

Base Value Framework: Outlines the importance to ensure customer satisfaction as foundation to drive sustainable customer lifetime value development

Conceptual

Happy, Loyal, Paying Customers (HLPC)

Enabling "happy" customers is the foundation:

Happy: How can I keep my customers satisfied to ensure their loyalty and encourage additional spending?

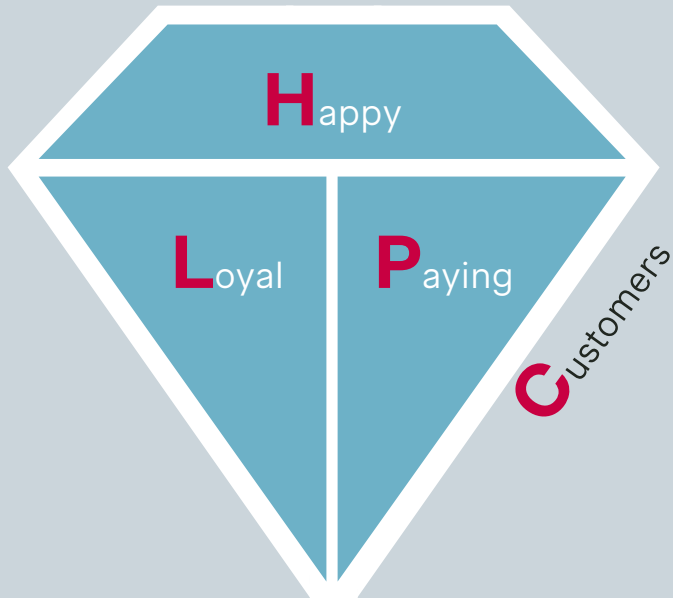
"Loyal" and "paying" customers combined constitute the Customer Lifetime Value:

Loyal: How can I retain my customers through prolongations and create a "lock-in effect"?

Paying: What up- and cross-selling levers can I use to increase their ARPU over time in a sustainable way?

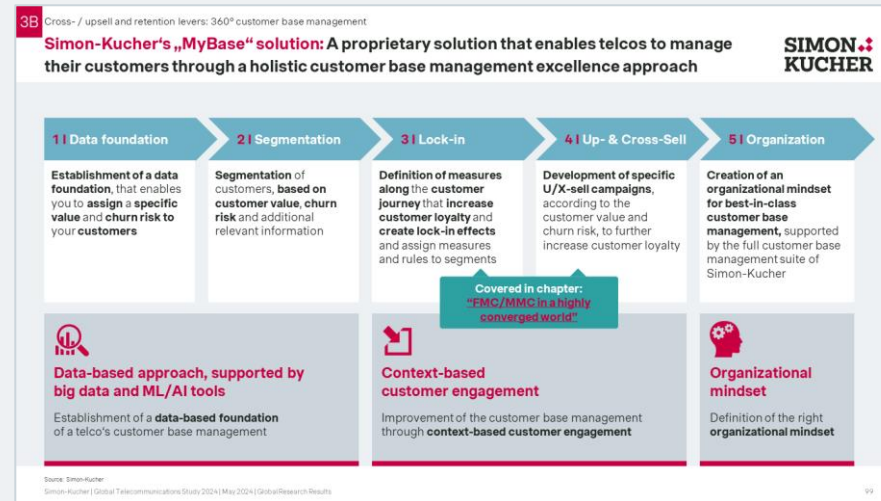


Base value frameworks: To enable customer satisfaction that drives loyalty and ARPU development, there are two dedicated frameworks and approaches to be used



