Always on Marketing Vodafone

June 2018

Vodafone is one of the world's largest telecoms operators

25 countries in which we have mobile operations

19 countries in which we have fixed operations

46 Partner Markets

64m IoT connections

€47bn FY16-17 revenue

€63bn market capitalisation (7 February 2018)

Unifying communications

Mobile
The world's 2nd largest mobile network
529.1m customers[1]

Fixed
Europe's fastest growing broadband provider
19.3m customers[2]

TV
TV in 8 markets
13.8m customers[2]

1. Includes India and Joint ventures
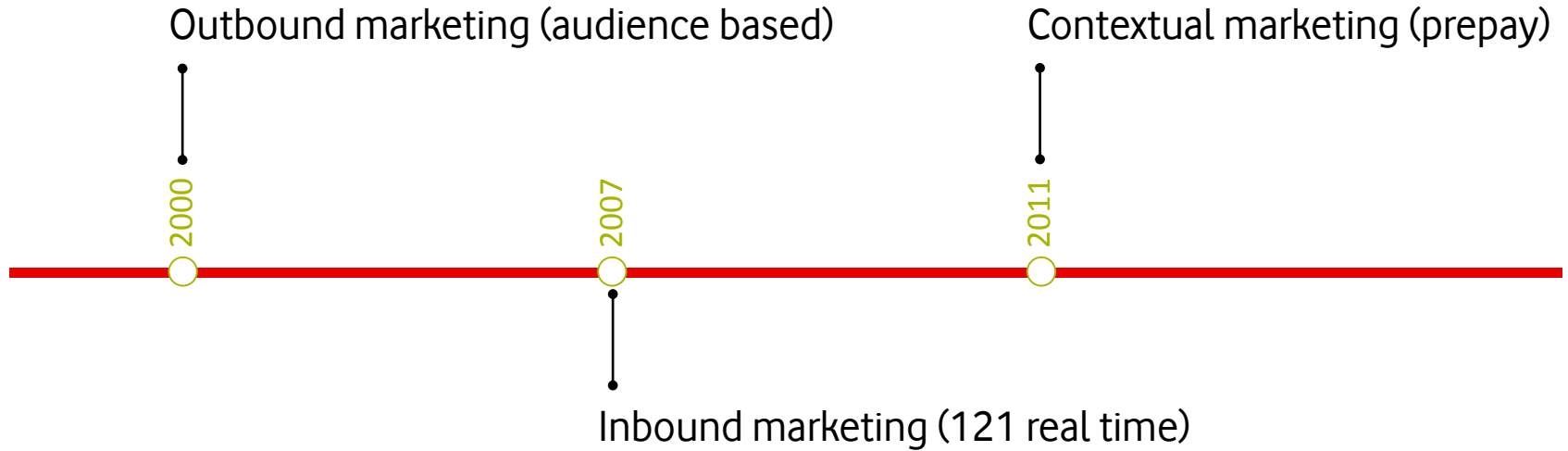2. Includes VodafoneZiggo

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Every 24 hours, Vodafone customers:

- Make **4.7bn minutes** of mobile calls

- Stream the equivalent of **4.9bn songs** on their smartphones

- Watch the equivalent of **1bn 3 minute HD videos** over their fixed broadband connections[1]

- Make **20m financial transactions** using M-Pesa

1. Europe only

We have invested heavily in marketing technology for many years

Outbound marketing (audience based)

Contextual marketing (prepay)

2000

2007

2011

Inbound marketing (121 real time)

Which has enabled us to deliver significant commercial value from our base marketing activities

