

Emagine International

Loyalty Program Impacts and Benchmarks

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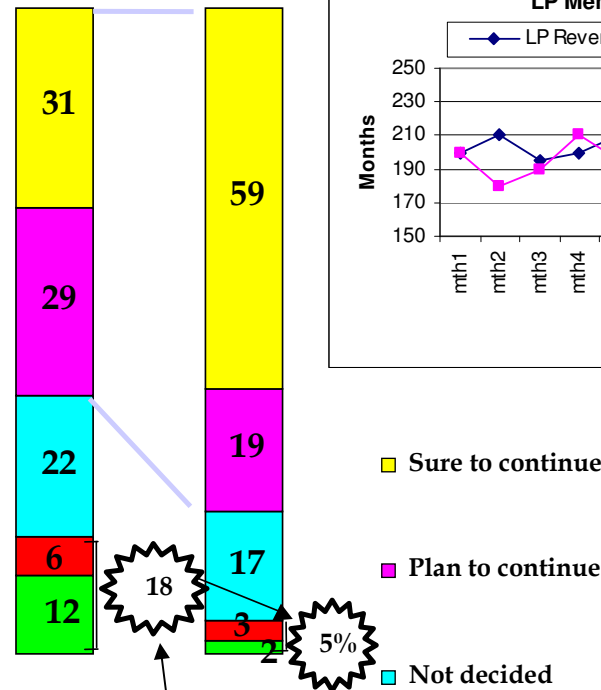
Bouygues Telecom, achieved 14% revenue stimulation, (v's control group) and 70% decrease in "intention to churn" by launching a Customer Loyalty Program to formalise the handset upgrade process for high value customers



Case Study
Bouygues Telecom – "Avantages"

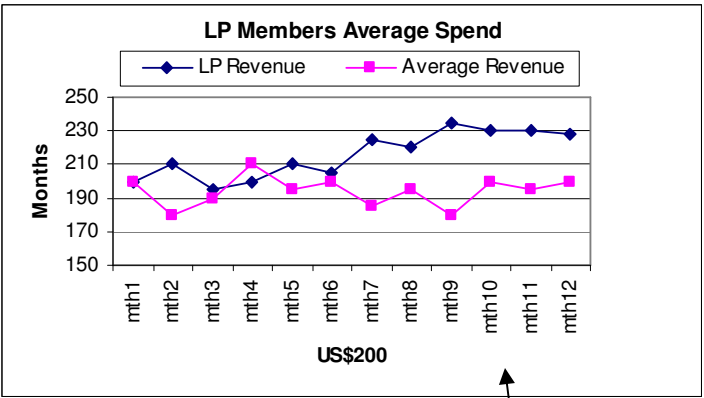
1. High value customers automatically enrolled into Program (top 50% of contribution)
2. Simple points accumulation structure based on spend and tenure.
3. Key platform for customer communications email, SMS, hard copy
4. Rewards related to core business of the operator- Handsets, accessories, airtime, services
5. Relevant, Realistic, ROI...
6. Program extended to entire post-pay base after 6 month trial

