

Churn Analysis Report

Customer Guardians
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Key Insights on Churners

1.Churn Rate: A quarter of customers are leaving, signalling an area of concern.

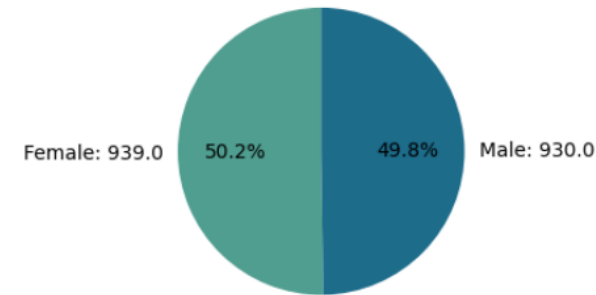
2.Senior Citizens: A large portion of churners (35.5%) are seniors, making them a key group for retention efforts.

3.Dependents and Partners: Customers without dependents or partners seem more likely to churn.

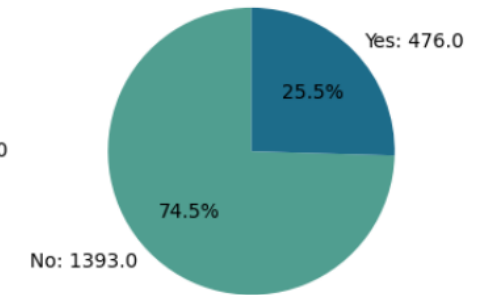
4.Gender Balance: Both genders churn at almost equal rates, with a slight tilt towards females.

5.Wide City Distribution: Churners come from 832 different cities across California.

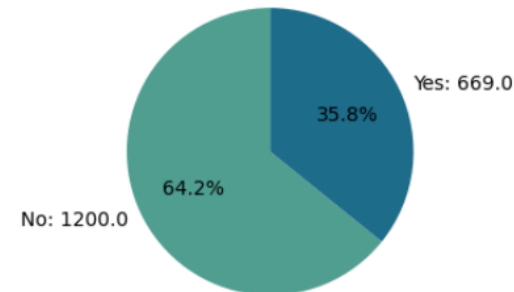
Gender Distribution of Churners



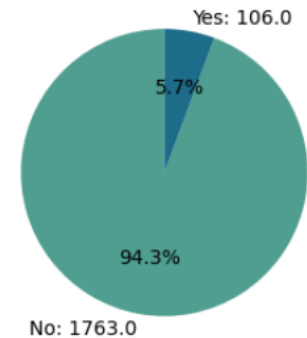
Senior Citizen Distribution of Churners



Partner Distribution of Churners



Dependents Distribution of Churners



Why Customers Are Leaving: Top 3 Reasons



1. Attitude of support person (10.3%)

Negative experiences with customer service.
Lack of timely and effective issue resolution.
Damaged brand perception due to poor support .



