

TELCOS FAILING TO EXPLOIT DATA GOLDMINE ARE MISSING MILLIONS IN REVENUES

Telcos are missing out on millions of unclaimed revenues and failing to meet the expectations of customers when it comes to personalizing their communications, finds a research survey conducted by Intent HQ, the AI Customer Analytics Platform.

Conducted in spring 2022, Intent HQ's global study is the first to map consumer attitudes about data privacy with research into telco marketing practices. It highlights the disparity between attitudes towards using consumer data and beliefs about customer expectations.

Gap exists between telco perceptions and the reality for customers

The study highlighted that telco operators, a sector with access to more customer data than any other industry, are financially disadvantaging themselves by the huge disconnect that exists between what they *believe* they are achieving and the *reality* of how consumers perceive their operations.

Whilst 80% of operators feel they are doing a good job of personalizing the customer experience, just 40% of consumers agree with that sentiment. Yet operators are closely aligned with consumers about the value of personalization. Customers are ready for more relevance, they want telcos to be sharing personalized offers that are relevant to their interests, but they also want more consent choices and data privacy baked into communications.

As defined by Intent HQ, personalization in this context is about making marketing, customer experience, and products relevant and appealing to an individual. Proper personalization also means knowing a lot about customers and using that data well. Many operators are failing on both counts.

The Intent HQ study shows that current adoption of personalization is patchy, with 46% of telcos unable to use a customer's name in correspondence. Many are reliant on mass marketing ploys and 58% are unable to go beyond the most basic level of personalization. Yet 48% of customers want operators to at least get these basics right, like understanding what forms of communication they prefer and 45% said they only want to see relevant offers and information.

Privacy and trust are major concerns

Privacy is a major concern and the top challenge when it comes to using consumer data. Consumer trust is low due to recent data breaches and operators need to reassure concerned customers about the ways data is used, collected, and stored. 47% of customers expressed concerns about their operators' ability to protect their privacy whilst 31% of consumers would benefit from greater transparency about their operator's data collection and storage practices. On a positive note though, 73% of consumers said they would be

happy to give consent, or limited consent for operators to use the data held about them specifically for personalizing offers, marketing, and customer service purposes.

Overly cautious about compliance and overlooking enabling technology

This disconnect means operators are losing millions in revenues by over-compensating for regulatory compliance when engaging with customers, rather than finding ways to maximise the value that are privacy-sensitive.

23% of operators admit that a lack of technology and data infrastructure are holding back personalization efforts and 42% are struggling with the concepts of data privacy, security, and auditability. Almost a third of operators admit they are being held back by a lack of knowledge over how to extract value from the data.

“One of the most striking findings was the huge perception gap because whilst operators may think they are doing a great job at personalization, just half as many consumers agree and ultimately, it’s the customer’s opinion that matters,” says Sharifah Amirah, Chief Client Officer at Intent HQ.

“The study indicates some telcos are a little cautious and could do a lot more to optimize customer touchpoints for informed consent – not just ask them at the very start of the relationship.” says Simon Blanchard, Partner at Data Protection Network Associates.

“Customers really value choice and transparency. Focus on the value exchange and be sure to communicate the benefits clearly. This is the best way for telcos to build trust and gain consent if they want to drive upsell, cross-sell, and lifetime value.”

To download a copy of the report visit intenthq.com/missingmillions

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