

Geomarketing as a Marketing Planning Tool



ESRI International User Conference
San Diego, June 2007

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Abstract

Telecom Italia Mobile (TIM) is a major wireless operator offering mobile communication services throughout Brazil. Each of our regions is unique and has different customer needs and competitive environments. GIS assures that important information such as the behavior of our potential customers and competitors per micro region can be visualized and analyzed.

This allow us to proactively anticipate our competitor's actions and optimize our resources/network coverage to best meet regional demands and to be closer to our customers.

Our challenge is to implement an efficient enterprise GIS aligned with TIM's strategy. In order to reach this objective we are establishing the same analytical criteria for all regions and are using a unified geographic database. This will allow us to be consistent with our decision making process and will allow us to compare regional data in order to implement our regional/national marketing plans.

Mobile Market in Brazil



Area: 8,498,293.97 km²
Population: 184,184,227 inhabitants
State Divisions: 27
GDP 2005: US\$ 796 billion
GDP Per Capita 2005: US\$ 4,321

Mobile Customers: 102,1 million
Prepaid: 80.4%
Postpaid: 19.6%

Market share by operator:
 Vivo: 28.4%
TIM: 25.8%
 Claro: 24.1%
 Oi: 13.1%
 Other operators: 8.6%

Source: IBGE (may06); Anatel (Mar/07)

BRAZILIAN DEMOGRAPHIC CHARACTERISTICS REINFORCES THE IMPORTANCE TO DEVELOP AN INTELLIGENCE IN GEOMARKETING

TIM Brazil Figures

Direct Employees	9.6 K
Outsourced Employees	36 K
Covered Cities (GSM/GPRS)	> 2.4 K
Covered Cities (EDGE)	> 400
Covered City Population	91%
Total Customer Base (March/2007)	26 Million
Market Share (March/2007)	25.8 %
Revenues (2006)	R\$ 10.8 bilion
Ebitda margin over total net income (2006)	24.1%

Source: TIM Brazil Human Resources; Anatel (May/07); TIM Brazil Balance Sheet 07

TIM Brazil Geomarketing Project

A strategic tool to drive marketing decision process:

Strategic Goals

- “Act locally”: all regions of Brazil present different maturity stages and competitive environments.
- Optimize the allocation of resources: “surgical actions
- Alignment between the company national strategy and the regional tactical plans

Geographical Analysis

- (1) Identification of the peculiarities of the regional market through the visualization of the behavior of the micro region;
- (2) Geographic delimitation of the actions in accordance with the location /concentration of the clients, consumption potential, traffic, coverage, sales channels, etc.
- (3) Uniformization of the reading of the realities of the territories and analysis criteria through a unified geographic basis

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GIS Team in Brazil

7 distinct regional operations



Team:

- 2 dedicated people in Holding
- 1 to 2 people in each operation

Evolution of work division

Holding	Technical Specification Implementation and data validation Technical Support			
	End-to-end studies	Pilot Studies	Pilot studies	Teams develop end-to-end studies to
Regional Operations	Users of the studies	Replication of pilot studies with regional data	First original end-to-end studies for regional operations	for all regions



Challenges

- **Demographic data quality:**
 - Brazilian census occurs only every 10 years;
 - Different data quality for each region;
- **Resistance of other departments to provide internal information;**
- **System Inputs:**
 - **Internal data format:**
 - eg. 1: Duque de Caxias city is written on internal systems as Duque de Caxias, D. Caxias, Caxias, but there is a Caxias city too;
 - eg. 2: It was found in internal systems 50 different ways to write São João do Meriti city.

