

Example of application

Data Mining in
Telecommunication Industry



Why Data Mining?

We will have a closer look to
one example and you will know...



Churning

As the telecommunication market is more and more saturating it is not as easy as in the very beginning to win new customers - and on the other hand customers leave, for several reasons.

The question is...



...how do you know if a customer is likely to churn?

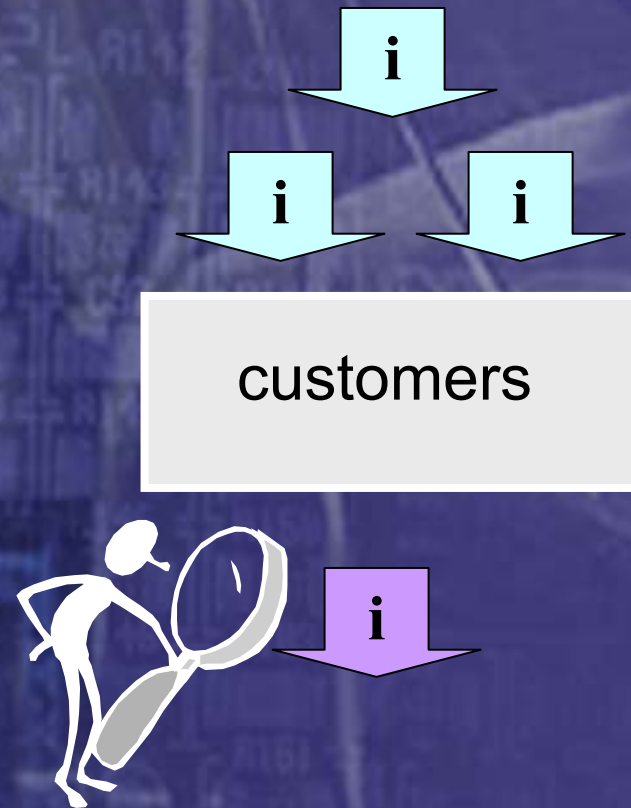


If you know this it would be easier to make some efforts to retain him!



Task

- You already have a tremendous amount of information about your customers
- You made some experiences which behavior is typical for a likely churn



Task

- You are planning to do some churn preventions programs.
- For this you want to provide a list with contemplable customers for your marketing department



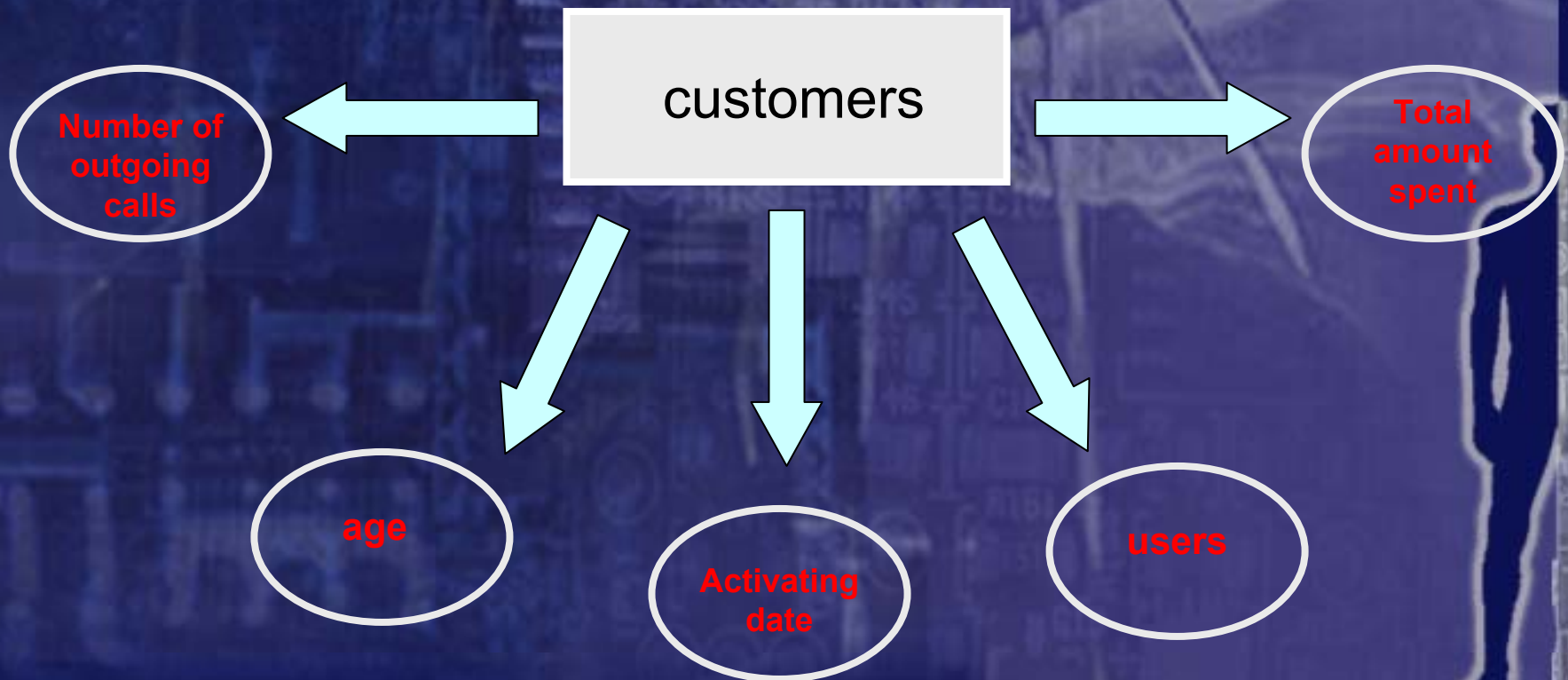
Solution

Using data mining technologies makes it simple to analyze your customer data base and to pick out those customers you are interested in!



Solution

- ❖ Choose most relevant and important features by which you determine your presumption



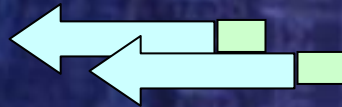
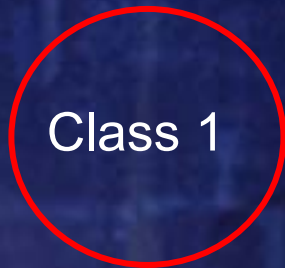
Solution

- ❖ Define categories in which you would like to classify your customers

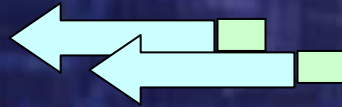
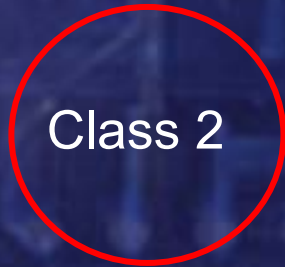


Solution

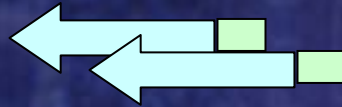
- ❖ Set standards as scales for each category



High frequency of calls, low rates, more than one user...



Using of several providers, line has just been activated...



Frequently use of service line, high rates, rarely usage...



Result

- ❖ Once you doubt about one certain customer he can be easily classified into the classes fitting in the rest of your data base



Summary

