

Agenda

- 1.0 Executive Summary
- 2.0 Business Objective
- 3.0 Analytic Techniques
- 4.0 Market Segments
- 5.0 Insights and Actionability
- 6.0 Financial Implications
- 7.0 Test and Run Plan





Executive Summary

Cricket Wireless LLC is a prepaid wireless service provider in the United States, a wholly owned subsidiary of AT&T Inc. It offers mobile voice, text, and data using parent AT&T's nationwide network. It is headquartered in Atlanta, Georgia, US.

Business Problem

Current data shows Cricket Telecom have 68% churn rate.

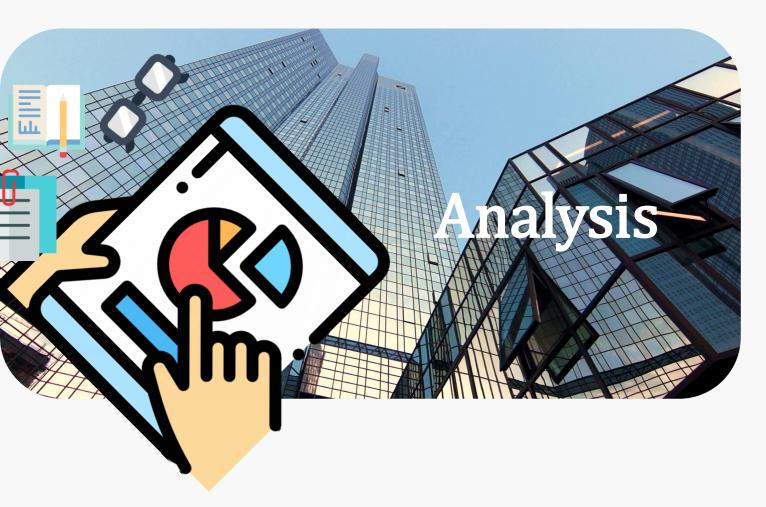
Business Objective

How can Cricket minimize **customer churn**?

Proposed Solution: Decrease churn by **9.5%**

How can Cricket Increase the wallet share from customers?

Proposed Solution: Increase Revenue by **26%**



1.0 K-Means Clustering

To find hidden relationships among variables in the dataset to form unique clusters

2.0 Logistic Regression

To understand relationship between independent variables and churn. To enable forecasting of customer churn

3.0 Elasticity Modelling

To understand how different clusters react to changes in price. Understand if they are sensitive or insensitive to price

4.0 Survival Modelling

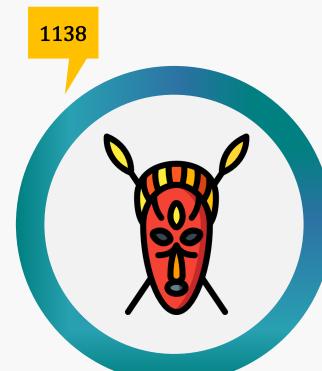
To predict time until churn happens and find out variables that influence or push churn to formulate marketing strategies

Segment Overview

2547

#4 Rich Passives

Highest Number of Bluecollar, Sales, office administrators occupations These people don't have much time to talk over the phone and maybe cricket is their secondary phone as their business phones might be different





#2 Data Hogs

Data Hogs are the people who prefer browsing more than calling. Its either because they are Gen Z or retired(pass time using social media) and they have the highest dropped call rate which is why probably they don't consume call minutes



