

Empower the Customer!

TDC-case story:

Loyalty and churn reduction

Using the segmentation model as the basis for the execution of customer lifecycle management programmes.

TDC Case Study

- The step-by-step logic in building an integrated segmentation and execution model for customer lifecycle management programmes
 - How real-time, rule-based, multi-touch point customer lifecycle programmes are the natural execution layer on top of a data warehouse and segmentation model
- The power of customer driven customer lifecycle management programmes
- How TDC reduced churn
 - How to achieve 62% take-up in a customer lifecycle management programme and more than 40% churn reduction
- Important lessons learnt on the difference in results from a classic campaign system and a customer lifecycle management system

TDC Challenges and Project Scope

Challenges:

- The ever increasing churn in a growing competitive environment
- Educating customers to understand and experience the value of TDC's differentiating products and services
- Reducing calls to customer service
- Integrating email, direct mail, web, SMS and MMS with consistent and appropriate messages
- Targeting specific information to specific clients and measuring responses

Project scope:

- Customer Lifecycle Management programme targeting TDC's most valuable customers
- Automated rule based online customer communication programme using e-mail, web, SMS and MMS channels
- Introduce relevant, cost-efficient and attractive online product and solution education to TDC customers
- Increase adoption rates by use of rewards and competitions, personalised mails and reminder mails

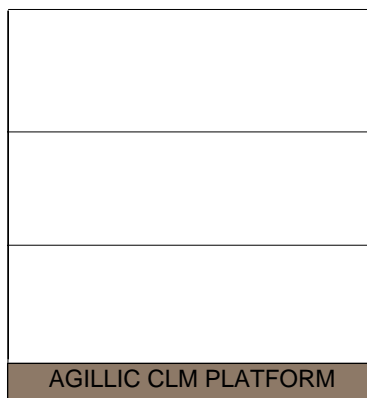
Basic Segments

- Step by step - towards an execution layer on top of an segmentation model

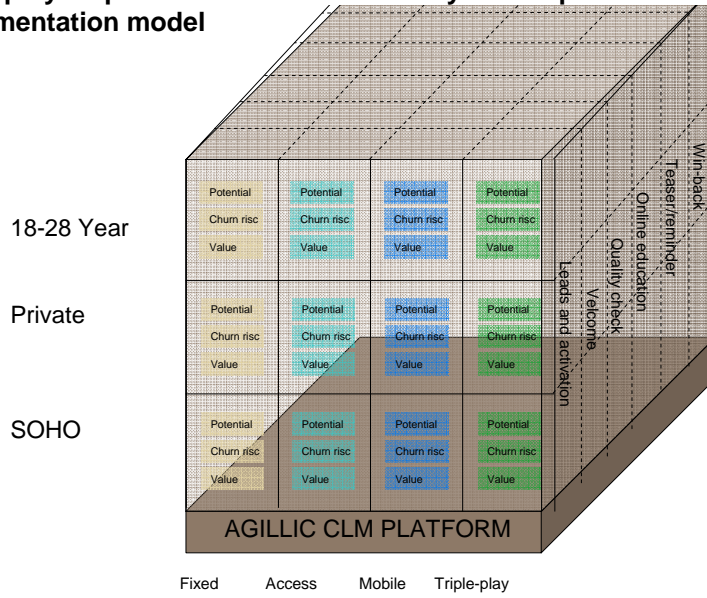
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Private

