

Orchestrating enterprise wide recovery from COVID-19



Overview

COVID-19 pandemic has taken an alarming toll on people's lives. It has led to changes in the economic, societal, personal, and corporate front. However, with all the uncertainty about what the future will present, it's quite clear that it will be consumer-led. A shift towards customer-centricity was a necessity for businesses before the pandemic. Now, the economic fallout from COVID-19 has given a sense of urgency to it. As consumers chart their way forward, they look at businesses for insights and guidance.

The shift in market dynamics

The pandemic has resulted in a significant shift in customer behavior and market dynamics of cable TV and streaming business. The future of cable TV has looked bleak for a while; however, coronavirus appears to be accelerating the decline. The immediate impact observed by businesses across the world were driven by the following:

- Halt in live events and new content creation,
- Reduction in new connections due to sports suspension and digital channel remaining as the only route to market,
- Heightened demand for in-house entertainment especially for streaming channels,
- Movies sent straight to home to keep the audience engaged due to cinema closure,
- Reduced advertising demand from hard-hit sectors that have been traditionally heavy advertisers on TV (e.g., travel, retail, betting) and also due to sports suspension,
- Mandatory diversion towards website and less of call-center for query resolution.

The implications are wide-spread and will continue to plague many key functionalities and operations over short to mid-term. The quarantine has stoked the consumers' need for content and hastened the adoption to non-traditional platforms. Routines like weekdays, schools, work outside home, no longer exist for most, making the real-time TV schedules suddenly redundant.

Customer Value

In-home, entertainment has become important in today's time. Customers want flexibility and ingenuity when it comes to seeking value for their money. We are now seeing:

- Pricing pressure for both new acquisition and renewals to continue until a complete return of sports to the screen,
- Increased consumer price sensitivity especially at the time of renewals and value-seeking behavior,
- Fighting off the competition with OTT channels to win new customers, as those are perceived to be cheaper options,
- Growth in OTT platforms may drive a structural shift away from Cable TV platforms, signaling a change in content consumption habits.

Digital Experience

The entertainment choice today is in the home. What we can see is a stronger demand for in-home entertainment in the post-COVID-19 recovery stage as well. An accelerated shift to digital is essential to create revenue streams. Speed and agility are important as the digital world is an environment that goes through constant change. We today are observing:

- Unprecedented traffic on the web and app till the time other RTMs are back to full capacity.
- Acceleration of user activities from offline channels to browser and apps leading to the resultant need for companies to be amongst one of the most used apps on smartphones.
- Increased need for improved discoverability and recommendations of existing contents across platforms, to counter lack of live events and new productions.



Customer Service

Brands are expected to move in unprecedented speed to serve consumers. It means re-evaluating how contact centers are leveraged and how employees deliver quality customer experiences. The emotional state of consumers is a challenge that the employees also have to deal with. Businesses are today struggling with:

- Sub-optimal experiences faced by customers due to prolonged inability to connect with call-center reps.
- Account for increased call handling time and abandonment rates.
- Manage the expectations/experiences of "habitual callers."
- Prepare for a huge spike in pending service requests volume and complexity in the post lockdown period.

Content Engagement

As we move towards recovery from this crisis, consumers will continue to look for entertainment to relieve from the daily grind and de-stress. Engaging with consumers now will help businesses to stay at the top of mind and help understand what they are looking for in the new normal. Businesses should now connect with consumers by:

- Revisiting content scheduling decisions to fill for gaps created by a halt in the new production.
- Consolidating loss of new content through improved discoverability of existing content.
- Increasing time available for viewing increasing content piracy as well.
- Following the mandate for social distancing, impacting the social nature of sports/entertainment, that is usually enjoyed and consumed in a group setting.

Increased focus on customer centricity

A shift towards customer-centricity was a necessity for businesses before the pandemic. Now, the economic fallout from COVID-19 has given a sense of urgency to it. As consumers chart their way forward, they look at businesses for insights and guidance.

Customer centricity today remains the cornerstone of our recommendations for all functionalities and operations.



