

Telefónica O2 Adopts an Effective “Go-to-Market” Approach via Geo Marketing

Collaboration with Capgemini yields increased sales to penetrate the highly competitive Czech broadband market

The Situation

Within the consumer broadband market, Telefónica O2 Czech Republic (TO2) faces strong competition not only from cable operators and alternative ADSL providers but also from some 800 independent WiFi providers with a combined 60% share of all broadband connections in the Czech market. In addition, this highly fragmented group of WiFi operators can offer local service and support at a significant price-discount.

In order to compete effectively within this environment, TO2 sought to put in place its own Geo Marketing department to take-on competition head-to-head. The goal of the new business unit was to provide detailed market intelligence on a local level, conduct highly targeted

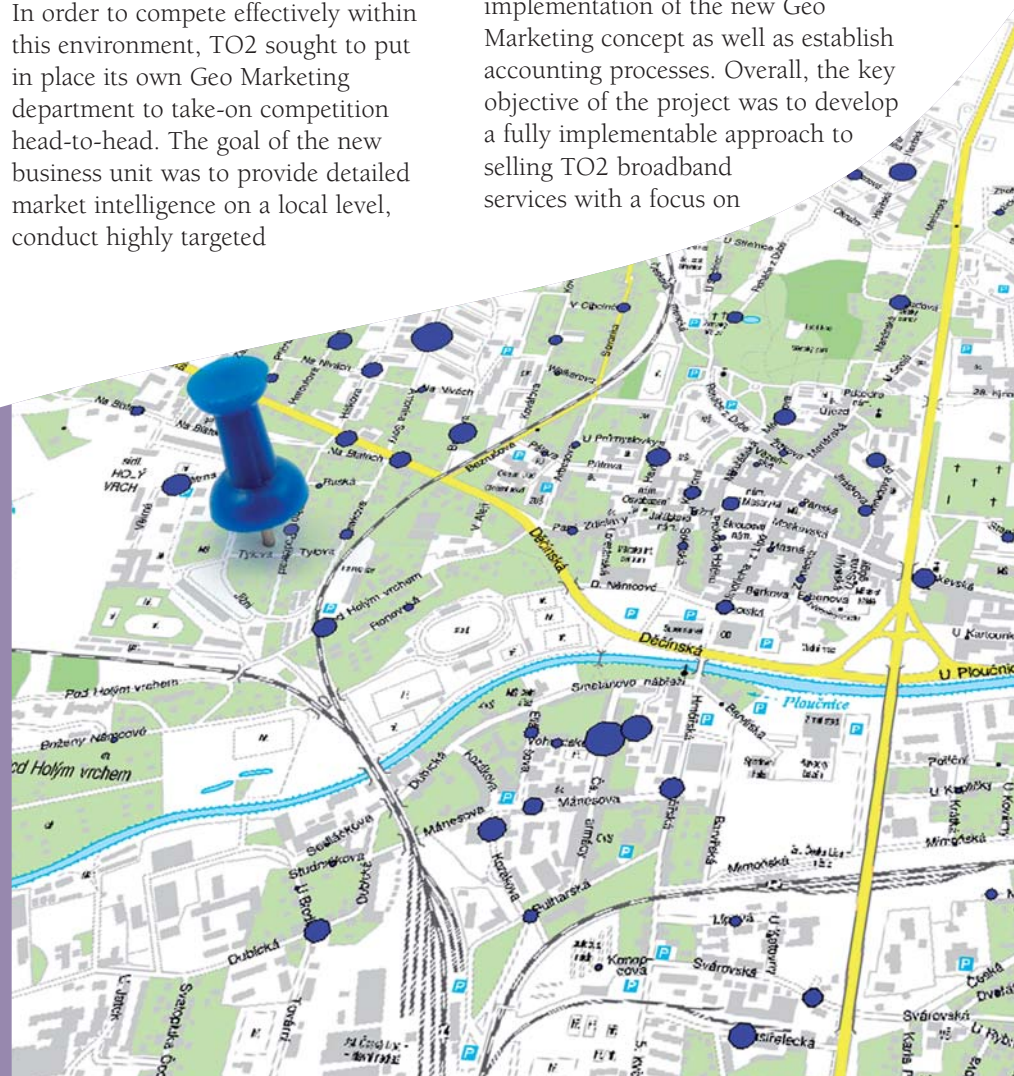
promotions as well as guide and support direct sales channels like door-to-door and localized telesales. Additionally, TO2's board member for the residential division wanted the Geo Marketing unit to be able to identify special needs of customers in targeted locations and develop tailored offers accordingly.

The Solution

To realize this vision, management at TO2 sought help from Capgemini to support the development and implementation of the new Geo Marketing concept as well as establish accounting processes. Overall, the key objective of the project was to develop a fully implementable approach to selling TO2 broadband services with a focus on

“When putting strategy and plans together Capgemini’s concern was always to keep it real and make sure that it can actually be implemented and measured.”

Matts Johansen,
CMO,
Telefónica O2 Czech Republic



establishing a new team including the reporting and analysis processes to bring Geo Marketing to life.

As a first step, TO2 and Capgemini built a detailed market intelligence model that categorizes every geo-locality in the Czech Republic based on three dimensions: social-demographics, competitive data and usage patterns. Over time and through multiple iterations, the model was improved and now serves as the foundation of an integrated geo-marketing approach. This approach enables to utilize all available means of a standard 4P marketing mix to have as much regional and local impact as possible.

Subsequent steps in the project aimed to increase local awareness of TO2's broadband offer by leveraging region-specific below-the-line communications and other targeted campaigns.

The Result

With support from Capgemini, the Geo Marketing unit is now fully operational with local campaigns currently operating in smaller towns and villages across the country. The implemented geo-marketing processes proved to be highly effective in managing where and how geo-targeted sales efforts should be conducted. Internal reporting and analysis is ongoing and a joint team has been established to document the lessons learned from each targeted region.

In selected locations, sales teams supported by Geo Marketing succeeded in growing the ADSL customer base by 10% in a three week period. To date, geo-marketing proved to be effective not only for expanding presence in the broadband market, but also in cross-selling mobile and IPTV services.

Future successes are expected as the geo marketing approach is proving highly effective in driving sales performances of door-to-door and localized telesales as well as brand stores activities.

How Telefónica O2 and Capgemini Worked Together

In summary, the key to success of this project has been the collaborative approach Telefónica O2 Czech Republic and Capgemini demonstrated in realizing the new Geo Marketing business unit and bringing the program to life.

TO2 Management recognized a sizeable market opportunity and had the foresight to identify geo marketing as one option to achieve sales goals. By partnering with Capgemini, TO2 was able to define a clear vision of what they wanted to achieve, develop the necessary tools, processes and methodologies to put the program into operations, and install a "can-do" sales culture to make Geo Marketing an early success. This intimate and trustful way of working is another best practice example of Capgemini's Collaborative Business Experience.



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In collaboration with



Telefónica O2 Czech Republic comprises the former Český Telecom, Eurotel Praha and several other companies specializing in the provision of telecommunications or related services. The strong telecommunications leader in the Czech Republic offers a

complete portfolio of voice and data services for fixed line and mobile technologies. The organization now operates nearly eight million lines, both fixed and mobile, making it one of the world's leading providers of fully converged services that include a unique 3rd generation network—CDMA for data and UMTS enabling the transport of voice, data and video. For more information, please visit **Telefónica O2 Czech Republic.**