

Lifecycle Software

Customer-Centric Strategies to Boost Telecom Revenue & Drive Loyalty



Introduction

The telecom industry is constantly evolving with expanded services and stronger connectivity. From 1G to 5G the generational evolutions profoundly changed the underlying networks. Our relationship with communications has changed substantially, and what consumers expect from Communication Service Providers (CSPs) has changed too. Powered by fast Internet connections, the world is spending more data each year. Taking the UK for example, according to Ofcom, the average monthly data consumption per fixed broadband connection was 429 GB for each month in 2020 (36% higher than in 2019), and the average monthly data used per mobile data connection was 4.5 GB (up 27%).

CSPs need strategies to tackle and keep up the pace with innovation.
The secret might be as simple as

listening to the audience needs and catering to them. Digital Service providers (DSP) successful business model provides some powerful insights on how to do that - it's time CSPs take and implement some lessons learned. DSPs like Netflix start by focusing on the customer and consider the technology afterwards. They bring the latest advances in automation and artificial intelligence into the mix in order to understand their audience and proactively optimize the product and customer experience.

That thinking proved successful in the telco space. New players who listen to customers are conquering market share at a phenomenal pace; CSPs who stick to their guns face profit loss and are at risk of being no more than a connectivity enabler.

This eBook sums up customer centric telecom strategies that cut through the noise, giving value to the customers and generating new revenue streams from telecommunications. The strategies create dynamism within the journey with CSPs, providing momentum and generating loyalty. We are talking about proven strategies, backed with real-life examples and business results.

Delivering this eBook is a culmination of the work Lifecycle Software has been doing in the last years, namely in the research, designing and implementation of strategies to launch and support MVNOs and MNO sub brands. Our experience, coupled with the results within our existing customer base, provides what we hope to be a truly insightful and practical guide to our readers.

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01

Membership Scheme

A Membership scheme (also known as membership programme or loyalty scheme) works by rewarding subscribers with loyalty points or credits. To increase success and adherence, brands can offer bespoke mobile propositions, unique to the customer base.

Members can collect extra rewards for using the mobile service. Points can be accrued for key service interactions, for example activation, plan renewals and additional service purchases.

However, **efficient points programmes must look beyond traditional models of money spend equals points earned.**

To impact customers and drive loyalty, it's necessary to include multiple offerings targeting specific segments. Recognise and reward tenure is also important.

Allow members to spend loyalty points in meaningful way that speaks to their needs, such as:

- Service rewards, such as extra data or free plan renewal month
- Exclusive deals with sponsorship partners (film, music, sport, etc)
- Offer premium rate services, including roaming
- Allow to redeem in-store or online.

Make the most of it

Membership Scheme

Despite the business benefits of loyalty programs, the nature of loyalty is changing. Customers are familiar with loyalty points. Loyalty schemes must cut through the noise to deliver valuable benefits and impact to end users.

- A loyalty programme should include a combination of effective rewards, promotions, communication and convenience to be successful;
- It should use a fair and game like mechanic, that rewards proportionally to the cost or time spent by the customer;
- Easy to use and with a clear way of showing the points/ credits accumulated;
- With attainable gifts or goals that are meaningful and relevant to the customers;
- May include **gamification** – customers can actively seek rewards;
- Keep engagement with the end user with notifications and exclusive or unexpected offers.

Did you know?

Churn is a costly challenge for telecoms. Besides lost revenues from customers churning away, the costs of acquiring new customers are high.

Analysis of data published by operators shows that average costs of acquisition are about four times average monthly ARPU.

Source: STL Partners

<https://stlpartners.com/research/telco-economics-mobile-churn-rates-and-reduction-strategies/>

Key benefits

Membership scheme

financial

-  Creates a recurring revenue, regardless of footfall in-store.
-  Decreases attrition rate.
-  Increases ARPU.
-  Real-time billing and automated service suspense minimises risk whilst protecting and improving revenues.

end users

-  Rewards end users with extra points, goods or services.
-  Increases footfall and online visits as customers redeem points.
-  Real-time service management gives spending control to end users.
-  Adds value with unique mobile propositions exclusively available and tailored to your membership, subscribers or loyalty card holders.
-  Increases end user interaction with your brand.
-  Boosts brand loyalty and makes customers feel even more valued

02

Payback

Paying or “giving back” end user’s unused money, data or bundle allowances is a powerful strategy. It allows customers to have a better control of their allowances. This is valued by customers – they feel they are getting paid back and that their data never goes to waste!