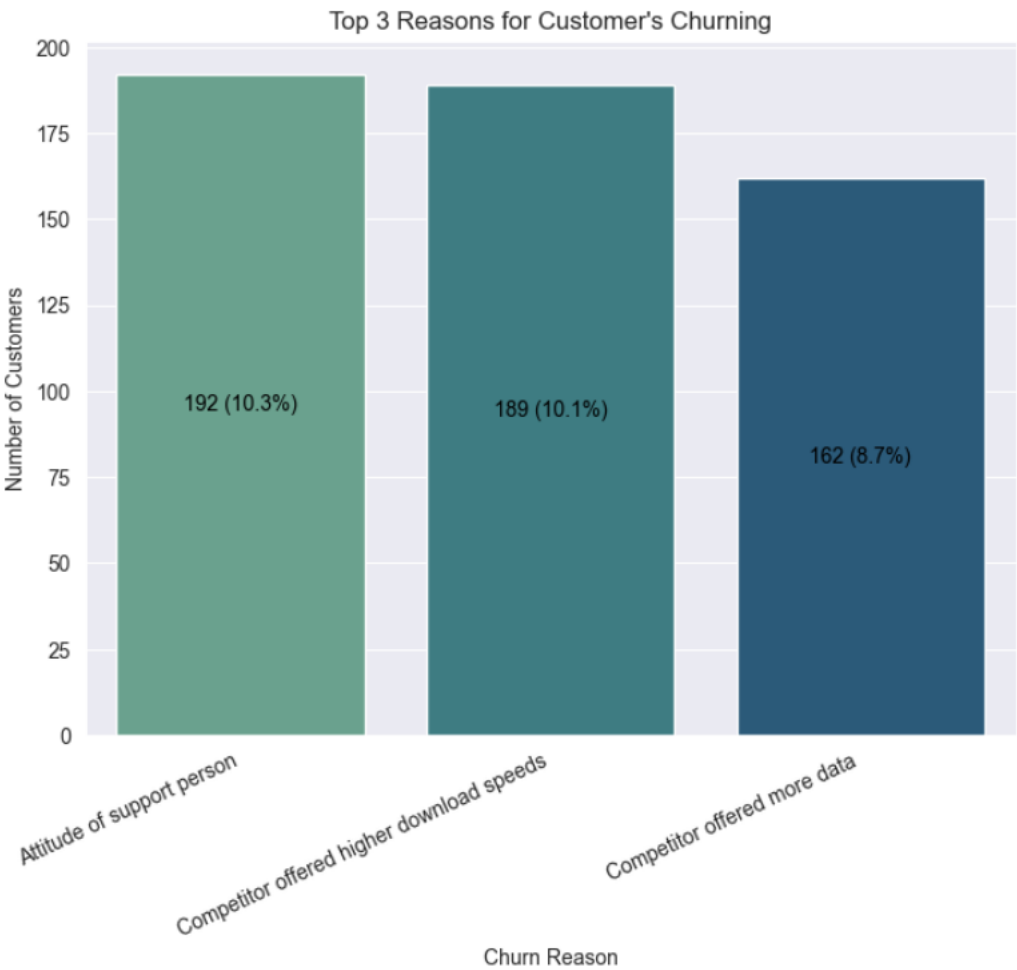
2. Competitor Offered Higher Download Speeds (10.1%)

Increasing customer demand for faster speeds.
Competitive pressure from other ISPs offering superior performance.



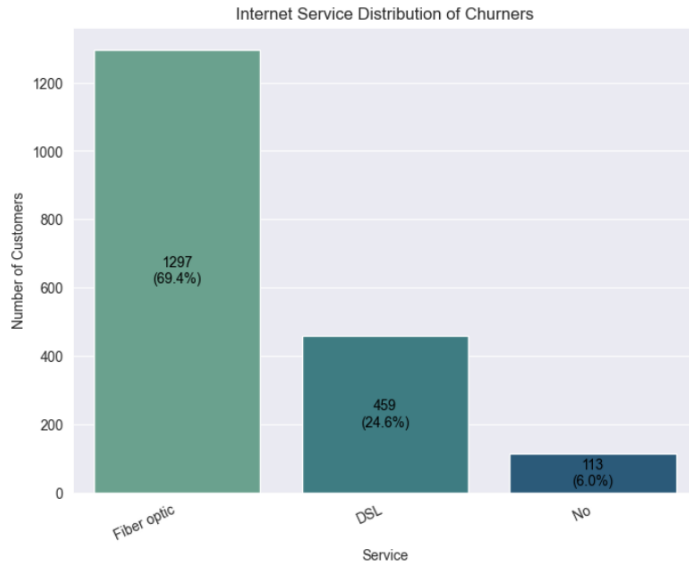
3. Competitor offered more data (8.7%)

Rising data usage among customers
Limited data allowance offered from SWAN teleco.
Desire for better value and flexibility in internet plans.