€ 3,338 m

€ 4,237 m

FY14   FY15   FY16   FY17   FY18

6
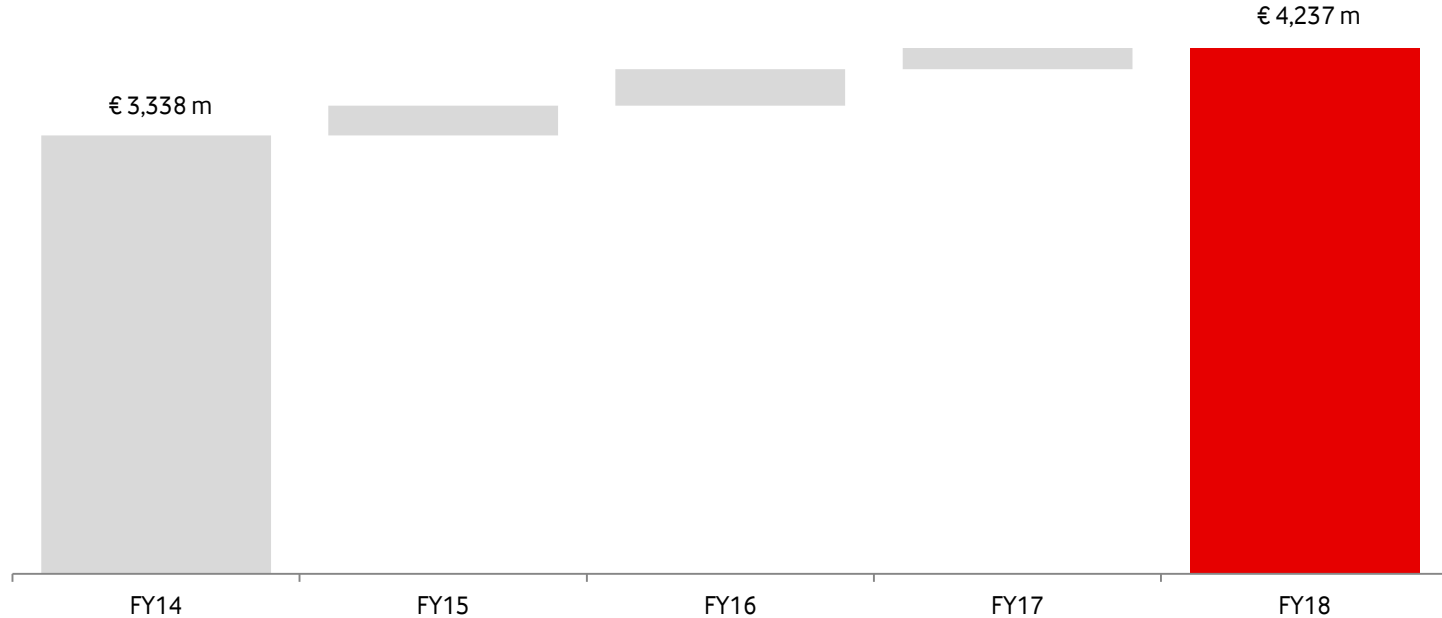
Our operating landscape has changed since the last round of investment forcing us to re-evaluate the tools we use

Big Data
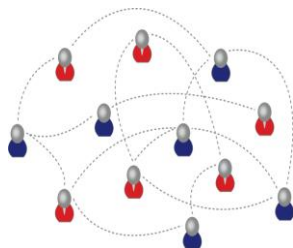
- There is an explosion in availability of static and low latency data
- Decisioning tools must arbitrate across a large numbers of offers

Digital

- Customers expect an omni-channel customer experience
- We need to be where our customers are to remain relevant

Real Time

- Need to react immediately to a change in customer state
- Context is crucial to ensure we enable meaningful dialogue