The payback can take multiple forms:

- As a discount on next month’s plan, also known as **money back**;
- As **rollover** – the unused data rolls over from one month to the next.

‘Giving back’ is enabled by implementing a discount scheme using the CCS platform’s credit control and reporting functionality. Real-time service control means end users can never exceed their service allowances, which frees revenue to provide unique offerings for unused allowances.



Make the most of The Payback proposition

- Increase loyalty by keeping customers informed of the discount applied.
- Pay back to the GB, down to the exact MB or the exact currency value.
- Automate the process so no operational resources are required.
- Specify the plans to which you want the proposition applied.
- Enhance your brand by offering tangible value to your customers.
- Event reporting can be imported to feed discount calculations owned by the provider.



SMARTY

Simple, honest mobile

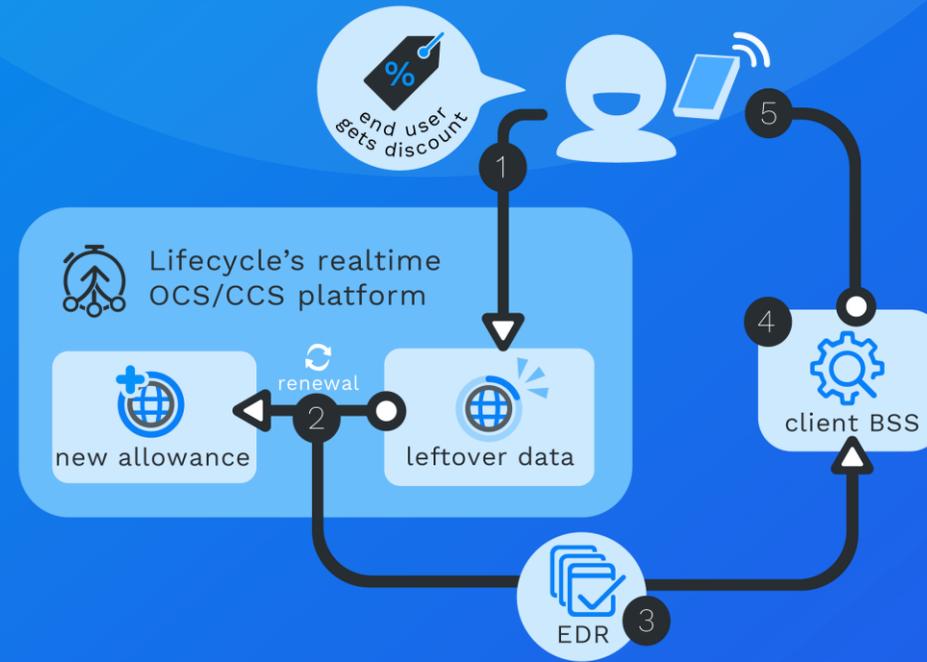
Customer Success Story

Partnering with Lifecycle Software, SMARTY stepped into the UK market with a customer-centric strategy coupled with digital BSS/ CCS with a high level of automation. Today, 99.95% of transactions are automated. The payback proposition is a flagship benefit of their proposition since launch, and customers really appreciate it!

Today, SMARTY is a successful brand that conquers market share at a steady pace. It has a rating of 4.2 on Trustpilot and 154% revenue growth in the first half of 2021.