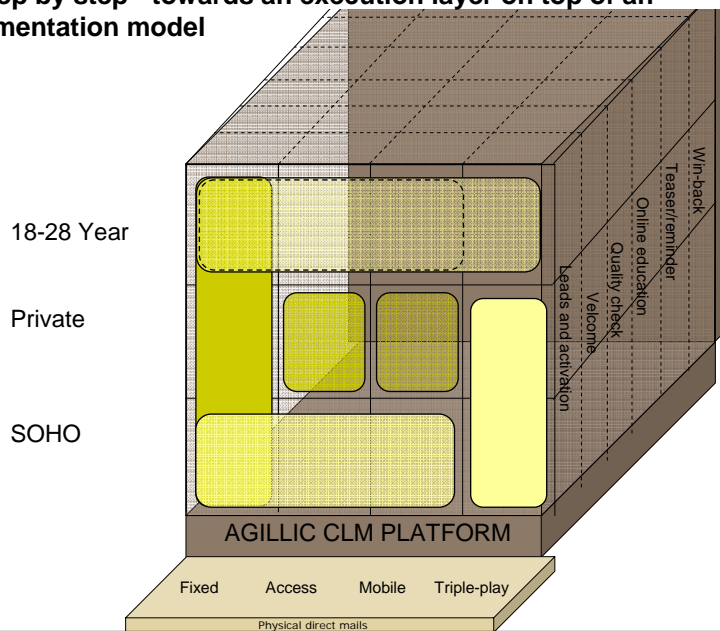
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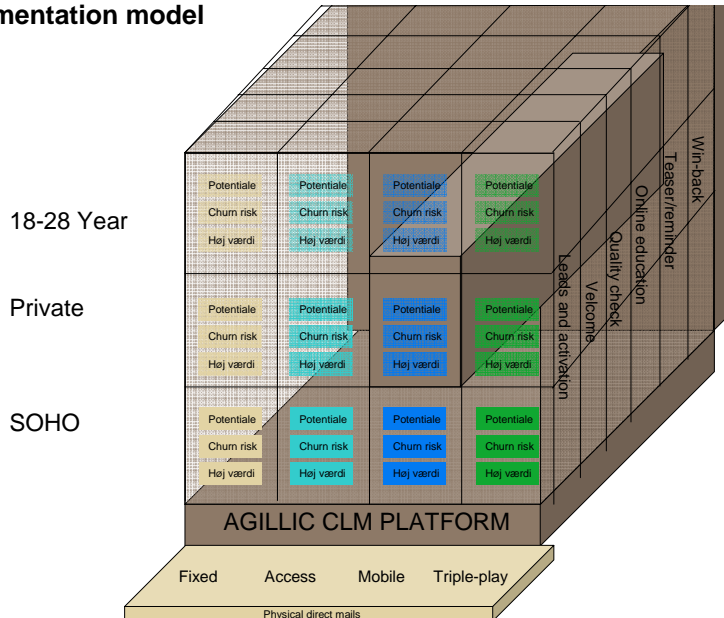
Introduction of Value Based Segmentation
 - Step by step - towards an execution layer on top of a segmentation model



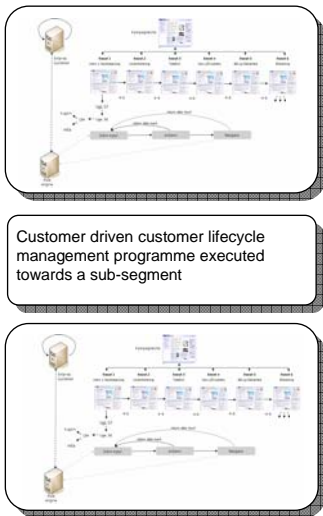
Identifying High Priority Segments
 - Step by step - towards an execution layer on top of a segmentation model



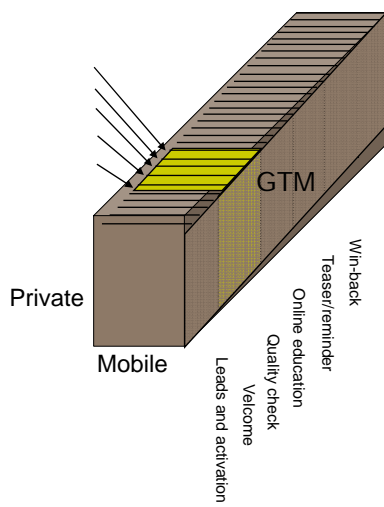
Mobile Segmentation Example
 - Step by step - towards an execution layer on top of an segmentation model

