# CUSTOMER CHURN ANALYSIS AND STRATEGY FOR FUTURE GROWTH

Insights from Q2 2022 data

# INTRODUCTION

- The telecommunications company, serving **7,043** customers in California, is grappling with the challenge of customer churn.

- The dataset for **Q2 2022**, with details on demographics, location, services, and current status, presents an opportunity to gain insights into customer acquisition, profiles, key drivers of churn, and high-value customer retention

- In Q2 2022**, customer details include** gender, age group, city, internet service, average revenue, data consumption, unlimited data usage, streaming preferences, and more.

- The company **aims to analyse** customer profiles, discern differences among churned, joined, and stayed customers, understand primary churn reasons, assess high-value customer loss, and preferences in payment methods, top churned cities, and preferred churn offers.

# DATASET OVERVIEW
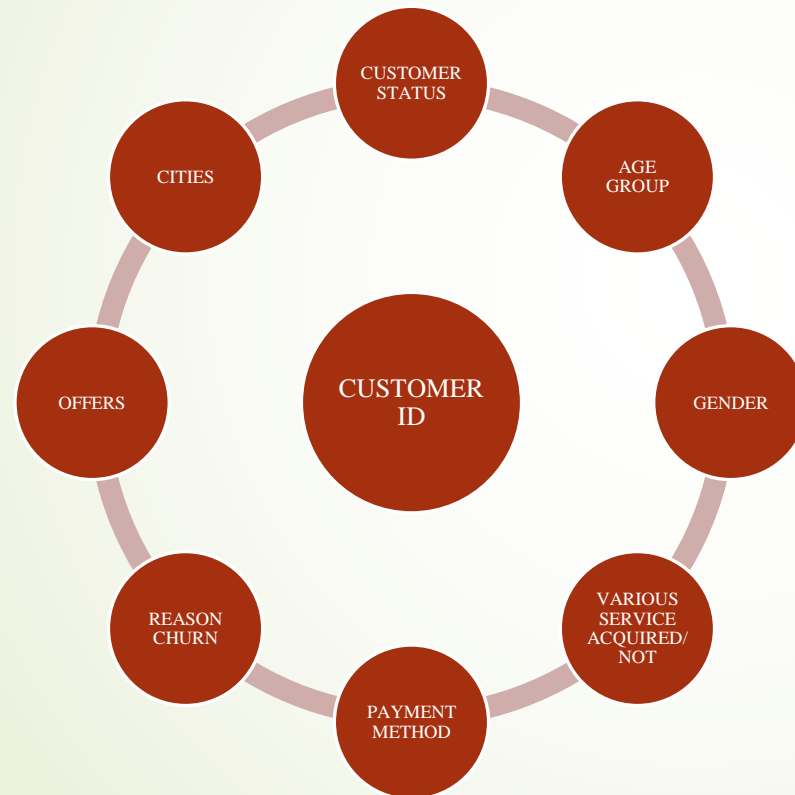


- Dataset give us ,understanding about various field about customer some of shown in diagram.

- In initial overview we find out blanks in dataset but with the help of data dictionary this blanks fill easily.

- Most of blanks are depends on phone service column.

# OBJECTIVES

- **Customers joined the company:** Gender ,Age Group ,Cities, Internet Service, Average Revenue , Average GB Consumed , Unlimited Data ,Specific Streaming Service ,All Streaming Services etc.

