

Case Study

Returning a Subscription Business to Customer Growth

The leadership issue: The Private Equity owner of this business wanted to reduce customer losses and return to a position of net customer growth.

Background

The Company provides TV/Phone/Broadband on subscription in mainland Europe. In the face of tough competition from cable providers and rising take-up of IPTV, its customer acquisition rate was falling and retention levels were behind budget. The company was struggling to improve its market position due to weaknesses in its proposition, its approach to retail distribution and online sales, and longstanding technology issues which damaged customer experience.

What we found

The business lacked a vision as to what it needed to do differently to revive growth in customer volumes and value. It became clear that substantial change was required both internally within customer operations and outwardly in channels to market, including how the proposition was positioned and packaged.

Sales and retention processes were under particular strain, with up to a third of new customers being lost between the point of booking and activation, and there was a lack of customer insight from which to drive continuous improvements to proposition, distribution and service.

What we did

We carried out a detailed 8-week assessment to isolate where and why customer operations were constraining acquisition and retention, and to evaluate what financial benefit could be realised if these process and delivery issues were addressed.

- ◆ Alongside workshops with senior management, front line and back office staff, we conducted panel sessions with existing and prospective customers to understand what would make them more likely to stay with, or buy from, our client as opposed to competitor offerings
- ◆ The same was done with retail channel partners, along with mystery shopping to establish what frontline change could deliver higher sales reach and conversion
- ◆ The outcome was a detailed set of recommended improvements to customer operations, channel and point of purchase management, and the triple play TV/Phone/Broadband proposition, including a simplified booking-to-activation process to cut leakage, the creation of a telesales channel, enhancements to the web journey, design of a proactive retention approach and a re-aligned reward/bonus structure for management

An extensive review of business KPIs, partner SLAs and management incentivisation was involved, to ensure these improvements would be implemented measured and sustained effectively.

Results

With the Executive Team we designed and agreed a clear and pragmatic strategy for:

- ◆ resolving complex operational and technology problems in a short time-frame
- ◆ enhancing the marketplace attractiveness and pull for the offer through stronger awareness, more compelling differentiation, and more effective channel sales support