



## KXEN Next Generation Analytics Boost Customer Retention at Vodafone Netherlands

Customer churn remains one of the biggest challenges for most mobile network operators. And nowhere more so than in Western Europe where intense competition, deregulation, ease of number transfer and more than 100% market penetration have led to an annual overall churn rate as high as 24%.

### AT A GLANCE...

**"KXEN has helped us decrease churn by as much as 12% annually in some customer segments. This is a huge impact and you can see how valuable that is when judged against the industry average."**

Director of Consumer Business Unit at Vodafone Netherlands

But for one operator things are not so bleak. With help of KXEN next generation data mining technology, Vodafone Netherlands has managed to decrease its churn rate.

*"KXEN has helped us decrease churn by as much as 12% annually in some customer segments. This is a huge impact and you can see how valuable that is when judged against the industry average"*, says Director of Consumer Business Unit at Vodafone Netherlands.

The achievement is all the more impressive given the uniquely competitive climate in the Netherlands. For every mobile phone user there are no less than 54 different brands to choose from - many of them MVNOs - all vying for their business. No surprise then that it is one of Europe's hottest contested mobile markets.

### Differentiation

On this kind of playing field differentiation can be difficult to find. But Vodafone Netherlands is not only the mobile specialist, it also offers fixed telephony as well as broadband Internet service, thus meeting customers' total communications needs. By successfully executing this strategy, the company is the country's second largest operator by revenue and profitability.

It's also no coincidence that Vodafone Netherlands CEO, Guy Laurence, recently

announced that the company was ranked top for customer delight across the whole of the Dutch mobile market. *"It is good to see that our continuous customer focus throughout the entire company proves the right way forward"*.

Director of Consumer Business Unit at Vodafone Netherlands and his team can take a bow here too. Working on a database of around seven billion customer records across some 30 million client IDs, the consumer base management team mine that data using KXEN's software to inform the crucial loyalty and retention campaigns that help ensure Vodafone's customers remain the happiest, and hence least likely to churn to the competition.

*"Key in building loyalty is making sure individual customers are made the right offers at the right time and through the most appropriate channel"*, says Director of Consumer Business Unit at Vodafone Netherlands. For one customer it might be a multimedia phone on a prepaid tariff, offered at one of Vodafone Netherlands' 90 high street shops. For another it could be a post-pay corporate email phone offered by personal letter. The secret is knowing what out of an extensive range of different offers is going to work.

According to Director of Consumer Business Unit at Vodafone Netherlands, KXEN is a helpful tool. Exactly how helpful was clear from the results of a recent Christmas promotion. *"It gave us for sure an advantage over the competition by being able to offer a more relevant handset. We saw nothing but a positive response from the people we contacted."*

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Director of Consumer Business Unit at Vodafone Netherlands.



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"We are considering another tool from KXEN, a system that combines all the possibilities and makes decisions in near real time about what channel to use and what offer to make, constantly checking which is best and making recommendations to our agents. KXEN is crucial to delivering the models behind that", says Director of Consumer Business Unit at Vodafone Netherlands.

"Speed is all important to near real time applications like this and it did form one of the evaluation criteria for an earlier comparative trial of data mining software. We put KXEN up against other solutions and it provided a great speed advantage over the other tools. In our tests we found it was giving similar or slightly better accuracy numbers but it was much faster by a large margin.

And our very first production campaign using KXEN was way more successful than a simple random campaign. The results were very promising even on a very limited number of variables, but the beauty of KXEN is that it can work with a much larger, almost unlimited number of variables and give even better quality results."

## Case Proven

So the case for KXEN as a powerful customer retention aid at Vodafone Netherlands is proven. But what about at a business strategy level?

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Director of Consumer Business Unit at Vodafone Netherlands.

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## About KXEN

KXEN, The Data Mining Automation Company™ delivers next-generation Customer Lifecycle Analytics to enterprises that depend on analytics as a competitive advantage. KXEN's Data Mining Automation Solution drives significant improvements in

customer acquisition, retention, cross-sell and risk applications. Our solution integrates predictive analytics into strategic business processes, allowing our customers to drive greater value into their business.

"It was a strategic decision to become a total communications company, providing customers with a single source for their mobile and fixed telephony and broadband. Modelling with KXEN helped identify the right products and which of our customers would be interested in them", he says.

"Speed is key to the time to market and to the development of new products and services, explaining why certain things are happening and spotting trends. Using a KXEN regression model it was easy to look quickly at the influence of 300 or more variables and see quickly what changed, what was different before and after.

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In building the customer team's analytics expertise at Vodafone Netherlands, Director of Consumer Business Unit at Vodafone Netherlands was able to draw on best practice from other Vodafone operating companies in Europe where KXEN is already in use.

"I knew from others that KXEN was very easy to install, easy to use and simple to upgrade. That's one of the advantages KXEN brings to the table", he says. "We're also pleased with the way it is continuously being developed, into text mining for example. It's always being made better."

"Overall KXEN gives us good, easy to understand results and the user interface is so simple that anyone can use it. Information and the people who work with it are the reason we are so good at what we do and KXEN helps make that process so much easier."

## Contact KXEN

### North America Headquarters

201 Mission Street, Suite 1950  
San Francisco, CA 94105  
USA  
Tel: +1 (415) 904-4160  
Fax: +1 (415) 904-9041  
[sales-us@kxen.com](mailto:sales-us@kxen.com)

### Europe Headquarters

25 Quai Gallieni  
92158 Suresnes Cedex  
France  
Tel: +33 (0)1 41 44 88 44  
Fax: +33 (0)1 41 44 88 40  
[sales-eur@kxen.com](mailto:sales-eur@kxen.com)

### United Kingdom Offices

400 Thames Valley Park Drive  
Thames Valley Park  
Reading Berkshire, RG6 1PT  
UK  
Tel: +44 (0) 118 9 65 34 24  
Fax: +44 (0) 118 9 65 35 25  
[sales-eur@kxen.com](mailto:sales-eur@kxen.com)

[www.kxen.com](http://www.kxen.com)