



> COMPANY PROFILE

It was one of the first local companies to obtain a cellular phone license and to successfully introduce mobile telephony services. By subscriber market share, it's the largest mobile communications provider in the country. Celcom Axiata is now Malaysia's leading mobile broadband service provider and it is rapidly growing its services in mobile broadband, content and value-added services (VAS), enterprise solutions, bulk wholesale services, digital services and machine-to-machine (M2M) solutions.

> CHALLENGES

- Newer, more aggressive competitors in a saturated marketplace
- Lack of technological investment, hampered by bureaucracy

> SOLUTION

Customer experience personalization via analytics and contextual marketing

> BUSINESS BENEFITS

- Increased market share
- Improved net adds share in wireless market
- Excellent customer and operational insights to retain existing customers
- Improved operating margins
- Improved upsell and reduced customer churn

Using analytics to drive customer engagement and market leadership



For this home-grown conglomerate, Big Data Analytics (BDA) was the game-changer that transformed its business from its third place to becoming the leading Malaysian telecommunications player in terms of subscriber base. In harnessing the power of BDA, now Celcom Axiata not only serves its customers better but it has also grown the company and enhanced the way it does its business. Its strategic use of analytics not only improved operations but has also catalysed a remarkable reorientation in its management and technical capabilities. It's now on a growth trajectory to achieve its objective to become Malaysia's top mobile operator by revenue.

Challenges

Despite its legacy as a former government monopoly back in 2005, Celcom was lagging in the marketplace. There were inadequate investments in technology and it was hampered by bureaucracy. This was especially challenging when the company competed against newer and aggressive companies in an increasingly saturated market. Celcom had gone from being number one to number three in the market.

In response, Celcom established a three-stage transformation plan beginning with a revamp of its sources of revenue. Celcom knew that with market penetration of over 130 percent, competition would only intensify. The business could only grow at the expense of competitors and enhancing customer retention.

Solution

Celcom placed customer experience centre-stage and by personalising customer experience via a powerful foundation of analytics and contextual marketing that would extend into virtually every part of its operations. To do this, Celcom worked with IBM Global Business Services on the data foundation that would become a broader analytics strategy. The IBM team was deeply engaged with nearly every department within the company to develop an overarching analytics framework.

Celcom leveraged on IBM's Advanced Analytics Platform which provides a comprehensive set of analytics capabilities and tools to tap into all relevant data. It also securely ran analytics throughout the company to gain fresh insights in real time. With its unique

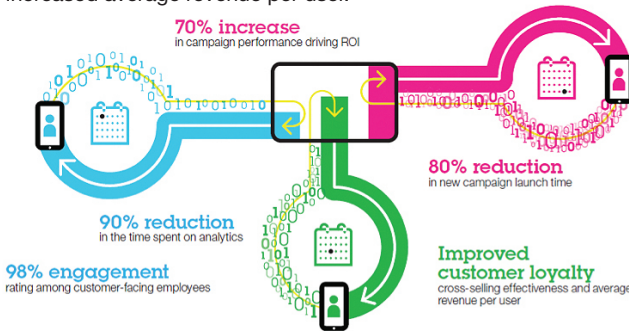


combination of emerging analytics technologies, IBM enabled Celcom to extend and transform that way it utilises its vast amount of valuable data to enable new services, drive customer engagement, lower operational costs, achieve higher levels of customer satisfaction and create new business models.

Celcom has created an enterprise-wide analytics platform that has become the foundation for contextual marketing. By combining insight for real-time data on customer consumption, the company is able to deliver highly targeted promotions when customers are most ready to purchase. For example, Celcom can identify prepaid customers with low weekend usage and encourage them to reload on weekends to get bonus airtime.

Business Benefits

The benefits that were obtained from Celcom Axiata’s partnership with IBM from its BDA solutions were multi-faceted. There was 90 percent reduction in the time spent on analytics as well as 98 percent engagement rating amongst the front-liners or customer-facing employees. There was also 70 percent increase in the company’s campaign performance which drove up its return on investment. Also there was 80 percent reduction in the company’s new campaign launch time – all of which brought about improved customer loyalty with increased effectiveness in cross-selling and increased average revenue per user.



The Future

As Celcom sought to incorporate more analytics into its decision making, it began by staffing a team of experienced analysts for its marketing activities. In order to ensure that analytics wasn’t confined solely to its team of analysts, the company assembled a multidisciplinary team from different lines of business and tasked it with bridging the gap between the company’s internal analytics advocates on the business side and its IT divisions.

The management is now looking at how to drive the analytic-based approach across all its business, including micro-market segmentation, micro-market quality management of the network so that for the first time they can see what is really going on across all of its operations.

“With operational insights from IBM Advanced Analytics Platform, we’re able to optimise our product offers, which make it both a marketing tool and way to drive profitability.”

– Chari TVT,
Chief Financial Officer,
Axiata Group

“We’re demonstrating how analytics and personalised marketing can transform all aspects of the company including its people. It shows we’re on the right track for growth and we intend to stay there.”

– Dato’ Sri Shazalli Ramly,
Chief Executive Officer,
Celcom Axiata Berhad



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Celcom is on its growth trajectory to achieve its objective to become Malaysia's top mobile operator by revenue. This is evidenced by its enhanced marketing efficacy due to the use of analytics. Conversion rates have increased nearly threefold for specific campaigns, while cross-selling has also improved. This has increased significantly its revenue per customer. Furthermore, customer retention has also been boosted. CEO, Dato' Sri Shazalli Ramly, highlighted that Celcom has demonstrated how analytics and personalised marketing has the ability of transforming all aspects of a company's business performance including its people.

About IBM Malaysia

IBM Malaysia, a wholly-owned onshore subsidiary of IBM World Trade Corporation, was established in June 1961. Since then, it has played a major role in delivering solutions to all types of local businesses. The company's key strengths are its skilled and experienced IT personnel coupled with its worldwide infrastructure of international offices and laboratories.

Over the past five decades, IBM Malaysia has introduced state-of-the-art technologies to the marketplace that enabled local companies to compete effectively. The company is heavily involved in developing local capability through a string of alliances.

In November 2011, IBM announced an investment of RM1 billion to build a new Global Technology Services Delivery Centre in Cyberjaya, Malaysia. The new facility, which opened for business in March 2012, is a key component of IBM's global services delivery network and will help IBM deliver information technology services capabilities to its clients around the world. This includes server systems operations, security services and end-user services, including maintenance and monitoring of computer hardware and software systems. Malaysia also plays a key role in IBM's globally integrated enterprise strategy, and it is home to 21 Centres of Excellence/shared services operations that support global and regional operations of IBM and its clients. These include the GTS Global Delivery Centre, IBM Asia Pacific Accounting Centre, IBM Global Customer Fulfillment, IBM Finance Regional Support Centre, IBM Global Financing Centre of Excellence, IBM Regional Tax Centre and IBM (Tivoli) Software Development Laboratory.

In an increasingly interconnected social economy, Malaysian companies will need a trusted and professional IT partner capable of offering solutions and services that work in new ways to stay ahead of the curve. IBM is that partner with over 100 years of leadership in helping businesses globally to innovate and be smarter.