

Reducing Churn & Increasing Retention

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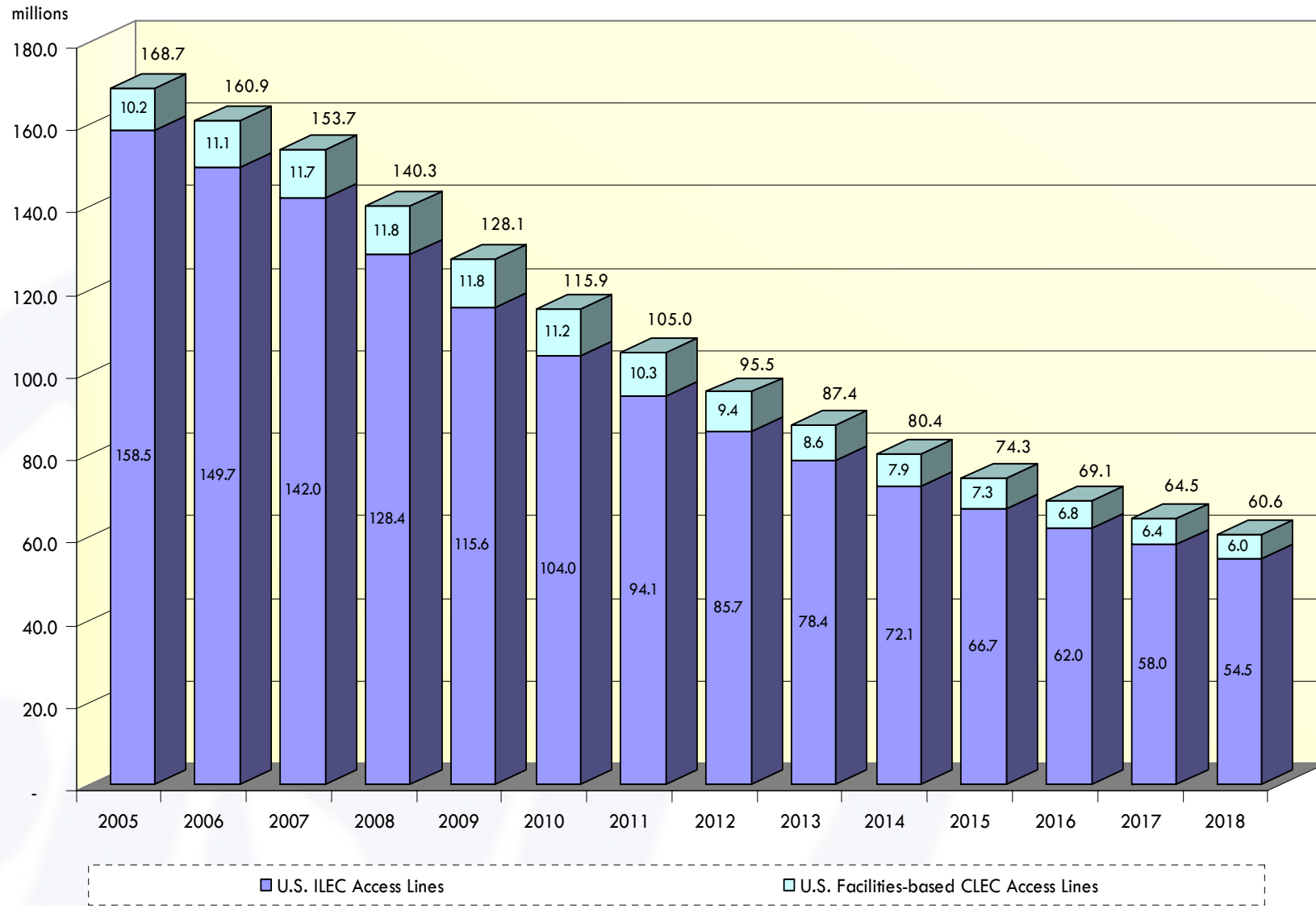
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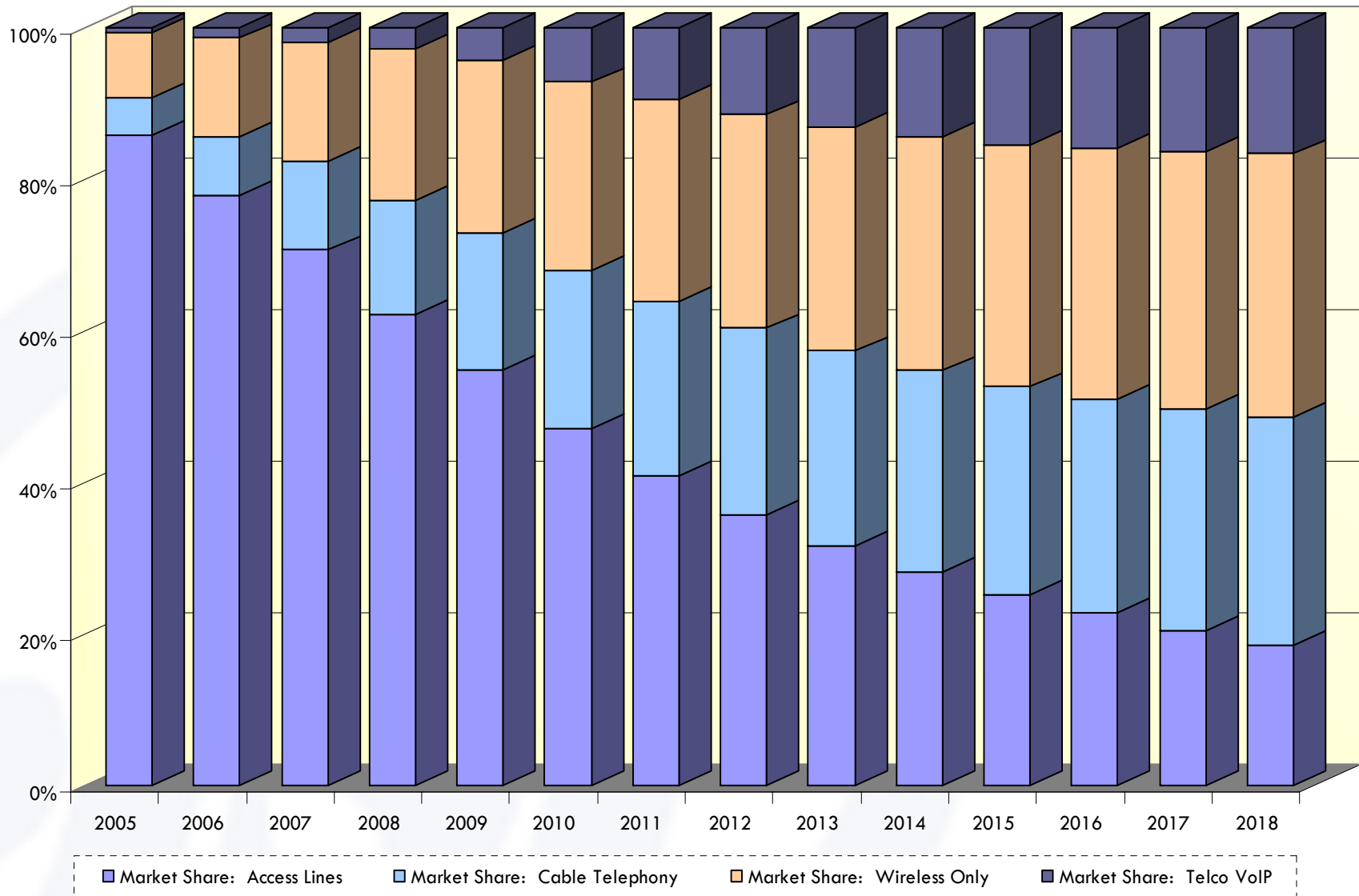
Sobering Facts

