



Project report
On
“Churn Management of M2M Communications Ltd.”

Prepared for:

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Program –International Human Resource Management

Submission date:

Supervisor's Certificate

This is to certify that the Project Report on “Churn Management of M2M Communications Limited” for the degree International Human Resource Management United International University, carries out but by Momtaj Akter, ID- 115183006, Batch -1st, under my supervision.

Has carried out project under my direct supervision and guidance (for three months) and that the manuscript of the report has been investigation by me.

No part of the project report has been submitted for any degree diploma, title, or recognition before.

I wish her every success in her life.

Mr. Md. Musharrof Hossain (MoHn)
Adjunct Faculty, SoBE
United International University

STUDENT DECLARATION

“This is to state that this report on “Churn Management of M2M Communications Ltd.” has been prepared by me as a requirement of the MIHRM program. All the contents of this report have been prepared by me and the entire report is my original work.”

Momtaz Akter
ID- 115 183 006
Batch- 1st
United International University

Letter of Transmittal

Date:

To

Mr. Md. Musharrof Hossain (MoHn)

Adjunct Faculty, SoBE

United International University

Subject: Submission of Project Report on “Churn Management of M2M Communications Ltd.”

Dear Madam,

With due respect, I am submitting my Project report on the topic titled “Churn Management of M2M Communications Ltd.” as a part of my MIHR Program.

It is my pleasure to inform you that I am an employee M2M Communications LTD. In Operations Department. It was an admirable opportunity for me to complete my project in on M2Mvts. I would like to thank you for giving me the prospect to work on this consigned topic to enhance my knowledge in the practical field. This report explores the identification of factors that leads to churn of M2M and future recommendation. The project report has been prepared based on the practical experience, discussion and communication with clients over phone. I hope you will find it worthy.

Therefore, I sincerely hope that you will appreciate my contribution.

Sincerely yours,

Momtaj Akter

ID- 115 183 006

Batch- 1st

United International University

ACKNOWLEDGEMENT

The successful completion of my Project Report is the outcome of the contribution and engrossment of a number of people, without their helpful guidance and suggestions the accomplishment of the report was almost impossible. I would like to mention some of the people with due respect and honor who helped me, guided me in the right direction, without any hesitation to complete our Internship report within the due time. Hence, I would like to show my gratitude to all of them from the bottom of my hearts.

At first I would like to thank All Mighty Allah for making it possible for me to complete my work properly within the given time. Therefore, I would like to thank my project Supervisor Mr. Md. Musharrof Hossain (MoHn), Adjunct Faculty, SoBE United International University for providing me such an excellent opportunity to prepare a project Report, was always ready to guide me and solved all the complications that I confronted during preparing my project of the report.

Most importantly, I would also like to thank Md. Moniruzzaman (AGM, Operations), Mr. Bilash Delton Joydhor (Assistant Manager, Operations), Mr, Mukul Mia (Manager, Operations) and the rest on helping me to prepare a better report.

Finally, I am really indebted to my family and friends for their continuous support and faith on me which kept me inspired and increased my motivation level.

EXECUTIVE SUMMERY

M2M Communications Ltd. has started the journey since 2011 to offer information technology solutions for small to large sized businesses segments. M2M is the largest Vehicle Tracking Service provider in Bangladesh. This mammoth success would not have been possible without the satisfaction and retention of the loyal subscribers.

This report starts with the insight of the organization including M2M's history, vision, mission, goals, strategies, product and services, activities and performances. It also demonstrates the current competition of M2M and the current scenario of what actually is happening in customer's mind. This paper also illustrates that what are the factors that leads to customers of M2M to switch to other VTS services and described properly, based on that a hypothesis was created and tested. The study also concentrates on the perception of customers of M2M as a qualitative research was done with a respondent of 330 all the data was collected through primary data which was only used by me on this study purpose. This paper talks about what lead customers to dissatisfaction as well as the impact of promotional offer over their purchase behavior, other factors like service usage and switching cost are also considered in the study. Moreover, some recommendation was given at the end which could help M2M to reduce churn rate among their existing customer. However, M2M should be engaged in continuous market research in order to come up with the suitable or matching products according to the customer requirements so that can retain more customers in future.

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CHAPTER -1

Instigation

Instigation

1.1 Statement of the problem:

After completing 111 credits for MIHRM program from the faculty of business administration, United International University, I was placed at M2M Communication Limited as part of the project program requirement. This is prepared for the project program.

The goal of the project is to expose the student in the organizational work situation. Also, to provide an opportunity for applying class room learning in practice. There are some differences between theories and practices. Project program is a system by which we can accustom ourselves to the practical situation. The gap between these two can be bridged up through this procedure.

1.2 Scope of the study:

The report will mainly focus on churn management activities of M2M Communication Ltd. The propose study will cover the vehicle tracking service about M2M Communication Ltd. That means in this report all the aspects of churn management activities are discussed with the problems and proposed solutions, by those the management can take decisions regarding modifying their plans to reduce churn.

