CASE STUDY – PRICE PLAN UPSELL FOR A MOBILE TELCO

INTRODUCTION

The following is a case study of Idiro Analytics working with a well-known Irish mobile telco to better target a campaign to stimulate customers to move from a prepaid to a postpaid (billed) tariff plan. As experts in advanced and predictive analytics, Idiro was asked to help.

THE BENEFITS OF MOVING A MOBILE CUSTOMER FROM PREPAID TO POSTPAID

The mobile telco identified some key benefits to moving customers from prepaid to postpaid subscriptions. These include:

- *Lower Churn Rate*: postpaid customers are much less likely to churn than prepaid customers
- *Higher LTV*: The typical lifetime value of customers is significantly increased when they are postpaid

Not all customers will migrate to postpaid tariffs and stay there. Some will find postpaid mobile is not for them (typically due to difficulty budgeting) and will revert to prepaid tariffs.

Idiro's challenge was to find the ideal customers to target, i.e. the ones who are more likely to accept a P2P migration offer and also to stay there once they do.

IDIRO'S APPROACH

Idiro Analytics is a pioneer in the analysis of mobile CDRs (Call Detail Records) using Social Network Analysis (SNA) algorithms. Idiro's services are used by mobile phone operators to understand the communities within the market and to identify the influencers and the influenced, in order to make their marketing activity more effective.

Fig. 1 (below) shows a typical community of mobile users. The people shown in orange can be influenced to churn not only by subscribers to whom he/she is directly connected (e.g. A & B), but also by others more than two or even three links away (e.g. C). A large number of factors influence the level of influence between any two people.
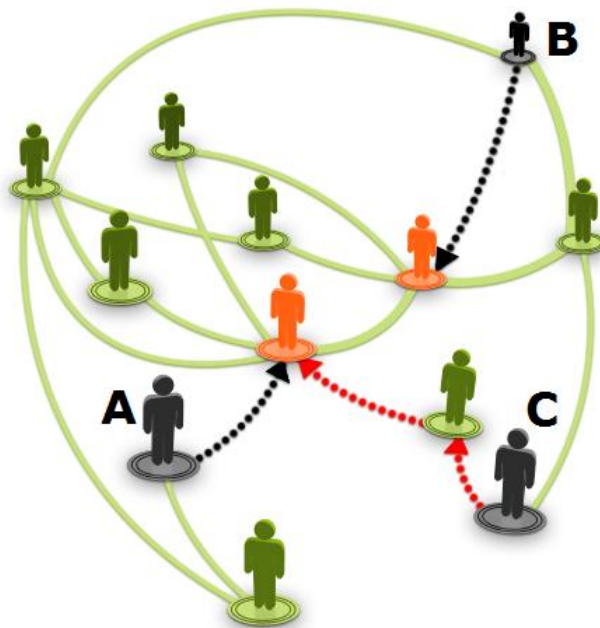
A community of mobile users.

Idiro research has found that P2P migration is contagious, i.e. that people follow their friends in migrating to postpaid. We can analyse this contagion and predict those customers most likely to migrate and therefore most likely to uptake a P2P campaign from our customer. Idiro observed that a friend of a recent migrator from prepaid to postpaid tariffs was over five times more likely to migrate than was the average customer.

Using our social network analysis algorithms, Idiro are able to predict which customers are most likely to respond to a P2P campaign. Idiro created a 'P2P Pressure Score' which identifies customers who are under social pressure to migrate, and are therefore ideal candidates for targeting.

RESULTS

Our customer ran a number of P2P campaigns over four months. Using a target group Idiro had identified, the telco achieved a 15.34% uptake. One month later, using a target group the customer themselves had identified, the telco recorded an uptake rate of just 9.07%. This represents a massive 69% improvement on the telco's own results.
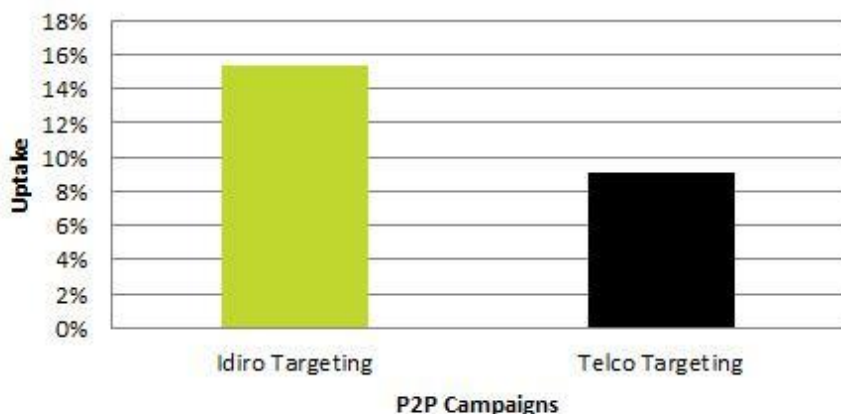
Based on the success of Idiro's targeted campaign group in the trial campaign, the customer in question signed a long-term contract with Idiro.

CONCLUSION

Idiro's ability to identify contagion and target users based on their P2P Pressure Score (i.e. likeliness to buy the tariff upsell offer) resulted in a much higher uptake for our customer's campaign. This proved an excellent demonstration of the value that Idiro Analytics can bring to a business.

FURTHER INFORMATION

Many more of our case studies cannot be published due to confidentiality. For more information about these, or about how Idiro can help your business, contact us at info@idiro.com.