

Case Study

**Customer Churn Rate and Campaign Cost Analysis
for a Telecom Player**



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About the Client



- A telecom provider in Europe, with approximately 10 million customer base

Client Objectives / Goals



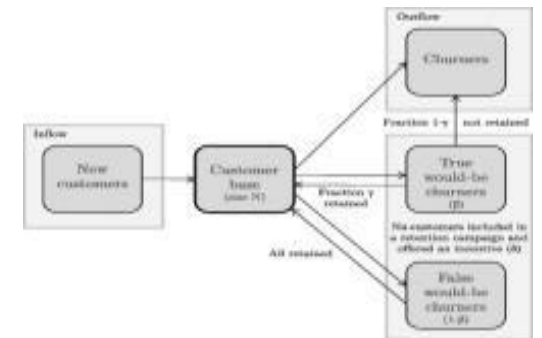
- Identify the factors responsible for the high customer churn rate; design and implement appropriate steps to reduce the churn
- Reduce customer campaign cost. Launch focused campaigns based on propensity of a subscriber to churn

Approach and Methodology



- Various data points such as demographics, contact information, product and services availed, offer/plan detail, months in service, bill amount, payment history, inbound and outbound call details, handsets used and service features were analysed
- Data preparation through exploratory data analysis, missing value and outlier treatment. Checked correlation and multicollinearity relationships for different parameters
- Developed a model using various techniques such as logistic regression, decision tree, concordance, etc.
- Tested and validated the model using a test sample; checked key statistics and performed out-of-time validation
- Implemented the model to identify customers with high propensity to churn
- Reached out proactively with better offers to a targeted subscriber segment - only the high-risk customers

Sample Output



Results / Value-add



20% reduction in customer churn rate

35% decrease in customer campaign cost