The Challenge
Find an innovative way to maintain customer base
A major wireless provider was investing significant marketing dollars into maintaining their customer base. The primary way they were doing this was by concentrating on new customer acquisition. Although they were maintaining overall customer numbers, marketing efforts focused on new customer acquisition is costly. In this case, the cost of acquiring a new customer was $305.

Under this model, the company had an annual net income per customer of $90.26. However, in addition they were also working their acquisition efforts to replace a yearly churn rate of 7 percent of existing customers. To maintain their customer base throughout the year, the company added 1,750,039 new customers at a total cost of $533 million or $305 per customer. The company asked InfoCision to help them develop a better, more cost-effective way to maintain their customer base.

The InfoCision Difference
Targeted retention strategy for a better ROI
InfoCision’s expert account staff determined incorporating a telephone retention campaign could help the company maintain their customer base at a lower overall cost. The first step InfoCision took was using business intelligence to identify customers most at risk for churn. This population consisted of approximately 5 percent of the company’s total customer base.

InfoCision then instituted a proactive telephone campaign to retain these customers and keep them from churning (less customer churn

OVERVIEW AT A GLANCE
Challenge
Wireless provider struggles to maintain customer base by focusing primarily on new customer acquisition

Solution
• Implement a strategy to maintain customer base through retention
• Use data to determine customers most likely to churn
• Institute a proactive calling campaign to retain targeted customers

Results
• Customer churn cut in half
• Same number of customers maintained
• Net income increased by over $100 million

InfoCision Services Featured
• Contact Center Solutions
• Business Intelligence
• Marketing Strategy
• Experienced Account Staff

A problem faced by companies across industries is finding ways to maintain a consistent customer base. While businesses primarily focus on acquiring new customers, they often underestimate the value of customer retention. When integrated properly, a strategic retention campaign will help maintain your overall customer base at a lower marketing cost to your organization.
equals less customers that need to be replaced). Through this campaign, we contacted nearly 1.5 million customers throughout the year. InfoCision Communicators provided these customers the opportunity and incentive to renew their wireless contracts rather than allowing them to lapse.

The Results
Net income gain to call center cost of 10:1
As a result of these calls, 32 percent of all contacted customers converted to contract renewal (or 473,250 individuals). More importantly, the cost to the company per renewed customer was only $27.75 – significantly lower than the $305 cost of acquiring a new customer.

Ultimately, InfoCision’s telephone retention campaign reduced the annual churn rate from 7.08 percent to 3.24 percent. It also increased the annual net income per customer from $90.26 to $100.91. That’s an annual income gain of over $130 million for the client, and a net income gain to call center cost of 10:1. The final numbers say it all:

BENEFITS OF RETENTION CAMPAIGN

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<th>ACQUIRED CUSTOMERS</th>
<th>TOTAL COST</th>
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<tr>
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<td>WITHOUT RETENTION CAMPAIGN</td>
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<tr>
<td>new customers</td>
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