

ELION ENTERPRISES

Embracing a Customer-Centric Culture whilst Capturing Market Share and Improving Business Performance

Elion Enterprises Ltd. is a telecommunications company belonging to TeliaSonera Group. Operating in the B2B and B2C markets in Estonia, the company is number one in broadband, telephony, and information technology (IT) services and number two in television (IPTV) services. It employs 1,300 people serving 330,000 customers, with net sales of €200 million in 2009.



Satmetrix Client Success Story

Industry: Telecommunications

"Satmetrix has helped us develop a customer-centric culture that is delivering a significant return on investment in terms of our market share and overall business performance. It has helped us put customer feedback at the heart of our improvement processes so that we are more able to exceed expectations."

- Arti Ots, Marketing Director and the Executive Sponsor of the Net Promoter programme

The Challenge

Elion is the largest telecommunications and IT services provider in Estonia. In 2006, when the company decided to break into the lucrative cable TV market, it had two options: become a low-value broadband "pipe" provider and compete on price and performance, or enter the highly competitive and technically demanding IPTV market and compete on content and customer experience. Having followed the latter path, Elion knew that it had to monitor and measure the quality of the customer experience across the business and it chose Net Promoter® as its key metric.

Eventually, Net Promoter Score® became one of the four key performance indicators across the business and is now linked to the compensation system for all employees.

Net Promoter: A Discipline, Not Just a Metric

In 2007 Elion began using the Net Promoter metric to benchmark the customer experience delivered, but it did not capture any feedback to support why customers were scoring the way they were. As a consequence, in 2008 Elion decided that it needed to embrace Net Promoter as part of a discipline that would provide a holistic view of the customer experience so that it could progressively improve customer loyalty.

Elion turned to Satmetrix, co-developer of Net Promoter, to provide a systematic approach to customer feedback. A journey that started with Fred Reichheld's book *The Ultimate Question: Driving Good*

Profits and True Growth really took shape in August 2008, when a pilot closed-loop feedback process was implemented in partnership with Satmetrix.

Why Satmetrix?

There are five reasons why Elion chose Satmetrix:

- Satmetrix is co-developer of Net Promoter and therefore understands it better than any other service provider.
- Satmetrix created the Net Promoter discipline, a closed-loop customer experience feedback system that puts the customer at the heart of process improvement and innovation.
- Satmetrix provides a cutting-edge technical platform that enables clients to conduct regular feedback surveys across different touch points en masse.
- Satmetrix has proven success in the telecommunications industry. Its understanding of the business and how to link customer feedback scores with financial and operational data meant that Elion and Satmetrix® executives spoke a common language.
- Elion wanted to achieve results quickly and decided that working with the experts in customer centricity would make that possible.



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Before the pilot commenced, Elion and Satmetrix established five key goals:

- Shift the business focus from products to customers
- Reduce the cost-to-serve whilst improving the customer experience
- Use customer experience data to improve operational processes
- Provide timely, reliable, and trustworthy customer feedback to all staff—from top management down to the front line
- Create a closed-loop action management process that could be easily understood and followed throughout the business

Execution

Because Elion wanted to drive service improvement and loyalty simultaneously, it decided to run “relationship” as well as “transactional” surveys at the same time. Whereas relationship surveys allowed the company to measure the propensity to be loyal and to identify the drivers of loyalty, transactional surveys measured service performance at key customer touch points identified in the relationship surveys, such as fault resolution.

Until 2007 Elion received feedback mainly from relationship surveys that were conducted once or twice a year. The average number of customers who submitted the survey was 1,500. In 2007, when the pilot of touch point collection started, Elion increased feedback by more than 3.5 times. Year by year the number of customers who gave feedback via transactional or relationship surveys increased. Compared with 2006, Elion has increased the feedback from customers by more than 15 times—to almost 25,000 in 2010.

Transactional surveys are conducted weekly, whereas relationship surveys are conducted twice a year as part of an integrated customer experience improvement process that is now embedded in the way Elion runs its business. About 180 employees, including executives, managers, team leaders, and account managers, have direct access to the survey results and the customer feedback. Managers have a better understanding of when and why a customer has a negative experience and who has delivered it, so timely actions can be taken to improve the situation. And because customer feedback and NPS® data are linked to business and financial metrics, managers now have a clear understanding of both the drivers of loyalty and the Net Promoter economics it creates.

The Need for Senior-Level Buy-In to Drive Change

From the outset all managers were asked to close the loop with customers so that they understood the process that would be expected from frontline staff—even if it meant that managers were placed outside their comfort zone. From that moment on, all employees understood the importance of customer feedback, and their attitude changed significantly.

