



Video Services: Customer Experience in the Fast-Evolving Digital Space

Drawn from our recent primary research study, we present four ways that communications service providers can improve their competitive stance – today and tomorrow.

Executive Summary

It goes without saying that the traditional television (e.g., pay TV) industry – created by communications service providers (CSPs) through cable and satellite offerings – faces several marketplace-disrupting challenges. These include:

- Increasing competition from over the top (OTT) video content providers.
- Growing availability of full duplex gigabit speed Internet service.
- Increased adoption of mobile streaming devices.
- Improved wireless access both inside and outside the home.

But with careful strategic planning and some risk-taking, traditional TV providers can turn these challenges into opportunities.

Based on our latest Communications Service Provider (CSP) Customer Experience Study, and our experience partnering with clients across multiple market segments – including pay TV, streaming video, wireless, voice and other segments – we believe that providers should create an integrated video platform

for their customers. (Learn more by reading our [Perspectives series](#)¹ and our [infographic](#)² that highlights the findings from our study.)

This white paper details critical attributes of this platform, and provides recommendations on how CSPs can transition to a position of strength and drive growth in the ever-changing digital marketplace.



AN INTEGRATED 'CONNECTED HOME'

Providers should leverage their advantage as the pipe into the home to tightly integrate their offerings through a video and smart home interface.

We suggest a consolidated platform – accessible through a television, personal computer or cell phone app – to monitor and control every aspect of their smart home and communications services. This will increase the stickiness of their services. If the wireless, Internet and smart home apps are tightly bound to users' television viewing and smart home offerings, they will be very unlikely to switch providers or completely “cut the cord” from their pay TV provider.

This new TV-based connected home platform should:

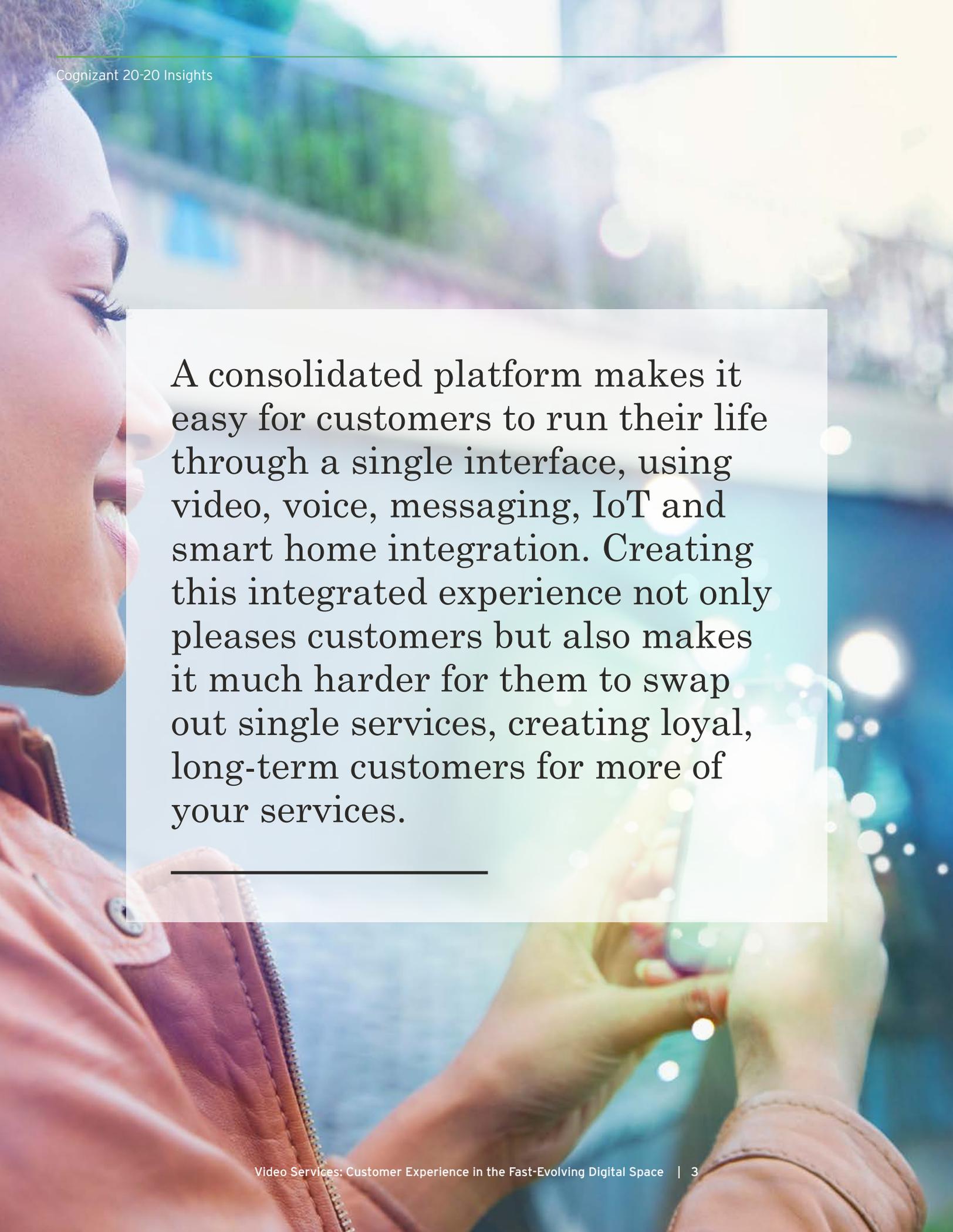
- Connect and sync with a user's cell phone, providing access to text messages and calls on the big screen.
- Display social media feeds.
- Play gaming apps (e.g., Angry Birds, Farmville, etc.). This would also encourage game developers to create exciting new games and prompt users to spend even more time in front of their TV.
- Receive notification from other apps (e.g., weather or traffic).