1.3 Objectives of the study:

The first objective of preparing this report is to fulfill the partial requirements of the MIHRM program. In the report, I have attempted to give an overview of M2M Communication Ltd. in general. Some following objectives of the project are as follows.

- Achieving the idea of corporate process of M2M communication limited.
- To clarify the task of M2M infrastructure.
- To know more about tracking device.
- To know about how to track a vehicle.
- To know what is churn and how "M2M Communications Ltd" manages their churn.
- Finding the short comings of M2M in its corporate and individual structure.
- Recommending ways to solve the underlying problems.

1.4 Importance of the study:

This study will help us to know what churn actually is. Churn management has a great impact on a company's revenue. To spare from revenue loss, a company should manage their churn carefully and strategically. Through this report we will get an idea about what is churn and how M2M Communications Ltd. manages their churn to minimize revenue loss.

1.5 Methodology:

For creating a report everyone needs some help to know better about the company and most of are following some rules and regulations thus are Primary and secondary sources. To more about that sources showing given below-

➤ Primary sources:

1. Observation about how they convince the customer over phone.
2. How they offer discounts and extra facilities to churned customer.
3. Communication with clients over phone regularly.

➤ Secondary Sources:

1. Company's work sheets, files
2. Websites.

1.6 Limitation of the report:

To prepare this whole project report, I face some difficulties like- collecting information, time limitation and lack of communication to other departments, strict restrictions on some internal data to showing in this report. The limitations are as follows:

-
- Information unavailability by dint of confidentiality.
- Limitation of time
- limited access to other department during my working period.
- Lack of experience
- Limited access to data. So it was not possible to get all information that was needed.
- Secondary source of data was too limited.
- Every company has some confidential information that it should not share to any outsider as well.

CHAPTER -2

Organizational Overview

2. Organizational Overview

2.1 Background of the M2M Communication:

M2M Communications Ltd. has started the journey since 2011 to offer information technology solutions for small to large sized businesses segments. They are a technology intensive corporation geared to deliver state-of-the-art solutions in areas of integrated business solutions, vehicle tracking solutions, system applications, product development, Internet/Intranet applications and total surveillance solutions and monitoring, Virtual surveillance solution for preventive measure, complete data center solutions, ERP and CRM solutions along with communication & network management services. This company Got License from BTRC (Bangladesh Telecommunication Regulatory Commission) in 2014 and they also got the membership in the same year from the BASIS (Bangladesh Associated of the software and information Service).

M2M Company delivers tracking service all over the country and every type of vehicles that can be track, car, bus, pickup, minibus, Bike etc. Monitoring the vehicle company has personal software and apps that found out Google play store and Apple store. In this sector there have some competitors they are – Finder, Grameen phone, BD com, Nitol Niloy, Monico and NITS etc. They always try to the customer best service.

2.2 M2M Goals:

Every company has their specific goals, mission, and vision. As like M2M communication their goals is simple. We want to make sure proper working environment and make it different from other competitors.

The main M2M goals are given below-

- Enhance their work area.
- Combined their office in one specific place
- Reasonable price ensures
- Product availability

2.3 Mission:

In the mission statement we provide our service hole Bangladesh as already know that they are covering with installation and support (8 divisions head quarter and more 27 major

districts) In next 2-4 years they want to cover 64 district. Ensuring proper network service thus none other complain network problem.

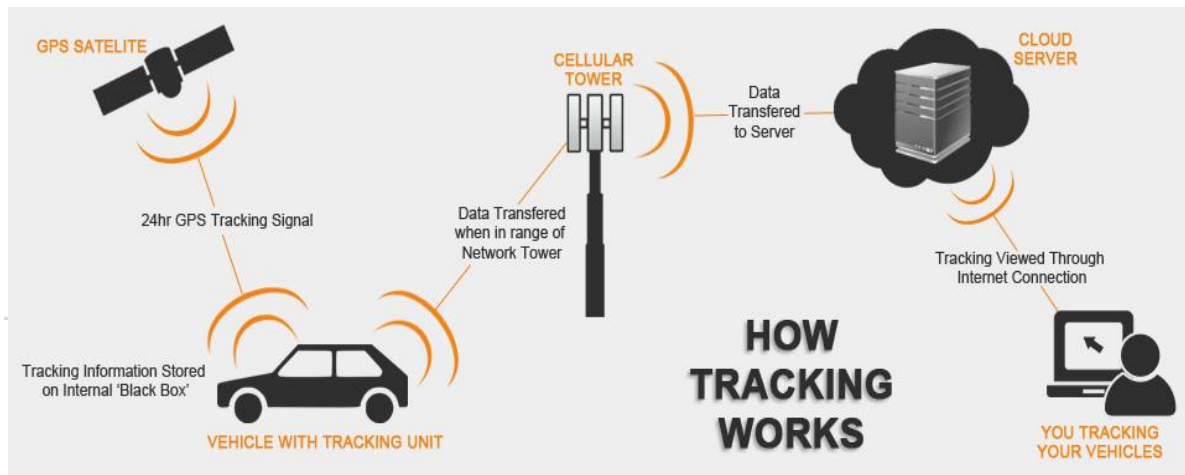
2.4 Vision:

