

Designing an Effective Customer Value Management (CVM) Program

Strategies to Maximize Engagement, Limit Liability, and Strengthen Customer Retention



As subscriber expectations evolve and competition increases, creating a strong CVM program has become a strategic necessity for telecom operators. An effective CVM strategy should go beyond traditional transactional rewards to foster sustainable engagement, drive revenue growth, and enhance brand differentiation.

This guide outlines five essential design pillars to future-proof your CVM program and maximize customer lifetime value.

1. Maximize Program Reach While Balancing Digital Goals

Reach is a fundamental metric in CVM design. Programs should incorporate multiple channels, such as mobile apps, websites, and SMS, to ensure participation from all customer segments. While it is essential to drive app adoption, relying solely on app-based strategies may exclude less tech-savvy users. Evolving Systems has helped operators achieve increases of 400% in app adoption while thoughtfully integrating SMS and web-based engagement to maintain overall reach.

2. Address Points Liability and Financial Exposure

Points-based loyalty programs frequently generate unredeemed liabilities. Although implementing expiration rules can help manage this issue, they may lead to customer dissatisfaction. To encourage engagement without creating additional liability, consider using “Surprise & Delight” strategies, tiered rewards, or badge-based systems. These approaches not only provide financial flexibility but also enhance customer goodwill.

3. Design for Repeat Engagement Rather Than One-Time Visits

Research indicates that you have only two opportunities to foster loyalty: during the first interaction after onboarding and again within 7 to 14 days. If you miss either of these chances, you risk disengagement and potential churn. To encourage habit formation, incorporate elements like gamification, dynamic offers, and streak-based rewards.

4. Embed Flexibility Into Your Program Architecture

Static programs tend to become outdated over time. To remain relevant, your CVM architecture should allow for frequent updates, not only to content but also to reward mechanisms, segmentation rules, and partner offers. For instance, a top-tier German operator successfully maintained user engagement for over eight years by incorporating flexibility and implementing seasonal refresh cycles into its platform.

5. Stand Out Through Unique Mechanics and Partnerships

The success of CVM relies on differentiation. This encompasses offering unique rewards, such as exclusive access to concerts or events, alternative types of rewards, like badges, and unconventional partner networks, such as telecommunications companies collaborating with hospitals or gas stations for loyalty redemptions. These unique elements create a competitive advantage that is difficult for rivals to replicate.

Final Thoughts: Building a CVM Program That Drives Growth

Creating an effective Customer Value Management (CVM) program goes beyond simply rewarding purchases. It necessitates a strategic alignment of platform capabilities, customer insights, and the ever-changing market conditions. To evaluate your approach, consider five key aspects: Reach, Liability, Engagement, Flexibility, and Differentiation.

Solutions like the Evolution platform enable telecom leaders to implement these principles by providing dynamic segmentation, real-time triggers, and measurable return on investment (ROI). Future-ready CVM programs begin with intentional design and expand with the right tools.

About Evolving Systems

With over 30 years of expertise, Evolving Systems is a trusted partner in the telecommunications sector. We help CSPs adapt and excel, backed by our 35-year legacy of reliability and innovation. Trusted by 80% of the world's largest Mobile Network Operator Groups, we streamline (e)SIM processes and enhance customer data integration with our Complete (e)SIM Lifecycle Management Suite and Evolution platform.

Key Offerings:

- Complete (e)SIM Lifecycle Management Suite and Evolution platform: Streamlines (e)SIM processes and enhances customer data integration.
- Rapid Activation: Efficient (e)SIM and service activation processes.
- Advanced Solutions: Provisioning, Number, and Dealer Management, tailored and scalable experiences.
- Customer Engagement: Comprehensive Customer Value Management and Loyalty solutions provide real-time marketing insights and enhance digital engagement.

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