How it works

Payback



- 1 The end user does not use all of the data allowance included in their monthly plan.
- 2 At the point of renewal, there is still available data that the end user did not consume. The renewal refreshes the plan, giving the end user the full data allowance to use for the next period.
- 3 As part of the renewal process, the CCS generates an Event Detail Record (EDR). The EDR states the remaining allowances of the plan's service bundles at the point of renewal. In this case, the EDR will state the amount of data that the end user did not consume.
- 4 The EDR is imported into the provider's BSS platform, where a discount or other benefit is calculated, based on the remaining data allowance information contained in the EDR.
- 5 The end user receives the discount or other benefit for their unused data allowance.

Key benefits

Payback

Financial

-  Attracts new customers with value-added propositions.
-  Reduces churn and incentivises customer roll over.
-  Realtime rating and automated service suspense minimises risk while protecting and improving revenues.
-  Helps you differentiate from your competitors

End users

-  Adds value with money-back discount applied to next month's plan.
-  Increases provider interaction with end users, communicating positive message of discount applied.
-  Boosts brand loyalty.
-  Realtime service management gives spending control to end users

03

Family Plans

In a family plan or group plan, a group owner can add family or friends to enable them to receive a discount either on shared or individual bundles. Both the user who invites and the user who joins the group can receive a discount.

The group owner can add more SIMs to the group and manage their allowance.

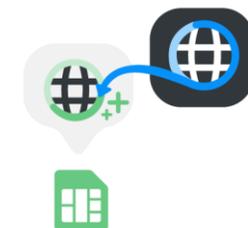
The instant reward characteristic behind group plans turn it into a powerful tool to customer acquisition. The payment process and risks are minimized because the group owner has the responsibility for making all the group's payments.

How it works

Family Plans



- 1 One of the users/ members in the group requests the use of the data service in real-time to continue their data session.
- 2 The CCS grants the requested quota to continue the session, however this uses the last remaining balance from the proposition assigned to that group member.
- 3 The user uses the granted quota and another request is made to continue the data session. The CCS will now reserve against the bundle assigned to the family plan/ group account.
- 4 The shared bundles are decremented on a first-come-first-served basis. Therefore each user has equal priority over access to the account bundle once the group bundle is exhausted. The user that requests first is served first until the bundle is exhausted.



Make the most of Family Plans

Customize group plans to deliver unique propositions to respond to your end users needs

Share the Data – Data gifting

- Reallocate data and credit between group members to maximise their payments. The credit is immediate
- Group owner can be notified if any SIM is running out of data or credit
- Notification for the user who receives data

Shared Allowance – More devices, same allowance

- Create a shared allowance instead of separate propositions. This would result in a single monthly payment instead of multiples across the month. No faffing having to swap SIMs / tether between devices.



SMARTY

Simple, honest mobile

Customer Success Story

The launch of groups proved very successful for one of the fastest growing MVNO in the UK. The groups mechanism provided by Lifecycle's CCS is now a key channel for customer acquisition.

Key benefits

Family Plans

Financial



Existing customers encouraged to add new customers to qualify for discount.



Increased lock-in for customers, and low customer acquisition cost



Reduces churn and incentivises customer roll over as discount can be applied to the next month's plan.

End users



Adds value and savings - makes customer feel valued and boosts brand loyalty.



Enables group owner to see every member's plan, usage and call history, valued by parents wishing to monitor children's usage and security.

Customer services



Group owner can self-serve mobile account through the self-care app, reducing contact with the customer service team as well as delivering a good user experience for the end user.

04

Loyalty Incentives & Gift Bundles

A timely gift can make all the difference. Loyalty incentives provide a recurring or one time data or service usage gift or incentives, unique to your customer base. This strategy is very useful to:

- Incentivise service usage and engagement. For example, drive more app installs with a targeted gift tied to the app.
- Encourage specific actions, such as signing up.
- Contract subscription or renewal. Entice end users to stick with the provider when nearing the end of a 12-month contract.
- Reward on-time payers with bonus data and boost the number of end users who pay their bills on time. It's useful for post paid approaches and for pre paid plan renewals.