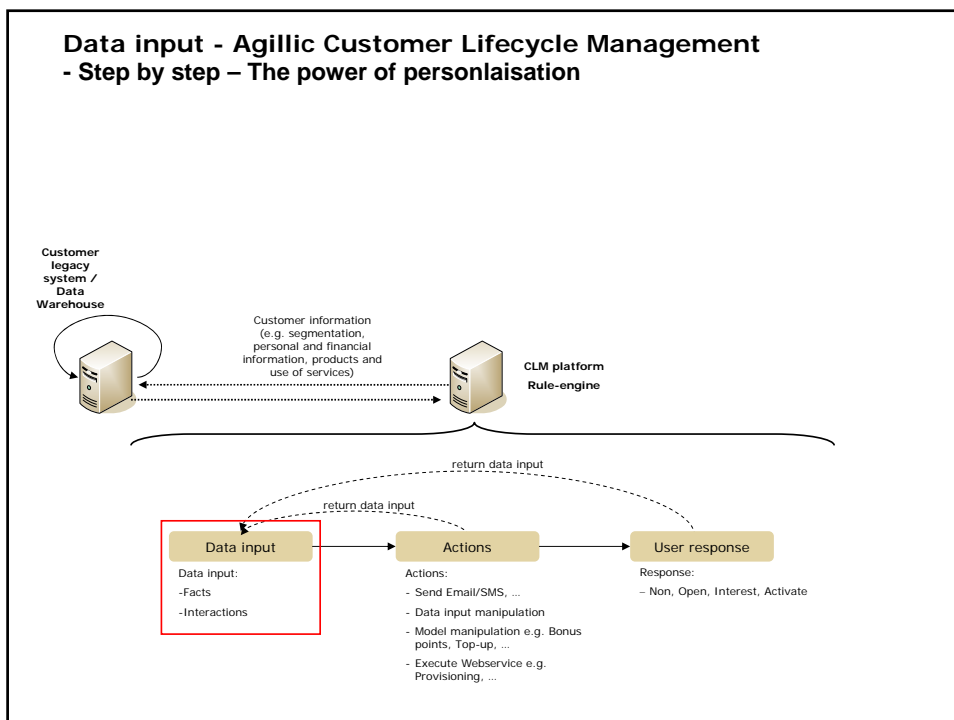
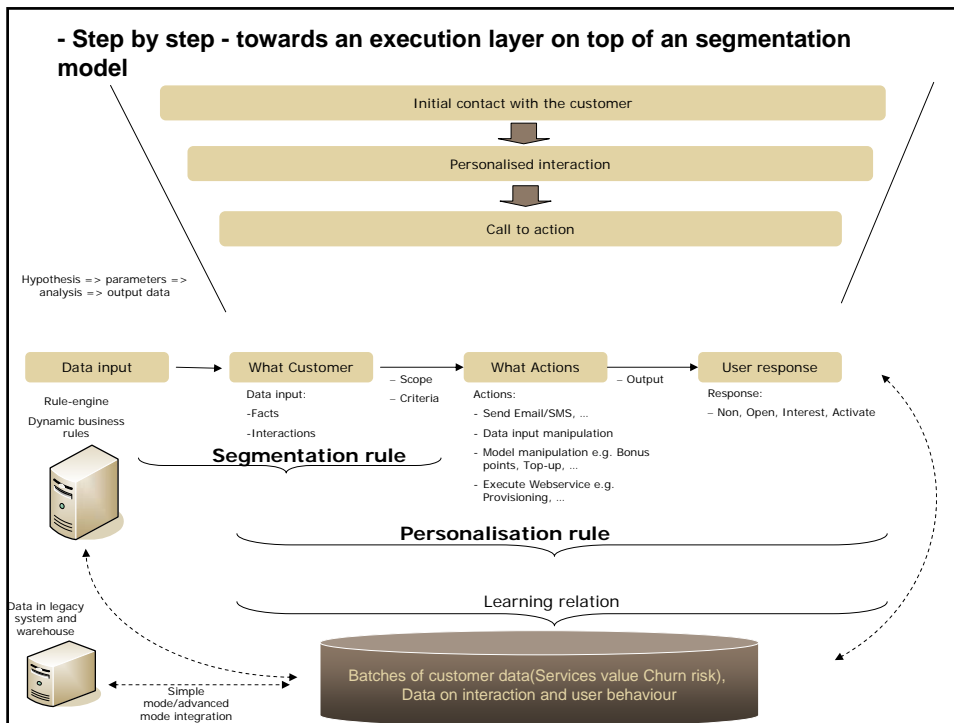


Personalisation rules on top of the Segmentation rules
 - Step by step - towards an execution layer on top of an segmentation model

