



# Growing Revenue in the SMB Market Amidst Increasing Competition

Point of View for Cable Operators



## SMB is the new target for the cablecos to counter declining video revenue

For several years, the cablecos have been experiencing a steady decline in their video subscribers. The competition has primarily been from telcos and, more recently, has also come from the popularity of online/over the top (OTT) video. As a result, cablecos have wisely put substantial effort into expanding their small and medium business (SMB) market to diversify their revenue streams. However, it is the telcos that have historically been the primary supplier of telecom services to the enterprise market. With the increased focus, the telco/cable SMB market CAGR has averaged over 6% since 2017 and there is growing competition among CSP's to vie for this attractive market segment.

To compete more head-on against the historical telco dominance in the SMB market, many of the cablecos are aligning their fixed broadband practices with their mobile businesses through bundled packaging and converged sales/service channels.

- Altice USA's CEO Dexter Goei said the company's migration of mobile customers to T-Mobile's network has resulted in better customer support.
- Comcast chairman and CEO Brian Roberts said the company has made a "tremendous investment" in its wireless practice. We wrote two weeks ago about Comcast expanding its MVNO services to SMB customers. Comcast executives said they are encouraging all sales channels to lead with mobile.
- Charter's people are doing the same.

"... this is a great time to rebrand and align the business more closely with our fixed broadband business."

**Dexter Goei, CEO  
Altice USA**

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"It is a focus we have to make sure that on every conversation we have inside of our selling channels that we're bringing up the conversation to how we can save customers money if they take mobile with us."

**Chris Winfrey, CFO, Charter**

## Ability to handle greater complexity and market with greater agility will drive success

As Cablecos look to grow new and innovative product and solution offerings like 5G and IOT, balancing attractive bundles with optimized pricing will be challenging. In addition to this challenge, cablecos must win at the basics of cross service bundling of fixed broadband and wireless – with speed, excellent service & brand differentiation. "It appears that cable industry is serious about the SMB market, so its success will hinge on pricing, packaging, marketing, customer satisfaction and reputation...which, traditionally, are not strong features for MSOs in the SMB market" (Fierce Telecom, MSO's or Telcos: Which has the SMB Market Advantage?).

To deliver upon these needed competencies, both the telcos and cablecos are investing heavily in marketing stacks loaded with “best-in-class” point solutions – they’re trying to personalize the customer experience, accelerate sales growth, and build longer-lasting customer relationships.

However, just adding point solutions to the existing legacy system landscape is not such an easy feat. Each solution has its own unique “brain”, data model, and understanding of the customer. They weren’t built to work together and can’t adapt quickly enough to keep pace with changing customer needs. Instead, they rely on inflexible campaign tactics, broad-based segmentations, and pre-scored offers. This type of broad-based marketing approach can’t support the kind of relevant, meaningful engagement required to outpace competitors in the diverse SMB market that comprises a wide range of verticals and sub-verticals with multitudes of specialized products and service bundles. Neither broad-based campaigns or front-line agents can uniformly cater to the complexity, price points, and relevant bundles that are attractive to say .... a restaurant versus a hospital or a fitness center versus a car repair center. Instead of driving loyalty, broad-based, campaign-driven approaches do the opposite – they deliver untargeted product bundles at unoptimized price points – which compromises customer loyalty, cripples NPS, and leaves billions of dollars in value on the table. Your SMB business does not need to go down this path!

### **Pega can unify your marketing and manage the growing complexity and demand for SMB product and services**

Pega’s **Customer Decision Hub (CDH)** is the solution to avoid this dated approach to Marketing. CDH optimizes **Customer Lifetime Value (CLV)** by providing an “**Always-On Brain**” at the center of the marketing stack – which would enable your SMB group to unify its data, analytics, and channels into a single connected experience.

The Customer Decision Hub will deliver Next Best Action recommendations in real-time, whenever there is an interaction with your brand. When a customer or prospect touches any of your channels, that channel invokes Pega - which analyzes the situation, then delivers a personalized Next Best Action. As the conversation continues, Pega re-decisions instantly providing the best ongoing experience with that customer even as they pivot to other channels or corporate initiatives (from service, to sales, to retention).

Check out this two-minute overview video of CDH [here](#).

