

Elevating the Game:
How CSPs Are Winning with
Strategic Segmentation

Market TrendZone



Welcome to Amdocs Market TrendZone

Special Edition Series

As the pace of innovation continues to accelerate, staying ahead of the curve demands more than just groundbreaking ideas. It's about mastering the fundamentals and applying them in a way that makes practical business sense. Through our close, ongoing relationships with over 350 customers globally, we're constantly on the pulse of the latest trends in communications, media and entertainment. CSPs and industry stakeholders worldwide actively seek us out for our thought leadership, unique insights and deep market understanding, sparking numerous engaging conversations and discussions.

Introducing the Market TrendZone Special Edition Series: Your trusted source for industry innovation, global trends, and expert opinions.

We created this series to explore the most trending, highinterest topics challenging our industry's leaders. It's an experience where you'll gain unique insights into business models we've analyzed through our extensive global coverage.

Open your mind to a fresh perspective on global market trends and innovation so you can anticipate what's next, seize untapped opportunities and gain a holistic understanding of our market's dynamics.

Stay engaged, stay informed and join us as we continue along this enriching journey.

Introduction

CSPs are continually looking for ways to stand out by introducing fresh and innovative offerings. Yet in today's rapidly evolving landscape – particularly in markets that have matured and where customer demand has plateaued – the challenge of generating new revenue and acquiring new customers has never been greater.

To secure a competitive edge, CSPs are exploring strategies to maximize network asset monetization, including 5G, fixed broadband, and media & entertainment services. Key to this is upselling and cross-selling products to their existing customer base.

But such an approach primarily provides only a short-term advantage. In the medium term, competitors can quickly replicate offerings, potentially sparking price wars that erode profit margins and return all players to a level playing field.



SO, THE CRITICAL QUESTION ARISES:

What types of offerings are needed to create long-term differentiation?



Grow Beyond with Segmentation

One approach to consider is delving into diverse consumer segments.

Since customer expectations are continually evolving, the 'one-size-fits-all' approach, which targets common patterns or lifestyles, often falls short in addressing specific needs and individual customer experiences.

While this approach might lead to a certain amount of sales traction, it won't generate high customer satisfaction and churn rates will likely remain high.

On the other hand, exploring specific consumer segments, understanding their key drivers and patterns, and then creating tailored offerings can significantly enrich the customer experience and nurture customer loyalty.

Let's now explore a range of segments and see how innovative providers have created differentiated offerings for them.

STUDENTS SPORTS FANS ONLINE COMMUNITIES

ACTIVE SPORTS COMMUNITIES INTERNATIONAL TRAVELERS





Vodafone Spain

Fixed Broadband Plan for Students with Summer Break Benefit



Students: Unlocking Immense Opportunities

Students represent a golden opportunity for CSPs, as they can be found in high numbers in virtually every region worldwide. But it's not just their sheer numbers that set them apart. They're notably tech-savvy and eager to embrace emerging technologies.

Establishing loyalty during the student years can fuel ongoing commitment as they transition through life phases, even adding family members along the way.

It's crucial to recognize the diverse range of offerings that can be tailored for this segment by aligning them with their budgets and needs. Examples include bundles featuring educational apps or short-term subscriptions designed to match academic timelines and requirements.

Take Vodafone Spain, who offers a fixed broadband plan with a unique feature – a three-month summer pause, which gives students the flexibility to suspend their service when they have no use for it.





Diri Mexico

Prepaid Plan for Soccer Fans



Sports Fans: A Captivating Audience

Sports fans represent a particularly captivating audience. They're passionate, often characterized by long-standing loyalty that spans generations and deep connections to sporting communities. Almost universally, they want real-time score updates, timely news, and crucially, live streaming of games and associated content.

For CSPs, it's a great opportunity to refine their offerings via strategic partnerships. And because events are typically scheduled well in advance, they can proactively plan and introduce tailored services way ahead of time. There are plenty of collaboration possibilities too, ranging from sports leagues, clubs and broadcasters to commercial entities who can offer branded merchandise.

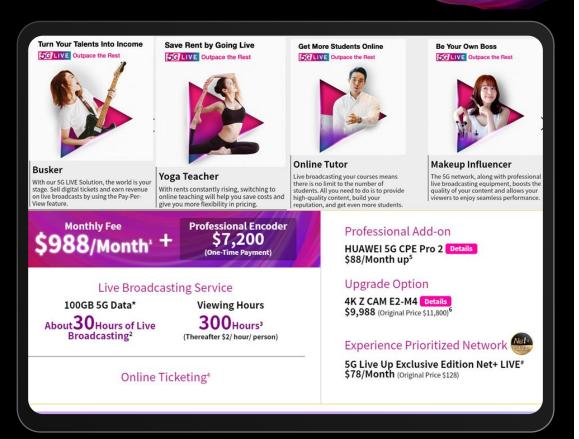
And because fans share an emotional bond with their sport, they're a prime target for loyalty programs that nurture sustained commitment. As an example, Diri Mexico offers exclusive soccer-themed rewards, such as signed jerseys or VIP event passes with each prepaid top-up.





