

Keeping the Customer Happy

Retention Strategies to Survive
Increasing Competition
& the Great Recession



Agenda

- Background
- Why retention is important
- Get Proactive
 - Credit checks
 - Collections
 - Retentions group
 - Proactive customer contacts
- Bundling
- Customer life cycle



The Great Recession

- 40% loss in stock portfolios
- \$11.2 Trillion lost from Dow peak in 10/07 to 3/09 bottom
- 10% unemployment rate
- 8.4 million jobs lost since start of recession
- Consumer spending & incomes are stagnant
- US Household debt = \$44K/person



Alternatives on the Rise



We Must Work Harder

- Access line losses 5-8%/Year
- Regulatory returns on investment at risk
- Returns on dereg by no means guaranteed
 - Cost of sale
 - Modems
 - STBs
 - Getting and keeping video subs
 - Pricing pressures



Assets

- Local, knowledgeable staff
- Control over pricing & promotions
- Customers visit or call each month
- Customer/prospect credit history is known
- You offer a unique suite of telecom services



Leverage Your Assets



Get Proactive

- Credit checks, credit policy
- Establish a retentions group
- Contact all customers before DNP
- Use collections calls as sales opportunity
- Contact top 100
- Hold bills with wrong plans & proactively call
- Bundle, bundle, bundle
- Develop customer life cycle tool



Credit Checks

- Front end opportunity
- Past payment history
- Various credit bureaus (telecom credit models)
- Establish deposit criteria or prepayment amounts



Retentions Group

- Depending on telco size, may be a dedicated group
- Cheaper to keep customer, even at lower ARPU than lose & recapture a new sub
- Set customer churn goals
- Set contract extension goals
- Establish a “toolset” for the retention group



Collections

- Call before DNP
- Don't DNP on Friday & go home for the weekend
- Make sure they're on the right plan
- Offer opportunities to save money, even if it means lowering overall ARPU
- Offer bundled solutions



Top 100

- Identify you top 100 customers by monthly billed amount.
- Contact them every month.
- How are they doing? How are we doing?
- Divide the list among senior management.



Hold Bills—Call Customer

- Monthly Billing process Quality controls
- High usage customers
- High bill customers
- Review *before* bill is mailed
- Hold, if appropriate—call customer
- Discuss. Change package, rerate & mail if appropriate



Bundle Bundle Bundle

- Major service & value differentiator
- Unique offerings vs. competition
- True, \$/service is less after bundled discounts, but...
- ARPU/customer increases
- Customer satisfaction increases
- Churn decreases
- Cost of switching increases



Customer Life Cycle Tool

A proactive process for managing the
customer relationship



1 Week After Sale

Action: Call customer.

Tools: Offer 25% off any accessory up to \$29.99 value

Script: Introduce yourself. Welcome customer to [telco name] family. Ensure the sales process was satisfactory & complete. Ask if there are any questions about service, features, etc. Remind about billing cycle. Advise customer to call/visit any time they need assistance.



When First Bill is Sent

Action: Call customer.

Tools: Review bill to ensure it is correct. Make changes as needed.

Script: Introduce yourself. This is a courtesy call as we just sent out your first bill. Would you like me to review it with you so I can answer any question(s) you may have? Advise customer to call/visit any time they need assistance.

6 Month Anniversary

Action: Call customer.

Tools: Offer 25% off any accessory up to \$29.99 value

Script: Introduce yourself. Thank customer for 6 months of service and being in the [telco name] family. Ask them about services they don't have from us... sell bundled solution. Advise customer to call/visit any time they need assistance.

1 Year Anniversary

Action: Mail Anniversary card, include coupon. Call customer.

Tools: 50% off any accessory up to \$29.99 value.
1 mo free service for any of the following they don't presently have: CATV, DSL, Wireless, Features, etc.

Script: Introduce yourself. Thank customer for one year of service and being in the [telco name] family.
Show our appreciation with the following special offer for renewing customers..
Ask if there are any questions about service, features, etc.
Ask them about services they don't have from us... sell bundled solution
(eg: are you aware that we offer a cable television service that can save you money when you package it with the services you already have from us? May I tell you more?)

1 ½ Year Anniversary

And 6 months prior to the expiration of any contract term

Action: Call customer.

Tools: 50% off any accessory up to \$29.99 value.
1 mo free service for any of the following they don't presently have: CATV, DSL, Wireless, Features, etc.
Offer a free [insert] for a 2 year contract extension

Script: Introduce yourself. Thank for customer loyalty and being in the [telco name] family.
Ask if they're happy with service.
We appreciate your loyalty and now you're eligible to receive the following:
Ask them about services they don't have from us... sell bundled solution
Ask if there are any questions about service, features, etc.
Invite them in to look at [latest special] or send out collateral material to them .



2 Year Anniversary

Action: Mail Anniversary card, include coupon. Call customer.

Tools: 50% off any accessory up to \$29.99 value.
2 mo free service for any of the following they don't presently have: CATV, DSL, Wireless, Features, etc.
Offer a free [insert] for a 2 year contract extension

Script: Introduce yourself. Thank for customer loyalty and being in the [telco name] family.
Ask if they're happy with service.
We appreciate your loyalty and now you're eligible to receive the following:
Ask them about services they don't have from us... sell bundled solution
Ask if there are any questions about service, features, etc.
Invite them in to look at [latest special] or send out collateral material to them .



3 Year Anniversary

Action:

Mail Anniversary card, include coupon. Call customer.

Tools:

FREE accessory up to \$29.99 value.

3 mo free service for any of the following they don't presently have: CATV, DSL, Wireless, Features, etc.

Offer a free [insert] for a 2 year contract extension

Script:

Introduce yourself. Thank for customer loyalty and being in the [telco name] family.

Ask if they're happy with service.

We appreciate your loyalty and now you're eligible to receive the following:

Ask them about services they don't have from us... sell bundled solution

Ask if there are any questions about service, features, etc.

Invite them in to look at [latest special] or send out collateral material to them .

When a Customer Disconnects

Action: Call customer.

Tools: Bundled offer.
3 months free....

Script: Introduce yourself. Sorry to see you disconnected.
Learn why they left.
Attempt to win back/remedy issue.

1 Year After Customer Leaves

Action: Call customer & send card with offer.

Tools: Bundled offer.
3 months free....

Script: Introduce yourself. Checking in. Ask how their service is.
Ask if they're aware of your latest offer/promo.
Attempt to win back.

Questions?

Albert Bodamer
albert@bodamer.com

