

How Broadband Providers Can Increase Customer Retention

Protecting Your Customer Base: Strategies to Reduce Churn During Price Hikes



Personalised Customer Experience

Task Completed



Build Value Through Service Add-Ons

Email

You did it! You have reached SILVER Rewards!

Contract renewal due in 3 days

Receive £25 when you renew your contract.

FROM: info@bt-rewards.co.uk

TO: thomasgardner@gmail.com

5:00 AM (6 hours ago)



Extend Contract



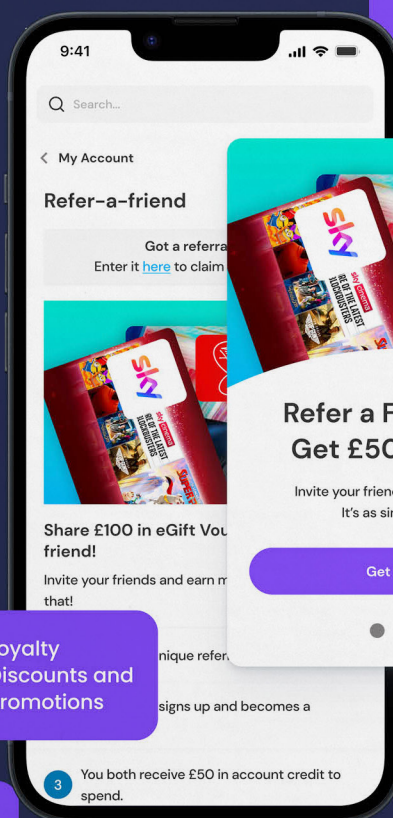
Loyalty Discounts and Promotions



Craft Customer-Friendly Contracts



Provide Exceptional Service



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Introduction

Broadband providers face a tricky balancing act. As costs rise, periodic price increases are necessary to maintain healthy margins. Yet, these inflationary hikes risk alienating customers and increasing churn if they are not handled carefully.

You're not alone in that nagging feeling that, even if customers see it coming, these inevitable and necessary price increases could erode the trust you've managed to build with them. Talk about being stuck between a rock and a hard place!

But here's the secret that savvy providers are using to offset the pain – value. Real, tangible value that customers can't get elsewhere.

When you show customers how much you appreciate their loyalty, they'll be more forgiving of reasonable price rises. The key is to offset any financial hit through targeted loyalty initiatives and rewards.

In this guide, we'll share tactics designed to boost customer acquisition, retention, and lifetime value even amid price hikes. We'll explore tactics ranging from bundled discounts to rewards programmes to dampen the impact.



Mark Camp

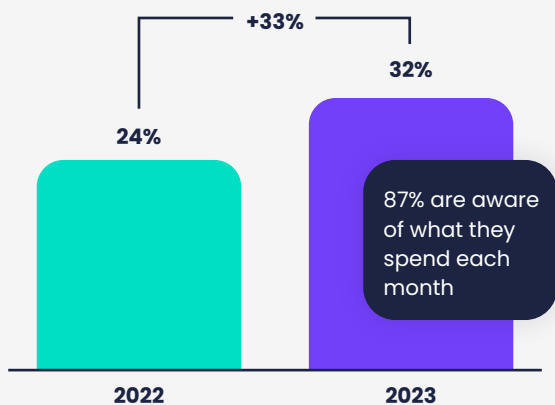
Founder & CEO
Propello Cloud

Section 2: Understanding the Challenges

The current state of churn and customer switching intentions is reaching fever pitch in the broadband industry.

Broadband: 1/3 of consumers are considering to change their internet provider

Share of consumers that indicated a moderate to high likelihood of changing their



[Image source](#)

Contract renewal due in 3 days

Receive £25 when you renew your contract.

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Extend Contract

Around a third of consumers consider switching providers when their contracts end. Retention strategies are more crucial than ever.

This year will see even more price hikes, but delivering fast broadband to millions of homes doesn't come cheap. Laying cables, setting up towers, and expanding networks cost big bucks. Plus, the constant need for speed upgrades is a perpetual investment.

But there's a disconnect. Where broadband companies see an essential investment, consumers see an unnecessary increase in their monthly bill.

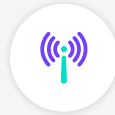
We need to restore the connection between broadband providers and their customers. The first step is finding the root of the problem.

