves to expectations, they have instead created them.

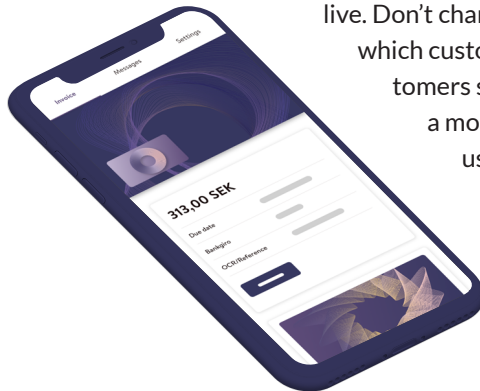
Amazon is not your competitor – but e-commerce helps drive your customers' expectations. Expectations of new digital solutions follow the accelerating development of technology. Somewhat surprisingly, the expectation profile is the same across all age groups surveyed. So contrary to stereotypical assumptions, it is not only the younger customers who want better digital solutions.

Analysis

Build digital solutions – with which the customer engages

When 84% of customers expect more digital solutions, the conclusion can only be that there is business to be done here. Of course, you should not just go digital for the sake of going digital; you want to create digital solutions that have a positive impact on your business. We thus land right back in the same situation as we mentioned in the analysis of figure # 1: For 67% of mobile customers, the invoice is the only point of interaction with you as a provider.

If you combine these facts, you come to one of the biggest reasons why Billogram exists. Since so many mobile customers only engage with the invoice, we aim to transform the payment transaction based on the new digital reality in which we all live. Don't channel all your energy into points of interaction with which customers don't engage (remember that only 18% of customers say they use their provider's website/My Pages once a month). Build from the ground up by maximizing your use of the point of interaction that for 67% of customers is the only one: the invoice.



Recommendations

Buy or build the right digital solutions

Create or purchase digital solutions that are fundamentally adapted based on the possibilities of digitalization. Don't be content with simply transforming an analog process to become computer-based, for example with bad solutions such as digital forms and PDF invoices.

Learn from others

Look at how other subscription-based digital services build relationships with their users and – no matter how much of a clash it might be – work around the question: What would it look like if we worked like that?

Digitalize the invoice

Digitalize your #1 most-used point of interaction – the invoice – with a solution that paves the way for personalization and interactivity.

Summary

So how do customers experience their relationships with telecom companies?
And what does the way forward look like for providers?

This study shows that the relationship between customers and telecom companies largely plays out during the payment transaction. This is where many customers actively evaluate the relationship. This is where the greatest risks occur, as hassle quickly damages the relationship – but it is also where the opportunities lie.

Our recommendation is to broaden your view of the payment transaction from a necessary transaction to an experience. Companies need to start talking about the payment transaction internally and build their services based on that. They need to explore how they can maximize customers' sense of value at this precise moment, as well as how they can minimize risks through clearer payments. They also need to question how fees related to the invoice, reminders and debt collection affect the customer's overall experience and relationship. In addition, companies urgently need to start communicating with customers about what they are paying for and why they are making a good choice of provider. The companies that take this challenge seriously can look forward to an exciting and profitable future, in both the long and short term.

A new view of the payment transaction

Perhaps the most important insight that our work with Novus has given us is that for the majority of customers of telecom, energy and broadband providers, the payment transaction is the sole point of interaction. This means that the payment transaction is these suppliers' most important moment with their customers. Here lie the opportunities for loyal relationships, but also the risks of churn.

In light of the fact that the payment transaction is crucial for these companies' relationships with their customers, the shortcomings of the traditional invoice become obvious. The invoice remains a "dead", one-way document. It is equipped neither to be flexible nor to support a relationship.

What is a better payment option?

If the traditional invoice does not work to build loyal customer relationships, what alternatives do companies have? The answer is: lots of them.

The combination of technology and financial services has proven potent. We can now build completely new services that are far better at meeting the needs of both companies and customers. Everything can be done faster and more smoothly, but this development is not without pitfalls – especially for companies with subscription-based business models.

As it becomes possible to make everything simpler and more convenient, we need to stop and ask ourselves what happens to the customer relationship. Is a good payment experience really just about making the transaction as simple and convenient as possible?

The risk of only focusing on simple transactions is that we miss the opportunity to build relationships with our customers. A better payment transaction is thus about more than the transaction itself. The payment transaction only becomes really interesting when we merge the payment with what is currently known as CRM, when we can combine financial data with customer data and customize the payment experience for each customer.



“We want to broaden the view of the payment transaction from just a simple transaction that should be fast and convenient, to also being about an experience and a relationship. That’s why we talk about and develop our service to meet both of these challenges: smoother payments and better customer experiences.”

Jonas Suijkerbuijk, CEO of Billogram

About Billogram

Billogram is a payment solution that helps companies reconcile customers' demands for simple payments with the need for increased customer loyalty.

Since its inception in 2011, Billogram has transformed an outdated invoicing process by offering an intelligent digital platform for invoicing and payments. Through interactivity and automation, we streamline customer management for companies with recurring payments and improve the customer experience for their customers. The result is a payment that benefits everyone.

Read more about us at billogram.com



www.billogram.com