R SYSTEMS

ADVANCED ANALYTICS

CASE STUDY
R SYSTEMS ANALYTICS

A Global Telecom Operator Increased Customer Retention Rate by 3% With R Systems Analytics

Client Overview

The client is a leading global telecom operator which provides a wide range of communication products including phone, cable TV and internet services. It serves a sizable percentage of households and businesses across the United States. Operating through a network of contact centers spread across the globe, the client provides best-in-class customer service.

Problem Statement

- To improve customer retention rate

- Bring down the constantly growing rate of customer churn despite numerous retrospective analyses

- Analyses in practice were not substantial enough to support a preemptive mechanism to prevent on-going cancellations

- By the time data was analyzed and preventive measures were taken, the customer was already lost

- To accurately preempt which customers were likely to churn when and why

- To identify most profitable customers and develop strategy to retain them

Primary Client Objective

- Develop a methodology that could predict possible cancellations

- Analyzing the reasons for cancellations

- Prescribe suitable remedies to reduce on-going cancellations

- Evaluate the effectiveness of retention efforts for continuous improvement

Our Solution:
Analytics GYM®

▶ Data Science

Our Analytics Consulting Engagement

The STEPS:

a. Business Understanding/ Use
b. Data Understanding/ Use
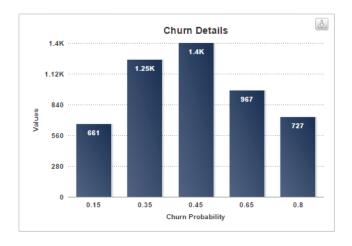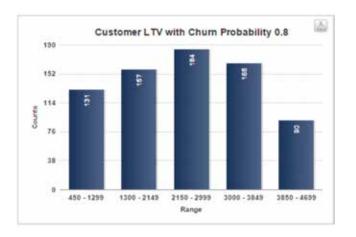c. Analytics and Assessment
d. Implementation
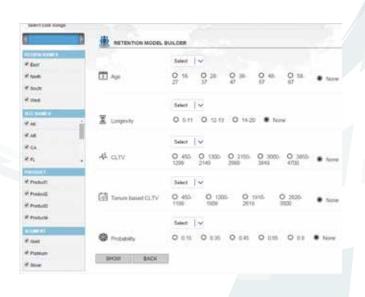
Analytics GYM®

The Approach

We broadly undertook the following key activities to retain the customers who were at-risk of attrition:

- Evaluated customer interactions prior to the customers' disconnect to understand churn behavior patterns and key triggers leading to cancellations of services

- Used Decision Trees, Random Forest Modelling and other predictive machine learning algorithms to predict potential churn customers

- Using our retention model builder, we helped the client in predicting the potential churn customers on variables like age, longevity, CLTV, and tenure-based CLTV

- Using the Retention Workflow, shared relevant details with the concerned team for immediate corrective actions

- Determined relevant offers for retention campaigns based on the analysis of customers' profiles and their interactions

- Prepared a customized scorecard to identify customers who were to be contacted on a priority basis with customized resolutions

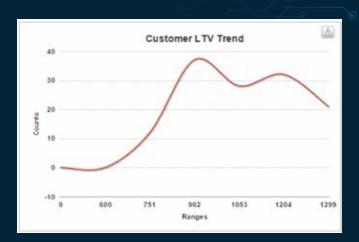- Offered customized resolutions to high-churn probability customers

The graphs below depicts the customer churn details, including churn probability, customer LTV trend, along with retention model builder and workflow integration.

Analytics GYM®

Customer LTV Trend

Scope Delivered

Using our data analytics framework, we adopted a step-by-step process to bring down the customer churn rate for the client:

- Identified a set of recently churned customers and analyzed all their calls 45 days prior to disconnection

- Detected a pattern of days taken/ calls made by customers to cancel their services

- Determined behaviors and events that triggered disconnections

- Conducted a statistical analysis to establish relationship between key triggers and cancellations

- Produced a detailed report identifying customers who met the outlined behaviors

- Analyzed/ tested results for accuracy and efficiency

- Implemented a process to contact customers with customized offers/ resolutions in order to retain them

Key Triggers Identified

Our analytical study uncovered the following key triggers/ events that were identified as potential causes for cancellations:

- **Multiple contacts** made by the customers before disconnection

- **Ongoing Unresolved** issues stated by customers

- **Negative emotions** displayed by the customers

- **Competitor names** mentioned on calls repeatedly

- **Irregular payments** made

- **Disconnection** mentioned by customers on the calls

- **Contract expiration** inquiries made by the customers

- **Phone number portability** inquiries made by customers

Business Outcomes

- Cost saving of approx $4 million

- Up to 3% increase in the customer retention rate

- Deeper insights around high-churn probability customers and the root causes for opting out

- Actionable intelligence to retain profitable customers and optimize the customer lifetime value