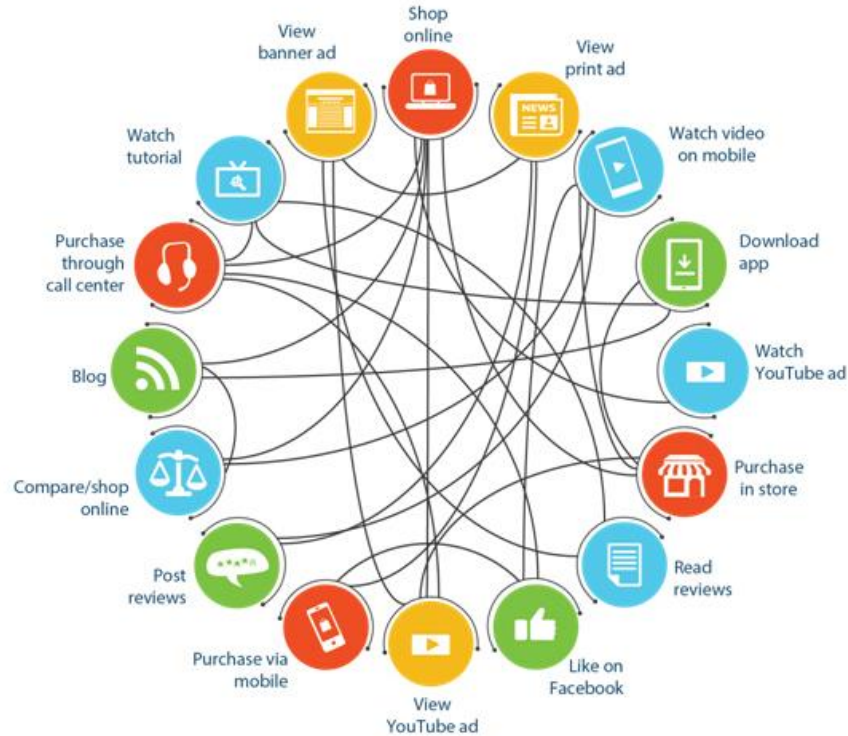# Customers follow a non-linear, cross channel, increasingly digital-first journey to make purchase decisions

By deploying Always on Marketing (AoM) we enable relevant, personalised conversations across all channels, in real time

