How to Differentiate Your Small to Medium ISP Business

Running an ISP business comes with various challenges, not least of which is differentiating your service from the competition, in a market where an expanding range of providers tend to offer very similar products.

For a small or medium ISP business, improving the customer experience can be crucial in order to set yourself apart in a fast-growing market where an ever-increasing number of providers are offering fast, reliable internet connections and support services.

What makes a good Internet Service Provider?

Small and medium ISP businesses are used to addressing speed and bandwidth as top priorities. In both business and consumer markets, ever-increasing amounts of data are being uploaded, created and shared, so naturally, ISP businesses are aiming to provide a fast and reliable service.

While this is, of course, important, in a world where people live their lives predominantly online, it is not something that helps companies differentiate themselves from other providers. With a wide choice of internet service providers available, it is vital that each one puts effort and resources into other aspects of their business, such as providing a top-class customer experience that can be tailored to individual customer needs.

Recent research from Smart Insights indicates that the vast majority of businesses rate exceptional customer experience as either very important or extremely important to their organisation.

87%
say exceptional customer experience is very or extremely important to their organization

2%
11%

- Not so important or not at all important
- Somewhat important
- Very or extremely important

This is an area where it's vital to stay ahead of the competition and make sure you are providing something that makes you stand out to your customer base. There are various ways to achieve this. One way is to monitor customer needs and experiences, and ensure that they are offered the right value-added services at the right time. These services can be a critical offering that ISPs can use to meet customer needs and set themselves apart from their competitors. Value-added services may include cloud computing, online content storage and management, VoIP, IPTV, surveillance, and health monitoring.

Many ISPs are choosing to differentiate themselves in this area, sometimes by offering a broad range and choice of services, sometimes by specialising in just one. They may achieve this by packaging their services into perfectly customised bespoke solutions — showing that they truly know their customers and what they want.

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What are the challenges for SME ISPs?

ISP businesses are facing a variety of challenges that need to be addressed to retain current customers and attract new ones. In a competitive market, carefully targeted marketing is needed, in order to reach out to the right customer, in the right place, at the right time.

This could mean reaching out and up-selling with a promotional offer, a policy renewal, or add-on services. This marketing works best alongside the provision of a wide range of customer service options.

Linked to the above, there is the challenge of addressing specific concerns, especially when dealing with tech-savvy Generation Z customers. Students, when asked about their perceived challenges for ISPs, cited various specific developments that are of concern to them, including:

- "Trying to keep the speed for downloading and uploading data fast or even faster despite the huge amounts of data that is currently transmitted through the internet, and the increasing number of internet users."

- "Streaming 4k+ quality sports and programs, this could take up a huge amount of bandwidth which maybe current infrastructure is not ready for."

- "Being able to keep up with the reliability needed to support the increasing number of IoT devices in consumer's homes."

Internet speed and reliability is of great concern, not just to Generation Z, but also to general households. This has never been more relevant than now, with a global pandemic forcing many people into working and studying from home. A recent Forbes article highlights the issues for large families, in particular. Those with multiple family members are now using internet services more heavily than ever, and are acutely aware that their internet service provider needs keep up, with growing demand in residential areas.

The fact that consumers are expressing these concerns highlights an important challenge for SME ISPs. Many end users are tech-savvy enough to know what the potential issues are when choosing an ISP, and are more than capable of doing their own research. This means ISP businesses need to actively track customers, identify their areas of concern, and reach out to them before they even consider a move to a different provider.

Another challenge every ISP faces is the simple one of technical troubleshooting. When things go wrong, as they invariably do, customers want it put right quickly and efficiently. Savvy ISP businesses are focussing on the breadth and depth of technical skills needed by support systems. Not only do customers want their problem fixed, they want it fixed with minimum time and effort on their own part. Something as simple as structuring support teams carefully can set one ISP apart from another.

An extension of the challenge of providing top-class customer support is the need to offer an easily accessible and user-friendly self-service portal. Many users expect to be able to solve any minor tech issue, without resorting to calling tech support. Today's users want self-service options, as well as a range of customer service options that fit in with how they spend their time online. They want to be able to access support via social media, live chat, WhatsApp, Facebook Messenger, Twitter and other online channels, meaning ISPs can benefit from providing and automating this service, with self-serve apps and friendly chatbots offering a consistent 24-hour service.