- Provide a centralized view of all Internet-connected devices in the user's home, showing the performance and providing the ability to run diagnostics and turn devices on or off.
- Group, display and manage all other Internet of Things (IoT)-related communications into the single video interface – whether it is a text message reminder to a senior to take her medicine, or video feed from the child's day care or a daily step count.
- Allow the user to access and configure lights, security, temperature, appliances and all other devices of the smart home.

All of these services should be profile-driven and configurable by the user to create a personalized experience for each household member. So the parent watching television won't be interrupted by text messages from his boss, but the teen in the house could watch her favorite show while texting friends.

A consolidated platform makes it easy for customers to run their life through a single interface, using video, voice, messaging, IoT and smart home integration. Creating this integrated experience not only pleases customers but also makes it much harder for them to swap out single services, creating loyal, long-term customers for more of your services.



A woman in a brown leather jacket is shown in profile, smiling and holding a smartphone. The background is a blurred city street with buildings and trees. A semi-transparent white box is overlaid on the image, containing text.

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Proactive network monitoring and customer communications prevent frustrated users from having to call their providers and empowers them to clearly identify the actual problem. This not only simplifies the customer's life, but also reduces costs associated with service calls and technician visits.



KEY ATTRIBUTE 2 PROACTIVE NETWORK MONITORING SERVICE TRANSPARENCY

Pay TV and high-speed Internet (HSI) providers must proactively monitor their customers' video and data networks. Our latest CSP survey reveals that cancellations due to service disruptions have spiked in the last year (see Figure 1).

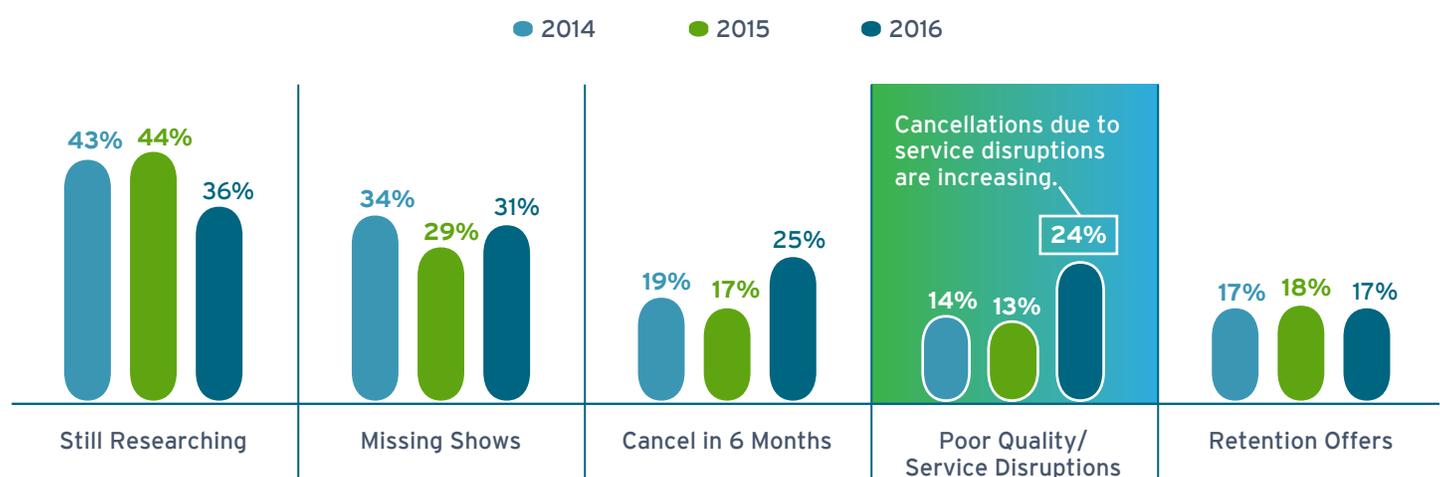
Pay TV and HSI providers must therefore:

