



Telcom Case Study

Presentation

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Mission Objective

Key Characteristics

Analyse the key characteristics of SIMO customers and compare their usage patterns against Prepaid and Bundle plans.

Migration Campaign

Set up a migration campaign and strategize how to effectively target customers on Prepaid and Bundle plans to move to SIMO.

Testing Effectiveness

Test the effectiveness of the targeting strategy and set up KPI's.

Future Improvements

Consider additional data that could improve the strategy and other insights from the data.

Key Usage Characteristics: Customer Types

SIMO

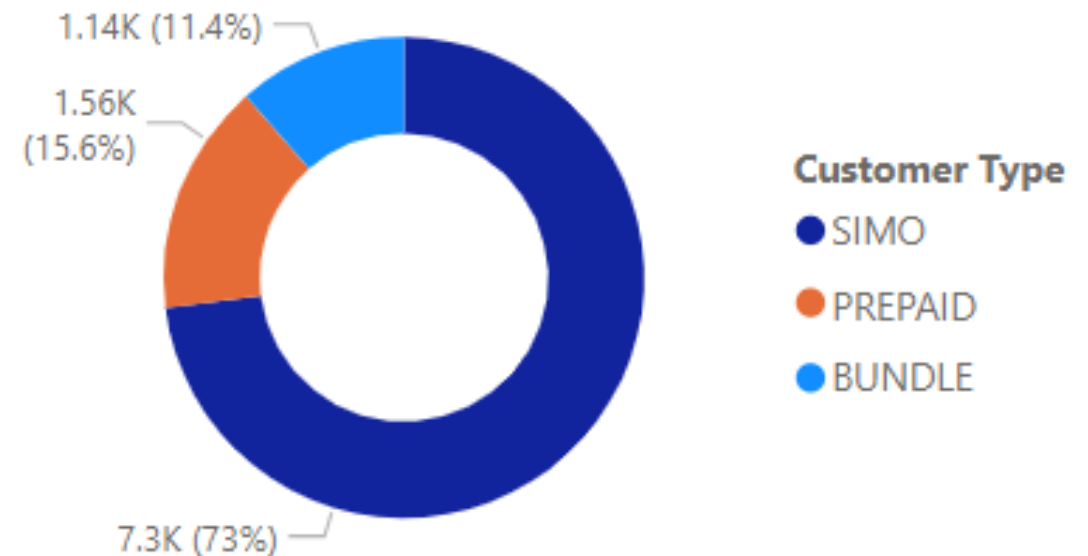
- A set monthly plan of calls, SMS, and data that auto renews every month.
- Highest customer type at 73% of the data set.

Bundle

- A set plan of calls, SMS, and data that can be used until it runs out or until the plan expires after 30 days.
- Second highest customer type at 15.6%.

Prepaid

- Pay As You Go credit that is added and is used for calls, SMS, or data at a set cost.
- Lowest customer type of 11.4%.



Key Usage Characteristics: Customer Types

Assumptions:

SIMO

- A subscription style of services have been broadly adopted for their ease and hassle-free nature
- Possibly customers of a younger generation who are more tech-savvy and active online.

Bundle

- Like SIMO plans without the autorenewal service, these customers prefer more flexibility over their plans and manually renew deals.
- Possibly tourists, spontaneous shoppers, or customers with varying needs.

Prepaid

- Pay As You Go is a dated concept and incurs higher costs for services but potentially the cheapest plan depending on customer usage.
- Possibly lower-income household customers or less frequent users.