Channels

Customer interaction

Recommended Action

Customer profile and segmentation

Big Data analytics and propensity scores

Machine learning and adaptive modelling

Real time event triggers

Contextual data from customer interactions

Customer strategies and arbitration rules

Customer journeys

Contact strategy and lifecycle profile

Offline data

Real time data

Commercial logic

It transforms how we manage base marketing in Vodafone

From   **To**

Siloed channels   Omni-channel

Audience based messaging   Hyper-personalisation

Longer lead times   Real-time

Limited context   Relevant and meaningful

And it enables us to deliver a best in class customer experience
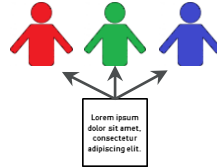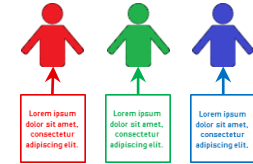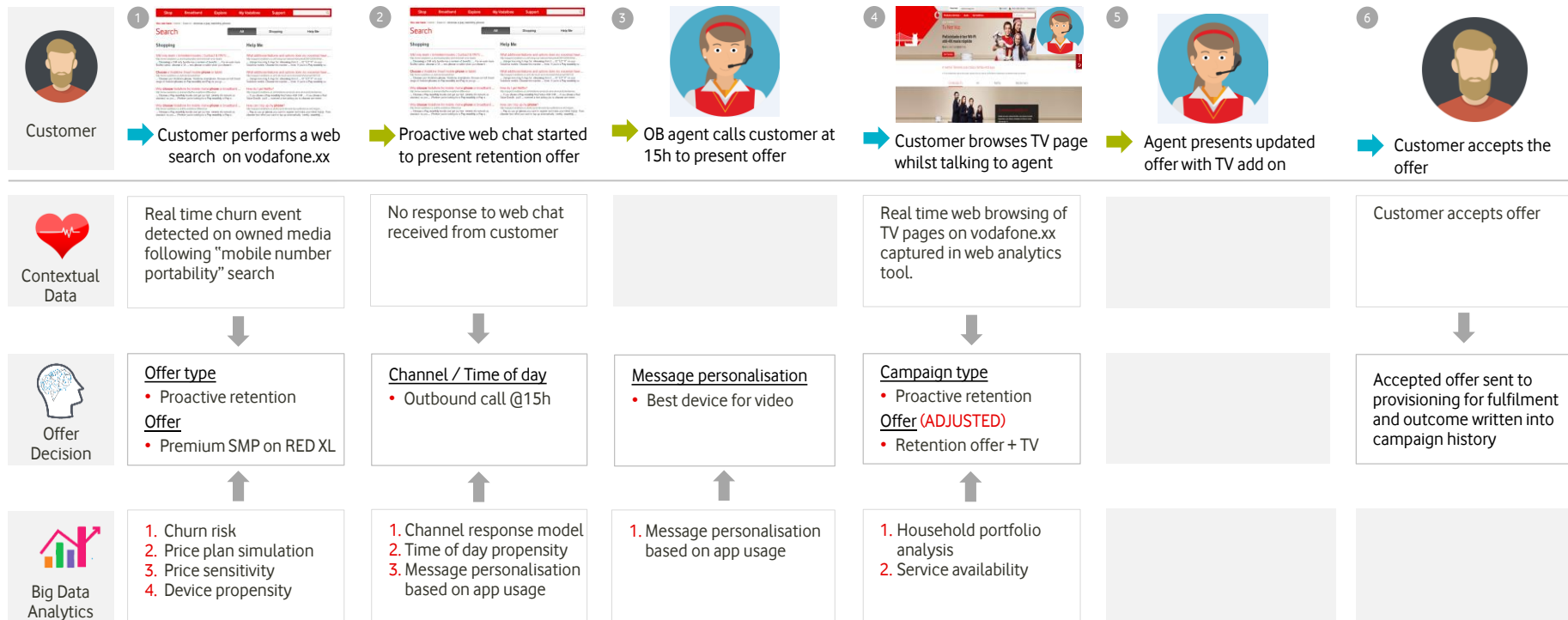
	1	2	3	4	5	6
Customer	Customer performs a web search on vodafone.xx	Proactive web chat started to present retention offer	OB agent calls customer at 15h to present offer	Customer browses TV page whilst talking to agent	Agent presents updated offer with TV add on	Customer accepts the offer
Contextual Data	Real time churn event detected on owned media following "mobile number portability" search	No response to web chat received from customer		Real time web browsing of TV pages on vodafone.xx captured in web analytics tool.		Customer accepts offer
Offer Decision	<u>Offer type</u> • Proactive retention <u>Offer</u> • Premium SMP on RED XL	<u>Channel / Time of day</u> • Outbound call @15h	<u>Message personalisation</u> • Best device for video	<u>Campaign type</u> • Proactive retention <u>Offer</u> (ADJUSTED) • Retention offer + TV		Accepted offer sent to provisioning for fulfilment and outcome written into campaign history
Big Data Analytics	1. Churn risk 2. Price plan simulation 3. Price sensitivity 4. Device propensity	1. Channel response model 2. Time of day propensity 3. Message personalisation based on app usage	1. Message personalisation based on app usage	1. Household portfolio analysis 2. Service availability		

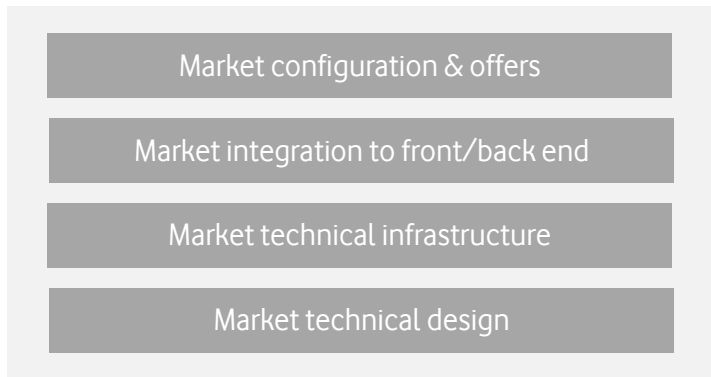**Legend** ➡ Inbound ➡ Outbound

Customer expectation is the same in every country so our strategy is to make the best capabilities available for every market