Normally most of the people are not using VTS service and it's still not available item as like food item. Our main vision is to target that people those are using vehicle but not interested VTS services. We have many of the competitors we want to ensure our place in the top ranking. We are focusing the client's long- term achievement of our Organizations by creating better impact by the brand. M2M Communications need keeping up exactness level to give an answer for Vehicle Tracking administrations, based on a profoundly versatile Technological stage, enabling individuals of Bangladesh to securely move or burglary the auto everywhere throughout the nation.

2.5 M2M Service Center:

Deals and Main Service Center	
1. <u>CORPORATE OFFICE</u> House # 495 (2 nd floor), Road no #32, DOHS Mohakhali, Dhaka- 1206, Bangladesh, Tel: +8802-9897327 EMAIL info@m2mbd.com	2. <u>SALES OFFICE</u> House # 395 (2nd Floor), Road # 29, DOHS Mohakhali, Dhaka-1206, Bangladesh. PHONE Sales +88 01833 101454 , +88 01847 066983 Billing +88 01833 310123 Support +88 01917 778444, +88 01730 327599 EMAIL info@m2mbd.com

2.6 How to Track a Vehicle?



2.7 M2M Services and Product features:

- **CAR DEVICE KEY FEATURES:**

- 24 Hours Real-time Tracking:
That means a car by using the device more secure than past because of that car now you can track 24 hours. And every 25 sec. later automatically car location will be update.
- Bisector voice Communications (Optional)
- 5 threatening SMS notification will be generated (Geo fence break, Exterior battery removal alert, over speed alert, SOS alert and Engine on/stop notify).
- 75 SMS notification free for SMS notification (Push SMS) for every monthly subscription.
- 3years' product replacement warranty.
- 24/7 call center facility.
- Emergency Engine Blocking and Current Engine Status:
If user thinks his/her vehicle has been theft or moved from specific location without his/her permission. Then user can easily stop the car engine via SMS to M2M communication ltd call center agent.
- Geo-fence:
VTS subscriber can easily observing his vehicle activities by using Geo-fence. If anyone breaks the geo-fence an SMS notification will be auto generate to the subscriber's authorized contact number. Thus you can easily know.
- Over Speed Alert:
You can fix your vehicle speed limit. But when any one drive your car and cross speed limit of your vehicle then you can get an SMS.
- Many vehicles can be monitor in one customer interface.
- Five push-pull number can be adding and multiple numbers notifications.
- Android and IOS apps will be applicable.
- Trip count report including travel distance & history

- Group & child account facilities
- Live Alarm viewer facilities
- Our map has full coverage with detailed.
- Unlimited Geo-fence with rescheduling facilities.
- We provide tracking accuracy through north-west/south-east, etc options.
- We can store previous 3 months tracking data
- Monitoring Fuel Consumption through Travel Distance Graph and minimize expenditure very easily.
- Installation and Support available to 8 divisions head quarter and more 27 major districts.
- 16 lakhs + Landmarks (POI) are available.
- We have 13+ major Reports for day to day/Month analysis.
- Mobile support/installation is available.

DEVICE SPECIFICATIONS:

- Current data tracking with best GPS network (SARF-III)
- This tracking device can be installed from 12- 24 V any supported vehicle
- Low power consumption.
- Industrial GPS and GSM modules help better signal strength

CAMERA SPECIFICATIONS:

- Quantity of pictures (snap taken): 200 picture per month.
- 1-year replacement privileged
- Quality of pictures: QVGA.
- Super night vision, Picture resolutions: 320X240.



OTHERS V.A.S OFFERING:

- Oil/Gas detection sensor (proposed)
- Parallel Tracking via LBS (GSM Location). If GPS fail, still the vehicle will be discoverable.
- Fuel sensing using vehicle's existing fuel sensor.(proposed)
- A/C or Door sensor (proposed)

• **BIKE DEVICE FEATURES**

- 24 Hours Real-time Tracking
- Emergency Engine Blocking and Current Engine Status
- Geo-fence and Over Speed Alert
- SMS notification for breaking news (Push SMS). 50 SMS free for every monthly subscription.
- Multiple vehicles can be managed in one customer interface.
- One prime number can be engaged and multiple numbers notifications.
- Android and IOS apps will be applicable.
- 2 breaking News SMS will be generated (Geo fence break, Exterior battery removal alert)
- 1 year tracking device replacement facility.
- Expert call center provides 24/7 Support.
- Trip count report including travel distance & history
- Group & child account facilities
- Live Alarm viewer facilities
- We have full coverage with detailed info in our map.
- Unlimited Geo-fence with rescheduling facilities.
- We provide tracking accuracy through north-west/south-east, etc options.
- We can store last 3 months reports
- Monitoring Fuel Consumption through Travel Distance Graph and minimize expenditure very easily.
- Installation and Support available to 8 divisions head quarter and more 27 major districts.
- 16 lakhs + Landmarks (POI) are available.
- We have 13+ major Reports for day to day/Month analysis.
- Mobile support/installation is available.

