

31%  
rise in win back rates

“Transcom’s agents are among the best, but its win back teams are an elite force”

Fredrik Stenberg  
Director, Customer Operations  
Tele2



Keep customers close  
Preventing churn for Tele2

# Keep customers close

---

## **Preventing churn for Tele2**

---

Tele2 chose Transcom as its customer management partner in 1997 when it launched as a diverse pan-European telecom service provider. The two companies worked together through the heady days of rapid growth and aggressive customer acquisition, then navigated their way through change as markets matured and Tele2 focused its attention on the highly valuable but fiercely competitive mobile sector. Today, Transcom is helping Tele2 achieve its latest and, perhaps, most challenging imperative – not just to win customers but to keep them, and to maximize their profitability.



2,000 Transcom agents support Tele2 in eight countries and nine languages, providing sales, service and technical support to over 10 million customers.

---

Today almost 2,000 Transcom agents support Tele2 in eight countries and nine languages. They provide sales, service and technical support to Tele2's universe of over 10 million customers and handle an average 2.5 million multi-channel contacts every month. And Transcom has developed specialist win back programs, focusing elite teams of agents on the toughest challenge of all – convincing customers who have already decided they want to leave Tele2 that they have every reason to stay.

“Working closely with Transcom, we’re designing and delivering tailored win back approaches for each segment”, says Tele2’s Director of Customer Operations, Fredrik Stenberg. “Because agents have full access to each customer’s profile directly on their desktop, they know exactly what deals they can offer and which are most likely to succeed.”

## No easy victories

And because neither Transcom nor Tele2 is satisfied with easy victories, no customer is considered truly ‘retained’ until they’ve not only taken up the offer, but continued to do business with Tele2 for a given period of time. “Many companies consider a customer ‘retained’ if they accept the offer made to them on the day,” says Ignacio de Montis, Transcom’s Global Account Director for Tele2. “But evidence shows that many people can change their minds again very quickly. We only consider them saved if they’re still with Tele2 after 30, 60 or even 90 days.”

According to Fredrik this makes the success rates Transcom is achieving – as high as 31% in some cases – all the more pleasing.

This pragmatic approach is reflected in the bonus mechanism used to reward Transcom and its people. “When it comes to win back, around 40% of our revenue is directly linked to performance,” says Ignacio. “And those bonuses are only paid – to agents, their team leaders and to Transcom itself – after the agreed post-deal working period has passed.”

“ In the early days the emphasis was on winning market share, today it’s about managing margins. We’ve replaced blanket approaches with targeted programs, executed with surgical precision. Doing so has helped us to improve business margins significantly in the last 5 years. ”

Fredrik Stenberg, Director, Customer Operations, Tele2

---

## Motivating success

The bonus mechanism certainly acts as a powerful motivator to Transcom's agents, who compete fiercely to gain a place on the win back teams. "Transcom's agents are among the best," says Tele2's Fredrik Stenberg. "But its win back teams are an elite force." They're selected, not only for their excellent and extensive product knowledge, but for the strength of their negotiating skills and their powers of persuasion."

"Agents only make it on to our win back teams after they've proved their worth on the front line," says Ignacio. And even then they have to pass rigorous tests and maintain high performance." Whenever a vacancy occurs, there are usually at least 15 agents vying to win it. "It is hardly surprising", says Ignacio. "Top performers have been known to double their salary through bonus payments."

Tele2 is also using tactical cross & upsell campaigns to support customer retention, accepting that customers are more likely to stay if they have taken up a rich portfolio of service features. "It's a characteristic of today's mobile market to use value added services that, though they generate only modest revenues, increase customer stickiness," explains Fredrik. "Once again, Transcom has developed specialist cross and upsell capabilities and, in some markets, is achieving conversion rates of up to 20%. And, just as in win back, the sale isn't counted until the customer has not only said 'yes', but has taken up the new feature and actively used it".

Transcom specializes in creating dual-skilled agents that combine strong service delivery with subtle sales strengths. In service environments the opportunity to make a sale can only be realized when the service experience has been exceptional.

### Results summary

- Win back rates of up to 31%, including an exceptional conversion rate in the tough German market
- Cross & upsell conversion rates of up to 20%
- Contributing towards significant margin growth for Tele2

## Key numbers

- Circa 2,000 agents, including 300 in elite win back and retention teams
- 14 sites serving a 10 million strong customer base in eight countries
- 9 languages
- 2.5 million customer interactions per month

The bonus mechanism is indicative of both companies' highly focused business approach. The global contract that governs the working relationship across eight markets identifies within its many key performance indicators (KPIs) those that are either critical to Tele2's customers or critical to its business. These elements, above all others, are linked to a bonus mechanism that rewards success. "All too many contact center operations are governed by KPIs that have little real impact on either the customer experience or on business improvement," says Transcom's Ignacio de Montis. "At Transcom we try to focus on the things that matter most to our clients and their customers."

