



## 1275% Boost in Churn Identification at 2degrees with 11Ants Customer Churn Analyzer

### 11ANTS ANALYTICS CASE STUDY

**CLIENT:** 2degrees

**INDUSTRY:** Mobile Telecommunications

2degrees is New Zealand's fastest growing mobile telecommunications company - in less than three years they have transformed the landscape of New Zealand's mobile telecommunications market. Entering very much as the challenger, and battling with incumbents entrenched in the market for over 18 years. 2degrees has won over 580,000 customers, and has revenues of more than \$100 million in just their third year of operation. Last year's growth was 3761%.

*2degrees culture of getting more done with less, innovative marketing, great value products and excellent customer service have put them firmly on the map.*

### SITUATION

2degrees' Information Solutions Manager Peter McCallum explains predictive analytics had been on the radar at the company for some time. 'At 2degrees there are a lot of analytically aware people, from the CEO down. Once we got to the point in our business that we were interested in deploying advanced predictive analytics techniques we started to look at what was available in the marketplace.'

It soon became clear that although on paper there were several options, the reality was that the cost of deploying the well known solutions made it very difficult to build a business case, particularly given that the benefits to the business were as yet unproven.

### SOLUTION

After careful evaluation 2degrees decided upon a suite of solutions from 11Ants Analytics consisting of 11Ants Customer Response Analyzer, 11Ants Customer Churn Analyzer and 11Ants Model Builder.

*"One of the beauties of the 11Ants Analytics solution was that it allowed us to get up and running quickly and very economically. We could test the water and determine what the ROI was likely to be for predictive analytics, making it a lot easier to build a business case for future analytics projects."*

Peter McCallum – Information Solutions Manager

When asked why they chose 11Ants Analytics' solutions Peter said 'One of the beauties of the 11Ants Analytics solution was that it allowed us to get up and running quickly and very economically. We could test the water and determine what the ROI was likely to be for predictive analytics, making it a lot easier to build a business case for future analytics projects. Yet we didn't really have to sacrifice anything in terms of functionality – in fact the churn models we've built have performed exceptionally well.'

11Ants Analytics Director of Business Development, Tom Fuyala comments: 'We are dedicated to getting organizations up and running with predictive analytics faster, without compromising the quality of the results. With other solutions you must trial and error through multiple algorithms manually, but with 11Ants Analytics solutions the entire optimization and management of the algorithms is automated, allowing thousands to be trialed in a few

minutes. The benefits of this approach are evidenced in the real-world results.'

Peter is also impressed by the ease of use 'The simplicity was a big deal to us. Not having to have the statistical knowledge in-house was definitely a selling point. Company culture was also a big factor in our decision making - 11Ants Analytics felt like a good fit. They've been very responsive and have been great to work with. The turn-around on some of the custom requests we have made has been fantastic.'

Peter also likes the fact that models can be built with the desktop modelling tools and then deployed against the enterprise customer database with 11Ants Predictor.

'Once the model has been built it is easy to deploy it in 11Ants Predictor to run against Oracle and score our entire customer base very quickly. The speed with which 11Ants Predictor can re-score hundreds of thousands of customers is fantastic. We presently rescore our customer base monthly, but it is so easy that we could be re-scoring daily if we wanted.'

## BENEFITS

2degrees put 11Ants Analytics solutions to work quickly with very satisfying results. The initial project was to focus on an all-too-common problem in the mobile telecommunications industry – customer churn (customers leaving). For this they deployed 11Ants Customer Churn Analyzer.

2degrees were interested in identifying customers most at risk of churning by analyzing data – such as time on network, days since last top-up, activation channel, whether the customer ported their number or not, customer plan, and outbound calling behaviours over the preceding 90 days.

The customers identified by 11Ants Customer Churn Analyzer were a game-changing 1275% more likely to be churners than customers chosen at random.

A carefully controlled experiment was run over a period of three months, and the results tabulated and analyzed. The results were excellent – the customers identified as churners by 11Ants Customer Churn Analyzer were a game-changing 1275% more likely to be churners than customers chosen at random. This can also be expressed as an increase in lift of 12.75 at 5% (the 5% of the total population identified as most likely to churn by the model). At 10% lift was 7.28.

Other benefits included the various insights that 11Ants Customer Churn Analyzer provided. For instance validating things that staff had intuitively felt, such as time on network's strong relationship with churn, and highlighting areas where product enhancement would be beneficial.

Armed with the information of which customers were most at risk of defecting, 2degrees could now focus retention efforts on those identified as most at risk, thereby getting substantially higher return on investment on retention marketing expenditure. The bottom line is significantly better results for less dollars spent.

2degrees Head of Customers, Matt Hobbs provides a perspective on why this is not just important to 2degrees but also to their customers:

'Churn prediction is a valuable tool for customer marketing and we are excited about the capabilities 11Ants Analytics provide to identify customers who display indications of churning behaviour. This is beneficial to both 2degrees and to our customers.'

To customers go the benefits of identification, if you are not likely to churn you are not constantly annoyed by messages asking you to stay; and appropriateness, customers receive offers that actually are appropriate to their usage, minutes for someone who likes to talk, texts for someone who likes to text, etc.

To 2degrees go the benefits of targeting; by identifying a smaller group of at risk customers, retention offers can be that much richer because of the reduction in the number of people who may receive it but not need it; and appropriateness again.

By aligning these benefits for both 2degrees and the customer, the outcomes we are experiencing are vastly improved.'

11Ants Analytics is the leader in assisted predictive analytics. Our automated predictive modelling software gets clients up and running with predictive analytics faster than any other solution on the planet. Visit [www.11AntsAnalytics.com](http://www.11AntsAnalytics.com)