DEVICE SPECIFICATIONS:

- Product can support from 12- 24 V any vehicle
- Low power consumption.
- Industrial GPS and GSM modules are used for better signal strength

OTHERS V.A.S OFFERING:

- Regular vehicle tracking device.
- Voice enable device (Optional).
- A/C or Door sensor (Coming Up)
- Oil/Gas detection sensor (Coming Up).
- Parallel Tracking via LBS (GSM Location). If GPS fail, still the vehicle will be discoverable. (Coming Up).
- Fuel sensing using vehicle's existing fuel sensor. (Coming Up)

Area Coverage Support

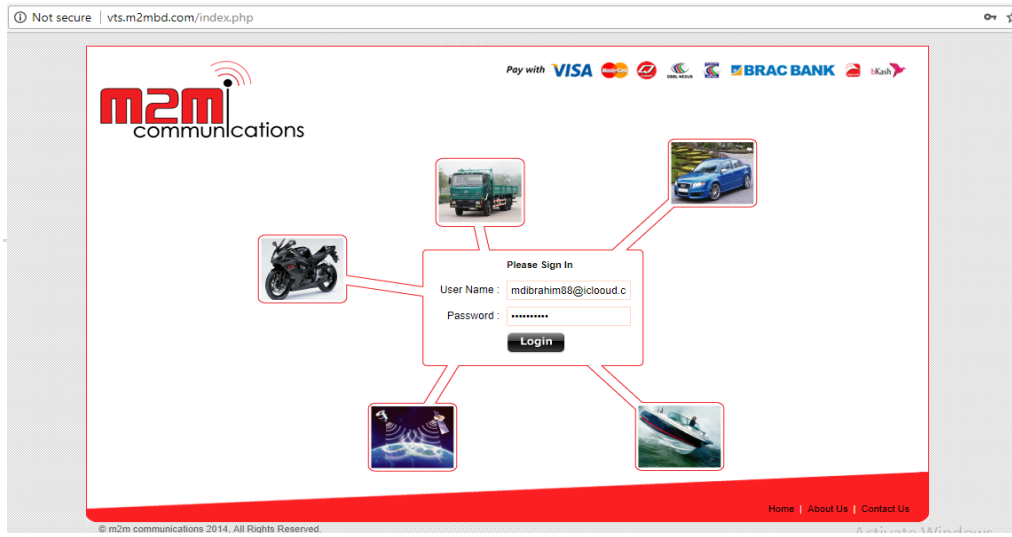
1. Dhaka (Metropolitan Area),
2. Chittagong (Metropolitan Area),
3. Bogura (Metropolitan Area),
4. Sylhet (Metropolitan Area),
5. Khulna (Metropolitan Area),
6. Rajshahi (Metropolitan Area),
7. Rangpur (Metropolitan Area),
8. Barisal (Metropolitan Area).

27 Major District town areas: (Conditions Apply)

- Narayangong,
- Munshigong,
- Gazipur,
- Bogra,
- Jessore,
- Comilla,
- Feni ,
- Narshingdi,
- Pabna,
- Mymensing,
- Tangail,
- Manikgong,
- Faridpur,
- Madaripur,
- Shariatpur,
- Bramanbaria,
- Sunamgong,
- Maulvibazar,
- Habigong and Cox's Bazar.

Others than above areas, an additional cost could be incurred for post support in others area and pre approval/schedule required from M2M Communications management.

2.8 User Interface



2.9 Mobile Operating System:

Surveying car location through mobile as well-

- To locate your Vehicle, go to your mobile phone SMS write option and type:
m2m<space>locate<space>DMGA00000
- To stop your vehicle engine, go to your mobile phone SMS write option and type:
m2m<space>engstop<space>DMGA0000
- To unblock your vehicle engine, go to mobile phone SMS write option and type:
m2m<space>engon<space>DMGA0000
- To capture the image in your vehicle, go to mobile phone SMS write option and type: **m2m<space>snap<space>DMCHA0000**

