



Saudi Telecom Company Calls on Digitalization to
Deliver Better Customer Experiences



The telecommunications industry is extremely competitive. Customer loyalty is historically fickle, with consumers willingly jumping between carriers to take advantage of new offers. Most telecom companies are experiencing a reduction in new mobile phone subscribers, which in turn restricts growth. They're also confronted with increased competition, industry convergence, and pressure to deliver an optimal, consistent customer experience across all channels. Meanwhile, new entrants into the market, particularly over-the-top (OTT) providers that deliver services or apps over the Internet, are trying to grab market share.

Saudi Telecom Company (STC), the leading operator in the Kingdom of Saudi Arabia offering landline, mobile, internet, and computing networking services, realizes that the key to connecting with customers and growing its business is to focus on the customer journey and deliver a better experience. This prompted STC to undertake a digital transformation to support its "customer first" vision.

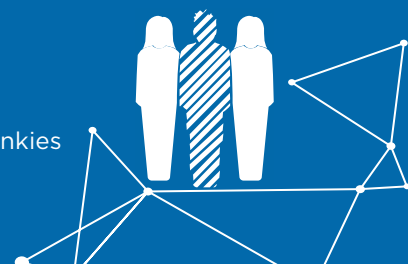
Meeting customer needs and mitigating churn requires world-class analytics and a unified data architecture. The Teradata® Unified Data Architecture™, including the Teradata Database, open-source Hadoop and R, helped accelerate the digitalization while allowing more self-service and automated features. That allows STC to analyze data from a variety of sources and customer touchpoints. Data covering billing, complaints, and failed services is brought into the analytical platform, along with data on tariff plans, offers, competitive offers, customer loyalty, pricing, and network experience.

Analyzing the data identifies customer needs and preferences, allowing STC to engage each individual with relevant offers. Data-driven communications has led to increased response rates and a better customer experience. This approach has also improved customer satisfaction while lowering costs and increasing revenues.

A New Approach to Customer Lifecycle Management

STC segments its mobile phone customers based on their behaviors. This helps STC deliver optimized experiences for each group and, using a lifecycle management strategy, identify customers at risk of churn. Customers are placed into one of these groups:

- Premium
- Labor
- Traditional
- Texters
- STC Loyal
- Data Junkies
- Sociable
- Sleeper





Data-Driven Customer Experiences

Analyzing customer segments enables STC to uncover common issues across each group and gain a deep understanding of the lifecycle journey. STC is also increasing the effectiveness of its customer lifecycle management strategy by following these initiatives:

Providing the Next Best Offer

An innovative analytical platform, the first of its kind in the Middle East, features an intuitive interface to let customers view multiple offers that are aligned with their needs and behavior. More than 10 analytical models, including affinity and propensity models, define next best offers. STC also uses analytics to identify and reward high-value customers with trials of the latest phones entering the market.

Using Deep Packet Inspection (DPI) Analytics

DPI tools enable an understanding of customer lifestyles and preferences based on interests and internet surfing behavior.

Analyzing the Voice of Customers

Data mining techniques take advantage of social media. Monitoring Twitter and Facebook posts when STC or competitors launch new products identifies customer feelings and the strength of those feelings toward the products. Digital marketing teams act on the insights.

Gain a Single Household View

Combining social network analysis and signaling data provides an integrated, single view into households. This lets STC develop and market custom products to households that share data plans.

Enabling Geo-Marketing

STC launched several geo-marketing projects. Lifestyle DPI insights were combined with geo-marketing data to target loyal customers with relevant offers near their locations to redeem their points. Geo-analysis improved network utilization by driving a WiFi offloading project to free up resources on 3G and 4G networks.

Segmenting by Behavior and nPath Analysis

Mapping the paths taken by customers allows STC to proactively move customers between segments to prevent churn and grow revenue. Offers are delivered to

customers based on their targeted segment. For example, customers moving to the data junkies segment were offered exclusive data bundles.

Leveraging Contextual Marketing

Pushing offers to customers at the right time is key to obtaining high campaign response rates. STC uses text analytics and location monitoring to deliver favorably-priced roaming offers to customers visiting Riyadh Airport who have a history of roaming usage. Meanwhile, loyalty analytics and real-time marketing push offers to specific customers visiting malls that have partner locations.

Looking at Customer Profitability

STC moved from a revenue-based to a profit-based view of customers. Through extensive data collection, customer earnings before interest, taxes, depreciation, and amortization, or CEBITDA, was used to define plans. This lets STC move its most profitable customers to personalized channels while directing less profitable customers to self service.

Monetizing Data

Finding new revenue streams is a challenge, but a very important part of the business. STC optimizes its data to uncover customer insights that drive marketing efforts to new products or services.



4 Rules of Engagement

Saudi Telecom Company (STC) follows these rules when using its Teradata® Unified Data Architecture™ to deliver high-value customer experiences:

- 1 Use an analytical infrastructure that supports customer satisfaction scoring.
- 2 Centralize customer data from all touchpoints.
- 3 Encode rules that support satisfaction scores.
- 4 Have the ability to manage customer satisfaction index rules without requiring SQL or a deep technical background.

High Returns with Digitalization

The move to digital has improved customer satisfaction. For example, customers who had problems or questions used to contact a call center staffed by live agents. Now, support is automated with bots that answer queries faster. This improved the customer experience, while costs are lowered by relocating agents to other areas of the business.

Plus, digitalization eliminates the need for customers to call with concerns. Instead, they can use a mobile app. The “My STC” app increased customer satisfaction from 55 percent to 80 percent in one year.

STC’s investment in digital capabilities also supports The Kingdom of Saudi Arabia’s goal to give everyone access to the internet by 2030. This monumental task will require:

- Shifting customer interactions from conventional to digital.
- Sharing the Customer Experience index to the CEO and top management scorecards.
- Placing the voice of the customer at the heart of product development.
- Linking customer-facing employees’ performance to customer feedback.

With its digital transformation and the ability to gain insights from integrated data, STC is positioned to help the kingdom reach its goal.

Data-Driven Outcomes

Taking a digital approach to customer engagement while using an analytic platform has allowed STC to grow from generating \$267,000 to \$400,000 in revenue per day. STC has also grown its market share to nearly 60 percent in a highly competitive environment.

Additional high-level results enabled by the analytic platform include:

- Improving the call center service level from 30 percent to 90 percent.
- Boosting Customer Satisfaction Scores (CSAT)

from 55 percent to 80 percent.

- Increasing “My STC” mobile app CSAT from 75 percent to 85 percent.
- Reducing call center calls by 56 percent.
- Moving to digital payments, with paperless bills now above 98 percent.

By delivering solutions to meet specific customer needs and gaining a deeper level of customer understanding, STC delivers better offers to customers without flooding them with irrelevant communications. The company is also reducing churn—and keeping its most valuable customers happy—by providing enhanced experiences that align with their needs and preferences.

For More Information

Teradata empowers companies to achieve high-impact business outcomes. Our focus on business solutions for analytics, coupled with our industry-leading technology and architecture expertise, can unleash the potential of great companies. For more information, visit Teradata.com.

See STC Bring its Vision to Life



Saudi Telecom Company (STC) is delivering on its vision to be recognized as the information and communication technology (ICT) leader. The company is putting the customer at the center of its analytics and data strategy to earn the customer’s trust and enrich society. [Click here to watch the video.](#)

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