Make the most of Gifts and incentives

Recurring bundle offer

- The end user is assigned a recurring bundle in addition to the bundles offered by their plan, which is added to the end user's account and set to recur indefinitely with subscription to a provider's service, or the renewal of a proposition or contract.
- The recurring bundle can be removed if the end user no longer qualifies or fails to pay.
- Powerful option to drive Contract subscription or renewal

Short term gifts

- Give the end user an ad-hoc bundle that expires after a specified period, such as 90 days. The bundle's service allowance does not refresh, hence the end user will have 90 days to consume the bundle before they could no longer use it. The providers can choose whether the gifted data or plan data is used first.
- Provide end users with a free, limited period, ad-hoc data or service bundle to celebrate an anniversary, promote a new service launch or just engender great customer loyalty.

- Offer bespoke data or other service gifts, unique to your customer base
- Reward end users for their loyalty, linked to the subscriber's 'mobile birthday' for example. Encourage specific actions, such as signing up to a new service.
- Surprise with random acts of kindness: Celebrate a particular occasion, a royal wedding for example, and add real customer value by providing something for nothing. Provide an extra incentive to stick with the provider.

Key benefits

Gifts and Incentives

Financial



Rewards end users with a tangible, added value benefit.



Show end users that they are consuming their gifted service allowance to reinforce the positive message of getting something back from their provider.



Increases your interaction with the end user, communicating positive message of free data received.



Makes end users feel valued and boosts brand loyalty.

End users



Realtime rating makes it risk free to offer free service gifts as the end user can never exceed the gifts limit.



Rewarding on-time payers reduces bad debt bill and encourages end users to stick around for longer and consistently pay their bills on time.



Encourages subscribers to stay with you, reducing churn.



Helps you to disrupt markets and differentiate from your competitors.

05

Charity

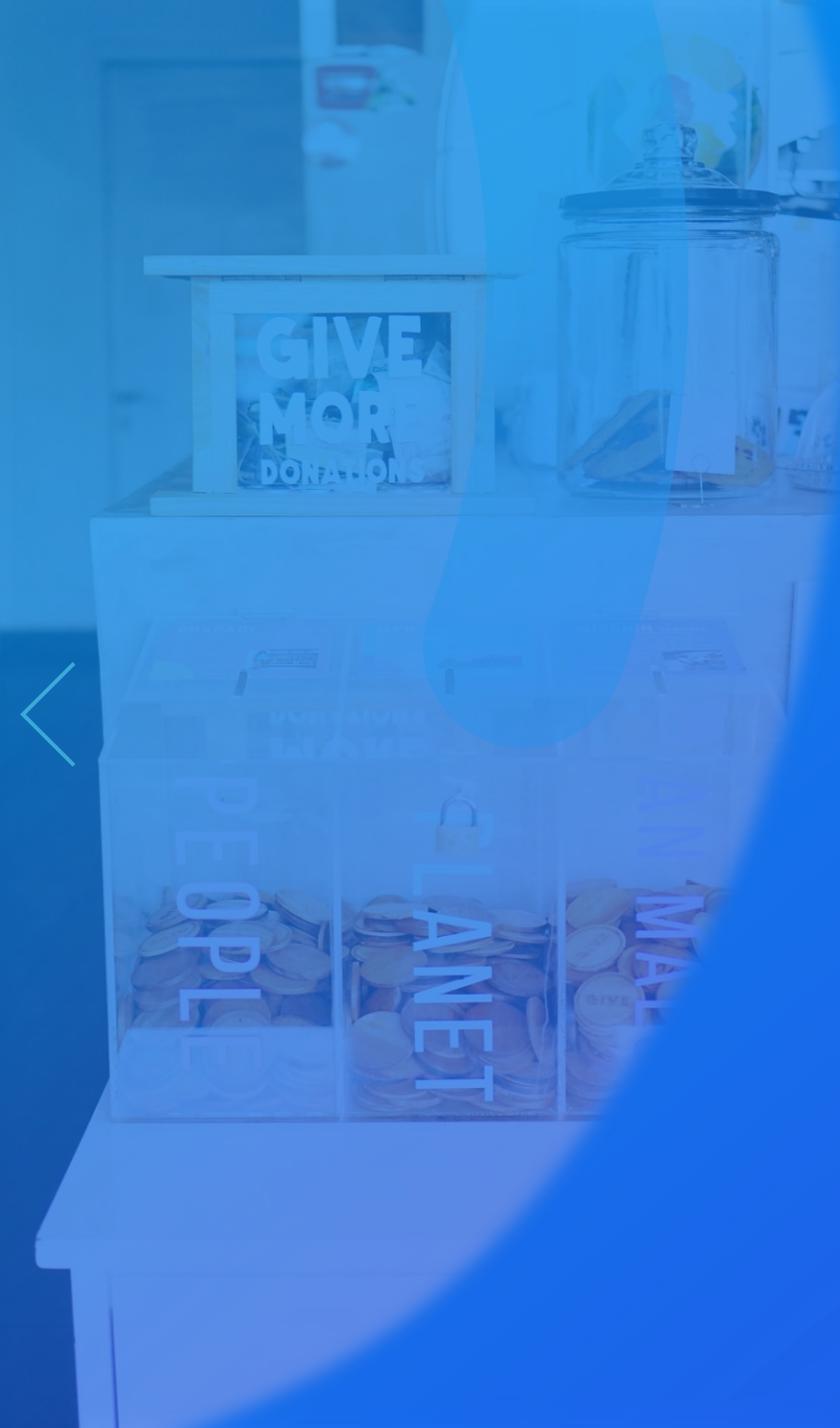
Giving back takes many forms but giving back to causes that matter is another game. Corporate Social Responsibility matters.