Factors Contributing to Rising Costs



Inflation:

Operational costs are significantly affected by inflationary pressures. When the prices of commodities and services rise, expenses also increase, and customers pay more for their broadband.



Infrastructure Upgrades:

The ever growing need for faster internet speeds and more bandwidth capacity has called for continuous investments in broadband infrastructure upgrades. Providing faster speeds and increased capacity requires major investments in new networks, hardware, and technological advancements. Essential for providing a reliable, fast, and competitive service but costly nonetheless.



Regulatory Changes:

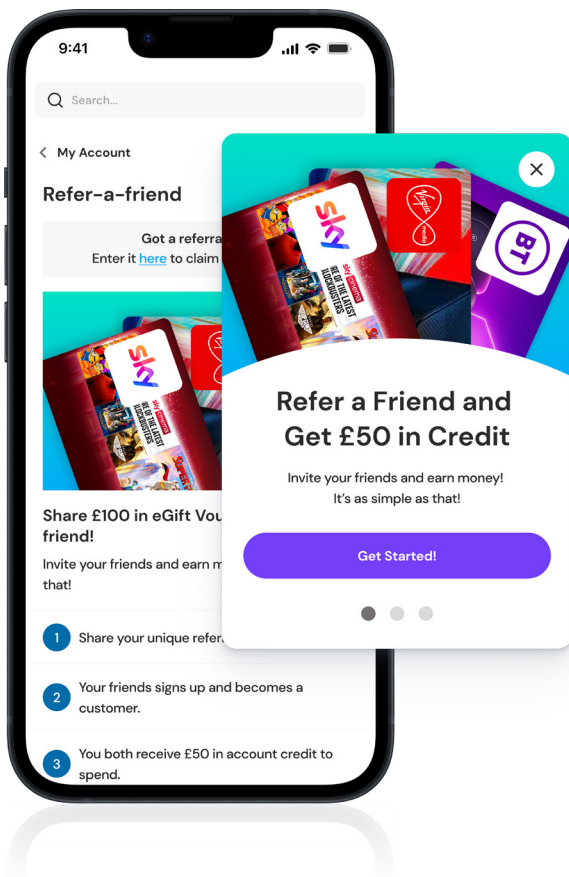
New rules often carry a high cost of compliance, although they play an important oversight role as well. The process of accommodating changes requires time, money, and resources.

While these factors prove that managing finances is critical, building strong customer relationships is equally important for survival. Loyalty initiatives are a key piece of the puzzle when it comes to mitigating churn and competing effectively in today's market.

But why even bother with customer loyalty?



Section 3: Importance of Customer Loyalty



Acquisition

Devoted customers also become advocates. They're the ones raving about you on social media, referring to new sign-ups, and leaving glowing reviews. That word-of-mouth is marketing gold for standing out from the crowd.

It creates a cost-effective acquisition cycle that trumps expensive campaigns. Also, the strength of existing social connections means devoted customers will be bringing in highly qualified leads.

Retention

When times get tough, loyal subscribers have your back too. They'll stick with a trusted provider, even amid crazy competition or economic swings.

That stability is priceless since retaining existing customers costs way less than acquiring new ones. Plus, retention addresses churn—the killer of bottom lines—head on. That's why loyalty programmes and personalisation are so key – they reduce churn and keep revenue flowing.

Ultimately this is a proven solution that encourages customers to stay with brands by nurturing meaningful relationships. It makes them feel reassured and looked after.

Customer Lifetime Value

Cultivating loyalty can help you to transform the lifetime value of your customers, especially if you have a loyalty programme.