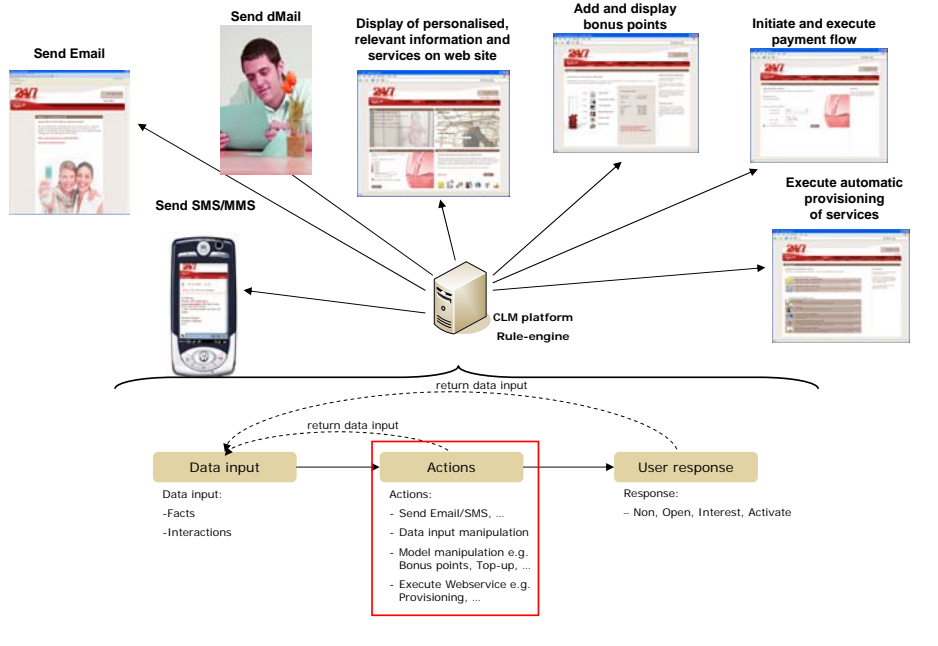


Customer driven customer lifecycle management programme executed towards a sub-segment

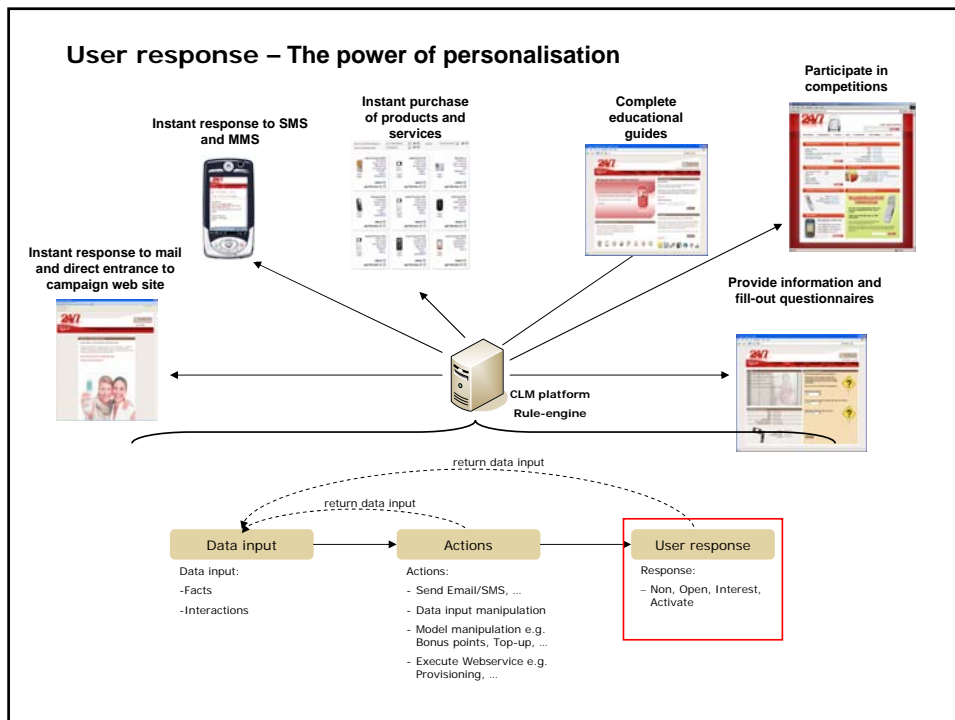




Actions – The power of personalisation



User response – The power of personalisation



The Reward versus Effort Balance - The power of personalisation Personalisation can increase the value and reduce the effort

Reward > Effort → **Action**
Reward < Effort → **No action**

- The **effort** is entirely subjective, and therefore the perceived value of the effort varies from one individual to another
- The **reward** can be measured as
 - Subjective relevance of the communication and the immaterial reward: (Immaterial motivation)
 - Material reward (e.g. prizes, discounts): (Material motivation)

Perceived reward

**To ensure action, the perceived reward
has to be greater or equal to the perceived value of the effort**

The CLM Programme Concept Empower the Customer!