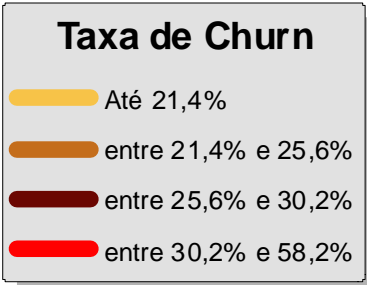
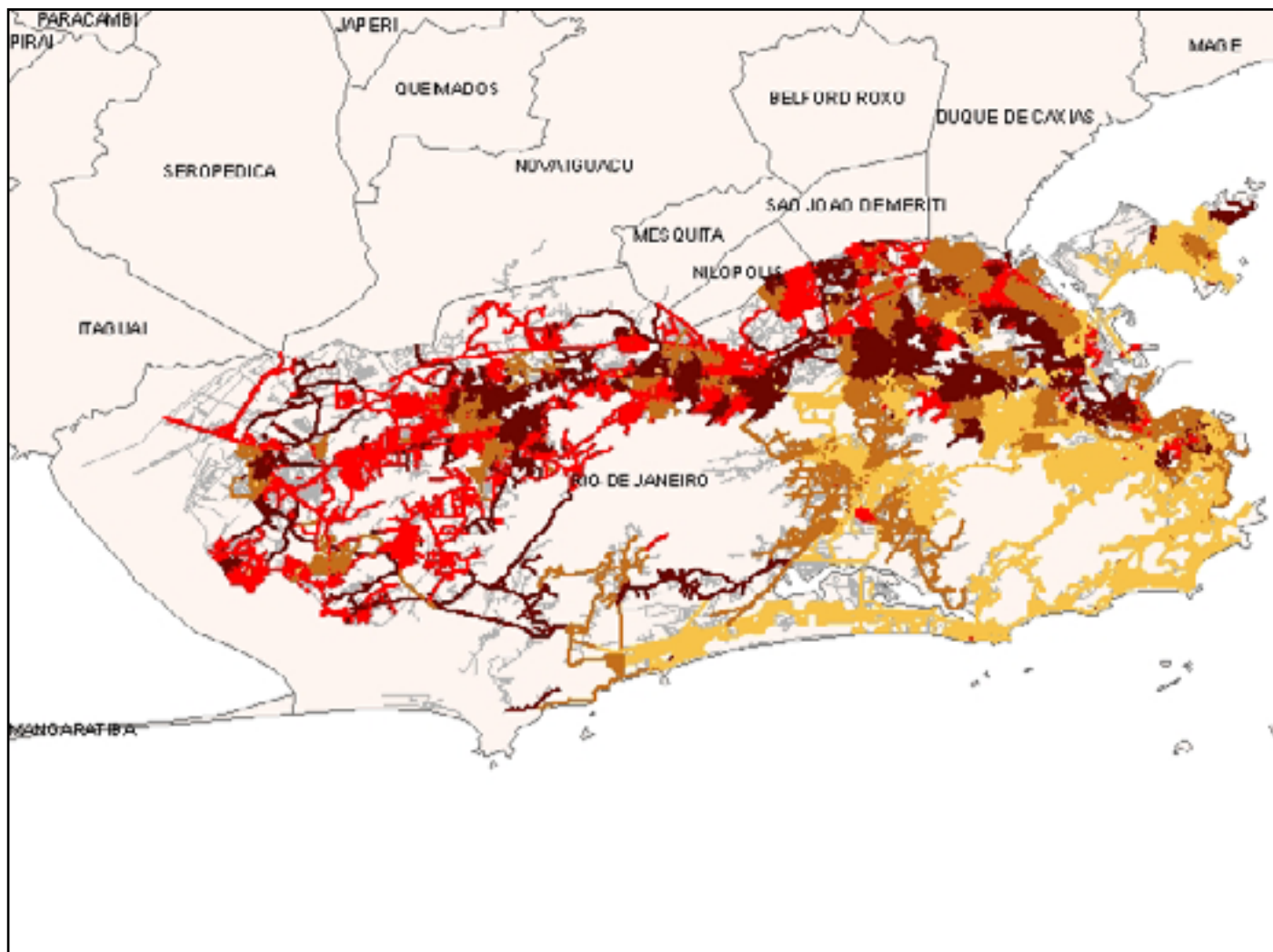
From searching to selecting jobs

- Search friendly users to whom provide our services;
- Internal selling of first results;
- As GIS has become reference for analysis, other departments started demanding specific studies;
- Current Status: as demand got bigger than our delivery capacity, we are selecting the more important jobs to work on.

