CASE STUDY

Sagacity
Part of **Accenture** Song

Driving Customer Value Through Proposition Analysis

Client

Major Telecoms Provider

Value Based Management

Client Situation & Impact

Our large telecommunications client had multiple SIM only propositions of varying contract lengths. They wanted to understand which propositions were most valuable as they assumed the longer the contract, the more value customers were contributing.

Based on this understanding, our client incentivised their sales channels to sell the contracts with longer durations.

Proposition Analysis

Customer Insights and Profiling

Cost Savings

How Did Sagacity Help?

Using our Telecoms expertise and our Value Based Management software, we conducted in depth analysis to establish the value generated by each proposition. Analysis of revenue, costs, tenure, pricing, channel and customer behaviour was carried out.

Our modelling found that customers who opted for the 24-month contract had a similar tenure and value contribution to customers on an 18-month contract. This was destroying value as the 24-month proposition attracted a significantly higher commission rate for all sales channels

Outcome & Business Benefits

£4m opex saving

Based on our results and customer profiling, our client removed the 24-month contract from its proposition and achieved operational expenditure savings of £4m per year.

Value analytics was delivered to monitor the performance of propositions on an ongoing basis.

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