Telecom Company

Customer Churn Report

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- Churn Customer Analysis.
- Executive Summary.
- Recommendations.

overview

- **Introduction:**
  - Databel is a leading Telecom provider have a problem that customers left the company.
  - Customer churn, also known as the rate of attrition, refers to the rate at which customers stop doing business with an entity.
  - This is an important metric because it allows companies to measure competitiveness and tells you exactly why customers are leaving the company.
  - Reducing churn is a priority for many companies.
- **Our mission:**
  - is analyzing a dataset and reveal the underlying factors driving customer churn.
  - I aim to provide Databel with actionable insights to reduce churn and enhance customer retention.

Highlight

➢ **Ask Question about the reason of customer churn?**

➢ **About customers and behaviors**

o What age groups or demographics are most likely to lose service?

o Is there a relationship between the length of a customer's subscription and the likelihood of them leaving?

o What are the common characteristics of customers who leave the service?

o Is there a pattern in customer behavior before they cancel?

➢ **About Competition and Offers**

o To what extent do offers and discounts offered by competing companies affect the decision of customers to leave?

o Is there a relationship between the expiration of promotional offers or special packages and the increase in the loss rate?

o How do loyalty or reward programs affect the decision of customers to stay or leave?

➢ **About Service Usage**

o What services or packages do customers who leave use most frequently?

o How does data or call usage differ between customers who stay and those who leave?

o Is there a relationship between the number of complaints or technical support requests and the rate of customer churn?

o What are the most common reasons customers report when unsubscribing?

➢ **About Customer Financial Performance**

o Is there a relationship between high or late billing and increased likelihood of customer churn?

o How does the type of plan a customer subscribes to (prepaid or monthly billing) affect their likelihood of churn?

o Is there a relationship between upgrade or enhancement offers and increased customer retention?

Telecom Company
Customer Churn Analysis

Month All ▾

Year 2015 ─○─ 2021

Contract Type All ▾

« ≡ Filters

Total Customer	Total Churn	Total Churn Ratio	Average Churn Ratio per Year	Average Churn Ratio per Month
6680	1794	27%	21%	25%

Churn Trend Customer Over Time

● Total Churn ● Total Customer

1,000 — 2.0K / 961
500
0

2015: 2.0K / 961
2016: 1.0K / 295
2017: 0.8K / 182
2018: 0.7K / 139
2019: 0.8K / 119
2020: 1.1K / 89
2021: 0.3K / 9

Summary State

AK

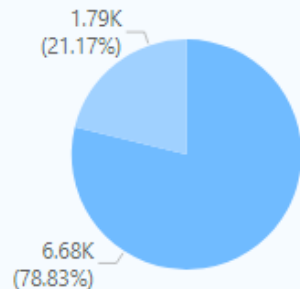| 104	30	27%	23%
Total Customer	Total Churn	Average Churn …	Average Churn Year

Total Churn by State
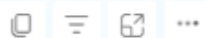
All ▾

Total Customer and Total Churn

● Total Customer ● Total Churn

1.79K (21.17%)
6.68K (78.83%)

Churn Customer Month

400
200
0

January February March April May June July August September October November December
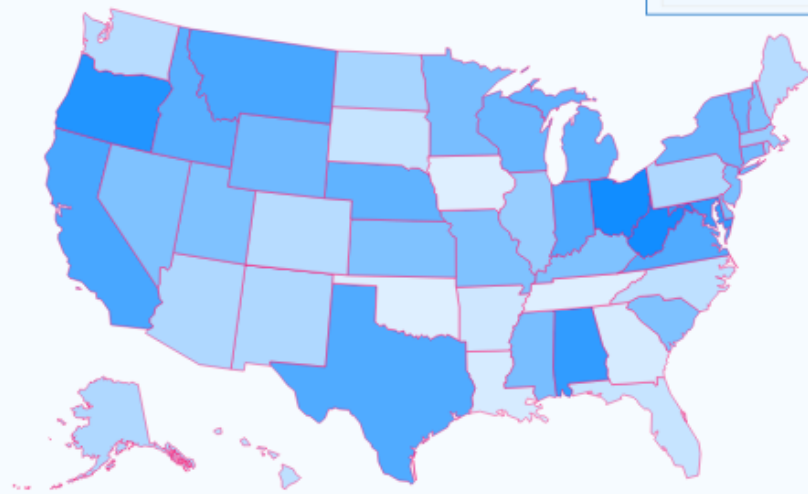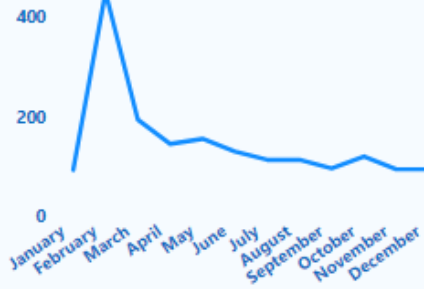
Consumption Customer Analysis