- Customer profile for a customer that churned, joined, and stayed

- key drivers of customer churn

- high-value customers

- payment method

- top 12 cities that churned

- offers were preferable by the customers

# METHODOLOGY

**Data Sources**
- Local data sources

**Data Wrangling**
- Collection and meticulous cleaning to ensure accuracy
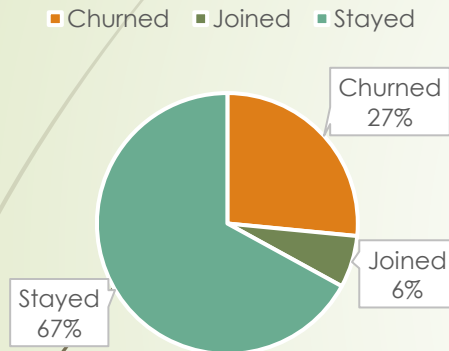
**Data Analysis Parameters**
- Customer Acquisition, Demographic Analysis, Geographical Insights, Service Preferences, Key Drivers of Churn, Payment Method Preferences
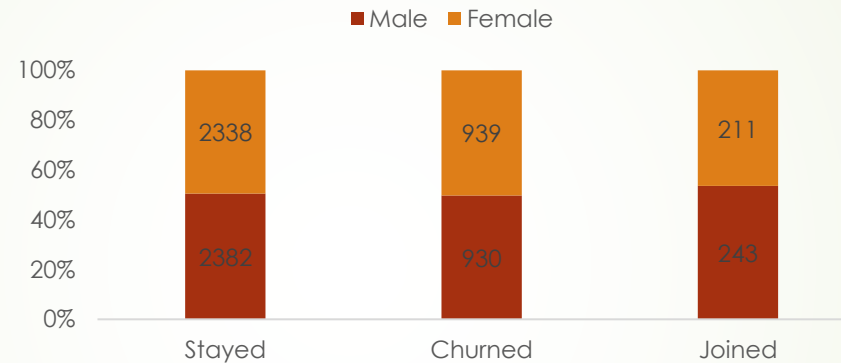
**Data Visualization**
- Charts and graphs for gender distribution, age groups, top churn cities, service preferences, and more
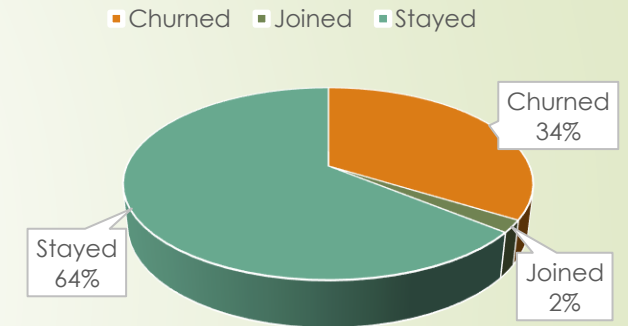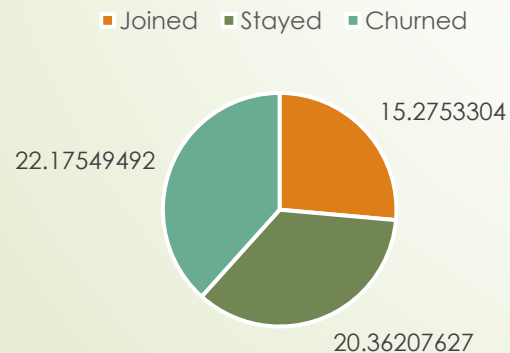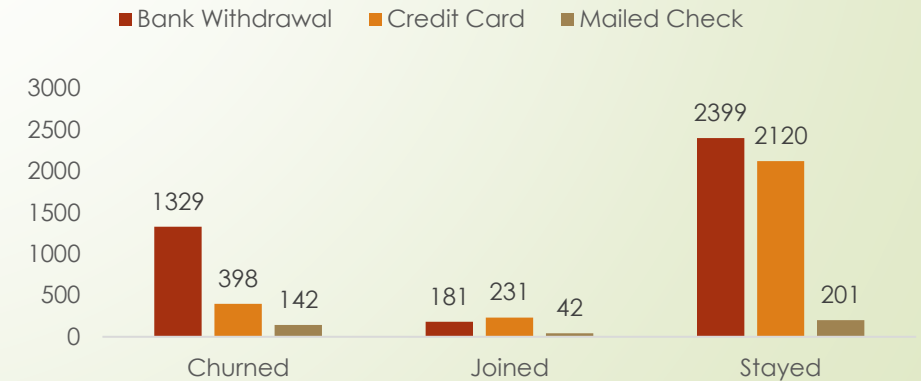
# FINDINGS

## CUSTOMER STATUS

Churned · Joined · Stayed

- Churned 27%
- Joined 6%
- Stayed 67%

## GENDER WISE

Male · Female

| Status | Male | Female |
|--------|------|--------|
| Stayed | 2382 | 2338 |
| Churned | 930 | 939 |
| Joined | 243 | 211 |

## AVERAGE REVENUE

Churned · Joined · Stayed

- Churned 34%
- Joined 2%
- Stayed 64%

## AVERAGE MONTHLY DOWNLOADS IN GB

Joined · Stayed · Churned

- 15.2753304
- 20.36207627
- 22.17549492

## PAYMENT METHOD

Bank Withdrawal · Credit Card · Mailed Check

| | Bank Withdrawal | Credit Card | Mailed Check |
|--------|------|------|------|
| Churned | 1329 | 398 | 142 |
| Joined | 181 | 231 | 42 |
| Stayed | 2399 | 2120 | 201 |