1 Customer Value

Defining the right actions and recommendations

- a. Hyper-personalised product/ service/ offer/ action recommendation engine (NBx) to enhance engagement and value
- b. Price elasticity and choice architecture to design 'ideal' pricing packages for customers



2 Digital Experience

Providing a great web and platform experience

- a. Optimised platform search engine to improve content discovery
- b. Improve digital effectiveness to drive better prospect conversions and self-serve rates



3 Customer Service

Enabling quick and frictionless issue resolutions

- a. Call volume management through intent prediction to drive frictionless journeys and better upstream experience. Managing the experiences of "habitual callers"
- b. Peak-demand bandwidth optimisation framework to provide 'best-in-class' broadband experience



4 Content Engagement

Improving viewing engagement

- a. User-specific content recommendation and customisation to increase relevance
- b. Anti-piracy solution to reduce illegal viewing
- c. Building product features and proposition that strengthens the core need for socialisation in a context of individual viewing



Understanding emerging consumer needs, rapid prototyping, and cautious scaling are critical to navigating the change.

The organizations have the opportunity to generate or save c.\$300M annually in revenue across the four areas highlighted above. The key lies in driving hyper-personalization, digital efficiency, and consolidation of value to improve customer experience in a changing E&M eco-system.

S.No.	Use case	Significance	Est. annual impact*
1	Hyper-personalised product/ service/ offer/ action recommendation engine (NBx) to enhance engagement and value	<ul style="list-style-type: none"> Customers facing financial challenges are likely to become more pricing sensitive at renewals, thereby further pushing up the importance of personalisation Significant impact projected on pay TV revenue this year as customers throng towards streaming services 	\$50-55M
2a	Optimised platform search engine to improve content discovery	<ul style="list-style-type: none"> Increased need for improved discoverability of existing contents to counter lack of live events and new productions 60% of US consumers are engaging more with entertainment, looking specifically for content that they know and are familiar with 	\$40-45M
2b	Improve digital effectiveness to drive better prospect conversions and self-serve rates	<ul style="list-style-type: none"> Average daily traffic to Netflix and YouTube websites has increased by 15%+ Global media site visits (week-on-week) have increased by 14%+ along with 13%+ increase in the number of hours spent 	\$45-50M
3	Call volume management through intent prediction to drive frictionless journeys and better experience	<ul style="list-style-type: none"> Projected 2-5x increase in average call handling time and abandonment rates for US call-centres 24% of UK consumers accessing customer-service centre during the crisis have had poor experience 	\$50-55M
4a	User-specific content recommendation and customisation to increase relevance	<ul style="list-style-type: none"> Critical need for enhanced content recommendations to improve customer engagement and experience Only 25% of UK viewers TV viewers feel the recommendations correctly capture their interests and tastes 	\$40-45M
4b	Anti-piracy solution to reduce illegal viewing	<ul style="list-style-type: none"> Urgent need for consolidation of revenue loss during and post COVID with the global movie industry projected to lose \$5B UK traffic to film and TV piracy sites up nearly 60% in lockdown 	\$60-65M

* Estimate based on Fractal use cases from Cable TV and Streaming industry

Bringing AI, engineering and design to drive customer experience

The proposed solutions to tackle these challenges are based on three key principles:

- AI: Using state-of-the-art Artificial Intelligence and Machine Learning algorithms to generate quick, accurate and meaningful insights from the data
- Engineering: Leveraging on-cloud / on-premise infrastructure to create data pipelines and feed information into the algorithms in an efficient and scalable manner
- Design: Enabling transparency and easier consumption of insights for the end-users to drive strategic business interventions



