

White paper summary

An approach to acquiring
profitable customers in
Telecommunications



Acquiring profitable customers in Telecommunications

There is not a single approach to credit risk management for the telecommunications industry. However, by focusing on the vital common aspects required in acquiring profitable customers, Mobile Network Operators (MNOs) can take a proactive approach to managing the levers that drive customer profitability at the point of customer registration.

Many developed telecommunications markets around the world have already become fiercely competitive due to market saturation. Driven by the consolidation of operators and foreign acquisition, many operators are competing for the same profitable customers; every conceivable advantage that can be gained at the point of acquiring a customer is important.

The white paper focuses on MNOs that provide mobile communication services to customers. An important subset of this sector are operators offering three of four telecommunication products (TV, internet, fixed line and mobile), commonly known as triple play or quad play suppliers, or converged communication, usually sold as contracted services.

The advantages of operating in a high technology industry means that innovation is rapid, affording the opportunity for new offerings to be quickly developed and brought to market. Investment in expanding product and service portfolios can provide increased levels of profitability for MNOs, with many

operators now placing a much greater emphasis on generating a higher rate of revenue per user. Providing an increased range of services to customers will also mean that the level of risk involved increases. This is due to operators looking to gain market share and acquiring higher risk segment customers for new services, or simply the increased amount of revenue at risk.

Targeted credit risk management strategies, with the objective of reducing bad debt by measuring and managing the risk of customers at the point of application, and sophisticated churn models developed to target specific segments with tailored offers, can be essential tools for maintaining advantages over competitors, and improving the overall profitability of telecommunications operators.

Want to read more?

This executive summary is taken from the white paper [An approach to acquiring profitable customers in Telecommunications](#)

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