532



2662

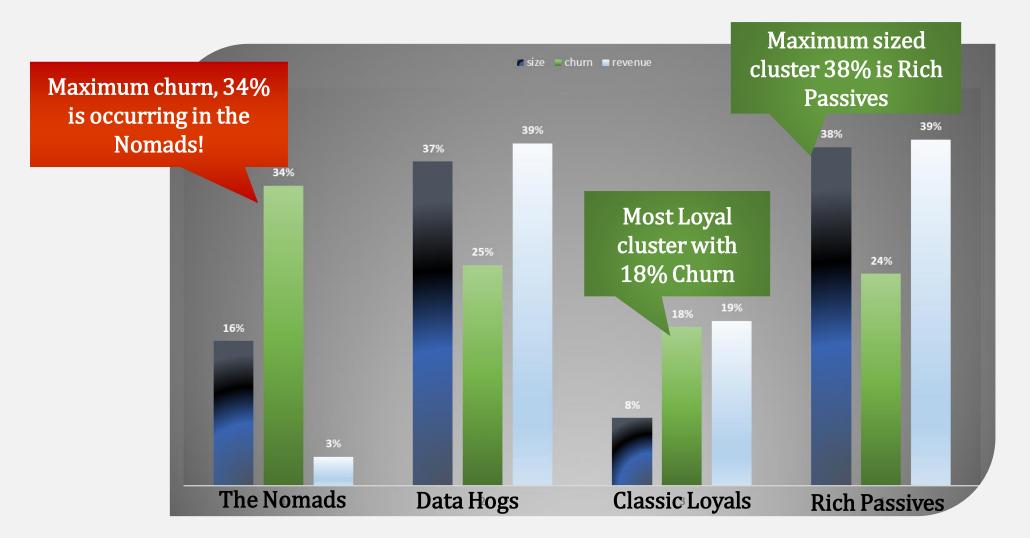
#1 The Nomads

The Nomads are people who are highly volatile and have maximum churn they have recently joined Cricket Highly sensitive towards promocode. They are probably just using the sim for a temporary time or exploring different providers

#3 Classic Loyals

Classic Loyals have the greatest lifetime with cricket and they also have the highest usage. Their churn probability is the lowest

Segment Overview

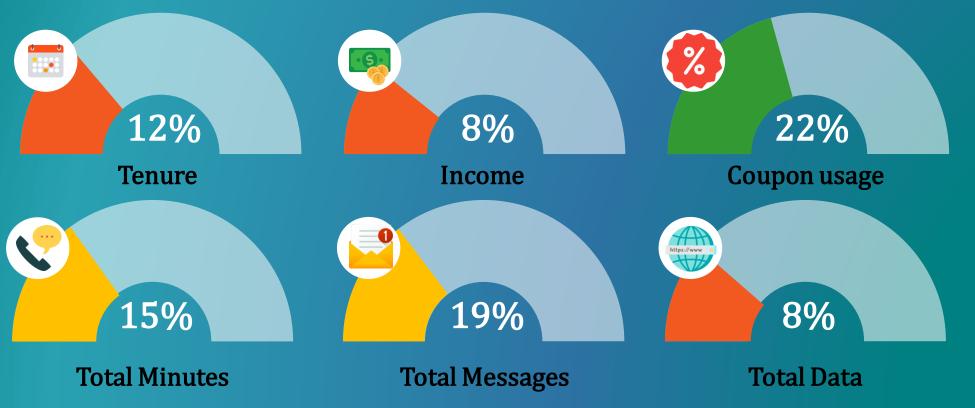






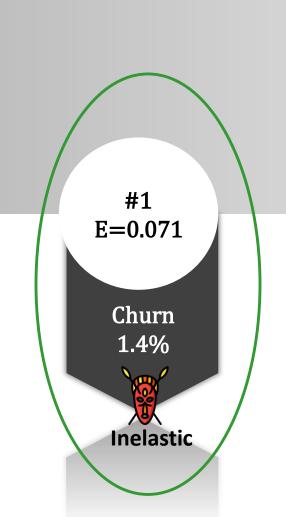
Behavioral Segmentation

The Nomads: They have the lowest Income, Plan Amount, Tenure and Data Usage. Medium Calls and Messages usage. Highest Promocode usage. Highest Churn rate: 34%, Size: 16%, Revenue Share: 25%

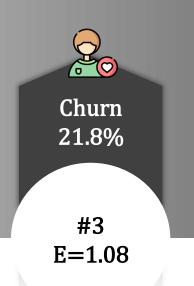




Low









*This is w.r.t to 20% increase in Plan amount

1.0 Payment

Autobillpay increases tenure by 30 days
Number of Payments increase tenure by 25 days



No major change towards tenure observed

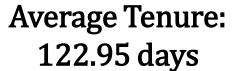
3.0 Offers

Winback increases tenure by 51 days Bundling increases tenure by 23 days



4.0 Usage

Dropped calls 3 months to deactivate decrease tenure by 46 days



Strategy

Inelastic

Elasticity shows 10% increase in price increases revenue by 11%.

"Increase price by 10%"

Sensitive to autobillpay

Survival Analysis show Autobill Pay increases tenure by 30 days and Number of payments increases tenure by 25 days.

"Promote autobill pay and increase number of payments"

You Asked. We Answered.

Introducing Cricket's new Unlimited Plan, available on 4/17.