Month

All

Year

2016   2021

Contract Type

All

» Filters

Churn By Age Rate

22 15 20 22 24 18

1 4 5 6 8

0   50   100

85

● Total Churn   8

Contract Type

● Count of Total Customer   ● Total Churn

1.7K

Month-to-...   1.7K   0.6K

One Year   1.4K
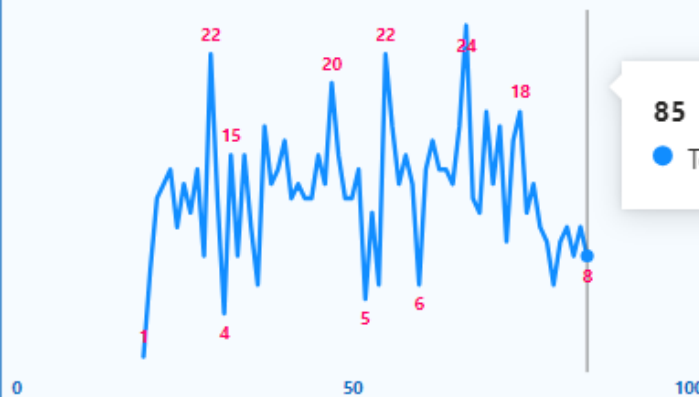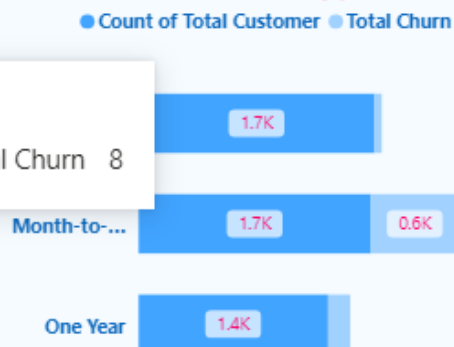
Churn & Account Length (Monthly)

30

20

10

0

20   40   60   80

Churn by Age Category

● Senior   ● Other   ● Under 30

125 (15.01%)

262 (31.45%)

446 (53.54%)

Extra Data & Churn

● Extra International Charges   ● Extra Data Charges   ● Total Churn

251.0

60.8K

208.0

43.0K

44.7K

192.0

58.1K

182.0

260

240

220

200

180

Qtr 1   Qtr 2   Qtr 3   Qtr 4
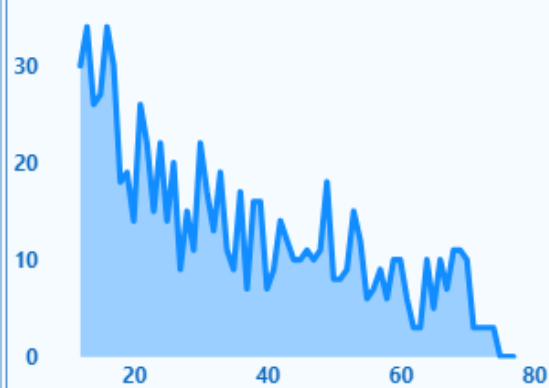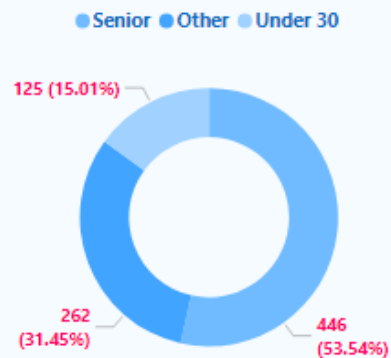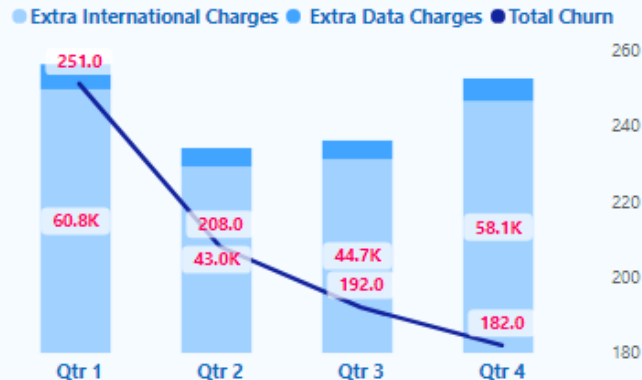
Top 10 State Churn Customer

