

Preventing Customer Attrition for Home Security Solutions

1. **Objective:** establish a case study to optimize attrition prevention processes for a home security systems company.
2. **Client need:** A start-up company sells systems and components to secure private homes and businesses. The company charges their clients a monthly fee on an ongoing basis for monitoring homes and property, and informing first responders in case of alarm due to break-in, fire, smoke, etc. The company charges their clients a monthly fee, but no term subscription. In effect, month-over-month churn is highly variable, and a proactive attrition prevention process is needed.

The client requires future attritors to make a phone call to cancel the subscription. But the chances of stopping the attrition during the call are low, as call agents are not well informed in advance about the customer's situation, recent trends in customer behavior, and what the customer would need to change their mind.

Therefore, a proactive, ongoing campaign through email/phone is needed, to reach out to customers in advance, and to inquire on customer needs, offer upgrades etc. to prevent churn.

Attributes available for analysis:

- a. Customer info, demographics etc.
 - b. History of activations, reactivations, cancels, tenure,
 - c. Products, modules, components e.g. cameras, sensors, doorbells, etc.
 - d. Orders, shipping, returns
 - e. Emails sent to customers
 - f. Calls made by customer
 - g. Product events @ timestamp level –every activity in the house (big data)
 - h. App Usage activity @ timestamp level – every mobile activity made by the customer (big data)
3. **Proposed solution:** Near “real-time”, trigger-based solution that responds to customers to address their needs, and to continuously update the list of customers with highest risk of attrition.

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