



Churn Analysis through ML for fastest growing Indian Digital business - Case Study

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Churn Analysis through Machine Learning for fastest growing Indian Digital Business



Client Overview

- The client is a leader in the \$200 B local services market in India and for NRI's in USA, Canada, UK and UAE
- The client's platform helps users to minimize the time in finding the right service provider, to reduce the cost of the service and to minimize the hassle of dealing with service providers.
- The client's platform connects 25 million users with 5 million businesses each month across different local service categories each month



Business Requirements

- The client runs a Lead generation service in the Local Services space and faced a high churn amongst its SMB customer base.
- The only touch point the Client had with its SMB's were through a Business app. However, a large portion of the customers had not yet begun engaging with the app then.
- This led to a problem where there was around 60 % customer churn.

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Key Challenges

- The real challenge was figuring out why few customers continued with the platform while a large majority would churn out
- These business would primarily engage with their customers offline; hence it was difficult to figure out who was really seeing value in the leads



Our Approach

- We analyzed the raw customer campaign data, which contained information relating to campaign type, value paid and corresponding lead deliveries thereof.
- The data required structuring into a format ingestible by ML classification algorithms. This required significant data wrangling, which was carried out using R & Python.

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Our Solutions

- We applied a range of classification ML algorithms (Decision Trees, CART, Random Forest) on the data, and were able to classify customers and rank them based on their propensity to Churn.
- The ML algorithms we choose also helped in identifying factors that influenced this behavior such as Lead deliveries, Paid Amount, Time elapsed etc.



Results

- We were able to successfully identify Cohorts of customers that were at high risk of churn .The model showed that the likelihood for a customer churning was the highest during his first 6 months of service
- The client then put in place, a Customer Happiness Team that would immediately follow up with these Cohorts that our model had deemed “Risky”
- Within 6 months , client was able to reduce Churn by 10 %, which resulted in a huge increase in revenues as the Average Life time value per customer grew due to an increase in contract renewals

THANK YOU



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