

# Verizon Answers the Call for Innovation

The nation's largest network provider uses advanced analytics to bring the future to its customers.



TELECOMMUNICATIONS

In the ultra competitive telecommunications industry, staying relevant to consumers while finding new sources of revenue is critical, especially since current revenue sources are in decline.

For Fortune 13 powerhouse Verizon, the secret weapon that catapulted the company into the nation's largest and most reliable network provider is also guiding the business toward future success. The secret weapon? Data and analytics. Because telcos are typically rich in data, having the right analytics solution and personnel in place can uncover critical insights that benefit every area of the business.

## Verizon by the Numbers

The top ranked wireless carrier in the U.S. has:

**\$131.6B** in revenue

**177K** employees

**1,700** retail locations

**112.1M** retail connections

**106.5M** postpaid customers

**13M** TV and internet subscribers



## The Backbone of the Company

Since its inception in 2000, Verizon has partnered with Teradata to create a data and analytics architecture that drives innovation and science-based decision making. The goal is to stay relevant to customers while also identifying new business opportunities and making adjustments that result in more cost-effective operations.

“With business intelligence, we help the business identify new business opportunities or make course corrections

to operate the business in a more cost-effective way,” said Grace Hwang, executive director of Financial Performance & Analytics, BI, for Verizon. “We support decision makers with the most relevant information to improve the competitive advantage of Verizon.”

By leveraging data and analytics, Verizon is able to offer a reliable network, ensure customer satisfaction, and develop products and services that consumers want to buy.

“Our incubator of new products and services will help bring the future to our customers,” Hwang said. “We’re using our network to make breakthroughs in interactive entertainment, digital media, the Internet of Things, and broadband services.”

## Data Insights Across Three Business Units

Verizon relies on advanced analytics that are executed on the Teradata® Unified Data Architecture™ to support its business units. The analytics enable Verizon to deliver on its promise to help customers innovate their lifestyles and provide key insights to support these three areas:

- **Identify new revenue sources.** Research and development teams use data, analytics, and strategic partnerships to test and develop with the Internet of Things (IoT). The new frontier in data is IoT, which will lead to new revenues that in turn generate opportunities for top line growth. Smart cars, smart agriculture, and smart IoT will all be part of this new growth.
- **Predict churn in the core mobile business.** Verizon has multiple use cases that demonstrate how its advanced analytics enable laser-accurate churn prediction—within a one to two percent margin—in the mobile space. For a \$131 billion company, predicting churn with such precision is significant. By recognizing specific patterns in tablet data usage, Verizon can identify which customers most often access their tablets, then engage those who do not.

- **Forecast mobile phone plans.** Customer behavioral analytics allow finance to better predict earnings in fast-changing market conditions. The U.S. wireless industry is moving from monthly payments for both the phone and the service to paying for the phone independently. This opens up a new opportunity for Verizon to gain business. The analytic environment helps Verizon better predict churn with new plans and forecast the impact of changes to pricing plans.

The analytics deliver what Verizon refers to as “honest data” that informs various business units. “Our mission is to be the honest voice and the independent third-party opinion on the success or opportunities for improvement to the business,” Hwang explains. “So my unit is viewed as the golden source of information, and we come across with the honest voice, and a lot of the business decisions are through various rungs of course correction.”

Hwang adds that oftentimes, what forces a company to react is competitors affecting change in the marketplace, rather than the company making the wrong decisions. “So we try to guide the business through the best course of correction, wherever applicable, timely, so that we can continue to deliver record-breaking results year after year,” she said. “I have no doubt that the business intelligence had led to such success in the past.”

## Disrupt and Innovate

Verizon leverages advanced analytics to optimize marketing by sending the most relevant offers to customers. At the same time, the company relies on analytics to ensure they have the financial acumen to stay number one in the U.S. mobile market. By continuing to disrupt the industry with innovative products and solutions, Verizon is positioned to remain the wireless standard for the industry.

“We need the marketing vision and the sales rigor to produce the most relevant offer to our customers, and then at the same time we need to have the finance rigor to ensure that whatever we offer to the customer is also profitable to the business so that we’re responsible to our shareholders,” Hwang says.

## 7 Ps of Modern Marketing

Telecommunications giant Verizon uses seven Ps to drive its modern day marketing efforts. The Ps, when used in unison, help Verizon penetrate the market in the way it predicted.



- 1. People:** Understanding customers and their needs to create the product.
- 2. Place:** Where customers shop.
- 3. Product:** The item that’s been manufactured and is for sale.
- 4. Process:** How customers get to the shop or place to buy the product.
- 5. Pricing:** Working with promotions to get customers’ attention.
- 6. Promo:** Working with pricing to get customers’ attention.
- 7. Physical evidence:** The business intelligence that gives insights.

“The Aster and Hadoop environment allows us to explore things we suspect could be the reasons for breakdown in the seven Ps,” says Grace Hwang, executive director of Financial Performance & Analytics, BI, for Verizon. “This goes back to providing the business value to our decision-makers. With each step in the seven Ps, we ought to be able to tell them where there are opportunities for improvement.”

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