



SkyTalk Marketing Division

2019 Customer retention offers

Confidential

Version	2019.4.234
Validation date	April 10 th , 2019
Approved by	Lydia April, VP Sales
Classification	Internal

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Why retention matters: Business impact

Did you know that:

- Acquiring a new customer costs 7 times more than retaining an existing one.
- Dissatisfied customers whose issues are resolved 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.

Your role interacting directly with SkyTalk customers is crucial. SkyTalk relies on you to:

- Sense motivation for a customer to leave.
- Find the right words to deepen our relationship with the customer.
- Propose retention offers, when necessary, using your intuition.

Identifying frustrated customers

Angry customers can be emotional, aggressive, or 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 about their frustration. We rely on you to help proactively identify customer unhappiness.

Unhappy Customers . . .

1. Frequently voice complaints. Common customer complaints include feeling dissatisfaction with how their issues are resolved, when they have a recurring problem, or even for issues outside of SkyTalk's control.
2. Don't respond to outbound communication.
3. Directly compares SkyTalk to competitors to get better issue resolution.
4. Show a lack of trust in their communications.
5. Regularly interact with customer support.

When you identify such a situation it is important to think about which offer will 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 leads the customer to discover services and new offerings via an interactive questionnaire.



<u>Eligibility</u> <ul style="list-style-type: none"> • Default retention offer for low value customers • Customer calling for service or operations problems • No specific anger / reluctance • No specific contract conditions • No customer condition 	<u>Next Steps</u> <ol style="list-style-type: none"> 1. Confirm the customer's email address 2. Get the latest survey version on intranet.skynet.com/customerRetentionSurvey/ 3. Enter the customer email in the "submit survey" recipient field 4. 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 discount

Rate plan discount – Offer a specific discount to the actual customer subscription.

<u>Eligibility</u> <ul style="list-style-type: none"> • Customer calling for service or operations problems • No specific contract conditions • No customer condition 	<u>Next Steps</u> <ul style="list-style-type: none"> • Offer discount to the customer • Upgrade the customer's contract conditions in the ERP (Customer-billing-conditions) • Notify customer
<u>Cost:</u> <ul style="list-style-type: none"> • 10% of the customer usage 	<u>Exceptions</u> <ul style="list-style-type: none"> • NA

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"> • High revenue customers • High customer dissatisfaction level • See table below 	<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

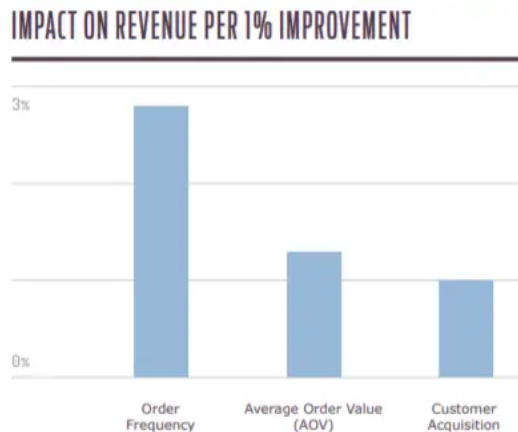


Essentials	120	Gold
Gold	160	Premium

Considerations

Retention cost

Providing retention offers adds significant costs to SkyTalk. You must keep in mind that any offer will impact our direct revenues and so our profitability. You must carefully identify the need and the opportunity before offering retention promotions to the customer.



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 guidelines:

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