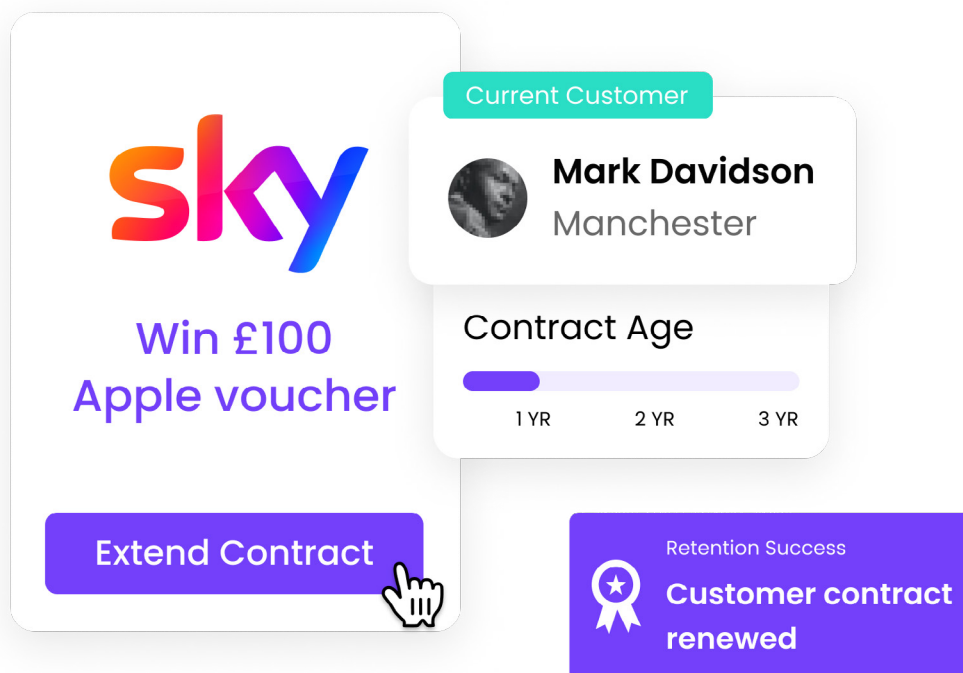
Loyal customers tend to spend more over time through added services, upgrades, etc., delivering more lifetime value.

You can encourage customers to go for higher-priced plans or cross sell additional services and complementary products, which can drive incremental revenue.

Of course, the benefits of retaining devoted customers stack up:

- Lower churn compared to constantly reeling in new customers
- Higher lifetime value through repeat purchases and upgrades
- Free marketing from referrals and social media praise
- Lower acquisition costs than expensive campaigns
- A core base of fans to weather industry storms

Keeping customers happy and invested for the long-term fuels sustainable growth and resilience. That devoted base becomes a true competitive edge.



Section 4: Strategies for Rewarding Broadband Customer Loyalty Amidst Price Hikes

Now that we've established why rewarding customer loyalty is essential, let's explore some proven strategies to keep your customers invested for the long haul.

1. Offering Loyalty Discounts and Promotions

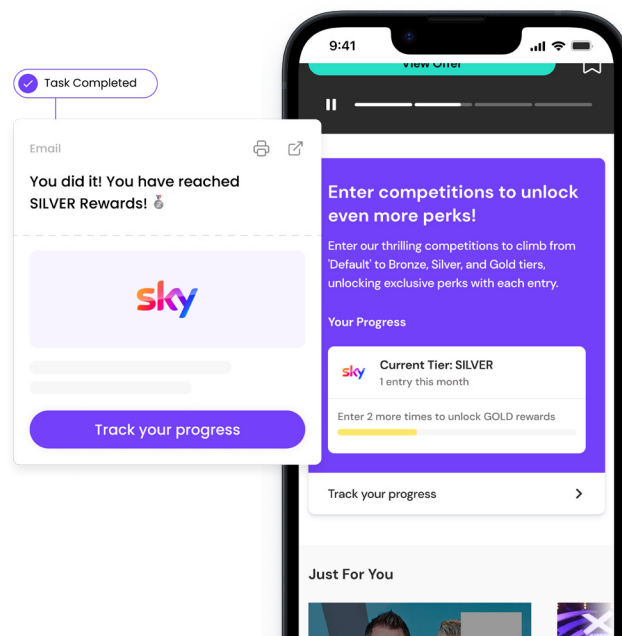
The first thing you want to do is provide discounts and promotions just for your VIPs.

A recent study found that 71% of customers say they would switch brands if they felt their current provider did not offer sufficient benefits.

Offering exclusive deals provides that vital feeling of appreciation for their ongoing loyalty and commitment. Think about:

- Milestone promotions – a thank you for years of loyalty
- Always-on rewards – hyper-relevant incentives offered and funded by closely aligned partners, either your own or provided by your loyalty programme provider
- Tiered programmes where long-term customers unlock progressively greater rewards over time. This is a powerful way to reinforce loyalty by increasing value.