End of 12 mth Contract



Control Group **Customers**

IMPACT - Intention to Churn Decreased 70%

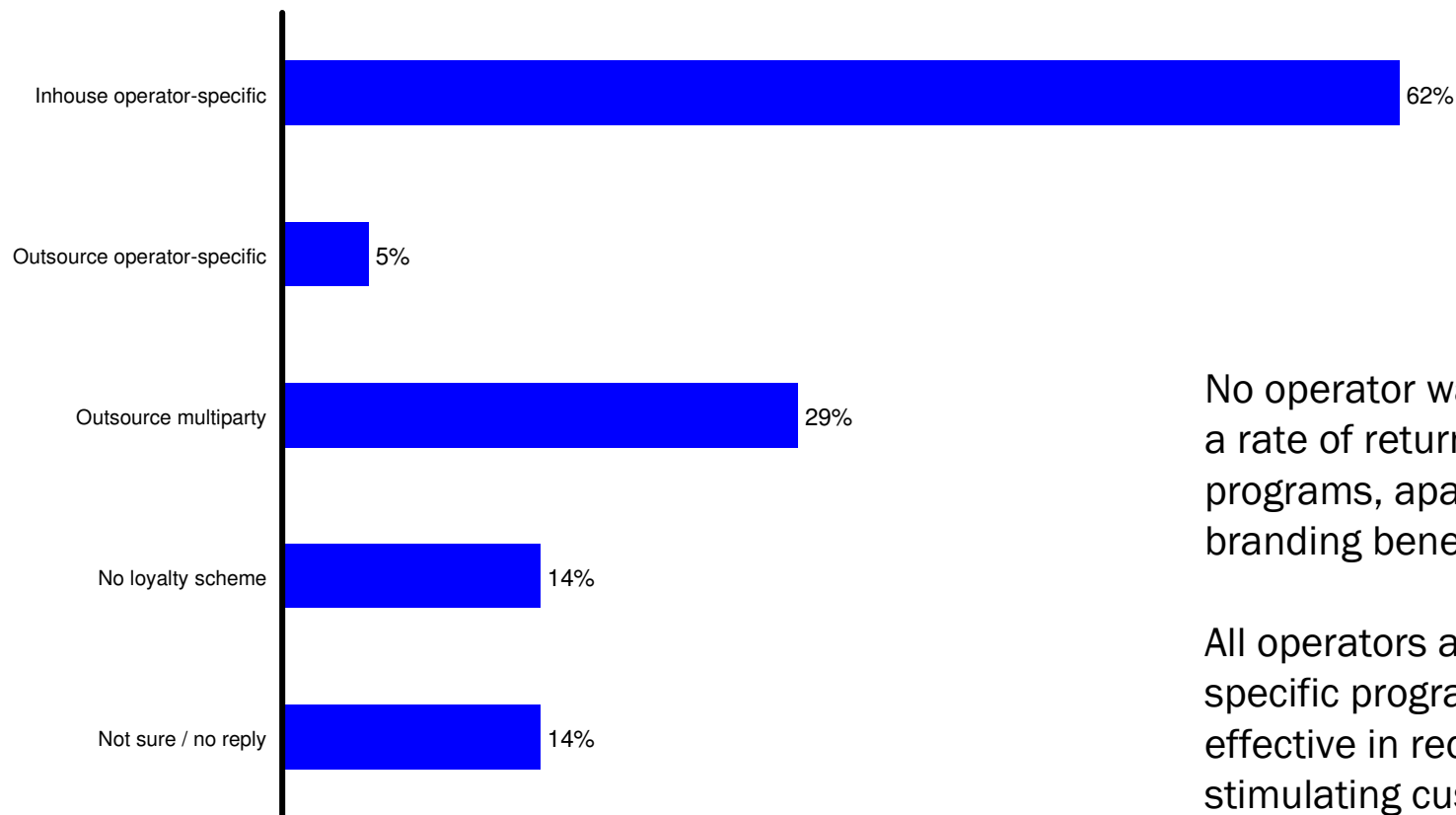


Average Revenue increase 14%

- Sure to continue
- Plan to continue
- Not decided
- Plan to cancel
- About to cancel

Global Benchmarks (Emagine ICVM) - Loyalty programs

62% of operators with a Loyalty Program, run an operator specific loyalty programs rather than join a multi-party program



No operator was able to measure a rate of return from affinity programs, apart from some branding benefits.

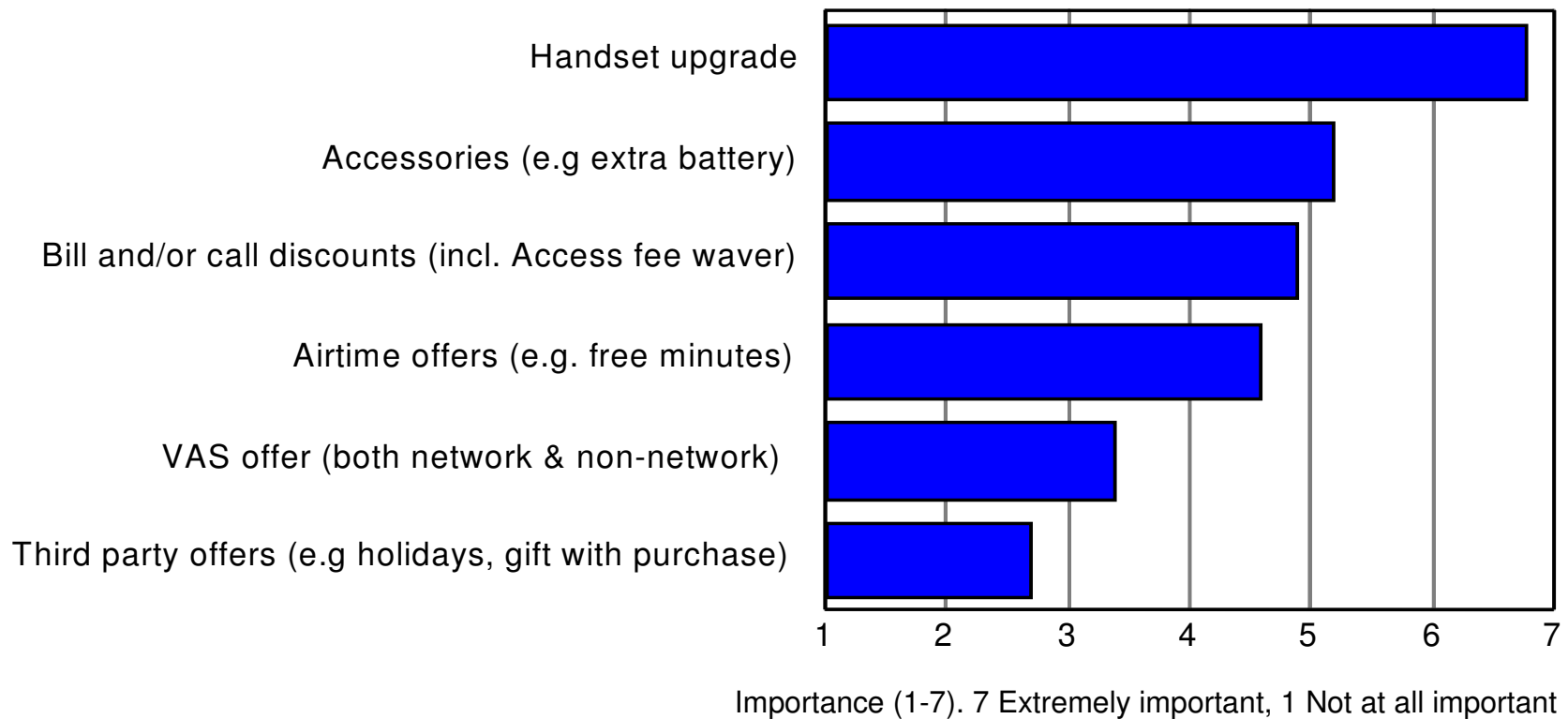
All operators agreed operator specific programs were more effective in reducing churn and stimulating customer revenue