12

Our larger OpCos are deploying on-premise whereas our smaller markets will use a cloud based Group managed service

1 **AoM platform using local design**

2 **Shared AoM platform using Group design**

Market configuration & offers		Standard configuration	Market offers
Market integration to front/back end		Market integration to front/back end	
Market technical infrastructure		Shared technical infrastructure	
Market technical design		Shared technical design	

Time to market	High	Medium
Cost	€€€	€
Standardisation	Low	High

13
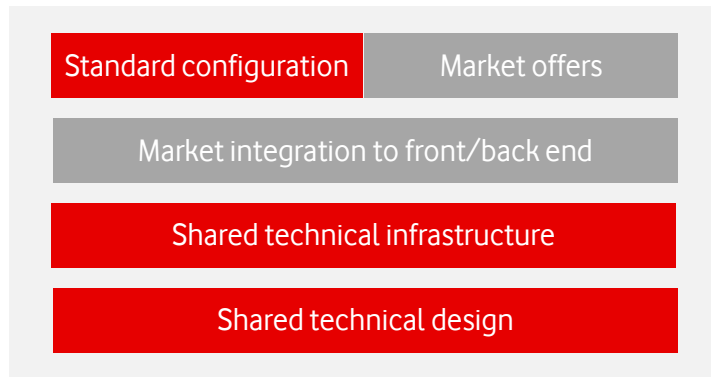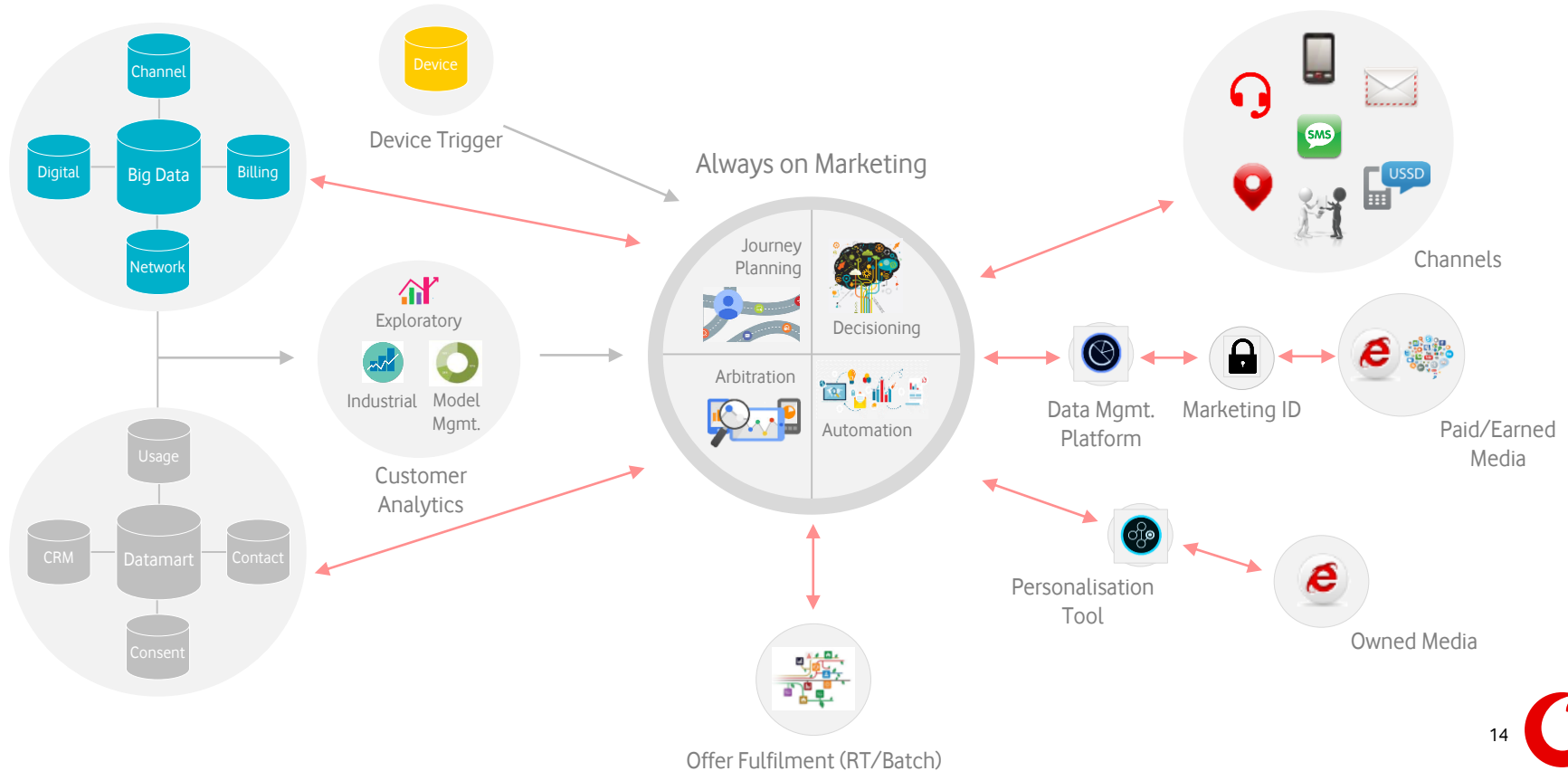
AoM as a Service is based on a standard template architecture whilst allowing for some local configuration too

