

The Challenge

Any large subscription-based service, such as mobile telecommunications, faces the issue of reducing customer attrition (or “churn” as it is often referred to). This case study presents an approach which had been demonstrated to reduce churn by the use of proactive telemarketing techniques at the point of customer attrition - known as “Save a Customer” or SAC.

One of Malaysia’s leading telecommunications companies had been experiencing high attrition rates from its customer base - cancellation of accounts to migrate to other mobile operators. Prior to the implementation of SCICOM’s SAC team, no proactive or systematic effort were ever made to try and retain these customers.

The Solution

Through the implementation of Scicom’s SAC team - an approach widely used by some of the leading companies around the world, a team of dedicated customer service professionals were created to take responsibility for dealing with any customers who wished to cancel their service.

The initial pilot of all terminations received via the telephone or in writing were undertaken within 2 months. The assigned team made every effort to persuade the customer to stay, making any offers that were available (based on customer value) or simply apologized for past difficulties and re-affirmed the benefits of staying with the service. No ‘discounting’ offers were made.

The approach was based on international experience tailored to the client’s needs and designed to reflect local needs, culture, business requirements and the current market conditions at that time.

The Results

The three-month pilot designed to test various techniques to reduce attrition was completed and were fully integrated into the client’s operation. The initial target of saved customers were surpassed - the actual save rate was in excess of 50%.

Further testing had shown that over 70% of ‘saved’ customers remain loyal 6 months after the initial ‘save’. After 10 months of operations Scicom’s SAC teams’ expected return on investment over the first year was 19:1.

In addition the client had benefited from increased management information, enabling them to understand why customers ‘churn’ and reacted accordingly. The success of the project was recognised in the Marketing Telemarketing Awards - UK’s most prestigious awards for companies using the telephone as part of their strategic plans for communicating with customers and prospects.

SCICOM secured the top prize for ‘Best use of telemarketing in the IT and Telecommunications industry’, beating off tough competition from other global companies. Scicom’s innovative ‘Save-A-Customer’ programme was voted outright winner by a team of renowned marketing experts.

SCICOM was the first Asian company to win this award and join other award winners such as Cable & Wireless, British Airways, Daewoo and the BBC in the same category.