INFOSYS BPM CHURN ANALYSIS

Industry Challenges

Churn is an inevitable part of business and is becoming more complex in today's digital world, where customers are increasingly characterized as highly informed, being aware of alternative options, and connected. They also have high expectations with respect to service, cost, convenience, and experience, that brands sometimes are either not aware of, or get very little time to stop customers from leaving, which again can be attributed to a variety of reasons. To counter this, brands generally step up their new acquisition effort to compensate for the revenue loss instead of addressing customer churn decisively, which is an expensive solution. It costs five times as much to acquire a new customer than to keep an existing one, making customer retention an imperative for companies' bottom line.
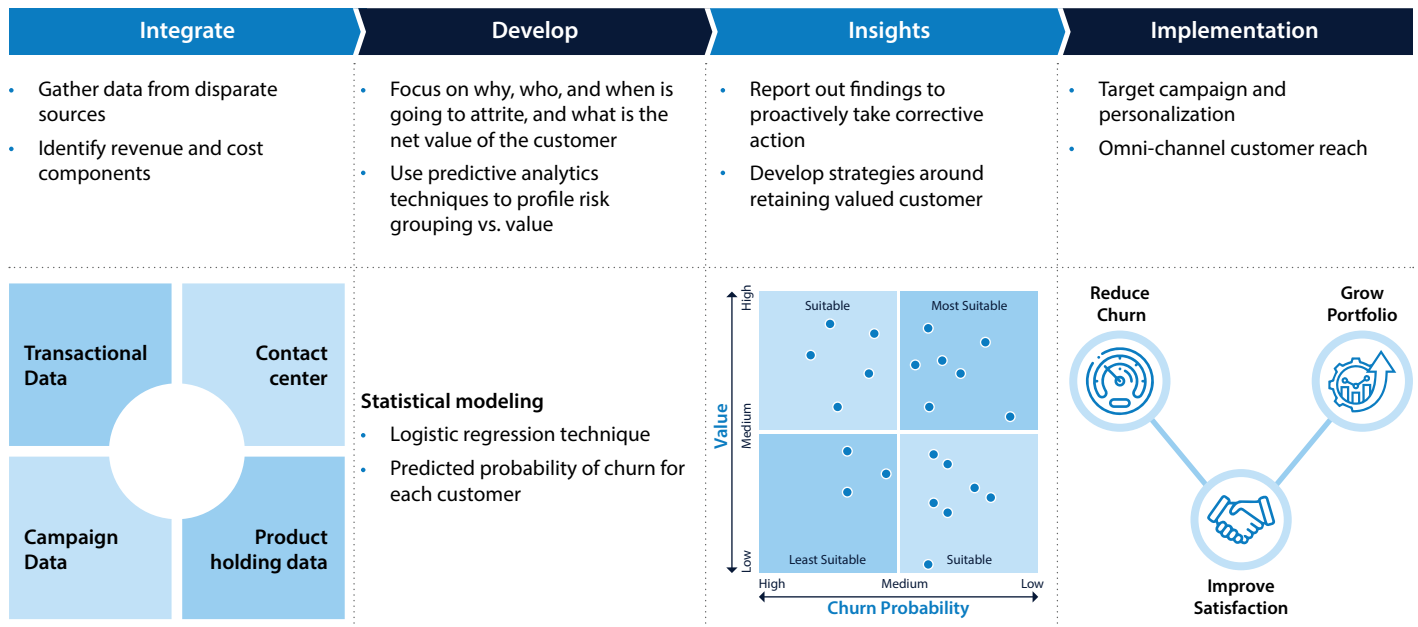
Solution Overview

The Infosys BPM Churn Analysis solution acknowledges the complexity of the problem and prescribes a significant proactive approach. It is critical component to prevent customer churn, to successfully deliver business benefits such as bottom-line growth and customer long term loyalty. So, by applying predictive modeling techniques, the solution distributes the customer universe by their likelihood of churn and provides businesses with a deep understanding of the potential churn causes.

Integrate	Develop	Insights	Implementation
• Gather data from disparate sources • Identify revenue and cost components	• Focus on why, who, and when is going to attrite, and what is the net value of the customer • Use predictive analytics techniques to profile risk grouping vs. value	• Report out findings to proactively take corrective action • Develop strategies around retaining valued customer	• Target campaign and personalization • Omni-channel customer reach

Transactional Data

Contact center

Campaign Data

Product holding data

Statistical modeling
- Logistic regression technique
- Predicted probability of churn for each customer

High

Suitable

Most Suitable

Value

Medium

Least Suitable

Suitable

Low

Least Suitable

Suitable

High   Medium   Low

Churn Probability

Reduce Churn

Grow Portfolio

Improve Satisfaction

Potential Benefits

- Increase in profitability
- Evaluation of potential risk to revenue
- Gain understanding of why customers churn
- Increase in customer retention rate
- Minimize customer reactivation costs
- Improve customer loyalty

Success Story

Infosys BPM helped one of the largest milk suppliers in the UK to predict customer defection, understand precursors to defection, and use the deep insights to prioritize marketing interventions. This resulted in a business benefit of avoiding potential revenue loss of ~£6.6 Mn annually.

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