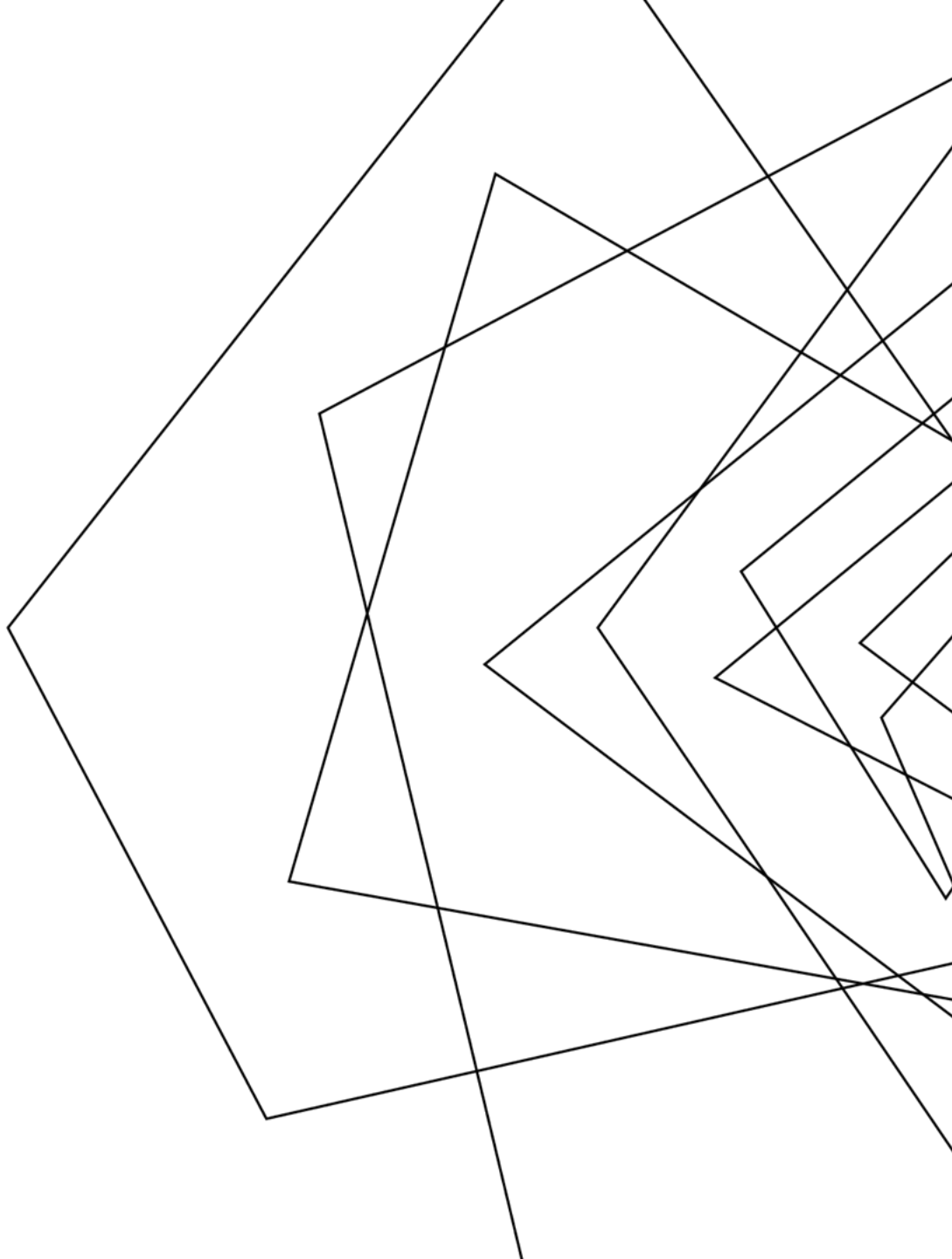


Abstract geometric lines in the top-left corner of the slide, consisting of several thin, black, overlapping lines that form a complex, non-representational pattern.

