

Pricing Appliance helps with Profitability Analytics

About Telecom Service Provider

A UK-based telecom service provider offers services to over 10 million high-value commercial and residential customers.

Business Challenges

As a young, high-growth company, the UK-based telecom service provider needed to ensure that it was making a successful business out of meeting the needs of its high-value customer base. As such, the telecom service provider required complete visibility of its profitability and margins to ascertain if they were areas of the business that could be improved.

The telecom service provider wanted to look at all aspects of the business, including the analysis of rating, charging, promotions and discounting in order to gain a holistic view of the company's profitability. Not only did this include analysis of costs and margins of call detail records, but it also meant that other non-voice services such as messaging (SMS, MMS), subscription TV and downloadable content (PPV, games, ringtones etc.) were under scrutiny.

To respond to these requirements, the telecom service provider wanted to run profitability analysis checks

using data that dated back to 2004, in order to see past trends as well as those of a more recent nature. It was no longer acceptable that only sample data was in play; they wanted to analyze their revenues versus wholesale costs for every customer.

Business Benefits & ROI using Pricing Appliance

Business users at the UK telecom service provider decided that Pricing Appliance would be the best solution for profitability analysis due to its comprehensive feature set and the fact that it is the only solution that analyses complete data as opposed to sampling. This allowed the business to have full control of what data they wanted to analyze, knowing that they were analyzing customers who matched the desired parameters. Using samples could never guarantee that a true representation of their customers was achieved.

Using Pricing Appliance, the users could easily load data from as far back as 2004 and run iterative analysis queries, verifying margins and profitability of a wide range of products.

The business finally adopted Pricing Appliance and had the system up and running within just four weeks.

The Challenge

UK-based telecom service provider requires complete visibility of its profitability and margins to detect areas of the business that could be improved

The Solution

Using Pricing Appliance, the telecom service provider can analyze costs and margins of CDRs and non-voice services using current and historical data that dates back to 2004 to detect trends

The ROI

Pricing Appliance means all business data (6.8TB) can be analyzed and ensures that the analysis is always derived from full coverage of the customer segment

The telecom service provider quantified the business benefits with Pricing Appliance as follows

- Profitability analysis queries can be run against all 6.8TB of data, not just samples, ensuring that the analysis is always derived from full coverage of the customer segment
- Pricing Appliance helps the business be compliant with regulations. By analyzing at call level detail using all data and providing easily-read executable business rules, the business is fully transparent to OfCom, the telephone regulator
- All analysis is now done by business users and analysts which has eradicated all IT bottlenecks
- Pricing Appliance has given the business new confidence that they can determine where the most profit will come from. As such, they can constantly detect and attend to their highly lucrative customers
- Innovative new pricing strategies have been implemented as profitability analysts can detect where money can be made and model the exact revenue effects of many pricing variations
- Analysis can now be focused on multiple sections of the business: customer churn, margin exploitation, customer retention and product bundling
- The ease-of-use and quick turn-around for new models means that new analysis can be continually performed, building on previous results and exploring innovative approaches

