
CONSUMERS CHALLENGE OPERATORS TO DELIVER THE ONE-CLICK EXPERIENCE

- Operators consistently lag behind best-in-class brands in terms of creating a digital experience, overall brand favorability and satisfaction
- One-click experience, excellent customer service and proactivity are among the top five drivers of brand satisfaction for consumers
- In Latin America, 55 percent of weekly internet and mobile phone users interact with brands through online channels at least weekly, while 87 percent of consumers are willing to engage with brands online

When it comes to measuring customer satisfaction, telecom operators generally score favorably. However, a new report from Ericsson ConsumerLab suggests the tide is turning, as more consumers grow to expect what is known as the “one-click” customer experience — that is, the ideal of a frictionless customer journey in which buying online is simple and easy.

The hassle-free online experience, which is exemplified by innovative brands such as Amazon and Netflix, makes life easier for consumers and saves them time. But the one-click ideal also serves as a wake-up call to operators, says Pernilla Jonsson, consumer insight expert with Ericsson ConsumerLab, who is author of the report “The One-Click Ideal - Challenging expectations for operators on the digital customer journey,” based on a study undertaken in urban China and the United States. Additional data from Latin America highlights the results of consumer preference based on online and offline brand interaction.

“In this study, consumers expressed that they had lower expectations of their operators than they had of other top-of-mind digital brands,” Jonsson says. “Operators should regard this as a challenge – and an opportunity – to use the possibilities opened up by digitalization to build a truly differentiated brand experience.”

A majority of consumers indicated that the ideal digital customer journey involves a synchronized mix of online and offline channels. In comparison with best-in-class brands identified by these consumers, operators fell short of consumers’ expectations in their judgment of the digital customer journey.

Respondents were asked to list the best-in-class brands in the creation of digital experiences – such as Amazon, Netflix and Alipay – and to compare these with operators. All of these brands were rated more highly than operators, clearly outperforming them in answer to

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August 25, 2016



questions about whether they make life easier, provide an easy and hassle-free experience, and offer the best online experience.

The report says that less than half of the respondents in the U.S. and China associated their current operator with the main factors contributing to brand satisfaction: a one-click experience, excellent customer service and proactivity.

On the other hand, most agreed that better online tools would improve their view of their operator. But Jonsson says availability of digital tools is no longer enough. "Consumer expectations have transitioned from digital availability to how digitalization creates value for them," she says. "The one-click ideal challenges operators to think differently. To fulfill this vision, an operator has to orchestrate and synchronize between organizational barriers within the whole organization.

"We're moving into a time where brands are competing with each other across industries. Unless operators can occupy a piece of the consumer's mind, they won't be considered the type of brand someone wants to pay a premium for," she says

The findings also underscore the need to reinvent the roles of various touch-points in the customer journey — including customer support and account management — whether users are online or off.

Regional perspective

Among weekly internet and mobile phone users in Latin America, 55 percent interact with brands through online channels, such as websites, emails and blogs, at least on a weekly basis, and 87 percent of consumers are willing to engage with brands online.

But telecom lags behind other industries in digital brand engagement. Of the 66 percent of mobile phone users in Latin America that have contacted their operator during the past 12 months, 63 percent used only offline channels (such as stores and call centers), while 23 percent used both offline and online channels.

"Customers who have used both online and offline channels are more satisfied and are more likely to recommend their operator than those who only use offline channels," says Diana Moya, Head of ConsumerLab Head for Ericsson Latin America.

In Colombia, for example, 60 percent of those who have used both online and offline channels reported high satisfaction, versus 48 percent of those that only used offline channels. In Argentina, 47 percent of those who have used both channels strongly prefer their mobile operator over any other mobile service provider, in contrast with 31 percent of those that only used offline channels.

"Operators should step up and offer better digital experiences to meet customer expectations. In Argentina and Mexico offline channels are still the ideal touch point. In Colombia, by contrast, the preferred touch points are social channels," Moya says.

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About the report

Ericsson ConsumerLab worked with four focus groups comprising participants with a high level of experience in online shopping. The focus groups were located in the U.S. and China.

Online interviews were held with 2,015 smartphone owners in the U.S. and China. The study represents 290 million smartphone users in both markets. Of these, the sample in the US represents 134 million consumers aged 18-65, while the sample in China represents 156 million urban consumers aged 18-55.

Data for Latin America is based on a separate Ericsson ConsumerLab analysis of weekly internet and mobile users 16-65 years old in Brazil, Colombia, Mexico and Argentina, representing the views of approximately 135 million people in the region.

NOTES TO EDITORS

Link to the report:

<http://www.ericsson.com/thinkingahead/consumerlab/consumer-insights/one-click-ideal>

For media kits, backgrounders and high-resolution photos, please visit

www.ericsson.com/press.

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Ericsson has been present in Latin America since 1896, when the company established an agreement in Colombia and delivered equipment for the first time in the region. In the early 1900s, Ericsson increased its presence in Latin America by signing commercial deals in Argentina, Brazil and Mexico. Today, Ericsson is present in 56 countries within South

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