# FINDINGS

## KEY DRIVES-CUSTOMER CHURN

- Attitude
- Competitor
- Dissatisfaction
- Other
- Price

314
211
182
321
841
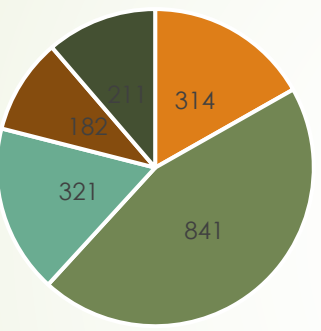
## CHURN REVENUE

- Attitude
- Competitor
- Dissatisfaction
- Other
- Price
- (blank)

Attitude 14%
Competitor 15%
Dissatisfaction 14%
Other 15%
Price 16%
(blank) 26%

## TOP 12 CHURNED CITIES

| City | Value |
|------|------|
| San Diego | 185 |
| Los Angeles | 78 |
| San Francisco | 31 |
| San Jose | 29 |
| Sacramento | 26 |
| Fallbrook | 26 |
| Temecula | 22 |
| Escondido | 16 |
| Long Beach | 15 |
| Glendale | 13 |
| Fresno | 13 |
| Oakland | 13 |
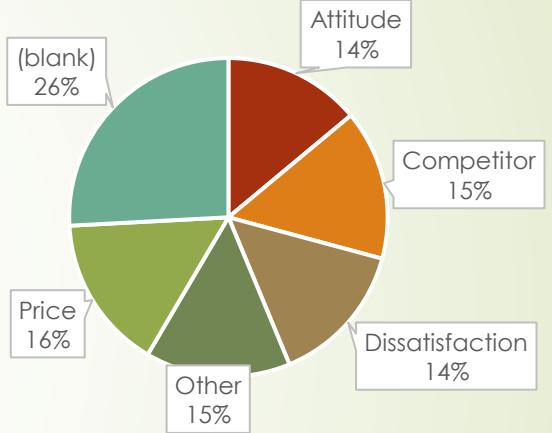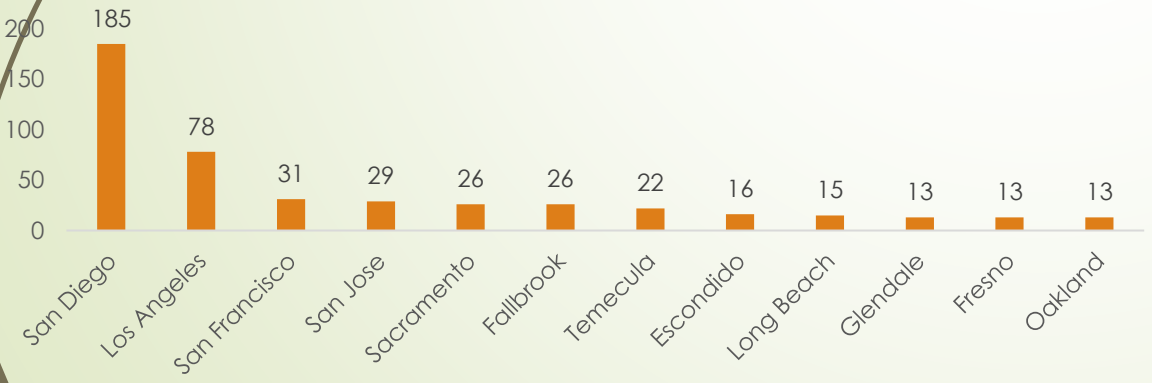
## OFFERS VS CHURNED

- None
- Offer A
- Offer B
- Offer C
- Offer D
- Offer E

3877
520
824
413
602
805

# FINDINGS

## AGE GROUPS

■ 19-28  ■ 29-38  ■ 39-48  ■ 49-58  ■ 59-68  ■ 69-78  ■ 79-88

| | |
|---|---|
| **Stayed** | 913 · 850 · 926 · 859 · 697 · 394 · 81 |
| **Joined** | 90 · 106 · 93 · 87 · 52 · 21 · 5 |
| **Churned** | 280 · 294 · 327 · 314 · 298 · 300 · 56 |

0%  10%  20%  30%  40%  50%  60%  70%  80%  90%  100%

### MOVIE

■ No  ■ Yes

| | Churned | Joined | Stayed |
|---|---|---|---|
| Yes | 818 | 49 | 1865 |
| No | 1051 | 405 | 2855 |