S.No.	Use case	Solution principle	Outcome
1	Hyper-personalised product/ service/ offer/ action recommendation engine (NBx) to enhance engagement and value	<ul style="list-style-type: none"> Understand customer context: Design customer persona across behaviours, needs and preferences, leveraging every observable data signal on the customer Focus on customers' needs: Prioritize customer needs over incremental selling to avoid any friction Drive incrementality: Leverage existing in-house solutions wherever applicable to avoid duplication of effort 	<ul style="list-style-type: none"> Customer-level next best product / service / offer / action recommendations Campaign lists Integration with in-house systems and operationalisation on cloud / on-premise
2a	Optimised platform search engine to improve content discovery	<ul style="list-style-type: none"> Understand complex search queries: Identify nuances, context and semantics of keyword searches Self-learning search: Leverage users' search history, demographics & viewing behaviour to optimize future searches Drive incrementality: Factor in freshness, rating of content, users' preference to rank contents 	<ul style="list-style-type: none"> Unified content search experience across platforms Improved search functionality by understanding complex queries Generic category search like best football events, show popular peak-time shows, etc.
2b	Improve digital effectiveness to drive better prospect conversions and self-serve rates	<ul style="list-style-type: none"> Easy checkout: Design "one-click" checkout to remove tedious digital shopping process Nudge: Engineer real-time intelligent chat prompt to push wavering customers to move forward Smoother digital journey: Identify root causes of friction and remove tactical friction points to reduce drop-offs and roll-overs to assisted channels like live-chats and calls Plug-in with existing infrastructure: Enable seamless integration with client's existing digital solutions and deployment on cloud / on-premise across geographies 	<ul style="list-style-type: none"> Log of web-page anomaly Root cause analysis Live-dashboard End-to-end automation and operationalisation on cloud / on-premise
3	Call volume management through intent prediction to drive frictionless journeys and better experience	<ul style="list-style-type: none"> Pre-call: Identify and resolve customer needs further upstream Digital first: Leverage low cost channelling via digital self-serve Smoother digital journey: Enable efficient resolution through optimal IVR routing Plug-in with existing infrastructure: Drive efficient resolution via mapping to right agents 	<ul style="list-style-type: none"> Automated logging of every call, based on speech to text analytics Customer-level call propensity score and root cause analysis
4a	User-specific content recommendation and customisation to increase relevance	<ul style="list-style-type: none"> User-specific content recommendations: Recommend personalized, relevant, engaging content for each user, based on content characteristics and users' viewing choices Personalise content tiling and thumbnailing: Display relevant dynamic hyper-personalised thumbnails Customized content development / licensing: Identify key content characteristics that drive viral-hits to channelize investments and create customised original contents / licensing new contents 	<ul style="list-style-type: none"> User-specific content recommendations basis Cost-benefit analysis of customised content Dynamic tiling and personalised thumbnails per content Identification of positive and negative drivers of viewership for each content
4b	Anti-piracy solution to reduce illegal viewing	<ul style="list-style-type: none"> Global website-level framework: Understand the 'mindset' of illegal online consumers, browsing through websites looking for 'content of interest' to identify and flag piracy streaming servers / websites Customer-level framework: Enhance the website-level framework with network usage information from broadband routers / Internet Service Providers to identify and track illegal online browsing activity Integration: Restrict demand and supply for global consumers and enterprise customers through integrated design 	<ul style="list-style-type: none"> Piracy scorecard + ranking for each website Piracy log of company's contents Log of account-specific network usage and flagging of anomalous online behaviour Live-dashboard



Insights and References

Covid-19 Insights:

- [Implications of Covid-19 on cable TV and streaming business](#)
- [Cross industry insights & playbooks to manage Covid-19](#)
- [Opportunities in the Information & Communication Technology Sector](#)

References:

- [The New York Times \(April 2020\)](#)
- [Forbes \(March 2020\)](#)
- [The Guardian \(April 2020\)](#)
- [Atos \(May 2019\)](#)
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About Fractal

Fractal is one of the most prominent players in the Artificial Intelligence space. Fractal's mission is to power every human decision in the enterprise and uses the power of AI to help the world's most admired Fortune 100 companies.

Fractal's products include Qure.ai to assist radiologists make better diagnostic decisions, Cuddle.ai to assists CEOs and senior executives make better tactical and strategic decisions, Theremin.ai improve investment decisions and Eugenie.ai to find anomalies in high velocity data.

Fractal has consistently been rated as India's best companies to work for, by The Great Place to Work® Institute. Fractal has been featured as a leader in the Customer Analytics Service Providers Wave™ 2019 by Forrester Research, and recognized as an "Honorable Vendor" in 2020 magic quadrant for data & analytics by Gartner.

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