

Media companies Internet trends

What users will demand from the media companies in next decade

Executive summary

Media companies offer a wide range of services for their users. Do they also offer users tools to easily configure and manage those services online? People are more and more shifting their offline activities to the Web because of the many benefits to be gained, including time and cost savings. No one can question the Internet's impact on business, sales, marketing and cost reduction. To stay competitive in the Digital Era, it's imperative for media companies to invest in the Internet because of increasing user demand and the compelling business benefits it offers.

Introduction

It has been two decades since the first commercial TV stations began to broadcast in Poland and the first satellite dishes began to appear on rooftops. What used to be beyond anyone's reach has now become so common that it's hardly even noticed. Cable and digital TV are no longer anything unusual. HDTV is now making its way into living rooms and 3DTV is not far away. TV manufacturers are integrating tools for connecting with other mediums into their sets. Consumers no longer feel a separation between TV and the Internet; now they can either browse websites on their TVs or watch TV on their computers.

At this point, taking all of this into account, it's obvious that media companies should begin integrating all of their services online for at least two reasons—client satisfaction and cost reduction.

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E-service can greatly reduce the costs of customer care and, at the same time, offer users access to all the services they want in one place. It can also enable them to easily configure and manage those services based on their personal preferences and needs. There are obviously many more benefits to transitioning more operations online, including cross-channel experience and tracking.

This leads to one important question: How do Polish media companies use the power of the Internet as an integration medium and a central point for customer care?

Business expansion

The first decade of the 21st Century has brought about many technology advancements. Digitization allows media companies to evolve from merely providing analog TV signals to offering consumers a wide range of media services.

The problem with this expansion is that new services and features have been added one by one without looking at the broader landscape. New services lack a consistent platform and a single point of access and configuration.

The Internet seems to be the one and only choice for an integration platform for several reasons:

1. **It's fast and cheap to develop:** In the current economy, it's very important to have the highest return to investment ratio.
2. **It's easy to use:** It's easy to access, browse and manage services on the Internet.
3. **It's widely available:** The Internet can be accessed 24/7 not only from PCs, but from mobile and other devices.
4. **It's cost effective:** Moving to e-service can greatly reduce cost.
5. **It has extensive sales and upsell capabilities:** Thanks to the Internet's visualization, user interaction and tracking/analysis capabilities.

Internet users in Poland are not different from those in the West. Thanks to its openness, the Internet works beyond borders, so we have access to the same ideas, innovations and solutions as western users. In addition, Polish users demand the same functionalities from their home service providers as users in the West.

It seems natural to mix phone, TV and the Internet. Integrating these services requires a consistent platform that can provide customers configuration options in a user friendly manner. This will surely be a strong customer demand in the near future, and the sooner companies start to implement such a platform, the greater user satisfaction they will experience, followed by a greater market share and reduction in churn rates.

Knowing how much online solutions can benefit them, customers are willing to switch service providers just to have that experience.

The need for a consistent platform is now stronger than ever. Because of the current economic crisis, people spend more time at home as family budgets are cut to a minimum. They're choosing less expensive entertainment such as TV and watching movies at home. This is a great opportunity for media companies to upsell additional services and options. Customers also should be given tools for purchasing and managing their services, integrated within a consistent space and optimized for the user experience based on user-centric design practices.

Even as the economy improves, the need for a consistent platform for self-service and e-commerce will remain and will be one of the main

requirements for the next decade

Over the past few years, Internet adoption in Poland has grown significantly. People are more aware of online channels and have a greater understanding of issues such as security and confidentiality. They're experiencing the benefits of online services, such as easy accessibility and speed. People grow accustomed to improvements very quickly and once they encounter improvements in one place, they expect to reap them in other places.

E-banking is the best example of how quickly people get used to Internet solutions. The mental barrier of fear in managing accounts online has been easily removed by the convenience of online banking: no more driving to a bank and waiting in line. Having experienced the benefits of online banking, users are now more willing to explore other products and services.

Users want the same online experience they're enjoying for services such as banking in other areas, creating more of a demand for e-commerce and e-service. Knowing how much online solutions can benefit them, customers are willing to switch service providers just to have that experience.

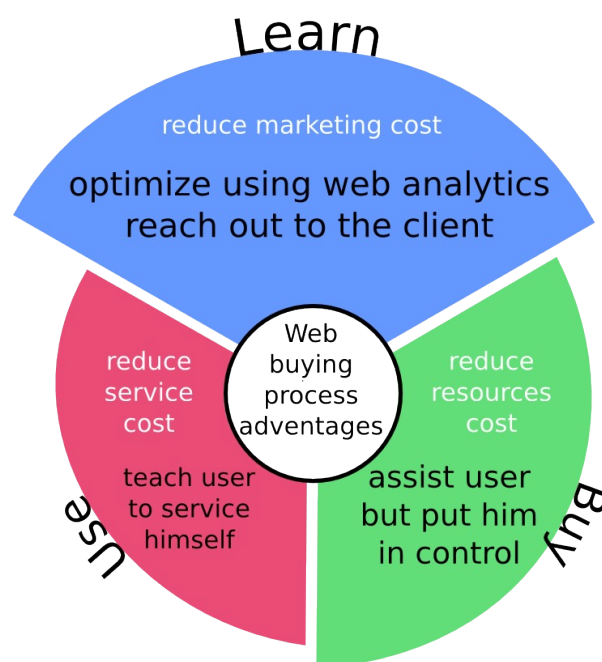
What companies need to understand is that this is not a momentary need of the customer, but something they will be pushing for over the long term. Fortunately investing in the Internet will not only benefit customers but the company as well on both the sales and cost front.

