

TELECOM VANTAGE™

A view of the telecom and media consumer marketplace

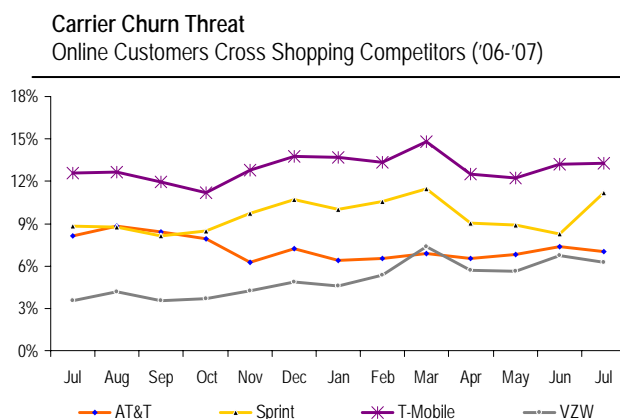
By Elaine Warner and Ryan Burke

HOW TO FIND 'AT RISK' CUSTOMERS BEFORE THEY SWITCH

Segmentation of consumers is crucial for any professional marketer today. One valuable, yet hard to reach, segment in the wireless world is the group of current customers thinking about switching carriers. These at-risk subscribers, or 'pre-churners', are a critical segment in the saturated wireless market.

Compete defined and assessed this segment while looking at the Big 4 carriers' customers. The chart above depicts the percentage of existing online customers who are evaluating competitive carriers within the same month. T-Mobile customers are found to be most active in shopping competitive products and services. This finding is supported by the facts

that T-Mobile has a younger, more active subscriber base than other carriers, and has a legacy of 1-year contracts.



These data help all carriers identify which customers are about to leave, when and why, and can help carriers take action to keep them. On the other hand, they can also be used to attract susceptible customers from their competitors. If you look at an upstart like Helio, 4% of site traffic comes from existing T-Mobile customers, with 2% from both AT&T and Verizon Wireless, and Sprint Nextel customers seemingly uninterested in the MVNO. T-Mobile customers also over index at Boost Mobile, another youth oriented brand that is successfully attracting T-Mobile interest.

Understanding where pre-churners are cross-shopping provides valuable information. But for those looking to win-over these potential customers, taking action means targeting your marketing strategy to those sites where they spend the most time.

Gather.com Traffic Overlap with Pre-Churn Segment June 2007

Carrier	Overlap
AT&T	4%
Verizon Wireless	3%
T-Mobile	3%
Sprint	2%

gather.com, a social networking site for adults, attracts a significantly higher percentage of individuals in the pre-churner segment. Gather.com had the highest composition of pre-churner traffic of any non-wireless website that attracted significant pre-churners from all of the Big 4 carriers. This translates as gather.com attracting twice as many Sprint Nextel pre-churners and 4X as many AT&T pre-churners than the IBP average. On the other end of the spectrum, pre-churners, from all carriers combined, composed only 0.3% of website yelp.com's traffic. Yelp.com is an open forum for recommendations and reviews across a wide variety of products and services.

Understanding the popular sites of specific demographic segments is the first step to targeting specific customer segments. Adding in the behavioral component sheds new light on how to find and convert those hard to reach, and valuable, segments.

COMPETE'S BEHAVIORAL ANALYSIS IDENTIFIES PRE-CHURN CONSUMER SEGMENTS, HOW TO ENGAGE WITH THEM AND ENCOURAGE OR DISCOURAGE THE ACTION.

8% of site traffic to upstart, Helio, comes from customers of established players, like Verizon, T-Mobile or AT&T

Compete's intelligence and targeting services analyze consumer behaviors and competitive best practices to help telecom and media companies maximize their returns on marketing, product development, and procurement.

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