Key Usage Characteristics: Acquisition Channel

Online

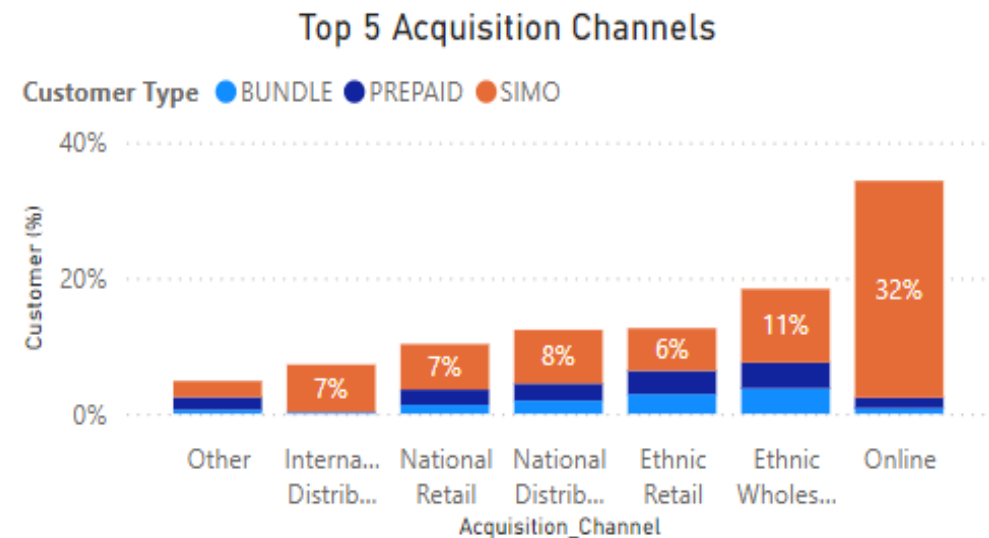
- This is the most powerful acquisition channel for long-term revenue as it has a conversion rate of 32% for SIMO customers alone.
- 44% of SIMO customers converted through the Online channel, with 10% of Prepaid and 7% of Bundle customers.

Ethnic Retail

- ~25% of **Bundle** customers (~4% of data set).

Ethnic Wholesale

- ~24% of **Prepaid** (~4% of data set).



Key Usage Characteristics: Acquisition Channel

Assumptions:

Online

- These customers prefer to shop for online deals via price comparison websites like uSwitch.
- Potential to be the most profitable due to lower operational costs, higher scalability for global reach, and increased marketing effectiveness.

Ethnic Retail

- Potentially attracts cultural minorities due to familiarity with ethnic retailers.
- Higher costs and less customer engagement due to limited customer data for outreach.

Ethnic Wholesale

- This sales avenue possibly attracts customers from small to large ethnic owned businesses.

Key Usage Characteristics: Plan Usage

Bundle

- Highest average of calls (288 mins), SMS (34) and data (13 GB) usage per month.

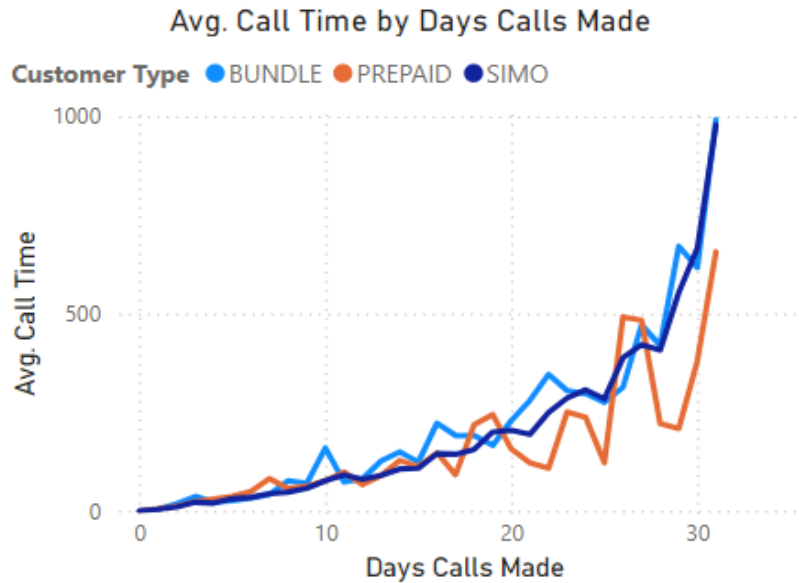
Prepaid

- Lowest average usage, credit mainly used for calls (55 mins) with low SMS (3) and data (310 MB) usage per month.
- Possibly customers of an older generation - *Interesting to see if calls are national or international.*

