A Sharper Focus for a Sharper Edge

Increase AMPU and achieve top line growth with Experian Lifecycle Management.
Pressure from all sides

Mobile telecoms service providers are facing pressure to top and bottom lines. A clear path forward is essential.

The issues facing mobile telecoms service providers have been growing rapidly – from low growth to increased competition, maintaining profitable growth was harder than it once was.

In Europe and Middle East, the penetration of mobile phones is well above 100% and, coupled with the low growth rate in population, the possibility for net new customer growth is minimal. The global economic downturn that has led to weak economic conditions has also added to margin pressures. Regulatory factors are also playing their part. In Europe in particular, the EU has been clamping down on “roaming” charges levied by service providers and this is causing a heavy reduction in revenue from this once lucrative segment.

These pressures are driving even more intense competition between the existing telecom operators, with prices being driven downwards to gain any possible advantage in an even more commoditised market. But it is also the emergence of a new host of OTT (Over the Top) players in the market, such as Skype, Apple and Google, that has eaten into the operator revenues and margins.

The emergence of telecoms super themes

Added to these business pressures, there are a number of key themes driving the market, as noted by Ovum research. Adapting to cloud business models, exploiting next generation fixed mobile access and managing the explosion of connected devices are three which have gained a lot of prominence in many operators thinking, but there are two other elements that stand out – optimising customer experience and profiting from new revenues.

Optimising customer experience is an area of priority for all telcos to see communications with customers through right channels and right time. In addition, telcos are also looking increasingly to their Net Promoter (NPS) scores and fleshing out what it is that affects customer experience.

Profiting from new revenues has a number of perspectives. One is about getting into new sectors (mCommerce etc), whilst another is to find new segments within their user base and profiting from selling what is relevant to these segments. Operators can also look at monetizing data, but that doesn’t mean selling access to their data, rather leveraging and enriching what they have to earn more value.
Experian Lifecycle Management is a single, tailored solution that drives customer advocacy and increases Average Margin Per User (AMPU). It does this by making relevant, intelligent and informed decisions that increase the lifetime value of each customer – enabling your business to achieve sustainable top line growth.

Overcoming today’s challenges, whilst creating a platform for future success. A smarter focus is essential.

With increasing margin and growth pressures, combined with the pace of technological and social change, is making it harder for telecom service providers to keep up with market expectations.

The emphasis can now be placed upon three core routes to profitable growth:

- Gaining market share
- Retaining customers
- Growing their share of wallet

To gain market share telecom service providers can look to differentiate themselves from competition by being more relevant to individual customers, in turn offering a better customer experience. Similarly, this added customer experience can help in retaining the most valuable customers, whilst looking to grow their share of wallet by diversifying product and service offerings.

However, achieving success in any of these areas is dependent on the capabilities of the data and campaign management tools currently in place.

Enhancements to these processes and tools can therefore be used to drive profitable growth.

A single tailored solution

With a strong founding in data, decision analytics and execution management, Experian has developed an end-to-end service that provides telecom service providers with a means of enhancing these data and campaign management tools and in turn gain, retain and grow.

Experian Lifecycle Management offers telecom service providers a single, tailored solution to drive customer advocacy and increase Average Margin Per User (AMPU) by making relevant decisions to increase the lifetime value of each customer and achieve sustainable top line growth.

- Complete Customer - enabling a single and complete customer view
- Customer First - driving more intelligent, data-based decisions
- Relevant Dialogue - delivering a better customer experience
Complete Customer

An inconsistent view of customers leads to poor decision making. ‘3D+’ profiles ensure you get the complete picture.

Customer information can enter organisations through multiple touchpoints such as telephone, company website or post. Combine these multiple input channels with the capture information, and the oft existence of multiple customer databases – marketing may have one database, finance another – the risk of poor data quality is high. These are probably not linked, not refreshed at the same time and are configured in different formats to serve different purposes. This can leave an organisation with multiple unconnected and uni-dimensional databases.

The complications don’t end there, however. These databases will likely feed into a CRM system. However, with multiple databases feeding into the CRM, the likelihood for duplication and inconsistency is large – you may have 1 million customers but 2 million records in the CRM. And this information regarding customers is often limited to the data captured by a company themselves – it doesn’t take into account a customer’s situation or behaviour in interactions with any other parties.

These inconsistent and multiplicated views make it impossible to make fully informed decisions about customers. Managing this into a single and complete customer view needs to be a priority in solving these issues.

Start as you mean to go on
It’s only possible to create a single and complete customer view if you’re working with the right information in the first place. The need to clean, maintain and suppress contact data should be recognised by all organisations as a fundamental part of data management strategies. Although capturing contact information accurately first time is a step in the right direction, it must be followed with regular cleaning and suppression as contact data changes. Our software completes missing elements within contact records, corrects spelling errors and re-codes postcodes that have changed. Contact data is suppressed against comprehensive files to remove or flag contacts that have moved, passed away or subscribed to marketing communications. This external data can then be used either together or independently.

