Beating Churn Requires Accurate and Truthful Healthscores

Experian Collaborates with Bolstra to Develop and Automate a Churn Probability Index

The Problem

High value customer attrition that happens without apparent warning can cause concern for how you are assessing customer health.

While customer churn impacts organizations differently, there’s little disagreement about the disruption that happens when a high value customer leaves without apparent warning. When this happened at Experian, they considered the processes and resources they had committed to managing existing customers. They also sought to understand what indicators they should have been aware of that would have alerted them to such churn risk. The reality was that it wasn’t a single data point that “caused” the customer to leave. It was more complicated than low adoption/usage. Understanding the root causes for a customer’s attrition is a critical step in addressing churn risk proactively.

The Solution

Knowing customers requires more than just access to usage and survey data. The true health of a customer includes both qualitative and quantitative factors.

Experian knew from experience that no single indicator reflected the likelihood of a customer churning, or the possibility of their growth. So, they worked collaboratively with the Bolstra Customer Success team to determine what data they needed to aggregate to provide a more accurate predictor of customer health.
We knew that usage scores alone were not telling us what we needed to know about how deeply engaged our customers are. So, we’ve spent time trying to identify the magic algorithm that accurately assesses how healthy our customers are. It’s a work in progress, but Bolstra has been a great partner in helping us develop and automate this index.”

— ARIEL BENZAKEIN, SENIOR DIRECTOR OF CLIENT SOLUTIONS AT EXPERIAN

While this formula is still evolving, Experian has made great strides in identifying the data they believe properly reflects customer health. It includes data such as:

- Product Category
- Customer Annual Spend
- Customer Life Span
- Industry
- Usage
- Surveys
- A Bolstra Healthscore

Each of these attributes also has an ascribed scoring rubric which provides a clarifying value to them. They are aggregated and give a more meaningful (and accurate) prediction of churn likelihood.

The Bolstra Churn Probability Index (CPI) now gives the Experian team a clearer picture of their customers’ health. They no longer rely solely upon usage trends or surveys to trigger a response. Instead, the team is able to see potential risks earlier, based upon their own learning and the CPI, and proactively mitigate risks.

“Bolstra has provided us the technology and access to the data we need to aggregate on a real-time basis. We are still fine-tuning what data we need to predict (and prevent) churn, but we now have that information at our fingertips.” — BENZAKEIN

The Value

With greater visibility into customer health, Experian is no longer surprised by unhappy customers and is able to focus on revenue opportunities.

Mitigating churn risk is one side of the revenue coin and must be addressed in tandem with identifying and capitalizing on growth opportunities. As Experian continues to identify the data that they need to heed in knowing what makes customers churn, they are increasingly able to focus on healthy customers that offer expansion opportunities. Their Customer Success team uses Bolstra to see how healthy their customers are AND to deliver the services they know each customer needs to remain engaged. Adopting Bolstra has enabled their team to be fully proactive in increasing adoption and enhancing loyalty.

“The partnership we have with Bolstra has helped us conduct vital assessments of how we know the actual health of our customers and build a truly meaningful index for predicting churn. We are doing this while we continue to automate our delivery. It’s a double win for us, as we move from being reactionary to really being proactive in expanding customer adoption.”

— BENZAKEIN