CASE STUDY

Customer Loyalty Programs and Its Impact on Customer Retention – A Case Study on the Telecom Industry In India

Need to Build Effective Customer Loyalty Programs

Once you start generating **revenues** from your customers, you might start thinking about devising effective loyalty management programs. No matter which vertical you belong, you can always come up with loyalty programs to reward customers. Take a look at the benefits offered by customer loyalty programs:

- More customer referrals
- Better customer retention
- Cost-efficacy
- Brand recognition
- Better customer experience

Importance of Customer Loyalty for Business Success

The importance of customer loyalty is such that it impacts almost every metric that's essential for business success. Landing customers is indeed a difficult task and retaining them can be even harder. This is what boosts the importance of customer loyalty across sectors. Also, the acquisition of new customers is much more expensive when compared to retaining old ones. Therefore, its essential to make customers come back for more and it's also one of the main reasons why short-term profit grabs don't work, especially in the telecom industry.

About the Client:

A leading player in the telecom industry in India. The client is one of the world's biggest telecom operators offering an array of telecommunication services.

Client's Challenge:

The **telecom industry in India** is a rapidly evolving one due to which players face new challenges associated with transparency in business operations and inconsistency in delivering customer experiences. Due to factors such as these, fostering loyalty among customers is becoming increasingly tenuous for companies. The client, one of the biggest operators in the telecom industry in India, was facing similar challenges and was looking at enhancing their customer loyalty programs for better customer retention.

Engagement Outcome:

Through this engagement, the telecom client was able to enhance customer experience through customer loyalty programs by approx. 70%. This further translated into enhanced visibility into customers' needs and improvements in profit margins. Moreover, the devised customer loyalty programs also resulted in a 30% increase in the client's online revenue.

Future of the Telecom Industry in India

The telecom industry in India is on the cusp of a massive revolution. With rising competition, there have been major transformations that have completely changed the industry landscape. **So, what's in store for the future?** The telecom industry in India has migrated towards internet-based technology, and the **Telecom Regulatory Authority of India** has announced that the mobile call connection charges will be made nil by **2020**. This is said to be a major move that will encourage more people to use such internet-based protocols in the near future.