# Telco Churn Analysis: First Insights



# Index

- Customer's Overview
- Main Churn Reasons
- Customer's Services
- Churn Analysis

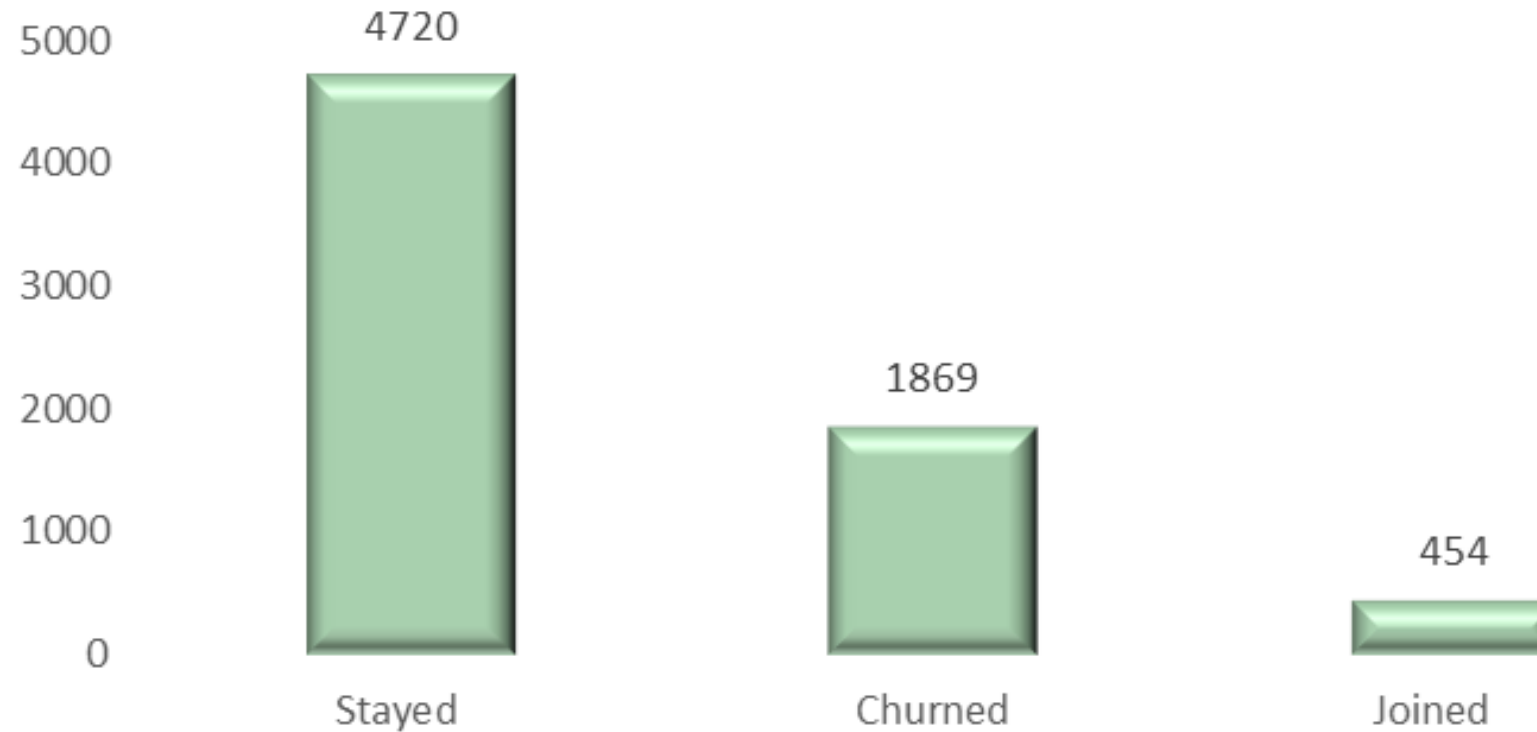
# Customer's Overview

At the end of quarter 3 we had 5.174 customers in California

- The majority of the customers (66%) are between 30 and 65;
- There are as many females as males;
- There are no big difference in the marital status among our customers;
- Most of the customers do not have dependents living with them.