Get a FREE "cruise" for summer!

moto e⁵ CRUISE, FREE when you switch*

Beach towel not included

eq's svc activ (in store, up to \$25) w/ qual, plan (min. \$30/mo). First ma. svc charge &



Shop Plans >

Sensitive to Offers and Discounts

Click for Offer Terms

Survival analysis show coupon adjustments, winback and bundling increases tenure by 40, 51 and 23 days respectively

"Promote with offers and discounts"

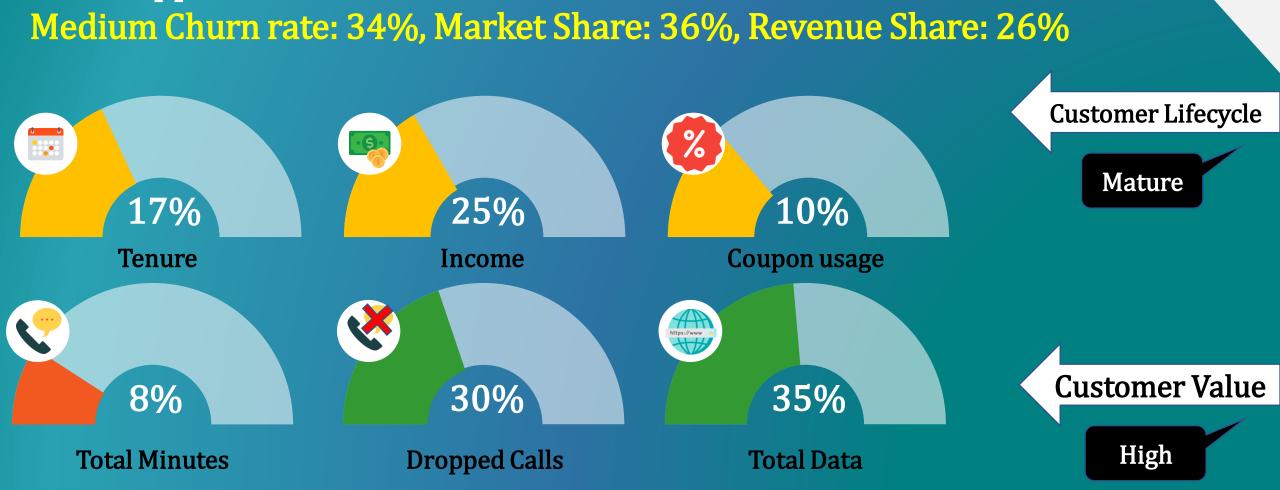
Sensitive to dropped calls

Dropped calls decrease tenure by 46 days.

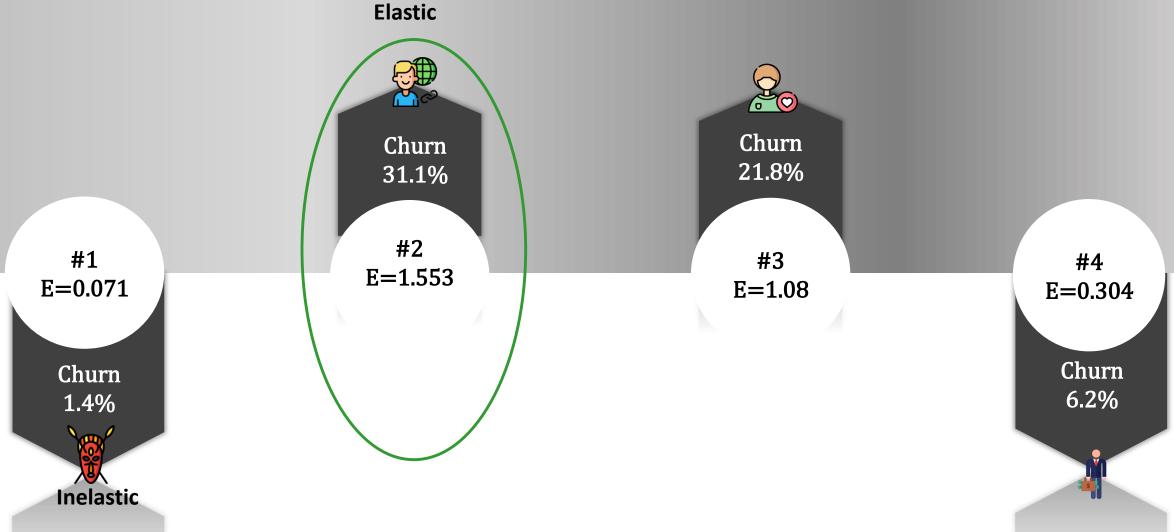
"Work on service quality"

Behavioral Segmentation

Data Hogs: They have the lowest Total Minutes. Medium Tenure, Income and Coupon usage. Highest Data usage, Plan amount and Dropped Calls.