Implementing an Integrated Communication Programme - How TDC reduced churn

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TDC

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Building Retention and Churn Reduction Programmes - How TDC reduced churn

Mini guides to inform and educate customers in TDC's services

The site is dynamic in relation to each customer's behaviour in the programme, pages clicked, as well as the customer's profile

Personalised data appearing on the right represents the knowledge held on each customer; based on his own behaviour and choices within the programme.

An awards barometer keeps the customer updated on his chances of winning!

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TDC

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Generating and Increasing Customer Response Levels - How TDC reduced churn



An intro mail is the first contact between the customer and the Guide to More Value. Attention is ensured through communicating with the customer as a VIP



A reminder mail is sent to customers which have not opened the Intro mail. If the customer does not respond to this a direct mail is sent with a teaser.

How Customers Engage with the Site -How TDC reduced churn



Introduction e-mail



1st reminder e-mail



2nd reminder e-mail

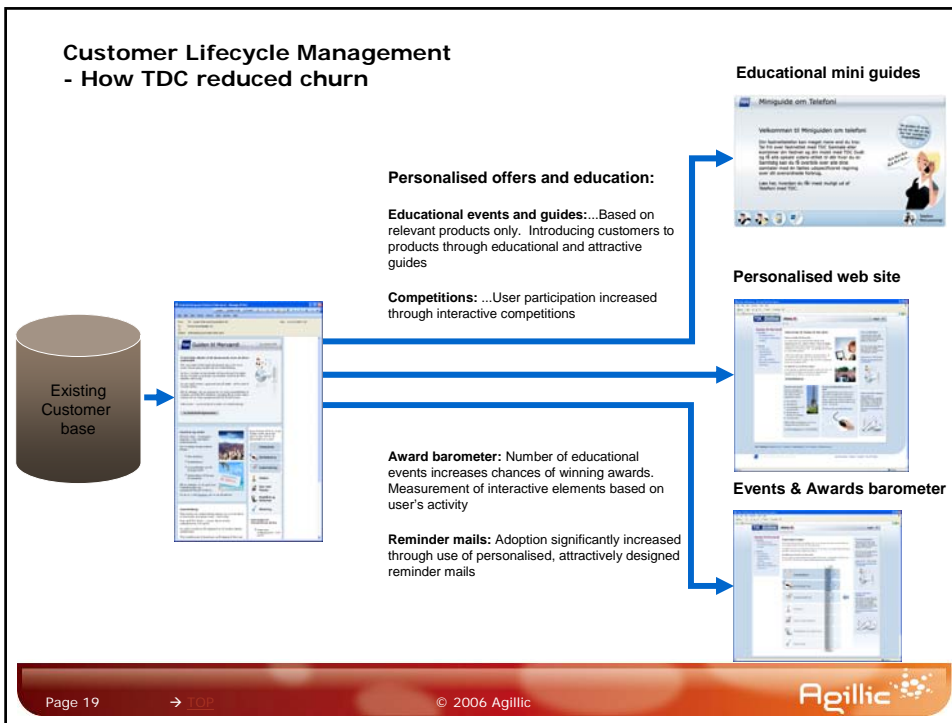


Reminder SMS



Reminder MMS

Customer Lifecycle Management - How TDC reduced churn



Personalised Content - How TDC reduced churn Customer X



Content within the two sites are different for customers 'x' and 'y'. This reflects each customer's usage of the site and their personalised interests.

Other commercialised services still appear on the page in smaller portlets again reflecting each customer's profile.

Customer Y



Customer x has not tried the Flash guide (Merværdi) unlike customer y. Customer y has a personal interest in the usage of his mobile phone so he automatically sees the opportunities and services his mobile has to offer.

The portlets and their prioritisation are different for each customer as seen above.