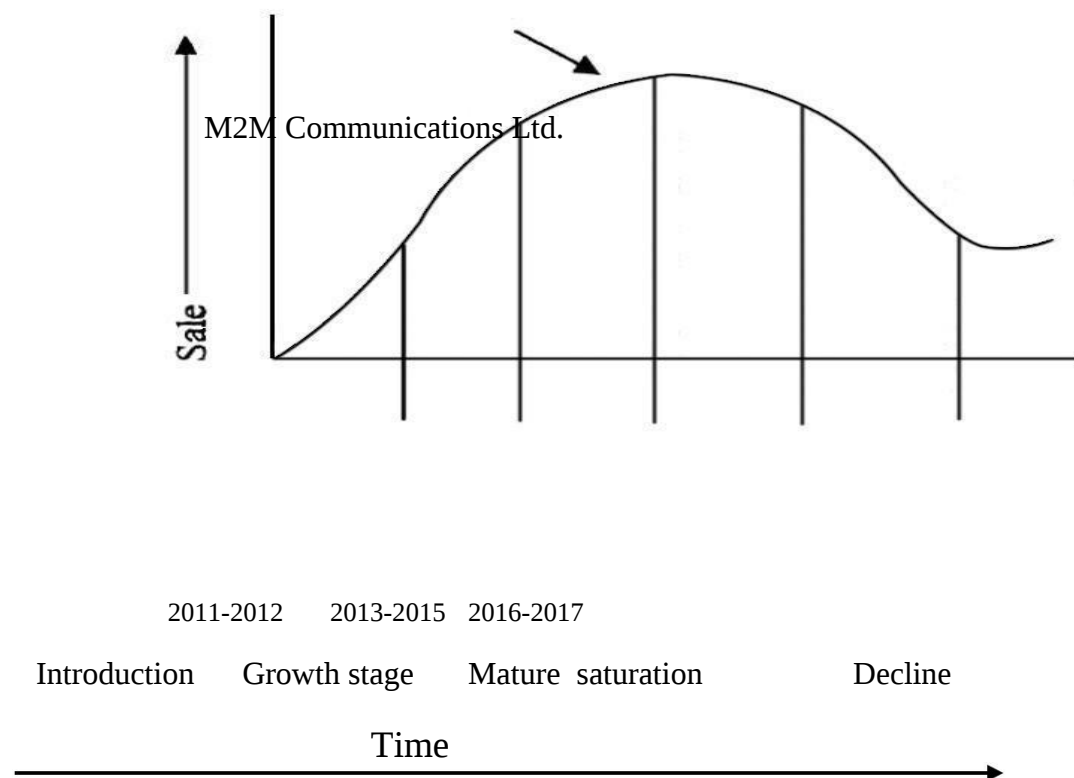
2.10 Department of the company:

Organizations have 7 departments those are: -

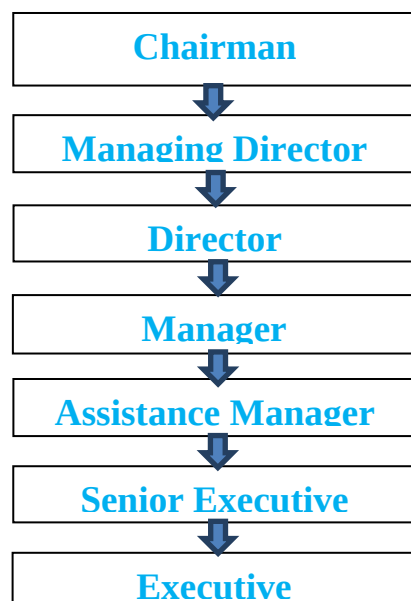
1. Account department
2. Finance department
3. HR department
4. Sales department
5. Billing department
6. Call center department
7. Installation department

This department has unusual activities their own department and all are active and energetic member of the team.

2.11 Organogram of M2M Communications Ltd:



2.12 Organizational Structure:



CHAPTER- 3

About Churn

3. About Churn

Simply put, the customers won't engage in any kind of business activities if they don't feel satisfied working with you. And when customers leave, it hampers the growth of your business. Addressing customer churn is one of the few efficient ways to keep your customers.

Churn calculates the cancelled subscriptions. Unsubscribing customers are always an alarming sign for any business. Winning them back or convincing them to subscribe again is a costly task, let alone expecting them to do word of mouth marketing for your business.

3.1 What is Customer Churn?

By definition, customer churn means the discontinuation of business activities between the customers and the company as a result of customer dissatisfaction. Customer churn is an important benchmark as it is considered less costly to keep the existing clients than to make new ones – which means starting from zero and make way gradually through the sales funnel, as well as making effective and calculative use of your marketing and sales resources throughout the process. Compared to this, retaining existing customers is easier and more efficient as they already trust you and are loyal to you.

Customer churn hampers the growth of a company. So, having a mean of measuring customer churn in a given period is necessary. Through awareness and a proper way of monitoring the churn rate, businesses can effectively measure the success rate of their customer retention and point out scopes of improvements.

Different companies measure customer churn in different ways. Churn rate shows the total number of unsubscribed customers, the proportion of lost customers compared to total number of customers, the lost value of repeating business, or the percentage of repeating value lost. Some businesses calculate churn rate for a specific period, like quarterly or half yearly or fiscal years. A common method to calculate customer churn is dividing the company's total number of clients at the start of a time period by the number of customers the company has lost during the same time.

