

## TRANSCRIPT OF PODCAST

**Speaker:** Chief Strategy Officer, CSL, APAC

**Title of the video:** Telecom TV Panel – Optimizing the user experience

You are the Chief Strategy Officer at CSL and you have deep experience in strategy going back to your time at Accenture, so I'd like to begin with a high level view of CSL being of course the leading mobile operator in Hong Kong, but more importantly a high level explanation of your strategy for the mobile internet...

Thank you for the question. CSL is the leading operator in Hong Kong and has been in the business for over 26 years and CSL actually operates 3 brands in the Hong Kong market. We have 1010 which is positioned more at the corporate and the high value customers, then we have the brand 123 and 123 is positioned more at the family level and more of a mass consumer brand, then we have New World Mobility, and New World Mobility is our no frills brand which is focused on the local mass here in Hong Kong and is, as the word says, a lower value offering.

Now, with these three brands, we have distinct service strategies in place and we also try and distinguish ourselves with our products our services that we launch on the handsets that we have. Now, key to this is the ability to provide a good internet experience as over the last couple of years this has really become the most important feature that customers would like to use, and if you look at how operators were catering to them in the past, every single wireless operator had their own walled garden, if you will, through which customers were allowed to browse some information that was probably pre-determined by wireless operators and they could also subscribe to services from the wireless operators.

Now, that wall has been crumbling down over the last couple of years so the question was how do you provide a good internet experience to those customers that actually want to go out of their walled garden and experience the mobile internet as it was supposed to be? So, CSL has been thinking about catering for that and we decided that it is all about usability. First of all in making sure that the customer is able to use data, so often the settings in the phone were prohibitive to customers actually accessing the internet because they didn't know the right settings, so we've taken care of that, but then also the interface was often not all that clear, and differing from handset to handset.

Now, we have worked together with Amdocs on this in developing a portal which would allow not only access to the CSL services as they were before, but also provide a true portal to the internet, so the customer has the choice if they want to have information on their bill, they can go to that part of the portal, if they want to have more information on the content and services that CSL provides, that's available too

through the app store on that portal, and if they want to go to the internet, they can do that too. All this is delivered with a sense of personalisation to it so the system learns from the items that the customer is interested in and will subsequently recommend that going forward as the customer returns on that portal.

So, this is key to our service strategy and I would say that it's also supported by an experience that we believe is very important from a network perspective, so we have invested quite heavily in having one of the fastest networks in the world, we have the fastest all IP network in the world and we're about to launch LTE as well, so we believe that this fast browsing experience with a good access point to the internet is absolute key to our strategy.

You're talking about your service which does indeed deliver a very exciting user experience because I had the pleasure of reviewing your service when I was judging... that service was My Net and it certainly covers all the bases in what you're talking about to deliver on your goal to be a gateway for the mobile internet... can we go into the user experience, what it delivers, walk me through the service and how My Net delivers recommendations based on, for example, the pages the user visited recently and how it arranges the app store icons...

I think first and foremost it's important to understand that in the collaboration with Amdocs Interactive we made sure that the portal is available to all users, so independent of device, and also we wanted to make sure that this is seamless experience once the customers uses this device, when they click on a browser icon what will be launched is the My Net portal. What you will see in the My Net portal is the first page which has content in and is effectively your access to the internet, it provides some pre-populated content which is selected by CSL which is also available on our portal. As you click on that, you will be able to go to our portal for the content and based on those preferences, the importance of the content the next time you will visit the portal will go up in ranking.

Next to that is a customer service button which actually provides the overview of your entire service with CSL, so you can show your bill, it will show your usage, it will allow you to change some settings in the portal as well so all that is there to provide good convenience to the customer in managing their experience on the handset.

Next to that is a tab for the CSL applications and services and we call that the App Store. This is effectively a link for all the various services that we provide to our customers which are purely offered by CSL, not through a third party app store.

Of course, when I was judging we could take a firsthand look at it, there was a video we could look at, there was a demo – what can you tell me about the results to date, can you share any observations on usage of the service, popularity of the service, increase of page impressions on the network since the launch...

That's a very good question and I think first of all it's important to understand that the experience is one that every user will experience because when they launch the browser, this will be an integral part of their experience so with the exception of one or two handsets which we cannot offer it, but mostly customers will experience it. So, we've seen of course a massive usage on the portal and that has been quite pleasing to see. The other effect that we're seeing also is that there is a lot of increase of data usage with all our customers as well as we have more penetration among our customers that use data.

So, these are a lot of results I would say that are not only contributed by the My Net portal of course, they are part of the overall development that is taking place in the wireless industry but we believe that My net is contributing a significant part to that in making that customer experience a good one.

When you're talking about significant contributions, I want to come to the implementation here – Amdocs Interactive is known for personalisation but I wanted to have a better idea of what exactly they brought to the table, what they delivered and how they sit with the overall objective for CSL... Maybe you can tell me about some of the challenges or even key learnings...

