



SkyTalk Marketing Division

2019 Customer retention offers

Confidential

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Why retention matters

Business impact

Did you know that:

- It costs 6 to 7 times more to acquire a new customer than retaining an existing one.
- Dissatisfied customers whose complaints are taken care of are more likely to remain loyal, and even become advocates.
- The probability of selling to an existing customer is 60 – 70%. The probability of selling to a new prospect is 5-20%
- A 2% increase in customer retention has the same effect as decreasing costs by 10%
- A dissatisfied customer will tell 9-15 people about their experience.

As a customer direct interface, your role is key to

1. Identify willingness for a customer to churn
2. Find the right words to turn the customer in an advocate role
3. Propose retention offers, when necessary, based on your evaluation

Identifying upset customers

They'll want to vent some **steam** at you and your organisation. Angry customers can be emotional, aggressive or just visibly upset. Angry customers' language may be accusatory. Angry customers may attempt to confront you in as public a forum as possible, to ensure others hear their anger & frustration.

Five Signs of an Unhappy Customer

1. Voices frequent complaints. Customers complain frequently when you're not properly addressing their problems, or when they have a recurring problem. ...
2. Refuses to respond to calls or emails. ...
3. Compares you against competitors. ...
4. Lacks trust.
5. Numerous interactions with the customer support

When you identify such a situation it may be important to think about a adapted offer to retain the customer.

Retention offers

Customer survey

Send the customer survey when you feel that the customer satisfaction level is low. This survey is designed to get customer pains but also to lead customer discover services and new offering through an interactive questionnaire.



<u>Eligibility</u> <ul style="list-style-type: none"> When eligible retention offer Customer calling for service or operations problems No specific contract condition No customer condition 	<u>Next Steps</u> <ol style="list-style-type: none"> Confirm the customer's email address Get the latest survey version on intranet.skynet.com/customerRetentionSurvey/ Enter the customer email in the "submit survey" recipient field Click send
<u>Cost:</u> <ul style="list-style-type: none"> US\$ 0 	<u>Exceptions</u> <ul style="list-style-type: none"> Customer has been surveyed in the last 12 months(Refer to customer history)

Customer upgrade

Rate plan upgrade - Upgrade the customer from their actual plan to the upper one to provide them with more services and customer advantages

<u>Eligibility</u> <ul style="list-style-type: none"> See table bellow 	<u>Next steps</u> <ul style="list-style-type: none"> Offer the upgrade offer to the customer Upgrade the customer rate plan in the ERP (Customer-profile-Management) Notify customer
<u>Cost:</u> <ul style="list-style-type: none"> 15% of the customer usage 	<u>Exceptions</u> <ul style="list-style-type: none"> Not applicable to PREMIUM customers

Upgrade conditions

Refer to this table to grand upgrades to your customers:

Customer conditions		Upgrade to
Customer Rate Plan	Minimum customer usage	
Basic	20	Essentials
Essentials	120	Gold
Gold	160	Premium

Considerations

Retention cost

Providing retention offers have an important cost impact on the organization. You must keep in mind that any offer will impact or direct revenues and so our profitability. You must carefully identify the need and the opportunity before offering retention promotions to the customer.



IMPACT ON REVENUE PER 1% IMPROVEMENT



For every 1% increase in order frequency, there's a resulting 2.8 point increase in revenue.

Source: [Custora](#)

Source <https://tinuiti.com/blog/ecommerce/customer-retention/>

Offer retention rules:

1. Don't over distribute retention offers
2. Propose retention only when the propensity to churn is high
3. Evaluate the cost impact before proposing any offer