



From Deployment to Customer Service

How Does An ISP Successfully Pivot?

by Dan Bloch, Vice President of Global Cloud Solution Sales, Calix



Dan Bloch, Vice President, Global Cloud Solutions Calix

We were delighted to spend some time with our good friends and Corporate Members at Calix recently, who have been telling us about their UK deployment, and their considerable shift towards the consumer. Based in Canada and the US, we caught up with Dan Bloch, Vice President of Global Cloud Solution Sales over coffee.

Dan explained that a successful deployment is a technical achievement, requiring the synergy of multiple parties, precise costing, well trained staff and effective communication. What comes after that is a whole other set of skills, requiring ISPs pivot immediately into a customer service role.

Dan went into detail. “The main issue is one of service. How do I make sure my services are distinct, regardless of where a subscriber is being serviced?” He is right of course. Broadband is not a tangible product, like a pizza or a new frying pan. Consumers are only interested in speed and service. There is nothing else to distinguish broadband providers.

He went on, “Correct. There are two challenges as I see it, post deployment. Whatever we do, it has to look like me and my brand, regardless of what the plumbing is underneath. And then the second challenge is, how do you pivot away from building a great network? The serviceability infrastructure around the network needs to adapt to a consumer marketing and sales powerhouse, because without marketing and sales it’s really difficult to monetise the big, massive infrastructure investment you’ve just made.”

Pivoting is right. Left brain engineers rarely possess right brain creative instinct to make good marketers. The transition is considerable.

Dan smiled and took a sip of coffee. “You’re right. Ultimately ISPs are evaluated on the value of the asset; and if the asset isn’t generating any revenue or profitable revenue, it’s obviously not as valuable as it could be. At Calix, we’ve seen massive investment in great technologists building out amazing networks. But we’ve noticed there is significantly less investment in understanding what it takes to be a good consumer company.

It probably doesn’t occur to people at first to make that leap, I suggested. “No really, no. So we don’t see a lot of differentiation, or even much investment in creating viable monetisation strategies.”

Historically, the UK is not really known for its customer service. It doesn't take much recall to think of a time any one of us received terrible customer service in the UK. We've come along in leaps and bounds in the last twenty years, but we still have a long way to go compared to North America. So how do you carve out excellent customer service when you're not known as a consumer brand? "Let me take a step back," Dan began. "Most altnets don't have a brand, a renowned image that people recognise that they're going to buy from. So the only way really is a lot of marketing investment, word-of-mouth and consistency. And having a differentiated experience over any other alternative.

So it's money and effort then?

Dan nodded. "Why does everybody buy from Amazon? Because it's easy, because it shows up the next day, and there's a huge choice, and always something within my budget. That's it. So the same goes with providing a differentiated Internet service. If all you're going to do is provide connectivity to the house and not focus on what that enables inside the house, and how will it be used? You will only ever look like a commodity."

And a faceless one at that. "That's right. It's hard to have a differentiated service, because then it's like water. You turn on the tap - the water comes out or it doesn't, but it's only on or off.

So how do you differentiate your service? It can't be an easy task. Dan replied, "You have to think: how is it being used in the house? Am I consuming it from an iPad, and I'm streaming wirelessly, and I don't want to ever see the little circle going slowly, slowly, slowly, waiting for it to spool up content?"

He warmed to his theme. "Am I out in the garden, and I'm zapping a plant with my phone and trying to figure out what kind of plant it is? Do I need to pull it out because it's a weed, or you know, Carolina Reaper?" Or Japanese knotweed. Don't get me started. Dan laughed. "So you have to think about how the subscribers are using it. And then, once you think about how the subscribers are using it, you have to tailor how you're going to market with the use of my service in mind, and if you can unlock that secret, then you're differentiated."

Dan agreed that the network gives you some empowerment as an ultimate on things like maybe pricing levels of service. But that won't be differentiating enough. It won't lead to an influx of acquisition of new subscribers. "So you have to think

about what appeals to subscribers, and if your offer looks the same as everybody else's. And you're not a known brand, or you're a brand associated with less-than-stellar service."

He went on. "There are lots of companies working with models that give away the first year free of charge. Or they might give the second year away at 50%. I've talked to a bunch of people about this and what I can't understand is, why are you giving it away for nothing? Why aren't you asking for something in return? I tell them this and they look at me like I have three heads. I'm already struggling to get subscribers, they tell me. Why would anybody give me anything when I'm trying to get to them?

"And I said, Well, you don't have to make it onerous, but you have to make it meaningful, so I give them an example. Why don't you create a lawn sign and say, I'm going to give you fifty one percent off if you put my sign on your front lawn for the next three months.

"Why would I do that, these guys ask me. So let's say the person who buys it, let's call him Jason. Well, Jason has neighbours. They're going to walk their dogs. They're going to see your sign. They're going to ask Jason about it and he'll say, Oh, I have the best Internet service ever. It's so fast. I never wait for anything. It just downloads. They're going to go home, and they're going to talk to their spouses. 'Jason just got the best Internet ever from this company, sweetheart.'