What media companies are now offering online has expanded significantly; there are a lot of services that people can take advantage of. The move online requires clear communication to the customer and straightforward management features.

Otherwise, some services might go unnoticed by the customer and usage of those services will be minimal. Additionally, customers should be given the power to control and manage services on their own because then they will be more likely to use them.

From a company's point of view, the most natural approach for dividing online processes is based on user activity: learning, buying and using a product or service. This view focuses on the customer rather than the company's own processes, giving the company a better understanding of what people really want from it and how their needs should be satisfied. Each of these three areas has a clear advantage over its offline counterpart, which is pictured in the image above. Nevertheless the distinction should not be that obvious to the customer; they should have the most seamless experience possible.

The same clustering has been used to benchmark the sites of Polish media companies to see how many current trends and solutions they have adopted. Learning reflects marketing activities that attempt to build awareness of a



company and its products. Buying reflects the process of configuring and purchasing a product or service that a user has chosen, partly in response to marketing activities. Using a product or service reflects a company's close relationship with a customer.

A market analysis

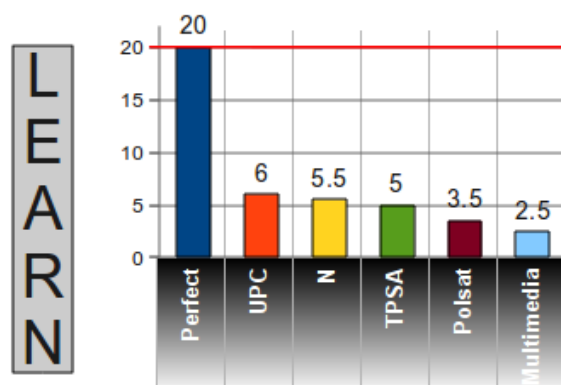
This section provides an analysis of the current Web platforms of Polish media companies. It shows how much functionality they have implemented and how far they are in terms of the adoption of current trends.

In each of the areas outlined below, companies are given a summary score based on seven categories. For detailed scores, see the tables at the end of the section.

LEARN

This is the area that needs the most improvement and, at the same time, it's a place where minimal optimization can have a big impact on performance. With increased accessibility to services via the Internet, proper communication of a service plays a key role. Unfortunately, the most appropriate channel for communication lacks adequate attention from the companies evaluated. Polish companies have yet to adopt current Internet trends and solutions. Current customers need to be reached via search engines and social interaction activities because they are a new generation of customers very much dependent on reviews and recommendations.

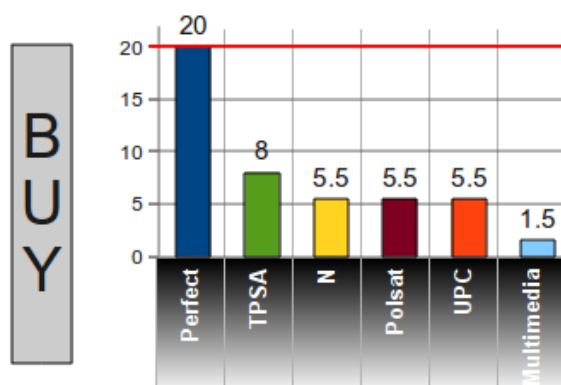
Weak and disparate platforms, as well as a lack of proper communication and social media, are key areas for improvement in terms of the learning process.



BUY

The current generation of customers is aware of the possibilities presented by the Internet. They are used to being able to compare and configure the products or services they are willing to buy. Polish mobile companies' Web sales applications look like separate features that have been added along with a content management system (CMS). This results in an inconsistent user experience because it's always hard to achieve a seamless flow through independent applications. Another problem is that users are not being given control while buying an offer. The applications usually focus on just one product, and e-commerce solutions should be focused on the user's overall ability to achieve a desired goal. That's how success is achieved.

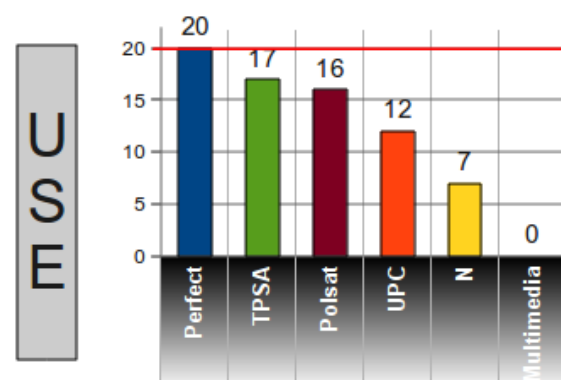
The lack of a complex, unified platform and a user-centric approach along with lack of web analytics are two main challenges in the buying flow.



