**Challenge**

A global networking company needed to understand customer churn and the drivers that contributed to it in their business. In addition, they wanted to develop programs to proactively reduce churn. They sought a solution that could utilize multiple data sources to analyze, understand impact, and identify the key drivers behind churn. They knew that a 2% churn reduction could generate between 2-3 million dollars of additional revenue per year.

**Solution**

Saama built an extensible, validated and reusable churn model for the customer based on logistic regression. The model architecture was chosen because it is a proven, robust statistical modeling technique. It is:

- Easy to explain in business terms
- Explains feature impact independently
- Provides individual reason codes

- Deployment is straightforward
- No special packages or protocols needed

- Allows feature importance fine-tuning
- Output easy to translate to a score

Saama devised and tested churn score and drivers based on each customer’s propensity to churn. The developed model output the likelihood of churn 90 days into the future.
Results and Benefits
The churn model developed by Saama has helped the customer in a number of ways, enabling them to take proactive measures to help reduce customer churn. Benefits go beyond just one use case and include:

- **Churn Score** – Informs customer outreach, positioning and marketing
- **Operating Point** – Leverages validated model ROC to select, yielding highest opportunity & ROI
- **Reusable Process** – Implements scalable statistical approach for enabling collaboration and CLV scoring
- **Scoring Platform** – Extends data science workbench built for new scoring models as part of data monetizing goals