# Customer's Overview

Less 1.415 customers



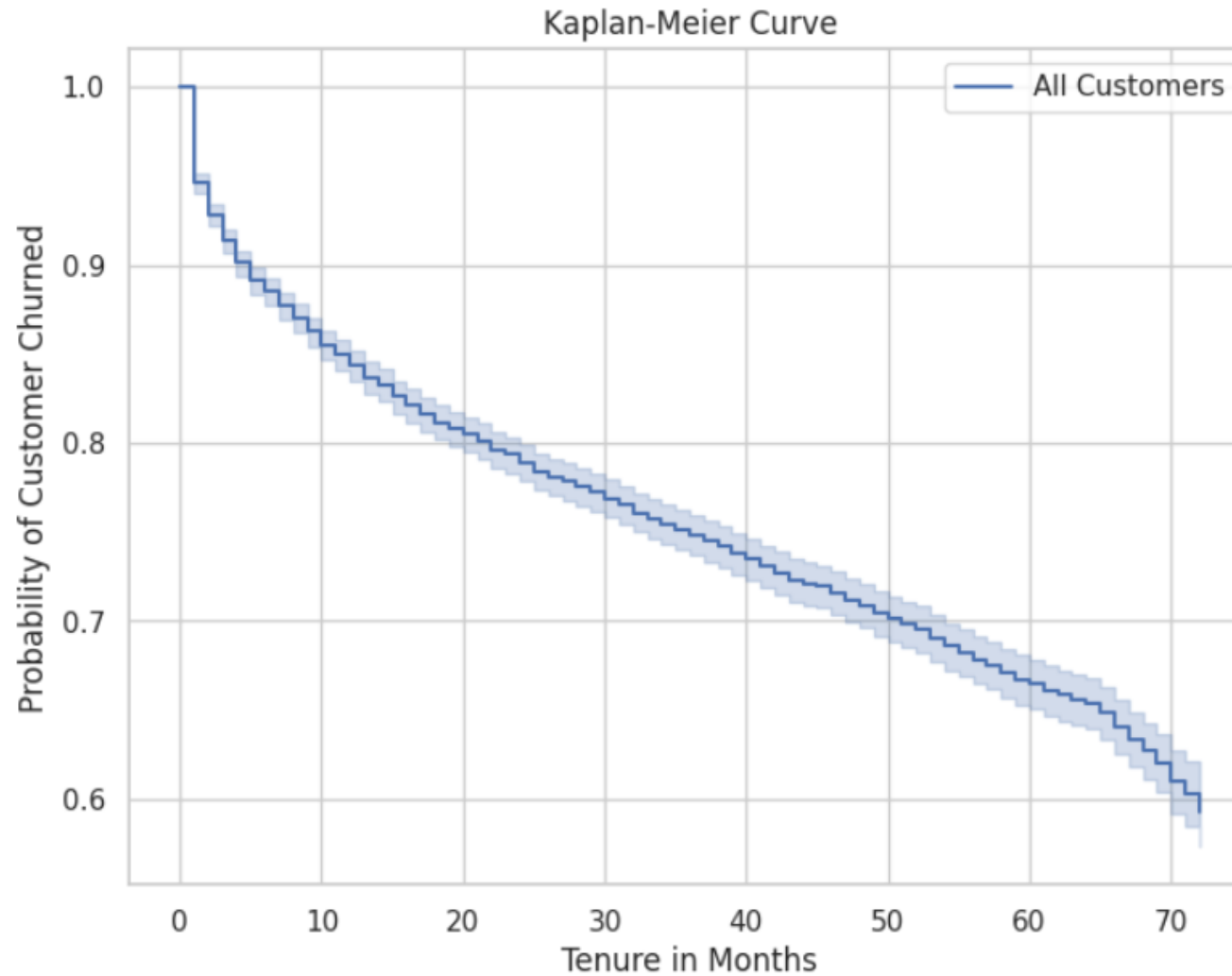
# Customer's Overview

Customers that churned were unsatisfied with the service

- **77%** of the customers that **churned** were unsatisfied or very unsatisfied with the service;
- **56%** of the customers that **stayed** are satisfied or very satisfied with the service:
  - **44%** of the customers are neither satisfied nor unsatisfied;
- **65,4%** of the customers that **joined** are satisfied or very satisfied with the service:
  - **34,6%** of the customers are neither satisfied nor unsatisfied.

