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 IP TV 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
Wipro Ltd. (NYSE:WIT) is a leading Information Technology, Consulting and Business Process Services company that delivers solutions to enable its clients do business better. Wipro delivers winning business outcomes through its deep industry experience and a 360 degree view of “Business through Technology” - helping clients create successful and adaptive businesses. A company recognized globally for its comprehensive portfolio of services, a practitioner’s approach to delivering innovation, and an organization wide commitment to sustainability, Wipro has a workforce of over 140,000, serving clients in 175+ cities across 6 continents.

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### 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 churms
- 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

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### About Wipro Ltd.

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INDIA/DEC 2014/FEB 2016