- Implement proactive network monitoring tools to discover issues that impact streaming video performance.
- Send proactive notifications to the customer when network issues occur and time estimates and credits for degraded service whenever possible.

- Alert the customer when issues are detected outside the CSP network such as streaming issues and web server response time from the content provider. Why should pay TV providers take the blame (and service call) if an OTT app is the real issue?
- Help the customer optimize her network by providing an intuitive interface and online help to enhance device performance in her home and make it easier to differentiate between equipment issues vs. network issues.

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Reasons to Cancel Pay TV



Response Base: 2,000 U.S. consumers
Source: Cognizant CSP Customer Experience Study, 2017

Figure 1



3 SINGLE DISPLAY FOR VIDEO CONTENT

Pay TV providers must aggregate multiple video sources into content search and guide functions. This can benefit both the customer and the provider.

The customer gains:

- Easy access to content regardless of the source. For example, consider how Amazon allows a choice for the source and quality of its video. Not only can customers choose high definition vs standard definition, but they can also choose their preferred content provider. So if two different content providers offer *Lord of the Rings*, and one's version includes deleted scenes, but the other's version includes the director's commentary, then the provider should allow the customer to choose between versions.
- Natural language voice controls to provide fast content identification without a keyboard.
- New relevant content based on viewing history and channel surfing behavior.

Providers benefit through:

- Upsell of subscription packages.
- Sales of other subscription video services and new revenue-sharing models.
- Selling ad sponsored content sources for discounted content.

Pay TV providers must move beyond the set-top box to create a streaming interface for their video offerings. The set-top box will become obsolete within ten years – and providers must migrate their video service into a consolidator of existing content through a video interface (which can also be linked to the smart home – see Key Attribute 1). Pay TV providers should also continue to build and brand their own content as well as the acquisition of media companies.

In cases where the traditional pay TV providers can't acquire a content provider or social media competition, they should partner with OTTs to consolidate content into a single platform, allowing seamless transition between regular (broadcast) TV and OTT content. For example, customers may want to easily and quickly channel surf between *Star Trek Discovery* on CBS, *Orange is the New Black* on Netflix and *Game of Thrones* on HBO Go.

Additionally, content storage should be consolidated into a single DVR in the cloud, both live and on the OTT channels. These channels should be easily searchable with the ability to store any desired content.

By leveraging a consolidated video offering, pay TV providers will be able to advertise and share proprietary programming via social platforms, thus increasing the audience for both their social media partners as well as their own pay TV channels. For example, pay TV providers could allow social media players to stream content in exchange for advertising rights.

- Twitter could stream a Red Sox vs. Yankees game presented by AT&T Direct TV at a Twitter “YankeesvsRedSox” hashtag.
- Facebook could host World Cup Soccer games on a Facebook page sponsored by Comcast Xfinity.
- Regional pay TV providers could potentially expand their audience to specific expatriate communities. For example, Cox Communications could sponsor cricket games or KHL (Russian) hockey games for U.S. customers who have relocated from other countries – and broadcast games not only via global platforms like Facebook and Twitter, but also on local and regional social networking platforms.

All of this offers customers the choice of viewing the games on their standard cable/satellite interface or on the social media platform where they could live-Tweet or comment on the game.



