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Revolutionizing Customer Retention: How Foxtel Drove Up Retention Rates and Reduced Costs

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PW 18



**Limitless possibilities.
Real results.**

About Foxtel



Company Profile

Foxtel provides subscription television services across Australia, via satellite, cable, and streaming. Foxtel's core business focus remains on its television offering, and in 2015 the company branched out into broadband services, offering customers the opportunity to bundle both services together.



Customer Churn was ~15.1% in FY17



2.8 million subscribers

Equating to market penetration of ~30%

Product Offering



Cable / Satellite



Streamed content



Broadband



Competition

For many years Foxtel was the primary provider of subscription television in Australia. More recently, competitors providing low cost video streaming on demand have offered customers alternative viewing options.

Facing increased competition from low-cost streaming services such as Netflix and Stan, as well as digital media companies such as Google, Facebook in the advertisement market.

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Why Pega?



Recognised as industry leader for NBA



Multi-channel capability (inbound, outbound, digital, and sales channels)



Uses real-time data (rules, adaptive and propensity models)



Provides business framework to generate real-time offers based on various levers



Flexibility offered to tailor the solution per organisation's needs



Speed to implement

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The Opportunity



1

Targeted offer cost savings

2

Improved customer churn via better recognition of customer value

3

To provide a consistent customer experience across touchpoints with lower reliance on agents

4

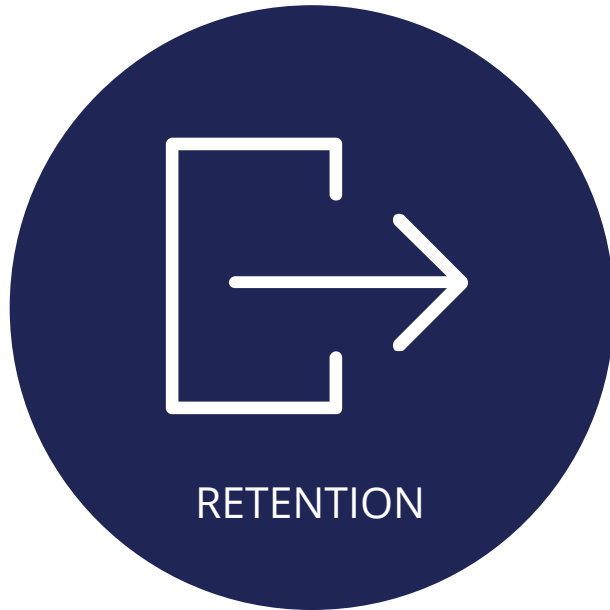
To create new revenue streams by enabling sales conversations in the traditional call centre environment

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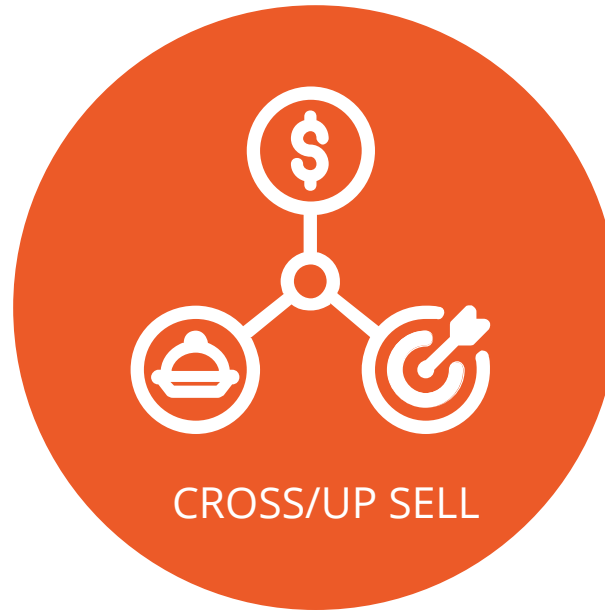
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Project Scope



