# BHARATHIYAR INSTITUTE OF ENGINEERING FOR WOMEN

TELECOM CHURN ANALYSIS

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#### **ABSTRACT**

- IN THE TELECOM INDUSTRY, LARGE —SCALE OF DATA GENERATED ON DAILY BASIS BY AN ENORMOUS AMOUNT OF CUSTOMER BASE.
- HERE GETTING A NEW CUSTOMER BASE IS COSTLIER THAN HOLDING THE CURRENT CUSTOMERS WHERE CHURN IS THE PROCESS OF CUSTOMER SWITCHING FROM ONE FIRM TO ANOTHER IN A GIVEN STIPULATED TIME.



#### INTRODUCTION

- CHURN CUSTOMER REFERS TO THE NUMBER OF EXISTING CUSTOMERS WHO MAY LEAVE THE SERVICE PROVIDER OVER A GIVEN PERIOD.
- THESE CUSTOMERS CAN BE CALLED AS CHURNERS.
- THE MAIN AIM OF CHURN IS TO PREDICT THE CHURN ABLE CUSTOMERS AT THE EARLIEST, TO IDENTIFY THE REASON FOR CHURNING.



#### OBJECTIVE OF TELECOM CHURN

- THESE CUSTOMERS CAN BE CALLED AS CHURNERS.
- THE MAIN AIM OF CHURN IS TO PREDICT THE CHURN ABLE CUSTOMERS AT THE EARLIEST, TO IDENTIFY THE REASON FOR CHURNING.
- THE PRIMARY GOAL OF CHURN ANALYSIS IS TO IDENTIFY AND ANTICIPATE CHURN ABLE CUSTOMERS AS SOON AS POSSIBLE.
- THIS WILL HELP US TO RECTIFY THE ISSUES OF THE CUSTOMER.



#### WHY TELECOM CHURN

- CONTRACT TYPE MONTHLY CUSTOMERS ARE MORE LIKELY TO CHURN BECAUSE
  OF NO CONTACT TERMS AS THEY ARE FREE –TO-GO CUSTOMERS
- NO ONLINE SECURITY NO TECH SUPPORT CATEGORY ARE HIGH CHURNERS.
- NON- SENIOR CITIZENS ARE HIGH CHURNERS...



#### **APPLICATION**

- THE TELECOM COMPANY CAN PREDICT CHURN CUSTOMERS WITH THE HELP OF ELECTRONIC LEARNING TECHNOLOGY WITH DEVELOPED MODEL.
- INDUSTRIES CAN PROVIDE BEST SERVICE SO AS TO REDUCE THE CHURN LEAVE.
- SUCH TYPES OF MODELS HELP TELECOM SERVICES FOR MAKING THEM PROFITABLE.
- RANDOM FOREST AND DECISION TREE ARE USED FOR THIS MODEL.



## **ADVANTAGES**

- SERVICE QUALITY ASSESSMENT
- INSIGHTS INTO CUSTOMER RETENTION
- BUSINESS PERFORMANCE EVALUATION
- COST SAVING
- REVENUE GROWTH



## **DISADVANTAGES**

- LACK OF SEGMENTATION
- LIMITED CONTEXTUAL INFORMATION
- NEGLECTS CUSTOMER LIFETIME VALUE
- IGNORES CUSTOMER ACQUISITION EFFORTS



#### **FUTURES**

- TO LOWER THEIR CHURN RATES TELECOMS ARE INVESTING MORE AND MORE IN CUTTING –EDGE TECHNOLOGIES.
- TOOLS FOR CUSTOMER ANALYTICS AND INSIGHT CAN BE USED TO FORECAST CUSTOMER BEHAVIOUR
- ALLOWING SERVICE PROVIDERS TO DECIDE WHICH STRATEGIES WILL INCREASE RETENTION RATES THE MOST EFFECTIVELY



#### CONCLUSION

- THESE ARE SOME OF THE QUICK INSIGHTS ON CHURN ANALYSIS FROM THIS EXERCISE: ELECTRONIC CHECK MEDIUMS ARE THE HIGHEST CHURNERS.
- CONTRACT TYPE MONTHLY CUSTOMERS ARE MORE LIKELY TO CHURN BECAUSE OF NO CONTACT TERMS AS THEY ARE FREE –TO-GO CUSTOMERS.



# THANK YOU