ISP = INTERNET SERVICE PROVIDER

Internet service Distribution of churners



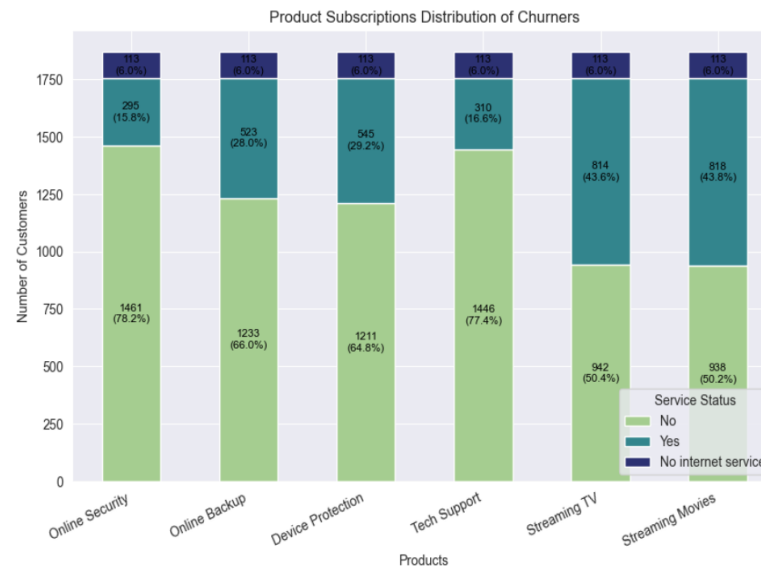
The most common internet service among churners was Fibre optic (69.4%).

This could be attributed to the higher costs typically associated with Fibre optic plans.

Customers generally have higher performance expectations which in case of service fails leads to dissatisfaction leading customers to churn.

Competitive Market: if other providers offer better promotions or discounts customers are more likely to switch, leading to higher churn value.

Product Distribution of churners



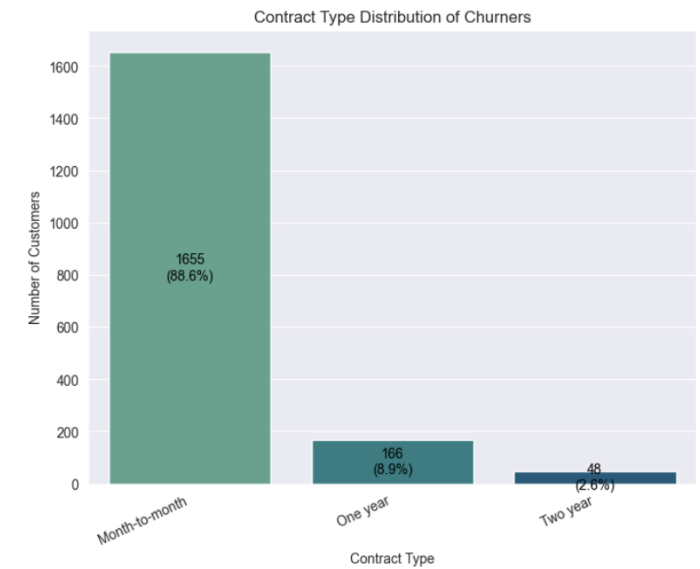
This graph highlights that most customers (on average 64%) who churn are not signed up for any of the mentioned product.

This could be due to:

- A lack of perceived value in the services offered.
- Ineffective communication about the benefits.
- Customers not seeing a need for these additional services.

The absence of product bundling or incentives may have made these services less attractive, leading to higher churn among this group.

Contract Type Distribution of churners



The high percentage of churners (88.6%) on a month-to-month contracts compared to 1-year (8.9%) and 2-year (2.6%) contracts, can be due to the following factors:

- Lack of commitment: month to month plans allow customers to cancel any time.
- Sensitivity to service quality: Poor service or support leads to quick cancellations.
- Pricing and promotions: long term contracts offer incentives like lower rates.
- Demographics: these plans attracts more transient customers (e.g. renters, students etc.).