3.2 Reason behind Customer Churn

There might be various reason for customers to leave a business, but few are suspected as the main force behind customer churn.

1. Poor Onboarding

After convincing the customers to buy your product, to download your app or to sign up for your service, the concern is to prevent initial churn. It occurs in-between two important stages:

- 1) When the customer buys or gets your product,
- 2) When the customer starts getting benefits from purchasing your product.

The time span between the above events is known as onboarding. The term 'benefit' means a wide range of things, from the joy of owning something to monetary rewards. If the customer don't recognize the value of your product or service, it will be considered useless, ineffective, confusing or boring to them. As a result, the second even will never occur.

You have to convince the customer about how the product or service is going to impact their life and make it better as well as how it will help them in solving problems. As an example, providing them with a video that explains the key features of your app in detail, or shows the success stories of real customers using your product. Proper and flawless onboarding is going to add value to your business and turn impulse customers into loyal customers.

Broken Promises

Setting higher customer expectation increases the risk of churn. Often companies offer fast service in low prices to promote their products, which are not true most of the times. As a result of this, businesses tend to offend their loyal clients after a certain period of time and by doing so, inspire them to go to their business competitors.

Your product might be better than the one your competitors are offering, but that won't mean anything to the customers if they feel betrayed. So, it's better not to give them false hopes. Make good assessments of your customer's expectations and compare them with your product qualities and stay true to your initial statements.

Slow Loading App/Website

Slow websites are called the "Silent killers for business". A global online survey shows that 73% of Americans and Brits prefer a competitor brand with a better website than tolerating a website that has poor page loading speed. The survey was carried out on 3,200 adults from the UK and US, and only 2% of them mentioned that they don't care about the website speed.

Mobile site visitors have even higher expectations. 53% visitors leave page if it takes more than 3 seconds to load.

Product Bugginess

Professor Amrit Tiwana mentioned in his book “IT Strategy for Non-IT Managers” that every 100 lines of code the developers write, they make 10 to 15 mistakes. As the size of the project increases, so does the amount of bugs and the cost of failure. Bugginess results in halt of business procedures, defective machineries and equipment, cancellation of important meetings, and loss of sales and business deals.

According to Tiwana, “The solution is not better humans (who create software) but better process that bake in quality.”

This arises the need of spending in the quality assurance sector. Buggy software harms your business more than just financial way, it effects your customers and reputation. On the other hand, by putting more emphasis on testing, you can prove to your customers that you care about their satisfaction more than you care about profit.

Feedback Delay

It is important to give feedback as quick as possible. On average, people wait 12 hours and 10 minutes to get a reply for their email from businesses. Whereas 89% of the customers expect an answer within an hour. This expectation increases even more in case of world-class services, where the expected response time is 15 minutes or less.

Getting late replies frustrates the clients and inspire them to look out for more active service providers. So, you have to be proactive while replying to customer’s emails to stay on top of your game.

Avoiding Apologies

Customers want to be respected and to get attention as much as they want you to solve the problems they faced while using your product. A worldwide survey showed that customers feel disturbed when they were complaining about a product and the employee tried to divert the topic. When the customers are not satisfied with the product, they usually expect that the companies will apologize to them, while solving the actual problem is on the fifth place in their list of expectations.

The Nottingham School of Economics mentioned that the art of saying sorry seems priceless in the point of view of their conducted research. The research found that 45% of customers are willing to take back their bad comments after getting an apology from the company. Whereas, providing compensation gives the same effect on only 23% of customers.

No Care after selling

Only one out of 26 dissatisfied customers tend to discuss their dissatisfaction directly with the company’s representative. They prefer to comment about the products on social media, forums or somewhere else online. A large group of unhappy clients prefer leaving than complaining.

Following up with the buyers within two to four weeks after they purchase your product is a great way to make sure that everything is going well with them. You can ask them to give feedback on the product they've purchased. You can send emails and push notifications from time to time to follow up and also informing them about your new products and all the changes you've made to the existing products.

Lack of Exclusive Offers

The good waiters value the relationships the customers have with the restaurants. Their personalized way of greeting and way of talking inspires the customers to visit the restaurant more often and order more.

This strategy is old but it is still proven to be effective. It is sad that now a days brands forget about this common practice and pays the price highly when they fail to meet customer expectations.

Recent online survey conducted by Epsilon shows that 29% to 45% of websites or mobile apps are hardly motivating customers with personalized offers. At the same time, 80% of the customers said that they prefer buying products from a company that makes customized experiences for them.

Ignoring the power of Small Lagniappes

Marriam-Webster mentioned "lagniappe" as a small gift that the merchant gives to the customer while they buy something from the merchant. The term came from the southern U.S. and it refers to a little something extra you give to your customer. It might be an inexpensive keepsake, a month of free service, free shipping, branded cookies or gift cards.