More than just standard input data
The capability to create ‘3D+’ customer profiles to ensure you get the complete picture is also critical. Not all customers are the same and they have many different propensities, triggers and preferences. Experian has been successfully developing consumer segmentations for many countries for many years. So we have a wide range of datasets that are available to enhance the contact information held within your database. This external data enhancement allows additional valuable information to be added to records, permitting detailed analysis for reporting and a more targeted approach to marketing. Thanks to better insight into propensities, preferences and triggers.

The additional information can be appended at the point of contact data capture or added at a later stage. We are able to quickly and efficiently transpose external data for use with your systems. This includes: Business data, Names data, Lifestyle data, Government and administrative data, Geographic grid-reference data, and Health administration data.

One customer, one record
Ensuring that your database is free from duplicate records is an essential part of effective contact data management. To provide you with a single view of your customers, your organisation must aim to regularly remove duplicates from your existing database. Our software can work in real time at the point of data collection to stop duplicate records entering the database from the outset. It also helps remove duplicates from the existing database by identifying and merging large volumes of records. These real-time and bulk methods can be used either together or independently.

A platform for customer communication
This can then be used as a platform for customer segmentation and marketing alignment. Working from this strong platform created by one customer, one record, you can start to break down customer profiles and marketing communications based on granular attributes – ultimately ensuring that the right information is communicated to the right customer.
North Lanarkshire Council

The Business Issue

North Lanarkshire Council shared a challenge common to most, if not all, UK local authorities. With over 800 services multiple computer systems and databases, holding a vast number of customer records subject to a significant amount of change, keeping on top of the changes can present a costly administrative burden and overhead. They were also presented with the challenge of having back office data designed specifically to meet local needs, systems that contained data with keying errors, omissions and incorrect fields, an inability to cross reference across databases and a lack of updating resource.

Objective

To improve the quality of customer records to enable a better service provision, enhanced customer interactions and increased revenues.

The Experian Solution

In partnership with Experian, North Lanarkshire Council ran a successful customer data cleansing and matching exercise. Using the Experian data cleansing and de-duplication tools, the exercise analysed thousands of customer records held across a number of the multiple systems and databases operated across the Council.

The exercise followed a number of distinct phases including:

- Discovery Phase to understand distinct needs and context;
- Scoping Phase to identify the statement of works, the data sets on which to focus attention during the fieldwork phase, and roles and responsibilities;
- Fieldwork Phase centred around data integration and quality, and involving:
  - importing and exporting customer data
  - formatting the data into a common standard
  - correcting and improving data
  - merging duplicates and assigning unique IDs
  - deploying these to operational systems

Benefits

24% - improvement in quality of Council Tax records
21% - improvement in quality of Housing Benefit records
6 weeks - time taken for the automated data quality exercise to complete, compared to around 52 weeks if exercise run manually
1 x FTE - staff savings freed up for release into front line service delivery

Experian enables you to create a single, deep, broad and enriched view of each customer to create a new ‘3D+’ customer profile. This enables the delivery of a truly customer-centric business model to drive relevant marketing programmes and increase customer value.
Customer First

Having high quality data means nothing unless you use it properly. The customer needs to be at the heart of any decisions you make.


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Deeper segmentation for data-driven decisions

With traditional in-house solutions, there is often an inability to create elaborate, granular segmentation for targeted marketing campaigns due to push-back by internal IT as a result of the time it takes to implement and the difficulty of updating/amending the data. So uptake suffers.

But you can use Experian’s enhanced additional data capabilities to delve to an even greater level of attributes-based segmentation in terms of accuracy and specificity. True customer value assessment is possible. So marketing decisions are therefore based on much more specific breakdowns, meaning that you can map customer campaigns to specific customers.

Marketing intelligence, improved

Experian’s decisioning capabilities are based in the finance world, where any wrong decisions can be hugely costly. When this expertise is brought over into the marketing sphere, the benefits can be seen incrementally. With this complex decisioning tool in place, you can see and measure the additional downsides not associated with cost (e.g. bad feeling, complaints, non-renewal, etc). You can design, analyse and execute mathematically optimal customer strategies, accounting for competing goals and operational constraints and individual customer needs and preferences. The algorithms provide a rigorous and consistent method of customer selection.

Our software delivers powerful “what if?” simulation capabilities that can dynamically run individual customer-level optimisation scenarios and identify the best value campaign execution within the operational and retention budget constraints of the business. Once the scenario has been agreed with the business, the software then rolls out each customer’s optimised strategies for the next period into the live environment.