Money Expert Rewards gives broadband customers a range of relevant instant rewards across technology, music and other utilities.



Another big impact strategy – preferred pricing for devoted customers. Special rates and renewal incentives give loyal customers real, tangible savings on their monthly bills.

Consider offering:

- Special discount rates exclusively for your longest serving or high-value customers.
- Generous renewal discounts or promotions in recognition of their commitment to your brand. This encourages contract renewal and minimises churn.

Being proactive is equally essential. Identify at-risk customers approaching contract end dates. Get ahead of churn by reaching out with personalised promotions or renewal incentives first. Make them feel valued before competitors swoop in.

2. Building Value Through Service Add-Ons

Loyalty-building isn't just about discounts – you can also boost value through exciting service add-ons. Let's explore some possibilities:

Leverage Upsell and Cross Sell Opportunities

Package deals on broadband plus services like TV/mobile/security provide convenience and savings in one fell swoop. Upgrade discounts work similarly – promotional rates to add service tiers incentivise purchases while enhancing their experience.

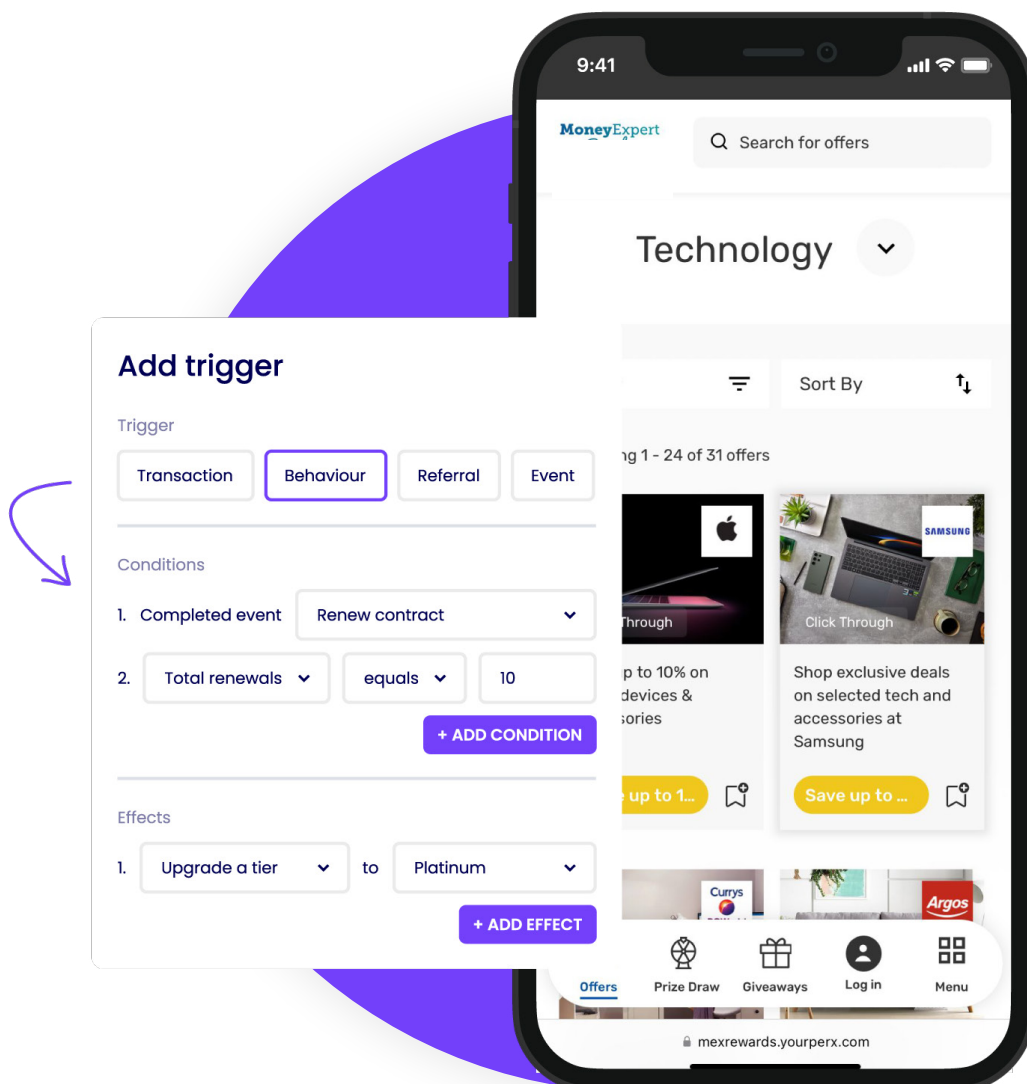


Loyalty programmes are the perfect vehicle for encouraging customers to upgrade to faster speeds or add mobile service to their account. You can use the data from your loyalty programme to identify customers who are prime candidates for an upgrade and then target them with personalised offers.

Convince them to upgrade by offering conditional rewards. For example, offer a discount on mobile service when customers renew their broadband contract. Or give bonus points or bill credits to customers who upgrade to a higher speed tier.

These targeted incentives drive incremental revenue and deepen the customer's relationship with your brand.

Pro tip: Rewards can be triggered using loyalty programmes to encourage broadband contract renewals, upgrades or cross selling related services, such as mobile contracts.



Free Streaming Service Subscriptions

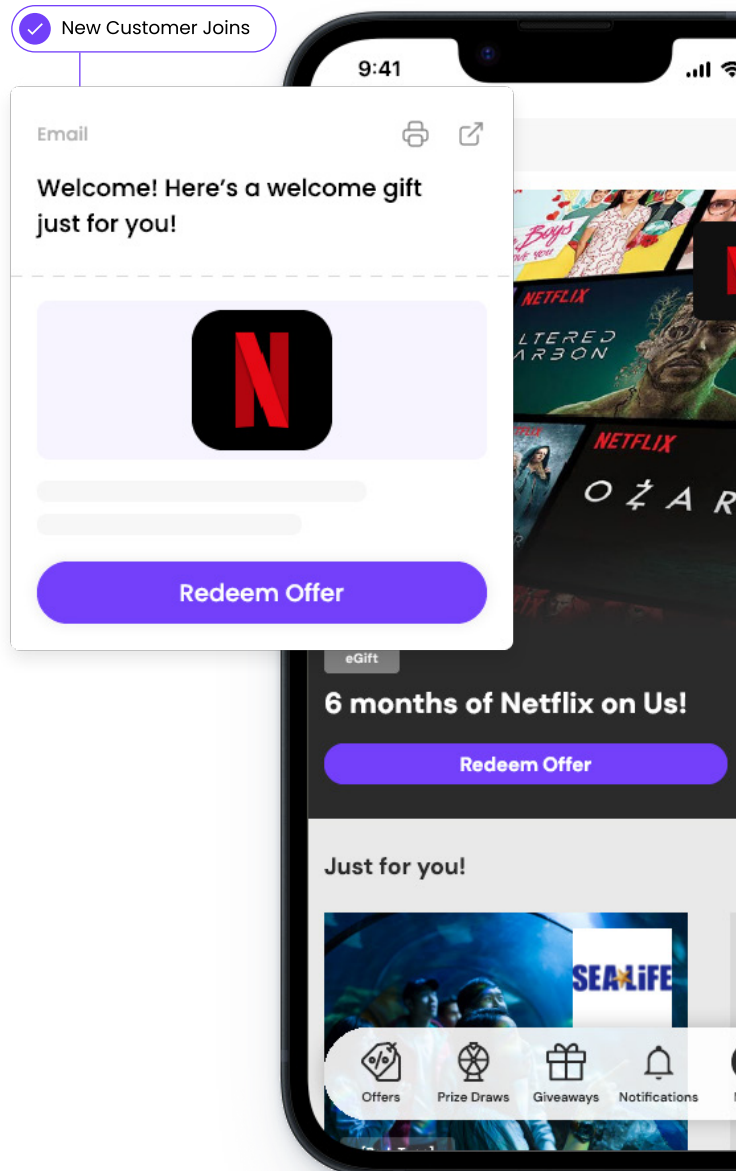
Bundling broadband subscriptions with popular streaming services is another big value-add. Offering complementary access to Netflix, Hulu, or Spotify enhances your core offering. For customers that love the latest shows and music at their fingertips, this makes your broadband offer more appealing.