Industry trends

According to a recent 2020 report, the UK ISP industry now comprises 728 businesses, with a market size of £7bn, and nationwide industry employment of almost 26,500. However, the 'big four' providers (BT, Sky, Virgin, and TalkTalk) still take up the lion's share of the market, leaving SME ISPs fighting over the remaining number of customers.

Ofcom's most recent market report suggests that 80% of UK households now have a fixed broadband connection, and average monthly broadband usage is rising, with average data use at 315GB per month. Broadband services are generally getting faster, with superfast broadband (at least 30Mbps) now covering 67% of UK broadband connections, and ultrafast broadband (at least 300Mbps) now reaching 3% of residential broadband lines.

Other noticeable trends within the industry include the provision of value-added services, as previously mentioned, and the move towards bundling services. These services include broadband and paid TV services, into a cost-effective package. This had led to a situation where 4 in 5 of UK households now buy more than one service from a single provider, usually bundled together into a commercial package. This generally represents a saving of at least 20% over the cost of paying for such services separately.

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How can ISPs differentiate?

Marketing efforts need to focus on providing a connected and contextualised service, keeping user accounts coherent and organised centrally but easy to access. Ultimately, customers need to feel they are receiving a highly personalised customer service experience that anticipates their needs, offers customised solutions, and is delivered in a way that fits their communication preferences. Those communication preferences need to be fully understood.

Chatbots are respected among many consumers, who feel they are quicker than apps, for example, at answering both simple and complex questions. Projections show further growth in the near future as chatbots continue to reduce operating costs.
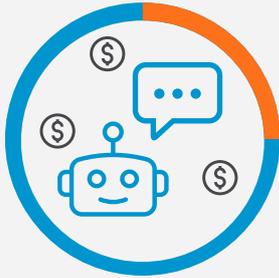
The global chatbot market is expected to reach $1.23 Billion by 2025.

This is a compounded annual growth rate (CAGR) of 24.3%

Below are further examples of how ISP businesses in the UK are currently setting themselves apart.

- **No contract needed.** Providers such as VTSL Ltd demonstrate confidence in their own services by emphasising that customers are not locked into a long-term contract.

- **Using the Blockchain.** IP Exchange is disrupting the industry as the world's first-ever Blockchain-Based Marketplace for IP addresses.

- **Specialised services with tangible benefits.** 4net focuses on providing specific tools that encourage employee collaboration and more efficient ways of working.

- **Free trials.** Yo Telecom currently offers three months of free services to new customers who move their accounts to them for the first time.

- **Specialist expertise.** Gradwell positions itself as the VoIP expert, attracting a specific, ready-to-buy subset of customers.

- **Geographical expertise — linked to an unexpected or challenging benefit.** Wessex Internet is a great example of a company specialising in bringing superfast internet to a mostly rural geographical area.

- **Customised solutions.** MF Telecom provides a wide range of services but focuses on the fact that it can provide bespoke solutions, tailored to individual needs.

- **Industry specialisation.** Fourteen IP specialises in the hospitality industry, positioning itself as the preferred cloud telephony solution for leading hotel chains worldwide.

- **Specialising by sector.** Telappliant keeps its focus firmly on the B2B sector, providing a range of quality services aimed at businesses of any size.

- **Future-proof technology.** G.Network provides a 'faster than ultrafast' service, due to eliminating copper from its network. This means its systems are designed for current speed requirements, and able to handle future speeds that new technologies will demand.

- **Global solutions.** Pure IP specialises in allowing international companies to stay connected worldwide, providing voice services in 90 countries and full PSTN replacement in 40 countries.

Note that almost all of the above providers are differentiating themselves by focusing on the customer experience. With over 200 SME ISP businesses in the UK, it is vital to ensure your customers feel fully understood and supported. As Amazon's Founder and CEO put it

"We see our customers as invited guests to a party, and we are the hosts. It's our job every day to make every important aspect of the customer experience a little bit better."

Indeed, putting customer experience at the heart of what you do is ultimately an essential means of future-proofing your business and ensuring a growing customer base in an ever-more competitive industry.

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