### MUSIC

■ No  ■ Yes

| | Churned | Joined | Stayed |
|---|---|---|---|
| Yes | 728 | 52 | 1708 |
| No | 1141 | 402 | 3012 |

### TV

■ No  ■ Yes

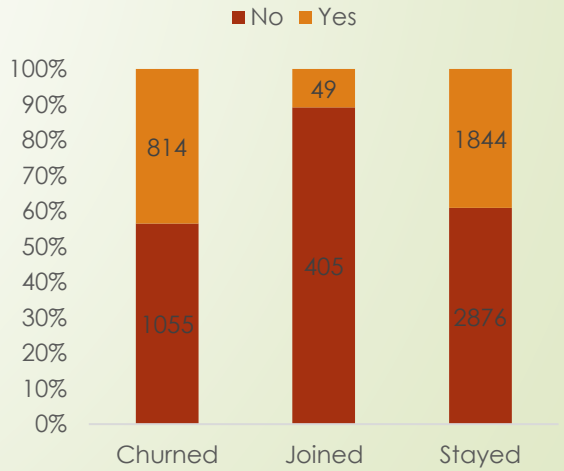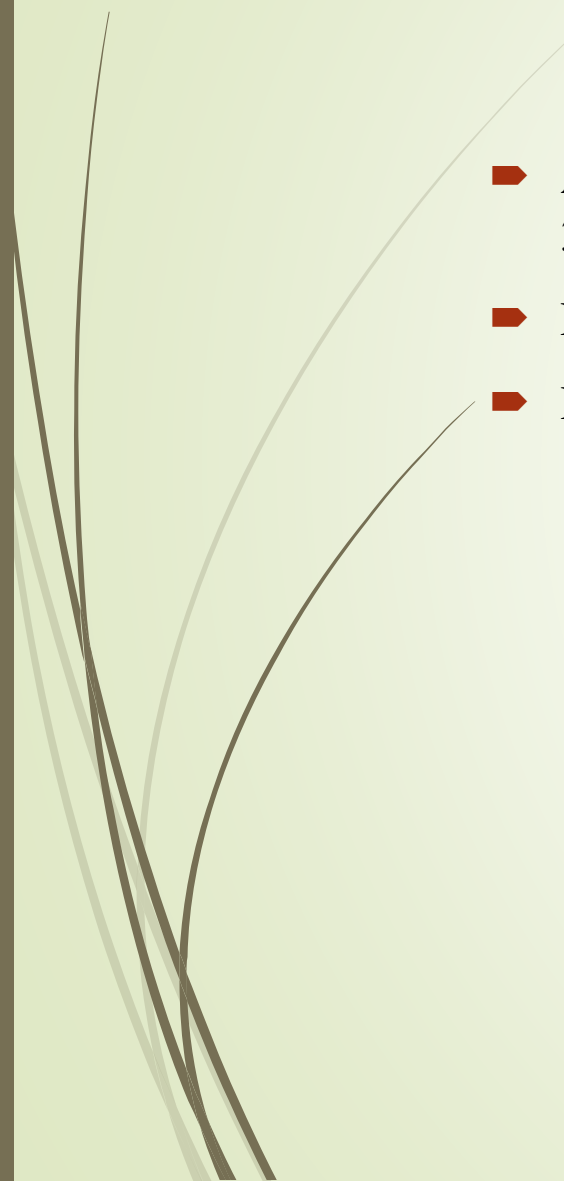| | Churned | Joined | Stayed |
|---|---|---|---|
| Yes | 814 | 49 | 1844 |
| No | 1055 | 405 | 2876 |
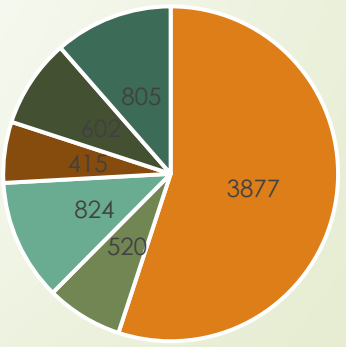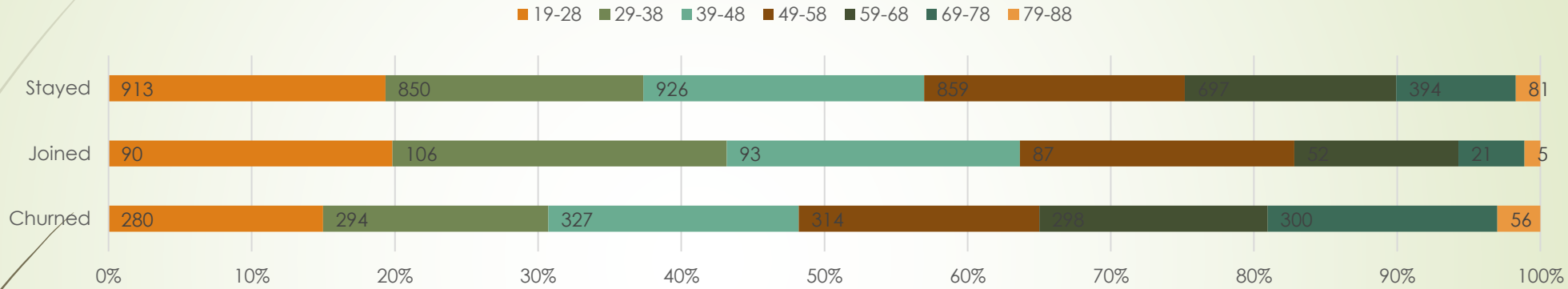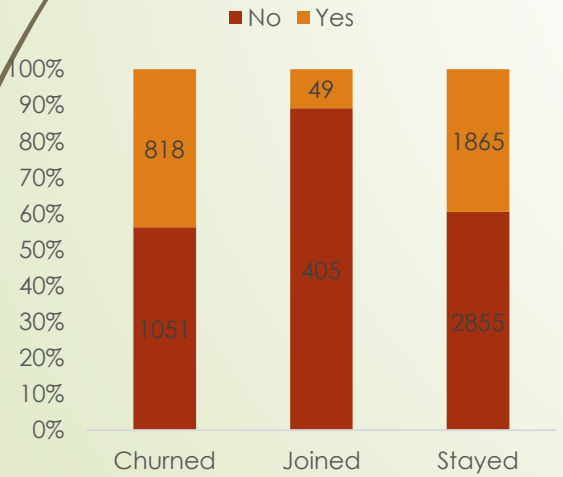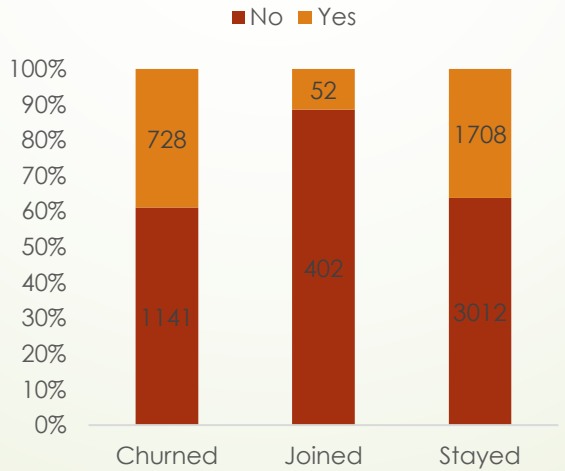
# RECOMMENDATIONS

