



## I D C C U S T O M E R S P O T L I G H T

# Nurturing a Trusted Relationship: The Role of Outsourcing in Improving the Customer Journey

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### Introduction

Three UK is among the main telecommunications and internet service providers operating in the United Kingdom, which is an extremely challenging market characterized by intense competition and low customer loyalty.

Three UK's growth strategy is aimed at doubling the company's customer base. To do so, the company needs to not only sign up a continuous stream of new customers but also minimize customer churn. As such, establishing a successful relationship with customers is key. Happy customers not only become loyal to the brand but also are strong advocates encouraging other people to join, which fuels organic growth.

The company defined the following ambitious strategic objectives:

- Become "the most loved brand" in the United Kingdom. To achieve this goal, Three UK needed to improve customer service.
- Attain greater cost efficiency. This was essential to maintaining long-run profitability as well as delivering lower prices to customers.
- Make customer interactions as easy and streamlined as possible through digital technologies.

To reach those targets, Three UK needed to make a channel shift to a digital platform to ensure every customer interaction delivered outstanding customer service, thus yielding strong customer survey results.

Historically, the contact center was owned by Three UK. However, over time, the company realized the opportunity to work with a technology company as a partner was a better approach than keeping everything internal to support the strategic objective of using digital interactions to deliver outstanding service to customers. By choosing the partner path, Three UK also had the advantage of using the partner to help identify technology-driven business opportunities.

Because of these considerations, Three UK sold its contact center operations to Tech Mahindra (Tech M). As part of Mahindra & Mahindra (M&M), with expertise in the automotive and farming equipment, metals, and aerospace markets, Tech M has a strong focus on the manufacturing and telecom industries.

### Solution Snapshot

**Organization:** Three UK

**Operational challenge:** In striving to become the most loved brand in the United Kingdom, the company needed to outperform the competition by establishing successful customer relationships

**Solution:** Customer journey outsourcing

**Project duration:** Ongoing

**Benefits:** Improvement in customer experience, technology shift to a digital platform, and increased sales

## Implementation

Since the acquisition, Tech M has been providing all customer service, support (including complaints and collections), and sales interactions across different channels, such as voice, web chat, and email. Tech M offers assistance through a back-office automated solution that leverages robotics process automation technology to automatically create scripts that simplify and streamline the customer interactions via telephone or web chat. In this scenario, reducing unnecessary human intervention not only lowers costs but also contributes to greater process standardization, replicability, and scalability.

Today, Three UK and Tech M manage the process workflow in an even and integrated way:

- Three UK designs the customer journey across every single point, including the purchase of a new contract or a new phone handset, help and support, billing-related queries, and technical needs when something isn't properly working.
- Tech M proactively looks at customer interactions across the defined touch points and proposes innovative methodologies and technologies to support and automate each defined step. In addition, Tech Mahindra identifies the possible outcomes of every step and provides proactive feedback; for example, identifying that a specific step (e.g., a new offer) may generate an unwanted spike in repeated calls to the contact center. This insight is used to review and redesign the customer journey.
- To close the loop, Three UK then validates and approves the value proposition to make sure the proposed solution is consistent with the overall customer journey experience.

## Challenges

The main challenge encountered by Three UK was around the possible risk of losing control of a strategic element in the customer interaction — the ability to manage transactions effectively. While the company retains the actual customer service journey definition, it relies on Tech M for the operational vision concerning the necessary tools and methodologies.

Another challenge was for Three UK management to keep an open mind to the latest technology innovations that could deliver value to the customer. This technology acceptance, in fact, was more heavily dependent on the management board of the company than on the people providing customer support. To deliver consistent business results, both companies had to make sure enough time was spent on training and nurturing the relationship between Three UK and Tech Mahindra. This will be even more critical to achieving the planned long-term strategic outcomes.

## Benefits

Both Three UK and Tech M recognized that cultural synergy and mutual trust were among the main drivers of success. In a way, Three UK and Tech M had to develop the same long-term trust and relationship between themselves that they were looking to build with Three UK's customer base.

Another key success factor was balancing cultural heritage with the need to feed fresh new ideas into the process:

- On the one hand, Tech M effectively became an extension of Three UK, and the transition did not generate a loss in corporate culture and know-how. In fact, Tech M managed to minimize the attrition following the acquisition. Meanwhile, Three UK employees inadvertently became Tech M collaborators. In some ways, Three UK treats them as if they still were their own employees. For example, if Three UK introduces a new cultural behavior program and guidelines internally, it delivers the same program to Tech Mahindra to ensure full alignment.

- On the other hand, Tech M repeatedly excelled at delivering outstanding service while investing a lot in supporting, training, and upskilling teams. As a matter of fact, the company is very flexible in its approach to adapting to changes in business. Even when Three UK provided last-minute process change requests, Tech M managed to deliver the required outcomes thanks to the cultural fit and alignment.

Three UK reported the following key benefits resulting from the Tech M relationship:

- **Improvement in customer experience.** Tech M effectively drove several customer experience initiatives that resulted in a 44-point improvement in NPS.
- **Technology shift in channels.** Tech M successfully initiated a channel shift, driven by adding voice to digital interactions and removing human intervention, resulting in a 15% drop in call volumes over three years, which also lowered the cost to serve.
- **Increased sales.** From the commercial point of view, Three UK benefited from increased sales performance and reduced churn.

### ***Methodology***

The project and company information contained in this document was obtained from multiple sources, including information supplied by Tech Mahindra and questions posed by IDC directly to Three UK employees.

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