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IDC
ANALYZE THE FUTURE

Building for B2B Success in a 5G World

Empowering Enterprises with Service Transparency and Control

#US45409319

In This InfoBrief

IDC surveyed **300 organizations** in the U.S., UK, The Netherlands, and Hong Kong with **50 to 1,000-plus employees**, with the goal of understanding how businesses view their mobile service providers and the quality of support they receive.

Survey respondents were involved in the management of their organization's telecom service contracts.

Qualifying respondents included C-level personnel (CMO, CEO, CIO), as well as respondents with the titles of EVP, VP, Director, and Manager.

Respondent job functions included:

41% **IT**

22% **Accounting**

29% **Administrative**

Source: Enterprise View of Worldwide Telecom SP Billing Practices and Expense Management Survey 2019, IDC, April, 2019

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Executive Summary

The market is gearing up for 5G, with an accelerated emphasis on IoT and other enterprise-focused services. The revenue that operators derive from IoT and 5G will strongly depend on **a trusted relationship** with enterprise customers.

Providing business customers with **on-demand usage transparency and interactive service control is challenging** — but it's what users everywhere need and want now. Operators that wait for the rollout of 5G and associated enterprise services before they put advanced capabilities into play, will be too late to meet customer expectations.

Delivering a better level of service can **generate incremental revenue** in the short term for operators. More importantly, it will **place operators in a stronger position to maximize their revenue potential** in a changing 5G world.

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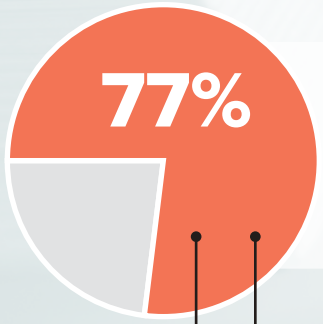
Tracking Wireless Expenses Is a Time-Consuming Overhead for Every Organization



of survey respondents track and manage their wireless service expenses with **no automated support**

65% manage their expenses using **spreadsheets**

12% have no formalized process at all

Enterprise-focused wireless services will **increase in number, complexity, and cost** driven by 4G-to-5G evolution. **Operators** have an opportunity to **help enterprises monitor and manage their wireless expenses today**, laying the groundwork for deeper engagement around 5G and IoT services tomorrow.

Source: Enterprise View of Worldwide Telecom SP Billing Practices and Expense Management Survey 2019, IDC, April, 2019

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The Enterprise Challenge: Getting on Top of Service Usage Expenses

72%

of survey respondents **cannot** allocate telecom expenses to business units and departments

63%

cannot place usage limits on individuals

62%

cannot perform online trend reporting

56%

cannot review and validate invoices

Lack of effective and automated expense tracking deprives the enterprise of management information, raises the probability of errors and creates a poor, time-consuming customer experience. **Operators must address these deficiencies** before growth in service-level complexity creates unmanageable conditions for businesses.

Source: Enterprise View of Worldwide Telecom SP Billing Practices and Expense Management Survey 2019, IDC, April, 2019

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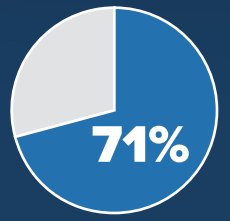
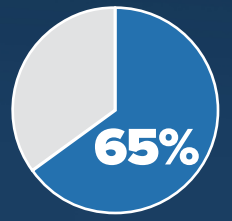
Service Usage Analysis: An Opportunity for Operators

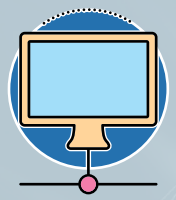


of **large enterprises** and



of **medium-size companies**

are "**interested**" or "**extremely interested**" in outsourcing their telecom service usage analysis to their **wireless provider**.



Back-office functions outside the core business strategy are prime candidates for outsourcing to trusted partners. Large-business customers are most interested in outsourcing; these are the same organizations that will need **strategic partners** for their IoT and longer-term 5G initiatives.

Source: IDC Network Consulting MarketScape, IDC, January-2019 and Enterprise View of Worldwide Telecom SP Billing Practices and Expense Management Survey 2019, IDC, April, 2019

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Self-Service Is a Differentiating Factor When Choosing a Service Provider

Self-service is considered vital by many businesses. **The most valued benefits are:**

78%

Flexibility to Make Changes to a Service

75%

Ability to **Easily Track** Usage and Spending

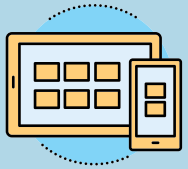
67%

Easy Online Access to Service Management

The **most desired** self-service capability:

47%

of respondents want the **ability to allocate allowances to, and control usage at**, different levels of an organization's hierarchy.