SIMO

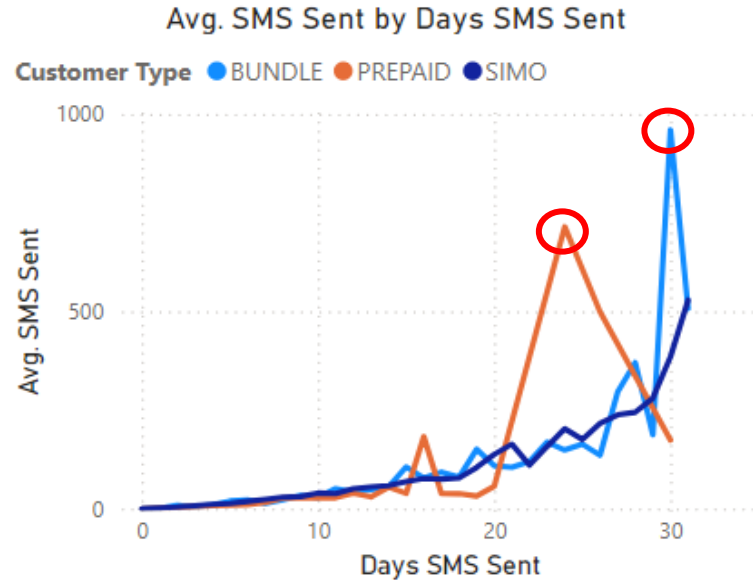
- Less average usage than Bundle but still significantly more than Prepaid customers with respect to calls (208 mins), SMS (25), and data (8 GB) usage per month.

Key Usage Characteristics: Plan Usage



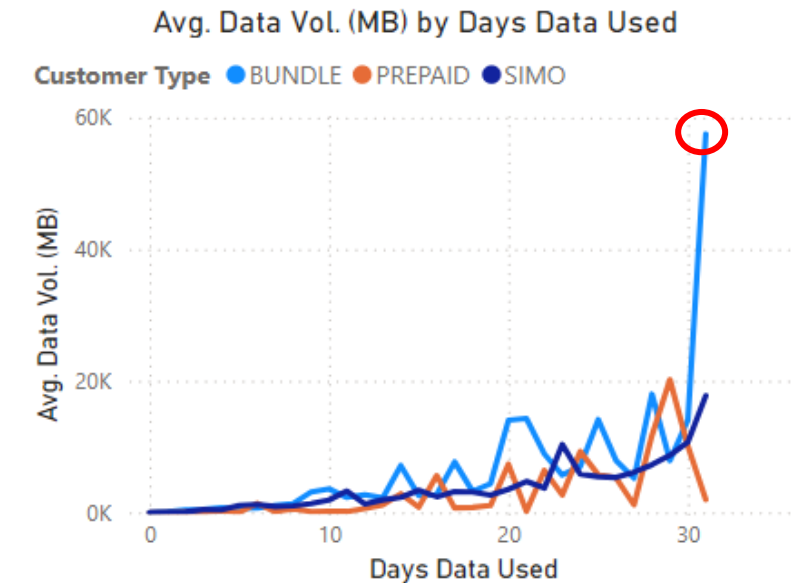
No. of days Calls Made vs Avg. Call Time per Month:

- Positive correlation across all 3 customer types, but more volatility in call usage for Prepaid customers.



No. of days SMS Sent vs Avg. SMS Sent per Month:

- Positive correlation in SIMO customers, with weaker positive correlation in Bundle and Prepaid users.
- Appearance of Bundle and Prepaid outliers may be skewing results and need to be investigated.



No. of days Data Used vs Avg. Data Vol. per Month:

- Positive correlation in SIMO customers, with weaker positive correlation in Bundle and higher volatility in Prepaid users.
- Appearance of Bundle outlier could be skewing results and need to be investigated.

Key Usage Characteristics: Customer & Churn

SIMO

- 96% of active customers with the lowest churn of 4%.

Bundle

- 88% still active with a churn of 12%.

Prepaid

- 79% still active, showing the highest churn of 21%.

Customer Type	Inactive	Active	Churn (%)
SIMO	289	7011	4%
BUNDLE	134	1006	12%
PREPAID	335	1225	21%
Grand Total	758	9242	8%

