



CASE STUDY – THE RETURN ON INVESTMENT FROM IDIRO’S ANALYTICS SERVICE

INTRODUCTION

Idiro Analytics is a world leader in bringing the power of advanced analytics to businesses. Idiro works with business across Europe and North America. The following proof-of-concept was run with a leading European mobile telco. This operator is the market leader in its home country with over 30M customers, and has operations in numerous other countries. Key business needs for the operator were to improve customer retention and to increase customer acquisition. The successful proof-of-concept led to a full deployment of Idiro's analytics service by the telco customer shortly afterwards.

CHURN PREDICTION

The operator has been using data mining techniques in predictive models for some time. These models are exploiting an analytic environment of more than 500 variables categorized as call details, contact data, subscriber info, handset info, payment data, usage trend, refill behavior and campaign responses. There are separate models for prepaid churn, postpaid churn, and number portability. The telco wanted to increase the predictive accuracy and prevent more customers from churning with the addition of community perspective to predictive modelling, i.e. analyzing the influence relationships within its customer base. This resulted in a trial study with Idiro.

In postpaid churn prediction, the addition of the Idiro churn prediction model **increased the number of churners accurately predicted by a massive 65% over the operator's own churn model**, as shown below.



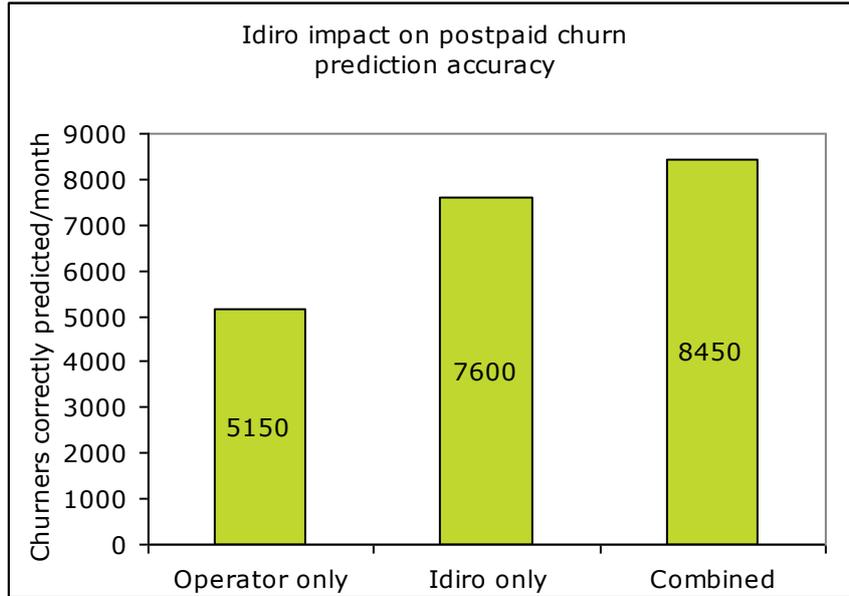


Figure 1: Postpaid churn prediction: value added by Idiro Analytics.

Source: Idiro Analytics

For prepaid churn prediction, combining the results of the Idiro churn prediction model with the output of the Operator’s own model increased the number of churners accurately predicted by 39%, and drove significant customer retention.