Enabling customers to explore their own usage and manage their own services is a strategic requirement for operators that want to offer **a differentiated service** to enterprises.

Source: Enterprise View of Worldwide Telecom SP Billing Practices and Expense Management Survey 2019, IDC, April, 2019

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Business Customers Take Service Management and Spending Controls Very Seriously

80% of businesses indicated an interest in **self-service**.

70% of businesses said they'd consider **moving to a wireless operator** that offered the online self-service controls that were of most interest to them.

Industry and geographic perspectives of the organizations surveyed stating they would definitely or potentially consider changing:

Percentage of total respondents in each category

74%

of large enterprises (more than a thousand employees). This fell to 67% of all other enterprises.

84%

of companies in Asia Pacific, but 63% in Europe and 65% in the U.S.

70%

of services companies

79%

of transportation, communications and utilities companies

64%

of education and government institutions

Self-service is desirable to enterprises in all geographies and disciplines—and not just for phone-based communications. Most IoT initiatives will require self-service **tied to device activation, trouble reporting, data collection, analytics,** and more.

The importance and timeliness of these needs is rising exponentially.

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Source: Enterprise View of Worldwide Telecom SP Billing Practices and Expense Management Survey 2019, IDC, April, 2019

Billing Fails to Provide Businesses with Clear and Predictable Wireless Spending Information

60% of respondents said their monthly **spend for wireless services** was at least **10%** and sometimes as much as **30%** higher than expected.

Main factors contributing to **monthly expense overruns** were:

56%

Unexpected roaming charges

42%

Poor visibility of ongoing spend and/or **no notification** of overspend

Limited usage transparency along with poorly understood rates and charges are among the factors that can play into unexpectedly high bills. While some variation is to be expected, consistently higher than expected costs will not be tolerated especially as operators move to selling high-value end-to-end business solutions.

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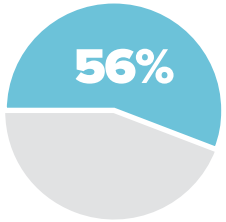
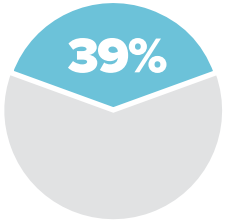
Billing Disputes Between Customers and Their Network Providers Must be Eliminated



of businesses stated that they had **disputed their monthly bill in the last year:**

29% said they had disputed their bill occasionally

27% had done so multiple times

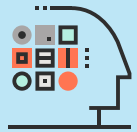


39% of businesses that engaged in the dispute management process stated that they were **dissatisfied with the results:**

Key reasons included poor customer service, frustration with unclear pricing, absence of a formal complaint process, and disagreement with the reconciliation and remedy provided.

Operator dispute management processes are time consuming, create significant operational costs for both operators and business customers and lead to customer dissatisfaction. This is reflected in higher churn and lower NPS scores.

Transparent billing practices and self-service features will make customers happier and better informed. These changes will also minimize the dispute management overhead.



Source: Enterprise View of Worldwide Telecom SP Billing Practices and Expense Management Survey 2019, IDC, April, 2019

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Key Takeaways

The survey results give clear insight into **4 service areas** operators can address today:

Spend management

emerged as a significant opportunity that operators can address and monetize now, particularly as businesses appear ready to relinquish non-core functions to partners. Operators could take this opportunity to develop, and then leverage, a more "trusted partner" relationship.

Self-service features

address enterprises' increasing desire for control and agility, as well as provide a potentially significant service differentiator for operators. User-driven controls of the kind pervasive in leading digital businesses are likely to become an important part of telco B2B propositions.

Elimiate month-end bill shock,

which continues to be an issue. Inadequate usage transparency and frequent roaming overage were cited as major contributory factors.

Lessen billing disputes,

which have a strong negative impact on customer relationships. Dispute processing should be a last resort and can be greatly reduced through better spend control and transparency.

Operators must move from a service provider to a service partner role if they are to fully capitalize on the opportunity offered by 5G and IoT.

The Key: Provide better service today and establish a trusted collaborative relationship with businesses for the future.

Source: Enterprise View of Worldwide Telecom SP Billing Practices and Expense Management Survey 2019, IDC, April, 2019

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