

DAB303 – MARKETING
ANALYTICS



CHURN ANALYSIS

GROUP 10

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GROUP 10

Introduction

We have data from a big online shopping company, and we want to figure out which customers are leaving the company's service. Then, we'll create a model to predict who might leave in the future.

Dataset information

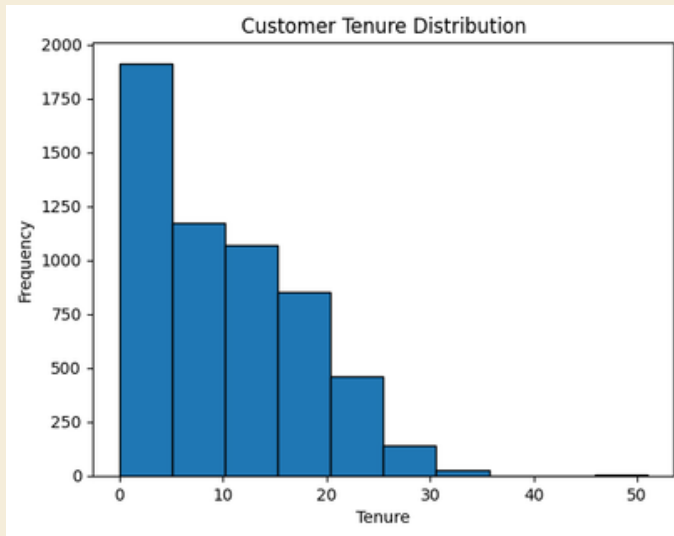
- **CustomerID:** A unique ID for each customer.
- **Churn:** Indicates whether the customer has left the service or not.
- **Tenure:** How long the customer has been with the company.
- **PreferredLoginDevice:** The device the customer likes to use for logging in (e.g., mobile, desktop).
- **CityTier:** The tier or category of the city where the customer is located.
- **WarehouseToHome:** The distance from the warehouse to the customer's home.
- **PreferredPaymentMode:** The customer's preferred method of payment.
- **Gender:** The gender of the customer.
- **HourSpendOnApp:** How many hours the customer spends on the mobile app or website.
- **NumberOfDeviceRegistered:** The total number of devices registered by the customer.
- **PreferredOrderCat:** The category of products the customer prefers to order.
- **SatisfactionScore:** A score indicating how satisfied the customer is with the service.
- **MaritalStatus:** The marital status of the customer.
- **NumberOfAddress:** The total number of addresses on record for the customer.
- **OrderAmountHikeFromlastYear:** The percentage increase in the customer's order amount compared to the previous year.
- **CouponUsed:** The total number of coupons used by the customer in the last month.
- **OrderCount:** The total number of orders placed by the customer in the last month.
- **DaySinceLastOrder:** The number of days since the customer's last order.
- **CashbackAmount:** The average cashback received by the customer in the last month.



Goal

Explore Data: Analyze customer data for insights into behavior and trends.

Predict Churn: Build a model to identify customers at risk of leaving.

