

HKT

Here To Serve



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Customer experience management (CEM) is something operators often think of strictly in terms of CSAT and churn, but HKT is actually leveraging Huawei's SmartCare CEM solution to expand its business range, boosting revenue streams where there were little-to-none before.

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Hong Kong Telecom (HKT), part of the broader PCCW group, is about as far ahead of the telecom curve as it gets. Their LTE-A network is record-breaking. They offer Gbps speeds to the home. Their service lineup is quad-play, and then some. And for the past four years, Huawei has been their customer experience management (CEM) partner, as they look to narrow the gap between their customer service and technical prowess. Gains have been impressive.

Speed is a need

According to HKT, one of their primary motivators for its focus on network speed is Hong Kong's status as a financial hub. High-frequency trading, on the order of 3,000 plus trades per second, is an integral element of global finance (estimates have stated that 60 percent to 73 percent of US equity is moved through such trades). According to Bloomberg, trading firms are known to pay to have their servers placed in the same data center as the relevant stock exchange the shares are trading on, shaving an infinitesimal yet vital amount off of the elapsed time. Every little bit helps, and HKT is committed to keeping Hong Kong up to speed.

But what if there's an outage?

In a high-stress environment like Hong Kong, outages are going to bring outrage, and HKT is employing a variety of methods to avoid them — some high-tech, some just clever.

In August 2013, HKT added Huawei's

SmartCare CEM solution to the mix, which has the capability to detect latent issues before they develop into full-blown problems, before complaints come in. And what's more, SmartCare CEM can make proactive suggestions. For instance, if large numbers of HKT VIP users frequently gather at the Hong Kong Yacht Club, SmartCare CEM might suggest boosting the coverage there.

In another example, one of the primary reasons why indoor coverage can be spotty is because a telco field survey is typically a one-time event that may not be able to encompass all the key areas onsite (such as the CEO's office). HKT has responded by providing sample SIM cards to business clients whose performance they can monitor around a building throughout the day using SmartCare CEM. This provides much richer data about traffic patterns, allowing coverage to be greatly improved exactly where it's needed. Do these methods work? HKT has seen a 47 percent reduction in VIP complaints for 3G service, and a 34 percent reduction for 4G. In addition, from 2012 to 2014, HKT has had no significant outages on their network, making them the only physical operator in Hong Kong that can make that claim.

"We'll get back to you shortly"

If you're a customer with a complaint, this is a phrase you don't want to hear. It means that you're going to have to wait for an indefinite length of time, with no resolution in sight. Telcos don't like having to say this either. According to HKT, 60 percent of their customer enquiries relate to billing, and if customers have an unresolved billing issue (a

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common headache with enterprise customers, whose bills may be thousands of pages long), they'll often decide to not pay until things are settled.

With SmartCare CEM, customer service responders have access to far more information than they had before, enabling them to not only identify more problems themselves, but resolve them as well. This has helped drive 30 percent reductions in billing inquiry transfer (asking someone else for help) rates for commercial customers, and a 60 percent reduction in overall processing time, with the bulk of that reduction accounted for by a decrease in mean-time-to-demarcation (MTTD) from three hours to thirty minutes – an 80 percent reduction. With these improvements in place, far more enquiries are resolved on the same day. And with customer service staff far more in control of the resolution process than they were before, HKT is now able to hand out prizes for the best examples – a strong motivator for all involved to solve customer problems swiftly and smoothly.

Improved bottom line

HKT's customer service success is not anecdotal. Mobile post-paid churn has dropped from the double-digits to less than 2 percent over the past few years, with customer satisfaction (CSAT) scores seeing 10 percent to 11 percent gains in 2013 and 2014. Moreover, HKT was able to implement a 20 percent increase in SIM pricing for its basic 5 GB package during the same time period, with only a very modest blip in terms of churn that was quickly smoothed over. This no doubt contributed to the 20 percent ARPU boost that the operator saw from 2012 to 2014.

HKT is also leveraging its CEM efforts to open up new revenue streams. For instance, those aforementioned network reliability and

troubleshooting gains make the operator more attractive as an MOCN/MVNO partner, while the volume of data that SmartCare CEM gathers makes it more attractive as a roaming partner. According to HKT, the latter is achieved because the operator is able to provide more precise information to other operators as to how many of its users and VIPs roam on HKT's network.

This improved data gathering also enables better service of enterprise customers. Unlike a consumer complaint, an enterprise complaint may only revolve around a trouble-prone location, with no information provided regarding which users are experiencing trouble or what phones they carry. But with SmartCare CEM, HKT can know these things without being told, on a per-service per-user (PSPU) basis – very handy. SmartCare CEM also makes network exposure a more profitable proposition, as OTT campaigns can be better managed thanks to the SLAs that can now be guaranteed.

The numbers look good

With CEM, HKT is able to more convincingly position itself as Hong Kong's premium operator. When asked why, HKT was refreshingly absent of flowery language. According to the operator, the rest of the organization exists to support marketing, with the data that SmartCare CEM supplies a big part of that. The solution also helps breakdown the silos, as data can now more freely flow across the company. This figures into future plans, as the operator plans to ramp up its Big Data efforts across the company. What does this add up to? A doubling of share price over the last few years, for one, as HKT is now able to deliver the sort of premium service expected of a premium brand, and this is reflected in its motto – Here to Serve. 