Device Trigger

Big Data
Channel
Digital
Billing
Network

Customer Analytics
Exploratory
Industrial
Model Mgmt.

Usage
CRM
Datamart
Contact
Consent

Always on Marketing
Journey Planning
Decisioning
Arbitration
Automation

Channels

Data Mgmt. Platform

Marketing ID

Paid/Earned Media

Personalisation Tool

Owned Media

Offer Fulfilment (RT/Batch)

A standardised target operating model has been developed to deliver a transformation in ways of working

Marketing, product & channel silos are joined up to deliver a consistent personalised customer experience across all channels

Customer interactions are highly personalised & content used to deepen customer engagement

Continual test & learn process, using qualitative & quantitative analysis, to adapt & refine campaigns / propositions

Effects of changing priorities are simulated & forecasted before making changes

New communications & propositions can be launched quickly in one or more channels with little or no involvement from IT

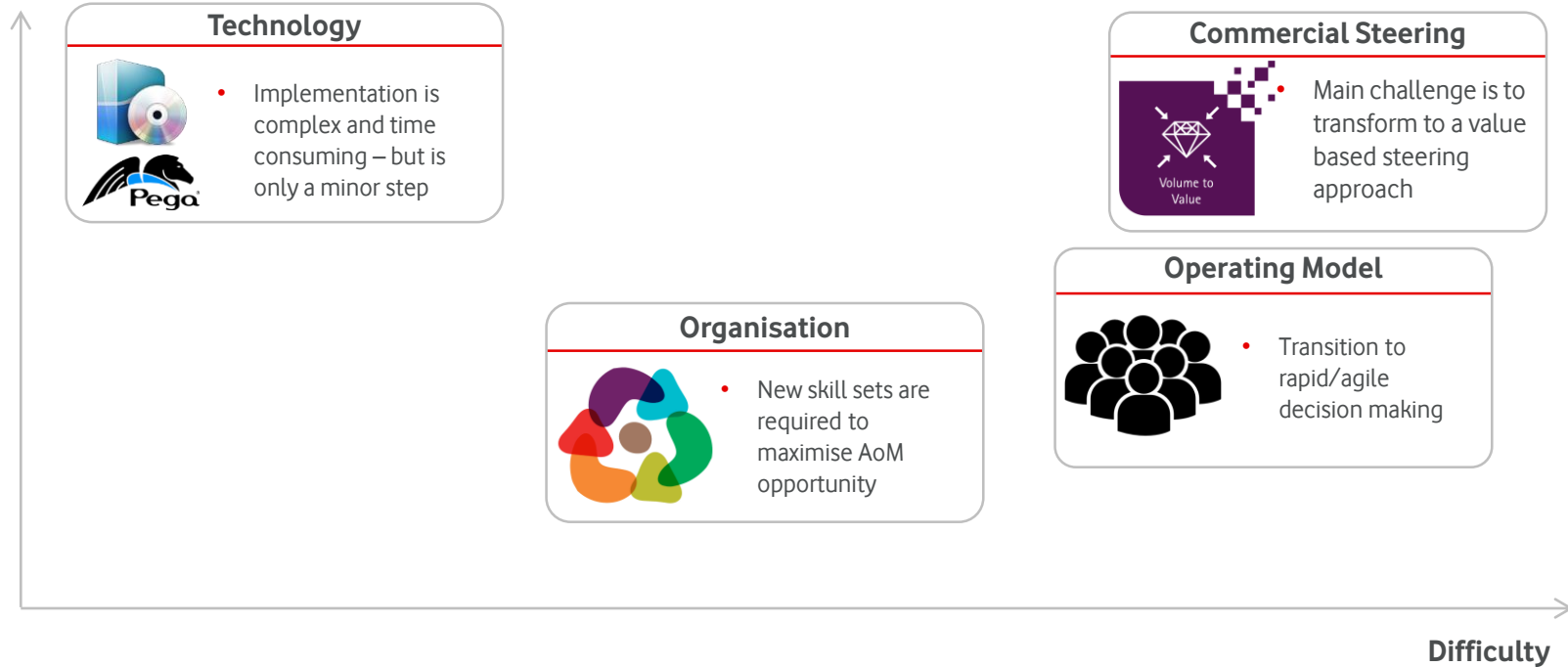Cross functional groups responsible for designing and managing customer journeys

Individual & team incentives align with recommendations

Clear link between KPIs & business objectives

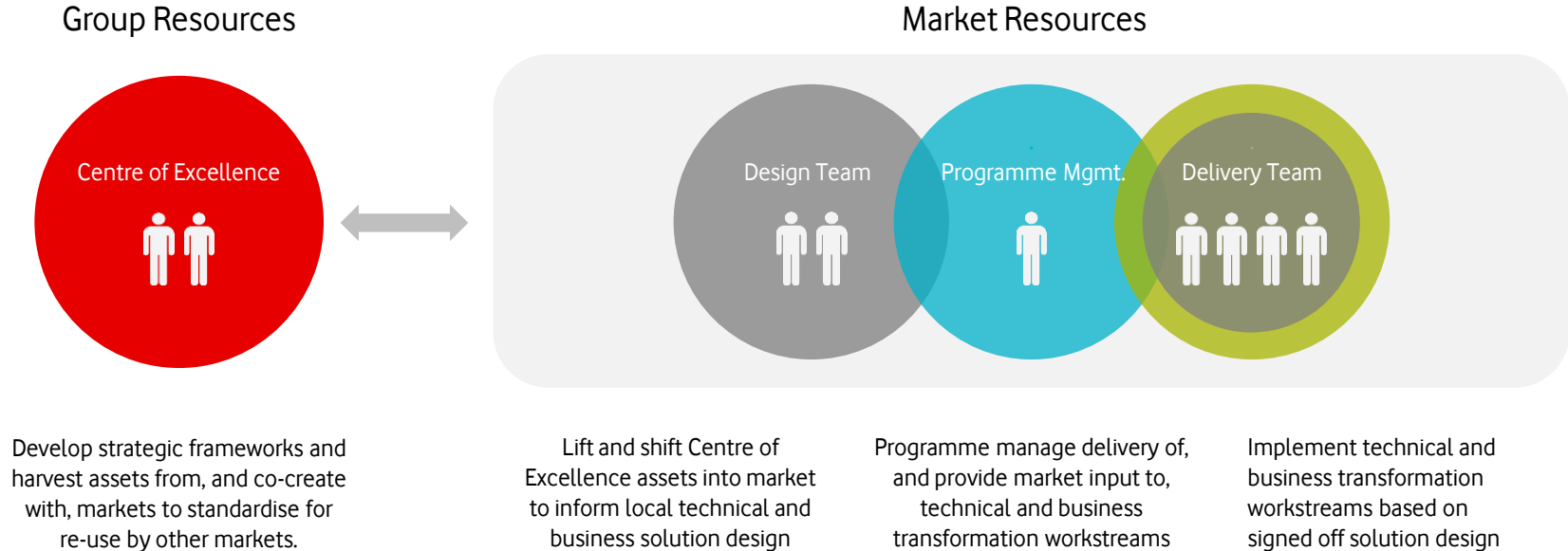Automated operational & performance dashboards generated from a single source of the truth