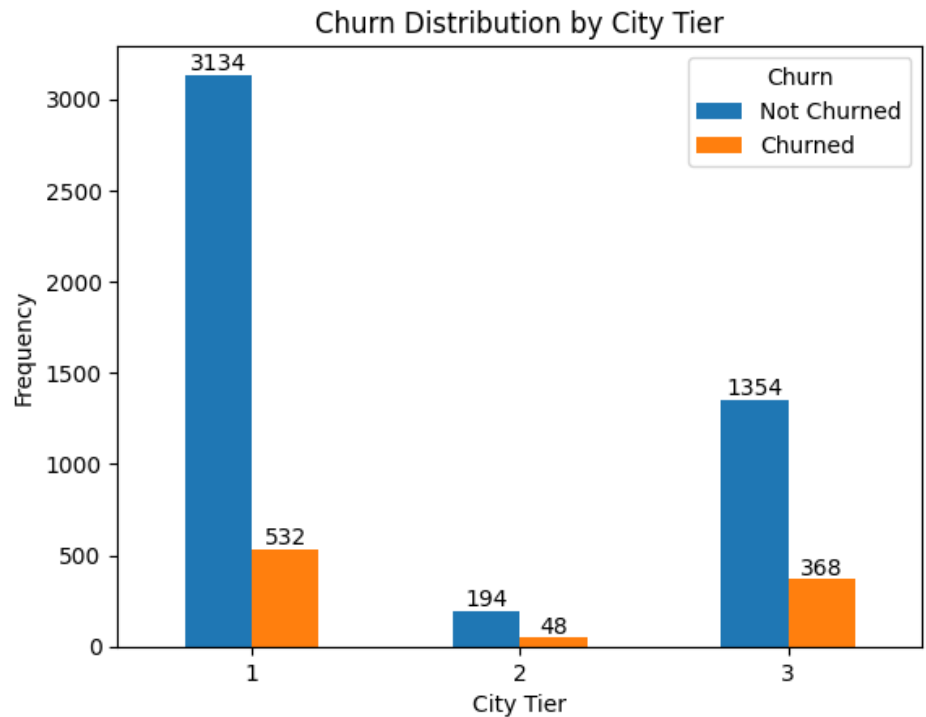


It appears that customers with a very short tenure, less than 2, tend to leave the service at a high rate. However, as the tenure (the duration of time they've been with the company) increases, the churn rate decreases significantly. This suggests that customer loyalty and retention tend to improve with a longer history of engagement with the company.

CHURN DISTRIBUTION BY CITY TIER

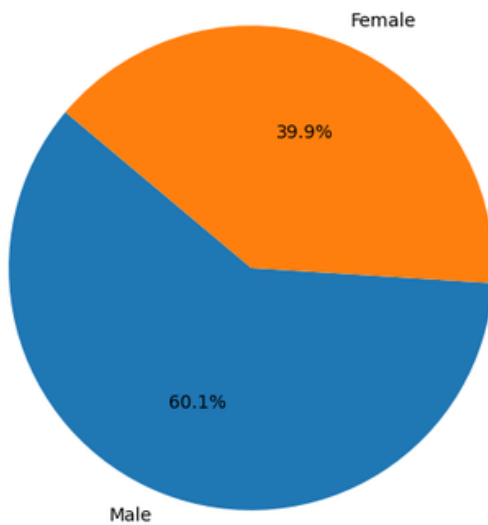
While customers in tier 2 and tier 3 cities show a high churn rate, it's important to note that they represent a smaller portion of the customer base. This suggests that there may be specific challenges or factors affecting these customers that contribute to higher churn.

To address this issue effectively, the company should consider targeted strategies in tier 2 and tier 3 cities. By understanding the unique needs and preferences of customers in these areas, the company can tailor its services, marketing, and customer engagement efforts to better meet their expectations. This targeted approach can help reduce churn and improve customer retention in these specific city tiers.