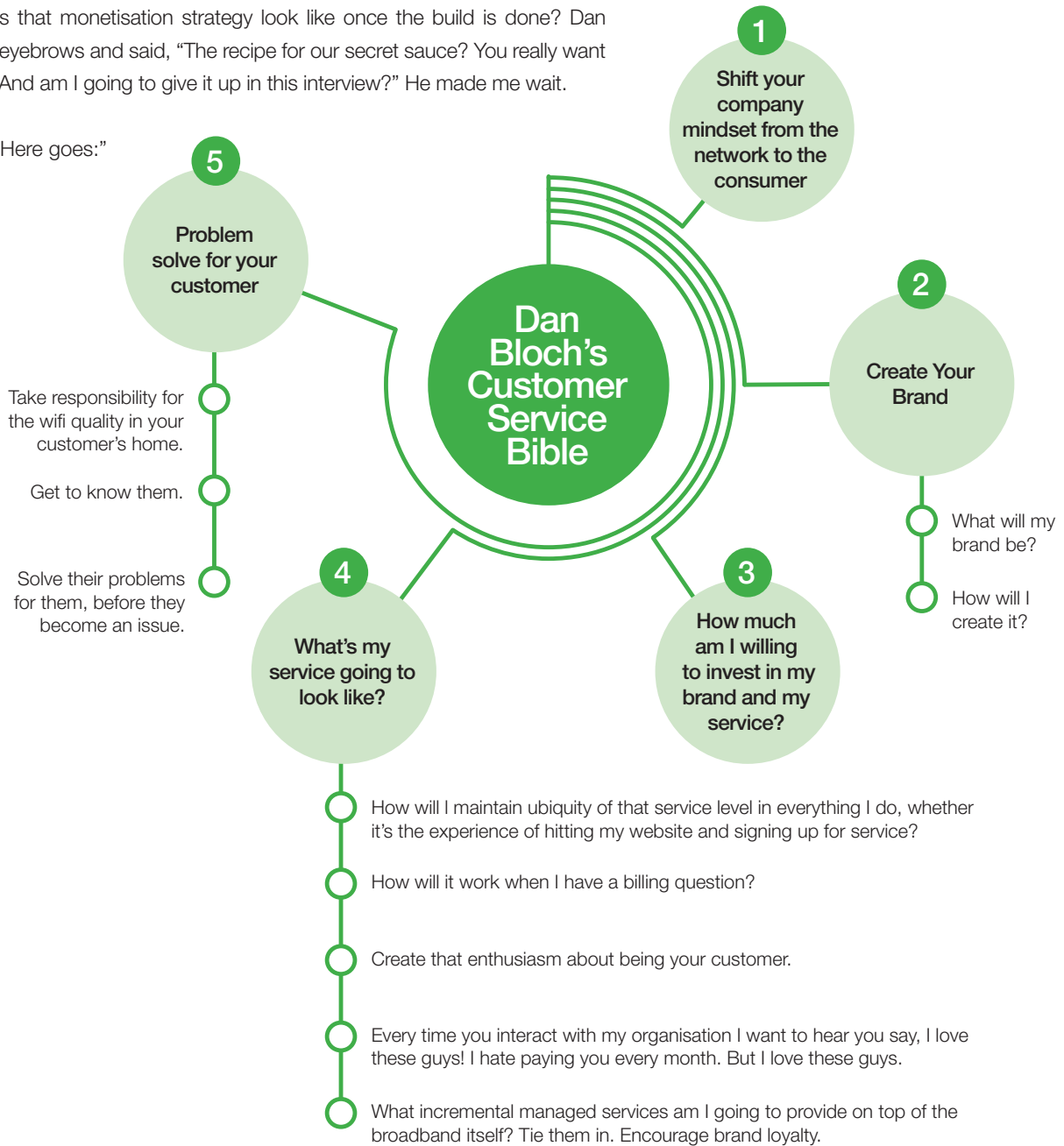
Dan concluded, "That word-of-mouth is powerful, better than any advertising. It will spread like wildfire. And the more places your signs pop up, the more brand recognition you will have. And because you're getting a warm lead from someone that's trusted you get implied trust. That's how you build a brand at the grassroots."

Drawing directly from the Seven Principles of Persuasion, there are two at work right here. Social Proof (if Jason said it's the best, and I value Jason's opinion, then it must be good) and the Principle of Reciprocation (you scratch my back, I'll scratch your's).

Dan went on to explain that the ISP has to make investments about building out their brand, and then consider how their service itself will be different from anybody else's. "The ones that will win are the ones with the deepest pockets, and they can afford to do a lot of acquisition, who also understand that they're going to have to monetise it and have monetisation strategies.

At this point Broadband took a chance and asked the million dollar question. What does that monetisation strategy look like once the build is done? Dan raised his eyebrows and said, “The recipe for our secret sauce? You really want to know? And am I going to give it up in this interview?” He made me wait.

“Ok sure. Here goes:”



“ISPs need new ways to differentiate and grow their brand in an increasingly competitive market,” said Dan, “and we are answering the call with the launch of the Calix Revenue EDGE solution in the U.K. market so that even the smallest altnet can think beyond speed and offer new managed services that will set them apart in the marketplace. Building your brand by providing customer relevant connected experiences with incredible customer service no matter which network you deliver on is how you create a differentiated proposition and side-step

the race to the bottom on pricing. We’re excited to see U.K. providers reaping the benefits of the Calix Revenue EDGE, a proven and tested solution that will help them to grow ARPU, create upsell opportunities, increase subscriber satisfaction, and eliminate churn.”



For more information, see www.calix.com