ENERGIZING MARKETING COMMUNICATIONS

LEADING INTERNATIONAL UTILITY USES INSIGHT FROM DATA ANALYTICS TO ATTRACT AND RETAIN CUSTOMERS

TERADATA.

The highly competitive European energy industry is complex and fast changing. Opportunities and challenges vary by country, and customers can differ widely in their energy requirements and preferred sources. Only by segmenting customers and targeting them with meaningful communications and offers can leading energy providers expect to retain customers, open new market segments, and drive business growth.

To meet these goals, one leading international utility company deployed a new data analytics platform that supports individualized marketing campaigns and personalized communications. With household and business customers in more than 50 countries around the world, this provider of electricity, natural gas, and energy services now has a single source of customer and financial data for its core market. The company's users can conduct targeted marketing campaigns and reporting, making the right offers to the right customers at the right time, without the help of IT staff. Over time, more effective communications will help increase customer retention, reduce churn, and boost profitability.

FOUNDATION FOR NEW CUSTOMER INSIGHT

In one country, this energy company provides nearly 10 million households and more than 200,000 small businesses with gas and several hundred thousand customers with electricity. As the European Union pursues initiatives to further liberalize the energy markets, company leaders recognized an unparalleled opportunity to grow the business by engaging new electricity customers and selling combined gas and electricity contracts.

However, the firm's traditional marketing approach created a critical obstacle to success. A legacy IT platform made it difficult to access complete, consistent customer information. By storing data from more than 1 million customer contacts per month, the company had amassed information about customer consumption levels, transactions, and billing. But because each business unit had purchased its own IT tools, the customer data was stored in several different data marts. Before submitting a query, analysts had to search the data marts and aggregate the data. According to one estimate, analysts spent 80 percent of their time finding the data and nearly 20 percent aggregating it, leaving little time for any valuable analysis activities. Creating reports was time consuming and the resulting data quality was questionable. These problems made it nearly impossible for marketers to communicate effectively with individual customers or customer segments.

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The company decided to build a new data analytics platform that would provide access to reliable data for strategic as well as operational needs. The plan was to create a single data repository to house all customer and financial data, add data from additional sources over time, and support data sharing and reuse. Intuitive analytics and reporting tools would help the company's analysts explore data and generate decision support information—all with reduced dependence on IT personnel. By developing a 360-degree view of both customers and prospects, the firm hoped to not only improve targeted marketing but also boost understanding of customer life cycles and learn which customers are most profitable.

FLEXIBLE GROWTH PLATFORM

With the help of a team from Teradata® Professional Services, the company deployed Teradata Data Warehouse Appliance and Teradata Utilities Logical Data Model. Also implemented were a variety of business intelligence (BI) tools from Teradata partner companies, including SAS, Unica (IBM), and Informatica. Within about ten months, the solutions were built, tested, and deployed—on time and within budget.

Drawing data from diverse sources such as enterprise resource planning (ERP), customer relationship management, and billing systems, the company aggregated more than 15 billion lines of customer-related data from transactional systems and daily updates into the new analytics platform. Once the data was integrated,

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the company began shutting down the legacy data marts, helping to reduce associated IT costs. Over time, all of these data marts will be eliminated.

> As part of its goal to create a 360-degree view of its customers, the energy company plans to expand its analytics platform to accommodate growing data volumes from a variety of new sources.

POWERFUL USE CASES

Today, the new data analytics platform serves as a referential data warehouse and a decision tool that supports operational, management, and strategic data as well as report management. The company's business analysts waste no time aggregating data or preparing it for analysis because all of the data exists in a single repository. Generating reports is faster and easier. What's more, reports are more accurate because the data is updated daily.

Use of the data analytics platform is growing across the company. Now more than 200 business analysts query the system, review responses, and either drill down for more detail or adjust their queries in near-real time. Within the first year after the system was deployed, data volumes grew to more than 20 billion lines, adding to the information users can explore. Because analysts can access this data with reduced dependence on IT staff, they can react quickly to business or behavioral change at a lower cost.

The analytics platform is delivering valuable integrated data that will help the company achieve its business goals, such as acquiring more customers. By following customers over their complete life cycles, analysts can

better understand the relationship between certain behaviors, such as contract termination or initiation, and identify the best times to make new promotional offers. Marketers can also compare the profile of former customers to the current customer base, identify customers who are likely to defect to another provider, and take measures to retain them.

The new platform also helps analysts understand customer profitability. The company can review energy consumption, the number of people in a household, and customer account history, such as whether customers are homeowners or tenants and how many times they have relocated. Armed with this information, analysts can determine what kinds of services each customer segment requires, which customers offer the most business value, and how much profit a customer is likely to generate over the entire relationship. This insight can help the company decide where to apply its limited marketing resources— including which customers it targets to acquire or retain— to maximize its return on investments.

MORE DATA FOR ENHANCED INSIGHT

As part of its goal to create a 360-degree view of its customers, the energy company plans to expand its analytics platform to accommodate growing data volumes from a variety of new sources. Across many European countries, smart-meter rollouts are planned or underway for all customers over the next few years. The company estimates that 1 million smart meters could generate up to a petabyte of information that can be collected, stored, and analyzed for the benefit of the business and its customers. The scalable Teradata architecture is flexible enough to accommodate these data volumes, enabling the company to use the additional data to gain new insight.

The company also intends to expand system access to additional users, including customer care representatives who could use it as they interact with customers. In time, the platform may also integrate multistructured data from social media networks. By using reliable business analytics to make sense of big data, the energy provider is well-positioned to improve its marketing and sales performance and make smart data-based decisions that keep the company ahead of the competition. For more information please visit **Teradata.com/industry-expertise/utilities**.

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