

Case Study: sky

The leadership issue: How to grow to 10 million customers by 2010.

Background

Sky was looking for a major expansion in its customer base. To achieve this, the company recognised that it had to improve all aspects of its customer operations. This was made more urgent by the introduction of new competitors into the marketplace and the increasing pace of technology change.

What we found

Initially the executive board wanted to know why a high number of customers were leaving (over 250,000 before installation). Although there was a significant amount of data available, none provided any real insight. Our investigation revealed that there was a need to transform the entire end-to-end customer experience. This was a complex task as nearly all of the problems identified were cross-functional in nature.

What we did

We carried out a detailed analysis of the reasons for customers leaving or 'churn', which produced some interesting revelations. We found that 85,000 customers a year were taking out a subscription but never making a payment and a large number of customers were leaving after only one year.

Curzon implemented a comprehensive programme to transform the entire Sky customer service operations including customer acquisition, the customer journey and customer retention.

This was achieved using a number of 'Joint Teams' that brought together selected Sky employees and specialist Curzon consultants. Each team completed a short 4-week analysis on a specific issue. A series of rapid-action improvements were then undertaken which involved looking at the complete customer experience and the way they were handled across the business functions. To date we have completed over 25 projects with Sky across the entire customer value chain.

Our initial actions immediately addressed the main causes of customer churn and a 50% reduction was achieved in a short period of time.

To prevent customers leaving after one year, calls were made to those most likely to leave offering them a special incentive to stay with Sky.

Other projects to improve customer services included reviewing, transforming and increasing the effectiveness of direct marketing, field installation and customer profiling. Further projects involved establishing a dedicated 'lost customer' recovery team, and trialling and rolling-out a pre-pay service.

Results

The results were dramatic. Customer numbers grew from 6.7m to 9.4m. Revenue per customer increased by 25% and customer churn was reduced to an industry leading 10%.

“Since Curzon & Company started working with us on customer acquisition and retention, we have reduced churn and increased customer numbers significantly. They really do know how to work with our people and achieve real results that leave a lasting impact on the business.”

Marketing Director, BSkyB