



BSkyB Meets Key Performance Measures

BSkyB is the United Kingdom's largest multi channel television provider but had the problem of making effective use of one of their most valuable business assets – their customer information.

Background

BSkyB provides sports, movies, entertainment and news to over 5 million active digital customer households in the UK and Ireland.

The Problem

BSkyB's key performance measures are to add new subscribers at low cost, grow their average revenue per customer and to keep churn as low as possible.

Every month BSKyB target customers on low cost packages with upgrade messages. This has created an 'offer driven' group of customers, who are likely to downgrade again later and may switch to an alternative provider. The key to success was to understand the lifecycle of customers and determine the most profitable development path to maximise their worth to the business. This could only be achieved through in-depth customer understanding and the use of intelligence to target customers at the right time with specific direct mail and telemarketing campaigns, ensuring the customer stayed on the targeted package for a minimum period, maximising their return on investment.

BSkyB's data analysis team work as an internal consultancy for the marketing department. In December 2000, a new customer acquisition took place every nine seconds, 24 hours a day over a two week period and due to the increasing size of their customer database, the analysts were asking questions of the system that it wasn't designed to answer. For example, 'slicing and dicing' customer information at an individual customer level was proving extremely difficult and slow. All the analysis was based on samples of customer data, where further investigation was needed.

BSkyB's analysis team became swamped with requests for information and were spending their time extracting, manipulating and producing information into clear and concise reports, rather than being proactive and exploring the data to uncover new trends and the customer behaviour behind them. It was also very difficult for the marketing team to target the right customers with the right message at the right time.

Simmi Bajaj, BSKyB's analysis manager explains. "There has always been a great urgency within the business for timely information. Until now, we have provided summarised data about our customers that enabled us to compare groups, numbers, subscription packages and customer characteristics. But what we wanted was the added capability to dig deeper across the entire customer base, with the flexibility to fully explore the data."

"So we had a problem! Trying to extract transactional data from a relational database can take a lot of time and effort, and due to the breadth and depth of our customer information we couldn't achieve our aims through the existing database analysis systems in the time available to us."

The analysis team found they were spending up to a week preparing individual reports from a mass of spreadsheets – a time consuming and mundane task for highly trained employees and five days too long for the marketing teams.

The nub of the problem was getting to the millions of customer and transactional records held by the company in its data warehouse. Traditional reporting tools could see behavioural trends of customers, but did not identify individual customers.

"The analysts could only see a high level view of the data at their disposal," says Dene Jones, head of analysis and consultancy at GB Information Management. "Using their existing analysis toolset, BSKyB could create a universe of data with aggregated views that revealed some high level patterns and trends. While that helps, it was not flexible enough to answer all the questions posed by the business – for example, you can't see every record for each individual subscriber."

Since requests could take days to answer, BSKyB's networks and servers were becoming clogged and 'train of thought' analysis was only a pipe dream. Plus, once data had been extracted, analysts still had to prepare the data, sometimes taking weeks.

"We are now using customer intelligence to improve our understanding of the types of initiatives needed to create and maintain long-term loyalty."

Simmi Bajaj,
Analysis Manager,
BSkyB.

About Alterian

Alterian solutions are pragmatic analytic tools for extracting customer insight from today's expanding data sets. Since 1997, Alterian has focused on building technology to address the needs of companies within markets that require quick decision-making capabilities based upon rapid analysis of detail-level data. Alterian offers its technology via a worldwide partner network.

Further information

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The Solution

BSkyB looked to GB Information Management for advice and took advantage of their expertise in developing tailored database analysis solutions. Utilising Alterian technology it was possible to extract data to a 'datamart' and then select specific groups of customers, allowing BSKyB's analysts to examine patterns within the data and identify specific groups of customers by their behaviour.

Through consultancy and an ongoing review process, a series of standard automated reports were written to provide the most commonly required information at the touch of a button. This reduces the chance of human error, empowers non-technical people to use the system and speeds up processing time. In addition, reporting was made available on 100 per cent of the data rather than just a summarised version or small sample, giving BSKyB new insight into customer behaviour. The solution also enabled BSKyB to extract individual names and addresses giving the marketing team the opportunity to target customers quickly.

Customer data now adds significant value to the entire business. Even at the highest levels, BSKyB's senior management easily access the system to create detailed PowerPoint presentations in seconds based on customer intelligence not previously available.

BSkyB can now identify trends in customers changing their packages and predict customers' next move through a scoring system that's also used to effectively segment customer groups. The company's marketing department gets accurate information in a timely manner and its analysts are free to concentrate on analysing data, instead of processing it. With all of this information available in one repository, the full picture of a customer's behaviour and responses can be achieved in a matter of seconds.

The Benefits

Bajaj adds, "This allows marketing staff to work on ways of making customers more profitable while also developing our reward scheme. Furthermore, we are now able to analyse data previously unexplored and answer complex queries such as – How long does it take for a customer to make their first BSKyB box office purchase? When you know this, you can determine the timings of appropriate promotional offers."

The analysis team at BSKyB believe they have saved over 5-6 hours per analyst, per week through automating standard reports and not having to restructure or sample data. The company's management are also impressed with how quickly answers to complicated queries can be delivered to the business.

The issues BSKyB were facing illustrate shortcomings in many existing analysis systems. "The original analysis system is specific to the purpose it was designed for – it is very good for business report creation and examination," explains Mike Talbot, Alterian's chief technology officer. "The Alterian based solution is different – it's a strategic business tool that lets even basic users explore 100 per cent of the customer database in seconds and it's designed to support the business in its rapid growth."

