

# CASE STUDY

*How Indosat Grew Revenue and Reduced Churn using an Integrated Real-Time Campaign Management and Loyalty Program*



*A case study prepared by TM Forum*

**WHO:****WHAT:**

Increased revenue and subscriber loyalty with improved real-time marketing, service visibility and transparency

**HOW:**

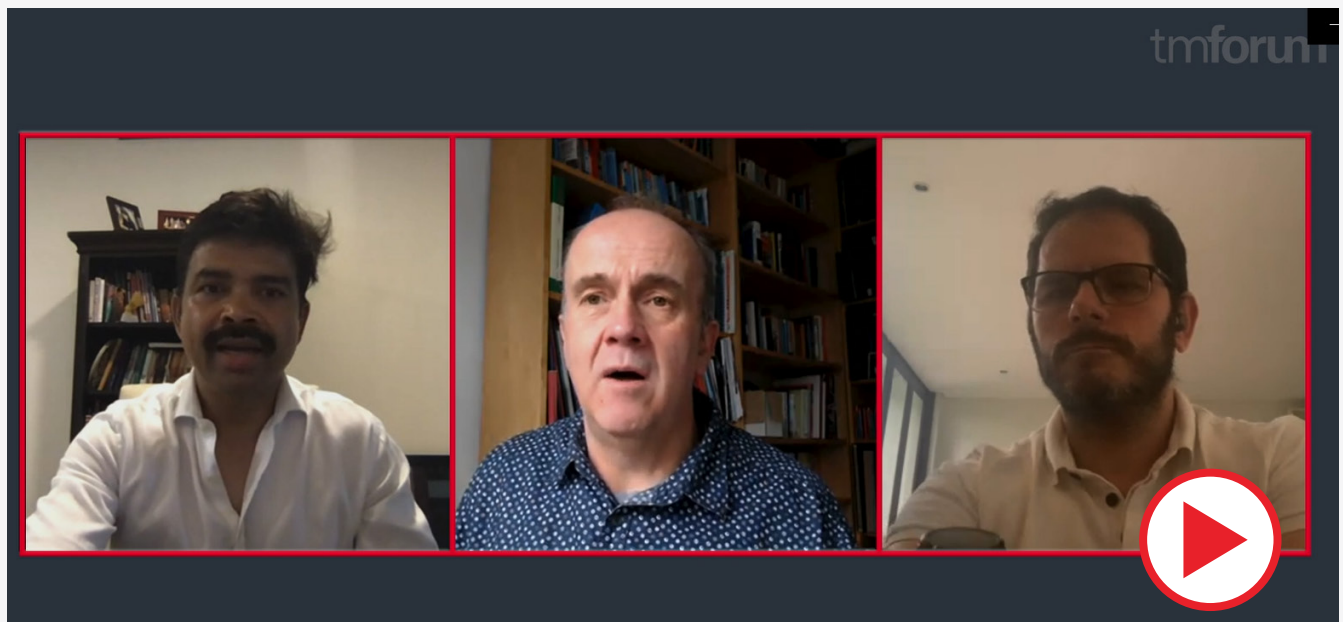
Worked with Comviva Technologies to create a real-time Big Data Customer Value Management program, using AI and Machine Learning to create greater visibility into service characteristics, build targeted loyalty programs and deliver more personalized services.

**RESULTS:**

10X increase in revenue linked to real-time marketing campaigns, 3.5X increase in revenue from new digital engagements, and the lowest ever churn rates of high value customers using new loyalty program and benefits

**WATCH:**

Watch here as Mark Newman, Chief Analyst TM Forum talks to Ritesh Kumar Singh, (CMO) and Carlos Eduardo Quiroga Tarradelles, (CVM Head) at Indosat Ooredoo.