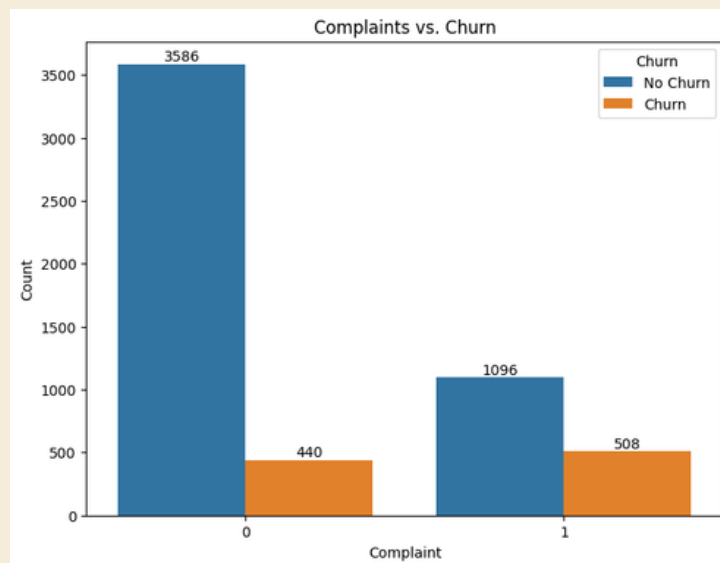


EXPLORATORY DATA ANALYSIS

Gender Distribution

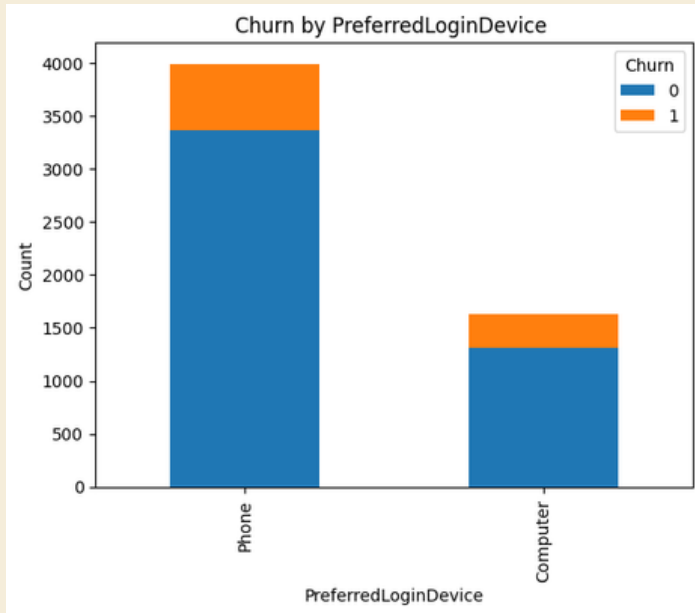


We observed a significant 60.1% churn rate among male customers in our app. To address this, we should explore factors contributing to this trend and consider introducing products and services tailored to male interests. Additionally, we'll investigate other potential factors influencing this high churn rate among males.



There's a notable trend: as the number of customer complaints increases, we observe a substantial and significant increase in customer churn. This suggests a strong correlation between the level of complaints and the likelihood of customers leaving our service. To address this issue effectively, we should not only work on resolving these complaints promptly but also proactively identify and rectify the root causes of these grievances to enhance overall customer satisfaction and retention.

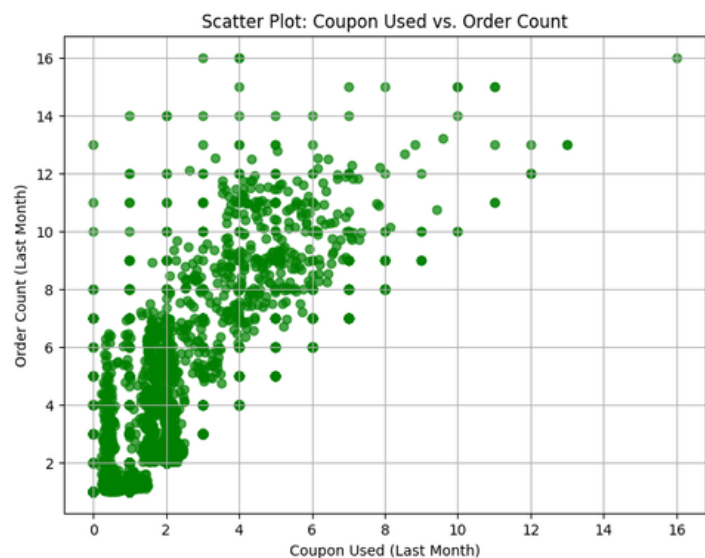
EXPLORATORY DATA ANALYSIS



It appears that users who primarily access our services through mobile phones are more likely to churn. This observation suggests that there might be an issue with the user experience on the mobile app version. To mitigate this, we should conduct a thorough analysis of the mobile app's usability, performance, and features to identify areas that may be causing dissatisfaction among mobile users. Addressing these concerns and improving the mobile app experience could help retain more customers who prefer this platform for accessing our services.

COUPON USED VS. ORDER COUNT

We've observed a significant positive correlation between the number of coupons used and the order count. As the number of coupons used increases, there is a corresponding increase in the order count. This suggests that customers are more inclined to place orders when they have access to coupons or discounts. Understanding this relationship can help us design targeted marketing strategies that leverage coupons to encourage higher order counts and customer engagement.



Based on our analysis, it's clear that customer churn is influenced by multiple factors. Those who have registered complaints, reside in tier 2 and 3 cities, or are male customers show higher churn rates. To address this, we should prioritize customer satisfaction by addressing complaints swiftly, tailor retention strategies for tier 2 and 3 cities, and explore initiatives that cater to the interests and needs of male customers. By targeting these areas, we can proactively reduce churn and enhance overall customer retention.