

# Churn Prediction Insights and Recommendations

Retention Strategy  
for Swan Consulting



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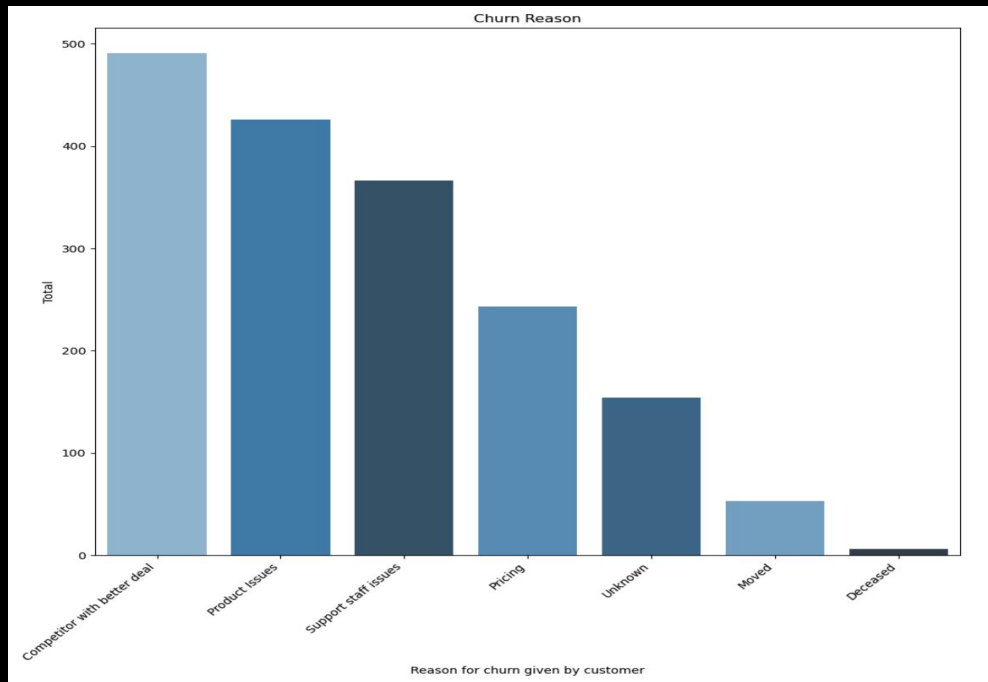
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# Demographic of Churn Customers

Out of the total 1,869 churned customers:

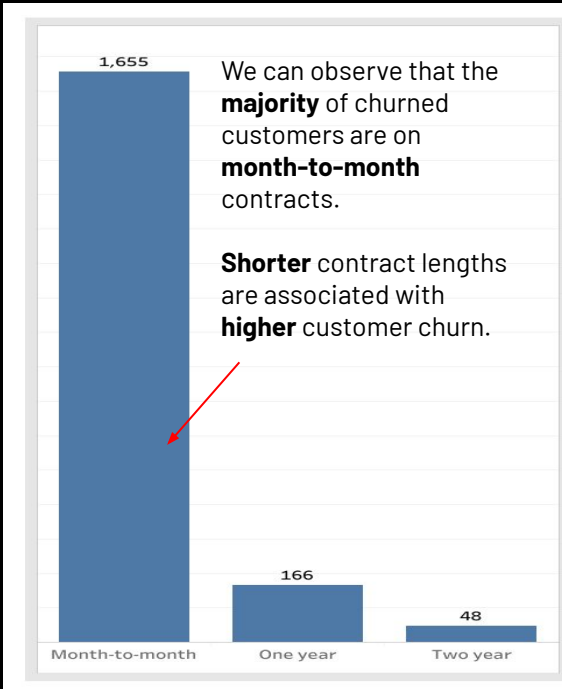
- Churned customers are more likely to be *smaller households* (no partner or dependants) with a preference for *internet services*
- They are more likely to be on a *month-to-month* contract and have a lower tenure than active customers
- At least 50% of churned customers use three or more products, with a mean of 1.8 for the six internet services
- Competitors offering better deals are a major factor for why customers churn



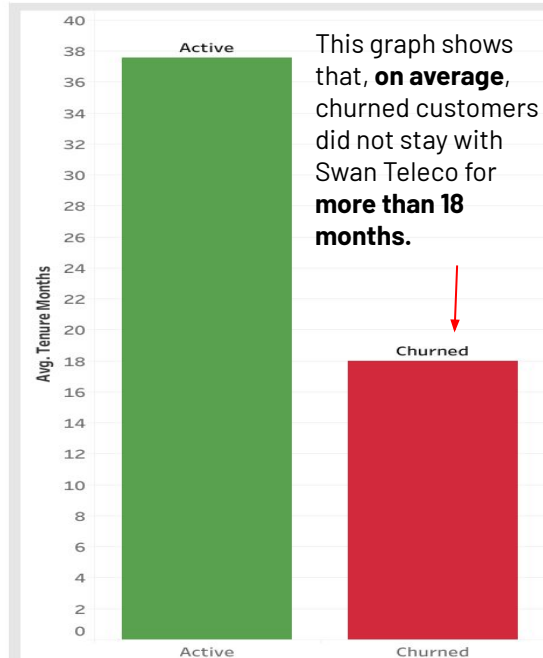
# Why are the customers churning?

The 3 main reasons based on our Decision Trees are:

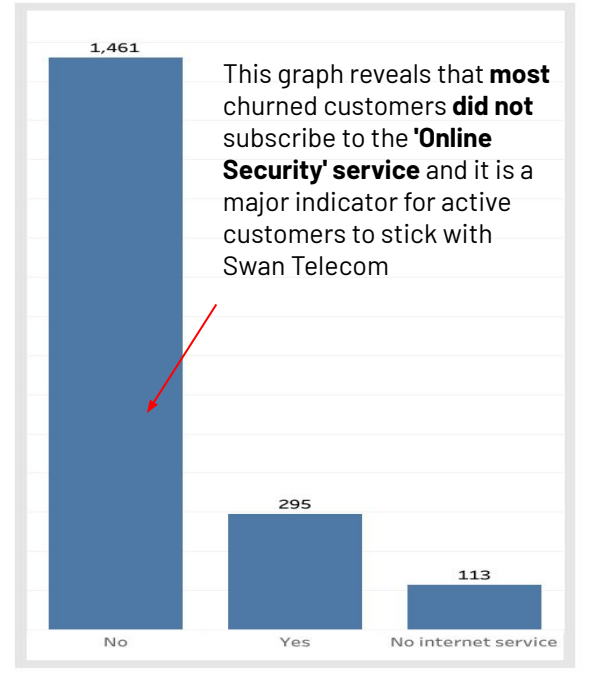
## Contract Length



## Tenure Months



## Online Security



# What would we incentivise?

Based on the analysis of churned customers at Swan Teleco, it is evident that **contract length**, **tenure months**, and **online security** are the primary factors driving customer churn.

To reduce churn at Swan Teleco, we recommend focusing on three key areas:

## Contract Length

### Encourage Longer Contracts:

Sales reps should promote 12- and 24-month contracts, as shorter contracts are linked to higher churn.

## Tenure Months

### Target Customers Nearing 9 Months:

Implement email marketing offering deals to customers approaching their 9-month tenure, especially those on month-to-month plans.

## Online Security

### Promote Online Security:

Encourage customers to sign up for the Online Security service, which is under-utilized among churned customers yet a big predictor in customers deciding to stay.