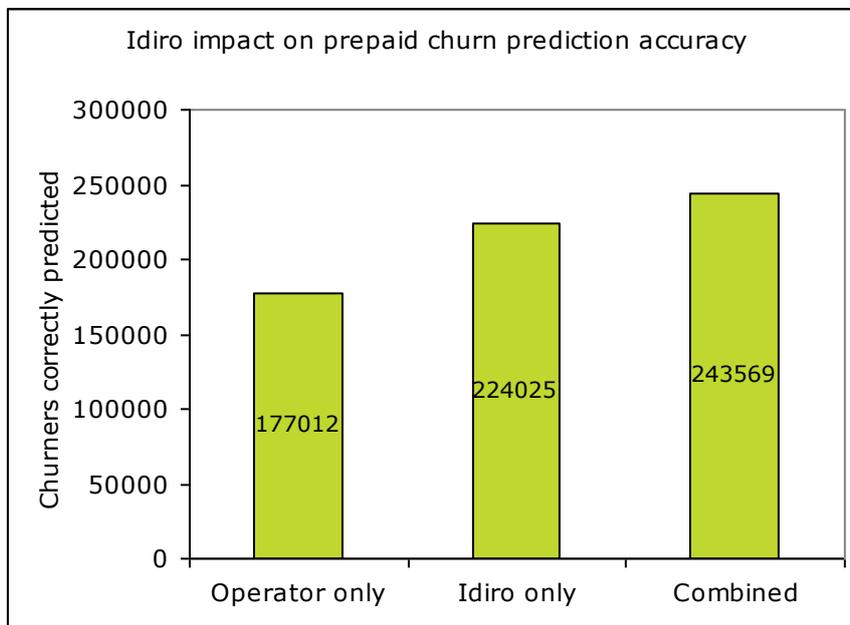


Figure 2: Prepaid churn: value added by Idiro Analytics

Source: Idiro Analytics



CUSTOMER ACQUISITION

The operator also used Idiro Acquisition scores in a number of campaigns, all with positive results. The following chart illustrates how the Idiro scores delivered a 29% improvement in an acquisition campaign uptake over the operator's own best efforts. The mobile operator described this campaign as 'the first successful mobile member-get-member campaign in fifteen years'.

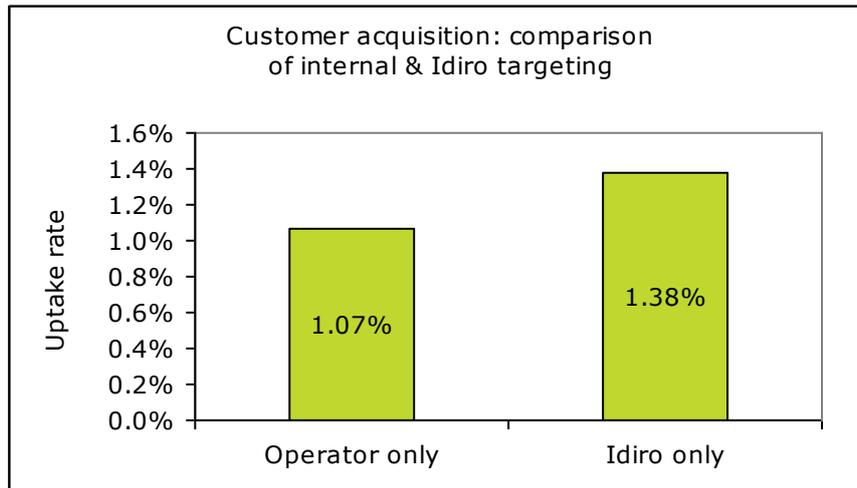


Figure 3: Customer acquisition: comparison of internal & Idiro targeting
Source: Idiro Analytics

RETURN ON INVESTMENT

During this limited trial, Idiro's analytics service delivered:

- A massive 65% increase in predictive accuracy in postpaid churn
- A 39% increase in predictive accuracy in prepaid churn
- A 29% increase in acquisition campaign uptake

A business case was then built using this operator's own assumptions

Taken together, the benefits of using Idiro Analytics were calculated using the operator's own business case model at €10.8 Million per year.

This operator went on to become a customer of Idiro Analytics, and to expand the range of Idiro services used by the operator.



CONCLUSIONS

The benefits of Idiro's advanced analytics services cannot be ignored by any business that is serious about customer retention and acquisition. In today's challenging business environment, it is all the more important to take opportunities like this to remain competitive. Idiro's advanced analytics represents a great opportunity to achieve large improvements in marketing effectiveness. The biggest impact is delivered by the optimum combination of the operator's traditional predictive models and Idiro advanced analytics.

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.

