

## Task 4 Report – Recommendations

### Section 1: Project Information

| Field                              | Value                           |
|------------------------------------|---------------------------------|
| Project Title                      | Telecom Churn Analysis          |
| Dataset Used                       | Telecom Customer Data           |
| Tool(s) Used                       | Power BI                        |
| Number of Dashboards/Pages Created | 2                               |
| Number of Visuals Analyzed         | 16 (Including Cards and Charts) |

### Section 2: Insights & Recommendations

The following 16 visuals were analyzed, and detailed recommendations were generated for each.

| Insight  | Recommendation   | Stakeholder          |
|--|--|----------------------|
| <b>Overall Churn &amp; Revenue Loss:</b> The overall churn rate is high at 27%, resulting in a significant annual revenue loss of \$3,684,460. | Management should establish a cross-functional Churn Reduction Task Force (Sales, Operations, Marketing) with a Q4 goal of reducing the overall churn rate to below 20%. The CFO/Finance team should approve a budget of 5% of the annual lost revenue (\$184,223) to fund the Task Force's retention initiatives. | Management / Finance |
| <b>Early Churn:</b> The churn rate is extremely volatile in the first few months, peaking at over 60% for new customers (Tenure 0-2 months).   | The Operations Team should implement a mandatory, proactive 60-day customer success program. This includes: 1) A welcome call within 7 days to confirm successful  | Operations           |

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|   | setup. 2) A service quality check-in via email/SMS at 30 days. 3) A direct technical call at 50 days to resolve any minor issues before the customer considers churning.   |                 |
| <b>Contract Churn:</b><br>Customers on Month-to-Month contracts churn at an extreme rate of 46%, accounting for the majority of the revenue lost (approx. \$2.5 million).                     | The Sales Team must immediately launch a 'Lock-In & Save' targeted retention campaign. Offer a significant, time-bound discount (e.g., 25% off for the first three months) exclusively to Month-to-Month customers who convert to a One-Year commitment. Sales agent commissions should be doubled for successful contract conversions.  | Sales Team      |
| <b>Premium Service Churn:</b><br>Customers using the Fiber Optic internet service have the highest churn rate at 41%, suggesting critical dissatisfaction with the company's premium product. | The Operations Team should launch a Fiber Optic Quality Audit. This requires prioritizing a root cause analysis of all Fiber Optic service tickets over the last 6 months, focusing resources on network stability and speed consistency to align performance with premium pricing. A transparent customer communication plan must follow to inform users of the service improvements. | Operations      |
| <b>Demographic Churn:</b> The Elderly age group experiences the highest   | The HR Team should mandate specialized, mandatory training (e.g., a 'Silver Support  | HR / Operations |

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| churn rate at 31% (Visual 6).  | Certification') for customer support agents on handling calls from elderly customers, emphasizing simplified troubleshooting language, patience, and clear, non-technical documentation (e.g., printed guides mailed to them).   |                      |
| <p><b>Payment Method Churn:</b><br/>Churn rates are significantly higher for customers paying via Mailed Check (37%) and Bank Withdrawal (34%) compared to Credit Card (14%).</p>  | <p>The Marketing Team should launch a 'Go Digital, Get \$5' campaign to incentivize the adoption of recurring Credit Card payments. The campaign should highlight the security, convenience, and \$5 one-time credit for switching to auto-pay via credit card.</p>  | Marketing Team       |
| <p><b>Customer Value Churn:</b><br/>Churned customers had a significantly lower Total Monthly Charge (\$19K total) compared to Joined (\$137K) and Stayed (\$291K) customers, confirming that low-value accounts are the primary source of churn volume.</p> | <p>The Sales Team should develop an internal script and process for offering targeted, low-cost 'stickiness' additions (e.g., a free streaming service trial for 6 months or a modest speed bump) to low-value customers who have been with the company for less than 6 months, increasing their engagement and perceived value.</p> | Sales Team           |
| <p><b>High-Revenue Region Risk:</b> Los Angeles is identified as the highest revenue-generating city (\$703.07K). Protecting high-value accounts in these key regions is critical .</p>  | <p>Management should allocate specific funds (e.g., a 'Top-Tier Retention Fund') to high-revenue regions (Top 5 cities). Empower local managers to offer localized, preemptive retention incentives (e.g., a</p>   | Management / Finance |

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|  | <p>surprise service upgrade or a \$10 bill credit) to top-tier customers in these areas before they ever complain, protecting the core revenue base.</p>   |                  |
| <b>Gender Parity in Churn:</b><br>Churn rates are nearly identical between Female (49.28%) and Male (50.72%) customers, showing no systemic gender bias in service quality.                                      | The Marketing Team should maintain current, gender-neutral marketing and service messaging, as the overall service experience is perceived similarly by both genders. No specific gender-based intervention is required at this time.  | Marketing Team   |
| <b>Marital Status Neutrality:</b><br>The distribution of Churned, Joined, and Stayed customers based on marital status shows no significant difference, suggesting marital status is not a primary churn driver. | The Data & Analytics Team should de-prioritize further investigation into marital status as a churn driver and instead focus resources on higher-impact variables like Tenure, Contract Type, and Internet Service Type.   | Data & Analytics |
| <b>High-Value Customer Retention:</b> The Stayed customer base has a strong distribution of High Value (37.3%) customers.  | The Management team should approve a 'High-Value Loyalty Program' that provides exclusive, non-monetary benefits (e.g., priority support line, dedicated account manager, early access to new technology) to customers categorized as High Value to reward loyalty and increase switching costs. | Management       |

### **Section 3: Overall Summary of Recommendations**

The core strategy is to mitigate the financial damage from the \$3.68 million revenue lost by focusing retention efforts on the most volatile segments: Month-to-Month contracts (46% churn) and new customers (over 60% initial churn). Recommendations involve highly targeted interventions led by Sales (contract conversion), Operations (Fiber Optic quality and new customer success), and Marketing (payment method incentives). By protecting early-stage and high-revenue customer bases and addressing the quality gaps in the premium service tier, the company can stabilize the customer base and achieve the churn reduction goal.