## Case Study - Etisalat leveraged Pega's Customer Decision Hub (CDH) to shift its mindset from volume to value

Founded in 1976, Etisalat is the largest telecommunications corporation in the Gulf Corporation Council (GCC). Headquartered in Abu Dhabi, UAE, Etisalat serves 11.6 million customers and over 300,000 small, medium, and large businesses in the UAE, totaling over 140 million subscribers across 16 countries. To support its vision of an enhanced customer experience, Etisalat originally selected Pega for its omnichannel marketing solution back in 2012.

Like Cox, Etisalat had originally deployed CDH only to its Consumer business. But in 2018, Etisalat's new Head of Marketing, Dr. Esra Taylor, saw the power of extending Pega's CDH to SMB. Dr. Taylor had extensive background in both Consumer and SMB marketing and saw how disconnected systems and siloed data resulted in Etisalat often missing windows of opportunity to sell or resulted in offering the customer a bundle that was not ideally suited to their needs.

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*"Our sales agents were used to a mantra of "activate, activate, activate" with no focus on value. Through this transition we've moved from a place where we were focused on sales, to a focus on incremental value. For us, it's about selling the right thing to drive value in the long run, and that means a shift in the mentality away from pure volume to value. We've seen a 20% increase in incremental value in the last year through this focus."*

**Dr. Esra Taylor, Head of Marketing**  
**Etisalat SMB Group**

Etisalat now uses Pega's Customer Decision Hub (CDH) in their SMB Group to prioritize leads for their outbound calling teams—arming them with prioritized contact lists and personalized offer recommendations for each account. They also leverage Pega's bundling capabilities—giving agents the flexibility to create relevant & valuable product combinations, on the fly. For example, during the pandemic, Etisalat was able to create timely offers to add services like videoconferencing and VPNs for "work from Home" workers and package those with other services. This type of approach has allowed Etisalat to increase the incremental revenue per SMB customer by 20%. In addition, the SMB Group also uses Pega CDH in their email, SMS and mobile channels to automatically trigger messages based on geo-fencing and mobile location or based on customer context, such as when they're approaching the end of their contract or nearing a data limit. For a detailed overview on how Etisalat's journey and success using Pega's Customer Decision Hub, check out this [whitepaper](#).

By leveraging Pega's Customer Decision Hub, Etisalat has seen fantastic improvements such as:



1

**One centralized view** of customers across channels



2

**Increase** in conversion



3

**Increase** in incremental revenue



4

**Reduction** in customer churn



5

**Increase** in renewals



6

**Multiple systems consolidated** into one Pega-based system that reduces handling time



7

**Increase** in predictive accuracy when leveraging Pega's Adaptive Models

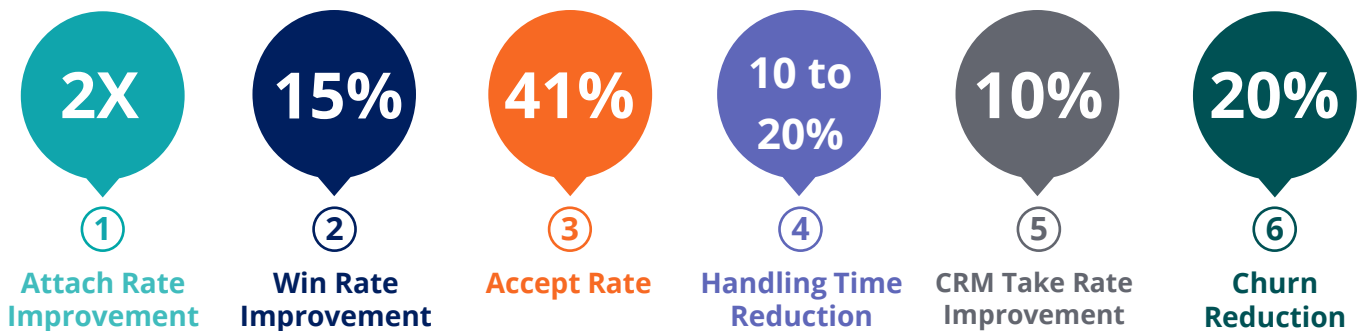
## Case Study - Verizon Business leveraged Pega's Customer Decision Hub (CDH) AI & decisioning to supercharge sales

Verizon Business is the largest global provider of connectivity and enterprise solutions with revenues of US \$31B and a global workforce of over 22,000 employees. Verizon Business faced a challenge as traditionally B2B sales processes are not standardized. Sales processes range from 6 months in the case of medium-size enterprises all the way to real-time sales interactions for SOHO businesses. However, Verizon Business wanted to tackle this head-on to meet customers where and how they want to do business, create solutions instead of offer products, and become the partner of choice on and above the network.