Priority Customer Support and Technical Assistance

Don't overlook priority support, either. Designate special fast-track service channels for all of your customers. Quick and reliable problem resolutions make devoted customers feel valued.

Consider providing:

- Expedited response times and personalised troubleshooting
- Proactive technical maintenance and guidance
- Premium assistance hotlines just for loyal subscribers



3. Crafting Customer-Friendly Contracts

Contracts play a big role in building loyalty, especially with rising prices. Let's go into crafting terms that make customers feel valued:



Waiving Early Termination Fees

Catering to early exits demonstrates your commitment to satisfaction. Make it easy to leave by waiving termination fees under certain conditions:

- Waiving fees for relocation, job loss, or financial hardship.
- No penalties for early exits due to service problems.
- Hassle-free cancellation if needs change.

Removing obstacles cultivates huge trust in your customer base. Flexible and fair contracts show consumers that you appreciate their circumstances and not just their stats as an existing or former customer.

At their core, your contract terms set the tone. When you prioritise transparency and flexibility, customers notice. It keeps the focus on mutual benefit.



Price locks and Rate Guarantees for 1 -2 Years

Providing rate locks or price guarantees is hugely reassuring. When costs are unpredictable, it brings peace of mind knowing your price is fixed for the contract term. Try implementing strategies like:

- Price locks or rate guarantees that clearly communicate future increases.
- Annual rate increase caps even if the base price rises.
- Rate re-locking when renewing without surge pricing.



Flexible Contract Terms

Offering contract flexibility helps you anticipate the changing needs of customers. Flexibility could be short-term contracts, easy plan changes, or even month-to-month agreements. Working around the needs and preferences of your customers quickly builds trust and satisfaction.

4. Personalising the Customer Experience

In this age where consumers desire personalised engagements and answers, broadband providers can differentiate themselves by providing bespoke experiences that connect with individual customers' likes and wants.

79% of consumers are more likely to engage with offers personalised based on previous interactions with a brand.

By using data-based insights and inventive technologies, you can create special touchpoints that result in more customer participation, loyalty, and satisfaction. Here's how:

VIP Rewards Programmes and Loyalty Tiers

Introduce VIP rewards programmes as well as loyalty tiers that recognise and reward customers based on how long they have been using the service, their usage patterns, and levels of interaction, among other factors.

Offering exclusive privileges to top tier loyalists, such as discounts or even access to certain services, keeps them engaged.

Customised Recommendations and Offers

Utilise big data analytics together with machine learning algorithms to study customer behaviour, preferences, and consumption patterns. Use these observations to make personalised recommendations, customised offers, and relevant content targeted at each customer's personal interests and needs. Such as suggesting the most beneficial service plans, add on features, or promotional bundles.

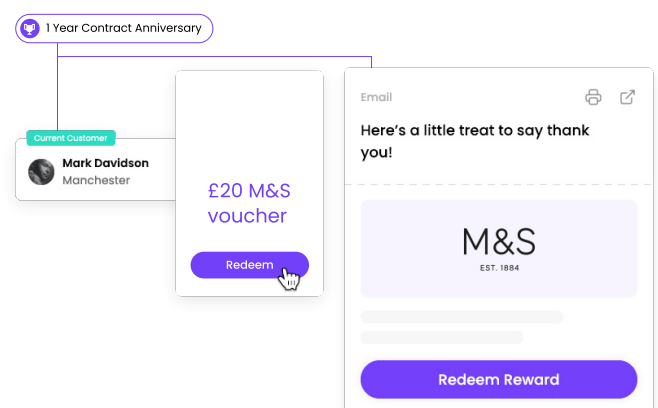
Special Perks and Free Gifts

Surprise customers with some extra perks or free gifts as a sign of gratitude for their loyalty. This may range from giving free tech gadgets, upgrading an individual's subscription package, or granting exclusive entry to special events.

Look for other surprise opportunities, like:

- Complementary service upgrades or bonus data allowances.
- Exclusive access to special promotions and sneak peeks.
- Periodic contests and giveaways just for programme subscribers.

These actions create unforgettable moments while upholding your commitment to customer satisfaction.



