

Telecommunications Sector

The value of revenue generation from non-core products and services

Collinson Latitude recently conducted a survey amongst representatives from the telecommunications industry to understand their thoughts on how they generate additional revenue through added value products and services outside their core product. The research indicates that although in early stages, non-core revenue is growing in importance as a profit driver and is the priority for 2010.

Of the telecommunications companies surveyed, acquisition of new customers was highlighted as an important objective; however this was secondary to brand differentiation which was identified as the top priority.

Almost two thirds of the brands surveyed already offer additional services alongside the 'core' product offering and the main reasons for doing so are to drive customer retention and generate additional revenue. Interestingly, although acquisition of new customers was cited as the core business objective, none of the brands surveyed offer additional products and services to support this objective.

67% of respondents who do offer additional product enhancements identified these as 'very much' a differentiator for their business against the competition. The third of companies who do not offer product extensions state this is due to the perceived high cost involved.

50% of respondents expressed an interest in adding benefit programmes to their offering – such as web portals giving customers access to a series of instant discounts, promotions and special offers through various partners.

Over 50% of companies surveyed claimed to be looking into offering added value products and services in the form of multi benefit packages. The key objective for reviewing this was to generate additional revenue and add value to the customer proposition.

**“Brand differentiation top priority for
Telecommunications businesses”**