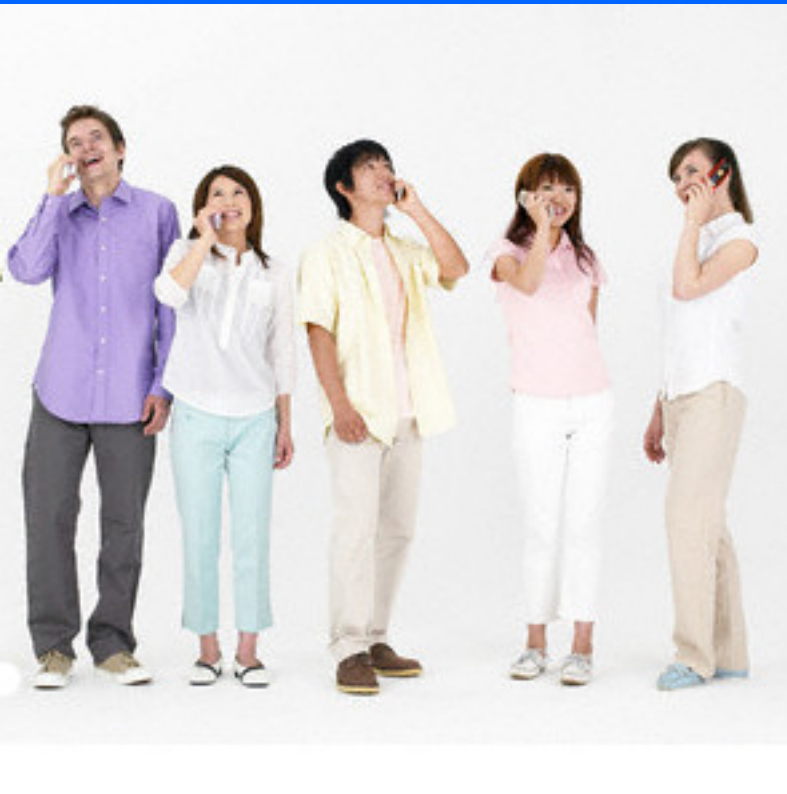




Creating Actionable Knowledge Via Analytics

Analytex identifies customers likely to churn with high precision.



Client

A telecommunications firm

Challenge

The company was caught in this cycle of filling and draining the bucket of customers with little understanding of churn customers.

Solution

Analytex derived several transformed data elements such as time since contract expiry, percent of call plan minutes used. Furthermore, time series data elements were also constructed such as change in usage over last 3 months.

ATTRITION/CHURN PREDICTION

Analytex identifies customers likely to churn with high precision.

Client:

A telecommunications firm

Challenge:

The customers of this wireless company were churning at a high rate causing the company to spend more in acquiring new customers. The company was caught in this cycle of filling and draining the bucket of customers with little understanding of churn customers. There were some reactive retention strategies in place to save the customer calling in to close their account. These strategies, although beneficial, were unable to reduce the attrition problem as significant majority of the customers had already made up their mind when they called to close their account. The challenge was how to identify the defecting customer earlier and take actions to retain the customer proactively. The company was taking proactive actions in improving product and pricing; however these actions were not targeted.

Solution:

Over 100 data elements were available on existing customers of the company. The data set included characteristics relating to handset, call plan, enrollment, minutes usage, and call center logs. From this base data, Analytex derived several transformed data elements such as time since contract expiry, percent of call plan minutes used. Furthermore, time series data elements were also constructed such as change in usage over last 3 months. Using this rich data, Analytex developed models to predict churn by identifying predictive elements through sophisticated statistical analysis. By applying the churn model to the customer database, a likelihood was posted to each record that the customer will churn. Top 10% of scoring churn model customers were likely to churn with a likelihood of 23%, compared to 9% average churn rate. These top 10% potential churners were included in targeted marketing campaigns resulting in substantial improvements in churn rate.

