BACKGROUND

e-vergent provides high speed wireless connectivity to over 3000 customers in SE Wisconsin and NE Illinois. Joe Falaschi is the VP & General Manager leading e-vergent.

NEED FOR PRESEEM

In 2016 & early 2017, despite aggressively adding customers, e-vergent found themselves in a situation where the business was no longer growing due to customer loss - churn. Around this time, e-vergent learned about Preseem and became one of the earliest Preseem customers.

RESULT

- 28% drop in churn which translated into retaining $27,000 in revenue and 63 customers (297 service months) in the last 6 months.
- Predicting into the future, the lower churn rate means retaining $114,000 in revenue and 126 customers (1259 service months) over a 1 year period.
- Most importantly, e-vergent is now growing again.

e-vergent

e-vergent Wireless

WIRELESS INTERNET SERVICE PROVIDER - CASE STUDY

NETWORK

E-vergent uses a combination of Cambium and Ubiquiti equipment along with Billmax as their billing platform. Preseem's API integration with Billmax allows for easy access to subscriber plan speeds for bandwidth enforcement.

OVERVIEW

In 2016 & early 2017, despite aggressively adding customers, e-vergent found themselves in a situation where the business was no longer growing due to customer loss - churn. Around this time e-vergent learned about Preseem and became one of the earliest Preseem customers. The combination of Preseem's ability to identify parts of the network that required upgrades and Preseem's QoE optimized plan enforcement has resulted in a 28% drop in churn which translated into retaining $27,000 in revenue and 63 customers (297 service months) in the last 6 months. Predicting into the future, the lower churn rate means retaining $114,000 in revenue and 126 customers (1259 service months) over a 1 year period.

Most importantly, e-vergent is now growing again.

THE (BAD) POWER OF CHURN

It is obvious that losing customers is bad. What is less obvious is the compounding negative effect that churn has on your business. It's like investment income in reverse!

A simple example:

- 1000 subscribers
- 1.5% monthly churn
- $75 average monthly revenue per user (ARPU)

In this simple scenario, the WISP will be down to **834 subscribers** at the end of 12 months and will have lost **$23,928 in revenue**. Add to this the costs of working with the subscriber before they cancel as well as the cost of recovering hardware assets from the cancelled subscriber and the true impact to the business is even higher.

New Customers vs. Lost Customers
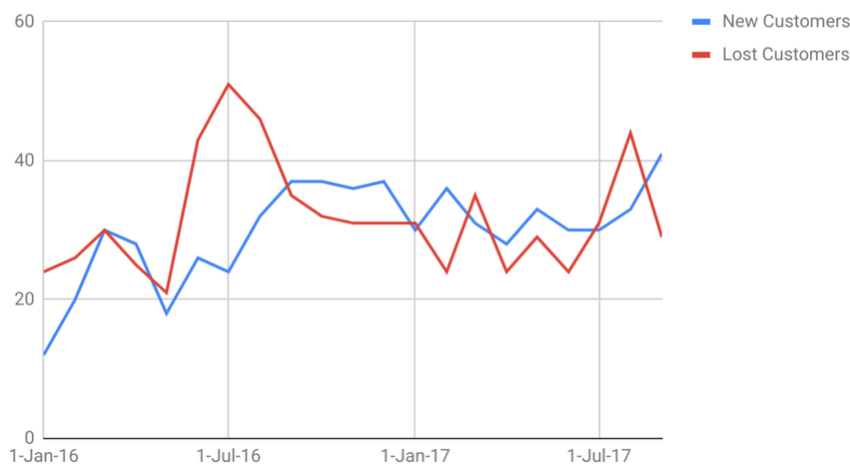
In 2016 and early 2017, e-vergent had a problem. They were adding customers every month but the total number of subscribers was not growing - in some months it was even shrinking.

WISPs have two levers in this situation, increase sales and decrease customer churn (cancellations). Both can and should be attempted but reducing churn is the more cost effective option as a lost customer not only represents lost future revenue but also adds unrecoverable support, hardware, installation and reputation costs.

To address the churn portion of the problem, e-vergent became an early Preseem adopter and the two companies have worked closely since.

WHAT IS YOUR CHURN RATE?

Most service providers measure their churn on a monthly basis. The math to calculate churn for your business and any given month is simple:

% churn = # of cancellations in the month / # of customers at the start of the month

When calculating churn, it's important to not let new customers into the calculation.

