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Targeting success for T-Mobile Austria GmbH with new and existing customers

Client profile

T-Mobile Austria GmbH
t-mobile.at
- Subsidiary of Deutsche Telekom AG
- Acquired tele.ring in 2006
- Customer base of approximately 4 million

Overview

T-Mobile Austria GmbH, a subsidiary of Deutsche Telekom AG, increased its customer base by 50 percent when it acquired tele.ring in 2006. This joint customer base of approximately 4 million was also a big boost to market share.

A solid post-acquisition strategy was needed to decrease customer churn and increase average revenue per customer. If they could manage these two items, it would address the saturated market and voice price erosion.

Business challenge

T-Mobile Austria saw data mining as critical to success, so they ran a test. They used SAS Enterprise Miner for churn prediction. In parallel, they ran Portrait™ Customer Analytics for default prediction. The SAS platform was complex, inefficient and expensive:

- Outdated data-mining models (2 for churn and 1 for cross selling)
- Dependent on external consultants (increased cost; risk of information leaks to competitors)
- Complicated data model creation process (resulting in high costs)
- Complex data warehouse structure

"With experience of both SAS and Portrait we had a lengthy evaluation process to compare both platforms and to ensure that the solution would meet future business requirements. We chose Portrait as it rated better in our 'sample projects', can be used by our marketing team and gives us control over software and consultancy costs."

—Christian Reder, Marketing Analyst
T-Mobile Austria GmbH

Technology used

- Portrait™ Customer Analytics
- Sun Solaris Unix Server
- Oracle data warehouse

"Our analysts are more efficient, delivering analytics and models on time but, more importantly, they are able to collaborate in real time. With the option for 'Uplift Modelling' we can participate in a best-of-breed solution which has revolutionised predictive modelling."

—Christian Reder, Marketing Analyst T-Mobile Austria GmbH

Solution

T-Mobile Austria chose Portrait over SAS because it rated better in typical data-mining-use test cases. Portrait also offered a much more cost-effective licence. Implementation was quick: 30 days from the deployment of a flexible data-build environment to the initial production-quality models. With just one Marketing Analyst, one Business Intelligence Support for SQL and a couple of days of state-of-the-art consultancy from Portrait Software, T-Mobile Austria was able to construct all the real-world models it needed.

Multiple predictive models, especially up-sell and cross-sell, could now be created easily, using the Portrait data-build utility and automated deployment functionality. Close, real-time co-operation between analysts and segment managers became possible because of the software's speed and 3D visualisation strength.

The capabilities of Portrait Customer Analytics were immediately available to the marketing, sales and technical departments. This favoured much faster business decisions and more streamlined operations. In particular, predictive modelling applications could be used to optimise retention of contract subscribers. That led to two key benefits: it prevented inactivity for prepay subscribers and optimised network roll-out.

The Portrait solution also boosted the T-Mobile team's ability to bring complex selections to life. They could accurately and effectively target the right customers, with the right offer, at the right time.

Results and benefits

- Portrait Customer Analytics is currently live within T-Mobile Austria. It has improved response times for analytical requests and freed up power analysts, which maximises value to the business (no more managing queries and reports).
- The marketing team is now able to craft highly targeted campaigns. They can also make faster, better decisions based on rapid predictive models, using campaign segmentation functionality.
- T-Mobile has achieved a significant decrease in software costs, estimated at several hundred thousand euros.
- Savings of tens of thousands of euros yearly by eliminating external business consultancy
- Increased effectiveness of retention activities: 20 percent reduction in churn. This alone contributes a huge amount to the bottom line.

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