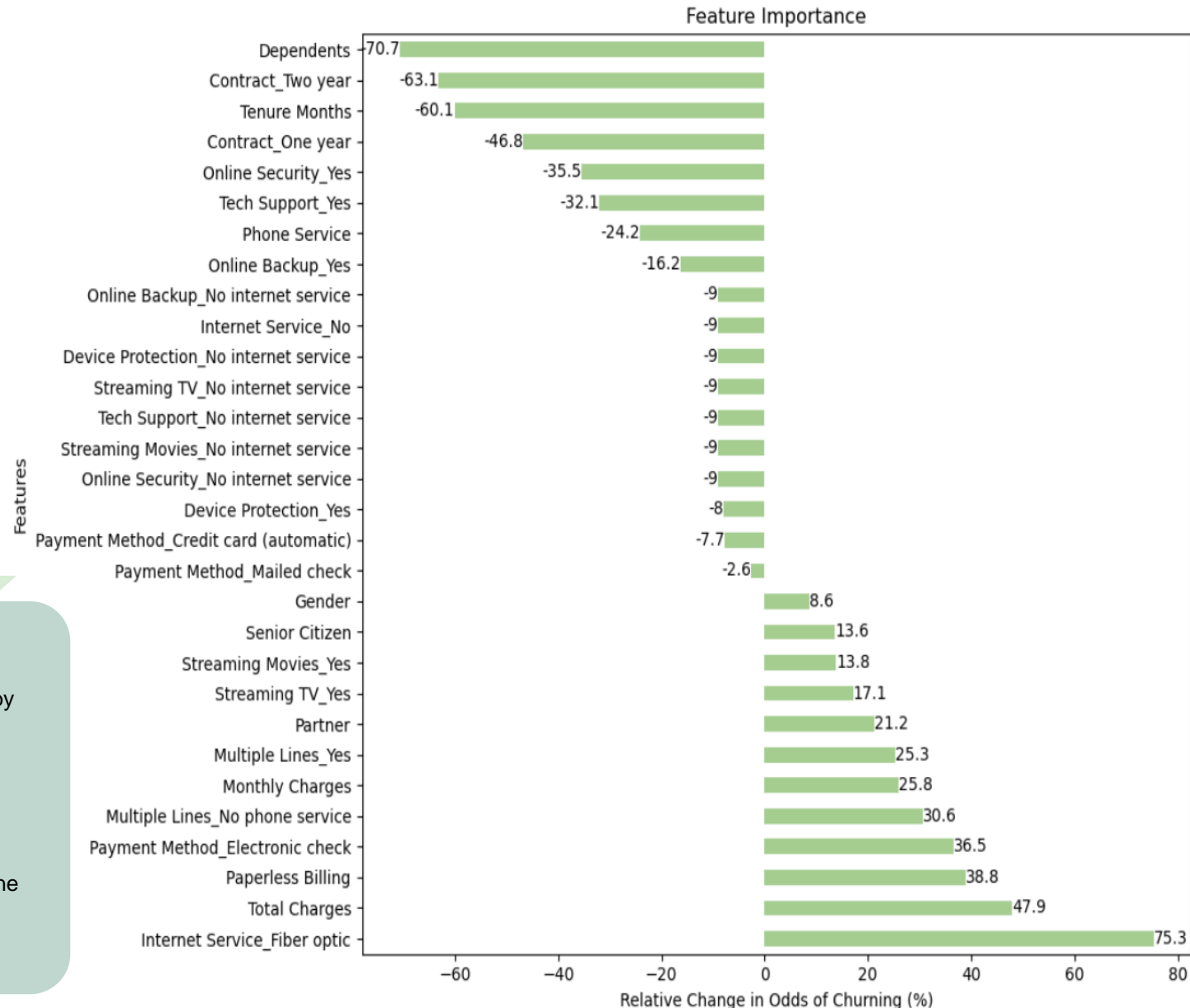
Feature Importance

What factors most influence someone churning?

- 1) Internet Service - Fiber Optic: A 75.3% increase in churn odds compared to DSL, likely due to higher costs, competitive alternatives, and service quality concerns.
- 2) Total Charges: A 47.9% increase in churn odds, indicating dissatisfaction with higher charges.
- 3) Electronic Check Payment: A 36.5% increase in churn odds compared to bank transfer, potentially linked to specific customer demographics or behaviours.

What sign up factor should we incentivise?

- 1) Dependents (-70.7%): Encourage sign-ups that include dependents by offering family-focused plans or discounts.
- 2) Long-Term Contracts (-63.1% for two years, -46.8% for one year): Incentivize customers to choose longer-term contracts through discounts, price guarantees, or value-added bundles.
- 3) Online Security (-35.5%): Promote bundled services that include online security features to appeal to new customers.



RECOMMENDATIONS



Target

Target Senior Citizens:

- Offer personalized communication
- Easy to understand plans
- Senior specific support



Target

Target Customers for engagement campaigns

- Run campaigns to promote value added products like online security
- Offer incentives like free trials or discounts to increase product adoption



Improve

Improve customer Service Quality

- Invest in training to enhance support quality
- Offer staff incentives for positive customer interactions



Incentivize

Incentivize long term projects

- Offer incentives for customers to switch to 1-year or 2-year contracts