Using the Power of Customer Follow-up to Reduce Churn and Improve Customer Value

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Who is Cablecom?

- Cablecom broadcasts TV programs to 1.6M households (Switzerland 3.2).

- We are a Quadruple Play Provider (4P):
  - TV
  - Broadband Internet
  - Landline phone
  - Mobile phone

- We are part of the Liberty Global Group (NASDAQ: LBTYA)

30M homes passed, 17M Customers
How cablecom met NPS?
Would you recommend question used in 2006 to add accuracy in a propensity to churn data mining model.

HS: sum Churn x Customer x life cycle (%)
7 month life cycle feedback management
Positive Results from the Retention Team’s Call Back Activities (HS 9M)

- 51% of detractors changed status after the call back process
- 23% from detractors to promoters
- 21% of promoters reacted on a personalized sales offer
Results: Using NPS as KPI to Predict Churn

- Max 4 wks
- NPS
- 11 months
- Still active?
  - Yes: 17.3%
  - No: -16.9%

- Specific micro 1:1 activities based on feedback
- Specific macro activities based on feedback categorization (text mining)
From customer feedback management to a Quarterly KPI
NPS as a KPI

- 2007 NPS has been introduced as a KPI in Cablecom bonus system – strong senior management support.
- Since 2007 we run every quarter a general NPS research
- Every month results of the NPS analysis are presented at the senior managers board.
NPS as customer KPI and as customer experience managements tool
NPS as a KPI
How to measure NPS^2

- NPS (Recommendation)
  - Quarterly phone interviews
  - Touch points feedbacks

- Overall Satisfaction
  *Excluding emotional component
  - Quarterly phone interviews
  - Touch points feedbacks

- Image
  - Quarterly phone interviews

- Loyalty
  - Quarterly phone interviews

DIFFERENT WEIGHTS ACCORDINGLY TO THE CUSTOMER RANKING
NPS Q1 2009 results – Causal Model on Influence of different Dimensions on Recommendation Dimension

Satisfaction → 8.10 (8.01)  
- Provider: 8.14  
- Products: 8.05  

Image → 7.88 (7.23)  
- Promise: 7.78  
- Friendly: 8.01  

Loyalty → 8.09 (8.76)  
- Re-Election: 8.05  
- Expectations: 8.11  

R² = 0.445  
0.67  
R² = 0.452  
0.66  
R² = 0.491  
0.70
Promoters campaign

Für den Preis eines Biers habe ich Hunderte von Programmern zur Auswahl.

Viktor Bassil, Wollmeister

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Promoters campaign

Bei cablecom sind die Installationen sogar für mich Bubi einfach.
Gina Hagmann, St. Gallen

Überzeugen Sie sich selbst von unseren Serviceleistungen:
0800 122 122
Und zuhause läuft was.

Fanny Est
55.5 Jahren auf Jubel
Cablecom Basel
NPS in the customer experience management
The ‘VALUE LINK’ Between the Customer Experience and Firm Value: a Framework.

WHAT CUSTOMERS DO

WHAT FIRMS DO

WHAT CUSTOMERS THINK

WHAT FIRMS GET

FINANCIAL PERFORMANCE

BEHAVIOURAL OUTCOMES
(observed metrics)

PERCEPTUAL MEASURES
(unobserved metrics)

MARKETING ACTIONS
The way to measure the 3 entities adding the INTELLIGENCE

- BUSINESS INTELLIGENCE (inside out)
- CUSTOMER INTELLIGENCE (outside in)
- VALUE (growth)
The real value come from the ability to listen the voice of the customer.
Holistic Customer Experience View: Be Able to Listen to the Voice of Your Customer

**Capture**
- Systems (CRM, ERP...)
- Reporting Analysis
- Data-Text-Mining
- Customers

**Analyze**
- Right information
- Right people
- Right time

**Integrate**
- 1:1 customer
- Open a dialogue with single customer
- Enterprise improvement
- Fill gaps within the operations

**Improve**
- Measure KPIs
- Measure the efficiency and value creation
The Central Role of Predictive Analytics in CEM

analyze

BI Hyperion

predictive analytics
SPSS

CEM platform
CustVox.com

COMMUNITY PORTAL

Facebook

myspace.com

CRM
CLARIFY

ERP
SAP

ACD
ASPECT

IMPROVEMENT
CEM TEAM
Enterprise improvement

1:1 customer
CALL BACK
CASE GUARD TEAM

CUSTOMER VOICE
Integrate and Improve the Delivery of the Right Information at the Right Time...

FROM SENIOR MANAGERS...

...TO CALL CENTER AGENTS
3 Dimensions Customer Segmentation Matrix

Customer Development from Detractors to Promoters and from Low to High Value Segment.
Analyzing the VOICE OF THE CUSTOMER Using Text Mining Algorithms

UNDERSTANDING THE DRIVERS...

...AND THEIR IMPACT ON CEM
CONCLUSIONS

- Don’t pretend to know your customers from your data warehouse (inside out), listen their voice (outside in).

- Net Promoter Score is a terrific customer centricity tool.

- Measure your performance by benchmarking the customer expectations.

- Remember that customer is king, but cash is ‘more’ king.
Thank you!

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