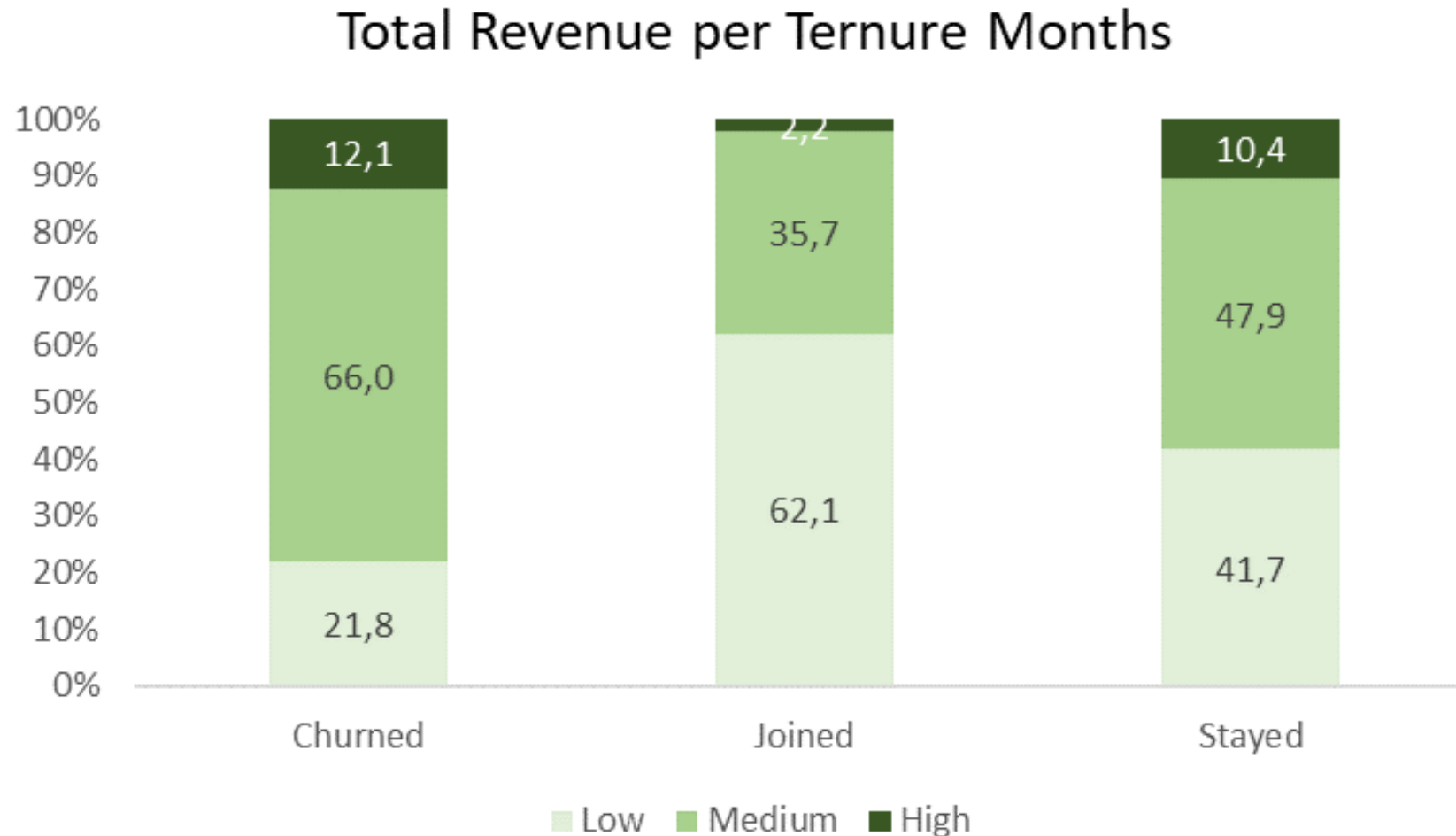
# Customer's Overview

Churned Customers has less tenure in months



# Customer's Overview

66% of the customers that churned had a medium charge