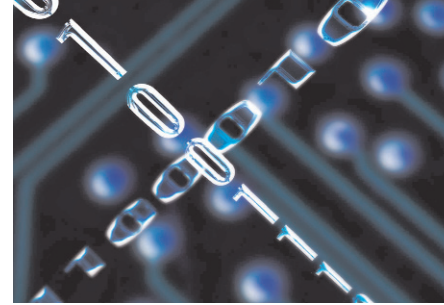


InfoBase-X[®] Affordability Customer Retention



Effective retention and churn reduction strategies in a changing economy

Not all customers are worth trying to keep. It is critical in today's economy for marketers to identify customers who are not only struggling to maintain their standard of living but also those who can weather the storm and continue to sustain a strong relationship with their brand. Consequently marketers should be discerning and spend only the budget necessary to retain the valuable consumers and retire the ones who will drain your resources.

Affordability research shows that on average UK households spend 19% more than they earn each year. With less credit available, a lack of home equity due to falling house prices, lack of mortgage lending and lower interest rates on investments, households that previously relied on cash from above and beyond their annual income, will struggle to balance their books and be forced to adjust how they spend accordingly.

More than ever those consumers still spending will look to maintain their relationships with brands that appear to offer the best line of products and service.

Affordability can help your business

- Understand the changing behaviour and priorities of your customer base

- Identify 'low or no potential' customers for retirement, saving budget and resources for more profitable targets
- Understand which customers are most likely to churn and those worth trying to keep
- Identify those valued customers who are increasingly demanding value for money to offer them a more appropriate price plan or product offering.

Affordability can help your industry sector

- **Telecoms** providers can
 - rationalise changes in customers' monthly spend and react with relevant targeted communications
 - identify which customers are shifting their buying/purchase research activity online and adapt their contact strategies accordingly
- **Retailers** can understand how customers are prioritising their household spend and identify opportunities to exploit this
- **Financial Service** providers can shape their product and service propositions according to customers' real levels of disposable income.

According to AXA, 8% of higher earners are considering ditching health or life insurance policies, while one in five plans to stop saving or reduce pension contributions this year.

Source: Daily Telegraph

For more information about Acxiom's InfoBase-X[®]
Affordability solution call us on 0800 035 2755

