

FEBRUARY 2020



THE FUTURE CSP MARKETER: CMOs TAKE CHARGE IN DIGITAL TRANSFORMATIONS OF BUSINESS DRIVERS



Author: Chris Antlitz (chris.antlitz@tbri.com), Principal Analyst



INTRODUCTION

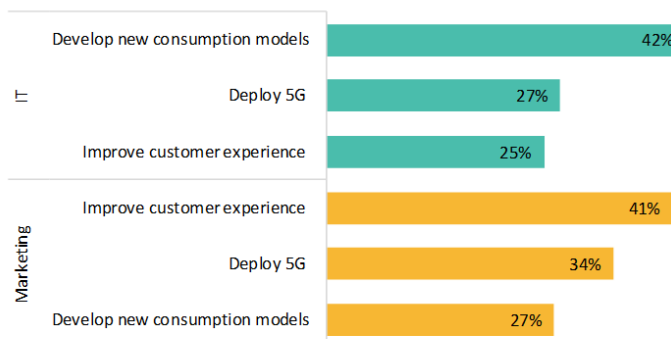
Communication service providers (CSPs) are tackling digital transformation, which is creating new opportunities and challenges. In a third-party study where TBR surveyed 203 senior managers in the IT and marketing departments of CSPs globally about their marketing needs and objectives, customer experience improvement was cited as an overarching strategic goal and challenge, as was how to keep up with change, particularly as it pertains to 5G and the new business cases 5G brings.

These goals and challenges were similar across CSPs in all regions, indicating CSPs are struggling to achieve these goals and are searching for solutions.

Leading CSPs are placing more responsibilities on their marketing departments, specifically CMOs, to address these challenges and position them to capitalize on new opportunities, a finding evident in and underscored by the trend of modernization budget authority shifting from CFOs to CMOs.



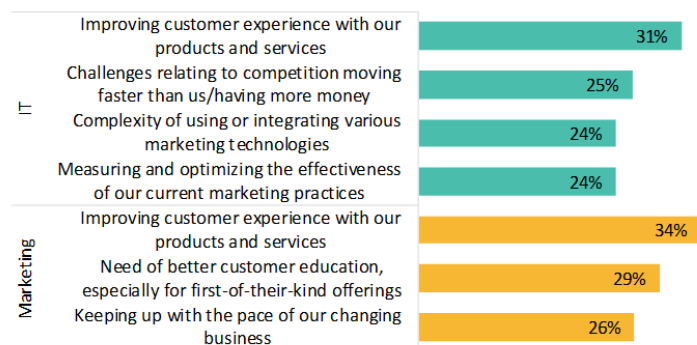
TOP STRATEGIC GOALS



SOURCE: TBR



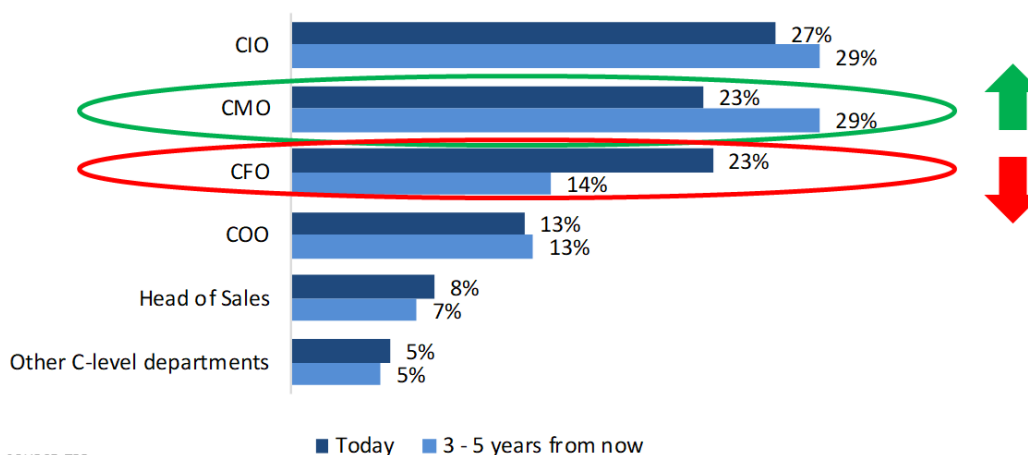
TOP MARKETING CHALLENGES



SOURCE: TBR



PRIMARY MODERNIZATION BUDGET HOLDER



SOURCE: TBR





This shift in modernization budget authority to the CMO over the next five years suggests marketing departments are assuming a key role in helping their companies navigate digital transformations as well as leverage technology to participate in new value creation and make more informed business decisions for improved business outcomes. Leading CSPs have begun shifting budgets to CMOs, an undertaking that includes applying emerging technologies, such as AI, machine learning (ML), analytics and a business-driven catalog, to optimize business, grow revenue via new business models, strengthen brands and improve user experience, and other CSPs are expected to follow suit.

