

How Telefonica Is Leveraging Customer Insights and Analytics to Increase ROI

Interview with Lorraine Stone,
UK Country Director, Dynamic Insights, Telefonica



INTRODUCTION



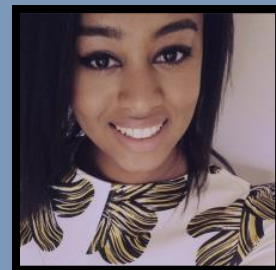
Lorraine Stone is currently at the leading edge of Big Data monetisation having commercial responsibility across the UK & Europe with Telefonica's Smart steps solution.

As the UK Country Director for Telefonica Dynamic Insights, a digital company within Telefonica, the role creates commercial traction through the development of products and services that monetise Telefonica's global big data assets.

Lorraine manages strategic commercial partnerships & direct business development specialists and has created a centre of excellence in analytics here in the UK that supports both UK and European client delivery of managed services projects.

In a recent interview with Telefonica, UK Country Director Lorraine Stone shared that after tweaking the business model of Telefonica's Smart Steps initiative (a programme that gives companies access to aggregated, anonymised-data events on consumers), they remained committed to finding different technologies that may allow them to generate precision in the retail sector in the near future.

As far as foresight goes, Stone's was pretty spot on. Having the right technological capability stood in Telefonica's way before. With that no longer being an obstacle, CX Network caught up with Lorraine to find out exactly how Telefonica are using precise customer insights and analytics to form strategic partnerships with retailers and enter the retail space as well as improve experiences for customers across the UK.



Maya Fowell
CX Network

Maya Fowell: How does Telefonica plan to monetise its data in the retail space?

Lorraine Stone: A lot has changed since we last spoke; our new retail proposition is proof of our continuous investment in innovation and will enable us to provide clients, with unique, high-value insight. TDI has created a Retail insights Solution that can help Retailer's measure success in three areas of the business by providing measurability. Store Location, Operations and Marketing teams can use this solution to help them in their decisions around marketing planning, targeting, stock, staffing, and locations.

MF: Apart from the technology, what's different this time? What lessons will you be applying from your existing foothold in the public and transport sector?

LS: We have improved the precision of the data relating to the store visitor; to create innovative behavioural & profiling information mindful of an individual's privacy. The public sector transport businesses are very much managed services models, where we define solutions based on individual client needs and through this model we have learnt to listen to client needs and reflect that back in our solution. This has helped us to better understand our capability and all the different ways in which our insights are used by clients in different areas or their business.

We learned from our clients that our capability is powerful and valuable and we have built reciprocal relationships that led to clients wanting to work with us again and again, it's a continuous process of learning from one another to achieve the best possible results. I hope we can achieve this in retail too. The key difference is retail will be a more modular product with core features that makes it replicable across the clients in the sector and thus becomes more scalable business model.

MF: The original vision for Smart Steps was to provide retailers with a self service look-up tool. What is the vision now, has it changed at all?

LS: Our vision remains the same; we want to continuously provide our clients with solutions that are best suited to their needs. A user-friendly dashboard is one of our proposed solutions with the aim of empowering the client to actively engage with our data.

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I think we always knew what retailers wanted, delivery was a work in progress that we have moved closer to perfecting – and will continue to improve on. This time round, the innovation isn't within the web front end the true value is within the insight generated from data sets.

This market is fast moving and dynamic, looking ahead there will certainly be more data sets from which to develop insights. In the next few years we want to be able to help more market sectors to make decisions based on our data, and we may also help other telecom operators to monetise their data by providing platform as a service.

MF: An challenge you had with the last model was not being able to tell a retailer what was happening exactly outside their store, can the new model achieve this?

LS: Yes, the small cell technologies that support this solution allow us to flex the range; this is what gives us the precision we require to talk about what is happening within the store.



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MF: It's still early stages but what are the results showing?

LS: We are learning a lot from the trials, from end to end deployment and support models, through to the variety of use cases for the data which will help us develop ROI models and case studies. The Retailers we are working with are excited about what they can learn about their customers – their feedback has been positive with one retailer telling us our insight “is like gold dust!” We will share more of our results at our formal launch next year.

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MF: The way Telefonica use crowd flow to generate new business for the 3rd parties they work with takes innovation to a new level; you're ensuring you stay ahead of competitors by making strategic partnerships with Starbucks and the like that are helping evolve our digital world. How have you used customer insights and analytics to create a mutually beneficial partnership with Starbucks?

LS: Starbucks is an important client with whom we have a long-term relationship. Being one of our first retail clients, we have worked on several projects together where both sides have grown to better understand Smart Steps potential. We are still working with them and they continue to engage with us in new innovation. Our new solution gives us the ability to scale so we are excited about taking this capability to other retail giants and repeating the success we have had with Starbucks.



MF: Data needs to be used responsibly and in a transparent manner. For platforms like Smart Steps, Telefonica have made sure that privacy and data protection measures were included from the start and by design ensuring that data remains completely anonymous and aggregated. These sorts of measures, as you said in a previous interview, are absolutely vital when doing anything with data. How do you show retail giants the value of the data you gather?

LS: We have a team of analysts who act as client consultants. The data we provide is still in the form of anonymised and aggregated data however the value comes from being able to understand the profile of people that enter your store by time of day, how frequently and the types of media they consume. Being able to provide retailers with that information is really powerful and we do it without releasing any personally identifiable information.

Maintaining the privacy of customers is central to the product design. The identity of the individual customer is eliminated at an early stage and trends are statistically extrapolated from aggregated data. No personal information is disclosed, no tracking of individuals is made, and it will never be possible to identify individual customers.

MF: How much input do you have once you share the data, can you influence what the company goes on to do with it? How do you help them spot the trends?

LS: Initially we provide lots of support and training to help Retailers understand the data and insights they are seeing, it then depends on the client as to how much hand holding they want and need from us.

