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Telcos have a lot to gain from helping their customers create an online presence

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The telecommunications industry has become one of the most competitive business sectors around. This has led to an erosion of value in many markets as companies resort to differentiating themselves from competitors on price.

At Wix, we believe that forward-thinking telcos can halt this erosion and transform the value equation in their favor. And the way to do it is by broadening their offering to include more services that are relevant for their customers.

Specifically, this article will focus on website creation services, because this is our expertise at Wix. We've been helping people create an online presence for 15 years and have over 200 million users worldwide. And recently we've seen a significant increase in interest from telcos looking to partner with us to serve their customers.



***But first,
how did we
get here?***

Since governments began to liberalize their telecoms markets, more and more businesses started to offer telephone and then internet services for consumers. The commoditization of the industry has accelerated with increasingly widespread regulation that reduces barriers to entry for new players and may even force companies to allow rivals to use their infrastructure.

From the consumer perspective, it's becoming increasingly easy to shop around with websites dedicated to comparing different plans at different companies and laws banning lock-in contracts. And research from *McKinsey* has indicated that the COVID pandemic has accelerated a long term trend of declining brand loyalty.

All this is driving a race to the bottom on pricing in an industry that has to cope with significant infrastructure costs and high R&D budgets. How can telcos meet this challenge?

***The solution:
drive value with
differentiated
services***

By offering a broader range of services, particularly to business customers, telcos can stand out from their competition and recapture value. More importantly, they'll be meeting their users' needs better and can build a stronger, more long-term relationship with them, meaning this short-term gain can become a significant driver of ARPU in the years to come.

Of course, these services need to be relevant for the customers and make sense within the current brand positioning (or co-branding can open up a host of other opportunities). And so more and more telcos are offering video conferencing, cyber security protection, IoT solutions and other services—including website creation.

Why telco business customers need an online presence

As if it wasn't already pretty clear, the global pandemic underlined how important it is for a business to be accessible online, whatever its sector and no matter its size. COVID-19 forced small and medium sized businesses to create or upgrade their websites in order to survive.

Even before the world locked down, a study from GE Capital Bank showed that over 80% of shoppers were researching products online before making a purchase. The direction is clear—a business with a website will perform better than one without. And a business whose website has integrated marketing and sales tools has even more potential to grow.

So why are there still so many businesses without an online presence? There are three main barriers for business owners:

- They find it intimidating and don't know where to begin
- They think that they can't afford it and it's not worth the cost
- They worry that they don't have the time to deal with it

And unfortunately, even when they do create a website, a lack of expertise can mean that these business owners end up overpaying for sites that may not work well or look unprofessional. This is where the telco can come into the picture.

Telcos are perfectly placed to help their customers create websites

Here's why telcos are well-positioned to offer a website creation service:

- They already have a strong association with technology, specifically the internet, in the minds of their customers.
- They have detailed information about their business customers which can help tailor any offering
- They have employees who are specialized in business development and building customer relationships.

However, a significant barrier remains—a lack of access to the right technology—but that can be solved. Once the technology is in place, these companies already have the infrastructure to quickly bring the new service to their client base. And business-ready websites and mobile apps should be a compelling offering for their customers—now more than ever.

So, what's in it for the telco?

The initial benefit is clear—offering an additional service creates an additional revenue stream. But it's more than that. It differentiates from competitors who don't offer such a service, potentially justifying a price premium on the business package as a whole. Even if competitors do offer the service, you can still differentiate by providing a more complete, robust and professional solution—which is better for your customers. And showing customers that their needs are understood is a great way to improve their loyalty and reduce churn.

By helping business customers succeed, there's extra potential from services that are unrelated to the website—additional business lines, more internet bandwidth and the like.

Whichever way you look at it—there's a huge potential upside in ARPU.

***Getting down
to business:
how can it
work in
practice?***

Ok. Let's say you work for a telco and I've convinced you so far. How do you make this happen?

First, you need to find a technological solution. And that's exactly what we do at Wix Channels. We partner with leading telcos around the world so that they can offer website creation services for their clientbase.

Once that's taken care of, your dedicated sales team can start reaching out to business customers to offer them a website package. You can also offer a premium service to your SMBs—building a site for them from scratch, including design and copywriting (this is a great selling point for particularly busy or technologically-challenged clients).

In the sales call, you can also find out more about the business, so you know what to offer further down the line. Is it a health food store? Later, you can pitch an eCommerce solution. Are they a yoga instructor? After the initial site is a success, you can upsell extra features like the option to book sessions online, or offer classes on Zoom.

This data-driven approach means you can optimize your sales funnel, upselling only to sites that have strong results.

How Wix Channels partners with telcos to grow their ARPU

Telcos who partner with Wix get a headstart in offering web creation services to their customers. We deliver a powerful, flexible and robust website creation solution out of the box and take care of the ongoing security and web hosting. Each website comes with a suite of built-in online marketing tools which empower users to grow their business online. We also provide comprehensive sales and product training—and even offer a fulfilment solution by connecting you with agencies who specialize in building business-ready websites.

And let's not forget, with over 200 million users, Wix's well-known and trusted brand, can help jumpstart your sales.

To learn more about how you can stand out from the competition and help your customers grow with professional, business-ready websites, [get in touch](#) to schedule a call with a Wix representative.

