

# Telecom Churn Prediction & Retention Strategy

ConnectTel Communications Ltd is committed to enhancing customer loyalty and optimising revenue. This document outlines our strategy for proactive churn prediction and targeted retention, ensuring we keep our most valuable customers connected.

# Addressing the Business Challenge: Rising Churn

## **Rising Churn in High-Value Customers**

We are experiencing an increasing rate of departure among our most profitable customer segments, posing a significant threat to our financial stability and market position.

## **Reactive Retention Approaches**

Current retention efforts are primarily reactive, responding to churn after it has begun, which often proves less effective and more costly than proactive intervention.

## **Significant Revenue Leakage**

The loss of high-value customers directly translates into substantial revenue leakage, impacting our overall profitability and growth trajectory.

# Our Data-Driven Approach

## Comprehensive Data Utilisation

Our predictive models are built upon a rich foundation of diverse customer data, offering a holistic view of their interactions and behaviours.

- Customer usage patterns
- Billing history and payment behaviour
- Complaint records and resolutions
- Network performance data

## Advanced Machine Learning for Prediction

We employ sophisticated machine learning algorithms to identify subtle patterns indicative of impending churn.

- ML-based churn prediction models
- Focus on recall for early detection
- High accuracy in identifying at-risk customers



# Key Drivers of Customer Churn



## Usage Drop

A noticeable decline in service usage often signals disengagement and potential churn.



## Bill Shock

Unexpectedly high bills are a significant trigger for customer dissatisfaction and departure.



