

ANALYTICS DELIVERS \$2M SAVINGS TO TALK TALK



Background

Wipro was chosen as one of two strategic partners by TalkTalk in 2011. Wipro initially provided customer service and technical support services for broadband & fixed-line telephony. Since then, the partnership has grown and the services have expanded to cover mobile and IPTV services.

As a strategic partner, Wipro assisted TalkTalk in a number of initiatives directed towards reducing customer complaints and dissatisfaction which ultimately lead to customer churn.

Wipro then came up with an innovative idea of real-time churn prediction & management.

Business Case

- 1 In Telecom industry worldwide, Complaints is the second biggest driver for customer Churn after Price
- 2 Complaints contribute to over 22% of all churn in telecom industry
- 3 It costs anywhere between 6 to 10 times more for acquiring a new customer than retaining one. Also one bad customer can in fact spoil the chances of acquiring 8 – 10 good customers
- 4 Analysis across channels in the telecom industry reveal that churn is the most discussed topic across channels, covering voice interaction at the contact center, chat, social media, surveys, e-mails, blogs etc.

Trends

- ◆ Increasing use of analytics and predictive analytics to understand customers, and predict potential behavior
- ◆ A shift towards real-time analytics for in-conversation customers to enable relevant and customized interactions
- ◆ Systematic analytical approach backed with proactive real-time assistance in decision-making for a successful retention strategy that can combat competition

Top Reasons for Customer Churn

- ◆ Complaints Management
- ◆ Resolution
- ◆ Quality of service across contact channels
- ◆ QoS of end user services provided by TalkTalk

Key initiatives taken to retain customer across the contact channels

- ◆ Complaints Program to effectively identify, capture & manage complaints
- ◆ Proactive call to customers who have mentioned Ofcom on calls
- ◆ Fewer better contacts initiative to reduce the number of contacts across different channels & improve quality of contacts
- ◆ New method introduced to capture CSAT & NPS

Need for a churn management tool

- ◆ Hit Churn targets
- ◆ Increase revenue from retained customers
- ◆ Reduce cost of retaining customers

Wipro Solution

The Idea

- Remove agent's subjectivity on decision-making and provide analytics driven objectivity to retain a churning customer
- Proactively predict/detect/identify propensity to churn on a real time basis
- Provide proactive actions/recommendation real time so that an effective retention strategy could be deployed for the customer

Implementation

Complex data at backend:

- ◆ We collected customer demographics data from the CRM to create a large data set including customers who have churned and customer who are with TalkTalk
- ◆ Over 25 variables were collected for each customer contact
- ◆ A decision tree based predictive model was created to identify vital factors which would be used to predict churn
- ◆ A rule set was created at the back end basis these significant variables

Simple user interface on frontend:

- ◆ We created a simple user form with the statistically significant variables with drop down for user inputs
- ◆ This helped in real-time prediction of potential churn in first 30 secs of a call
- ◆ We piloted the user interface with a group of 10 complaints managers for 60 days
- ◆ We then matched the prediction made by the tool against actual churn data to gauge the accuracy, which currently is close to 80%

Taking a step ahead:

- ◆ We are now working on integrating the rule set with the CRM so that customer demographic data can be pulled up real-time by the CRM and flag potential churns
- ◆ Additionally, we are liaising with TalkTalk for extension of additional retention rights to the complaints managers, so that they can proactively retain the customers with a high propensity to churn

The innovation has been funded by Wipro, by using in-house resources for analytics, automation & pilot run.

Estimated Benefits

1

Approx \$2M Cost avoidance annually to TalkTalk

2

Approx \$1M revenue enablement to client through improved ARPU

The customer has commended and said –

"The project has improved the saves rate (customer retention rates) within complaints management, and has increased the customer satisfaction by 10 % points, which resulted in revenue protection for the TTG."

Video testimonial link

<http://www.wipro.com/wipro-tv/Wipro-helps-TalkTalk-address-business-challenges-and-increase-customer-satisfaction-by-10-percent.aspx>

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