

THE CHALLENGE

In today's economic climate, telecom, cable and utility companies are struggling to hang on to market share. For years, these industries were considered "recession-proof" because of the lack of competitive pressure and the perceived necessity of the services they offered.

Today, the traditional players all face aggressive competition as the markets have opened up and new products have been developed. The new competition—the utility resellers, the competitive local exchange carriers, wireless providers, satellite and the VDSL products (such as AT&T's Uverse and Verizon's FiOS)—are eager to expand penetration, but they face a different set of challenges with establishing a presence in these highly saturated markets.

Cable

When cable was king, the answer was simple. Either you subscribed to your local carrier, or you relied on broadcast television. If you lived in a rural area, perhaps cable was the only choice. Unfortunately, the decades-long lack of competition for television services made the cable operators complacent in regard to customer service. Although there have been industry-wide service improvements in recent years, cable still carries a service-insensitive stigma with many consumers. Today there are choices in television products and cable subscribers are migrating to satellite and telecom-based providers in record numbers.

Utilities

Historically, the utility landscape has been dominated by regional monopolies operating large power plants and setting rates under the oversight of state regulators. But now, continuing trends toward deregulation has former-monopoly utilities and new resellers going head-to-head for market share. The new players have the marketing advantage of differentiating themselves from the incumbent providers—tapping into the consumer's desire for cheaper, greener, more reliable energy—and the strategy is working.

Telecom

Deregulation in the telecom industry was a result of the *Telecommunications Act of 1996*, which created a national law to allow local exchange competition. While the act ultimately paved they way for the wide range of telephony choices available today, it has also driven up local residential service rates, which were formally subsidized by long distance revenues. The wireless boom and the introduction of VoIP technologies, has changed the face of the telecom industry. Local exchange carriers and the traditional telephone product are the hardest hit as consumers are electing to forego landlines. It is estimated that 20 percent of all households are now wireless only, and the number climbing sharply. Last year alone, the industry saw an 11 percent rate of access-line erosion due to wireless substitution.

The Emerging Competition

Be it in video, utilities or telecom markets, the emerging competition all face a similar foe—a relative newness in the markets they are entering. The old-timers benefit from familiarity, from brand loyalty and from the fact that, by nature, consumers are still (all be it, less) resistant to change. Consumer confidence grows proportionally to the tenure of the relationship with a provider, as does the lifetime value of the customer. New companies, particularly in over-saturated markets, typically have a more transient customer base. The emerging competition needs to work on strategies to keep customers in order to build stronger customer relationships.

The common problem for all of these companies is a need to reduce customer churn. Customers leave for a variety of reasons with common ones being product dissatisfaction, pricing, or the lure of better service. Another reason for churn is non-pay disconnection of service. Often, these customers don't have problems with the product, the price or the service. Often they just need a reminder to pay their bill.

THE SOLUTION

Advanced TeleSolutions (ATS), a Dallas-based customer retention firm, has spent more than ten years refining strategies to effectively manage customers within the delinquency cycle. Millions of calls later, ATS provides the most effective solution for reducing customer loss due to non-payment.

ATS agents place powerful, proactive, outbound calls to delinquent customers offering the opportunity to pay immediately with a variety of convenient payment options. Multiple attempts are made at varying times to maximize contact potential. While the most effective calls are made early in the delinquency cycle, ATS also provides post-disconnect outbound calling services, often offering partial-payment or promise-to-pay opportunities to the customers most at risk of permanent disconnection.

ATS programs are uniquely designed to reflect the client's communications conventions from customized scripts and PUC compliance programs, to call quality and customer service objectives. Supplementing outbound calls, ATS can provide dedicated toll-free payment numbers, inbound services, T-grams and automated payment reminders.

Sophisticated connectivity to most national (and many proprietary) billing systems enables ATS to add additional value to the retention programs. ATS agents are able to access payment history, post payments, update accounts and generate work orders in real time. ATS has also worked with the larger billing systems to automate common processes for faster, more accurate transactions.

THE RESULTS

ATS has a long record of proven results. Considering the 2009 results for a pre-disconnect retention program for one of the nation's largest cable companies, ATS was able to take \$13,433,455 in telephone and IVR payments for a total program cost of \$2,462,664.

The Value of Live Agent Outreach

Total accounts submitted	2,715,052
No phone numbers	23,512
Total accounts called	2,691,540
Incorrect phone numbers	340,288
Net adjusted accounts	2,351,252
Average delinquent balance per account	\$260
Subscriber contacts	2,059,044
Number of direct check & credit card payments	100,208
Value of direct check & credit card payments	\$13,433,455
Total contact percentage	87.9%
Save rate	18.4%
Account payments	\$13,433,455
Program costs	\$2,462,664
Net gain to system	\$11,192,517

The Value of Payment Commitments

In addition to the results based on the immediate payments made, the cable provider also benefited from subscriber "promise to pay" commitments. Typically, within a few days of ATS contact, an average of 68 percent of commitments have been fulfilled

Number commitments fulfilled	291,262
Value of commitments fulfilled	\$42,642,293