

# Customer Retention Policy

**Document ID:** RP-01

**Version:** 1.0

**Effective Date:** 01-Jan-2026

**Applies To:** All customer accounts (Prepaid & Postpaid)

**Owner:** Customer Experience Team

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## 1. Purpose

This document defines the customer retention policies and actions to reduce churn by identifying at-risk customers and offering appropriate retention interventions.

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## 2. Definitions

**Churn Risk Score:** Probability that a customer will discontinue service within the next billing cycle.

**High Risk Customer:** Churn probability  $\geq 0.70$

**Medium Risk Customer:** Churn probability between 0.50 and 0.69

**Low Risk Customer:** Churn probability  $< 0.50$

**Eligible Customer:** Customer in active status, without fraud flags, and with valid KYC/account details.

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## 3. Retention Eligibility Rules

A customer is eligible for retention offers if:

- Account status is active
- No chargeback/fraud history in last 6 months
- No ongoing legal dispute
- Outstanding dues (if any) are below ₹1000 (or equivalent)

A customer is **not eligible** if:

- Account is suspended due to fraud or illegal usage

- Customer has abused previous offers (more than 2 retention offers in last 12 months)
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## 4. Risk-Based Retention Actions

### 4.1 High Risk Customers (Churn Probability $\geq 0.70$ )

Retention actions must be applied within **24 hours** of risk detection.

**Recommended actions:**

1. **Offer RET10 Discount**
  - 10% discount on monthly plan for 2 billing cycles
  - Eligibility: tenure  $\geq 2$  months
2. **Plan Upgrade Offer**
  - Upgrade to next plan tier with same price for 1 month
  - Eligibility: monthly charge  $\geq ₹499$
3. **Premium Support Add-on**
  - Free premium support for 30 days
  - Eligibility: customer reported service issues  $\geq 2$  times in last 30 days
4. **Contract Lock-in Recommendation**
  - Suggest moving to 6-month or 12-month contract
  - Provide ₹200 one-time bonus benefit if converted to annual plan

**Escalation:** If churn probability  $\geq 0.85$ , escalate to retention team call within **12 hours**.

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### 4.2 Medium Risk Customers (Churn Probability 0.50–0.69)

Retention actions should be applied within **72 hours**.

**Recommended actions:**

1. **Offer RET5 Discount**
    - 5% discount on monthly plan for 1 billing cycle
  2. **Customer Education**
    - Recommend relevant add-ons (OTT bundle, unlimited data plan)
    - Provide FAQs and support links
  3. **Service Quality Check**
    - Trigger network/service diagnostics
    - If unresolved issue exists, schedule technician callback
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### 4.3 Low Risk Customers (Churn Probability < 0.50)

No retention offers are applied by default.

#### Recommended actions:

- Maintain engagement through newsletters, plan suggestions, and loyalty benefits.
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## 5. Tenure-Based Rules

### 5.1 New Customers (Tenure < 3 months)

#### Primary retention action:

- Dedicated onboarding support
- Education about features and billing cycle
- One-time bonus 5GB data (if eligible)

### 5.2 Mid-term Customers (3–12 months)

#### Primary retention action:

- Discount-based offers
- Bundle upgrades
- Premium support trial

### 5.3 Long-term Customers (> 12 months)

#### Primary retention action:

- Loyalty rewards
  - Annual plan benefits
  - Contract renewal offers
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## 6. Offer Frequency Limits

To prevent misuse:

- Maximum **2 retention offers per customer per year**
- Same discount offer cannot be applied twice in 6 months

- Premium support trial can be applied maximum once per year
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## 7. Customer Communication Guidelines

Retention messages must:

- Be clear, short, and benefit-driven
- Mention expiry time (usually 7 days)
- Mention eligibility conditions
- Offer customer support contact channel

Example message:

“We value you. Enjoy 10% off your plan for 2 months with RET10. Valid for 7 days. Contact support for assistance.”

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## 8. Compliance Notes

- Retention offers must comply with telecom regulatory guidelines.
  - No offer should violate customer privacy or service fairness rules.
  - Customer consent must be obtained before plan migration.
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## 9. Review & Updates

This retention policy will be reviewed every 6 months to update:

- pricing offers
- eligibility rules
- service quality procedures