THE CHALLENGE AND THE SOLUTION

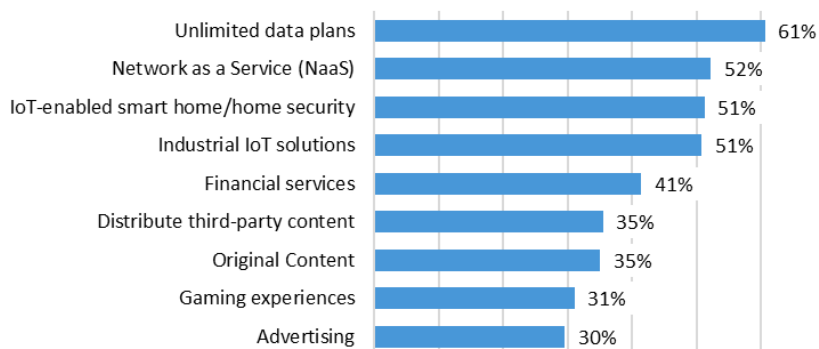
CSPs' marketing departments are tasked not only with improving customer experience but also bringing new business models to market, particularly as it pertains to 5G and the new use cases the technology will enable, and educating end users on why they should pay a premium for 5G.

CSPs intend to bring a wide array of new products to market over the next couple years, many of which have significantly different business models, competitors and ROI considerations compared to what CSPs are accustomed to, such as industrial IoT solutions or gaming experiences.

This reality, coupled with changing external factors in the market, such as shifting customer preferences and the emergence of new business models and competitors, makes it critical for CSPs to adopt tools and ways of working that are more agile and dynamic in nature, rather than the relatively rigid traditional process of bringing new offerings to market — next-generation catalog is at the heart of this need.



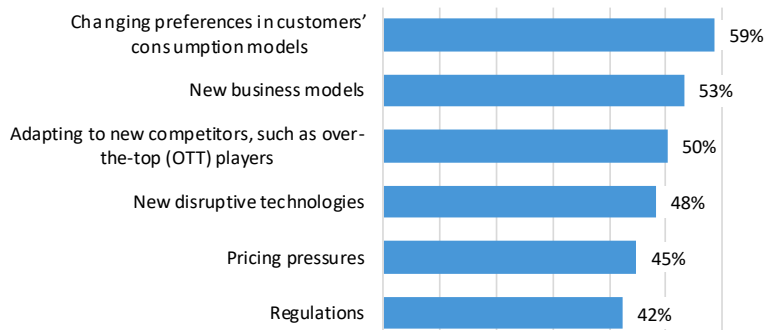
PRODUCTS EXPECTED TO BE SOLD IN THE NEXT 1 TO 2 YEARS



SOURCE: TBR



MOST IMPACTFUL INDUSTRY/EXTERNAL FACTORS ON CHANGING BUSINESS MODEL

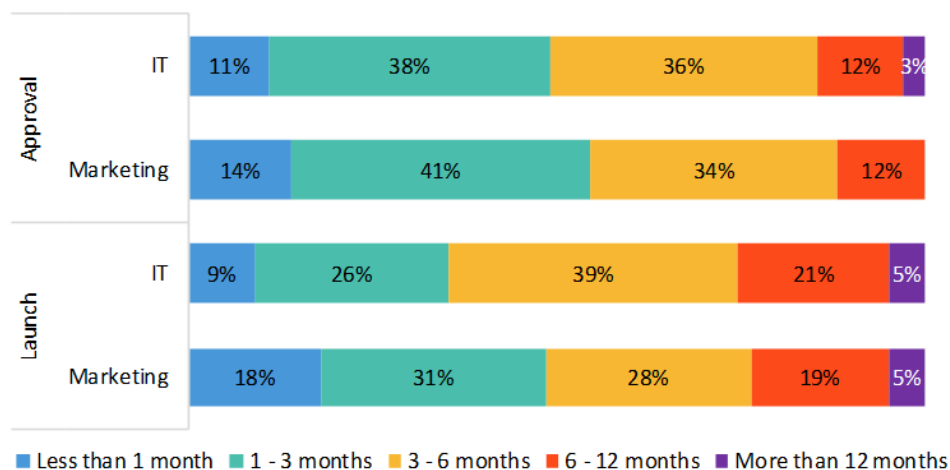


SOURCE: TBR





LENGTH OF TIME FOR APPROVAL AND LAUNCH OF MARKETING INITIATIVES



SOURCE: TBR

As part of this need to be more agile and dynamic, CSPs must also focus on streamlining the stubbornly long and inflexible decision-making process to speed time to market of new marketing initiatives. According to survey respondents, more than 80% of decisions pertaining to the approval and launch of new marketing initiatives take more than one month, sometimes a year or longer, which is too slow for CSPs that need to demonstrate a more agile and DevOps-based process. Empowering the CMO to invest in new digital-oriented marketing tools that can help streamline and automate tasks can help compress decision-making cycles and enable CSPs to achieve their marketing goals in a timely manner.