Launching a mobile phone service to a charity membership or supporter base can drive incremental and recurring funds to the nonprofit of your choice. The CSP does the contribution on behalf of the customer.

Drive incremental and recurring revenue into your charity through mobile phone service usage and donations of un-used bundle allowance or cash balance from the end user to your charity.

A mobile phone service, with no need for end users to commit to a contract or undergo a credit check, easily and fully integrated into your charity membership or supporter base.

Add value and increase supporter loyalty by rewarding service activation, monthly renewals and purchases, which can be redeemed against the end user's mobile phone service, or in your charity's outlets, shops and cafes for example.



Key benefits Charity

Financial

-  Creates an incremental recurring revenue from members or supporters.
-  Realtime billing and automated service suspense minimises risk while protecting and improving revenues

Did you know?

77% of consumers are motivated to purchase from companies committed to making the world a better place.

HBS, Harvard Business School
<https://online.hbs.edu/blog/post/corporate-social-responsibility-statistics>

End users

-  Adds value with unique mobile proposition exclusively available and tailored to your members or supporters.
-  Rewards end users with points which can be redeemed against their mobile service or as a discount in charity outlets.
-  Increases end user interaction with your charity.
-  Boosts loyalty to your charity and makes customers feel valued.
-  Realtime service management gives spending control to end users.

06

Roaming

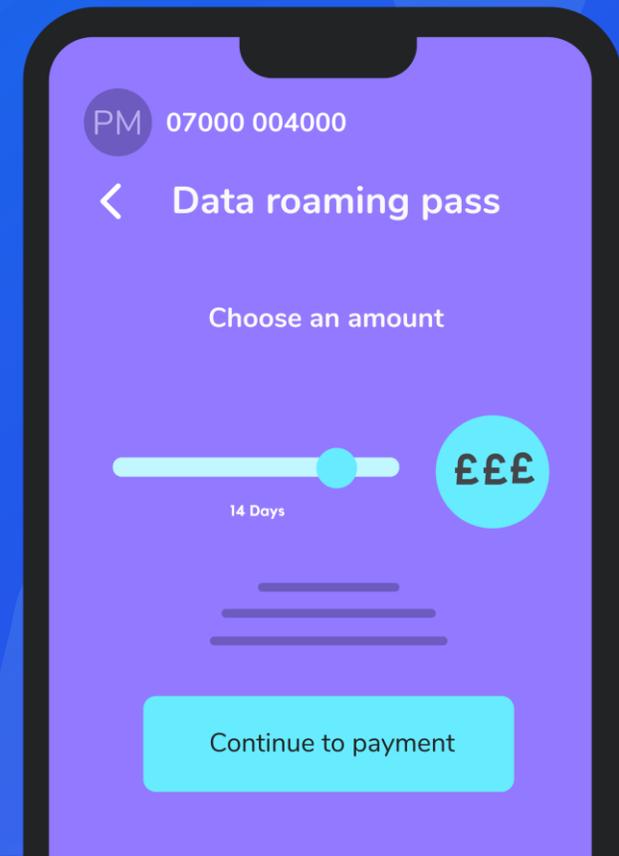
As travelling is increasing throughout the world, guarantee the customers have all they need to perform communications is essential. Offer bespoke roaming add-ons tailored to different customer segments to leverage the opportunity.

