



Keep the calls coming
with personalized
statement messaging

Kodak TransPromo
Telecommunication Solutions

Increase your share of this growing market

The global telecommunications industry is expected to grow to \$2.7 trillion by 2013, demonstrating annual growth of more than 10% according to the Insight Research Corporation 2008 Industry Review.

Telecommunications generates about 3% of the gross world product, touching almost every home in

the industrialized world and almost every type of business.¹

It has come a long way since Alexander Graham Bell and Guglielmo Marconi laid the groundwork for common carriers and wireless communication. In the US alone there are more than 11,000 companies providing billable telecommunication services to homes and businesses. And yet, it is one of the industries most prone to customer defection!

To succeed in retaining customers, the revenue they generate, and in

1 Telecom Industry Revenue to Reach \$1.2 Trillion in 2006, VolP Magazine, 2005.

reducing the costs associated with new customer acquisition, telecom billers must learn to recognize the value of what they know about their customers, and use it to build a closer relationship that reduces loss of customers to competitors. That loss, called customer churn, refers to the cycle of acquiring, losing and re-acquiring customers to keep the revenue streams on an upward trajectory. Telecom customers have a vast array of service choices which tends to promote turnover in this market more than most. As far back as 2001, 34 million wireless telecom customers fed the customer churn statistics for the year as they changed service providers. And that number doubled by 2004 and keeps growing.² These customers vote with their wallets, looking for the service provider who will provide some slightly better service each time their service contract is ready for renewal.

For each of those contracts for phone lines, wired or wireless, the telecommunication companies are privy to information about the calling history. They know how often calls are made, who is on the receiving end of the calls, and how many of those calls are local versus long distance. They know how many calls are made to Paris, France or to Paris, Texas. And, while they don't necessarily know who is picking up the call on the other end, they do know how long the

2 TechTarget Expertanswercenter.tech-target.com/eac/knowledgebaseAnswer/0,295199,sid63_gci974365,00.html

calls are and the monthly expense for telecommunication services. In fact, for those providers who also supply cable modem or DSL broadband services, satellite or cable, wire line common carrier services and mobile phone access, the view into the spending patterns and general world view of the customer is amazing!

To slow down the customer churn, telecom billers should understand their customer profiles from the acquisition point so that customers are retained for as long as possible. Retention is key! Losing a customer requires replacing that revenue, forcing money to be spent on customer acquisition or re-acquisition and cutting into corporate profits. The team at Ovum, a research firm, says that in saturated markets it is possible for companies to spend more time and money on customer acquisition than in customer retention, as they have seen demonstrated in the Western European market.³

A key strategy is to adopt an understanding of every customer from a life-cycle perspective, starting with the profiles used to prospect for customers and continuing with the understanding of how those customers behave once they are serviced. Understanding why customers choose to leave for another provider, and how often customers are won back in a reacquisition program is often critical

3 telecommagazine.com/Article.asp?Id=AR_2440



to the equation. During the time that they are customers, it becomes a differentiator to the service provider if they can make offers to the customer that dovetail with their profile and spending patterns. Kodak customers tell us that they see dramatic increases in response rates when they receive the right offer at the right time. They have also told us that they respond to education, especially when charts and tips are added to the monthly billing communication.

Our recommendation is that all telecom providers unleash the power of their current Customer Relationship Management projects and Marketing Resource Management projects for the benefit of their billing environments. Demonstrating to your customers that you know who they are and what services they use, as well as making offers that enhance that experience is the core of TransPromo - the marriage of transaction billing and promotional/educational messaging.

Using TransPromo techniques, you can protect your revenue base from erosion and enhance revenue streams with existing customers. These techniques make it possible to look at the billing statement real estate with a new eye to flexible marketing messaging to more discrete demographics, and working in sync with your mass market programs to ensure consistent messaging.

Early adopters of TransPromo customer communication strategies have already seen results from offers based on the consumer's spending patterns and public data. Some have added coupons that reflect the customer's spending patterns while others make offers to pull customers to new services or products. In all cases, statement producers report that when the offers are made on the statement and they are targeted to the recipient, they notice the change in response rate.

An action plan for results

If you are not sure how to begin, here's a sample plan to help you:

1. Identify the types of customer communication you currently have:

- Statements with transaction detail and remittance
- Rate and agreement change notices
- Welcome Kits
- Customer acquisition and re-acquisition solicitations
- Direct mail
- Mass market advertising

2. Identify what you know about your customers:

- Name, address
- Publicly available demographic information
- Buying patterns by type of service (common carrier, wireless, broadband, TV)
- Current accounts as well as past products and services

3. Identify how often you communicate with your customers and what means are used:

- Weekly, monthly, quarterly, annually
- Personalized direct mail, online, telemarketing, mass media
- How many types of communication per customer
- Do you combine communication for the household

4. Review the material sent to the customer:

- Brand consistency
- Relevance of offers
- Level of personalization

5. Form a team to review current program:

- Include marketing, IT and product managers
- Identify communication goals
- Develop data analytics plan
- Identify changes to current communication program
- Develop plan for implementation
- Identify internal and external marketing partner

6. Execute

- New customer communication design
- Monitor and measure
- Expand marketing offers
- Increase segmentation when appropriate

7. Review and Improve

Make the move today to Kodak Solutions

While there are only seven steps to this program it will be time consuming to execute. The results, however, can be measurable increases in customer loyalty and top line profits.

Many organizations are held back by out-of-date print technology that prevents the implementation of dynamic, full-color, personalized customer communication. Adopting a Kodak printing process means that you can eliminate pre-printed forms and all of the costs associated with them. You eliminate the time lost to stock changes and the waste from out-of-date stock. TransPromo is the next paradigm shift in customer communication. Ask us how you can use TransPromo today to create your next generation customer communication strategy for telecommunications.

To learn more about solutions from Kodak:

Visit graphics.kodak.com/go/datacenter
Or in North America, call 1-800-472-4839

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