To achieve their marketing goals and obtain a competitive advantage, CSPs' marketing departments need to digitally transform, including leveraging new technologies and ways of working. As head of the marketing department, the CMO is tasked with leading digital transformation and institutionalizing it across the organization.

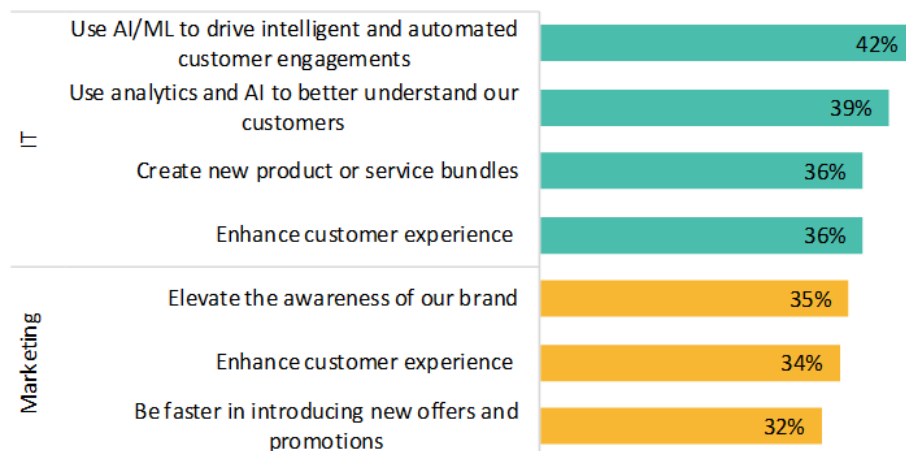
At a foundational level, digital transformation entails applying data-driven insights to business processes to achieve improved business outcomes. This transformation can manifest itself in myriad ways from a marketing perspective, but generally, it includes applying analytics, AI, ML and automation to marketing-related tasks, such as new offer creation, price modeling, measuring and tracking user experience KPIs, and managing brand campaigns, as well as adopting new digital-centric tools, such as next-generation catalog, predictive pricing and dynamic billing platforms that can enable the CSP to make more informed decisions.

Marketing departments have historically relied on the technical prowess of IT departments to handle their technology needs. However, this reliance is not sustainable in the digital era due to the need to operate in an agile and timely manner. Marketing departments will need to become more autonomous and comfortable working with data and leveraging technology as part of their digitally transformed organizations.





TOP TECHNOLOGY PRIORITIES



SOURCE: TBR

IT survey respondents indicated they are being tasked with implementing new technologies, including AI, ML and analytics, to make more informed business decisions, such as how to enhance customer experience, while marketing department respondents noted being focused on elevating brand awareness, enhancing customer experience, and improving service creation and promotion agility. New technologies can help marketing departments achieve their goals, but marketers must take control of their destiny, separate from the IT department, and leverage these new technologies for themselves.

This will require CMOs to have their own technical expertise, knowledge and understanding as well as to foster a culture of learning and build up skill sets from within. This includes hiring talent that aligns with a digital marketing organization. These skill sets include, but are not limited to, software engineering and data science. Candidates typically suited to excel in these types of skill set areas are people with a background in mathematics, economics, computer science and data analysis.