RETENTION

- 150+ agents
- Spread across 3 sites
- 600K interactions per year



CROSS/UP SELL

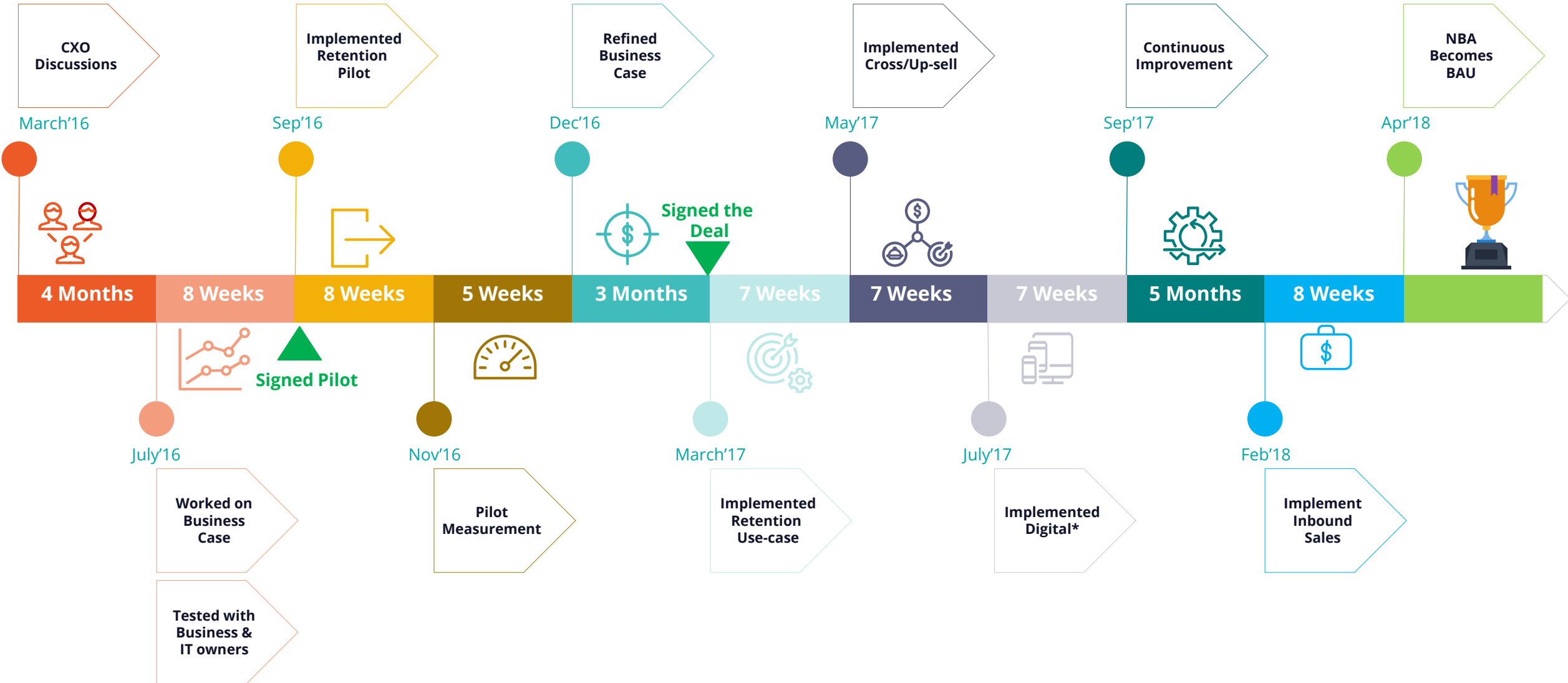
- 900+ agents
- Spread across 4 sites
- 5.5m interactions per year



