



## 3 strategies for mobile operators to regain inactive prepaid users and reduce point of sales congestion

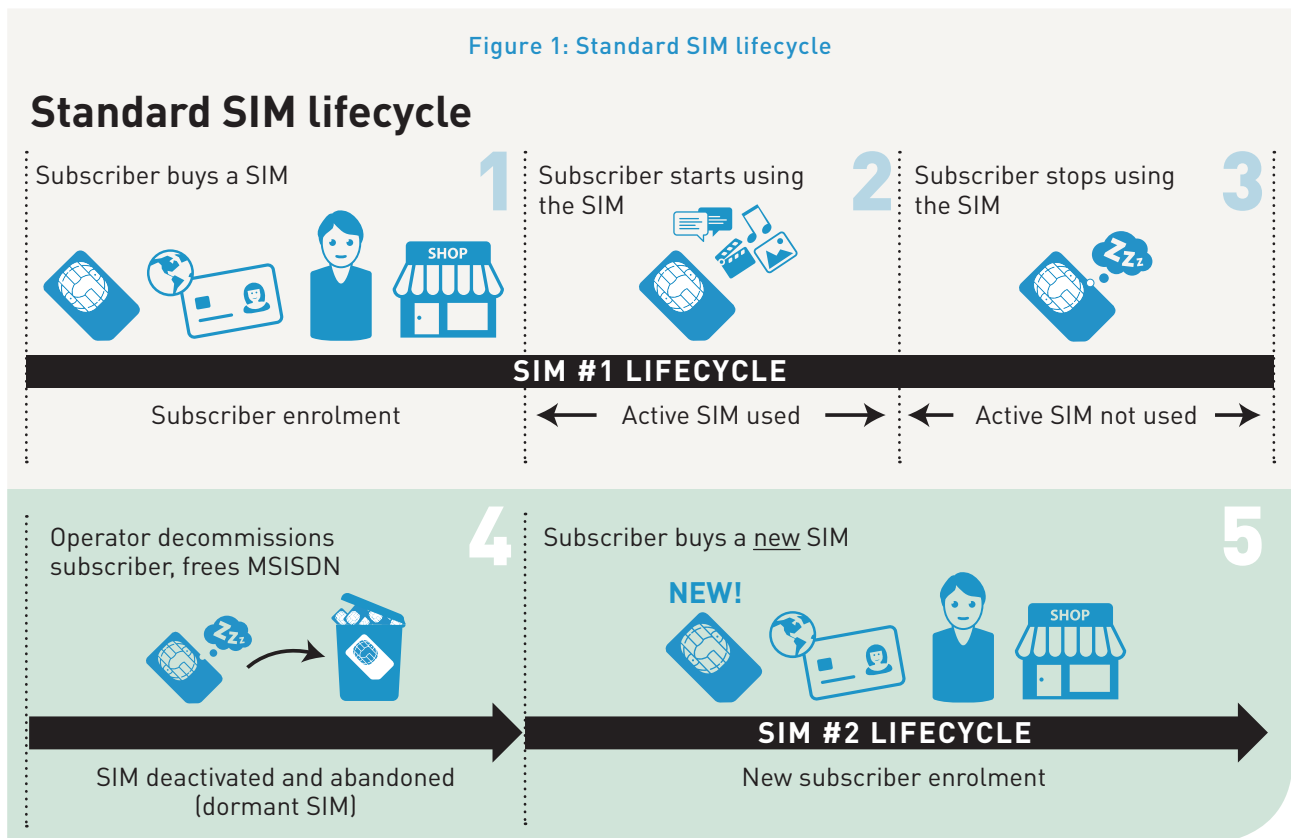
Most mobile operators in emerging countries suffer from retail stores congestion. SIM card renewal is known to be one of the reasons. In prepaid markets, cost-conscious users juggle with SIM cards to take advantage of the best offer of the moment. They switch operators opportunistically and tend to be multi-SIM owners. Thus these churned users must go to a point of sales (POS) in order to get a new SIM card with the best offer. Retail stores personnel is consequently busy with re-engaging those returning users and lacks time to sell new services.

This White Paper tackles and assesses the options for easing the returning user experience in the points of sales – while reducing the reseller workload.

