



## EXPERT OPINION:

# Using predictive analytics to improve subscriber experience

What would you do if you knew your subscribers' intentions before they did? How would you act if you knew which subscribers were going to churn before they told you? What campaigns would you run if you knew which subscribers were going to take advantage of a new service before they even knew the service existed? Chris Smith helps us with some answers.

Predictive analytics gives you the insight to determine what your subscribers will do before they know themselves. It allows you to run your business based upon what will happen, rather than what has happened. Organisations already use business intelligence like a rear-view mirror to see what has happened; they can now use predictive analytics to direct their activities by looking at the road ahead.

### Know subscribers' next moves

So how does predictive analytics give you insight into what will happen in the future? How could predictive analytics help you identify who will leave your network or take up new services before they know themselves?

If your subscribers were exposed to a competitive deal from another network, which ones would move? Industry data suggests that if a subscriber is more than 25% away from their optimal plan they are twice as likely to churn.

Advanced data warehousing enables operators to store multiple months of usage data at a detailed call and subscriber level and then recalculate historical billing amounts using alternative and competitive price plans. Predictive algorithms use this data to score each subscriber based on the competitiveness of their rate plans – plus their activation and account history – to determine the probability that they will churn within the next three months.

If you had this insight wouldn't you use it to drive a marketing campaign focused on just those subscribers that have the highest probability of churning? Even though the subscribers have not yet made the decision to churn?

### Social influence

Which of your subscribers recommend services and plans to others? Which of your subscribers act upon those recommendations? The process of making and receiving everyday


recommendations is referred to as 'social influence'. Not based merely on frequency of communication, social influence is determined by modelling social interaction and analysing attributes of service uptake to build a complex map of subscriber interaction.

Predictive analytics can then model the probable uptake of a new service across the subscriber community, identifying likely early adopters who in turn influence their network of contacts. With this insight you might drive a time-sequenced campaign, first targeting key influencers so you accelerate and amplify the progressive service uptake by riding that network of everyday recommendations.

### Improve subscriber experience

Where are dropped calls or blocked calls having an impact on your subscribers' experiences and their propensity to churn? Advanced data warehousing allows operators to collect network event and usage data to build an understanding of the subscriber experience at the network level. Business analytics uses this mass of data to build a picture of changes to calling patterns and can identify the associations with network quality. Then predictive analytics can model the subscriber experience and identify negatively-impacted users who are likely to leave the network. But with this insight you could take corrective action before the subscriber experience triggers a churn.

Effective predictive analytics needs immense volumes of detailed data, spanning long periods of time, accessible in near real time. Netezza TwinFin is engineered – storage, processors and database – to handle just that requirement. TwinFin is the new generation of data warehouse and business analytics appliance that enables predictive analytics to deliver genuinely actionable insights that make a difference to the business.

You might say Netezza allows you to lift your eyes from your dashboard to the road ahead. 



The author, Chris Smith, heads the EMEA Telco group at Netezza and is responsible for the Netezza Telco Solution Strategy which enables many of the world's telecoms operators to make better, data-driven decisions and to enhance service quality. Chris has worked in telecoms for many years, formerly at Oracle and then at Volantis.