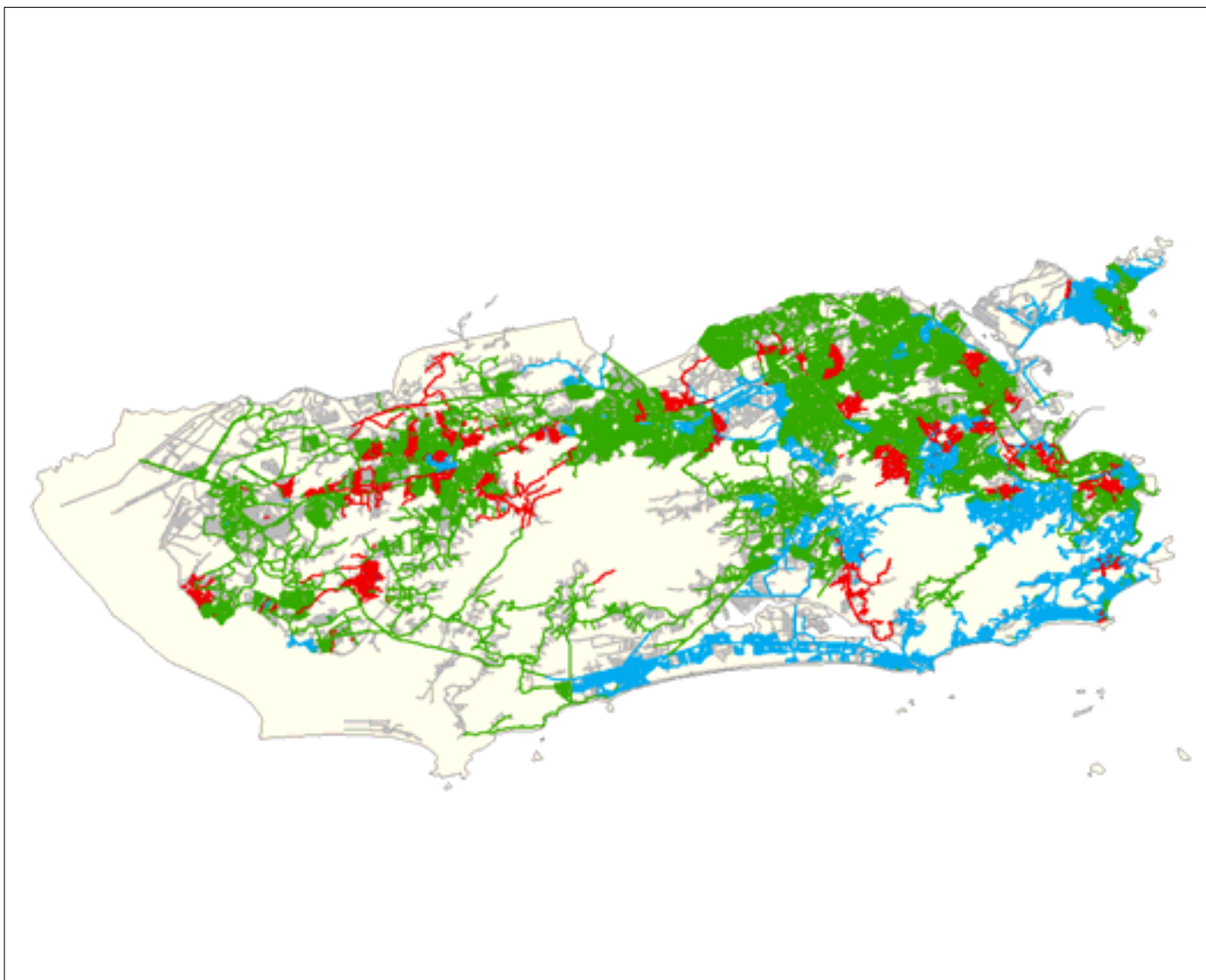
Examples of conducted analysis

- Churn Rate and mix analysis – Rio de Janeiro
- Distribution Channel Analysis – João Pessoa
- Outdoor Media Location - Curitiba