CA   OR   UT   TX

56%   23%   21%   20%

OH   VA   CT   WV

29%   20%

MT   AL   19%   14%

27%   20%

⊘ Churn Customer, Consumption...
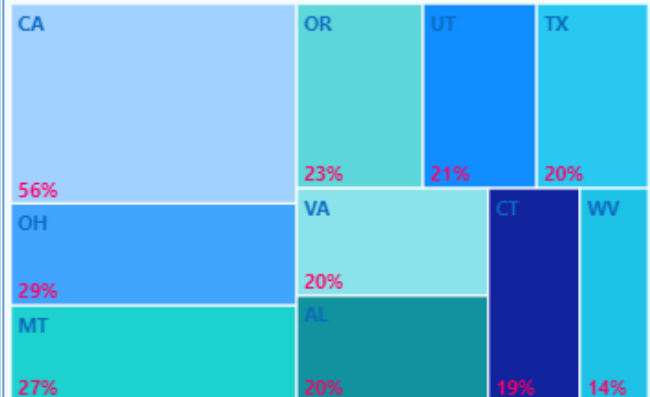
Services Analysis

Month
All

Year
2016   2021

Contract Type
All

Customer Service and Churn

- Local Calls
- Intl Calls
- Churn Customer

Category	Value
0	172.0 / 0.2M / 0.6M
1	122.0
2	145.0
3	118.0
4	139.0
5	137.0

200
100

Device Protection & Online Backup Services

No	56.42%
Yes	43.58%

International Plan &Churn Customer

- no: 18.0%
- yes: 15.2%
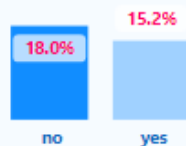
Intl Active

No	Yes

Unlimited plan and churn rate

- No
- Yes

Between 5-10 GB	More Than 10GB	Less Than 5GB
22%	18%	25%
21%	17%	7%
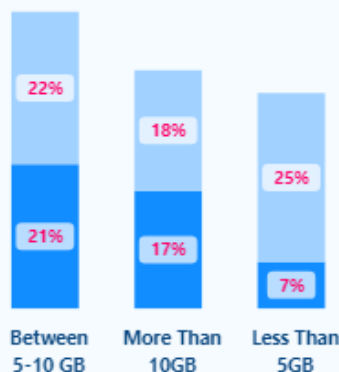
Payment Method & Churn

- Direct Debit
- Paper Check
- Credit Card

- 10% (19.75%)
- 24% (48.27%)
- 16% (31.98%)
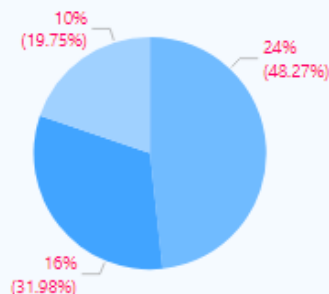
Key influencers | Top segments

What influences Total Churn to **Increase** ?

When...   ....the average of Total Churn increases by

Average of Intl Mins is 0 - 60.6   **0.81**

Average of Local Mins is 243.2 or less   **0.14**

Total Churn is more likely to increase when Average of Intl Mins is 0 - 60.6 than otherwise (on average).

Average of Total Churn

1.0

0.5

0.0

Average (excluding selected): 0.17

0 or less	0 - 60.6	60.6 - 414	414 - 828	more than 828

Average of Intl Mins (bins)
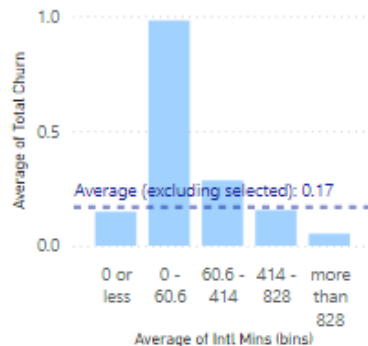
☐ Only show values that are influencers

Sort by: Impact   Count

Filters

Churn Category Analysis

Year	✕	Churn Category	✕	Month	✕	Churn Reason	✕

January
0.23%

Competitor had better devices
0.17%

Competitor made better offer
0.06%

February
0.45%

2015
54.05%

March
0.23%

Competitor offered higher down...
0.11%

2016
16.30%

April
0.23%

Competitor offered more data
0.11%

2017
10.13%

Attitude
1.02%

May
0.17%

Total Churn
100.00%

2018
7.64%

Competitor
2.83%

June
0.40%

2019
6.51%

Dissatisfaction
0.96%

July
0.11%

2020
4.87%

Other
0.79%

August
0.23%

2021
0.51%

Price
0.91%

September
0.17%

October
0.23%

November
0.23%

⌄

Executive Summary

❖ **There are internal reasons specific to the company and others external to competitors.**

➢ **Internal reasons: -**

• The number of Churn customers was **1794** out of **6680**, at a rate of **27%** over the years.