Key Usage Characteristics: **Tenure & Churn**

0 to 12 Months

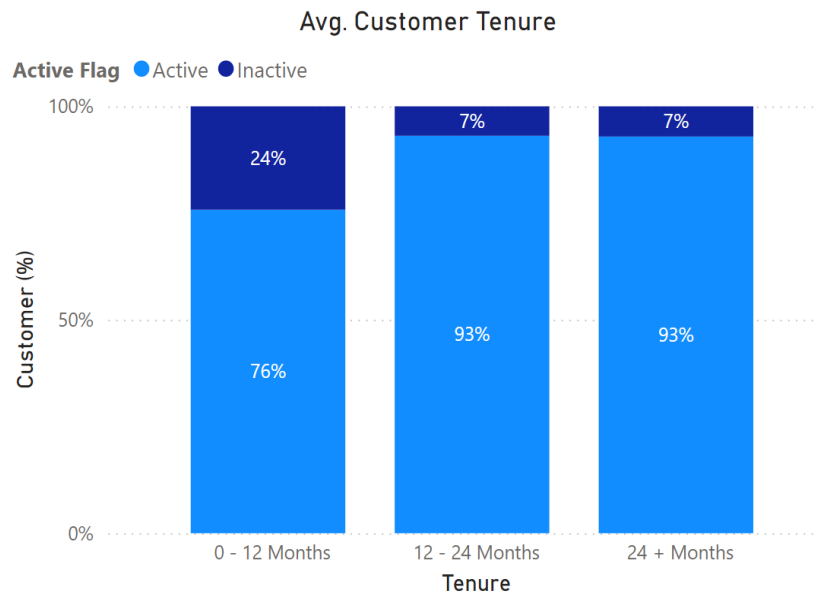
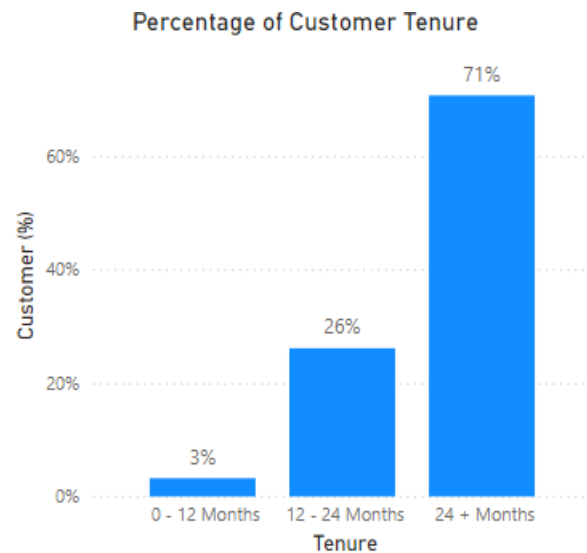
- 3% of total customers have a tenure of less than 12 months. This tenure band has the **highest churn rate** of 24%.

