

## STC Data Analyst Project – Week 1 Report

Name: Favour Ogundipe

### 1. What do you understand about the problem?

The telecommunications company provides phone and internet services to more than 7,000 customers across California. However, they are facing a major business challenge, customer churn. Customer churn refers to when customers discontinue using the company's services and move to competitors. This loss of customers negatively affects revenue, brand image, and overall growth potential.

The company wants to understand why customers are leaving, who they are, and what steps can be taken to retain them. This requires a detailed data-driven investigation of customer demographics, service usage, subscription types, contract durations, and payment behaviors.

As the Customer Insight Analyst, my primary responsibility is to clean, analyze, and interpret the customer dataset to uncover patterns and relationships that explain churn behavior. I will also identify at-risk customer groups, highlight services or pricing plans linked to high churn, and develop actionable recommendations that the business can use to improve retention and customer satisfaction.

### 2. Who are the stakeholders?

Several departments and individuals have a vested interest in this analysis because the findings will directly influence their decision-making and operational strategies. The key stakeholders include:

- **Customer Retention and Marketing Team:** They will use the insights to design data-driven marketing and retention campaigns targeting customers most at risk of churning.
- **Product Development Team:** Insights from the analysis will help refine service bundles, improve pricing models, and introduce new features that align with customer preferences.
- **Customer Service Department:** They will benefit from understanding the service pain points that drive churn, enabling them to address complaints more efficiently and improve the customer experience.
- **Finance Department:** By understanding the relationship between churn and payment patterns, finance can better forecast revenue and assess the financial impact of customer loss.
- **Senior Management and Strategy Team:** They will use the findings to align retention

strategies with overall business goals, allocate resources effectively, and monitor the success of implemented changes.

- **Data and Analytics Team:** Responsible for developing automated dashboards and monitoring churn trends over time.

### 3. What questions should this project answer?

To properly address the business problem, the analysis will be guided by the following key questions:

1. What is the current churn rate? – Understanding the proportion of customers who have left helps measure the scope of the issue.
2. Which customer demographics are most affected? – Identifying whether churn is higher among certain gender groups, age ranges, or geographic areas.
3. Which service types or contract models are linked to higher churn? – For instance, are month-to-month contracts more likely to churn than yearly ones?
4. How does customer tenure affect churn probability? – Exploring whether newer customers leave faster compared to long-term users.
5. Do payment methods or billing patterns influence churn? – For example, customers using automatic payments might churn less than those who pay manually.
6. Are high-value customers (those spending more or using multiple services) leaving at a concerning rate? – This helps assess revenue risk.
7. What actionable steps can be taken to reduce churn and retain key customers? – Recommendations will be based on evidence from data patterns.

### 4. What insights will help solve the problem?

The analysis aims to generate actionable insights that will help the telecom company identify churn triggers, improve customer satisfaction, and ultimately boost retention rates. The insights will likely include:

- **Churn Rate Analysis:** A detailed breakdown showing the percentage of churned versus retained customers, segmented by age, gender, and contract type.
- **Customer Segmentation Insights:** Identification of high-risk customer segments based on tenure, payment method, and service usage behavior.
- **Service Performance Insights:** Determining which service combinations (e.g., phone only,

internet only, or bundled packages) are most and least stable in retaining customers.

- **Contract Impact:** Understanding whether short-term or flexible contracts increase churn risk and how long-term contracts contribute to stability.
- **Revenue Retention Insights:** Evaluating if high-paying or premium customers are leaving, and estimating the potential financial loss associated with churn.
- **Predictive Patterns:** Spotting correlations between customer behavior (like late payments or frequent service calls) and churn probability.
- **Retention Recommendations:** Suggestions could include loyalty programs for long-term users, incentives for customers on short-term contracts, or personalized offers for at-risk customers.

In summary, the goal of this analysis is not just to describe churn but to provide the company with a data-backed roadmap for proactive retention, improved customer experience, and long-term business growth.