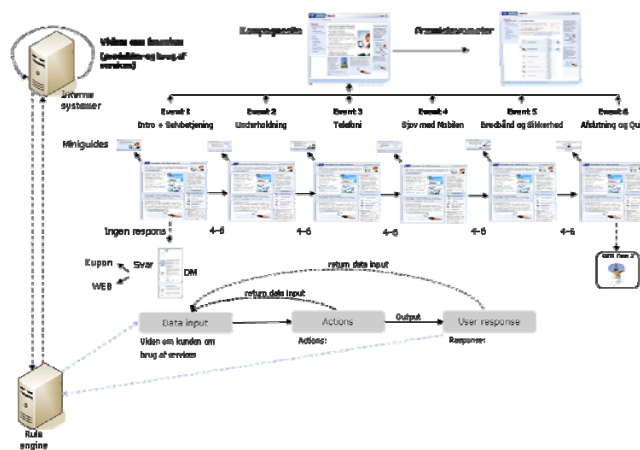
TDC Retention & Churn Reduction - How TDC reduced churn



Each mini guide provides detailed information and demonstrates the various functionality of the customer's products. Customer attention is secured by increasing their award winning chances with each completed mini guide and instant win competitions

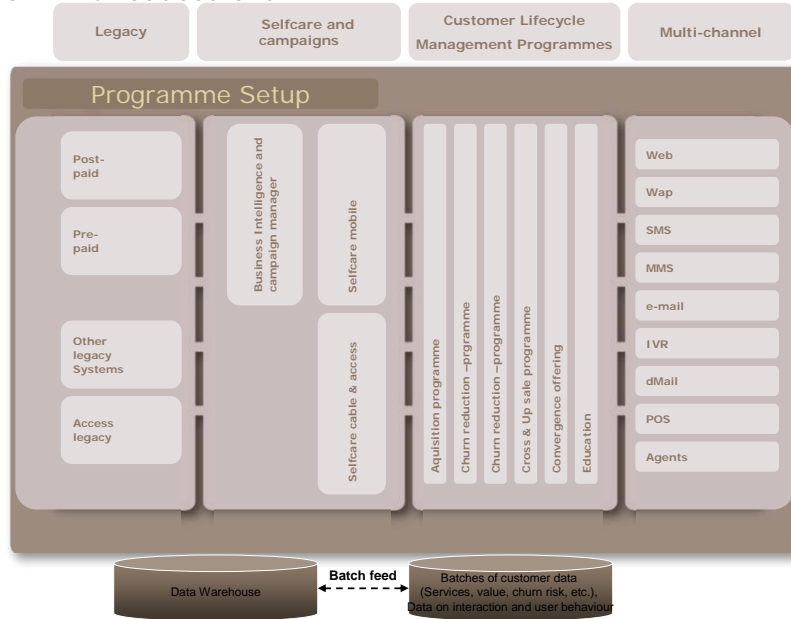
The awards barometer allows the customers to follow their progress in the Guide to More Value. Each mini guide completed increases the winning chances and thus animates the customer to complete one more mini guide.

Establishing Frequent and Relevant Dialogue - How TDC reduced churn



Intro Situation Complication Solution Results

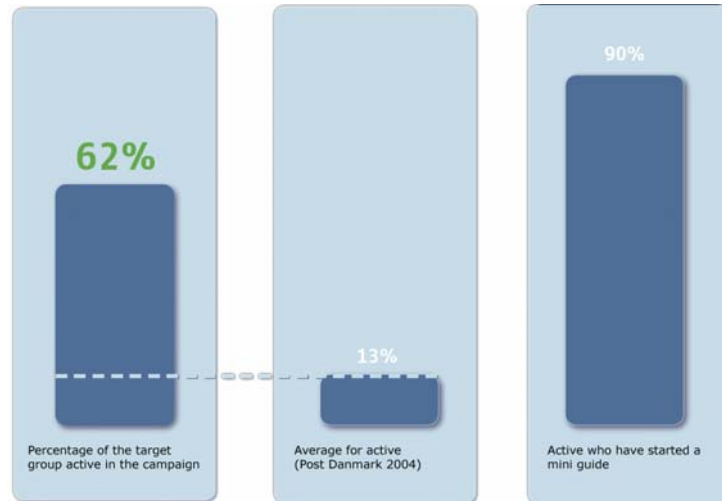
**Based on batched data setup
- How TDC reduced churn**