12 to 24 Months

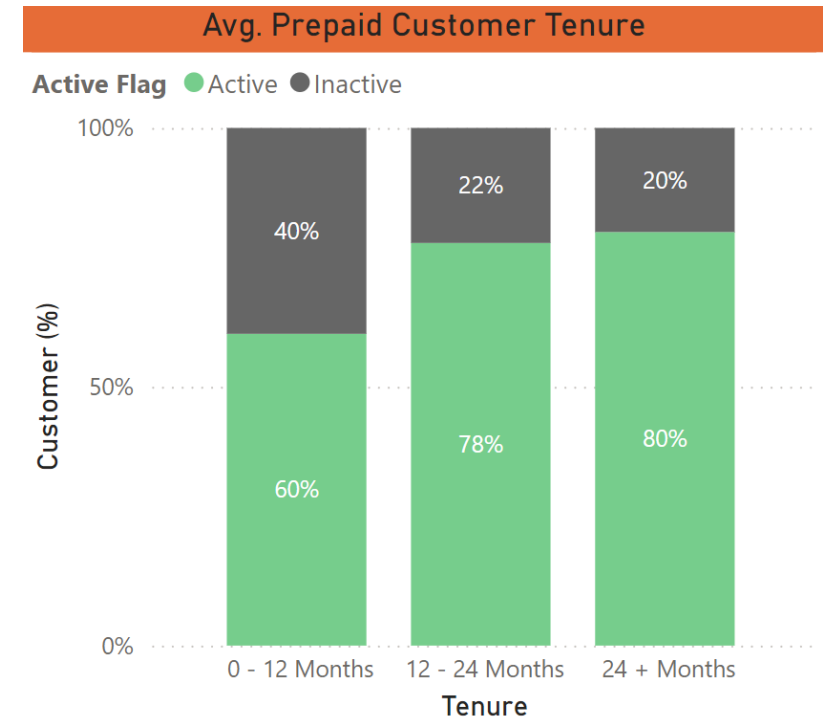
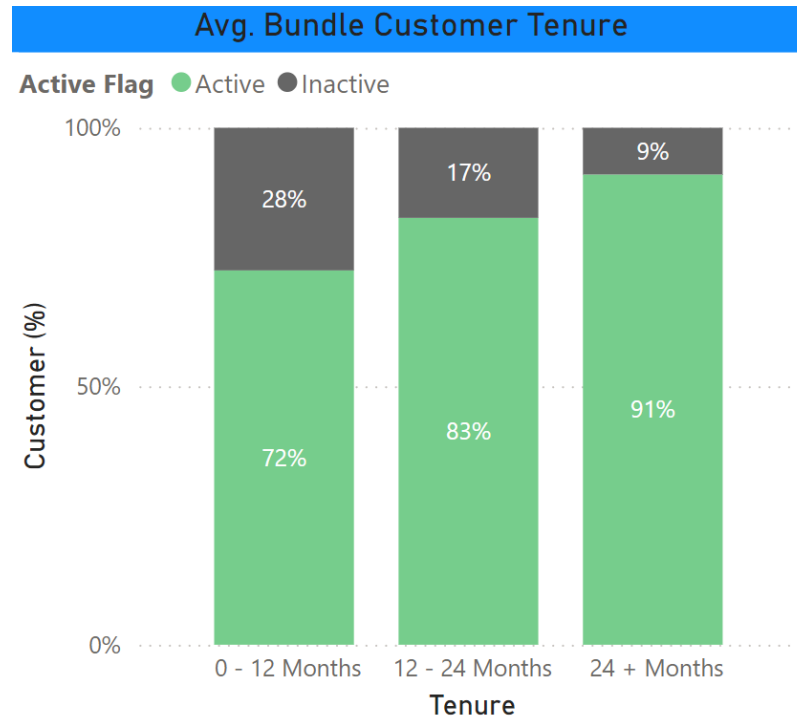
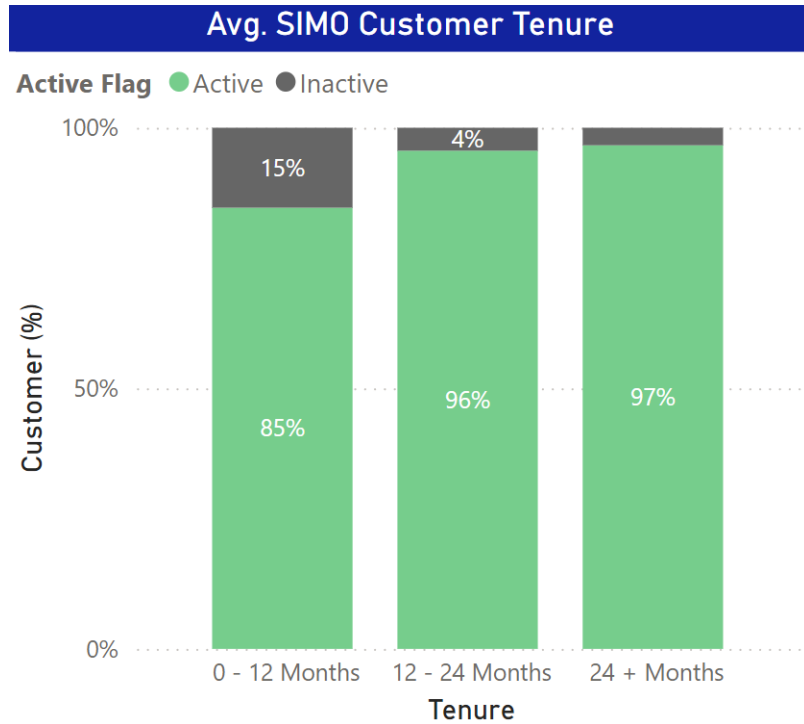
- 26% have a tenure between 12 to 24 months with a churn rate of 7%.

Over 24 Months

- 71% have a tenure of over 24 months also with a churn rate of 7%.



Key Usage Characteristics: **Tenure & Churn**



- Higher churn rates for all customer types with **0 – 12 months** of tenure, with SIMO displaying the lowest percentage of churn of 15%, Bundle second at 28%, and Prepaid significantly higher at 40%.
- Churn rates significantly decrease to 4% for SIMO customers from **12 – 24 months**, with some improvements for Bundle at 17%, and 22% rate of churn for Prepaid.
- These charts suggest the longer a customer is retained, the less propensity they show to churn.

