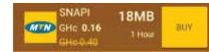


DTS Reference Case: MTN Ghana

Driving Bundle Purchase Behaviour with Intelligent Data Bundles



Overview

MTN has been using Ericsson's Yield Optimization (YO) system for 10 years.

MTN Zone is a service where subscribers enjoy intelligently priced voice calls and SMSs based on time and location.

About 21% of MTN's active prepaid subscribers are using MTN Zone and they generate approximately 29% of Voice PayGo Revenue.

Business Challenge

MTN wants to introduce Dynamic Tariffing into other parts of the telecommunications business.

Digitata was tasked to propose a strategy to

- increase data usage
- expand the data market
- encourage subscribers to migrate from 3G to 4G
- expand coverage in rural areas

Market Characteristics of Ghana

Country Population	29.5M	Prepaid Market	99.0%	Telephony Penetration	131%
Connection	37.4M	Market ARPU	\$4.60	Number of MNOs	6

Source: GSMA Intelligence (Q2-2018)

Digitata Methodology

Digitata implemented its tried and tested methodology for executing on the business challenge.



Digitata's Methodology at Work

1 Determine Business Objectives



The business objective was to prove the concept of Dynamically Priced Bundles and specifically to:

- promote the sales of data bundles, in particular Snapi bundles.
- increase data revenue.
- enable very low value subscribers to use data.
- encourage subscribers to sporadically purchase "Snapi Zone" bundles, over and above their normal day to day bundles.

bundle offers available.

Stage 2:

Very aggressive pricing was used to create excitement amongst subscribers to create a viral marketing effect to boost purchases.

Stage 3:

Offers were made available to all subscribers on the network but marketing efforts were still restricted to targeted subscribers only.

Stage 4:

Offers were again restricted to targeted subscribers.

2 Formulate the Strategy



The strategy was divided into steps aimed at achieving the business objectives.

Stage 1:

Due to restricted communication channels SMS blasts and USSD push messages were used to alert customers to the new purchase channel and the great

3 Subscriber Profiling through Segmentation



Subscribers were segmented based on a whitelist. The target group of 150 000 was split into

- 5 675 high value data subscribers
- 29 842 medium value data subscribers
- 114 483 low value data subscribers



Business Objectives



Strategy Formulation



Customer Segmentation

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100 000 non/very low value data subscribers were added to the programme. These subscribers were selected because they used less than 5MB of data per month.

4 Intelligent Pricing Offers

The Snapi Bundle offers had 1h validity and were subject to discount bands from 20% to 95% in 5% intervals. The bundle sizes were 18MB, 75MB, 200MB and 800MB.

5 Communication Channels

The bundles were made visible to the subscribers on the USSD menu at *135*55# and on snapizone.mobi.

Digitata selected three channels to communicate the data bundle offers:

- **SMS** directly to the subscriber mailbox
- **SMS Flash** with the option to save the message
- **USSD Flash** with an information message



6 Analytics and Reporting

The three KPIs impacted by the strategy included subscribers, data bundle sales and revenue.

The **data revenue** from the targeted subscriber group increased by 5,7% when compared to the control group:

(LV 4,3%, MV 7,4%, HV 6,2%).

The **data volume** for the targeted subscriber group increased by 24,9% when compared to the control group:

(LV 31,7%, MV 26%, HV 8,5%).

The non/very low value data users increased their data revenue by 103% and their data volumes by 183%.

Viral marketing in the form of an unsolicited article on the price optimisation increased the targeted subscriber group bundle sales by 400% with a lasting increase of 300%. This article resulted in the sale of an additional 57 000 data bundles in one day.

Key Performance Indicators Achieved

↑ **5.7%**
Data Revenue Increase for Target Group

↑ **24.9%**
Data Volume Increase for Target Group

↑ **103%**
Data Revenue for VLV Data Users

↑ **183%**
Data Volume for VLV Data Users

7 Return on Investment

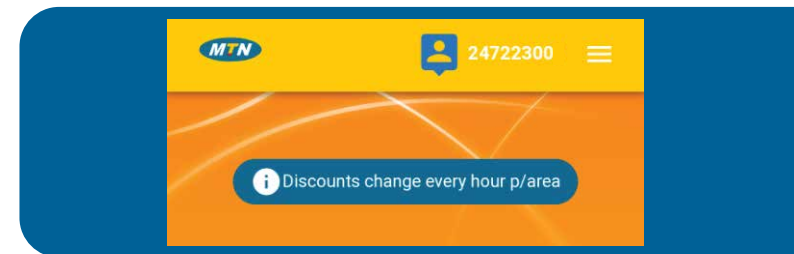


No investment was required from MTN Ghana for this proof of concept but all revenue and awareness that resulted from the program was for the benefit of MTN.

Key Takeaways

With very aggressive pricing during the initial launch and over the first phase of the project Digitata was able to increase the target group's subscriber spend by 5,7% when compared to the control group's spend.

One day of viral marketing from an unsolicited article immediately increased bundle sales by 400% with a lasting increase of 300%.



Intelligent Offers



Communication Channels



Analytics & Reporting



Return on Investment



Contact Details

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