The cultural transformation to a full customer-centric approach was accelerated by linking the annual bonus scheme of all employees to the Net Promoter Score™. In 2008 no one at Elion received bonuses because the NPS target was not achieved. In 2009 the target was doubled—as well as the bonus—and employees began thinking not only about the score as a number but also about the improvement actions that needed to be taken to provide a superior customer experience. It is this focus that has delivered buy-in to Elion’s new values, which support a customer-centric approach and demand action and accountability from everyone.

Senior executives and key managers believe in the new approach because it provides objective feedback straight from the customers. It is a simple yet integrated business solution for addressing different aspects of customer satisfaction and loyalty. It enables managers to influence advocacy and, through that, overall business results.



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Business Improvement

Based on the customer feedback received, Elion focused on improving the B2B problem-solving and fault-handling process. This led to the following changes:

- B2B and B2C helpdesk teams were separated, and a new head of the department was appointed.
- A new fault-handling process was implemented.
- Follow-up calls to customers were introduced before a fault could be closed. This allowed Elion to get customer confirmation that the services were working correctly.
- A callback service for customers was introduced for cases in which the helpdesk agent was not able to answer within one minute.
- Fault management specialists were appointed to take responsibility for problem resolution.
- Complicated faults were escalated to the monitoring team so that the root causes could be identified.
- Most importantly, customers were kept informed about the actions taken during the entire process.

As a result of these changes and training programmes, Elion saw a marked improvement by the first half of 2010. In fact, the percentage of customers who were not satisfied with the overall problem-solving process was cut in half. The customer joining and installation process was the next to receive attention. The maximum joining time for business customers was reduced to just four working days. Moreover, sales executives began making follow-up calls after executing the order to ensure that all services were working correctly.

As a result, Net Promoter Scores increased, as the sales team began closing the loop with new customers to ensure that everything was working as expected.

Decreasing Marketing Budget whilst Winning a Record Number of Customers

Due to Elion's transforming customers into advocates, the company has begun growing its business through recommendations. Elion's marketing budgets have actually decreased year over year—even though it outperformed the market and captured new market share, highlighting the positive word-of-mouth effects of listening to customers.

In 2008 marketing expenses were 5.5 percent. In 2009 they were reduced to 4.5 percent and in 2010 to 3.9 percent—a 29 percent savings! At the same time, Elion has increased its digital TV market share, acquired about 30,000 new customers, and seen 13,000 existing customers upgrade to one or two additional services.

*"Satmetrix has helped us develop a customer-centric culture that is delivering a significant return on investment in terms of our market share and overall business performance," says **Arti Ots, Marketing Director and the Executive Sponsor of the Net Promoter programme.** "It has helped us put customer feedback at the heart of our improvement processes so that we are more able to exceed expectations. What has surprised us is the speed at which this has created positive word of mouth and also how this has delivered market growth at a lower marketing investment. It has proven without a doubt that listening to customers and acting on their feedback creates advocates and that this advocacy has tangible financial value."*



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Results: World-Class Improvements at Every Touch Point

The benefits of adopting a customer-centric approach are demonstrated by the competitive advantage it has provided Elion and the world-class improvements it achieved at every customer touch point it measured. (An increase of 10 NPS points is typically seen as world-class.)

- Between 2008 and 2010, Elion's growth outperformed the market by 30 percent.
- Since entering the competitive cable TV market, Elion has gone from 0 percent to 37 percent market share and is now just 4 percent behind the market leader.
- In the digital TV market, Elion holds a 62 percent market share.
- The NPS in 2008 for new B2B customers was +9 percent. In 2010 this had improved by 23 points to 32 percent.
- The NPS in 2008 for B2B fault resolution was -14 percent. In 2010 this had increased 32 points to +18 percent.
- The NPS in 2009 for new B2C customers was +9 percent. In 2010 this had improved by 17 points to 26 percent.
- The NPS in 2009 for B2C fault resolution was -13 percent. In 2010 this had increased 28 points to +15 percent.
- In one year (from Q2 2009 to Q2 2010), the overall relationship NPS increased 18 points from -14 percent to +4 percent.
- In the B2C market, Elion has the best benchmark scores in the industry, with a clear 14-point lead on second place. (Work by the London School of Economics shows that an improvement of 12 NPS points converts to double the sector growth rate.)

About Satmetrix

Satmetrix is the leading provider of successful customer experience management programs and the co-developer of Net Promoter®. We offer a winning combination of software-as-a-service (SaaS) and best-practices consulting that delivers actionable customer feedback to drive growth, increase business agility, and amplify positive word-of-mouth. Satmetrix has a proven track record of accelerating the success of large-scale, integrated customer experience programs with more than 700 enterprise deployments in 40 languages.

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