Key Usage Characteristics: **Tenure & Churn**

Assumptions:

- Customers with tenures between **0 – 12 months** should be considered as being in a trial phase. They could be more price sensitive and susceptible to competitor marketing offers resulting in higher churn.
- **Bundle** and **Prepaid** customers are more likely to churn due to their higher conversion rates outside of Online channels which could impede marketing outreach due to limited behavioural data.
- **Bundle** and **Prepaid** customers with tenures **over 12 months** may have found value in their plans, but Prepaid customers may still be susceptible to churn if their needs are not met.

Key Usage Characteristics: **Summary**

SIMO

- Moderate to high engagement across all metrics and have the lowest churn rate.
- Younger generation of active online users.

Bundle

- Most engaged customers, particularly in data usage and call duration.
- Likely customers who travel a lot.

Prepaid

- Least engaged, low usage across all metrics with credit mainly used for calls. This customer type has the highest churn rate.
- Older generation or second phone users.

Migration Campaign: **Retention Strategy**

Tenure Below 12 Months

- Heavy focus on **Prepaid** customers at risk of churning in the first 12 months for targeted retention strategies. Build engagement via email offers based on usage patterns for personalized plans or renewal incentives such as loyalty programs.

High Usage Customers

- Notify **Bundle** customers who are nearing expiration to renew their plan or offer plan adjustments based on their usage patterns, so they feel they are on the best plan for their needs.

Migration Campaign: Migration Strategy

Bundle

- 11% of *active* Bundle customers display high data usage of over 20 GB and should be targeted for SIMO migration to benefit from increased plan stability.

Prepaid

- 8% of *active* Prepaid customers show high call times of over 200 minutes per month. These customers could also benefit from SIMO plans as they could enjoy increased or unlimited minutes which may prove to be more cost effective.

Customer Type	Call Segment			SMS Segment			Data Segments		
	High	Low	Medium	High	Low	Medium	High	Low	Medium
BUNDLE	43%	28%	29%	22%	68%	11%	11%	44%	45%
PREPAID	8%	72%	19%	2%	94%	3%	1%	98%	2%
SIMO	30%	39%	31%	18%	73%	10%	8%	37%	54%
Total	29%	42%	29%	16%	75%	9%	7%	46%	46%

Migration Campaign: Campaign Setup

Incentive

- Bundle and Prepaid customer types could be incentivized with monthly discounts, exclusive content (like O₂), or international calls when migrating to SIMO.
- Roaming add-ons maybe appeal to Bundle users who are previously assumed to be of various ethnic backgrounds or tourists.

Messaging

- Tailor the communication to high-usage and long tenure Prepaid and Bundle customers to highlight the benefits of SIMO based on the customer's current usage patterns (e.g., more data, stable costs).

Channel

- Primarily use email for targeted offers but consider follow-up via SMS for those more responsive to text. Provide incentives such as discounts or value-added services.

Migration Campaign: Testing and KPI's

A/B Testing

- Test different messaging and offers (e.g., discounts for the first few months on SIMO).
- Control group to measure the impact of the campaign.

KPIs

- **Conversion Rate:** The percentage of targeted customers who switch to SIMO.
- **Retention Rate:** Measure how many of the converted customers are still with SIMO after 3 – 6 months.
- **Churn Rate:** Track if there is any negative impact on churn for those not converting.
- **Usage Change:** Measure if there is a change in calls, SMS, and/or data usage among those who switch to SIMO.

Future Improvements



Behavioural Data: Access to customer behaviour data, such as browsing patterns the Telcom website, app usage, or complaint reports could help refine the targeting strategy.



Customer Feedback: Integrate customer feedback to understand satisfaction levels, pain points, and likelihood to switch.



Competitor Plans: Insights into competitor offerings could help in tailoring the SIMO plans to better meet customer needs.



Cross-sell Opportunities: Data on other services customers use (e.g., international calling or roaming) could open avenues for additional upsell or cross-sell opportunities.



Technology Data: Data on the types of mobiles and gadgets (e.g., smart watches or tablets) customers have could open opportunities to upsell products or services.

Additional Observations

Data Volume Extremes

The dataset shows extreme data usage by some customers (mainly Bundle types), which could indicate a need for either plan adjustment or better customer segmentation.

Churn Risk

The significant churn risk among Prepaid customers suggests potential for targeted retention strategies outside of migration to SIMO such as Top-up reminders, predictive modelling for refill times, churn predictions and pre-emptive offers.



Q&A