Elasticity



*This is w.r.t to 20% increase in Plan amount

1.0 Payment

Autobillpay increases tenure by 102 days Number of Payments increase tenure by 10 days



2.0 Features and Count

Distinct Feature count decreases tenure by 20 days Gross adds count decreases tenure by 127 days



3.0 Offers

Winback decreases tenure by 91 days
Bundling decreases tenure by 34 days



Average Tenure: 170.93 days

4.0 Usage

Dropped calls 3 months to deact decrease tenure by 8 days

Never before cricket reduces tenure by 23 days



Strategy

Elastic

Elasticity shows 5% decrease in price increases revenue by 2%.

"Decrease plan amount"

Sensitive to autobillpay

Survival Analysis show Autobill Pay increases tenure by 102 days and Number of payments increases tenure by 10 days.

"Promote autobill pay and increase number of payments"

Insensitive to discounts and distinct features
Survival analysis show winback, distinct feature
count and gross adds decreases tenure by 91, 20 and
127 days respectively
"Don't Promote with offers and discounts"

Sensitive to dropped calls
Dropped calls decrease tenure by 8
days.

"Work on service quality"

2 Lines of Unlimited Data \$80/month

Data speed max 3 Mlbps; video streaming at SD qualify (about 480p); affer 22 GB of data usage, Cricket may slow speeds. Add'I fees, usage & restr's apply. Plan defails: https://www.cricketwireless.com/cell-phone-plans.



\$55/mo. Unlimited 2 plan req'd on 2 lines; not elig. for Auto Pay credit or Group Save discount. No mobile hotspot feature. See cricketwireless.com/mobilebroadband. Subj to svc. agmt. Terms subj. to change. Coverage not avail. everywhere. See store for details.



\$10 a month turns your compatible smartphone into a mobile hotspot, sharing your data with your laptop and tablet. Enjoy music, garning, videos and more on multiple mobile devices!

