Solution overview brochure

Best offer is here

Gain insight, transform marketing, and improve service

Hewlett Packard
Enterprise

How do you tap into Big Data to best serve your customers? And how do you use it to market your next best offer to them? Get answers to those questions—and more.

The focus on proactive marketing came with market saturation.

Go to market in new ways

The communications service provider (CSP) market is changing. Today, these providers are looking to be more customer-centric and proactive. These days, instead of building campaigns that touch all customers for a new product, leading service providers are starting to use the logic of next best offer. It works this way:

- At any time during the lifecycle of a product, the marketing operations team first evaluates:
  - Which offer best matches the customer's needs? Which offer campaign best matches the service provider's business interest—whether it's customer retention, revenue increase, or both?
- After the match is done, identified offers are promoted to the customer.

Network/Product Centricity	Customer Centricity
First: **Offer services**	First: **Look at individual preferences**
Then: **Broad reach to potential customers**	Then: **Offer what customers want**
Maximize **Return On Capital Employed** (ROCE) Manage P&L per Product	Maximize **Average Revenue Per User** (ARPU) Manage P&L per customer segment
Focus on product sales	Focus on **Long-term loyalty**: Account maintenance costs decrease in time Long-term customers tend to be less inclined to switch Long-term customers are more likely to buy ancillary products
Interaction: One-to-Many, Unilateral From company to customers	Interaction: One-to-One, bidirectional **Feedback and behavior analysis** fundamental to understand customer preferences and **promote personalized offers**

Figure 1. Paradigm change in marketing communications services

Leading CSPs are starting to use the logic of **next best offer**.

Move to this new paradigm now

Proactive marketing came with market saturation. While service providers were fighting to gain subscribers, marketing incentives were focused on attracting customers to a given provider. One-to-many campaigns were suited to customer acquisition marketing, such as introducing new offers on devices, technology, or services as quickly as possible.

Market saturation caused problems. Customers, inundated with waves of campaigning, got used to it. Now they jump less and less into mass campaigns promoting a new product. Too many campaigns scheduled closely together diluted their impact. With this saturation, service providers are reinventing their marketing approaches to become more effective—bringing customers proposal messages that are less diluted.

Business objectives driven approach

The solution: HPE Next Best Offer Analytics (NBOA). It detects triggers for micro-campaigns to customers with offers that are the next best one for them. However, implementing this approach is complex. It requires more granularity in analyzing the customer and more responsiveness. As customers interact with a service provider through many different channels, a huge amount of information about their interests is generated. This information is spread across many different platforms—call centers, social networks, online forums, and chat rooms— and across multiple centers of interests such as applications, devices, and service experiences.

For most CSPs, Marketing optimization is a strategic vision that is driven by company objectives. Therefore, goals and key performing indicators (KPIs) must be carefully examined —financially and operationally. HPE Business Consulting approach is based on a set of key insights and metrics from real-world experiences, to help CSP marketing organizations measure the success of customer-oriented innovations for processes, organizational changes, tools, and capabilities. For example, identifying the percentage of customers that opt out of marketing promotions is leveraged to assess user characteristics and possibly predict their privacy preferences.

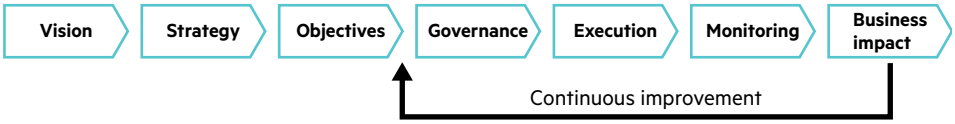

Figure 2. A road map aligned to strategic vision makes best business impact

HPE Communication Solutions Business specializes in building solutions for CSPs. We have operated in this area for more than 30 years and understand the dynamics of the CSP business.

Our NBOA benefits service providers by extracting value from massive amounts of data.

Datadriven analysis

By nature, CSPs generate loads of data—much more than a bank or retail company. In fact, customer-related data is generated every second a customer interacts with a mobile device.

Data also is generated at different layers of customer interaction. This includes data traffic, service access, location, and social, from all sorts of IT platforms, such as websites and social networks, and network capabilities or contact centers. When blended with more static information, these other sources enable service providers to gain a deep understanding of their customers' interests and insight into how customers consume and feed their interests.