To deliver this, Verizon Business created one of the first and largest B2B Customer Engagement Engines using Pega Customer Decision Hub (CDH) processing over 3 million monthly customer interactions, 200+ products and offers integrated, and 400+ dynamically scored models. In delivering the Customer Engagement Engine, Verizon Business focused on 3 innovative approaches:

- **Decisioning-as-a-Service** – offering an E2E guided experience across both assisted and digital channels that delivered Next Best Actions, Next Best Offers, Next Best Solutions, and Next Best Content
- **Building Native Experiences** – driving adoption across frontliners, business, and IT. Verizon Business designed the user experience with the frontline and imbedded it is the toolsets and interfaces the users had already embraced.
- **Building the MarTech ecosystem of the future** – delivering an Always-On experience to the customer. Marketing can be targeted and retargeted in a matter of milliseconds. This enables progressive offers that learn continuously based on real-time customer interaction.

These innovative approaches empowered by Pega's Customer Decision Hub (CDH) have delivered tremendous results for Verizon Business:



For a more detailed overview on how Verizon supercharged their B2B sales force using Pega's Customer Decision Hub, check out this [video](#) from the 2022 PegaWorld.

## Pega CDH's key differentiators separate it from other MarTech and CX software

Ranked as the Market Leader in the prestigious [Forrester Wave™: Real-Time Interaction Management, Q2 2022](#) by Forrester Research, Pega delivers leading-edge capabilities that set it above other Marketing and CX solutions:

**1:1 Customer Engagement** – Most engagement software makes decisions based on rules, or segments, or a single propensity score for an offer. Pega analyzes each customer individually – by using hundreds of different predictive models, updated in real-time, to make sure we understand exactly what that unique customer needs at that moment – then we personalize the communication just for them.

**Unified Marketing & CX Stack** – Our clients do this across dozens of channels and billions of interactions, every year. Our Customer Decision Hub becomes the brain that unifies their engagement stack – connecting their inbound and outbound channels, collecting real-time customer context, and feeding it immediately back into your customer experience (CX). Forrester 2022 RTIM Wave validation: “Pega aligns RTIM with its digital process automation and customer services portfolio to allow clients to optimize CX across the customer lifecycle.”. Often, Pega customers deploy CDH as the marketing engine behind their existing call center CRM and digital interfaces such as Salesforce and Adobe.

**Real-Time Re-Decisioning** – For example, when we get a new piece of information about a customer, we activate the data, re-score all our models just for that one person, and “re-decision” what to say to them. We can do that dozens of times if needed during the same 2-3 minute experience - because those decisions take less than 200 milliseconds to make. No other software vendor does this. Compared to Pega, using other MarTech platforms is like looking in the rear-view mirror at the customer!

**Empathetic Next Best Actions** – Because we can decision so rapidly and so often, every experience is extremely relevant. We pivot that “Next Best Action” between selling, serving, and retaining, based on what’s happening with each customer individually – so that customer isn’t just bombarded with sales offers – they also receive the kind of educational and service and nurture messages that they really need.

### Rise above the competition

Competition is going to continue to intensify for the lucrative SMB market as 5G matures. The Telcos will be firing back through aggressive 5G-led service bundles that play to their strength in wireless service packaging and pricing. Your SMB group will need to double-down on personalized, real-time decisioning that delivers relevant and optimally-priced service bundles to the SMB market. To find out how your business can leverage the full capabilities of Pega’s Customer Decision Hub (CDH), please go to [Pega.com](https://www.pega.com) or talk to your Pega account executive to schedule a demonstration of Pega’s Customer Decision Hub.



# Thank you



## About Pega

Pega delivers innovative software that crushes business complexity. From maximizing customer lifetime value to streamlining service to boosting efficiency, we help the world's leading brands solve problems fast and transform for tomorrow. Pega clients make better decisions and get work done with real-time AI and intelligent automation. And, since 1983, we've built our scalable architecture and low-code platform to stay ahead of rapid change. Our solutions save people time, so our clients' employees and customers can get back to what matters most. For more information, visit us at [WWW.PEGA.COM](http://WWW.PEGA.COM)