USE MULTI-CHANNEL ANALYTICS TO TARGET ADVERTISEMENTS

Our survey revealed that consumers are open to sharing some personal information if it means receiving appropriate, targeted advertisements (see Figure 2). We suggest combining analytics across multiple channels, including television, Internet (mobile and other), smart home (e.g., home automation, Alexa and Google Home assistants); and applicable IoT devices (e.g., step counter, medical devices and car maintenance) to push targeted advertisement and notifications.

For example:

- Ticket sales related to viewed content:
 - » Once a baseball game ends, deliver an advertisement that links to a one-click purchase for a ticket to the next home game. This link can also be pushed to a cell phone, e-mail and/or Internet home page.

- » If a movie is viewed that is connected to an upcoming sequel, then an ad should pop up for Fandango or other cinema ticket purchase services.

- Viewing recommendations based on search history:

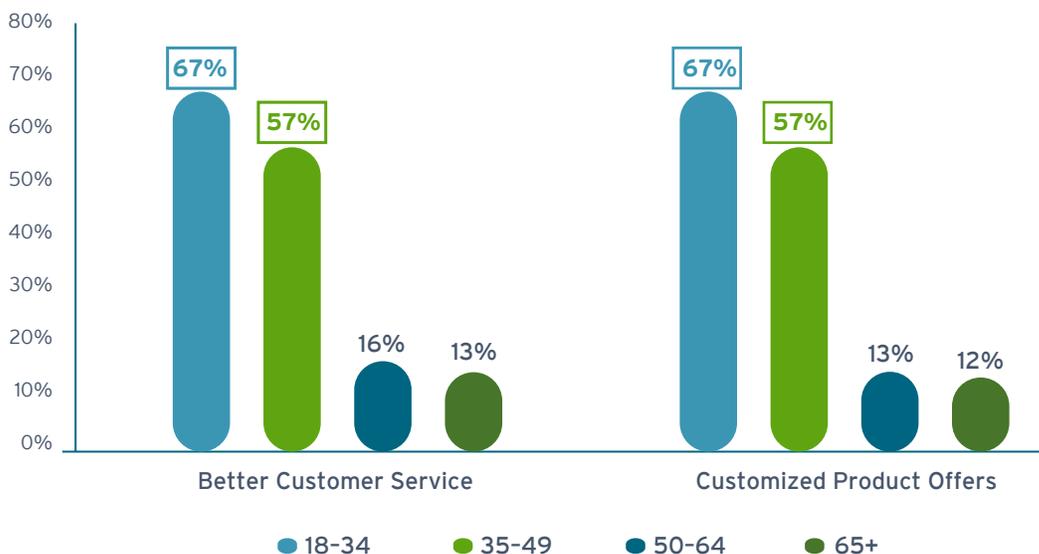
- » If a customer spends time online reading about Mars, or orders books about Mars, then the interface should suggest programs, documentaries and movies about Mars next time the television is turned on or web browser is accessed.

- » Or if a customer spends time on her computer organizing a trip to Ireland, the CSP video interface should suggest shows about Ireland when the TV is turned on next.

Providing this type of combined analytics and targeted advertising will reduce costs and increase revenues for advertising campaigns; and may even provide an additional revenue stream by

Service Privacy and Personalization

Sharing personal information is worth it to get better customer service and customized product offers. Younger demographics (18-49 age group) significantly opt for personalization.



Response Base: 2,000 U.S. consumers
Source: Cognizant CSP Customer Experience Study, 2017

Figure 2

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LOOKING FORWARD: PULLING IT ALL TOGETHER

Ultimately, we see an integrated platform available through any channel – TV, cell phone, laptop, etc. – whether at home or on the go. With this new application, users will be able view all their video offerings, control every aspect of their smart home, configure and monitor all their IoT notifications, receive network updates and view targeted advertising all through a single, take-anywhere, always-available interface.

By combining all of their offerings and leveraging the strategies above, we believe providers can compete and succeed in the evolving digital marketplace for years to come. Specifically, CSPs will:

- Grow share in existing markets and expand into new markets.
- Increase user retention and create more loyal long-term users.
- Turn the threat of the big OTT players and technology companies into an opportunity by transforming them into strategic partners.
- Consolidate and utilize an unrivaled amount of user data and create better algorithms, which in turn can potentially develop into a service offering for other businesses.