# 1. Impacts of the increasing retail store congestion.

More and more mobile operators admit that around 50% <sup>(1)</sup> of the point of sales workload is prepaid SIM card renewal for returning users. Sales people spend their time repeating the full enrolment process as for new customers. They can't fully focus on promoting new offers in line with the operator commercial strategy. Rejoining user on-boarding represents an unnecessary cost (time, new SIM), reduces opportunities for additional revenue, and negatively hits the retail stores profitability.

Users must queue for experiencing time-consuming and boring re-registration processes to get a new SIM card from an operator they are rejoining. This generates frustration and dissatisfaction. It makes the returning experience... a nightmare! Figure 1 depicts the current SIM lifecycle.



**So how to reduce the retail stores burden while regaining churned users?**

1: Gemalto survey from mobile operators.

## 2. Three strategies for mobile operators to regain inactive users.

There are three different tactics operators can undertake for lapsed users' reacquisition.

### 2.1. Target silent users with win back promotions.

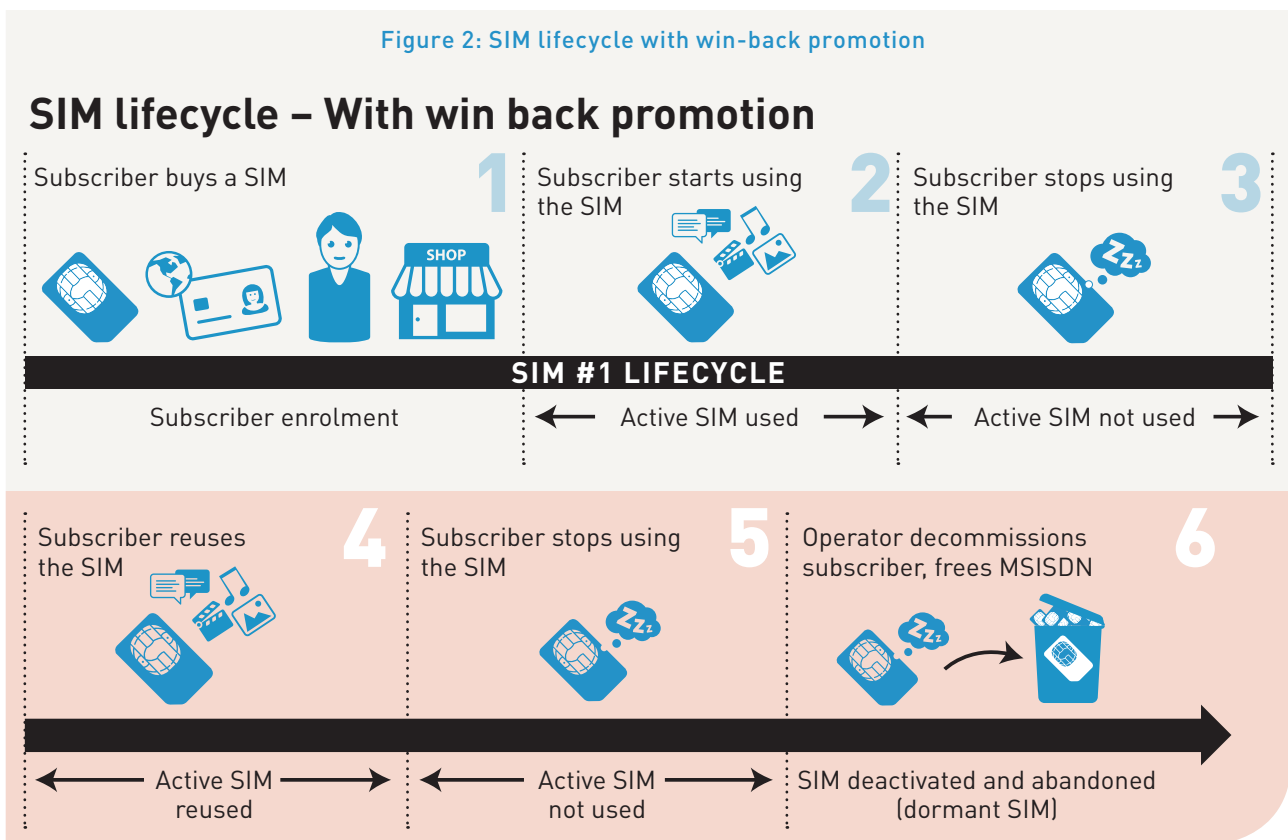
Some mobile operators try to recapture silent users with regular SIM churn back –or win back– campaigns; users who have not used their SIM for one or two months receive promotions for any prepaid recharge they'll do. Bangladeshi operators extensively use this technique, for example [Airtel Robi Axiata](#).