Making more complex decisions than ever before

Experian Lifecycle Management not only provides segmentation based on any multitude of attributes but it adds intelligence into your marketing activity by including automated decisioning. It uses sophisticated algorithms to help you understand what you want to do with customers (e.g. grow value, increase revenue, etc) and the planning capabilities – then decides what execution is best to achieve these aims. This reduces time lag, solves the complexity of different decision influences, and helps rationalise complex strategies. Once parameters and goals have been set, the automated system ensures consistent, reliable and accurate marketing decisions, always.
Experian enables you to increase customer advocacy by putting the customer first and aligning all your actions by implementing financially modeled customer decisioning. Our solution uses automated decisions based on intelligent algorithms to assign optimised offers, communications and marketing.

Objective
To grow revenue by capturing more share of their customers’ wallet.

The Experian Solution
Experian solution enabled SCB Consumer Banking to manage customer level decisions to explore full potential of customer’s share of wallet, by implementing a global solution for customer level account management.

Experian delivered the latest version of its system to manage the bank’s decisioning at both customer and account level across mortgages, personal loans, credit cards, checking accounts and savings accounts.

Experian segmented the customer portfolio into different groups in order to apply targeted and relevant strategies.

1. Rate the account/products separately based on behavioural data.

2. Rate the customer based on an aggregated rating across accounts/products.

3. Build a customer level strategy for cross sell/upsell/pricing, etc.

4. Push actions for systems at account level based on full customer level view (feedback)

On a monthly basis the system processes the bank’s customer records across all products and aggregates them to provide a customer level view.

The desktop tool provides users with complete control to create, test, maintain and improve strategies to manage and maximise the customer relationship across the enterprise.

Benefits
The fully automated solution exceeded benefits from expected USD$7.8 million in the business case for project funding to USD $14 Million in annual revenue on year 1.

Standard Chartered Bank

The Business Issue
While SCB invested heavily in growing the business, the bank recognised that it needed similar investments in its customer decisioning environment. As a result, its strategy management system was no longer delivering the required benefits and needed updating to reflect the changes that had taken place in the business and marketplace.
Show a focus on customers’ individual needs and wants to start building brand advocates.

With multiple channels, millions of customers, different timings and numerous product and usage stimulation offers create an almost unmanageable level of complexity in determining the right offer, channel and timing for each customer. Within the telco landscape, this variety merely succeeds in complicating the mix of offers that can be made to new and existing customers.

And, whilst customers are becoming more receptive to multiple offers, as well as an increased volume of these offers, it is important to manage these offers to both ensure consistency, and control the frequency of offers. Ignoring this leads to customer confusion, dissatisfaction and ultimately has an adverse impact on customer loyalty, churn rates and revenue.

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Relevant Dialogue

Intelligent decisions take you so far. Optimised executions take you further.

Show a focus on customers’ individual needs and wants to start building brand advocates.

Making communications relevant
Delivering a better customer experience largely depends on your ability to enable and encourage relevant interactive dialogue. The powerful “what if?” simulation capabilities of our decisioning software can take into account specific consumer preferences to ensure that the right message reaches the right contact via the right execution and the right delivery method at the right time — every time.

The automated decisioning ensures a consistency and speed of responses, while deep-level segmentation and intelligent decisioning provides a level of campaign structuring capability that simply was not possible before.

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Intelligent decisions take you so far. Optimised executions Relevant marketing Enhanced experience and effectiveness

1. Optimised executions
2. Relevant marketing
3. Enhanced experience and effectiveness

- Increased cut through
- Increased open rates
- Increased cross sell
- Increased upsell
- Increased retention
- Increased margin per user

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(Related Marketing)

(Related Customer Experience)

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Experian enables you to create truly customer-centric marketing campaigns that propose relevant offers to the right customers at the right time through the right channels. This intelligence, coupled with granular attributes-based segmentation, results in relevant interactive dialogue with customers. It leads to maximised ROI on marketing campaign spend, demonstrating a measurable increase in customer value.

Turkcell

The Business Issue


Objective
To improve business results and efficiently manage campaigns and offers to 34.5 million customers.

The Experian Solution
Experian’s optimization technology was used, due to its ability to improve the business results significantly, and along with an intensive extract, transform and load process, fit comfortably within operational requirements. The scalable mathematical decisioning technique which delivered objective, individual level strategies based on the business goals and constraints, simplifying the complexity of the decisions Turkcell needed to make.

The business team created multiple scenarios, reports and change outcomes weekly, to develop the right scenario to achieve the business objectives within the constraints, before deployment into the live environment. A parallel live test gave Turkcell the confidence that the solution would run consistently and quickly and the full solution is now running live.

Benefits
• More than a 20% improvement in contact efficiency
• Implementation and management of business and channel constraints
• Increased efficiency and take up
• Improved customer satisfaction

Summary of Process

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Only by drilling down to and focusing on the details can you create truly customer-centric communications and marketing campaigns that help you to gain market share, retain valuable customers and grow your share of wallet. This is what will give you the edge over your competitors – and what we can deliver with Experian Lifecycle Management.


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