



SAS® helps PlayPhone build revenue per subscriber

Industry

Telecommunications

Business Issue

Gaining visibility of campaigns in a fast-moving consumer marketplace, understanding customer behaviour, reducing cost of acquisition and increasing revenue per subscriber.

Solution

SAS® Enterprise BI Server, SAS® Enterprise Guide®, SAS® Web Report Studio, consultants from SAS partner Amadeus.

Benefits

Vastly improved campaign visibility from set-up to customer profitability; optimised marketing budgeting with the ability to reallocate budgets fast; enhanced market agility and responsiveness to consumer demand; analysts and business users can work more efficiently and profitably.

Providing mobile content is one of the fastest-moving markets; you have to respond fast to market and consumer trends, acquire customers at the lowest cost and optimise revenue per subscriber. Across its EMEA business, PlayPhone uses SAS® to track customer behaviour, target campaigns and quickly redeploy marketing spending to where it can deliver the biggest rewards.

US-based mobile entertainment provider PlayPhone specialises in providing content direct to mobile phone users. In 2008, it acquired the London-based Pitch Entertainment Group as its EMEA operations. This meant the company could now reach 400 million consumers with products including music, games, video, ringtones and wallpaper. PlayPhone aims to reach a billion users by the end of 2009.

“We chose SAS as our business intelligence solution before the acquisition,” says Simon Rose, Director of Infrastructure at PlayPhone EMEA. “We wanted a better handle on the success or failure of marketing campaigns, to understand costs incurred per subscriber and make decisions based on those factors.” Using SAS, the business can follow customer behaviour, enabling it to better understand and mitigate the effects of customer churn, minimise the cost of customer acquisition and drive higher revenue. Rose says, “Reports that took several days to produce can now be done with SAS in a couple of hours.”

“Our ability to make the right decision and move on fast has improved beyond all recognition.”

Simon Rose
Director of Infrastructure
PlayPhone EMEA

The need for speed

With hundreds of thousands of subscribers, PlayPhone EMEA provides services to some 20 countries, such as France, Norway, Germany and Spain, and the business is launching in Italy and Denmark. It also has operations in South Africa, Australia, Malaysia and Singapore. The nature of this sector and its consumers means providers need to be able to understand and respond to changing demand fast: the most agile businesses that can meet consumer demand fast reap the biggest rewards.

Rose continues, “We can gather a large number of customers in a short time but, when you look closely at the numbers, those subscribers may not be very profitable – the billing rate isn’t as successful as we’d like. So it doesn’t warrant maintaining a campaign in that country.” PlayPhone’s goal is to regularly attract more profitable customers in the most cost-efficient way, then have them stay and grow their value by providing the high-quality relevant content they want.



“The fact we could have run the solution on any platform was indicative of the nature of SAS the company – how it tries to accommodate customer needs rather than simply taking the easiest route for the supplier.”

Simon Rose
Director of Infrastructure, PlayPhone EMEA

“We had to find out how much a subscriber cost us, how long they stayed with us, how much profit we made from them,” says Rose. “We had to compare that with the cost of marketing to understand campaign success and divert money from poorly performing campaigns into successful ones. The faster we can make those decisions, using SAS, the less money is wasted and the better and faster our return on marketing spend.” The sums involved range from tens to hundreds of thousands of euros.

The company considered three solutions: SAS, Business Objects and Microsoft. “SAS really engaged with us,” says Rose. “They presented their approach in an elegant way and introduced us to their partner, Amadeus. It’s been a successful partnership ever since. We first bought SAS® Enterprise Guide® for reporting on a nightly schedule, but we wanted richer information, with more granularity, so we implemented SAS® Enterprise BI Server – and that’s proved to be great as well. Amadeus was excellent throughout, especially notable by the calibre of its people.”

Tracking campaigns

SAS connects to a Sybase data store, which is fed by the company’s transactional databases. “This means we know where a customer comes from, in terms of which campaign, how much money we collected up front, and can track them over time to see how long they stay with a service,” explains Rose. “If they leave early, we know how much they have cost us. If they stay longer, we recover more of those costs. So we can work out average revenue per subscriber. Using SAS we can do this quickly and accurately. Before, it could take a couple of days to put a report together.”

For example, a new TV or Web campaign might run in Germany. “We want a breakdown of its success: from customers that were prospects to those who are already subscribers, what the churn rate might be, how long they’ve been with us based on the campaign that brought them in, and so on. We then decide whether this is a ‘good’ customer and if we ought to be doing more of that activity – or we should be doing something else with our money. We can make a qualitative judgement.

“Here’s another example: a campaign might run through an affiliate to provide links to our site. We might pay thousands of pounds up front. If, after a few days, they haven’t delivered the clicks promised, we can pull that campaign and reapportion spend. We can turn that around in a day or two – we have that level of visibility about what’s happening in the field.”

He adds, “Our people put together reports that can be used by the business again and again. You do the work once and it’s easy for the business to get at the data themselves. This reduces workload for analysts.” The objective is providing self-service analytics and reporting: from giving senior executives such as the finance director a portal to see general trends and performance, to empowering country managers with flexible tools to customise their reports. Rose says ease of use is critical, both for analysts setting up the reports and business users who want to adapt them to suit their own needs.

Hitting the ‘sweet spot’

He adds, “It’s breathtaking how quickly we can get down to the data and make decisions; wastage is much less. That’s a huge benefit of SAS: speed of access in getting to your figures. Consumers in this sector are very fickle and certain content will be ‘flavour of the month’ – if you can respond fast, it can make a real difference to the bottom line. But this is as much about wasting less money so you can reapportion it. You can happen upon a sweet bit of content that consumers are really hungry for, and you want to do as much as you can with that. As soon as it goes off the boil you have to shift your focus and spend to the next thing. We want to hit that ‘sweet spot’ again and again, and SAS gives us that focus, agility and responsiveness.

“Compared to before, our ability to make the right decision and move on fast has improved beyond all recognition. Before, we might have to wait weeks before we knew if a campaign was successful, trawling through different logs and databases, making best guesses and arguing with suppliers. Now, we get to the bottom of things very quickly. We actually have an end-to-end process: we can set up a campaign in SAS rather than just going out and buying it, including all the information up front specific to that campaign, media type, spend and so on. We have all the data we need from conception of a campaign through to the profitability of the customer.

“Our US parent company is looking at using SAS to gain the same level of detail we are achieving. In terms of subscribers, that’s a much bigger market.”



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