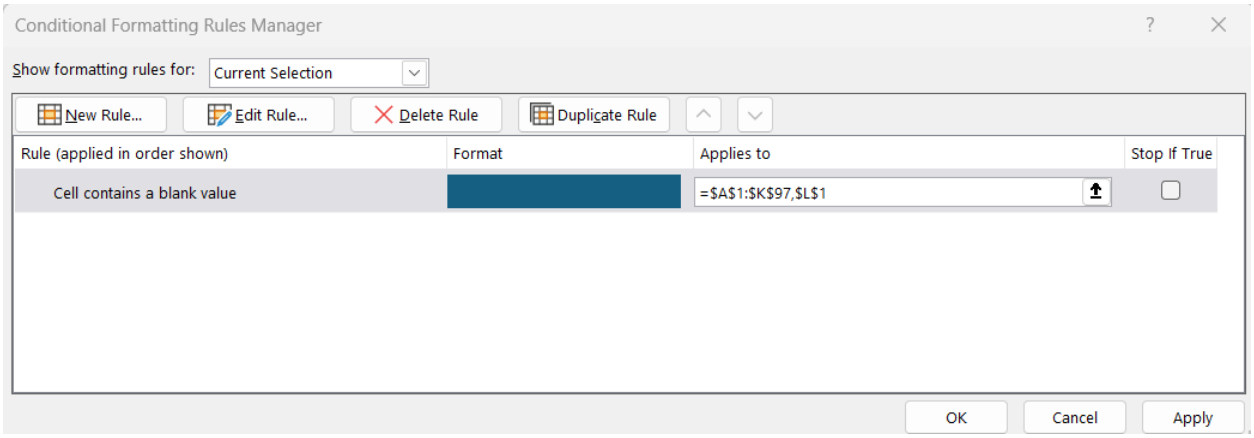
Customer Churn Analysis

I'll start by analyzing the dataset to identify missing values, inconsistencies, and key churn factors.

I used *Conditional Formatting* to identify *Missing Values*.

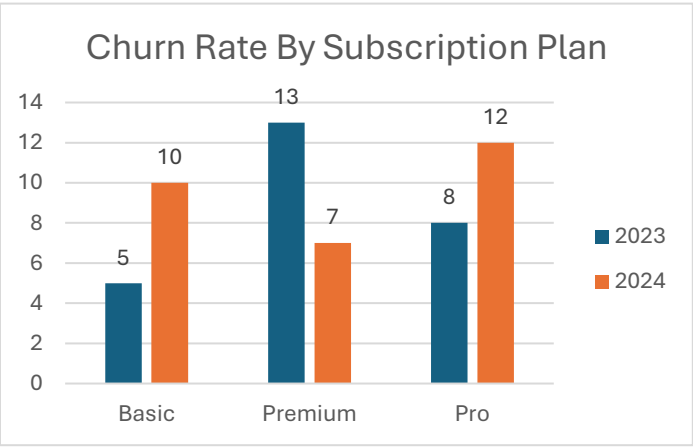


There were no missing values.

Now let's look at *inconsistencies*. I found *inconsistencies* in "*Cancellation Date"* where the date column contains "*Active*" text for Active users and the revenue lost column contains 0 or these users.

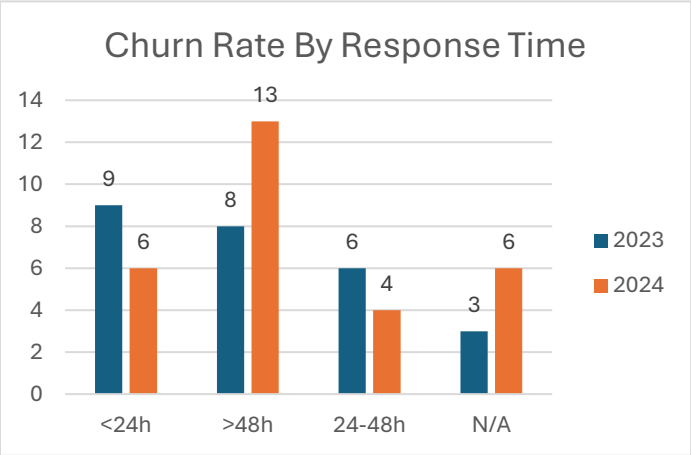
Let's analyze.

