

Retention — Technology

SIGMA achieved higher retention rates for a telecommunications client by implementing an outbound retention program.

Objective:

Our telecommunications client had a significant number of business service contracts expiring within 6 months, with an 18-24% predicted rate of attrition. They needed to implement an immediate, proactive outbound retention marketing initiative to prevent waterfall attrition. SIGMA proposed to pilot a solution and established our goal to reduce the attrition rate for the pilot time period by 2% to 4%.

Approach:

SIGMA recommended a three-phase strategic knowledge mining, predictive modeling, and analytical service process that would provide a predictive data profile for likely-to-attrite business contracts and prioritize the 65,000+ customers that were scheduled to expire during the pilot period.

Phase 1 - Use predictive data modeling to develop customer profiles for the most likely to attrite accounts

Phase 2 - Incorporate phase 1 learning into the ongoing strategy. Further identify attrition triggers and use predictive modeling for ongoing targeting of most likely to leave.

Phase 3 - Incorporate phase 2 learning into the ongoing strategy. Develop predictive data models to cross/up-sell current clients and a web-based delivery infrastructure automating the retention program lead management process.

Outcome:

The 20% projected attrition rate was reduced to just 4%.

Insights:

SIGMA profiling accurately identified – within the top two deciles – 82% of those customers who did cancel their accounts during the pilot timeframe, providing validation of the predictive strength of the profile.

The accounts that continued, extended the terms of their contracts beyond the one-year standard.



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