Users don't have to go back to the retail store and can use their initial SIM card. They just need to send a specific USSD command, during the campaign, to check their eligibility and enjoy the promotion. This allows the

operator to generate revenues from dormant users again. But some drawbacks remain.

It can only tackle the silent SIM users, i.e. people whose SIM card is still active but no longer used. It can't address SIM cards that have been decommissioned (i.e. phone number dissociated from SIM card) by operators in order to free phone numbers and other network resources for new users. You can't exclude a certain level of deadweight effect; people could intentionally stop using their cards as they are aware their operator regularly offers such promotions. This method can become expensive due to the ATL (Above-The-Line) communication budget required (i.e. TV, radio, print, Internet advertising).

Figure 2: SIM lifecycle with win-back promotion



## 2.2. Reactivate dormant SIMs at the retail store.

Other operators, particularly in Africa (check the [MTN Guinea Conakry example](#)), have developed customized IT-based solutions able to reactivate dormant SIM cards (i.e. reassociate a phone number to a deactivated SIM card).

It effectively ensures user reacquisition without the need of reissuing a new SIM card, which saves money.

But there are a series of drawbacks.

It requires users to return to the busy retail stores, which does not help with congestion. Then, retail stores must be equipped for such process, meaning only the operator stores are eligible. These stores generally represent a tiny number of the shops a mobile operator relies on for its distribution, compared to the multi-brand stores – that are the majority across emerging countries.

Figure 3: MTN Guinea Conakry – In-store SIM reactivation advertising

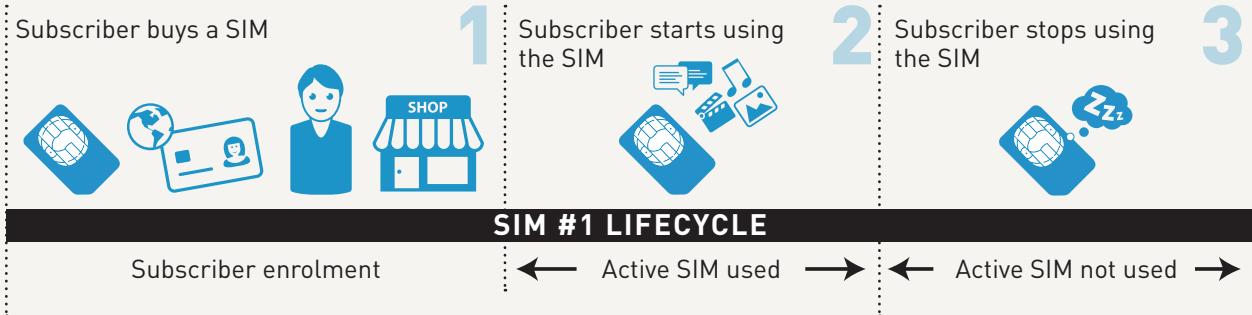


Last but not least, operators must develop, deploy and maintain a proprietary in-store application that is costly in financial and human resources. It is exactly what CIO/CTO currently fight against.

So is there another alternative?

