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CASE STUDY :: PREDICTIVE ANALYTICS
Increasing Customer Retention with Targeted Services

Challenge

To reduce attrition, a **national cable media company** wanted to understand which bundles of channels customers typically watch together in order to deliver more targeted services.

Solution

Like most cable providers, our client offered hundreds of channels, so segmenting audience usage presented a big challenge. By starting with a smaller subset of the data, we were able to test solutions and build gradually as we increased the project's complexity. As a result, we identified about 100 viewership patterns, or bundles or channels, which formed the segmentation scheme our client could use for its targeted services.

With our solution, we:

- **Worked with the business** to find a subset of channels to serve as a model for the larger business problem. We tested data on this segment; the resulting matches of customers and channels viewed were realistic and convinced us to proceed with a much larger dataset.

- **Measured data across all channels** to look at total amount of time spent using the service, and total number of channels used. This allowed us to cross-validate our findings and ensure the patterns were real and stable.

- **Analyzed program use on channels** and learned that the television program segments mirrored the channel segments, so we were able to analyze channel data rather than detailed television program viewing.

- **Developed segments based on viewership patterns** that clarified the various ways people used the cable service, including ways our client had not expected. This analysis allowed our client to see the value in each of its offerings and then tailor these offerings towards actual customer segments.

Results

Our predictive analytics convinced the company media planners to re-bundle their services to provide more tailored combinations of channel offerings for each household. As a result, our client:

- **Increased customer satisfaction** ratings by 15%

- **Reduced attrition** by 10%

- **Developed data-driven customer segments** to inform targeted messaging and drive acquisition

- **Incorporated predictive analytics into product development** to differentiate from competitors by ensuring their offerings meet the specific demands of their customers

Let's Talk

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