

BCG Virtual Internship –  
Insight Sherpa  
Programme – Strategy  
Consulting

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Mark Kleyner



# Taking 3<sup>rd</sup> & 4<sup>th</sup> research findings

- $500(48\%+26\%) * 0.71 + 500(26\%)$
- $262.7 + 130 = 392.7$
- Would upgrade every 12 months if it didn't cost more
- It is logical therefore to reduce the upgrade cost and raise the upfront or per month cost



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# Considering 5<sup>th</sup> and 7<sup>th</sup> factors

- We know that upfront cost is a significant consideration for 60% of consumers and that for 46% of consumers \$500 upfront for a new phone
- We thus do not change up front cost, and instead raise monthly phone plan
- At this point we consider our evaluation matrix



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# Evaluation Matrix

Aspect:

Demographics	Upgrade cost	Tariff	Total cost	Upgrade cost	Star
< 30 & rarely upgrade annually **	H	L	H	M	10
< 30 & upgrade less frequently **	H	L	H	M	10
> 30 have to learn *	H	L	M	M	9
> 30 not keen to learn	H	L	M	L	7

H=3  
 M=2  
 L=1

\*\* = Primary (Main) Target market  
 \* = Secondary market

Evaluation Matrix



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## Considering 1<sup>st</sup> and 2<sup>nd</sup> factor

- Consider our evaluation matrix, we narrow down on our 3 main target audience groups:
  1. Under 30 and keen to upgrade annually
  2. Under 30 and upgrading less frequently
  3. Over 30 and keen to buy into lease plan

# Considering 8<sup>th</sup>, 9<sup>th</sup> & 10<sup>th</sup> factors

- Our survey identified how cost savings can facilitate growth with 18% of customers willing to change telco provider for <10% savings
- Two different plans are thus proposed:
  1. A plan targeting current consumer base across 3 target groups with a 10% discount to ensure loyalty and consistent uptake of phone upgrades every 12 months
    - Should increase our likely loyal target segment from 393 → 464 (18% growth) reaching 464/500 surveyed conversion rate (92.8% clients)
  2. A plan targeting new customers and competitors' customers offering a 10% savings on the standard plan's monthly fee for the first year

Both plans would include basic insurance coverage as a complimentary part of the package



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# Comparison of existing vs. leasing price plans vs. New Plans

## Plan comparisons (Samsung S10+)

	Journey Savers (Loyalty Plan for Retained Clients)	Early Savers (Plan for New Customers)	SIM Only+ Leasing Plan
Monthly lease instalment	\$59	\$59	\$59
Upfront cost	\$0	\$0	\$0
Monthly phone plan	\$50	\$45 (10% discount)	\$25
	6GB	6GB	6GB
	150	150	150
	500	500	500
Insurance	Basic Cover	Basic Cover	Basic cover
Trade in/ return device	Mandatory	Mandatory	Mandatory
Option to keep phone	No	No	No

## Additional phone costs (Samsung S10+)

	NEW SIM ONLY + Leasing Plan Current Clients	NEW SIM ONLY + Leasing Plan Current Clients	SIM Only+ Leasing Plan
Phone retail price	\$1,298	\$1,298	\$1,298
Trade-in after 1 year	-	-	-
Trade-in after 2 years	-	-	-
Trade-in after 3 years	-	-	-
Upgrade fee after 1 year	\$135 Upgrade Fee (10% discount)	\$150 Upgrade Fee	\$300 Upgrade fee
Upgrade fee after 2 years	\$100 Upgrade Fee	\$100 Upgrade Fee	\$200 Upgrade fee
Upgrade fee after 3 years	\$50 Upgrade Fee	\$50 Upgrade Fee	\$100 Upgrade-fee