Churn Rate By Subscription Plan



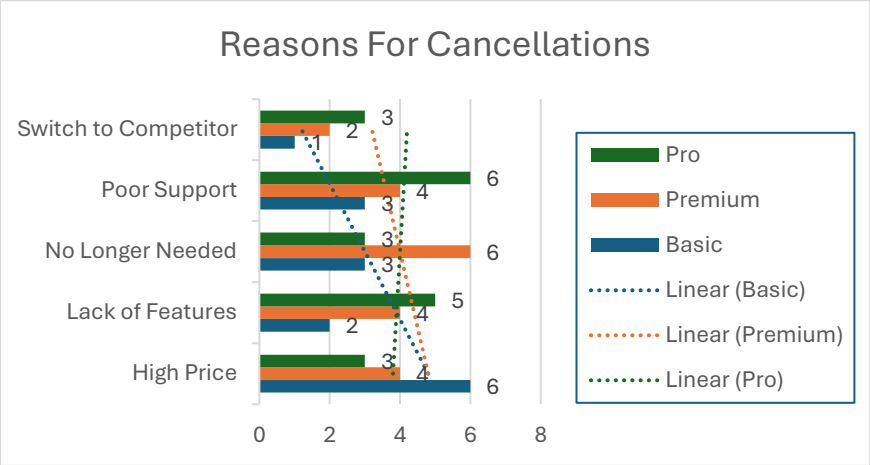
The Churn Rate for Premium and Pro Plan is comparatively higher than the basic plan in YEAR 2023 and the Churn Rate for Basic and Pro Plan is comparatively higher in YEAR 2024.

Churn Rate By Response Time



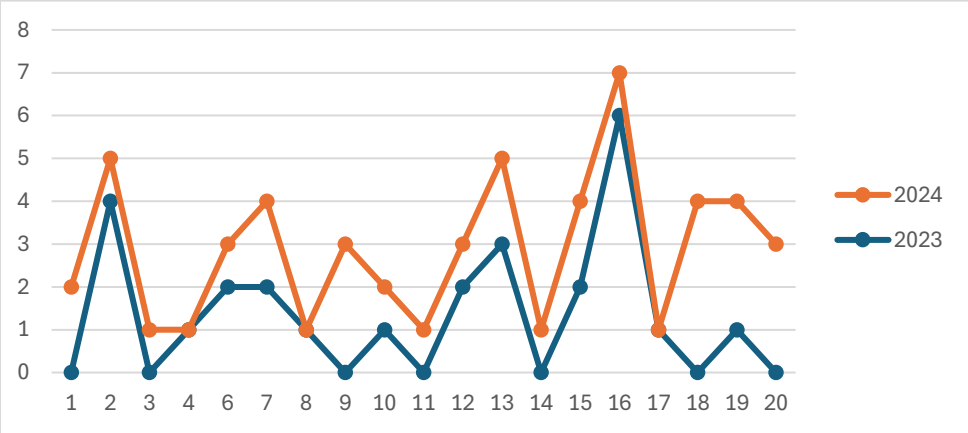
The Churn Rate is more if the Response Time is more than 48 hours.

Main Reasons For Cancellations



The main reason for cancellations is high price, poor support and lack of features.

Churn Rate By Monthly Logins



The Churn Rate is higher when either the monthly logins are very higher or very less.

Financial Impact Estimation

Calculating total revenue lost due to churn

Used **SumIf** formula to calculate total revenue where condition used is Cancellation Date is not **Active(Filtering out the active users)**

TOTAL REVENUE LOST = 15811

=SUMIF(customer_churn_analysis!E2:E101,"<>customer_churn_analysis!D2",customer_churn_analysis!K2:K101)

Comparing login frequency between retained vs. churned users

Used **AverageIf** formula to login frequency between retained vs churned users where condition used is Cancellation Date is not **Active(Filtering out the active users)**

Average login frequency by retained cutomers	10.39
Average login frequency by churned cutomers	11.14

=AVERAGEIF(customer_churn_analysis!E2:E97,customer_churn_analysis!E2,customer_churn_analysis!G2:G101)

=AVERAGEIF(customer_churn_analysis!E2:E97,"<>customer_churn_analysis!E2",customer_churn_analysis!G2:G101)

Identifying customers at risk of Churn

Identifying the customers at risk of churn by filtering those with:

- Low login frequency(<5 per month)
- High support tickets(>3 per month) with long response times(>48h)

Row Labels	Count of Customer ID
Support Risk	3
Low Engagement Risk	6
Safe	32
Churned - No Risk	55
Grand Total	**96**

```
=IFS(
  AND(D2="Active", I2>3, J2=">48h"), "Support Risk",
  AND(D2="Active", G2<5), "Low Engagement Risk",
  AND(D2="Active", I2>3, J2=">48h",G2<5),"High Risk",
  D2<>"Active", "Churned - No Risk",
  TRUE, "Safe"
)
```

Action Plan

The main reasons for cancellations include High Price, Poor Support and Lack of features.

1. We can offer targeted Discounted Offers.
2. We can also offer faster support
3. We can also offer more feature engagement so that the users can use more features and can create more impact.