Figure 4: win-back promotion and in-store SIM reactivation

## SIM lifecycle – With SIM reactivation at computerized stores



### 2.3. Instantly reactivate the SIM anywhere, anytime

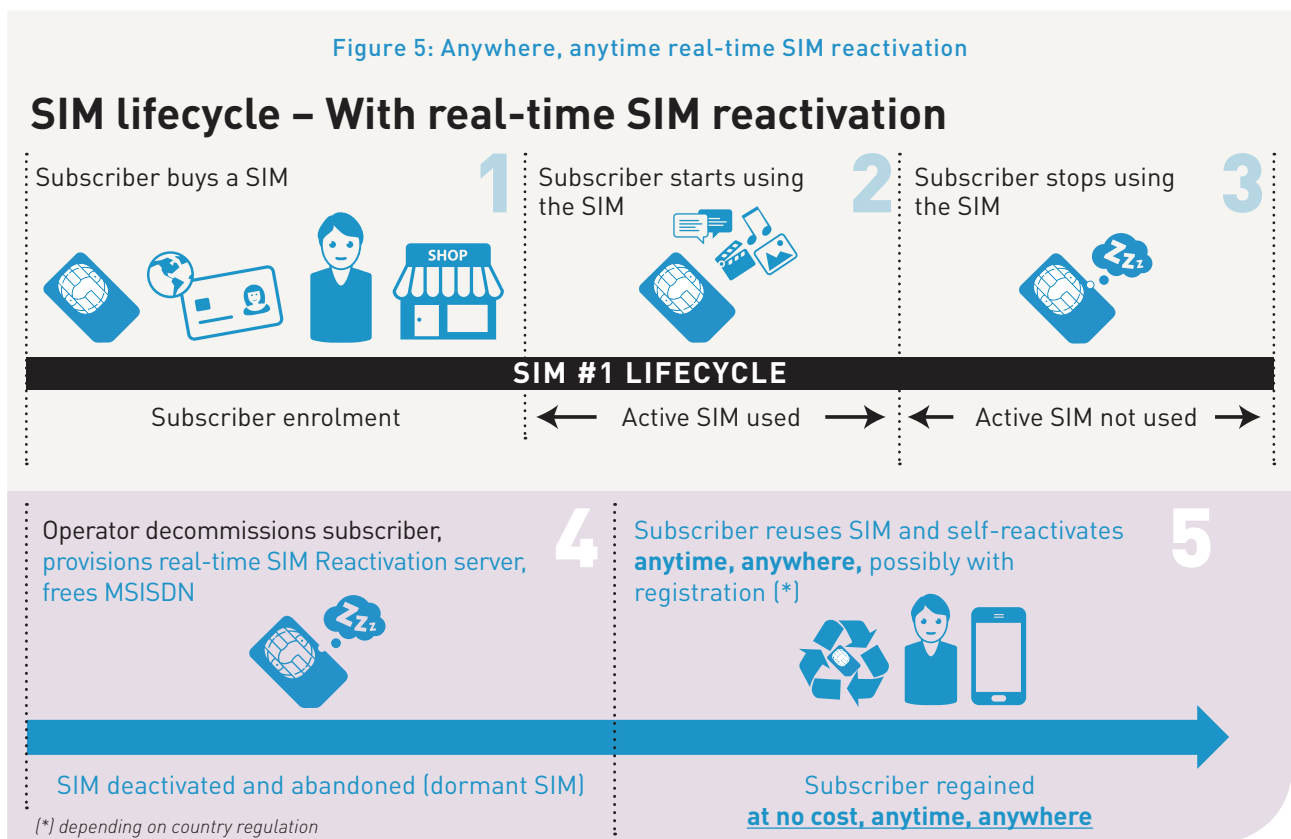
The previous options limitations lie either on the obligation to return to the point of sales, or on the inability to address deactivated/dormant SIM cards in the field. There is now a new customer-centric option: [real-time SIM Reactivation](#) anywhere, anytime. Practically as soon as the user inserts the expired SIM in the phone (e.g. to check the credit balance), the user receives a welcome back message and is invited to take advantage of a personalized offer.

**Real-time SIM Reactivation allows users to easily and instantly rejoin the operator anytime, anywhere. It simplifies the rejoining journey as the decommissioned user profile is restored. The subscriber can select a personalized offer** (incentive to rejoin based upon the previous SIM package, reuse of the previous phone number if still available).

But that's not all.

It relieves the point of sales as user self-reactivation reduces queues and SIM enrolment workloads. It helps operators focus their efforts on profitable commercial actions in their retail stores. It massively reduces subscriber reacquisition costs as operators can stop buying SIM cards for returning users and extend the SIM lifecycle. It contributes to regain lapsed subscribers that would have probably gone to the competition as they would have visited other retail stores to buy a new SIM card. At last, it constitutes an innovative user re-engagement marketing method able to enhance the operator brand image.