and the ones that joined (62,1%) have a low charge



# Customer's Overview

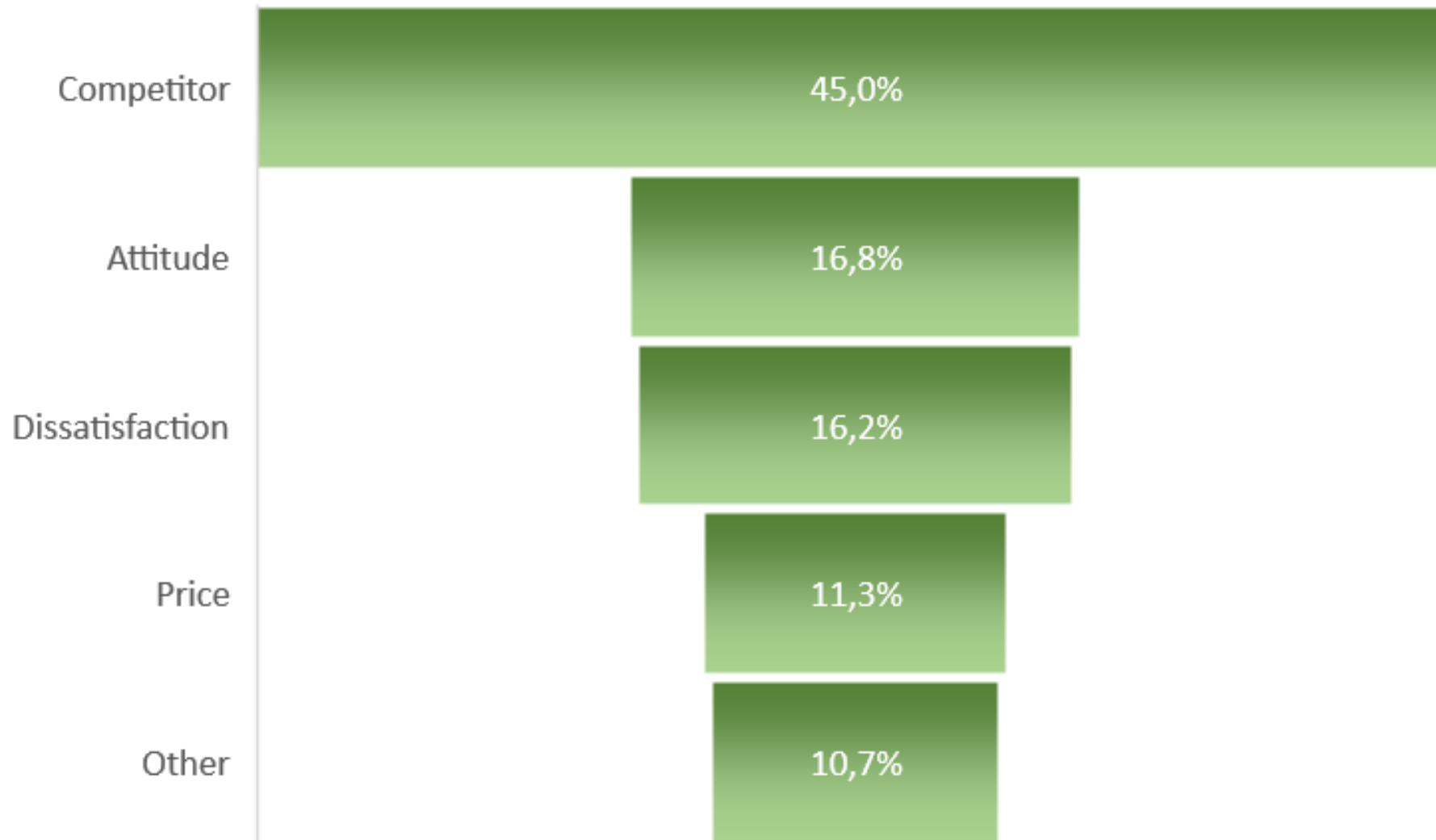
The higher the Churn score, the more likely the customer will churn