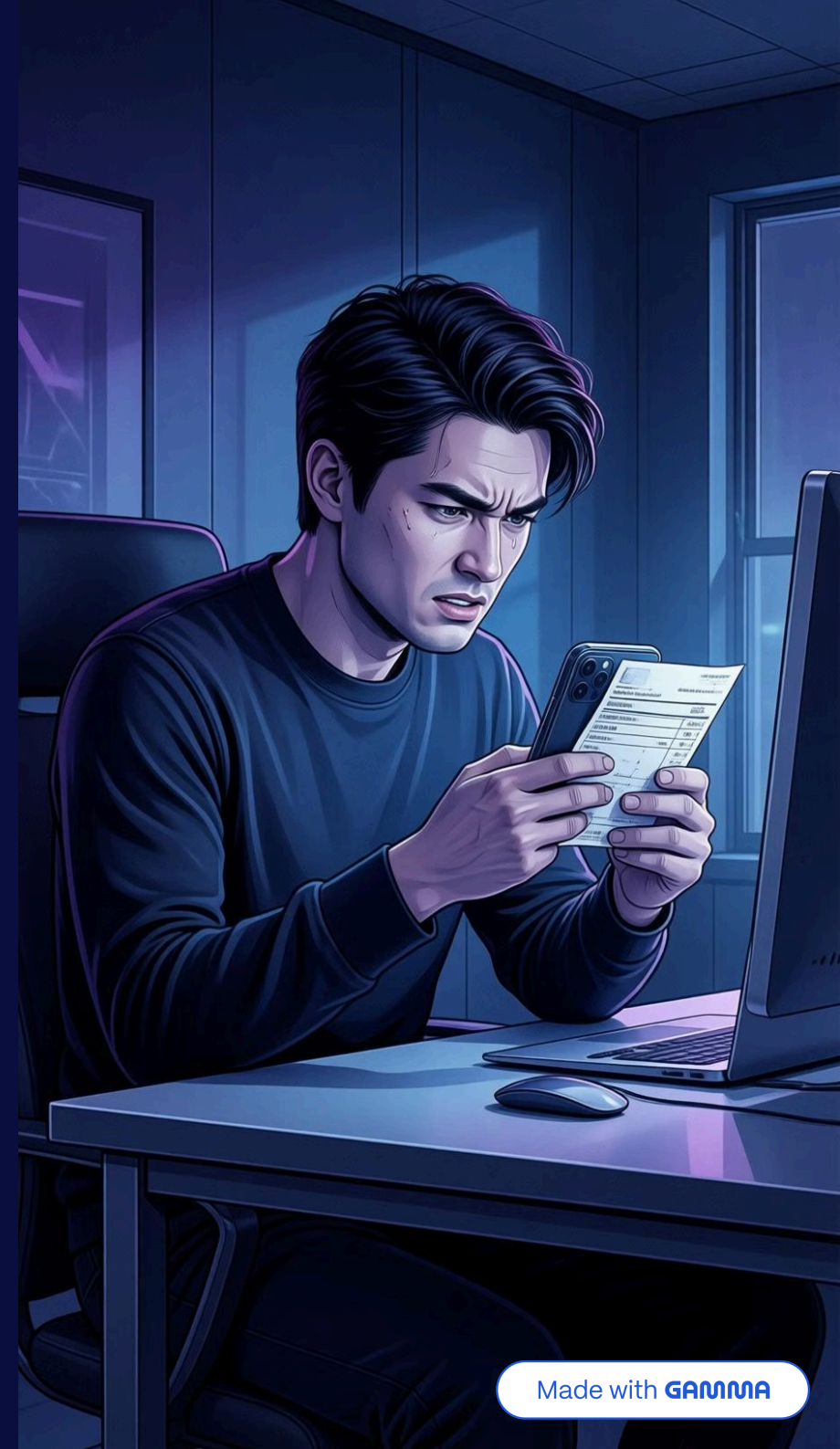
## Frequent Complaints

Customers with recurring issues are more likely to churn if their concerns are not effectively addressed.



## Network Quality Issues

Poor network performance directly impacts customer experience and loyalty.



# Model Outcome: Proactive Insights



## Early Identification of High-Risk Customers

Our model provides timely alerts, enabling us to identify customers with a high probability of churning before they actively seek alternatives.



## Segment-Wise Churn Insights

The model delivers granular insights into specific customer segments, allowing for tailored retention strategies that address their unique needs and pain points.

These insights empower us to shift from a reactive to a proactive retention stance, optimising our efforts and improving customer satisfaction.

# Targeted Retention Strategies

## → **Proactive Offers & Incentives**

We will engage at-risk customers with personalised offers, discounts, or loyalty programmes before they decide to leave.

## → **Plan Realignment & Optimisation**

Customers will be offered assistance in adjusting their service plans to better suit their current usage patterns and financial needs, preventing 'bill shock'.

## → **QoS-Driven Interventions**

For customers experiencing network quality issues, we will implement targeted interventions, such as technical support, network upgrades, or compensation for service disruption, to swiftly address their concerns.



# Expected Business Impact

## Reduced Churn Rate

By proactively addressing customer concerns, we anticipate a significant reduction in the overall churn rate, particularly among high-value segments.

## Higher Customer Lifetime Value (CLV)

Retaining valuable customers for longer periods will directly increase their lifetime value, contributing to sustainable revenue growth.

## Improved Retention Efficiency

Our targeted approach ensures that retention efforts are more efficient and cost-effective, yielding a better return on investment.

# Implementation Roadmap

## Month 1-2: Data Integration & Model Refinement

Complete integration of all relevant data sources and fine-tune the churn prediction model for optimal accuracy.

1

## Month 5-6: Full-Scale Rollout & Monitoring

Deploy the retention strategy across all relevant customer segments and establish continuous monitoring and feedback loops.

2

3

4

## Month 3-4: Strategy Development & Pilot Launch

Develop specific retention strategies for identified segments and initiate a pilot programme with a small group of at-risk customers.

## Ongoing: Evaluation & Optimisation

Regularly evaluate the effectiveness of retention efforts and continuously optimise strategies based on performance data.



# Key Performance Indicators (KPIs)

Churn Rate Reduction	Percentage decrease in monthly churn, overall and by high-value segments.
Customer Retention Cost	Cost incurred to retain a customer, aiming for reduction and efficiency.
Net Promoter Score (NPS)	Measure of customer satisfaction and loyalty, expecting an upward trend.
Revenue from Retained Customers	Direct financial impact of successful retention efforts.

# ConnectTel's Future: Stronger Connections

By embracing a proactive, data-driven approach to churn prediction and retention, ConnectTel Communications Ltd is poised to build stronger, more lasting relationships with its customers. This strategy will not only mitigate revenue leakage but also foster a culture of customer-centricity and sustained growth.

We are confident that these initiatives will significantly enhance our market position and ensure long-term success.

