

As the world churns - survey shows how operators can win and keep customers

Nokia has released new research that investigates one of the biggest problems facing mobile operators worldwide - customer turnover, or churn - and unearths some of the key factors that drive subscribers in choosing or changing their service provider.

A key finding of the survey, which covered 3,900 consumers across the UK, US, Germany, Thailand and Brazil, was that regardless of whether operators are trying to woo customers or keep existing subscribers, price is only one of many factors behind the final decision. The study found that there were five 'essentials' that had the most direct impact on customer acquisition: calling plans, operator brand image, handset aspects, network quality and cost aspects. The study showed that the direct significance of 'cost issues' is much lower when it comes to retaining customers than when it comes to acquiring customers in the first place.

When it comes to keeping customers, factors such as brand image, network quality, and switching barriers come ahead of cost related issues like calling plans. "Churn is a costly fact of life for many operators today, so anything that sheds light on how we can keep subscribers loyal is very welcome indeed," says Bosco Novak, Senior Vice President for Services, Networks, Nokia. "This research highlights an area where we are closely cooperating with our clients to improve the customer experience through our own extensive portfolio of services." When it comes to choosing operators, many consumers agreed that they 'shop around carefully', 'research their options thoroughly', and 'visit a number of shops' before deciding.

The consumer segments most likely to churn tend to be younger, medium to high income, and recent subscribers; they have higher mobile spend and tend to be contract customers. The study also turned up some surprises. For example, contract customers appear less loyal than pre-paid customers, despite the stronger contractual ties they have to their operator. One reason for this could be the fact that contract customers are more receptive to new extended offerings (subsidised handsets, special deals, etc.) which can trigger churn. The majority of the interviewees in the survey, which was conducted by research group GfK NOP for Nokia, were representative of 'everyday' mobile phone owners. Additional 'boost' interviews were conducted with active mobile portal users, recent network switchers and first time subscribers. The field work was conducted online in the UK, US and Germany, and face to face in Brazil and Thailand.