



CASE STUDY



CUSTOMER PROFILE

- A subsidiary of T-Mobile International
- Acquired tele.ring in 2006
- Customer base of 3.2 million

Executive Summary

T-Mobile Austria GmbH, a subsidiary of T-Mobile International, acquired tele.ring in 2006 increasing its number of customers by 50%. With a joint customer base of 3.2 million, they significantly increased their market share against the market leader, Mobilkom Austria. The essence of their post-acquisition strategy was to increase average revenue per customer and to decrease customer churn to address the saturated market and voice price erosion.

Business Challenge

T-Mobile Austria had been a user of SAS Enterprise Miner since 1999 (for churn prediction) and, in parallel, used Portrait Customer Analytics since 2000 (for default prediction). The review of the Business Intelligence landscape after the merger in 2006 was the catalyst to look at the analytics capability in more detail. Data mining was seen as critical to continued success but the SAS platform was very complex, inefficient and expensive to run:

- There were only three data mining models (2 for churn and 1 for cross selling) and these were out of date
- The lack of in house SAS know-how meant a dependency on external consultants, increasing not only the cost but also the risk of information leak to competitors
- Creating a useable data model in SAS was a long-winded process leading to high costs
- The data warehouse structure was very complex

T-Mobile needed to consolidate and streamline its technology platforms into a single data mining application in order to:

- Significantly decrease software costs
- Negate costs for external business consultancy, whilst protecting data integrity
- Increase the effectiveness of retention programs, such as mailings and retention calls
- Decrease response times for analytical requests

“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

Project Description and Solution

T-Mobile Austria chose Portrait over SAS as it rated better in several typical test data mining use cases and offered a significantly more cost-effective license. T-Mobile Austria achieved a very quick implementation (30 man days) from the deployment of a flexible data-build environment to the initial production quality models. With one Marketing Analyst, one BI-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 of the real-world models that they required.

Multiple predictive models, especially for up sell and cross sell, could now be created more easily using the data build utility and automated deployment functionality within Portrait. Close real-time co-operation between analysts and segment managers was now possible due to the speed and 3D visualization capabilities of the software.

With the use of Portrait Customer Analytics immediate analytics capabilities were now available for use by marketing, sales and technical departments allowing faster business decisions and more streamlined operations. In particular, a number of diverse predictive modeling applications could be used to determine retention optimization for contract subscribers, to help prevent inactivity for prepay subscribers and to optimize the roll out of the network.

The Portrait solution also enabled the T-Mobile campaign management team to execute complex selections and therefore accurately target the right customers, with the right offer, at the right time and therefore become more effective.

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TECHNOLOGY USED

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

Results and Benefits

- **Portrait Customer Analytics is currently live within T-Mobile Austria. This has not only improved response times for analytical requests, but has freed up power analysts to add real value to the business instead of simply managing queries and reports.**
- **Marketing team now able to craft highly targeted campaigns and make faster, better decisions based on rapid predictive models and using campaign segmentation functionality**
- **T-Mobile has achieved a significant decrease in software costs, estimated at several hundred thousand Euros**
- **Bottom line benefits also include savings of tens of thousands of Euros per annum on external business consultancy which is no longer needed**
- **Since implementing Portrait Collaborative Customer Analytics, T-Mobile Austria has experienced increased effectiveness of their retention activities achieving a 20% reduction in churn. This alone contributes a huge amount to the bottom line.**

“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 Modeling’ we can participate in a best-of-breed solution which has revolutionized predictive modeling.”

Christian Reder
Marketing Analyst
T-Mobile Austria GmbH

For more information call 800.327.8627 or visit us online: www.pbinsight.com

UNITED STATES

800.327.8627
pbbi.sales@pb.com

CANADA

800.268.3282
canada.sales@pb.com

EUROPE/UNITED KINGDOM

+44.800.840.0001
pbbi.europe@pb.com

ASIA PACIFIC/AUSTRALIA

+61.2.9437.6255
pbbi.australia@pb.com
pbbi.singapore@pb.com



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