



DATA FUELLED EVOLUTION AT TELSTRA

Rohan Parker
Head of CRM Capability

TODAY

Evolution @
Telstra

Challenges

The Evolution
at Work

ATL to BTL

Investment realignment following capability delivery

Building data infrastructure and capability

New CRM and Digital infrastructure under development

Integrating offline and on-line data sets

Harmonising on-line and offline data sets to drive more revenue and engagement

Becoming a digitally led organisation

Aligning and investing in being a digitally lead organisation

New skills and capability

Hiring the skills and capability to harness the digital and data fuelled revolution

TELSTRA –
EVOLUTION
OR
REVOLUTION

The “who”, the “what” and the “how”

Who are our
customers, what do
they value and how do
they behave

Listen to the customer

Using text mining
and speech
analytics that deliver
actionable insights

Quick data

Latency is as important as
breadth and depth in
ensuring relevancy – but not
all data is created equal

If you can't measure it you can't manage it

Establish an analytics
capability and use relevant
metrics to reprioritise
investments

IT'S HOW

WE CONNECT

EACH MONTH
TELSTRA
MAKES OVER
6 MILLION
CUSTOMER
CONTACTS





CHALLENGES

THE NEW
IT/MARKETING
PARADIGM

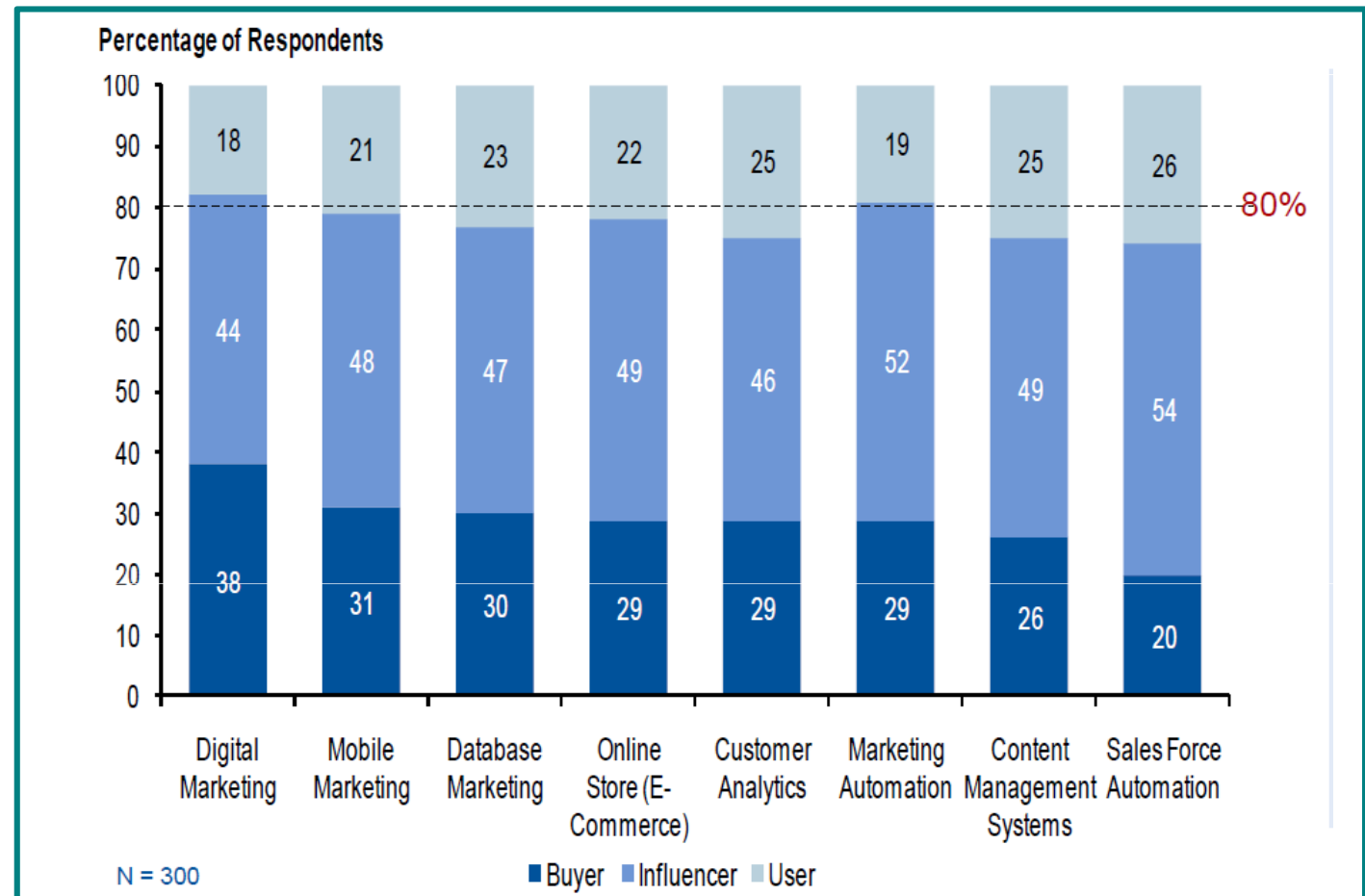
NEW SKILLS
REQUIRED IN
MARKETING

FUNDING THE
EVOLUTION

ORGANISATIONAL
MATURITY

Marketing is influencing the IT agenda

Are you a primary user, influencer or buyer for each of the following technologies and technology enabled marketing services?



