



PROBLEM STATEMENT:

Customer Retention is as important as Customer Acquisition... perhaps even more important.

Client profile

- Australian Advertising Industry
- SMB Customer Segment
- 200k+ customers
- 1500+ employees
- \$600M+ Revenue

Key Team Roles

- Sales & Service SMEs

Business Impact

- Reduction in digital acquisition headcount to save \$4.2m
- Proprietary asset decline slowed with a 4% improvement in the customer churn rate
- Weighted average gross margin improvement of 2% on proprietary digital products
- Successful stabilisation of the regional customer segment
- Aligned the marketing spend of the business to key customer markets
- Established a series of customer retention and acquisition experiments to rapidly swarm around the customer churn issue



The client was on a transformation journey, moving from a product-led organization to one with the customer placed at the centre. To enable this, the client had several initiatives underway; including a new customer segment-led sales and service strategy, as well as a new customer experience led approach to workforce planning. Despite these, revenues and margins for their core proprietary assets were continuing to decline.

Approach: Shifting focus from customer number growth at all costs, to deliberate profitable growth.

- Working collaboratively with the client, data and insights were provided to establish the strategic way forward. There was a need to shift the organisation's focus from customer number growth at any cost, to a more tactical acquisition and retention play – of course aligned to the client's proprietary products, the most profitable in the portfolio.
- With this shared alignment, various initiatives were implemented to reduce the high rates of customer churn and ensure stable longevity.

Strategic initiatives implemented:

- Realignment of the Promotion and Advertising investment to run concurrently with the businesses key customer markets to assist with holding market share.
- Re-aligned customer segments to appropriate sales and service channels, based on their servicing preferences.
- Additional sales and product training sessions were held for the sales and service team to better understand the proposition of the client's proprietary products, alongside the key customer segments.
- Implemented 12-week focused customer churn initiatives, which involved 3 experiments including the MVP of a dedicated customer onboarding team, targeted segment-based acquisition/win-back campaigns and unassisted online sales capabilities.
- Optimised the pricing construct for proprietary digital products to deliver a weighted average gross margin improvement of 2%

CHURN REDUCTION

-24%

OVER 18 MONTHS

CUSTOMER EXPERIENCE

+38%

IMPROVED RESULT

PRICING

+12%

THROUGH VALUE-ADD