5. Providing Exceptional Service

Exceptional service is one of the main factors that make customers loyal, especially in the broadband industry where reliability and responsiveness are important.

With 52% citing poor service as a dealbreaker for repeat purchases, delivering quality support is essential.

By surpassing customer expectations and consistently providing memorable experiences, providers can foster trust, loyalty, and advocacy among their audience. Below are the key components of this strategy:

Speedy Technical Support and Issue Resolution

Prioritise technical support for your customers. Problem resolution should always be swift and seamless to keep customers connected to the internet.

Prioritise fast resolution by:

- Offering 24/7 assistance across multiple channels.
- Implementing call-back request options to avoid long holds.
- Having knowledgeable reps immediately accessible to troubleshoot issues.
- Conducting proactive check-ins when service is disrupted.



Proactive Communication and Education

Maintain a proactive approach to educating and communicating with customers. This builds anticipation and excitement, keeping customers engaged when they might have otherwise been considering leaving once their contract ends.

72% expect timely responses, and 71% want natural, conversational communication.

Keeping them informed promotes a sense of belonging and builds a community of savvy brand champions.

Keep customers informed by:

- Sending email/text alerts about service changes, maintenance, and outages.
- Providing regular updates on new features, technologies, and offerings.
- Sharing tutorials on how to optimise service performance, security, etc.
- Creating education hubs with blogs, videos, and guides to build knowledge.



Section 5: Case Studies and Success Stories

Now let's explore some examples of broadband providers who have effective loyalty programmes.

1. sky (UK)

Sky VIP rewards its customers by offering exclusive rewards and perks. Customers can access the My Sky app to discover and redeem VIP rewards.

Exclusive rewards include free movies, special offers on smart home insurance, personalised welcome gifts, and VIP lounges at selected sites.

Why it works

VIP perks, like event tickets and preview screenings, provide memorable experiences that go beyond typical discounts. This builds an emotional connection between the customers and the brand.



2. Talk Talk (UK)

Talktalk, one of the UK's top broadband providers, operates under a loyalty strategy based on referrals with strong advocacy in its customer base. The TalkTalk Referral Programme provides subscribers with incentives for referring family members and friends.

- **Referral Process:** Customers can join Talk-Talk's referral programme through a referral hotline or the online portal. They then receive an email with a unique link, which they can share with friends.
- **Sharing Referral Link:** Members have a wide choice of channels, like emails, social media, and text messages, for sharing personal referral links with friends and families.
- **Reward Redemption:** If the new lead converts into a paying customer, after their first bill, they (and the referrer) each receive a £50 gift card

Why it works

Referral programmes encourage brand advocacy, optimising the cost and quality of the acquisition cycle. A compelling referral programme leverages existing social connections to organically promote your brand.

TalkTalk



3. BT (UK)

Let's examine BT's approach. They offer discounted bundles like NOW Entertainment, Netflix, Eurosport, etc. with their TV & broadband packages.

This allows customers to conveniently consolidate services and get access to popular streaming content. The discounted bundles enhance the core offerings.

BT also introduced its BT Rewards loyalty programme. It lets customers earn prepaid cards for purchasing BT broadband services.

Additionally, BT has committed to ending mid-contract price rises starting in 2024. They will instead disclose full price increases upfront, per Ofcom guidance. This promotes transparency.

Why it works

First, cross selling adds value by combining relevant services at an attractive price. This incentivises customers to obtain multiple services from BT.

Second, the rewards programme influences engagement by letting customers earn tangible rewards for their loyalty.

Together, these tactics can only have a positive effect on customer lifetime value. Adding value through cross selling and earning rewards helps offset rising costs and makes customers feel appreciated.





Contact Us

Targeted reward programmes mitigate the impact of price hikes on customers. Tactics like discounts, add-ons, and VIP perks make people feel they are getting more value for money in spite of rising bills.

Propello can leverage expertise to design strategies that meet your customers' needs and strengthen your relationships through positive change. The goal is to keep customers happy and connected in the face of market challenges.

With the right approach, offering rewards for loyalty humanises the sector that's known for bringing people together.

Curious how a loyalty programme might look for your brand? Simply book your 20 minute slot for a demo tailored specifically to your business.

Contact us today for a quick 20 minute demo

Book a demo



www.propellocloud.com/contact/



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