Is it Time for MNOs to Reverse Polarity and Really Put the Customer First?

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Description: Issue : Is it Time for MNOs to Reverse Polarity and Really Put the Customer First? Network operators have long been focused on developing, deploying, running, maintaining, improving and monetising the network. Meanwhile, services have grown from a thin layer of basic products around connectivity (e.g. directory enquiries) to a diverse range of complex and valuable services representing the largest value component (see figure below), so customer choice is now based on both service, and network, criteria. A network-first focus may now lead to loss of market power. For operators to switch focus to customers and save their futures may be too difficult for some. Analysis, Inferences and Implications From the introduction of GSM, there has been a shift in emphasis from the network to the services delivered over it. Connectivity is still vital, but in developed markets, coverage and quality have become ubiquitous, reducing the need to make network choice decisions. From the customer point of view, they are all fast, high quality and relatively cheap. Now customers make their purchasing decisions on the basis of the services they wish to use, critical factors will be availability of content, application functionality, access to social network peers and similar service - rather than connectivity-related criteria. Amazon's Kindle has provided a long-standing example of how a strong content proposition can cause connectivity issues to fall down customer selection priority lists. With a 3G Kindle, the customer neither knows nor cares which network operator is providing connectivity at any one time. Project Fi from Google offers a service using Wi-Fi and three US mobile network hosts – so once again the user does not need to be concerned with the detail of connectivity. An operator with a successful customer-first approach will not neglect the network (customers need good networks as much as, if not more than, operators) but will base development and deployment strategies on what is best for the customer, rather than what is best for the operator (meeting customer needs will translate to long-term benefit to the supplier in the form of true loyalty leading to greater revenue assurance). It may seem a subtle distinction, but it is fundamental to future relevance in a digital world, and it will not come about if leaders delegate putting the customer first. If the CEO and chairman do not buy into the culture change, then it will not happen, and customers will, over time, migrate to suppliers that do put them first.