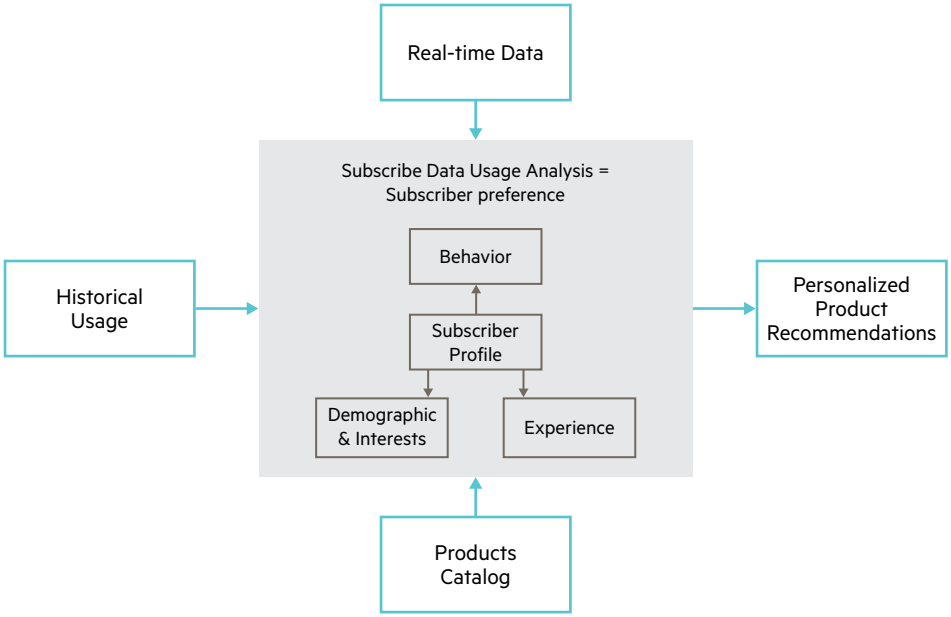

Figure 3. NBOA—conceptual flow

HPE Next Best Offer Analytics

Big Data and business intelligence are two major areas of development in the IT industry. HPE identified this early on and made strategic investments to successfully develop our Big Data offerings.

The HPE end-to-end architecture for Big Data analytics provides an extremely scalable platform. It's optimized for handling massive amounts of structured and unstructured data.

Our product, HPE NBOA, was built from the ground up to serve CSP desire to optimize their marketing via a subscriber-centric approach. It extracts value from this massive amount of data, and predicts, in real time, what should be the next **best offer** for a given customer. Some key features include:

- A specific data-collection layer that collects data from virtually any source residing in the network or IT domain of the service provider. These collectors can be deployed at multiple sites to tap into the distributed nature of telecom service provider network operations.
- The capability to collect and analyze data in real time accommodates telecom service provider business imperatives.
- A CSP-specific data model is deployed across hundreds of service provider operations.
- Facilitates management of the volume of data required in the CSP environment—lifecycle and release of data—with specific data orchestration engine tools.