## About Tele2

Tele2 is one of Europe's leading telecom operators, with 28 million customers in 11 countries. Tele2 offers mobile services, fixed broadband and telephony, data network services, cable TV and content services. Ever since Jan Stenbeck founded the company in 1993, it has been a tough challenger to former government monopolies and other established providers. In 2009 it achieved net sales of SEK 39.3 billion (€4.1 billion) and an operating profit of SEK 9.2 billion (€1 billion)

[www.tele2.com](http://www.tele2.com)

“Transcom's agents are among the best, but it's win back teams are an elite force.”

Fredrik Stenberg  
Director, Customer Operations,  
Tele2

## A long term partnership

- 1997 – Tele2 and Transcom begin working together when Tele2 is launched in Sweden
- 1997 to 2005 – Transcom supports Tele2's pan-European expansion, in line with organic growth and acquisitions in 22 countries
- 2006 – Tele2 adjusts strategy to focus on mobile telecommunications in primary markets
- 2004 – Transcom establishes elite win back and cross sell teams to extend customer value

# Maintaining market share for Tele2 Germany

---

Tele2 is Germany's number one alternative provider of indirect fixed line telephone services, with a customer base of around 1.5 million users. It faces fierce competition from the market-dominant incumbent and from international network owners, who are able to tempt consumers with a wide array of bundled telecommunications and entertainment services.

"In the German market, Tele2 has a particularly focused service offering of indirect fixed line and direct broadband internet," explains Michael Stinner, head of Tele2's customer operations in Germany. "In order to hold on to our customer base in the face of growing competition, we have developed an innovative program of proactive communication, loyalty campaigns and highly segmented calling plans – and we rely heavily on Transcom's operational skills and experience to deliver them."

Over recent years the company's primary objective has been to collect customer intelligence in order to provide individual product offerings with special price plans, discounted rates for particular destinations or loyalty bonuses for a segmented customer base. Working together, Tele2 and Transcom have pursued a vigorous program of proactive calling to position highly targeted offers. "We've developed very sophisticated levels of customer segmentation," explains Michael, "which allow us to offer customers personalized tariffs and price plans based on their individual calling patterns. But when it comes to deciding exactly how these offers will be presented to the customer, we rely heavily on Transcom, whose front line sales and retention specialists have the greatest understanding of what works best and what customers value most."

In only three years Tele2 has successfully migrated the majority of its customer base to personalized product offerings, holding on to market share in a fiercely competitive market.

Transcom also supports Tele2 Germany with cross & upsell programs, which have driven strong broadband sales in the past three years, and win back programs to target customer churn directly. "Here, as in other Tele2 geographies, we use Transcom's specialist win back teams to intervene when customers call to cancel their contact, with exceptional success rates," says Michael. This is quite remarkable in a saturated market like Germany, where product and tariff offerings are broadly comparable. Transcom's highly skilled agents have been the key to success, with their ability to treat every customer as an individual and to handle each of their requests with consummate professionalism."

## Customer advantage

And Tele2 has found another way to offer more to customers and to expand its revenue potential. The company has forged a customer advantage program, which offers discounted deals and special offers from a range of complementary service partners. For the most part, these advantages are marketed via Tele2's website, but Transcom has also played a role in extending the program's reach. "When Transcom's agents speak to customers, they secure their agreement to be contacted by Tele2's advantage partners," says Michael. "It's a three-way win. Our service partner gains an opportunity to make a sale, our customers get access to special deals that enhance their life and, at Tele2, we get the benefit that inevitably derives from being able to offer our customers more of what they value. It's Transcom's ability to support innovative approaches like these that sets them apart."

Tele2 also recognizes that excellent customer service is a powerful weapon in the fight to maintain market share. "There's no question that service quality is a key differentiator in today's telecoms market," says Michael. "So, in 2009 we introduced post-call customer satisfaction measures based on the COPC® industry standard. Since doing so, we have seen the number of 'satisfied' or 'very satisfied' callers increase by 10%, while the number of 'unsatisfied' customers has been halved. Just as importantly, we've been able to identify, with greater accuracy, the sources of discontent – many times they are not related to the contact center but to other areas of our product offering or business process – and put them right. That means Transcom is helping us improve our performance, not just in the contact center, but across our business."


A 2008 survey in Germany's PC Praxis magazine rated Tele2's customer service as 'top class', commending its speedy email response and friendly, efficient telephone response.

Transcom serves Tele2's German customer base from two locations in Germany and a third in Croatia:

- Halle, Germany: A center of excellence for administrative and back office support
- Rostock, Germany: Outbound sales, cross & upsell, win back
- Osijek, Croatia: front line customer service

“Today, many customers who would have left us decide to stay after being offered a more competitive and – importantly – more individual offer from Transcom.”

Michael Stinner, Customer Operations Manager, Tele2 Germany



Find out how working with Transcom  
could transform your customer and  
credit management performance.

[contactus@transcom.com](mailto:contactus@transcom.com)  
[www.transcom.com](http://www.transcom.com)