• Note that over the years the rate of customer loss decreased from **2015-2021**, meaning that the company is striving to get rid of this loss.

• The services that the company provided at the beginning were the first reason for losing it and losing the customer's trust, which were represented in:-

  ✓ Customer service and dealing that does not meet the customer's needs in solving problems and inquiring about the company's services led to:
    o Consuming the customer's time and words as well as the company's
    o Poor evaluation of the service and the company
    o Losing the customer's trust and thus losing him
    o Misconduct of technical support service officials reflected on the customer and the company.

  ✓ Untrustworthy payment methods such as paper checks and direct debit have led to attracting many customers due to lack of security and trust.

Executive Summary

✓ The backup services provided by the company to customers, the lack of awareness of them and the security of customer data led to the loss of customers, as customers who are not subscribed to this service are lost at a rate of **56%** of the total customers.

✓ The lack of services for international customers, such as shipping, additional fees, additional packages, and the lack of a security plan, led to the loss of many customers, at a rate of **18%.**

✓ The lack of services that benefit businesses, companies, business entities, and the senior age groups in particular, because the working group had the largest loss at a rate of **53.3%.**

✓ Note that monthly contracts have a percentage of loss in customers compared to annual contracts and every two years.

✓ The weakness of the network, the instability of the network, and the slow and unsatisfactory speed for the customer resulted in the withdrawal of customers from the company one after the other.

➢ **External reasons related to competitors (45.50%):-**

  ✓ 1- The competitor provides package offers and shipping for mobile and Internet services, which led to lose customers by **17.15%.**

  ✓ Providing the best devices and protection system to customers led to losing customers by **16.81%**

  ✓ Improving the laws for customers led to losing them by **5.32%**

  ✓ Providing additional free data to customers led to losing them by **6.23%**

Recommendations....

- ❖ **Improving network quality:**
  - Ensure that faults and interruptions are reduced and that high-quality internet and call services are provided, as poor service quality is a common reason for customer abandonment.
- ❖ **Customizing offers and discounts:**
  - Provide personalized offers based on customer usage history and behavior, such as data or call discounts for people who use them intensively.
- ❖ **Providing distinguished technical support:**
  - Provide customer support around the clock with quick response and listening to customer problems and resolving them immediately.
- ❖ **Effective loyalty programs:**
  - Provide loyalty programs that reward customers who use the company's services for long periods through reward points that can be redeemed for additional services or distinguished products.
- ❖ **Customer Satisfaction Surveys:**
  - Conduct periodic surveys to get feedback from customers about the services provided, and work on improving weaknesses.
- ❖ **Effectively manage customer complaints:**
  - Ensure that each complaint is addressed quickly, and that the customer feels cared for and respected in every interaction with the company.
- ❖ **Build a personal relationship with customers:**
  - Use CRM tools to personalize communication with customers, such as congratulating them on special occasions or providing personalized offers.
- ❖ **Preempt problems:**
  - Analyze usage data and predict customer behavior, and communicate with them if any signs of potential churn are observed.
- ❖ **Delivering an integrated experience across channels:**
  - Improve the customer experience across all touchpoints (apps, branches, website, chat) to ensure a seamless and integrated experience.

Recommendations....

❖ **Accurately analyze competitors:**
  - Collect data on the offers and services provided by competitors, and identify their strengths and weaknesses. This information can be used to formulate your superiority over them

❖ **Launching various offers:**
  - Offering exclusive offers that stand out among competitors' offers, whether through promotions, unique packages, or free additional services, and attracting customers' clients.

❖ **Focus on quality and continuity:**
  - Often, customers prefer the quality of cheaper services. Invest in improving the quality of network services and technical support, even if the cost of the service is relatively high compared to competitors.

❖ **Building a strong brand identity:**
  - Works to build a strong and positive image for the company in the market, so that it is able to provide its services and care for customers, which makes customers more loyal and makes it difficult for them to move to competitors.

❖ **Customer referral programs:**
  - Encourage specialized customers to contact their friends and relatives to use your services through customized or popular advice programs when events are successful.

❖ **Bundled Offers:**
  - In addition to bundled packages of different basic components, such as connecting the Internet to home services and mobile, phones or providing diverse entertainment content, to provide you with more services.

❖ **Smart and targeted marketing :**
  - Use specific advertising campaigns that benefit your services compared to competitors, and make sure to reach the right audience.

❖ **Alternative innovation :**
  - Invest in developing new product services that are in line with changing customers. Offer new products before competitors so that you can achieve more distinction in the market.

Any Explanation..?

Thanks For Your Time