- Providers can define and build data bundles that offer data in roaming locations by defining call service groups. Apply the bundle as a bolt-on, so that the roaming allowance aligns with the specified proposition period.
- Add new destinations to in plan allowances and bump up the amount of data end users can use abroad, to improve the customer experience and lock in high value customers
- Enable end users to use country specific call, text and data allowances in some countries (EU for example) outside the home region, dependent on the end user tariff.
- Define a daily allowance of texts, minutes and data for home and outside home regions. Control the allowance, countries, costs and duration of individual propositions. Offer end users individual country passes.
- Add extra value such as fastest network speeds and/or free subscriptions, sports for example, for the duration of the add-on contract.

Make the most of Roaming

Recurring bundle offer

- Develop Roaming passes suited to customers needs
- Create option for daily caps, for example, prevent more than 2GB a day. This way your customers can rest assured about their consumption
- Take it a step further - allow customers to create their own Roaming pass, for the days they need and with the amount they prefer
- Track and act on events in your network to deliver targeted messages to your customers
 - Trigger message after failed EU roaming attempt
 - Auto top up options based on failed calls
 - Leverage destinations and seasonality



Key benefits

Roaming

Financial

-  End users can control of how much they spend on mobile services abroad, avoiding bill shock.
-  Realtime rating prevents end users from exceeding their allowance of more expensive roaming data.
-  Improves the customer roaming experience.

End users

-  Improves operator revenue.
-  Adds value and locks in the highest spending end users.
-  Encourages subscribers to stay with you, reducing churn.
-  Helps you to disrupt markets and differentiate from your competitors.

07

Other customer centric strategies

Smart Cap

Plusnet were market leaders in introducing their SmartCap feature, built by Lifecycle, to avoid customer “bill shock” well in advance of the new Mobile Bill Limits regulations, introduced in October 2018. This functionality, with intelligent workflows, allowed customers to set their own cap. The platform calculates spend limits, auto suspends and restarts services, whilst keeping customers up-to-date with SMS and email notifications.



Gamification

Increase engagement and loyalty by bringing game like dynamics to your strategy. Games can be used to collect points, win rewards and celebrate special occasions like festivities.

Bespoke propositions

Successful brands place the customer at the centre. At Lifecycle we are ready to enable and design bespoke mechanisms unique to your customer base.

Closing thoughts

The customer centric strategies from their eBook are design to boost CSPs' competitive advantage. They are provided by Lifecycle's CCS – a cloud solution that opens new doors for telcos.

Lifecycle CCS as a Service was born to empower any communication service provider, either MNO, MNO sub-brand or MVNO. CCS equips brands with all they need to weave and deploy customer centric strategies that generate revenue, increase engagement and drive loyalty like never before.

CCS has a Cloud native, highly dynamic micro-services architecture orchestrated by Kubernetes and uses open APIs to enable easy setup and interoperability of components.

CCS as a Service has a very high degree of automation to enable CSPs to self serve and manage the

strategies that fit their needs and the audience. There's no need for IT teams or complex designing. Thanks to automation, **CCS has a reduced time to market and allows business to focus on their customers and business growth.**

Learn more in our website

<https://www.lifecycle-software.com/ccs-as-a-service>

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Want to learn more about how our services can help your company's goals? Do not hesitate to reach out.

Send us an email →

Go back to the beginning →