# INDOSAT'S CUSTOMER VALUE MANAGEMENT PROGRAM TO PROVIDE BETTER SERVICE TRANSPARENCY AND INCREASE SUBSCRIBER LOYALTY



Evolution to real-time campaign management to provide better service targeting of **59M subscribers**



Launch of **4 tier loyalty program** to create incentives for usage and recharge



**35%**  
^

Personalized customer contact increased conversion rate by **35 percent**

**Indosat is one of the largest telecommunications providers in Indonesia**, where the majority of consumer customers are prepaid, churn is high, and customer loyalty is low due to a lack of service transparency. Subscribers typically have limited access to comprehensive pricing details, costs can change based on region, and unexpected charges or fees can occur based on data consumption, low balance, or lack of usage.

Indosat's corporate goal is to position the operator as a customer centric technology leader, where digital transformation would drive customer loyalty through greater simplicity and transparency of services and pricing. To deliver on this goal, Indosat invested in a real-

time customer value management transformation program that eliminated manual processes, enabled real-time contextual marketing capabilities at scale, and created a loyalty program to improve customer retention. Through the use of customer data analysis and AI/ML based modeling, Indosat was able to better predict customer behaviors for recharge/top-up, data usage, inactivity and next best offer responses. Along with the launch of a multi-tier loyalty program, Indosat saw substantial churn reduction of its high value customers using the loyalty program, and a 10X increase in revenue linked to real-time marketing campaigns.



# ADDRESSING THE MARKET NEEDS



**Indosat, one of the largest telecommunications providers in Indonesia, has a digital footprint that supports 59 million subscribers over the country's 17,000 islands.** With geographical diversity comes customer diversity, price sensitivity, and service expectations that must be addressed at a more personalized level. The scale of the company's operations and the predominance of prepaid in the Indonesian market requires a focus on the unique characteristics of our region and its ability to meet the unique regional business requirements. With the majority of the consumer mobile market as prepaid, the ability to create targeted campaigns and increase subscriber loyalty is a challenge in a region where subscribers typically top up their balance daily, and complex subscriber management creates the added challenge of addressing churn.

Prepaid subscribers in the region often lack clarity of information regarding service costs, balance and recharge characteristics, leading to unexpected pricing changes or fees. A lack of real-time contextual marketing capabilities creates challenges for the operators to provide personalized services to different users, including loans for users whose balances are too low, and notifications for customers who have not consumed services over a certain period of time. Lack of transparency and service visibility has in turn led to high churn rates.

Indosat set out to address its revenue and churn challenges through the development of a real-time customer value management program with Comviva Technologies, enabling real-time marketing and subscriber loyalty programs.

**Ritesh Singh, Chief Marketing Officer with Indosat stated that:**

**“Our goal with this transformative program was to bring greater transparency of services to our customers, use real-time data driven campaigns to help retain high value customers, and grow revenue from lower and mid-tier customers with contextual marketing programs and incentives that drive service usage.”**

# IMPROVE CAMPAIGN MANAGEMENT EFFECTIVENESS USING A DATA DRIVEN REAL-TIME CUSTOMER VALUE MANAGEMENT (CVM) PROGRAM



Understanding customer value in a predominantly prepaid market requires a shift away from manual, bespoke processes, requiring a focus on data science that automates data management at hyperscale.

Successful marketing campaigns require access to subscriber usage data in real time, where the operator can get a single view of the customer and design campaigns based on customer engagements, ARPU, voice/data usage trends and churn characteristics.

In May 2019, Indosat began transforming its customer management program to embrace a real-time customer value management approach. Working with Comviva Technologies, the two companies identified gaps in existing business and IT capabilities, with the goal of eliminating manual processes and replacing the existing campaign management system. Comviva implemented its Customer Value Management Platform, and a Hadoop based customer analytics platform that enabled Indosat to capture and measure over 800 business data characteristics of its customers, including:

- Recharge/top-up behavior
- Data usage
- Periods of inactivity
- Responsiveness to next best offer

Indosat's new real-time CVM platform leveraged AI and ML based models and real-time decisioning in milliseconds to better predict customer usage patterns of its more than 59 million subscribers.