Figure 5: Anywhere, anytime real-time SIM reactivation

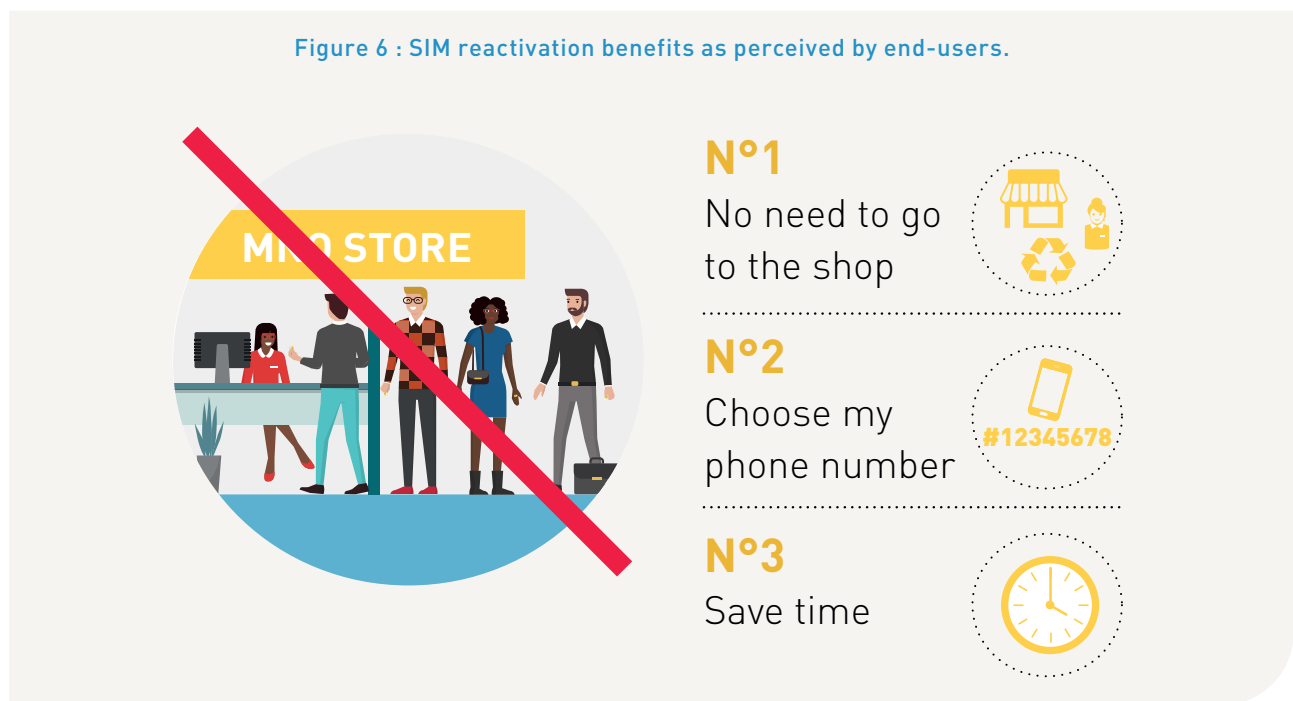


86% of the respondents of a recent survey<sup>2</sup> are willing to rejoin one operator over another, if this operator offers them the possibility to reactivate their old SIM via -such a SIM reactivation solution- with the promise to spare them from going to an agency.

“ 86% of subscribers would select the SIM Reactivation offer if it spares them from going to a retail store ”

Furthermore, users recognize the advantages of real-time SIM reactivation. First, **respondents** greatly **appreciate not having to go to the retail stores** to reactivate their SIM or buy a new SIM; indeed going to a store and then queuing at an ever-busy store is perceived as a pain. Second, **they could easily choose their phone number** on the fly. Third, it would allow them to **save time**.

Figure 6 : SIM reactivation benefits as perceived by end-users.



