



Technology, media and telecoms sector overview



The battle for consumer attention continues. The value for money demands of consumers coupled with ever increasing service expectations is leading to a focus on costs and technology-enabled productivity.

Customer leisure time - a highly competitive marketplace

The pandemic led to a rapid growth in consumer acceptance of subscription services in the last three months of 2020. Global streaming time grew by 44% when compared to the same period from the previous year. Whilst in the UK, streaming consumption doubled to an average of 1 hour 11 minutes every day¹.

Similarly, there is a battle for ears as Amazon Prime, Spotify and Apple Music have reworked their offerings to encourage customers to upgrade from the free offering to unrestricted use.

The UK consumer now has a multitude of subscription and non-subscription streaming services to choose from. New entrants over the past 12 months include Paramount Plus, Lionsgate, and ITVX. When user generated content such as Tik Tok, social media,

gaming and the metaverse are added to the mix, the battle for consumer leisure time continues to intensify.

The economic situation is adding to the pressure. According to research by Attest, in the past 12 months some 22% of consumers have cancelled a video subscription service and 15% have cancelled a music streaming service, as they seek to manage their costs of living².

Success requires a renewed focus on customer experience

Central to the battle is content and the demand for new original material. But whilst content is still held to be king, customers also want a great experience. Parameters such as 'ease of navigation', 'making the service easy to buy or cancel' and 'good customer service' are becoming just as prominent as content.

¹ <https://www.forbes.com/sites/sap/2021/11/02/winning-the-streaming-wars-with-great-customer-experience/?sh=5f8538ba2414>

² <https://www.askattest.com/our-research/2023-uk-consumer-trends-report>

This is especially true of the telecoms industry where content is being delivered anywhere, anytime, for any customer. While 4G ushered the possibility of streaming on any device, 5G will create new possibilities and opportunities for players of all sizes across the vast streaming and telecoms landscape.

Leading players have outlined their intention to get back to basics, to focus on simplicity, reducing the number of tariffs and continuously improving the quality of the network and customer service.

As telecoms providers strive to attract customers and get the better of competition, the back-end legacy systems (mostly analogue) need to change as well. These organisations are grappling with how to galvanise the organisation around value streams and customer journeys. Their first and most pressing priority is understanding and fulfilling customer pain points, challenges and desires and technology is central to these considerations.

Organisations such as Vodafone are making significant progress with the adoption of artificial intelligence (AI). TOBi, Vodafone's well regarded virtual customer assistant, uses AI technology to help improve the customer experience. TOBi offers 24/7 customer support and uses AI to help answer customer queries in a matter of seconds, enabling customer call teams to focus on supporting customers with more complicated needs or requests.

AI is also used by Vodafone to detect fraud and monitor network resilience and performance.

2023 TMT top organisations in the UK

The following TMT organisations are in the top 100 index:



Tesco Mobile



Everyman Cinemas



giffgaff



Sky Mobile

Tesco Mobile continues its ascent of the top 100 index, moving up some 23 places to 20th position. Starting as a "no frills" pay as you go offering, Tesco Mobile has grown into a business that sets the benchmark for customer propositions and experience. Central to this has been its focus on trust and reflecting the Tesco service ethic of being helpful.



Actions such as introducing capped contracts have helped to build trust in Tesco Mobile. They help customers to understand that they can have real flexibility without unexpected charges. Given the economic climate, consumers need and demand clarity when it comes to their monthly bills.

It was the first network to allow customers to cap their bills. Their Family Perks scheme rewards customers for their loyalty with benefits for all the family. In addition, Tesco Mobile never increases tariff prices mid-contract, and allows customers to adapt contracts as their needs change. Tesco Mobile store colleagues don't work on commission, instead they're driven only by helping customers find the right phone and tariffs for them.

It's these little "helps" that make a big difference and really benefit customers.

Meanwhile, Everyman is leading the battle for content consumption outside of the home and has set new standards around the cinematic experience. Creating a warm and friendly atmosphere, with an excellent food and drink selection delivered to your seat, and outstanding customer service. With a wide array of mainstream, independent and classic films, special events, launches and a diverse calendar of live satellite broadcasts, "there is something for everyone at Everyman".

"The sector continues to be a beacon for emerging customer sentiment, with cost, flexibility and transparency paramount. Consumers are looking to engage on their terms with little tolerance for high barrier behaviour from the organisations they transact with e.g. imposing contractual lock ins, clandestine pricing practices etc.

The overarching must do for our sector this year is for companies to use their brands well. As consumers look to get more value for money and customer service increasingly gets delivered by non-human interactions, the need for trust and clarity will serve as critical differentiators in a sector marked by consumer volatility."

Nat Gross, Partner, Customer & Operations Consulting – Technology, Media and Telecoms

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