**“We designed our CVM program around Big Data, which guarantees us the scale we need as customer demands evolve. With new real-time CVM capabilities, we are better able to predict customer behavior, can now offer more proactive notifications of low balance or lack of usage, and deliver more personalized offers to our customers.”** These metrics helped Indosat better target its customers for specific offers, and provide more specific customer journeys that increased loyalty and ARPU.

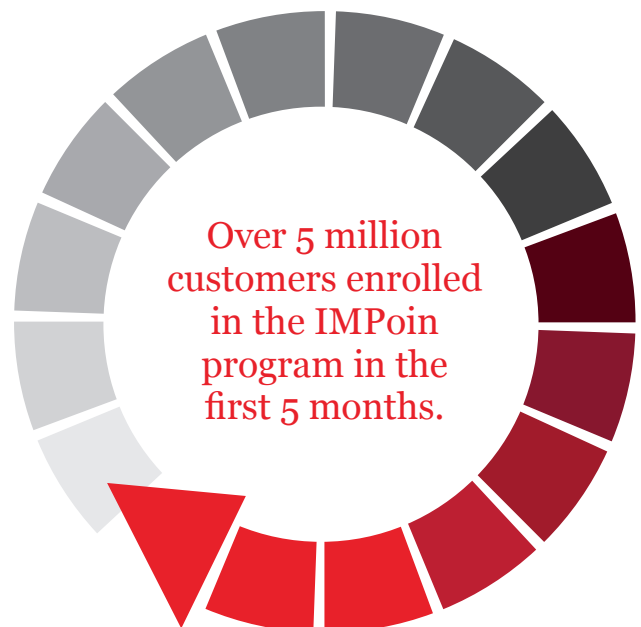
**Eduardo Quiroga, SVP, CVM Head**





## IMPROVING SUBSCRIBER RETENTION THROUGH A DEDICATED LOYALTY PROGRAM

A key enabling element of Indosat's Customer Value Management program has been the creation and integration of a dedicated loyalty program that allows subscribers to earn and redeem points based on service consumption. The IMPoin 4-tier loyalty program offers a club membership where subscribers can track usage and earnings via the operator's mobile application, and redeem rewards for operator and partner based services via an online catalog that includes vouchers for fuel, shopping, dining and online gaming.



# INCREASED REVENUE, REDUCED CHURN, AND IMPROVED CUSTOMER SATISFACTION



Within three months of migration to Comviva's real-time CVM platform, Indosat has seen significant improvements in revenue and churn management, with a **3.5X increase** in revenue from new intelligence driven digital engagements compared to the same period the prior year. Targeted offers that give a more personalized service experience have seen an average of **33 percent uptake** rate. High value customer churn has **dropped by 50 percent** and churn rates for customers enrolled in the IMPoin loyalty program have dropped to its lowest level in the company's history. Since the program's inception, **billions of loyalty points** have been earned, with **over 70 percent** of those points linked directly to revenue generating campaigns by the operator. Lastly, revenue linked to real-time marketing campaigns using the new CVM platform has **grown 10X** versus that generated by the company's prior campaign management program.

Revenue tied to  
real-time customer  
value management  
campaigns



**10X growth**

First 6 months of  
IMPoin Loyalty  
Program



**5 million  
customers**

Revenue from new  
intelligence driven  
digital engagements



**3.5X rise**

High Value  
Customer Churn



**Down 50%**

# ABOUT COMVIVA

Comviva is the global leader of mobility solutions and a part of the \$21 billion Mahindra Group. With customer centricity, innovation and ethical corporate governance at its core, the company's offerings are broadly divided into three categories: Financial Solutions, Digital Systems and Growth Marketing. Its extensive portfolio of solutions spans digital financial services, customer value management, messaging and broadband solution and digital lifestyle services. The company strives to enable service providers to enhance customer experience, resolve real, on-ground challenges and leverage technology to transform the lives of customers. Comviva's solutions are deployed by over 130 mobile service providers and financial institutions in over 95 countries and enrich the lives of over two billion people to deliver a better future.

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