- In 2008, public ILECs lost 13.2 million connections, a 10% decline
- Revenue per connection continues to fall for ILECs
- Wireless connections are still growing, but the growth is slowing
- Broadband connection growth is also slowing

TOTAL U.S. ACCESS LINES 2005 - 2018



RESIDENTIAL VOICE SERVICE MARKET SHARE: 2005 - 2018



Are you
struggling to
keep the
bucket full?



Acquisition vs. Retention

- Gaining new customers is more costly than retaining your current ones
- Vonage spends about \$300 to attract and sign-up EACH new customer
- Costs vary depending on the source – some say you spend 5 times more to acquire a customer than you do to keep one, others put the costs at 8-10x more

Tried & True Approaches

- Excellent customer service
- Bundled services at reduced rates
- Stressing local community connection
- Sponsorships and community involvement
- Education programs
- Service improvements
- Marketing to current customers

“Tried & True” are not enough
when you compete with:

- Wireless
- VoIP
- Cable TV providers
- CLECs
- Online services (Google Voice, Hulu, etc.)



New Ideas for a Competitive World



Loyalty Programs

Team up with local businesses to offer your customers discounts on the goods and services they buy from local establishments. Issue discount cards or coupons to your current customers to say “thank you” for shopping locally.



Emergency Line

Offer a landline at a very reduced price that allows folks to call 911 in an emergency and your office for service.*

* Be sure to check your state's rules before doing this.



Contracts

Require customers to sign a 12- or 24-month contract when they sign up for a new service or a bundle in order to lock in a promotional price. Include an early termination fee.



Exclusive Benefits

Offer special services or benefits only available to your customers. Video providers often offer local programming (sports, community-oriented shows) that only appear on their systems.



Refer-a-Friend

Offer incentives to your current customers if they help you spread the word to their friends and family about your products.



Flexible Pricing

Empower your customer service reps to offer current customers special promotional prices. This is especially important if you can then lock that customer into a long-term contract.



Research

You need to know why customers are leaving your network. At the very least, have your CSRs ask why they are disconnecting. Collecting and using this information should help you keep the customers you still have.



Expand Your Scope

Bill stuffers are no longer good enough. Find every potential customer in your service area and market to them. Keep information about those who have disconnected. They may someday be persuaded to return.



Social Media

Give your customers a way to express themselves in a non-confrontational way. Listen to what they have to say, respond to their questions/concerns, and take action based on what you hear.

Questions?

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