Laura McLellan, *Gartner 2011*, 'By 2017 the CMO will spend more on IT than the CIO'

Complexity gap

79%

Expect high/very high
level of complexity
over 5 years

48%

Feel prepared for
expected complexity

31%
complexity
gap

Source: IBM 2012 CMO Study Q4 How much complexity will your organization have to master over the next 3 to 5 years compared to today? n=1709; Q6 How prepared do you feel for the expected complexity ahead? n=1712



RESOURCE REQUIRED TO DRIVE CHANGE

BUSINESS
CASE
MANAGERS

CAPABILITY
MANAGERS

CHANGE
MANAGERS

EMBEDDED IT
SUPPORT

“In 2015 the market will generate over 4.4 million jobs directly to meet the needs of analytical and management of Big Data.”

Peter Sondergaard, Gartner 2012

TELSTRA IS BUILDING AND GROWING NEW CAPABILITY - SIGNIFICANT CHANGE AGENDA UNDERWAY



CHANNELS	DIRECT MAIL Invest and Grow	OUTBOUND & INBOUND Invest and Optimise	D2D Invest and Optimise	E-MAIL Consolidate and grow	SMS Consolidate and grow	BILLING Optimise
DIGITAL	DISPLAY Optimise	SEM Optimise	SOCIAL Invest and Grow	PERFORMANCE Invest and Grow	MOBILE Invest and Grow	CONTENT Invest and Grow
DATA	ACQUISITION Invest and Grow	RETENTION Invest and Optimise	LOYALTY Invest and Grow	DIGITAL Invest and Grow	B2B & B2C Invest and Grow	DATA SHARING Ongoing brief
CAPABILITY	CRM PLATFORMS Invest and Grow	DIGITAL PLATFORM Invest and Grow	LOYALTY CAPABILITY Invest and Grow	REPORTING & TRACKING Invest in new capability	PEOPLE Onboard new skills	