DIGITAL

- 2 touchpoints
– Web and App
- 17.5m interactions per year

Our Journey



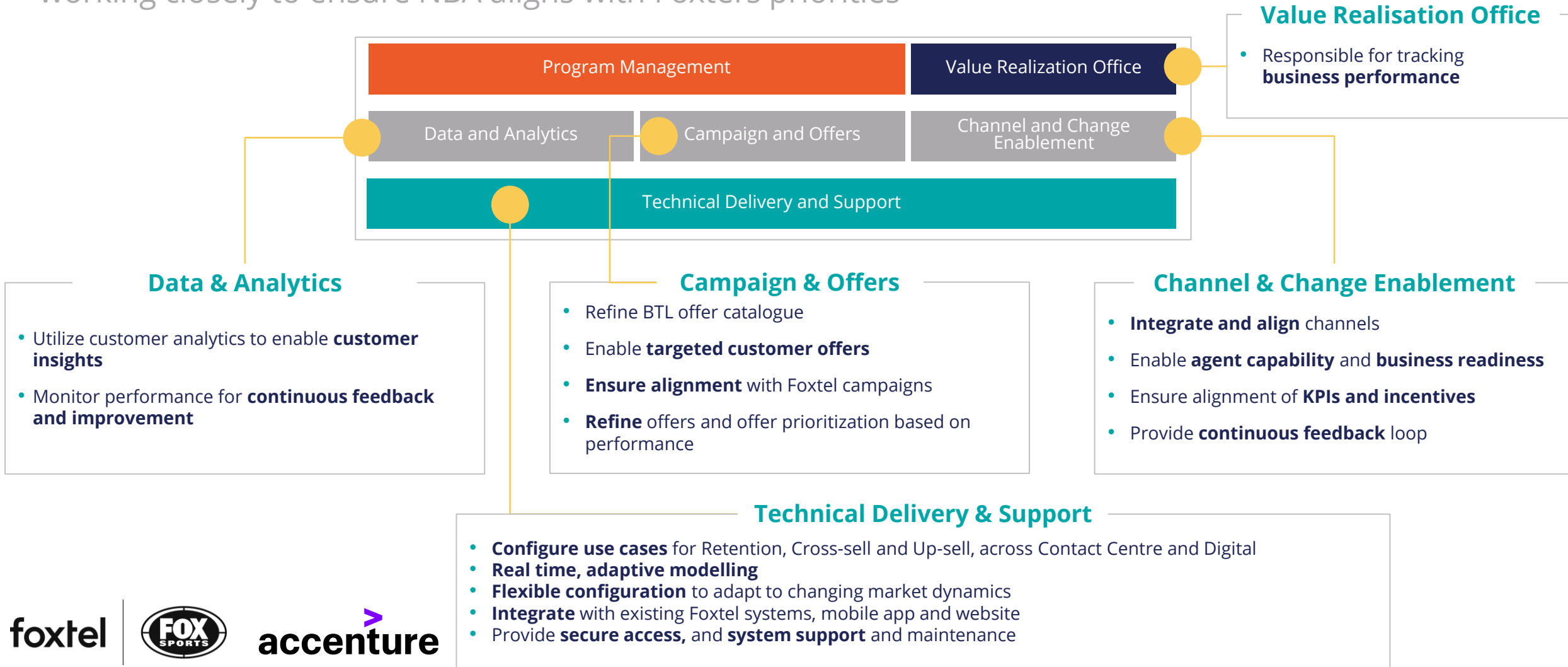
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One of the
fastest ever
Pega NBA
implemen-
tations

Set Up For Success

The team is structured into workstreams, with business and technical functions working closely to ensure NBA aligns with Foxtel's priorities



NBA Solution

Information

Real Time Context

- Customer real time context on each interaction

Customer Data

- 400+ attributes about the customer

Interaction History

- Customer actions in the recent past

Business Rules

- Contact policies
- Eligibility
- Compatibility
- Prioritisation

Insight

Analytics Models

- Churn Risk model, Customer LTV, Retention budget, Beta distribution, Randomisation

Contextual Understanding

- Pega's Adaptive model



Action

Retention

- Offers

Cross/Up-Sell

- Offers
- Service messages

Digital

- Offers
- Service messages

Best Strategies

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Key Takeaways

Experiment Furiously Fast

Ran multiple A / B experiments simultaneously across segments of customers.

Experimented with various Analytics models.

Experience-Led Delivery

Ensured Customer, Business, and Agents needs and experience are met through Design Thinking workshops and UX, done by Fjord, Accenture's Design Agency.

Leverage Out-of-the-Box Solution

Researched out-of-the-box solution and leveraged to the extent possible without any specialisations.

Manage Quality Well

A strong focus on quality with close monitoring of the Compliance Guardrail score.

Maintained the score above 95+ throughout project lifecycle.

Don't Reinvent the Wheel

Engaged our global SME pool spread across industries and organisations to do our prep-work.

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Benefits Achieved

Implementation in record time resulted in faster go-to-market and benefits realisation

Bottom line benefits...

Increased revenue



Improved churn



Offer spend reduction



Maximise customer lifetime value



Cost centres become profit centres



Business case targets...

1%+ cross-/up-sell conversion

0.5%+ retention save rate increase

>7.7% retention offer cost savings

Experiential benefits...



Net Promoter Score improvements



Recognise high value customers



Personalised interactions



Less reliance on employee knowledge accumulation

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Key Lessons Learnt



High risk, high reward approach of selecting Retention for Pilot



Strong partnership is paramount



Solid project governance is the key



Bake value realisation into project



Underpin robust business case



Adopt Agile working model



Change Management is NOT a 'nice-to-have'



Go Cloud

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Build for Change[®]