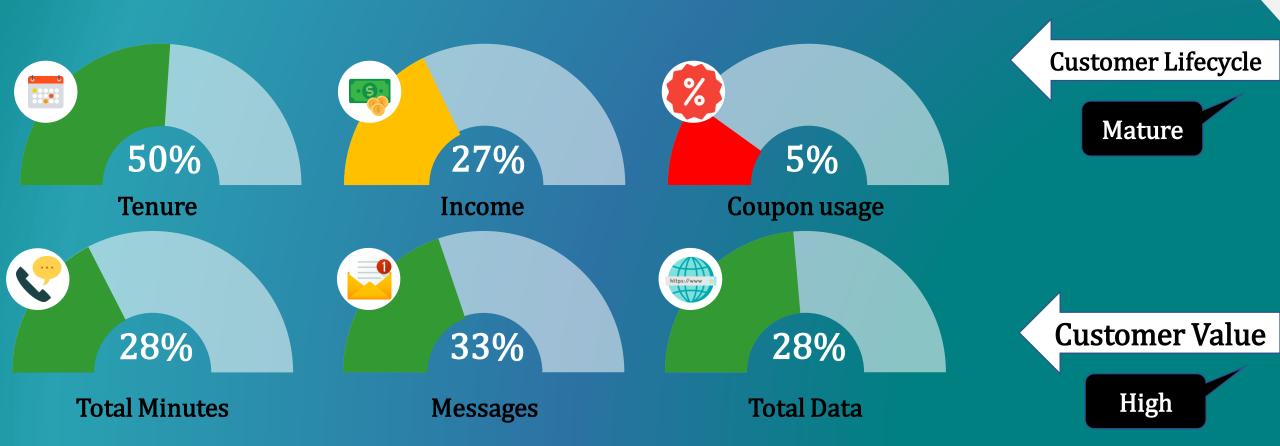


Unlimited Data, Talk & Text

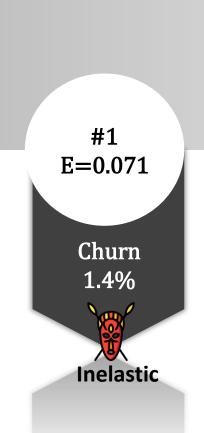


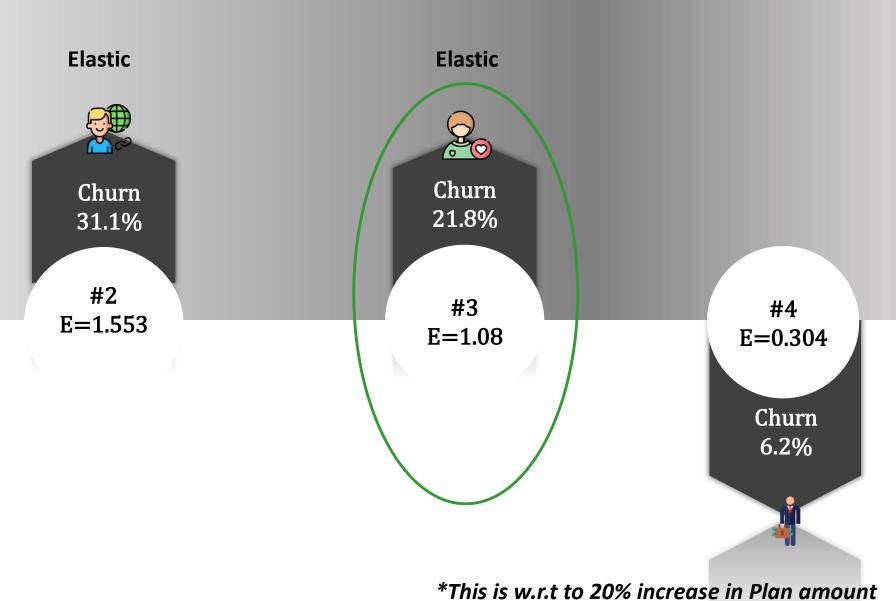
Behavioral Segmentation

Classic Loyals: They have the lowest Coupon usage. Medium Income. Highest Plan amount, Data usage, Messages, Calls and Tenure. Lowest Churn rate: 18%, Market Share: 7%, Revenue Share: 26%



Elasticity





1.0 Payment

Autobillpay increases tenure by 88 days Number of Payments increase tenure by 16 days



2.0 Features and Count

Distinct Feature count increases tenure by 88 days Gross adds count increases tenure by 308 days



3.0 Offers

Winback decreases tenure by 162 days Bundling decreases tenure by 63 days



Average Tenure: 259.82 days

4.0 Usage

Dropped calls 3 months to deact decrease tenure by 50 days



Strategy

Elastic

Elasticity shows 5% decrease in price increases revenue by 0.2%.

"Don't make any price change"

Sensitive to autobillpay

Survival Analysis show Autobill Pay increases tenure by 88 days and Number of payments increases tenure by 16 days.

"Promote autobill pay and increase number of payments"







Sensitive to features and adds

Survival analysis show distinct feature count and gross adds increases tenure by 88 and 308 days respectively

"Promote with new features and add line ads"

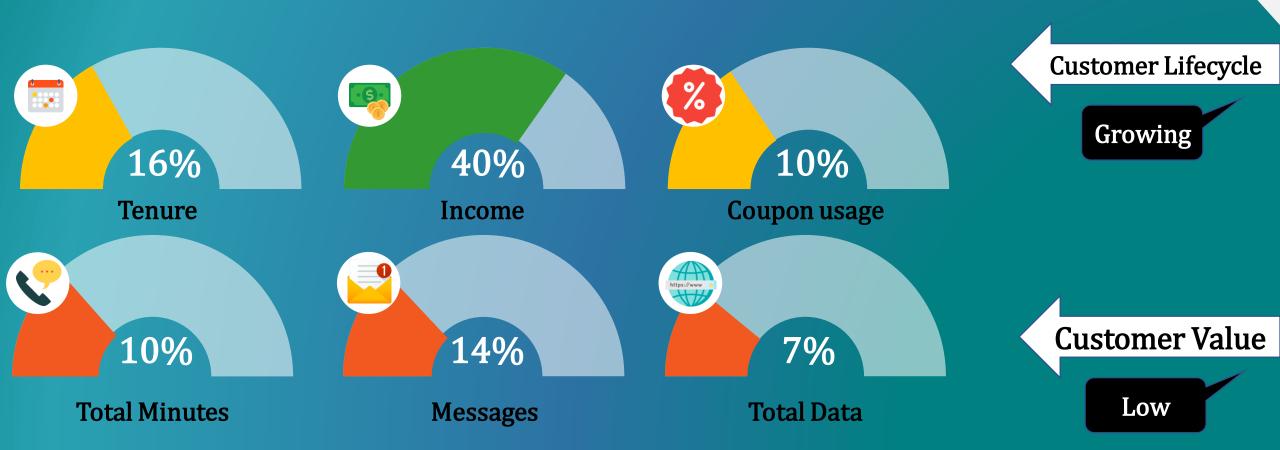
Insensitive to discounts and distinct Insensitive to discounts and distinct features

Survival analysis show decreased tenure with increase in promotions "Don't Promote with offers and discounts"

Behavioral Segmentation

Rich Passives: They have the lowest, Data usage, Messages, Calls. Medium Tenure and Coupon Usage. Highest Income and IVR calls.