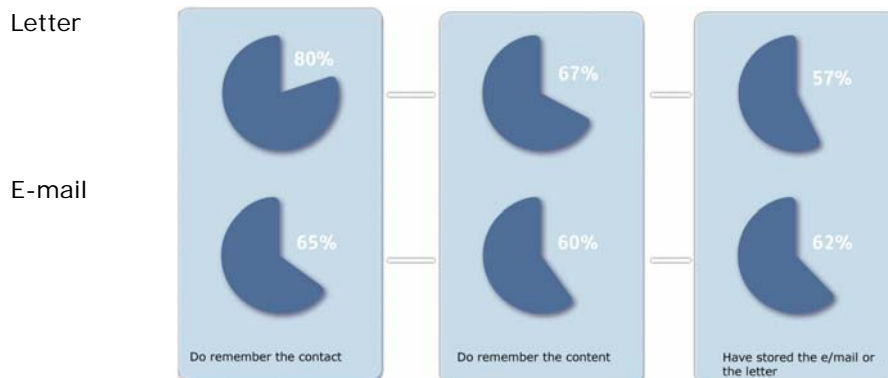
TDC's Results



Activity Levels – way beyond industry average



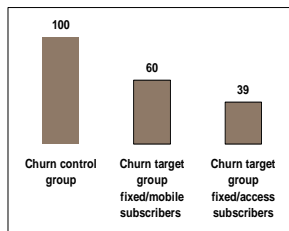
Awareness Results



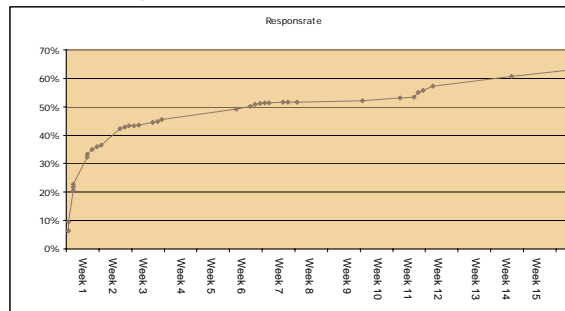
Final CLM Campaign Results

Campaign Objectives	Results
Activate most valuable customers in the programme	62% of the target group participated in the programme
Campaign lifecycles	90% of the active participants participated in the following events after having completed the first event
Reduce churn (reduction in terminations from participating customers)	61% churn reduction for Fixed/Access subscribers 40% churn reduction for combined Fixed/Mobile subscribers

Reduced churn subscribers



Only 1.9 % signed off the programme during the first 6 months



Some Key Lessons Learnt and Summary

The value of personalised multi-touchpoint communication compared to an traditional direct marketing approach

Important lessons learnt on the difference in results from a classic campaign system and a customer lifecycle management system

Campaign Manager Setup

Activation

- Mail outbound: segment based - 16 different segments
- Mail with text + graphics for each segment
- Instant win incentive by segment
- Reminders - if not yet activated - with material rewards

Ongoing Customer Management

- Campaign Website
- Material rewards in website
- Monthly reminders with material rewards

CLM Programme Setup

Activation

- 100% personalised e-mail using 8 portlet rules based method
- Personalised web look-and-feel graphics
- Personalised instant win incentive
- Personalised rules based reminder mechanism incorporating behaviour based feedback
- Cross channel consistency, what you see in mail and web is the same and its personalised

Ongoing Customer Management

- Customised and personalised web site
- Site learns and tracks customer actions and changes according to implemented rules
- Customised/personalised reminders
- Customised/personalised variable level of material value and incentives provided to customer

Important lessons learnt on the difference in results from a classic campaign system and a customer lifecycle management system

Campaign Manager setup

- Activation/takeup: 16%
- Churn reduction: 12%

CLM program setup

- Activation/takeup: 62%
- Churn reduction: 40%

Summary

- Agillic CLM allowed TDC to successfully enter into personal one-to-one dialogues with their high value customers
- The CLM execution model was based on the segmentation model
- Key to the project's success was the ability to engage customers with relevant messages according to individual profiles and response behaviours
- Results far exceeded expectations
 - 62% response rate
 - 90% of participants actively continued with the programme
 - 61% churn reduction for fixed/access subscribers
 - 40% churn reduction for combined fixed/mobile subscribers

Thank you for listening

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