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Unstructured Data Data Modeling



*Dr. Raj Nathan
Sybase*

KXEN Analytic Framework

Cox Communications Makes Profitable Prophecies with KXEN Analytic Framework

CATEGORY: Data Mining & Visualization

REVIEWER: Seymour Douglas, director of CRM for Cox Communications.

BACKGROUND: Cox Communications, a Fortune 500 company, is a multiservice communications company serving approximately 6.4 million customers nationwide. Cox is the nation's fifth-largest cable television provider and offers both traditional analog video programming under the Cox Cable brand as well as advanced digital video programming under the Cox Digital Cable brand. Cox provides an array of other communications and entertainment services, including local and long-distance telephone under the Cox Digital Telephone brand; high-speed Internet access under the brands Cox High Speed Internet and Cox Express; and commercial voice and data services via Cox Business Services. Cox is an investor in programming networks including Discovery Channel. For the year ended 2002, Cox reported revenues of \$6.5 billion. Cox employs more than 21,000 people in the U.S. and operates in 23 states.

PLATFORMS: KXEN Analytic Framework is currently running onsite using a Microsoft-based system, each with one gigabyte of RAM and two gigahertz Itanium processors. Cox expects to be running the product on a Sun four-way server soon.

PROBLEM SOLVED: Prior to the September 2002 installation of KXEN Analytic Framework, Cox was using tools such as Oracle's Discoverer and SQL Navigator. These tools are not suited for building predictive models to support customer retention, acquisition and lifetime valuation which are fundamental company objectives. Additionally, the data warehouse in which the data resided was not built for decision support. KXEN Analytic Framework simplified that process and enabled the staff to build models with minimal effort and required learning in order to convert the necessary data

MANUFACTURER



KXEN Analytic Framework

KXEN Inc.
650 Townsend Street, Suite 300
San Francisco, CA 94103
(415) 503-4160
www.kxen.com

sets faster to better support their decision process. Currently, the product is used by the marketing department, but will be utilized throughout the enterprise within the residential, business, sales and advertising departments in the coming year. In addition, the product is applicable for the Cox sister media operation which is the second largest newspaper publishing house in the U.S.

PRODUCT FUNCTIONALITY: KXEN's Analytic Framework is designed for segmentation, classification/regression and data aggregation. Because we are running on a Windows Visual Basic system, we expected to experience a few bugs. Yet KXEN achieves a 95 percent functionality rating. Currently, Cox is using the product in a number of ways, including customer acquisition and retention modeling and has plans to utilize the product for customer lifetime value development and event-based marketing in 2003.

STRENGTHS: The primary strengths are the product's ease of use and speed, which is reflected in the bottom-line figures. The product has reduced elapsed time for model creation, start to finish, by approximately 80 percent and reduced model building time from three weeks to one. By using this tool, the churn rate has reduced by a percentage point, and the company has realized the return on investment in the two months it has been in service.

WEAKNESSES: Given the nature of the product's functionality, it has a limited range; but for what it's designed to do – help poll and build models – the product performs very well.

SELECTION CRITERIA: Cox realized the need to quickly poll through massive amounts of data (10 million observations and 800 variables) and generate models to address customer-related issues. KXEN Analytic Framework precisely addressed that need.

DELIVERABLES: Predictive model generation is Cox's primary use, recognizing the output varies depending on the data input and designated objective. Cox uses these models to identify a customer's propensity to purchase products and services, desire to terminate a contract or whether a customer is a potential credit risk.

VENDOR SUPPORT: Cox was quite satisfied with the pre- and post-purchase support, rating an eight on a scale of 10. Cox was also satisfied with the training that was initially provided to understand the product. Likewise, the KXEN team is available when the Cox staff has technical questions about the product.

DOCUMENTATION: The accompanying KXEN Analytic Framework manuals are relatively easy to understand, extremely comprehensive and can be used for training purposes. However, the help interface is somewhat weak.