I think first of all Amdocs Interactive was a good sparring partner to discuss the open net business intent that we had with this service, they came up with some good ideas that they had implemented with other operators around the world and in that sense they had good experience for us and brought expertise in both the architecture and the design part of the project, and I think the key challenges we were facing is how to make sure that the service is rendered properly across the various devices, across the various operating systems. This is a challenge that is extremely complicated as screen sizes differ, operating systems differ, the way each of these phones themselves operate internally is different and also the resolution of the screens is very different.

So, to be able to provide one consistent look and feel across the myriad of devices I think was the one key challenge that we faced and I think the team has worked both on the CSL side across the various teams that have been involved from our side as well as the Amdocs Interactive side, they've worked extremely hard and around the clock leading up to the launch of My Net, and the result was remarkable. We had very few glitches and it was an overnight change of experience for customers.

I want to move to personalisation as almost a philosophical topic, the importance of personalisation, the business value of personalisation... I've been to several events recently where everyone ultimately came to personalisation in the end – it was blamed for everything, poor response to the mobile internet, poor response to mobile marketing... the solution at every level seemed to be the personalisation... what is your view of this argument and the business value of personalisation for you at CSL and, more importantly, why is this?

I think it's a very important point and personalisation is absolutely key to what customers want and

customers have come to expect that they can get the internet experience on their handsets and if you remember from the internet, customers are expecting that they can get everything they like and then for free. That's of course a challenge. I think personalisation itself is not new to the wireless industry, we've heard it from the very first beginnings of the ringtones and the coloured wallpapers, it was all around personalisation and that was considered a good revenue driver for a while as operators.

I believe that has not changed, the need for personalisation has only become stronger over time, particularly now customers have very few barriers to switch. If you look at customers' behaviour, it's apparent that customers nowadays are more loyal to mobile phones than they are to the mobile operator, and this of course has all to do with the fact that many operators have been able to improve their core service of communication and now have network coverage that extends to most part of the locations where they operate, so the differentiation truly has to come from customer service, it has to come from usability of products and services and also of course of the personalization of those products and services.

I think the ability to do that may not necessarily in itself be a revenue generator as much but it will provide a very consistent experience that is a pleasant experience for customers that hopefully will lead them to stay with the operator given of course that they are also being able to provide the handset that they might want because, as you mentioned before, the customers wants what they want, and that means that you have to provide everything to them.

I'm curious where personalization begins and ends here... in your case it seems to be the entire experience... I'm wondering if there are any areas when implementing personalisation are more important than others, if the goal needs to be I want to be a guide for people on the mobile internet, or do you lead up to that... what steps or what scope...

That's a very good question. I think first of all if you look at our My Net strategy, the personalisation comes to also allowing the customer to switch off that part of the service if they don't like it, and that I think is key to providing a personalised service. You've got to make sure that the customer is eventually the one that chooses the experience. The challenge that we have as operators is that with the event of app stores proliferating by OEMs, by the Googles and the Apples of the world, it's very hard to compete on an application and service level with those app stores and customers with the click of a button are able to purchase very, very solid applications that are up to date and that are very relevant and are very interesting, there's a wide array of application services as you know.

The key for wireless operators to stand out is to provide applications and services that are, in my mind, localised, so the more they are localised to the needs and the behaviours of customers in the environment that the operator operates in, the more successful they will likely be viz a viz these big app store operators. The issue is that you can never compete from a breadth of application perspective

unless you are a massive operator, CSL is not in that fortunate position, we are large in Hong Kong but Hong Kong is a relatively small market.

So, that being the case, we need to pick our battles carefully and we focus and centred around two key services that we believe are key to our customers. One is Musicholic, which provides a very good user experience for customers to get unlimited access to music, and the large majority of that music is XXX pop, which is really popular here with the Hong Kong customers, so that is really key. The ability to also provide additional personalisation in those services through, for instance, community type elements, I think, is absolutely key. Community is part of the personalisation strategy and we're driving that home through applications like Musicholic and also Studio on Demand. Studio on Demand is our mobile TV and video on demand offering which also thrives with a lot of local content and we see over and over again that the local content is the most popular with our customers. So, the ability to provide that localisation in the personalisation strategy is absolute key.

You're telling us what's key and I wanted to have some advice for some of the listeners – what were some of the challenges here? You did say that fortunately your implementation went very smoothly, but is there anything that you've experienced or learned in the challenges where you had to tweak and arrive at the strategy you have now?

If you're referring particularly to the My Net portal, I think there were definitely things we changed: initially we had a toolbar on the top which we believed would provide easy browsing to customers, easily to get back to the main portal when people were out on the internet. It appeared that many people really didn't like that experience, just wanted to have the pure internet experience so we wanted to make sure also that that toolbar could be switched off, so that was also a feature that was changed later on as well to make sure that the customer is in charge of the experience.