Global Benchmarks (Emagine ICVM) - Loyalty programs

Offers related to the core business of the operator are most effective in competitive markets



Effectiveness of retention offers in persuading customers to stay



Emagine Point of View

An effective strategy for mature operators or a differentiator for new operators



Established operators

- Increasingly competitive market
- Increased customer expectations
- Create an umbrella program for existing customer marketing activities
- Take effective below the line marketing (e.g. surprise and delight) and make it visible
- Create a competitive differentiation in the marketplace
- Innovative features to drive online behaviour

Emagine Point of View



Current results show that Loyalty Programs can have significant impact on top and bottom line

Bouygues Telecom Case study

Effect on Churn Rate

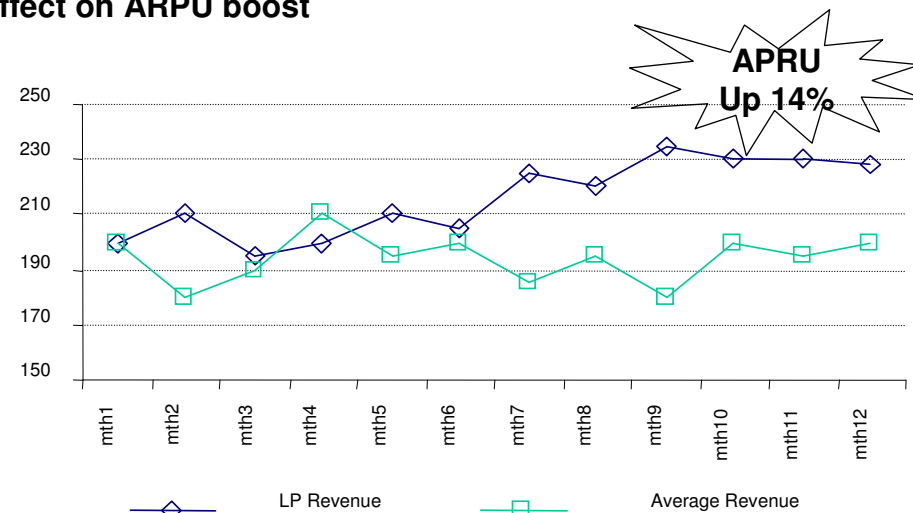
- Sure to continue
- Plan to continue
- Not decided
- Plan to cancel
- About to cancel

	Control Group	Program Customers
Sure to continue	31	59
Plan to continue	29	19
Not decided	22	17
Plan to cancel	6	3
About to cancel	12	2

Retention Up 20%

Churn Down 70%

Effect on ARPU boost



HK CSL Case Study

Cost Savings

- Immediate cost saving of 7%
 - Consolidated current marketing programs

Churn Reduction

- Encouraging reduction in churn and acceptance of the price premium.

Increased Revenues

- Budgeting for a 1.5% increase in revenues attributable to the loyalty program.