Not all customers will recognize this gesture, but those who do will become your loyal customers and refer other people to your company.

In the same way, your rivals might use this "lagniappe" method to take away your customers. You should always be careful about it and shouldn't give any chance to your competitors.

Too Much Advertising

You have to know the difference between caring and disturbing. None prefers to be bothered by continuous spam emails and ad campaigns every day.

You have to keep track of whether your customers are showing any interest in your offers or not. You have to check if they're opening the emails or clicking the links. If they're not, then maybe they don't want to be bothered by those emails. So, it will be better to stop sending them similar messages or else it might create bad impression of your company to them.

It's better to learn more about your customers – keep an eye on their purchase behavior, examine what and when they buy. Provide them with customized offers rather than contacting them more often.

Despite all these efforts if the client choose to go to another vendor, try to communicate with them and ask politely about what their reason was for not choosing your product, and how you can make the service better for them in the future. It might not bring back your customer, but it'll help you to get valuable insight about customers' needs.

3.3 Disadvantages of Customer Churn

The value of a lifetime customer and the ability to grow your business is directly related. In the same way, the growth of your business decreases with the increase in your customer churn rate. Striking marketing campaigns means nothing if your business is losing clients at a high rate, as the process of acquiring new clients is very expensive. There has been so many studies over time which has proven that the cost of acquiring new customers is way higher than cost of retaining customers. On an average, business pay seven times more on customer acquisition than customer retention, and the average value of a lost customer is estimated to be \$243. So, it is clear that customer churn is costly for businesses.

3.4 Why churn management is important?

The term “customer churn” is used mainly in the subscription based business industry to explain the loss of customers. As an example, if an ISP company loses 10 of their 100 regular customers, their churn rate would be 10%.

Churn effect your service's profitability directly. It is clear that the increase of a company's customer base indicates the profitability of that company's service. That in turn shows that, if a business owner wants to grow their customer base, their rate of acquiring new customers should be higher than their churn rate.

It is not always a good idea to focus too much on increasing the rate of customer acquisition to exceed the rate of customer churn. Researchers like Tom Au from AT&T suggest that it is better to give emphasis on retention. He noted that due to savings on acquisition costs, higher volume of service consumption and customer referrals, retention of new customers is proved to be more profitable than acquiring new customers.

CHAPTER-4

Analysis: Churn Management of M2M Communications Ltd.

4. Analysis: Churn Management of M2M Communications Ltd.

In this chapter I will discuss about what M2M do to reduce their churn. The management process of churn is as follows-

4.1 Finding churned customers

To manage and reduce churn, the first task is to find out the churned customers. After getting a short training, I was given 403 data of churned customers. My task was to convince them to continue the service at any cost. As this customers are very valuable for company's revenue.

Though the information of the churned customers were given to me, I had to cross check their VTS sim numbers, vehicle ID and contact numbers from M2M vehicle tracking server.

4.2 Checking their previous service history

After finding out the churned customers and getting their valid information, my task was to check their previous service history through e-mail as all the service related information are exchanged through e-mail.

This step is needed to get an idea about how the customer's relationship has been with the company. This step may also give an idea about the reason of leaving the service and level of dissatisfaction. This step is very important before communicating with customer. Because if I communicate with him/her without knowing anything about his/her previous service history, he/she might be very annoyed to repeat the reasons of dissatisfaction. So, if I have an idea about his/her issue, I can communicate with him/her being prepared with a probable solution.

This step may not be helpful in term of every customer. But it is effective for maximum customers. I followed this step before communicating with every single customer.

4.3 Communicating with customer

This was the main step and very challenging step of churn management. I communicated with customers over phone. I learned some guidelines on talking with customers over phone. Before calling the target customer, I followed the previous step. Then I made phone call to the customer by following the guidelines. Such as-

“Shuvoshokal/oporanho.M2M Vehicle Tracking Service theke Jannat bolchhi. Sir/Madam, apnar shathe VTS er bepare kotha bolte chacchi, kindly kichukkhon shomoy dewa jabe?”

-If the answer was “NO”, I gave goodbye greetings and end the conversation. Such as-

“Mulloban shomoy diye shohojogitak orarjonno dhonnobad. Bhalo thakun”

-If the answer was “YES”, then I continued the conversation following his/her vehicle ID to be sure if he/she is the right contact person. Then I discussed with him/her about the problems he/she faced previously and tried to resolve the issues immediately if possible. It is very important to make him/her feel very important and valuable for the company. I tried to talk to them very politely and carefully so that he/she finds me trustworthy to share their problems with me.

Here are some feedbacks that I got from most of the customers-

- Vehicle sold out
- Monthly bill is high
- Self driving
- Will continue later
- Using another VTS service
- Device malfunction/manipulation/warranty fail
- Lack of features.

