

# Operators continue to differentiate by addressing small businesses' demand for local, personal engagement

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Many operators are aiming to increase the use of self-service digital channels among their business customers and to use AI-based solutions to create more-personalised interactions. In theory, this enables operators to deliver lower-cost, more-rapidly provisioned services for small businesses without compromising on customer care.

However, small businesses continue to place a high value on access to local and personal engagement with suppliers, and some operators still use this as an effective means of differentiation.

In this article, we review some of the approaches being taken by operators to increase local support for small businesses, drawing on information gathered as part of our business market forecasting exercise. Summaries of operators' B2B activities can be found in our [individual country business forecast reports](#) and are also compiled in our operator business services profile reports.<sup>1</sup>

## Many small businesses continue to favour providers with a local presence when buying communications and IT services

Small businesses are influenced by many factors when selecting their providers for communications and IT services. Personal recommendations are important, both via social media and local business networks. Local presence is also highly valued; our survey results often show that businesses have chosen their service providers for reasons such as "they are on the same business park".

Operators often use channel partners and local franchises to address small businesses' need for a local presence. However, some also continue to invest in local and person-to-person contact to support direct sales initiatives. Some operators have long-standing commitments to this model as a means of differentiation, while others have announced new investments in the past 2 years.

## Several operators have recently invested in improving their local presence to differentiate their services for small businesses

We have identified multiple examples of operators that are investing in a local presence to support their business customers. These include the following.

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<sup>1</sup> For more information, see Analysys Mason's [Operator business services profiles: Western Europe 2024](#), [Operator business services profiles: Central and Eastern Europe 2024](#), [Operator business services profiles: developed Asia-Pacific 2024](#), [Operator business services profiles: emerging Asia-Pacific 2024](#) and [Operator business services profiles: Middle East and Africa 2023](#).

- Swisscom has a long-standing commitment to providing business specialists in its stores. This approach is part of Swisscom's strategy of upselling more IT services to small businesses. Swisscom is a leading player in the Swiss IT market.
- Telefónica Spain now offers an in-person visit or video call from a business expert to potential customers of its converged Fusion product for small and medium-sized enterprises (SMEs). It also states that it will adapt its offering to the customer's specific location and industry sector.
- Videotron (a regional operator in Canada) announced in mid-2022 that it was rolling out in-store business counters to offer local, personalised services. These are available in around half of all stores as of the end of 2022 and account managers are available seven days a week.
- SFR (a French operator) announced, in October 2023, a restructuring of its support for small businesses together with an overhaul of its offers and services. SFR plans to provide a single point of contact with business specialists in 600 stores, and has an ambition to put physical proximity "at the heart" of the system.

These kinds of initiatives are not cheap to implement, but can be justified if they lead to increased sales. Most of the operators differentiating in this way are challenger players that are looking to increase market share. However, the example of Swisscom illustrates that investment can also be justified via increased sales of new services.

## Lower-cost strategies may sometimes be more appropriate than building out a local, physical presence

Operators without an existing network of physical stores, or those for whom the potential upside of a physical presence is more limited, often use lower-cost options to address businesses' demand for local, personal support.

- **Marketing initiatives can be used to promote existing credentials** and can position the operator as a supporter of local businesses. For example, Nordic Telecom (a challenger player in the Czech Republic) makes a virtue of its own small size in its marketing collateral. It says that it offers an "individual approach" that understands the needs of local businesses and places a premium on mutual trust. BT Business partners with Small Business Britain to run a series of "Netwalks" at various locations in the UK, with the aim of bringing together small business owners at a local level to share insights.
- **Personalised support can be provided remotely.** For example, Iliad Italy (formerly a consumer-only brand) launched B2B services in May 2023 and is using specialist phone support as a means of differentiation. Its offer is competitively priced and includes 24/7 telephone access to business advisers, which it specifies in its marketing material is "without any chatbot". Iliad has also supported the sale of its business services from 3000 local Iliad Space stores across Italy since February 2024.
- **Existing channel structures can be strengthened to deliver local support.** Many service providers maintain a significant commitment to programmes that support local channel partners in selling to small businesses. Bouygues Telecom in France aims to increase its market share in the small business segment, partly by using its distribution network via Crédit Mutuel-CIC, a player that Bouygues Telecom describes as well-established among small businesses.

Investment in digital channels, self-service portals and AI-supported customer care is vitally important for operators if they are to drive down the cost of serving small businesses. These solutions are likely to account for

a growing share of B2B sales and support moving forward. However, operators would be wise not to neglect the value of local, personal support and should continue to build this into their small business strategies.