The Future of the Digital Economy

Is it Really Digital?

Renato Osato
VP Customer Business Executive
It’s a digital-first world

By 2020, customers will manage

85%

of their relationships with enterprises without interaction with a human

and the average person will have more conversations with bots than with their spouse....

Source: Gartner
Fourth wave of disruption

Welcome to the era of cognitive intelligence

The power of ONE

Low

Human

Voice

Mobile

Data

Digital experiences

AI

Intelligent experiences

Self-service

Non-human

Low

Human

Voice

Mobile

Data

Digital experiences

AI

Intelligent experiences

Self-service

Non-human
3 forces shaping communications market
Digital technologies
Open and scalable technologies enabling business and customer transformation

Cloud
- Virtual & elastic
- Always on
- Microservices & containers

Data
- Real time
- NoSQL
- Scale

Network
- NFV
- LTE, LTE-A
- 5G

Methodologies and architecture
- DevOps; CI/CD
- API-driven
- Modular & open source
The digital economy

50% of CSPs' new digital services originate from partnerships and investment
The digital customer

Contextual experience across customer lifecycle

Social channels
Emerging channels
Real-time
Retail
Self-service
Engagement center
Mobile app
Self-service website
Omni-channel
Personalized
The 2020 intelligent digital service provider (DSP)

Provider of digital service (DS)P
- Expand beyond core business
- Enable a digital ecosystem
- CSP assets open to digital players
- Platform-based business model
- B2B2X value chain

2020 Intelligent DSP
- Both D(SP) and (DS)P capabilities
- Data-centric
- Intelligence embedded across the business
- Open "as-a-service" for ecosystem partners
- B2B & B2C

Traditional CSP
- CSP-owned engagement
- Traditional sources of revenue
- Broad segments
- Silo experiences

Digital service provider D(SP)
- Highly automated
- Omni-channel experience
- Multi-modal engagements
- Personalized and contextual to customer

Source: based on TM Forum and Analysys Mason
The journey to intelligent DSP in our region

Multi-Play
- Shorten time to value and increase elasticity in the on-demand economy

Immersive engagements
- Meet customers in their channel of choice

Service agility
- Deliver personalized and contextual experiences

Embedded intelligence
- Reach new customers with new business models

New revenue streams

Multi-Channel
- 360° elastic customer
- Machine learning
- Adaptive journeys
- Artificial intelligence

OTT Broadband
- Subscription economy
- Partner ecosystem
- Bundles
- IoT

Digital economy
- Digital organization
- Digital customer
- Digital technologies

Digital customer
- Enterprise
- Consumer

Digital economy

OME - Multi-Play

OME - Multi-Channel

OME - OTT Broadband

OME - Omni-channel
Service providers enjoying the rewards of Digital

- +13 for fixed services
- +14 for mobile services
- Digital-only journeys have 19% higher customer satisfaction rate

13-14 pts higher NPS

- +51% shorter time to market

9%
Revenue growth

- Revenue growth 60% higher
- Efficiency 60% improvement

- Reduced processes: standardization across channels and products

Source: TMForum
Good retention and loyalty tools will keep more customers on board and new customers longer

Q. Which are the three most important factors that will ensure your loyalty?

- Rewards for being a loyal customer: 44% globally
- Being able to solve issues through self-service channels: 41% globally
- Providing relevant offers based on my usage: 40% globally
- Being able to change pricing contracts/services without getting a new one: 39% globally
- Plug & play products/services: 38% globally

In a such rapidly changing world, it is essential for service providers to find new ways to engage and reward their customers.
## Real-life examples

<table>
<thead>
<tr>
<th>Company</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>AT&amp;T Digital Life®</td>
<td>84 markets where AT&amp;T Digital Life® is available, January 2017</td>
</tr>
<tr>
<td>Telefonica</td>
<td>€4.8B + 14% YoY, Telefonica’s Digital Services 2016 revenues</td>
</tr>
<tr>
<td>Singtel</td>
<td>$454M, Singtel Group Digital Life 2016 revenues</td>
</tr>
<tr>
<td>Vodafone</td>
<td>75% of Vodafone Group’s customer interactions are already digital</td>
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Challenges hindering digital transformation

Is it only Digital?

52% Say that they are just starting implementation, but it’s still early

“Culture eats strategy for breakfast...” Peter Drucker

- Explosion of new services
- Complexity of systems and processes
- Lack of funding
- Lack of available skills
- Lack of management support

Source: TM Forum
When & Where:
Wednesday July 19, 1-6 pm, Fillmore 9 meeting room
Hard Rock Hotel, Punta Cana
Thank you