Medium Churn rate: 24%, Market Share: 38%, Revenue Share: 24%



Elasticity



1.0 Payment

Autobillpay increases tenure by 218 days Number of Payments increase tenure by 12 days



2.0 Features and Count

Distinct Feature count decreases tenure by 24 days Gross adds count decreases tenure by 167 days



3.0 Offers

Coupon adjustments decrease tenure by 5 days
Bundling decreases tenure by 26 days



Total dropped calls decreases tenure by 67 days



Average Tenure: 167.02 days

Strategy

Inelastic

Elasticity shows 10% increase in price increases revenue by 13%.

"Increase plan amount by 10%"

Sensitive to autobillpay

Survival Analysis show Autobill Pay increases tenure by 218 days and Number of payments increases tenure by 11 days.

"Promote autobill pay and increase number of payments"

Smile,

your tax refund goes further with Cricket Wireless!







Unlimited Plan



*After \$5 Auto Pay credit. Credit starts at end of plan cycle. Network download speeds max 8Mbps (LTE)/4Mbps(4G); After 22GB of data usage, Cricket may slow speeds.

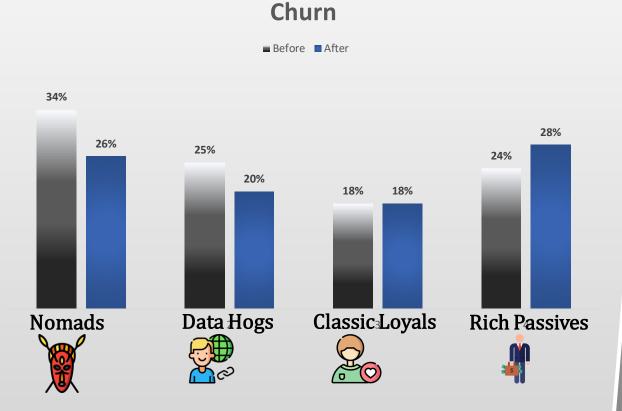
*Auto Pay Credit: Pay \$60 at point of sale; \$5 per month credit requires enrollment in Auto Pay. See cricketwireless .com/autopayterms for details. Mobile Hotspot feature not avail. Activ./upgrade (up to \$25/line) & add'I fees (up to \$3 customer assistance fee) & restr's apply. Coverage not avail. everywhere. See link above for details.

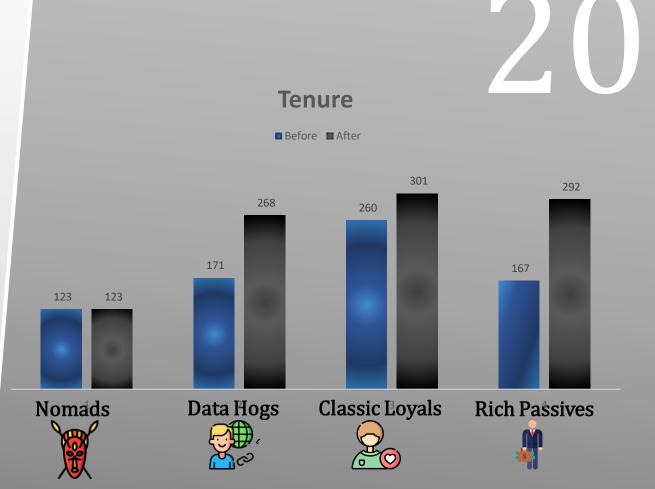
Insensitive to coupons and distinct features

Survival analysis show distinct feature count, gross adds and bundling/coupons decreases tenure by 24, 167 and 26 days respectively "Don't Promote with offers and discounts"

Give a corporate benefit

Cricket: Present & Future





Cricket: Present & Future



Test Plan

- ✓ Apply recommended promotional strategies to cricket for a 3-month period on 20% of the Customers
- ✓ Testing method: Classification Regression
- ✓ If successful, roll out new strategies nationwide



19 April





