Acquiring new customers is much more expensive than retaining your current ones. But how do you keep your customers from unsubscribing from your services or from choosing another solution from your own? Predictive Churn Prevention is the answer. With DSS, use your data to find out which customers are likely to churn so that you can win them back before they are gone.

Showroomprivé.com
Anticipate and Reduce Customer Churn Rates

About Our Customer
Founded in 2006, Showroomprive.com is one of the leading e-commerce players with over 20 million members in Europe. The ecommerce site has about 15 flash sales and over 2 million visitors per day. It generated €480M in business volume in 2014, representing 40% growth compared to 2013.

Challenge
Refine Client Qualification to Anticipate, Prevent, and Reduce Churn Rates
In order to counter churn, Showroomprive uses static rules to trigger marketing actions. These rules are common to all customers and no prior qualifications are made to determine the value of each individual client.
Showroomprive wants to counter churn and improve customer loyalty. To do this, the company wishes to:

- Based on individual purchase rates, detect clients with a high potential of no longer buying from the website;
- Refine targeting of marketing campaigns for each potential churner so as to improve customer loyalty.

Solution
Build a Predictive Analytics Application that Detects Potential Churners Based on Individual Purchase Rates
Showroomprive uses DSS to develop a solution that predicts whether or not a buyer will return to the website to make a purchase. Thanks to DSS, all of the work that revolves around this solution is internalized – from R&D to production.

Indeed, Showroomprive uses DSS to:

- automate the integration and enrichment of a variety of data sources (customer data, order and delivery data, web logs…),
- to create more than 690 features derived from this data depending on variables such as clicks on sales, orders, litigation, customers…,
- and finally to test multiple machine learning algorithms to achieve the best predictive model.

Results
Detect Potential Churners with 77% Accuracy
Since they’ve been running their DSS powered application, Showroomprive detects, amongst mono-buyers, potential churners with an AUC of 0.819!

“Before DSS, we externalized the whole research phase that leads to a concrete solution. Mainly, our work consisted of descriptive analytics on past data. Today, with DSS, we have internalized the design and deployment of our data solutions. We are now able to predict the future actions of our customers and act accordingly.”

Damien Garzilli
Strategy and Business Intelligence Manager - Showroomprive
Internal data (customer, catalogue, order & delivery, web logs…)

Clean & enrich data, create 690+ features, test algorithms for best model

Automatically detect future churners with a high degree of accuracy

Internalized data research and development

In-house churn prediction system

77% accuracy in detecting potential churners

Technology

- Vertica
- SQL Server
- Python

Time

Team

Models

- Gradient Boosting Tree
- Logistic Regression
- Stochastic Gradient Descent
- Random Forest
- Decision Tree