

Case Study – Customer Retention

Churn Prediction Model - Telecommunications Company



Identifying drivers of churn is an essential step in planning strategies to improve customer retention and optimize customer relationship management systems.

Client

A leading telecommunications operator

Industry

Telecommunications

Business Challenge

Identify the factors that have caused high churn and create a comprehensive preventive strategy.

Evalueserve Solution

Using our progressive customer analytics framework, our team helped to determine the best marketing strategy for customer retention. The focus was to identify the most likely customers to churn and the most valuable subscribers.

This differentiation helped the client to optimize its customer relationship management (CRM) system and find innovative ways to build relationships with subscribers and reduce churn.

Business Impact

- Optimized CRM system
- Improved customer relationships
- Reduced churn from 8.6% to 4.2%

“Classifying the customers and predicting the ones with highest value and highest churn risk gave the client the insight that had previously been lacking.”

Business Challenge

Over the preceding two years, the client had recorded high churn but had not identified the factors that were driving that subscriber attrition. In order to create strategies that would prevent churn, they needed to analyze very complex customer data to understand those drivers.

Evalueserve Solution

The initial task was to identify and segment the subscribers based on the customer life cycle. Then, the churn prediction model needed to be created and tested.

Our progressive customer analytics experts selected logistics regression as the best method to create the model.

The process involved:

- Exploratory data analysis to understand the data trends and patterns
- Creation and transformation of multiple variables to achieve high correlation with the actual churn rates
- Variable reduction techniques to select important factors effecting churn
- A multi-algorithm approach to select the best prediction model
- Validation of the model results on a test sample to confirm model accuracy

Evalueserve – powered by mind+machine

Evalueserve is a global professional services provider offering research, analytics, and data management services. We're powered by mind+machine – a unique combination of human expertise and best-in-class technologies that use smart algorithms to simplify key tasks.

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Classifying the customers and predicting the ones with highest value and highest churn risk gave the client the insight that had previously been lacking. Our experts also helped to optimize the client's CRM system, enabling a much better monitoring of customer behavior and response to marketing strategies in the future.

Benefits Achieved

Our solution enabled the client to be more proactive in churn prevention. The insight into the subscriber base made it easier to plan innovative strategies to keep subscribers loyal. These strategies included a loyalty point system, a daily alert to prevent bill shock, and special offers for subscribers during renewal periods.

The client reported that churn reduced from 8.6% to 4.2% and felt that there was an overall improvement in customer relationships.