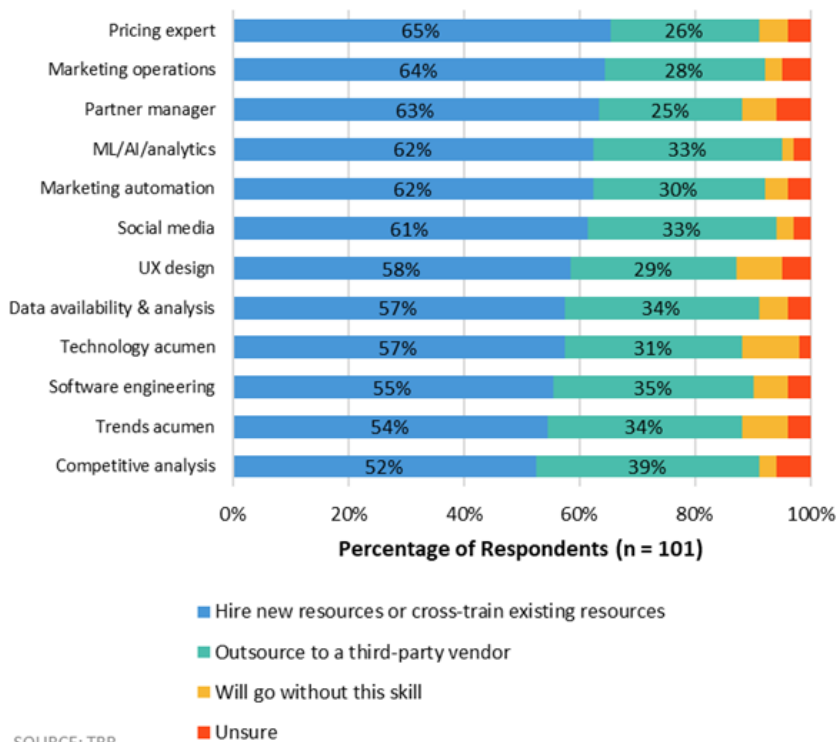


CSPs prefer to keep marketing operations in-house, as it is viewed as a competitive advantage, and intend to boost the data science and technology acumen (e.g., the use of semitechnical tools such as campaign management that are designed for the business user) of their staff over the next few years as well as hire, particularly as it pertains to AI, ML and analytics.

As CSPs address their need for talent, they will keep core skills in-house when possible and outsource to fill gaps. CSPs can also leverage AI- and ML-based solutions to address skills gap, as these technologies can be applied to different marketing functions to realize the benefits of automation and scale.



METHOD OF ADDRESSING SKILLS/ATTRIBUTES REQUIRED FOR GO-TO-MARKET NEEDS IN THE NEXT 3 YEARS: MARKETING



SOURCE: TBR

In short, CSPs can achieve their marketing goals and hasten their digital transformations by:

- Procuring and/or developing tools and adapting processes that enable intelligence-driven automation that empowers business users to make more timely and informed decisions
- Identifying and prioritizing investment in core systems that need to be digitalized relatively quickly to align with time-to-market needs, such as the need to introduce and adjust new offerings and manage third parties to enable new business models
- Addressing skills shortage by focusing labor resource development in key areas that will have the most impact in the digital era, including:
 - Creating training programs to redevelop existing workers
 - Emphasizing technology skills when interviewing candidates for marketing positions, especially as it pertains to data science and software engineering
 - Implementing tools that are business-user-oriented and that streamline the process of evolving to a digital-centric marketing organization
 - Augmenting staff and capabilities with AI/ML platforms where applicable





IN CONCLUSION

Leading CSPs are empowering their CMOs to digitally transform their businesses, evident in and underscored by modernization budget authority shifting to CMOs. Moving to a digital-centric organization requires fundamental changes in employee skill sets and adoption of a DevOps, agile and fast-fail culture. In addition to fostering critical skill sets of marketing personnel, CSPs must also adopt and institutionalize new tools that will enable their organizations to automate tasks and make more informed business decisions that leverage data insights such as next-generation catalog. CSPs that make this transition will be best positioned to overcome challenges and achieve goals.

ABOUT AMDOCS

Amdocs is a leading software and services provider to communications and media companies of all sizes, accelerating the industry's dynamic and continuous digital transformation. With a rich set of innovative solutions, long-term business relationships with 350 communications and media providers, and technology and distribution ties to 600 content creators, Amdocs delivers business improvements to drive growth. Amdocs and its 25,000 employees serve customers in over 85 countries. Listed on the NASDAQ Global Select Market, Amdocs had revenue of \$4.1 billion in fiscal 2019. For more information, visit Amdocs at www.amdocs.com.



ABOUT TBR

Technology Business Research, Inc. is a leading independent technology market research and consulting firm specializing in the business and financial analyses of hardware, software, professional services, telecom and enterprise network vendors, and operators.

Serving a global clientele, TBR provides timely and actionable market research and business intelligence in formats that are tailored to clients' needs. Our analysts are available to further address client-specific issues or information needs on an inquiry or proprietary consulting basis. TBR has been empowering corporate decision makers since 1996. For more information, visit www.tbri.com.



This report is based on information made available to the public by the vendor and other public sources. No representation is made that this information is accurate or complete. Technology Business Research will not be held liable or responsible for any decisions that are made based on this information. The information contained in this report and all other TBR products is not and should not be construed to be investment advice. TBR does not make any recommendations or provide any advice regarding the value, purchase, sale or retention of securities. This report is copyright-protected and supplied for the sole use of the recipient. ©Contact Technology Business Research, Inc. for permission to reproduce.