CRM PROGRAMS
DELIVERED
OVER **\$520M** IN
REVENUE* FOR
ROMI OF **5.1**



CONSUMER
CRM
PROGRAMS

REVENUE
\$422
MILLION

SALES
458K
INVESTMENT
\$63M
ROMI
5.7:1

BUSINESS
CRM
PROGRAMS

REVENUE
\$100
MILLION

SALES
94K
INVESTMENT
\$23M
ROMI
3.2:1

FY12
CRM
SUMMARY

REVENUE
\$522
MILLION

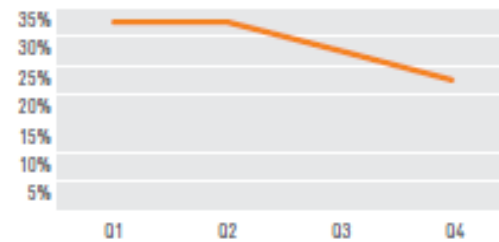
SALES
552K
INVESTMENT
\$86M
ROMI
5.1:1

* Revenue based on new and recovered ROIs calculated over 24 months

THERE HAVE BEEN SIGNIFICANT PRODUCTIVITY GAINS FROM THE DATA TEAM – UNDERPINNED BY UNICA

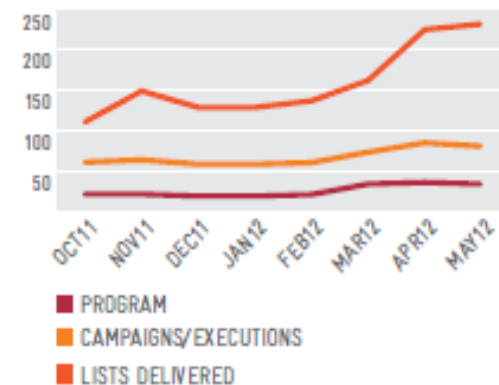


33% REDUCTION IN CONTRACTORS



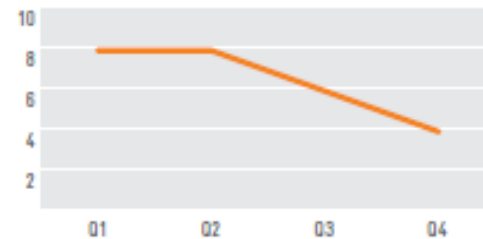
- 55% IBM ENGAGEMENT
- 31% CHANGE MANAGER
- 14% FTE SYSTEM TRAINING

100% INCREASE IN UNICA CAMPAIGN OUTPUT



- 76% CONTRACT LABOUR
- 4% UNICA TRIGGER DELIVERY
- 20% UNICA QA PROCESS BY VENDOR

50% REDUCTION IN CONSUMER DATA CAMPAIGN CYCLE TIMES



- 54% CONSUMER
- 46% BUSINESS

EFFICIENCY IN DIGITAL MARKETING LIFTED AS THE FOCUS MOVED TO PERFORMANCE



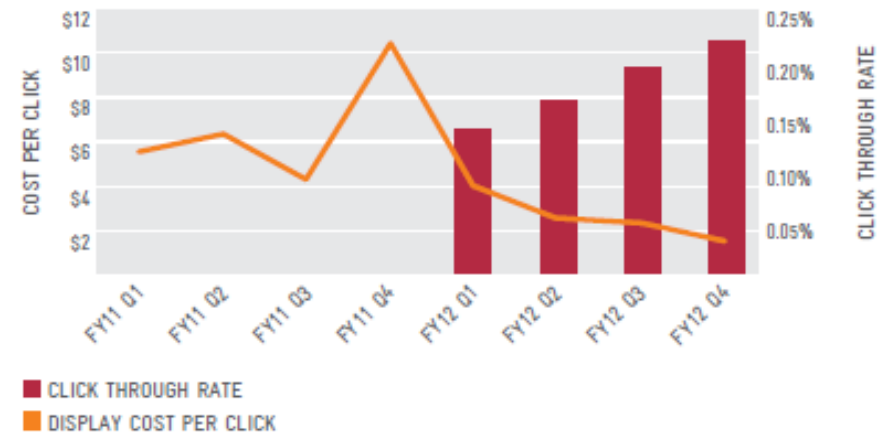
DISPLAY ADVERTISING

65%

IMPROVEMENT IN THE DISPLAY CLICK THROUGH RATE DRIVEN BY A REFOCUS ON CUSTOMER INSIGHT AND CREATIVE MESSAGING STRATEGIES.

287%

IMPROVEMENT IN THE COST PER CLICK THROUGH BETTER TRACKING OF CAMPAIGN PERFORMANCE, DATA TRACKING THROUGH NEW TRACKING TAGS ON TELSTRA.COM

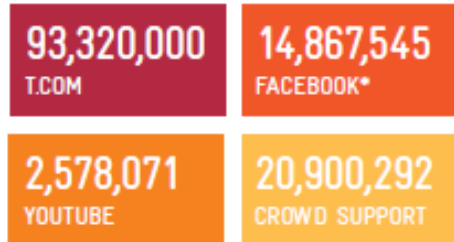


SOCIAL MEDIA (OWNED ASSETS)

In FY12 we launched Crowd Support which has generated over 20m visits, and helped avoid \$22m in customer service costs.

We also relaunched the Telstra YouTube channel which saw YouTube views lift from 500k to over 2.5m by the end of FY12.

VISITS



*Total News Feed Impressions

Telstra

A seismic shift in marketing has begun across digital and data

Organisations face a changing agenda

The marketing and IT relationship is undergoing a fundamental change

People & Process

Recalibrate the talent mix with a focus on digital, technical & financial IQ

Data and complexity

Harvesting and managing data is driving a new level of complexity for marketers. There is a shift to marketing led IT requirements to utilise the data in a customer centric ways.

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evolution at
Telstra