

perception



getting a true measure of network quality

why benchmarking is important for operators

In the last issue of Perception, Paul Carter of Global Wireless Solutions, Inc. looked at a definition of “benchmarking.” In this article, he continues with an examination of why mobile operators do it.

Why do operators benchmark themselves against their competition? There are a number of good reasons for doing so:

How competitive are we?

The wireless market continues to be fiercely competitive. Benchmarking enables mobile operators to compare their network performance against others in order to measure whether they are at peak performance. Marketing theory demonstrates that in any commodity market, cost leadership is the key to market leadership. Benchmarking enables operators to measure how much value they are delivering per dollar invested versus their competitors and therefore provides a key metric for the business overall.

Gauging competitors' next moves

Using benchmarking to determine performance of all mobile operators in a given geographic area can provide strategic intelligence into future network deployment plans. For instance, if one mobile operator is offering less than optimal performance in a highly competitive market, one could deduce that the company may target that area for significant network upgrades.

Marketing Strategy

Success tends to go to organizations that have a clear marketing strategy. There are a number of key strategies that an operator can undertake and in each case benchmarking has a key role in ensuring that the organization keeps on track.

For example, an operator may have a strategy to primarily appeal to high spending business users. In this case being able to claim the highest quality in key areas may well be a key requisite. The company also may want to retain roamers in the key business sector and therefore needs to ensure that signal strength remains above certain levels even inside selected buildings.

Alternatively an operator may decide to go for the price sensitive segment. In this case, where the objective is to deliver “adequate” quality at the minimal cost, the role of benchmarking is to guard against network “gold plating.”

Advertising Strategy

If benchmarking shows that an operator has a clear lead in “quality,” it also provides a way to help persuade customers to believe it. With benchmarking data, an operator can show that it is better on a specific user-centric metric, such as fewer drop calls, clearer voice quality or faster data speeds.

If the message is clear, relevant and uncontested, then the evidence is that customers will gradually come to believe it. Of course the very act of regularly benchmarking service is, in itself, a good indicator of the operator's dedication to quality.

Benchmarking also can highlight areas of poor competitive coverage and provide useful information for tactical sales campaigns. Campaigns asking “are you tired of poor mobile coverage on Park Avenue...” can prove very effective if they are well targeted. Conversely, benchmarking can help mobile operators identify their areas of strongest coverage, so they can undertake a highly targeted, rifle-shot ad campaign to build a customer base in that geographic area.

Radar

Benchmarking helps operators to monitor their competitors' activities. It allows them to see new rollouts in progress, which can result in having extra time to plan a response and nullify the effects of the competitor's new moves. Just as no modern army would dream of going into battle without battlefield radar, so no competitive operator would dream of doing business without competitive benchmarking.



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Network Improvement

Benchmarking can show opportunities for network coverage and quality improvement. By identifying where better coverage is needed, operators can achieve a better return on investment in network infrastructure and improve customer satisfaction. Often great improvements can be made through the simple re-configuration of existing equipment.

Benchmarking also can help to compare the performance of different engineering groups and equipment vendors. With benchmarking, a mobile operator can check the performance of the network before and after new equipment is installed or when the network topology changes. The information gathered in this process will enable the mobile operator to determine if the new infrastructure and engineering design proves advantageous and sets a baseline for further network alterations

Managing Suppliers

Benchmarking provides an excellent way of managing suppliers. It can help operators to compare the performance of different network equipment vendors in a direct way. Benchmarking before and after an equipment swap also can give a direct indication of whether the expected return on investment will be achieved. This aspect can be very useful when negotiating contracts with suppliers and enables claims of improved performance to be tested after implementation. Benchmarking also provides a direct way of policing outsourcing contracts.

Guaranteeing SLAs

Guaranteed levels of service can be a mobile operator's key to wooing and keeping customers. A benchmarking program provides the data about each customer's performance, enabling the mobile operator to enforce service level agreements (SLAs).

Reasons to Benchmark

As we have detailed here, there are many reasons to benchmark in the modern, competitive mobile communications market. Benchmarking provides a controlled environment for simultaneously testing voice and data services across multiple networks to establish competitive positioning and identify areas for improvement. In addition, benchmarking enables the examination and comparison of various technologies to identify the optimal solutions for a mobile operator's target customer base. And finally, benchmarking offers strong data that can be used to support strategic marketing campaigns and advertising claims.

Personally, I feel that you cannot seriously expect to compete if you do not regularly benchmark your network.

Paul Carter