4.4 Serving essential services and offering special discounts

After finding out the specific problems, proper actions need to be taken as soon as possible. An immediate action will make them feel that they matter to the company so much. Different customer has different issues. And those issues need specific solutions.

Here are some solutions of the customer feedbacks which I provided-

- **Vehicle sold out:** Some of the customers stopped using the service because they sold the car for which they were using the VTS service. I asked them whether they have removed the device from the vehicle before selling it or not. If the answer is “YES”, then I offered them to install the device into another vehicle if they own any. If they did not own another vehicle, then I offered them to keep the device and requested them to install it after purchasing a new car.

If the customer did not remove the device from the vehicle before selling it and also not interested to continue the service, then I requested them to give any contact number of the person who purchased the car if possible. If I got the number of the number of the new owner, I communicated with him and told about the VTS service

and device which is already installed in the car. If he wanted to use the service, I told him the farther procedures.

- **Monthly bill is high:** Some of the customers stopped using the service because they find the monthly very high. I offered those customers an attractive percentage of discounts. Obviously the discount rate was fixed by the head of the department.
- **Self driving:** Some of the customers stopped using the service because they are currently driving the car by themselves. So they do not feel the necessity of tracking the vehicle. In this case, I kept the accounts on hold and offered them that they can come back and use the service at any time they want.
- **Will continue later:** Some customers said that they will continue later. I communicated with them at 2-3 days of intervals to let them know about new features and services.
- **Using another VTS service:** Some customers found another VTS service more attractive. So they switched the service into another. I informed them about new features and services that M2M is offering.
- **Device malfunction/manipulation/warranty fail:** These generally happen with very old customers, customers who have been using the service for a long time. In these cases, the device does not work anymore due to warranty expiration, manipulation. So, the customers stop using the service thinking that they need to buy a whole new device and create a new account which might be costly for the customer.

But there is an attractive solution for this type of problems. I offered them to warranty purchase. In warranty purchase, M2M offers a brand new device in exchange of the old device with three years of warranty period. And the payment for warranty purchase is very low compared to the new device purchasing price. The main benefit is there is no need to create a new account in warranty purchase. Customer can use the same account they previously used.

M2M communications Ltd. manages their churn through above method. I tried my best to reactivate as many accounts as possible. Following this method, I could reactivate 52 accounts.

CHAPTER 5

Findings

5. Findings

After completing my three months of internship at M2M Communications Ltd. on churn management, I came to learn about these following subjects-

- The churn management method of M2M is fully based on mobile communication.
- Many of the clients churn because they have sold their car and do not know about device transfer process.
- M2M does not have a separate team for churn management.
- Monthly charge is a little bit high for some customers.
- Some clients lose their interest about the service as they do not understand the features and usage of the service properly.
- As this service needs a sim card which leads to often network problem. Sometimes and in some areas, the cellular mobile network is poor. And that causes poor tracking service.
- M2M has many great features and services. Many customers do not know about those features and their benefits.
- Lack of man power which causes slow and delayed service. And that leads to customer dissatisfaction.
- Less features than the strong competitors. There are some VTS service providers who are offering more features in lower cost.

CHAPTER-6

Recommendations

6. **Recommendation**

Every business organization has some strengths and some lacking. There is no need to be tensed about the strengths, but the lacking parts must have some serious attention.

The churn management system of M2M Communication Ltd. is not free of lacking. But there is always a solution for everything. Here are some recommendations which might help to improve the service quality and reduce customer churn-

- They may build a separate and efficient team only for churn management.
- They may provide some video tutorial describing the usage and features of the service.
- Monthly charge might be reduced to attract customers.
- Giving additional discounts and offers to old customers might enhance the impression and goodwill of the company.
- They may imply the customers properly about the device transfer process from one vehicle to another at the very time of purchasing the service.
- They may arrange various types of campaigns and fairs to attract customers.
- Asking for feedback often from the best customers might be a helping hand in reducing churn.
- Being competitive and keeping an eye on the competitors is a great way to retain customers.
- They might increase their manpower to accelerate the service providing speed and improve the quality of service.
- Proper training programs may help the employees to be more efficient in churn management.
- Paying attention to the complaints might help to reduce churn.

CHAPTER-7

Conclusion

7. **Conclusion**

Business loss is unavoidable, whereas keeping customers to churn can be controlled up to a certain level of significance. High churning rate for VTS service provider leads to a huge damage so better methods needed to be developed or enhancements of the existing methods can be used to prevent churning of customers to lessen. In this paper I have discussed about the factors that lead to churn and the possible ways that can be enhanced for tuning them up or upgrading for more accuracy. In previous research papers prepared by different researchers claimed that the accuracy of decision tree predicted was much feasible and correct suggesting decision tree to be more efficient process. Thus, it is important to understand that, we cannot satisfy all the customers all the time, but we can satisfy some customers all the time.

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