

Product Hooking Strategy in the Mobile Sector

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1. Background & objectives

What is a product hooking strategy?

A product hooking strategy manages the connection between a customer who purchased a product or service, and his brand loyalty.

Research shows that some products (depending on the relevant sector, of course) influence customer loyalty. For example, in the mobile sector, a customer who purchases a data package is more likely to be loyal to the company than customers who didn't purchase that package.

A product that has this kind of influence on the customer's loyalty is referred to as a "hook".

Not every product has the same level of influence on the customer's loyalty.

Loyalty products, or "hook" products, can be dynamic and change from time to time or differ in their influence from segment to segment.

Objectives for using a product hooking strategy / matrix

We can define different objectives for using the product hooking matrix. These objectives will help us decide which products to label as "hook" products. For example:

Churn & retention – we should seek products with a "stickiness" influence on the customer's loyalty.

Increasing revenues – we should identify the products that have the strongest influence on wallet share & revenues.

Increasing usage – we should identify the products that have the strongest influence on usage behaviors.

Creating social influence using opinion leaders - we should identify the products that have the most significant "social fluidity".

We can choose a combination of products and services which best address all of our objectives and establish an optimal product mix.

2. How to use a product hooking matrix

How do we use hook products

After establishing our hooking matrix, we should follow these recommendations:

- Campaigns – prioritize marketing campaigns by giving precedence to completion of the matrix.
- Incentives program – use incentives to motivate service and sales representatives to promote the hooking matrix recommendations.
- Reports & control – add a hooking dimension to all customer analysis tools and assign a loyalty score to each customer.

The product hooking matrix – implementation stages

Hooking strategy implementation stages:

- Define hooking strategy objectives.
- Establish a product combination that promotes these objectives, according to analysis of the different segments, business rules, events, etc.
- Use analysis to map current status, locate potential and define objectives.
- Characterize and design campaigns based on the optimal hooking matrix.
- Update the incentive program for all sales and marketing channels.
- Methodically study and analyze campaign performance as refers to the chosen matrix and loyalty scores.

3. The product hooking matrix – practice

Product hooking strategies were applied in many sectors, like banking, financial and the mobile sector, using the same techniques described above.

In one such project – implemented in one of the world's largest Telco companies – the hooking matrix contained the following products / services:

- A smartphone (3G).
- A DATA package – unlimited internet concavity
- VAS - value added services such as navigation services, backup, etc.
- Self Service – e.g. online bill management, mail invoice, etc.

By using this hooking matrix to manage the marketing activities and objectives, we were able to reduce churn and increase customer revenues.

4. The product hooking matrix - summery

The product hooking matrix is an important tool for our retention strategy.

Various studies and analyses have discovered a direct link between customers' scores in the matrix and their revenue and loyalty scores.

Assimilating the matrix as part of the company's marketing activities and objectives will generate a significant and substantial change in our wallet share and revenue results.

About Synergy

Synergy is Israel's largest international consulting company, specializing in customer management and assisting organizations to fulfill their end-customers' business potential.

Synergy's uniqueness is in its team of highly experienced professional consultants who have an extensive marketing background from the service and retail industries.

Synergy offers its customers the most advanced professional know-how, both locally and globally, on a variety of customer management issues, thus maximizing revenues generated from end-customers.

Synergy is widely experienced in organizational consultancy, both locally and abroad, on all marketing, service and retention areas, dramatically improving your business results. Among our customers are local and international leading organizations in the communications, finance and retail fields.

Synergy's implementation approach is based on characterizing and establishing the business need, by defining a combined business, technological, analytical and organizational solution.

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