
The mobileYouth Loyalty Report 2011

Your Guide to Understanding and Fighting Youth Churn

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Customer loyalty impacts mobile product hit rates, operating margins and acquisition costs. It is also the one thing that mobile operators struggle with the most.

The mobileYouth Loyalty Report 2011 explodes the myths about brand loyalty. It identifies the reasons behind youth churn and offers a new look at the key drivers behind youth loyalty with data and case studies from 65 markets around the world.

What is mobileYouth?

mobileYouth is both a study of the universe of young people and a guide to better develop and market products for these consumers. It's all too easy to get lost in the technology, the non-sensical self-talk of the internet, mobile and media industries when sometimes the smallest things create the biggest leverage in customers satisfaction.

Building dialogue and trust with young consumers through internal change

Points of change typically revolve around:

- Building proactive dialogue with consumers rather than “listening”
- Change through adopting new internal language and semantics (e.g. dumping useless terms such as “killer applications”, “value chains”, “end users” etc in favor of “services”, “value networks”, “consumers”)
- Integrating the product development and marketing processes
- Creating consumer advocacy through establishing the company within the peer group
- Experimenting with youth as brand stakeholders
- Measuring internal performance and KPI through “lifetime customer value” rather than “net adds”

From Apple to Zain

We've been covering 65 countries now since the project's inception and it continues to grow, bringing on board new and exciting clients who we have the privilege of working with and learning from for the first time - from McDonald's to Adidas to Apple to the European Commission. It doesn't really get much better than that in terms of scope and scale for consumer insight.

Some brands that have already ordered the 2010 Mobile Youth Report



Testimonials

"We use mobileYouth extensively within International Marketing at T-Mobile as it is a consumer centric comprehensive report that effectively describes the desires, motivations and behaviours of this complex consumer segment to mobile as part of their overall lifestyle...[issues are] debated throughout a report offering valuable insights backed by robust quantitative analysis."

Tony Kypreos, International Vice President, T-Mobile



"We used the report to help us understand what products we should be focusing on in our youth offering."

Nicolas Droulat, Senior Analyst, Bouygues Telecom



"We have found the report to be an invaluable source of data and statistics that we have used again and again."

Matt Champion, Brand Advertising Director, Mediacom



Key Developments in Youth Loyalty



- What are the macro trends in churn and how do they vary by market?
- Do operator pricing strategies impact youth loyalty? How can operators avoid the race to the bottom?
- What role do handsets play in youth loyalty and what are the dangers in over-dependence?
- What do developments in handset OS mean to operators and youth loyalty?
- Should operators be concerned with MNP?

How Does Youth Churn Impact You?



- How do operator strategies contribute to churn? What role do metrics play in the management of churn rates?
- What are Macro and Micro Churn?
- What is Churn Push and Churn Pull?
- How do behavioral barriers to exit reduce Churn?
- What is the Dual Market and why is understanding its mechanics key to understanding how youth respond to operator loyalty strategies?
- What are the 5 key drivers in youth churn? Why do youth churn? How do they churn? Who influences the process?

Action Plan



- Why do we need to update how we manage youth churn and loyalty?
- Do youth loyalty programmes work?
- Which 3 churn reduction strategies also help improve product hit rates, customer acquisition and reduce account management costs?
- If Churn is a social process, how can operators influence it?
- What loyalty best practises can mobile learn from other industries?

Who should read this report?

- * Business managers developing a value proposition or marketing plan to create internal change or focus internal resources on youth related projects
- * Product managers tasked with driving uptake with young consumers
- * Segment managers who want to understand the steps necessary to maximise customer value
- * Strategists developing execution roadmap for youth related business units

Methodology

The annual mobileYouth reports are a combination of quantitative and qualitative research.

mobileYouth provides in-depth analysis of issues facing companies engaging with young consumers worldwide. Each report covers a single strategic subject area--subjects deemed worthy of detailed analysis by our clients, major industry players who use our studies in their strategic planning.

Each report sets up the issues and market conditions, describes the players, cites the market factors, and projects marketplace trends. Written clearly and concisely, each report makes full use of charts and graphs to present market data and projections. It is important for us that our information is as reusable as possible and where required charts, tables and graphs are presented in a format which can be easily extracted and re-used in presentations and reports.

First launched in 2001, mobileYouth is an ongoing study of the behavioural and consumption trends of young people worldwide hence there is no project start or end date – all research work is ongoing and we are

increasing the use of video interviews so that our clients can hear directly from what young people are telling them.

Our research approach is the same for each study, a typical report begins with a scan of our internal databases and secondary sources--the fastest way for an analyst to review current market conditions. Next, analysts conduct primary interviews in the marketplace to cross-check secondary sources and gather additional data for a preliminary market assessment.

We then compile the baseline information and use it to build a tentative market model. We size the market, determine upside/downside market potential, and look for factors that could alter future market conditions. At this stage, we often feed discrete findings back to knowledgeable industry players to test assumptions.

We then test the markets assumptions against what young consumers are telling us in our qualitative research. Each year we interview thousands of young people and in some cases their parents across 20 countries including UK, USA, Germany, Japan, China, India, Singapore, South Africa etc. In 2008 we added Ukraine, Philippines, Bangladesh, Pakistan, Brazil and Malaysia due to meet client needs.

Finally, the findings go through an internal review, where senior staff members probe and challenge assumptions. Only upon a satisfactory conclusion of this review is the study deemed ready for our thorough editorial process and final publication.

About the Author



Born in the UK, Graham Brown has spent his life living and working in both London and Tokyo. A keen psychology graduate, Graham has focused his marketing career on understanding what influences consumer behavior.

Graham established mobileYouth in 2001 with Josh Dhaliwal at a time when the blanket industry response to youth was “we don't do kids”. Needless to say, things have changed a little since then and Graham's role in the organization has evolved from knocking on the doors of operators to maintaining the research momentum and deepening our understanding of what the consumer wants.

As well as speaking at industry conferences on the subject of young consumers, Graham has appeared on CNBC, Sky, CNN and BBC TV regarding youth marketing issues as well as in print with the FT, Guardian, WSJ and the Sunday Times.

Price and Ordering Information

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