Three Hong Kong

5G Broadcast for SOHO



Online Communities: A Dynamic Digital Frontier

Let's now look at the digital cohort of online communities – including influencers, tutors and more. These communities rely on seamless connectivity, top-notch streaming quality, and a consistent online presence that resonates with their audiences. Their needs include robust bandwidth, advanced broadcasting equipment, fast internet speeds, and a variety of digital tools that assist them in setting up, managing, and sharing their content.

Three Hong Kong is pursuing this segment with their 5G broadcasting bundle. It's tailored for small businesses who rely on live streaming to get their word out and monetize their offerings. The bundle includes professional-grade broadcasting tools, combined with an integrated ticketing app for offering streamlined online ticket sales.





Velotel (UK)

Mobile Services for Cycling Communities

RIDE CONNECTED. RIDE COVERED.

A MOBILE NETWORK FOR THOSE THAT LOVE TO RIDE BIKES.

Take an award-winning SC network, add great value unlimited packages, no lock-in contracts, the simplicity of bringing your own device – then throw in a stack of cycling-related benefits and memberships, all built-in at no extra charge – and you have the Velotel mobile network.

Pedal your way into voice, data, and text services made for the cycling community. But don't worry, we're inclusive. We service those with and will wheels too.







Active Sports Communities: A Thriving Niche

Active sports communities, such as cyclists, runners, and motorcyclists, rely on various on-the-go services. They seek instant connectivity, smooth communication, and the ability to share experiences and track progress. For example, they share running achievements on social media and use fitness apps to monitor cycling performance.

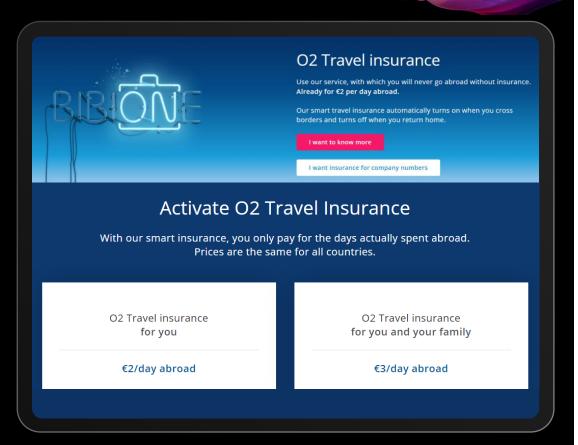
By addressing their distinct needs, CSPs can forge lasting relationships and offer them tailored packages that include faster internet speeds, enhanced data plans and supplementary value-added services. Examples include health insurance coverage, realtime IoT tracking applications and exclusive content and products related to their chosen sports.

For instance, Velotel in the UK specializes in serving the cycling community with mobile plans featuring value-added services like access to cycling clubs and insurance coverage.





O2 (Slovakia) O2 Travel Insurance



International Travelers: Unlocking Revenue Opportunities

International travelers are more than just valuable customers – they're an untapped source of revenue opportunities! Since many travelers find pre-trip preparation arduous and time-consuming, CSPs have the opportunity to fill the gap – delivering unique value that extends beyond just connectivity. For example, they can bundle value-added services like health insurance, telemedicine, local guides, car rentals and curated entertainment. Furthermore, by integrating real-time analytics and personalization, they have the power to streamline the entire travel experience.

Consider O2 Slovakia, who seamlessly activates travel insurance for their customers as they leave the country and deactivates it upon returning home, providing convenience and peace of mind to individuals and families alike.



Conclusion: The Imperative of Strategic Segmentation for Sustainable Growth

In a world where the pace of innovation never rests, and the market landscape is continually evolving, the key to sustainable growth lies in adapting, differentiating and consistently delivering value. Traditional approaches like upselling and cross-selling are no longer enough to maintain a competitive edge. The future belongs to those who can identify, understand and cater to specific consumer segments with precision.

Yet the common thread across segments is loyalty and stickiness, which extends far beyond individual customers – reaching across life stages, families and entire communities.

Ultimately, it's not just about the customer. It's about their entire network of friends, family and associates, which CSPs can harness for lasting growth and deeper market penetration.

This e-book is part of the Market TrendZone Special Edition Series, designed to provide you with unparalleled insights into industry innovation, global trends and expert opinions.

STAY ENGAGED, STAY INFORMED AND JOIN US AS WE CONTINUE ALONG THIS ENRICHING JOURNEY.





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Listed on the NASDAQ Global Select Market, Amdocs had revenue of \$4.89 billion in fiscal 2023.

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