Helping Reliance Communications achieve high performance through an analytics-driven usage and retention capability

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25 YEARS
of high performance in India

Reliance Communications (RCom) is one of India's largest private-sector information and communications companies, with more than 150 million subscribers. It has established a pan-India, high-capacity and integrated (wireless and wireline), convergent (voice, data and video) digital network that is capable of supporting best-of-class services spanning the entire communications value chain, covering more than 24,000 towns and 600,000 villages.

Business challenge

Over the past decade the telecom industry in India has grown tremendously and become highly dynamic. For RCom, the saturation of new customer markets and increase of multi-SIM (subscriber identity module) usage were causing a decline in revenues from its voice business. The company needed to develop a strategy for enhancing revenue and identified subscriber churn and average revenue per user (ARPU) enhancement as potential high-impact areas to gain a competitive advantage and build revenues.

RCom determined its strategy needed to focus on intelligent usage and retention (U&R) through a better understanding of its customer base and by tailoring differentiated products at varying prices across customer segments. Better insight, however, was needed to address RCom's challenges in understanding the customer, designing products, and streamlining the delivery and fulfillment processes. Several factors, including limited availability of data (particularly a lack of reliable demographic data), the diverse nature of the market, and differences in language, income, and urban-rural environments made it difficult to gain this insight and act strategically.

To address these challenges, RCom sought to team up with a company with demonstrated experience in the telecom domain, specifically in segmentation and analytics, and with experience in delivering results. Accenture, with its global experience in the areas of segmentation, predictive churn modeling, analytics-based U&R programs, and program execution was the leading choice for this collaboration.

How Accenture helped

RCom and Accenture embarked on a 15-month journey to strengthen the company's U&R program by focusing on three major initiatives: augmenting existing analytical capabilities, designing and developing a structured usage and retention program capability, and implementing innovative delivery channels. The aim of the project was to improve the effectiveness of the company's retention, up-sell and cross-sell campaigns among its prepaid CDMA (wireless communications technology) customer base.

To gain a better understanding of this customer base, Accenture helped RCom develop an analytics solution based on a demonstrated approach to categorize customers, create predictive models and design action plans. With this approach, Accenture helped RCom to create a single view of the customer from disparate data sources, create processes to refresh the data on a periodic basis and build intelligent analytical models.

With the completion of these analytical deliverables, Accenture worked with RCom to use the insights from them to design an analytics-driven marketing campaign framework and on-the-ground execution steps as the core of RCom's U&R program. The six major components of the framework included:

- **Insight generation:** Involved data collection and segmentation analytics to not only design and drive the U&R program, but also to help gain insights into RCom's business performance.

- **Design:** Designed a structured U&R program to promote and drive more customer phone connections with RCom and retain the subscriber base. Also built a market-facing brand called "Only for You," becoming RCom's customer-facing asset for all its U&R offerings.

- **Delivery:** Augmented RCom's existing offer delivery communication channels, which were primarily push based (telecalling, recorded IVR channels, SMS) and had very low response rates, with innovative delivery channels that were pull based (direct marketing channels) for both customers and retailers. Educated retailers about RCom's U&R program to incentivize them and drive adoption of campaigns. Also gathered information about the various customized offerings delivered to retail outlets and RCom-owned outlets via portals, IVR and SMS-based solutions.

- **Fulfillment:** Successfully rolled out the U&R programs within the entire RCom organization, generated awareness and trained employees regarding their role in effectively taking the programs to the marketplace. The rollout involved aligning processes, redefining roles, and realigning key performance indicators (KPIs) and incentives across the organization.

- **Monitoring and reporting:** Designed and developed analytics-driven tools for business monitoring and reporting, including a comprehensive, interactive business performance dashboard that ties key performance indicators with views from across segments. These analytical tools help address the key issues of churn and product performance, and also determine the root cause of revenue decline.

By addressing issues pertaining to data quality, insight generation, communication channels, involvement of retailers and governance mechanisms, among others, Accenture helped RCom build a sustainable U&R program. The key achievements of the project included:

- Analytics-driven categorization of RCom's subscriber base into 10 strategic segments with clear insights and action plans for each.

- Creation of a leading, back-end usage and retention program. A high degree of micro-segmentation and a large product selection helps RCom to create customized offers to specific subscriber segments.

- Development of an in-house analytics capability through training and capability transfer.

- Creation of new communication channels about product offers to subscribers, replicated by the business for other product lines as well.

- Implementation of analytics-driven, interactive tools for business monitoring and governance.

Through this project, RCom made substantial improvements in the areas of analytics, go-to-market and governance processes, and people skill capabilities. As a result, RCom has gained immense insights into its existing customer base and established effective marketing campaigns. In particular, the innovative "Only for You" brand of insight-based segmented offers significantly impacted the company's go-to-market effectiveness.

High performance delivered

Working with Accenture, RCom has built a robust U&R program based on analytics-driven marketing. It has helped RCom to take a scientific approach to understanding, segmenting, improving product marketing campaigns, and consequently, serve its customers better. Through a combination of incremental revenues and process improvements, the project led to Rs 21 Cr in the first eight months (US$4.2 million) of benefit (annualized benefit of Rs 37 Cr or US$7.4 million in the first year of the program) to RCom.

Today, RCom's enhanced U&R capability helps the company understand customer needs at a micro level and offer targeted, exclusive products to incentivize customers to increase usage of the prepaid CDMA SIM for making calls, sending messages and other services. This program was a one of its kind in the market and has helped create a differentiator in the market for RCom, leading to customers staying longer with RCom, and thus, helping to deliver higher revenues to the company.

About Accenture

Accenture is a global management consulting, technology services and outsourcing company, with more than 249,000 people serving clients in more than 120 countries. Combining unparalleled experience, comprehensive capabilities across all industries and business functions, and extensive research on the world's most successful companies, Accenture collaborates with clients to help them become high-performance businesses and governments. The company generated net revenues of US$25.5 billion for the fiscal year ended Aug. 31, 2011. Its home page is www.accenture.com.

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