Improved Personalisation

Increased Collaboration

Customer Strategy & Lifecycle Marketing

Better Decisions

15

Technology delivery requires high effort but the road is mainly known; business change is much more challenging to deliver

Effort

Technology
- Implementation is complex and time consuming – but is only a minor step

Commercial Steering
- Main challenge is to transform to a value based steering approach

Volume to Value

Organisation
- New skill sets are required to maximise AoM opportunity

Operating Model
- Transition to rapid/agile decision making

Difficulty

All markers are supported by a dedicated Centre of Excellence that covers both technology and commercial disciplines

Group Resources

Centre of Excellence

Market Resources

Design Team

Programme Mgmt.

Delivery Team

Develop strategic frameworks and harvest assets from, and co-create with, markets to standardise for re-use by other markets.

Lift and shift Centre of Excellence assets into market to inform local technical and business solution design

Programme manage delivery of, and provide market input to, technical and business transformation workstreams

Implement technical and business transformation workstreams based on signed off solution design

By delivering a hyper personalised CX we expect to see substantial increase in incremental revenue generated by base marketing

We identified a set of clear value drivers for the adoption of Always on Marketing...

⬆ Optimisation of legacy activity by transforming into always-on, hyper personalised communications
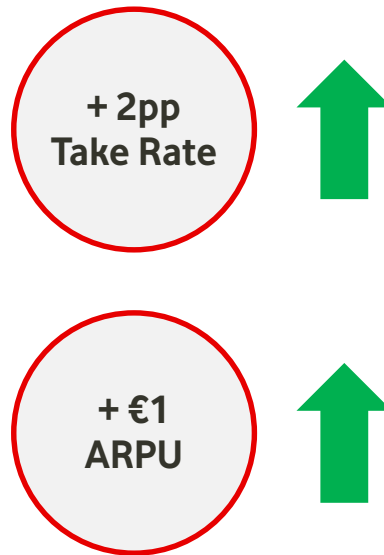
⬆ Execution of new use cases based on detection of low latency events from our charging & network systems

⬇ Reduction in total cost of ownership of marketing technology capability by sun setting legacy tools

....and the early results from our lead market are encouraging

+ 2pp Take Rate ⬆

+ €1 ARPU ⬆

3 key takeaways from today's session

1 Executing contextual, personalised communications delivers a better customer experience and will deliver enhanced commercial results

2 Your customers are demanding – find flexible ways to deploy the best technology to ensure you meet their demands. Don't settle for second best.

3 Don't underestimate the level of business change that's required to make AoM a success...the technology change is arguably the easiest piece to solve

The future is exciting.
Ready?

vodafone