MyBase

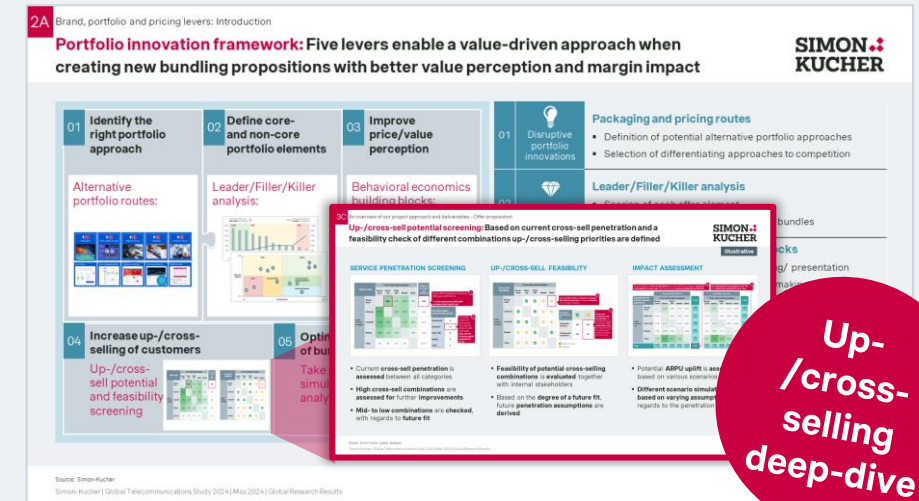
Using insights to derive a customer segmentation to loyalize and build value



Proprietary solution that **utilizes customer data to “lock-in” customers** and **drive value through U-/X-sell**

Portfolio Innovation Framework

Designing an innovative and value-driven telco portfolio



Consists of **five levers to identify new ways to sell telco services** and **design** them in a way that drives growth

Simon-Kucher's „MyBase“ solution: A proprietary solution that enables telcos to manage their customers through a holistic customer base management excellence approach

1 | Data foundation

Establishment of a data foundation, that enables you to **assign a specific value** and **churn risk** to your **customers**

2 | Segmentation

Segmentation of customers, **based on customer value, churn risk** and additional relevant information

3 | Lock-in

Definition of measures along the customer journey that **increase customer loyalty** and **create lock-in effects** and assign measures and rules to segments

4 | Up- & Cross-Sell

Development of specific U/X-sell campaigns, according to the customer value and churn risk, to further increase customer loyalty

5 | Organization

Creation of an organizational mindset for best-in-class customer base management, supported by the full customer base management suite of Simon-Kucher



Data-based approach, supported by big data and ML/AI tools

Establishment of a **data-based foundation** of a telco's customer base management



Context-based customer engagement

Improvement of the customer base management through **context-based customer engagement**



Organizational mindset

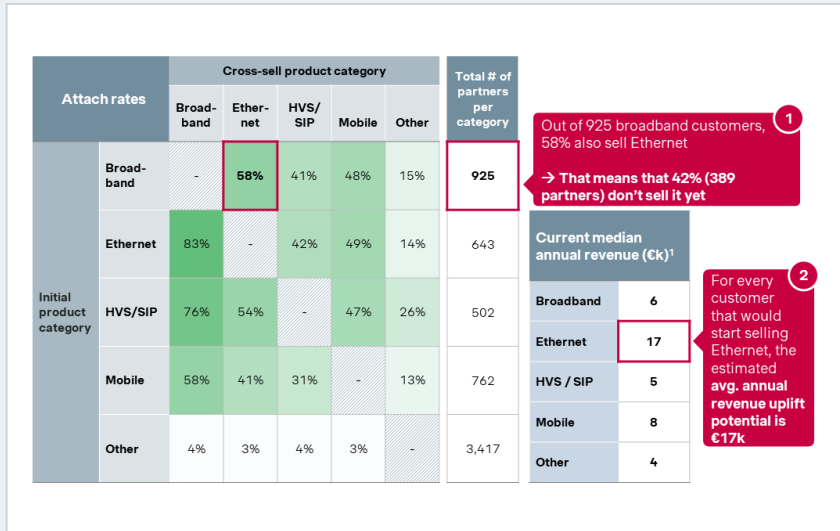
Definition of the right **organizational mindset**

Up-/cross-sell potential screening: Based on current cross-sell penetration and a feasibility check of different combinations up-/cross-selling priorities are defined



Illustrative

SERVICE PENETRATION SCREENING



UP-/CROSS-SELL FEASIBILITY



IMPACT ASSESSMENT



- Current **cross-sell penetration** is **assessed** between all categories
- High cross-sell combinations** are **assessed for further improvements**
- Mid- to low combinations** are **checked**, with regards to **future fit**

- Feasibility of potential cross-selling combinations** is **evaluated** together with internal stakeholders
- Based on the **degree of a future fit**, future **penetration assumptions** are **derived**

- Potential **ARPU uplift** is **assessed**, based on various scenarios
- Different scenario simulations** are **based on varying assumptions** with regards to the penetration increase