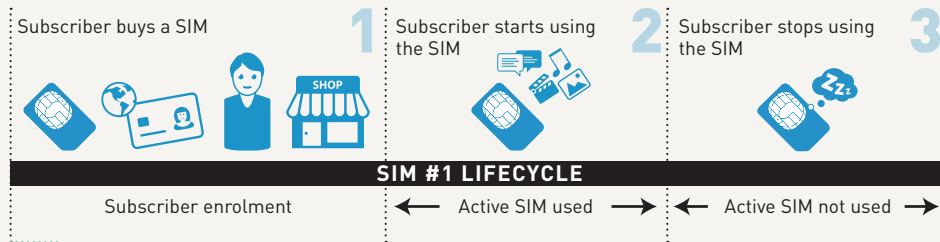
## Conclusion

The deployed user reacquisition techniques poorly address – or don't address at all – current operator concerns: retail store congestion, painful returning customer journey, dormant SIM phenomenon, user retention.

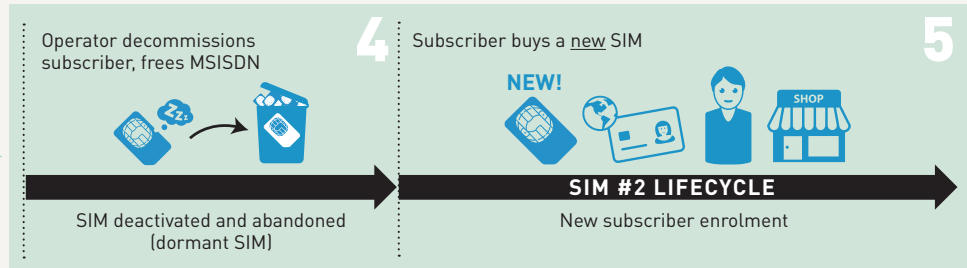
Only anytime, anywhere real-time SIM reactivation ensures a seamless user reacquisition and significantly reduces retail store congestion.

2: Survey carried out in December 2016 in Ivory Coast. Interviews conducted among 859 18-45 year-old mobile phone users who have dropped their SIM cards in the past 6 months and still have their old SIM.

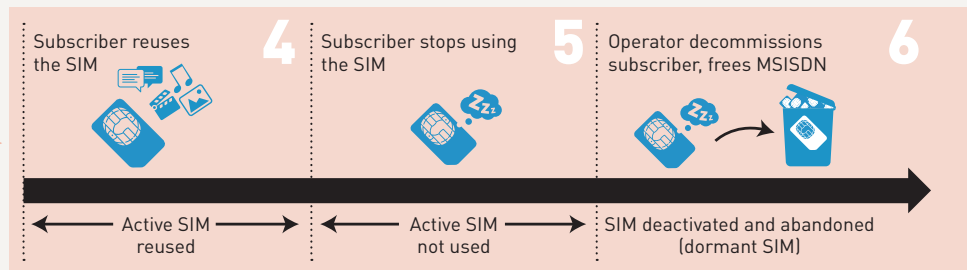
Figure 7: SIM lifecycle and the three options for lapsed user reacquisition



### Standard SIM lifecycle



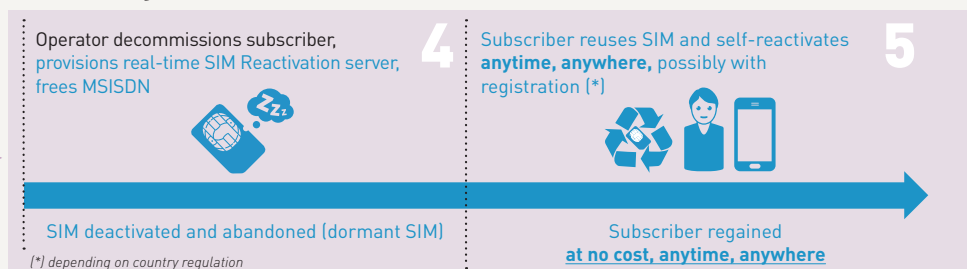
### SIM lifecycle – With win back promotion



### SIM lifecycle – With SIM reactivation at computerized stores



### SIM lifecycle – With real-time SIM reactivation



(\*) depending on country regulation