In addition, through the implementation of technology, CSPs can win over customers with features and services that reduce customer effort to use products and services. An easy and intuitive experience in a world sometimes complicated by technology will be critical to CSPs' bottom lines and future success.



FOOTNOTES

¹ www.cognizant.com/perspectives/simplicity-your-secret-weapon-to-keep-customers-and-drive-sales.

² https://thumbnails-visually.netdna-ssl.com/csps-boost-customer-satisfaction-amid-rising-churn_592fc0c8e7d37_w1500.jpg.

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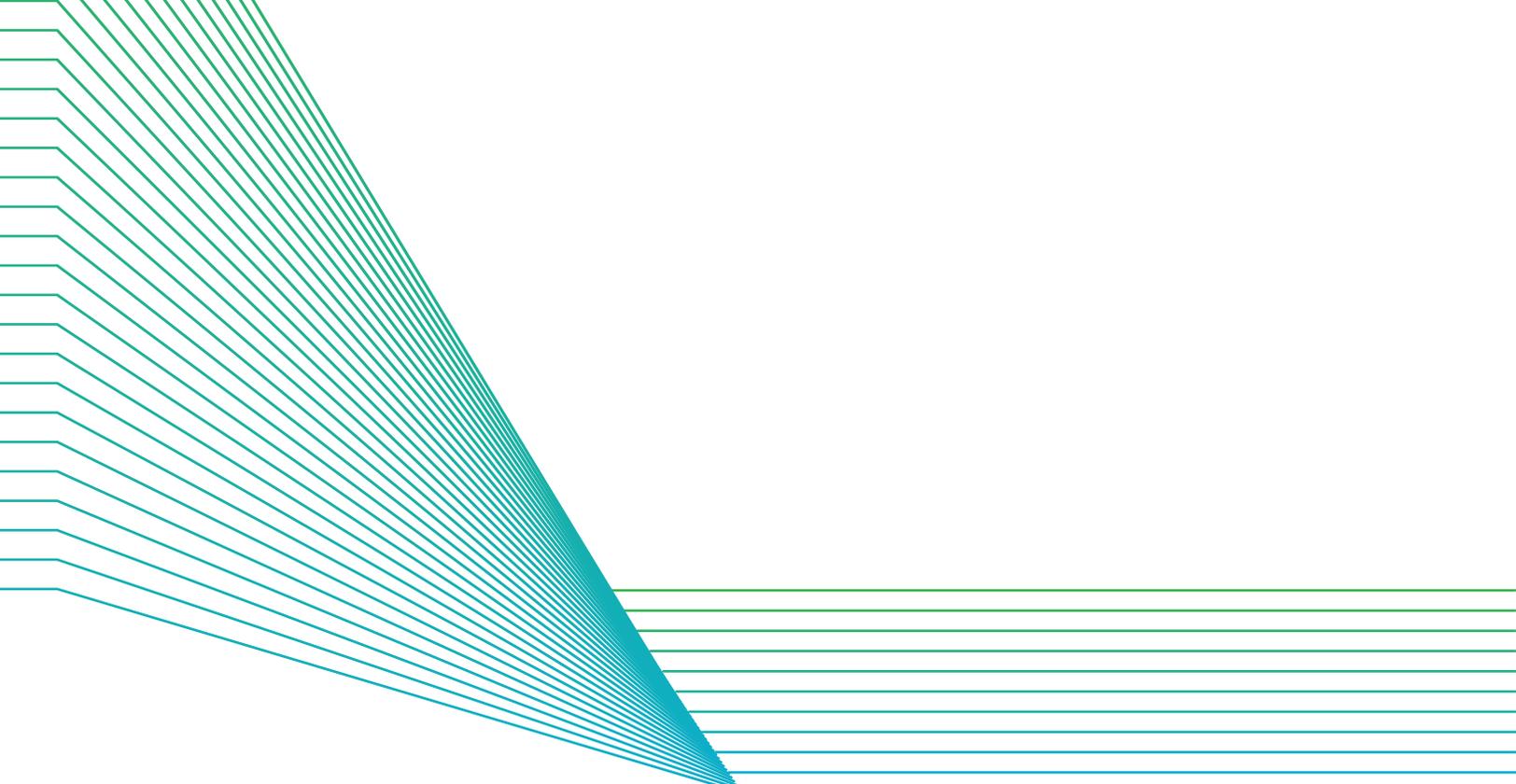
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