



Mobile Market Development

Numbers vs. Value: Commercial Implications of Marginal Customers

Program: Maximising Wireless Profit

Price: 2500.00 EUR

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Description: Many MNOs, especially late entrants to markets, use low prices to acquire customers from competitors and gain market share. In the process they often acquire a significant number of customers that generate little revenue. This approach can result in reduced profitability for both the new entrant and existing players as the latter respond to competitive pressure by cutting their own prices. Operators need to understand fully the commercial implications of acquiring and retaining large numbers of customers delivering marginal profitability. To ensure their ongoing commercial viability MNOs need to find means of increasing the profitability of their customer base. Options include reducing the proportion of marginal customers and increasing the revenues they generate. This report is essential reading for any MNO facing falling market prices and a growing marginal customer base, and is of particular interest to marketing staff such as the CMO and pricing and product management.