- The customers that churned had at least a churn score of 61;
- The average churn score for the customers that churned is 82;
- Neither the joined nor the stayed customers have a churn score higher than 80;
- The average churn score for the customers that joined and stayed is around 50.



# Main Churn Reasons

45% switched to a competitor



# Main Churn Reasons

## Competitor

Reason	%
Competitor had better devices	37,2
Competitor made better offer	37,0
Competitor offered more data	13,9
Competitor offered higher download speeds	11,9

## Attitude

Reason	%
Attitude of support person	70,1
Attitude of service provider	29,9

## Dissatisfaction

Reason	%
Product dissatisfaction	25,4
Network reliability	23,8
Service dissatisfaction	20,8
Limited range of services	12,2
Lack of self-service on Website	9,6
Poor expertise of online support	4,3
Poor expertise of phone support	4,0

## Price

Reason	%
Price too high	37,0
Long distance charges	30,3
Extra data charges	18,5
Lack of affordable download/upload speed	14,2

## Other

Reason	%
Don't know	65,0
Moved	23,0
Poor expertise of online support	9,0
Deceased	3,0

# Customer's Services

The customers that churned had mostly fiber optic and did not have unlimited data

## Internet Type

	Churned	Joined	Stayed
Cable	11,4	12,3	12,0
DSL	16,4	25,3	26,0
Fiber Optic	<b>66,1</b>	22,2	36,0
None	6,0	40,0	26,0

## Unlimited data

	Churned	Joined	Stayed
Yes	19,3	50,6	36,0
No	<b>80,3</b>	49,3	64,0

# Customer's Services

The customers that churned paid mostly by bank withdrawal and had a month-to-month contract

Payment Method			
	Churned	Joined	Stayed
Bank Withdrawal	71,2	40,0	50,8
Credit Card	22,2	50,8	45,0
Mailed Check	7,6	9,2	4,2

Contract			
	Churned	Joined	Stayed
Month-to-Month	88,5	89,9	37,8
One Year	8,9	5,3	28,8
Two Years	2,6	4,8	38,4

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# Churn Analysis

**BASED ON THIS ANALYSIS, HOW COULD WE  
PREVENT CUSTOMERS TO CHURN?**

# Churn Analysis

We will build a predictive churn model

Based on ML algorithms, the main variables to keep in our predictive model are:

Married	Streaming TV	Total Revenue Bins
City	Streaming Movies	Age Group
Offer	Unlimited Data	Satisfaction Score
Internet Type	Contract	Tenure in Months
Online Security	Paperless Billing	Monthly Charge
Online Backup	Payment Method	Number of Dependents
Device Protection Plan	Churn Score Category	Number of Referrals
Premium Tech Support	CLTV Category	



# Thank you

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