The other part of it was that we wanted to be conscious of customers using a lot of data, so we had several warning mechanisms in place as to when the customer was outside of the portal as that portal content is typically free, it's included in your package, but as soon as you go out to the internet which now has become a seamless experience through this portal, all of a sudden customers will have to have a data package to be able to browse the internet or they will face a bill shock, so this is one of the things that we faced and one of the things we did was we warned the customer every single time that they went outside to the internet.

Now also this is something that some customers like, some customers didn't like, so we had to adjust that on the basis of the feedback that we got from the customer.

I think the key lesson for us is listening to your customer here is key, it's hard to predict what the best customer experience will be but you have to allow for tweaking and adjusting on the basis of the feedback

that you're getting from your customers.

I'm not sure of the role that marketing and advertising plays in your strategy, but advertising content is regarded as content, it can be personalised content, a brand message can be entertainment as we see with branded games or viral videos... could you tell me what role personalisation plays in your strategy at that level, is it about delivering ultimately also at some point messages from brands and companies to people, again giving them what they want?

Well, that's a good question. I think we are definitely looking at mobile advertising and that can be done in many different forms, SMS of course being one of the more familiar ones, but as you mentioned, more and more you'll see in-app advertising and in-game advertising, pieces of content being sponsored by advertisers. So, that is occurring, I wouldn't say it's happening on a massive scale, I'm also not sure that it is necessarily a key part of our personalisation strategy. I think it's more at this stage at least, a different way of monetising content that we are, at least in Hong Kong, in the very early stages of exploring.

I think the key part in mobile advertising is as well that the advertisers need to have a good platform to provide an advertising experience to customers. Everyone is aware that the mobile is a good device to deliver a marketing message as customers have a very keen interest in looking at the device and looking at the content on the device, but what is not so clear is that the advertiser understands what the effect is of their advertising campaigns, so unless operators are going to be able to give a very clear return on marketing dollars to the advertisers, it's going to be a hard sell at this stage to make significant revenues out of mobile marketing, but I do believe it is starting and it is coming very fast so we do believe it will become a reasonable – I wouldn't say a very large revenue source, but it may become a reasonable revenue source over the next three to four years.

Let's talk overall about CSL, what's next for you, what are we going to see from you in the future?

CSL is of course very committed to making sure that the customers have a very good experience, and particularly now the focus of customers is moving from communication by voice to communicating through data and getting access to data and enjoying entertainment over their mobile device. It's extremely important that we have an infrastructure in place that allows and enables that particular usage. CSL has launched an entirely new network which is the first all IP 21Mb per second network in the world, that was in March 2009 and since that time, we've seen an increase of data on our network by 50 times so before that we had 3G and customers were using data. Since we've launched that new network, data usage has really exploded so that goes to show that once you provide a good infrastructure to customers, of course backed up by proper handsets, of course backed up by data plans that allow customers to use a lot of data, you'll see that experience dramatically increasing.

This is one of the key things we focused on and, as I mentioned, we will be launching LTE also at the end of this year, so LTE will even provide a much better experience to customers, and we're again one of the first operators in the world that will launch that.

Together, it comes with of course having a very strong handset offering, we signed a deal with Apple as well for several years which will provide a solid experience on the Apple devices and in addition to that, we also have a very strong and diverse strategy when it comes to Android devices which we believe will be the next massive growth in the Hong Kong industry.

So, from our perspective, it is about creating the infrastructure environment for the experience, but also providing the usability aspects surrounding that, so making sure that the apps and services are seamless, are easy to discover and are very easy to use. That is a key part that network currently focusing on with our organisation.

Then, lastly, very important to have that backed up by very strong customer service, particularly for the brands like 1010 which we believe has the best customer service in Hong Kong. So, the ability for us to drive a good experience on all these fronts is absolute key, and that's where the majority of our focus and our investment will go for the next couple of years.

Within the framework of all of that, personalisation - will that become more front and centre even than it is now at this point?

Yes, personalisation is extremely important and as I mentioned before, I don't think that personalised apps and services in itself are the huge money generators, but I think that they are an unmissable link in the total core communication package that CSL is trying to differentiate itself from its competitors. So, I think having that part, having that personalisation will eventually create stickiness, and the stickiness is the thing that we need when we were trying to win in a market that is very mature and where growth truly comes from additional services, additional products rather than from more new customers.

Thank you so much for your time today, for joining me from Hong Kong, I really appreciate it...

Thank you very much, I enjoyed talking to you Peggy...

How might listeners connect with you...

That's a good question, maybe this is a good time to start Twitter. I started my account but I never updated it! If people have any questions or want to discuss things, they're welcome to send me an email. I know it's a nightmare of an email address, but that's the best way to reach me.

I'm just curious about what your Twitter handle might be, just in case people want to connect there?

You know, I don't even know it...! Let me make a point to look it up for you...

Thanks again for your time...

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