CUSTOMER CHURNIN TELCO

GROUP ONE







Problem

Telco is a telecommunication company. Our group aims to analyze why the company loses customers by observing customer demographics, services, reasons for leaving, geographical area, and customer account information.

Understanding the significance of studying customer churn is crucial because acquiring a new customer in the telecommunication industry can be up to five times more costly than retaining an existing one. This makes reducing customer turnover critical for Telco, especially given the difficulty of winning back lost customers, further underscoring the importance of minimizing churn.

Gap Analysis

Existing analysis done on customer churn at Telco simply takes an approach where demographic variables are directly plotted against churn to analyse the direct indicators of churn. This has left a conceptual research gap. As can be seen from the referenced past analysis.

- Telco Customer Churn, E. Bozkus, 2022, Kaggle
- Telco Customer Churn Analysis, A. F. Terry, 2024, Kaggle
- Telco Customer Churn-Logistic Regression, F. Rahman, 2018, Kaggle

We aim to fill this gap by analysing the demographic factors in combination with reasons for churn. By first analysing the most common reasons for churn and then analysing the demographics of the customers who churned due to these reasons.

Intended Solutions

- Provide further training to customer service agents on how to work with different segments of the customer base.
- Strengthen the brand image through promotions to be distinguishable from competitors.
- Develop an USP for Telco, to further distinguish from its competitors.
- Provide specialized services / packages to match different segments of the customer base.

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