USE

As media companies begin to offer more relationship-based products, post-sales customer care becomes crucial for long-term success. The ability to offer customers a proper service option is a key factor in determining who they will select as a provider.

In this area, the variation among Polish media companies is great. The level of adoption ranges from very complex online customer care to the lack of a basic online invoice in a PDF format. Nevertheless, there's still a problem with unification and integration. Users will demand one place to configure and manage their services. This will be the most challenging task as the spectrum of services grows very rapidly.



The lack of a consistent online user experience and a disintegrated platform are the most important areas needing improvement.

Source Data

Below you can find detailed scores of all the key categories within the three areas described above.

	Perfect	UPC	N	TPSA	Polsat	Multimedia
Chat / Click to call / Email / Form	4	2	2	2	2	2
RSS	2	1	2	0	0	0
Newsletter	2	0	0	0	0	0
SEO friendly URL's	1	0	1	0	0.5	0
SEO headings	1	0	0.5	0	1	0.5
Social presence	4	0	0	0	0	0
Search (Type Ahead)	6	3	0	3	0	0
	20	6	5.5	5	3.5	2.5

Learn section scores

	Perfect	TPSA	N	Polsat	UPC	Multimedia
Shop	4	2	2	2	2	0
Wizards/Product Configurators	2	2	0	2	0	0
Suggestions Recommendations	2	0	0	0	0	0
User need focused	1	0	0	0	0	0
Gluded selling	1	1	0	1	1	0
Service availability	4	0	0.5	0.5	1	0
Web analytics tool	6	3	3	0	1.5	1.5
	20	8	5.5	5.5	5.5	1.5

Buy section scores

	Perfect	TPSA	Polsat	UPC	N	Multimedia
Self Care (services purchase)	4	4	4	4	4	0
On-line billing (invoice) presentation	2	4	4	4	2	0
Knowledge Base (Category)	2	3	3	3	0	0
Forum/Blog	1	0	0	0	1	0
Surveys	1	0	1	1	0	0
Payment	4	4	4	0	0	0
Application status	6	2	0	0	0	0
	20	17	16	12	7	0

Use section scores

Recommendations

TV and the Internet are becoming increasingly intertwined. Soon there will be full integration and users won't see a difference between the two technologies. It's happening right now; users have the ability to browse the Internet on a TV set or the option of watching TV channels on a PC using a signal from their cable provider. Media companies can no longer question whether they should invest in the Internet. This move to online commerce is inevitable and crucial for the future success of any media company.

Although Polish media companies have an online presence, their Web solutions are outdated. The Web has evolved very quickly and so have its users. Having a presence on the Internet is not enough. Companies need to be more active, social and user-centric.

Once Amazon launched user reviews on its site, people realized how much this would help them in their decision making. We came a long way from that time, and, with the new generation of customers, companies no longer have the option of not investing in the Internet.

Optimizing the Web front end to maximize the ability of users to achieve their goals easily and quickly will result in a greater share of online customers. Many sites are "flashy," which at first gets a user's attention, but very quickly becomes a burden when certain goals need to be reached. Many sites lack usability and simplicity, which are two of the key factors for achieving high conversion on the Internet.

Educating current offline users to find solutions online and to try to resolve problems themselves will have a great impact on cost optimization, directly impacting profitability. Media customers will naturally move to the Internet as many services are and will become Web based. This is a great chance to switch a large portion of users to online servicing. Due to the many recurring problems media companies must deal with, self-servicing is a great way to cut down on the cost of support and increase the effectiveness of servicing.

In addition, a service request mechanism with status tracking will be a great improvement for media companies with respect to external and internal customers. For this type of service, it's not possible to avoid technical on-site assistance. Exposing request tracking to the customer will give the customer more confidence and a sense that his or her request for help has not been sent into the void.

Both TV and Internet are becoming more and more integrated and will soon offer a seamless experience to the user. Even during the current downturn, technology progress is not slowing down. Users are being given new solutions to enhance their experience. Nevertheless, technology itself is not the main factor for choosing an offer. Soon users will focus more on accessibility and the ability to easy configure and buy an offer that's suits them best from their home. Self-management of the relationship will also impact selection.

Both TV and Internet are getting close together and will soon offer a seamless experience to the user. Even during the current downturn, technology progress seems not to slow down. Users are being given new solution to enhance their experience. Nevertheless technology itself is not the main factor for choosing and offer. Soon user's focus will turn more to the ability to easy configure an offer, and buy the one that suits them best without leaving their home. Self-management of the relationship will also not be without an impact on the selection process.

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About the author

Artur Habaj is a lead consultant at CGI in the e-commerce area. He recently worked on one of the largest SCRUM-driven e-commerce projects in Europe for a major German telco company. His experience also include e-commerce and IT project management positions at GE Money, which gave him both a business and an IT view of e-commerce. Artur is a Certified Green Belt in Six Sigma. Other areas of specialty include Web analytics and website optimization.