- **Gender distribution among customers shows 46.48% female and 53.52% male.**

- **The highest age groups among joined customers are 19-28 (19.82%), 29-38 (23.35%), and 39-48 (20.46%).**

- **Joined customers contribute revenue amounting to 199.5589, with a significant presence in top cities including Los Angeles, San Diego, San Francisco, Sacramento, and Glendale.**

- **The majority of joined customers prefer Internet Services and opt for unlimited data plans.**

- **A significant portion of joined customers (majority) subscribes to all streaming services, including Streaming TV, Music, and Movies**

- As per dataset finding churned customer ranked second in term of overall revenue(nearly 34%)

- For retaining churned customers,

- Provide more appealing deals

  - **Provide more appealing deals to increase competitiveness.**

  - **Improve customer support services, addressing reported dissatisfaction with problem resolution and perceived attitude.**

  - **Introduce promotional incentives, such as one month of free data for new customers.**

  - **Proactively engage customers to build stronger relationships.**

  - **Focus on continuous improvement in service quality to address and mitigate churn factors.**

# CONCLUSION

In conclusion, the analysis of customer churn data for the California-based telecommunications company in Q2 2022 provides valuable insights that can guide strategic decision-making for customer retention and satisfaction. The thorough examination of demographics, service usage, and geographic trends has revealed key drivers of churn and areas for improvement. The project's focus on data-driven insights, stakeholder collaboration, and specific goals has paved the way for sustainable improvements in customer relations.

**Key Findings:**

- Customer Profiles : Detailed understanding of customer profiles for churned, joined, and stayed customers based on demographics, services, and current status.

- