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European Tier-1 service provider reduces subscriber churn through better subscriber and consumption insights using Nokia Deepfield

Use case

Subscriber churn has become a very important metric for service providers, representing the end of a business relationship with their customers and, more importantly, the end of a customer lifecycle. It is no surprise, then, that churn is being closely monitored at all levels within service provider organizations, especially at the top.

Churn has also become a standard metric in quarterly and annual reports, and a measure of success in ensuring customer loyalty.



The other side of churn is the cost of acquiring a new customer, which can be hundreds of dollars or euros across both wireless and wireline environments. Retention cost – the cost of keeping a customer as a subscriber – is usually an order of magnitude lower, if not more. Churn, retention rate and average revenue per user are often combined to create another popular metric – Customer Lifetime Value (CLV).

Challenge

In highly competitive environments, it is a common occurrence for customers to switch from one provider to another. Service providers are always looking for more effective ways to predict customer dissatisfaction and prevent churn.

One approach involves constantly monitoring competitors' offers and adjusting service plans to improve competitiveness and perceived value to subscribers. Other approaches rely on polling the customer base or using data from a large and diverse range of sources as a proxy to better understand the main causes of dissatisfaction.

These approaches are expensive, bring uncertain correlation and often come too late, after customers have already decided to cut the cord or switch to another service provider.

And they all miss the best indicator – customer behavior.

Solution

A Tier 1 service provider in Western Europe is taking on subscriber churn by using Nokia Deepfield Subscriber Intelligence to collect information about internet services and applications and track usage patterns at a subscriber level.

Custom reports created using Deepfield Subscriber Intelligence allow the service

provider to track, analyze and report on the usage patterns of more than 3 million subscribers for a predefined set of 30 to 50 internet services, applications and websites.

The reports provide many useful insights to the service provider. For example, an increasing rate of usage of multiple online video sources coupled with a declining use of the service provider's own video offering may signal that a customer is at risk of cutting the cord. Declining levels of consumption may be a sign that a subscriber is in danger of churning. In this case, based on the output from Deepfield Subscriber Intelligence reports, a new service or better price offering from the customer service or retention team could help secure the customer's loyalty.

Deepfield provides a full set of data anonymization, abstraction and aggregation options that ensure privacy protection in compliance with the General Data Protection Regulation (GDPR) and other relevant legislative frameworks, such as the California Consumer Protection Act (CCPA).

Benefits

By providing detailed and precise information about how subscribers consume internet services, Deepfield improved this Tier 1 EU service provider's ability to monitor and detect the telltale signs of customer dissatisfaction and prevent churn.



The service provider uses this information to predict CLV across its subscriber base, and to conduct finer analysis for specific service plans and usage levels.

Knowledge of customer preferences and online habits enables the service provider to better predict customer needs and expectations. For example, insights obtained from Deepfield may indicate that a different service plan would be better for addressing a specific subscriber's particular needs for video streaming, gaming, remote learning and/or videoconferencing.

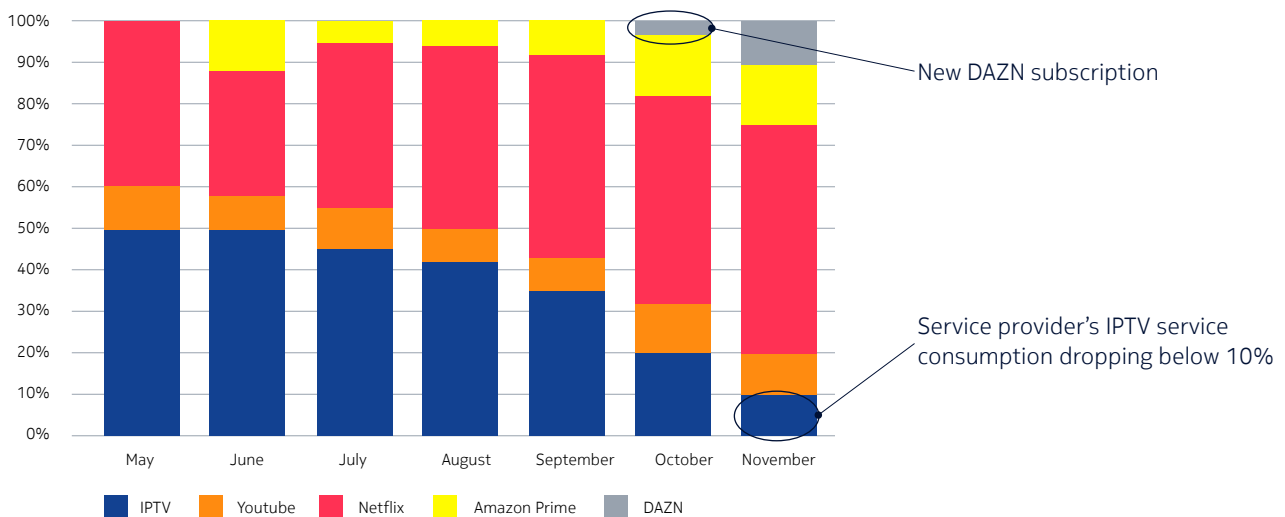
Deepfield provides accurate and actionable insights based on actual service usage and consumption patterns. The service provider can use these insights to achieve better outcomes,

such as making adjustments to improve customer retention and loyalty.

In addition, Deepfield can pass information about online habits to third-party systems for collation with customer transaction data and data from real-time communication systems. These combinations of data can provide further insights that can help the service provider improve customer experience and customer sentiment.

Deepfield Subscriber Intelligence helps the service provider detect the telltale signs of customer dissatisfaction and prevent churn.

Distribution of per-subscriber IPTV and streaming video bandwidth consumption (May - November 2020)



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