

INDUSTRY

Communications

SOLUTION

Consulting

PRODUCTS

Customer Experience Strategy

Proactive Churn Models Save Customers:

Customer Churn Cut in Half with Retention Strategy

With new entrants in the telecommunications market disrupting the status quo, one Middle Eastern telecom incumbent faced a sharp increase in customer churn rates, resulting in eroding market share and revenues. With a mobile market penetration of over 150 percent, high dual-SIM ownership after the entry of the competitor, and further deregulation on the horizon, the incumbent needed ways to retain valuable churn-risky customers and activate dormant lines.

Our team began by building a churn prediction model, designing offers, and deploying the outbound retention team. Specifically, the team analyzed the reasons for churn and validated churn hypothesis with data analysis and surveys. Using this insight, we developed and implemented a churn prediction analytics model with a very high accuracy that periodically updates the risk scores for more accurate and timely retention actions. We then created a pool of retention offers for different churn reasons and customer behavior for higher relevancy and thus, retention performance. The team established processes for internal alignment within marketing for fast and coordinated campaign deployment, and we deployed an outbound retention team in the contact center and helped roll-out the initial proactive retention actions.

The team also uplifted reactive retention performance by designing and deploying dedicated 'save desks' at retail outlets, establishing a dedicated inbound retention team for value

added services, and implementing standardized processes and tools to support the 'save desks' in outlets and the retention team at the contact center.

While deploying these capabilities, the team focused on complete knowledge transfer to build the internal capabilities within the operator for a sustainable and long-term solution. Currently, the operator is able to run the retention activities as per the plan and re-evaluate the requirements as market dynamics change.

Despite the increasing competitive pressure, the proactive retention capabilities helped the company achieve a 50 percent decrease in prepaid and postpaid blended churn rate. In addition, the company saw a 15 percent increase in renewal rates within the first year of implementation. Similarly, the revamp of the reactive retention tripled the save rates. With this project, the operator developed a sustainable retention capability that has a direct bottom-line impact on company performance.

RESULTS

Customer churn
dropped 50%

Renewal rates **increased**
15% within 12 months

Reactive retention **tripled**
save rates