## Background: Operators are losing share in today's competitive market



### Industry and external outlook

- Tougher Telecom Environment
  - Economic instability and uncertainty
  - Mobile Market is saturated and dominated by a few players
  - Intense competition leading to price wars

### Smarter & More Demanding Customers

- Escalating personal and business reliance on telecommunications
- Technology explosion
- More demanding, less loyal customers
- Comparison shoppers

Optimizing Retention continues to be vital for Telecom Operators

### Internal Outlook

#### Tremendous Growth Potential

- Generation of vast quantities of data
- Drive new revenue growth through customer centricity
- Continue to exploit cost efficiencies

#### · Key questions that clients ask around churn

- How can I understand my churn situation better; both at the organization (macro) & subscriber (micro) levels?
- What are the key drivers of churn and what is influencing them?
- What are the appropriate churn initiatives that should be launched to address the different churn drivers?

Need to

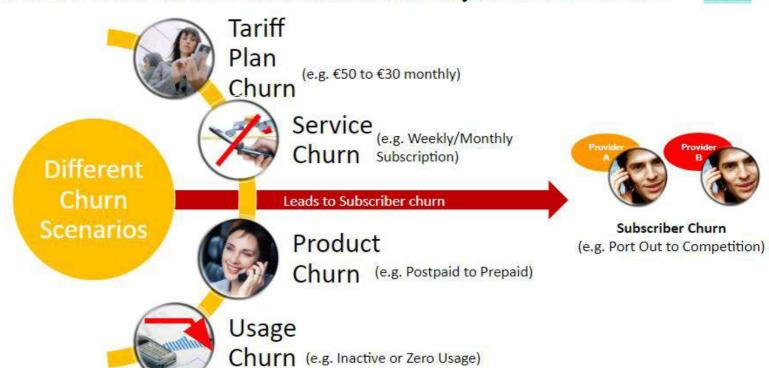
Churn is a key driver of EBITDA margin and an industry-wide challenge.

A churned customer provides less revenue or zero revenue and increases competitor market share.

Increase acquisition cost for the service provider if the customer churned to competition. It costs up to 5 times as much for an Service Provider to acquire a new subscriber as to retain an existing one

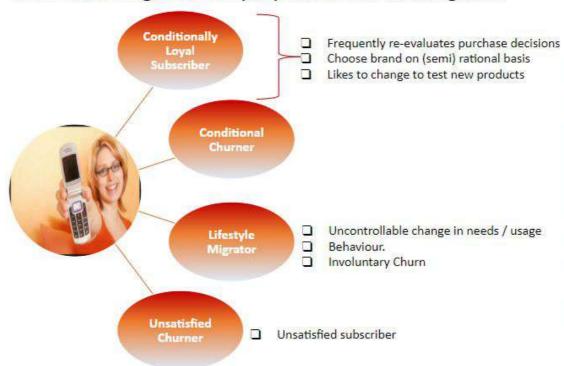
## Subscriber Churn can be in different forms and not just exit from the base





#### . Decision cycle of a subscriber: Changes as per needs and/or experiences ... because it's too complex or Inert Subscriber I don't have time or it's not ... and I haven't worth it thought about churning ... ... because my Unconditionally Loyal operator is the best I am a ... but I am Mobile locked in by my Locked In Subscriber customer ... **Four Churn Segments** contract ... and I have Conditionally Loyal ... and I have decided to thought about stay ... because I churning ... Conditional Churne found a better ... and I am not offer locked in by my ... because my contract ... ... and I have Lifestyle Migrator needs have decided to changed leave ... Unsatisfied Churne ... because I'm not satisfied

## Four Churn Segments: Loyalty drivers for each segment





### Key drivers that Influence Churn

- Handset Loss/Upgrade
- Cost of Service / Competitor

- Network Quality Others Customer Care Quality

# Key drivers for Subscriber loyalty 1. Offers and services

- Quality of products and services
  Quality of customer service
  Length of contract period
  Perception of telecom brand
  Marketing programmes and
  campaigns

### **Solution Overview**



Developing customer 360°

Behavioral Segmentation of base uild Churn Predictive Models

enerate Target lists for compaigns

### **Operator Benefits**

- Ability to effectively manage customer churn through preventive management using leading and lagging indicators of churn
- 2. Ability to identify and save customers who are about to churn.
- 3. Assess insights on churn behavior of subscribers; and using the information, to strategize new marketing initiatives
- 4. Identify patterns in customer behavior of potential churners and initiate pro-active measures to reduce churn
- 5. Capabilities in driving analytics led campaign / marketing initiatives from Predictive Model experience
- Reduction in the campaign spend by targeting fewer subscribers, exhibiting churn behaviour, rather than targeting larger base on gut feel.
- Report revenue loss effected due to churn
- 8. Classification of subscribers as voluntary/involuntary churners
- 9. Cost savings from retention as opposed to re-acquisition

### Skill Sets / Tools / Technology

- Project Manager
- Business Analyst
- Statisticians
- Data Analysts
- ☐ Telecom SME
- SAS / R / SPSS
- 2. SQL and other ETL related tools
- 3. Can be executed on Big Data platforms