Other than "lower is better" it's hard provide guidance on what is a reasonable churn rate for your business. Here are a few comparisons:

Verizon Wireless: 1.28% [1]
AT&T Wireless: 1.65% [1]
T-Mobile: 2.22% [1]
50% of WISPs report < 0.5% churn [2]

Preseem helps WISPs reduce customer churn in two ways:

- Preseem provides granular insights into the customer experience on a tower, access point and subscriber basis which isn't available through traditional ICMP & SNMP based network monitoring tools. This helps WISPs to identify the portions of the network that have configuration, interference and load problems that are detrimental to the customer experience.

- Preseem's Quality of Experience Optimized Plan Enforcement provides a significantly improved customer experience compared to traditional plan enforcement solutions in routers, access points and other traffic management solutions. Among other problems, this helps to slay the dreaded "my Internet is slow" support calls.

New Customers and Lost Customers

At e-vergent, the combination of addressing the network problems identified by Preseem and applying Preseem's QoE optimization has resulted in very positive divergence in the number of customers and lost customers - the net effect is growth.

Sources
[1] Statista 'Average Monthly Churn Rate for Top Wireless Carriers in the US' - https://www.statista.com/statistics/283511/average-monthly-churn-rate-top-wireless-carriers-us/
[2] The BWA Industry Report 2017 by the Carmel Group - https://carmelgroup.com/wp-content/uploads/2017/12/TCG_2017_BWA_Full_Report.pdf
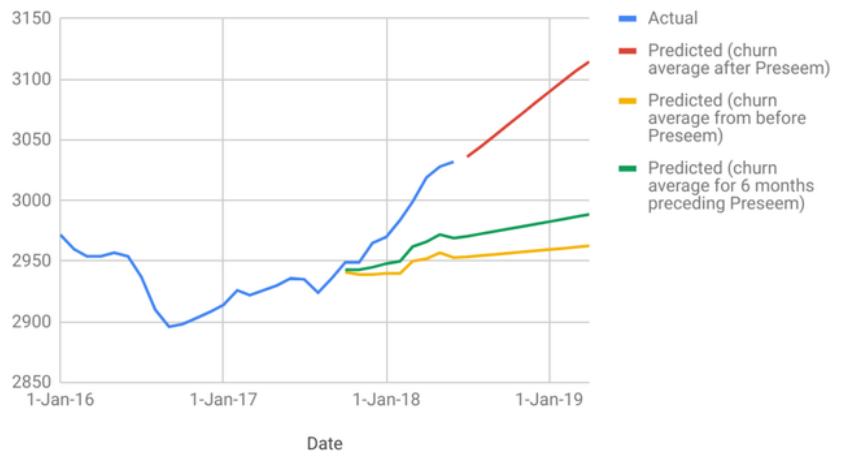
More concretely, 6 months after the roll-out of Preseem the results were:

- A 28% reduction in churn (1.08% to 0.78%)
- 63 'saved' customers
- 297 additional service months.
- At e-vergent's average revenue per user (ARPU) of $91 this represents almost $27,000 of additional revenue.

These results are even more compelling when the change in churn rates is trended into the future. At the 12 month mark, e-vergent will be up:

- 126 customers
- 1259 service months
- $114,000 in revenue

Subscriber Count: Actual vs. Without Preseem

Legend:
- Actual
- Predicted (churn average after Preseem)
- Predicted (churn average from before Preseem)
- Predicted (churn average for 6 months preceding Preseem)

"Guided by Preseem, we have made many improvements to our network. I believe these improvements and Preseem's optimization are the major reasons for our customer churn significantly decreasing." - Joe Falaschi, Vice President & General Manager, e-Vergent Wireless

There is little more frustrating to a WISP than working hard every month to add new customers but not seeing the overall business improve - it's like trying to get to shore by treading water. Preseem helps WISPs understand their network so they can deliver a great customer experience which reduces churn and improves the business.

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preseem

Developed exclusively for WISPs, Preseem is a one-of-a-kind networking solution that helps to find & fix Quality of Experience (QoE) issues across towers, sectors, and subscribers.

Preseem extracts key performance metrics such as packet loss, TCP Round-trip-time latency, jitter and throughput directly from the subscriber traffic in real-time with 10 seconds samples. With cloud-based analytics, user-friendly graphical interface and features like the Wireless Summary, Preseem allows you to understand the real QoE delivered by your network and pinpoint problematic areas of the network.

Preseem's QoE-optimized plan enforcement, based on FQ-CoDel, provides per-flow fairness and prioritization. This allows interactive flows like VoIP, gaming & DNS to get through smoothly without being affected by bulk flows like streaming video and large Windows downloads. For WISPs, this ensures that customers never call to complain about slow internet while someone else in the house is streaming Netflix or doing a heavy download.

Visit www.preseem.com for more information and 30-day free trial

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