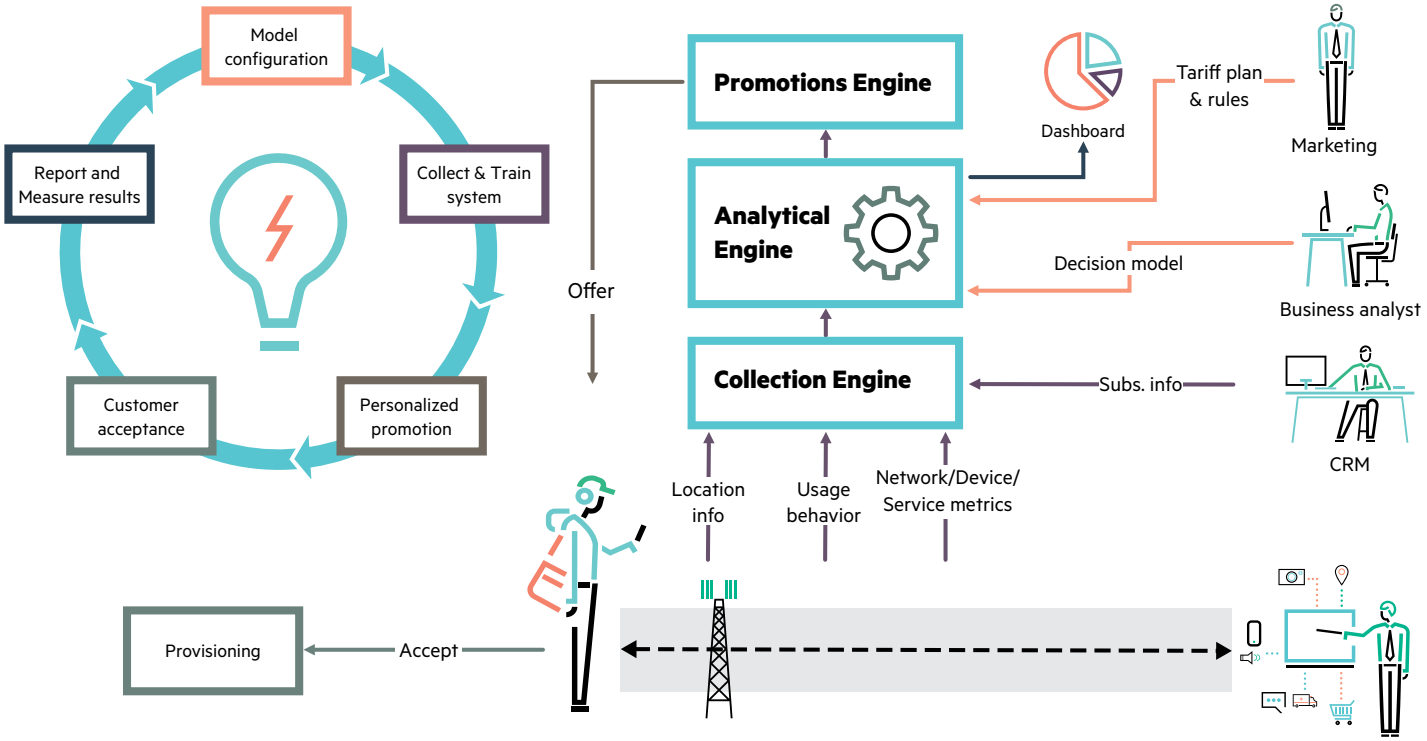

Figure 4. HPE NBOA—principle operation flow

Serve you well

HPE NBOA is supported by HPE Solution Lifecycle Services. With them, you can realize your solution's full value—from planning and assessment to testing, deployment, operation, and nearly continuous improvement. Each area leverages proven processes and best practices to balance CAPEX and OPEX and reduce risk while keeping your projects on time and operations running smoothly.

HPE Solution Consulting Services helps define business transformation and translate strategies into solutions.

HPE Solution Implementation Services provides a low-risk project lifecycle across design, development, customization, and network and system integration.

HPE Solutions Management Services increases your exiting solutions' operational efficiency, including reactive, proactive, operational, and enhancement services.

HPE outsourcing offers a variety of options designed to improve business agility while reducing your OPEX, including IT and infrastructure outsourcing, application management, and business process outsourcing.

Figure 5. Information gathering—example of data points

HPE NBOA also offers a set of KPI analysis and predictive analysis processes, which identify the best match between offers and customer populations.

- KPIs measured include:
  - QoE KPI—network performance and congestion
  - Customer service usage KPIs collected from the core data network—URLs, session, traffic
  - Billing information—prepaid and postpaid information top ups
  - CRM information—static data about the customer
- Customers are periodically profiled by NBOA and scored so that most adequate groups for a given campaign can be pulled on a recurring basis by campaign management.
- Correlation between profile-developed and predictive analytics enables HPE NBOA to identify customers whose profile falls into a campaign category.

HPE NBOA support automatic campaign management for:

- Multimobile-channel delivery of the campaign—text and voice data
- Feedback loop in every step evaluates impact and condition next steps based on answers received
- Possibility to **chain** campaigns, depending on feedback of the first iterations
- Best practices approach and practical examples of successful campaigns already delivered

Monetization scenarios—Prebuilt use case implementations

CSP customer-centric marketing is often defined by three main scenarios:

1. Up-selling—pushing a customer to use more expensive variants of services he already uses
2. Cross-selling—pushing a customer to use a service other than the ones he already uses
3. Churn prevention—acting to keep customer loyalty

Table 1. Monetization scenario—HPE NBOA use cases

	Matching criteria	Proposal examples
Up-selling	• Economically favorable compared to current usage patterns of the same subscriber • Based on probability computed for usage over a period of time (with Bayesian network techniques) • Defined by high probability buckets and expressed business rules	• Push to the next data bucket (from 1G to 5G) • iPhone® 8 for users of older phones, considering nature/age of current device and subscriber financial capability
Cross-selling	• Matching between offers of complementing nature • Definition of source and target groups for proposing • Similarity in Product adoption patterns • Similarity in Subscribers groups	• TV subscription for customers who have broadband services in place • Mobile service for customers of fixed line subscription
Churn prevention	• Lack of activity over a period of time • No formal notification from customer of ending a contract term • Churn prediction = inferring lack of activity before it happens	• Free usage of specific services for 30 days

How it worked in Telefonica?—A CSP case study

Telefonica Colombia, is always looking to deliver better experiences and increase customer satisfaction with personalized services being a key area of focus. Engagement started with a business examination for understanding the business KPIs to be improved and the data sources to leverage for that. Solution was based on a consolidated view of subscribers' information across networks in real time, so HPE NBOA could target new offerings that meet individual subscribers based on actual use with offerings of services as well as external advertisements and in-store promotions.

Choose HPE

Let the experts at HPE help. With HPE NBOA, you can trigger micro-campaigns to specific customers, building additional revenue and creating better customer experiences.

Learn more at
hpe.com/dsp/personalize

Make the right purchase decision. Click here to chat with our presales specialists.

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