Churn Rate Analysis – Rio de Janeiro



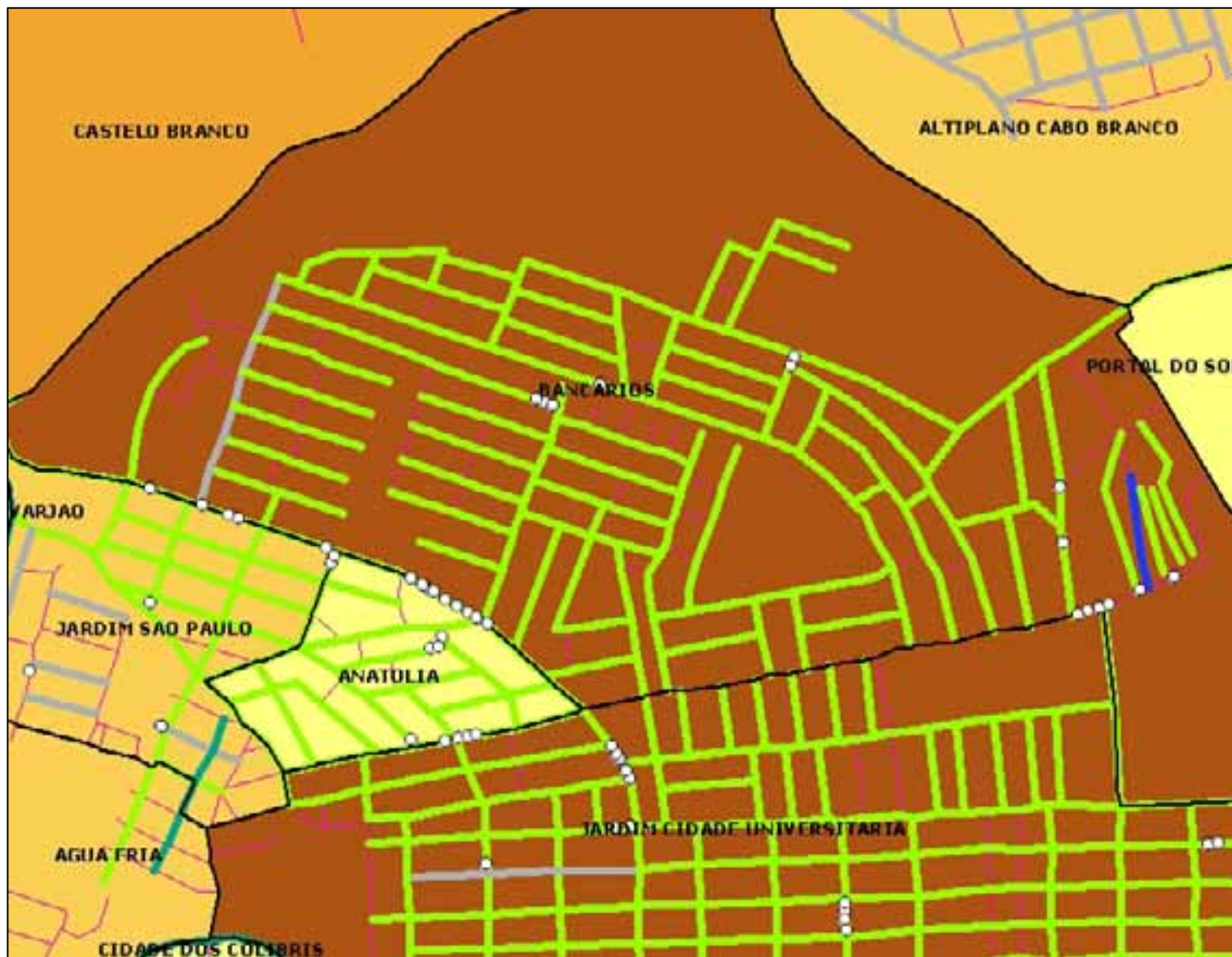
Churn Mix Analysis – Rio de Janeiro



motivo predominante do churn

- Fraude
- Inadimplência
- Voluntário

Distribution Channel Analysis – João Pessoa



○ PDV Recarga TIM

Base Pré por CEP (5)

- Até 500
- 501 - 1.000
- 1.001 - 1.500
- 1.501 - 2.000
- 2.001 - 3.000

Domicílios cujos Responsáveis Têm Renda Mensal acima de 5 Salários

- Até 200
- 201 - 500
- 501 - 1.000
- 1.001 - 2.000
- 2.001 - 5.000

Outdoor Media Location – Curitiba

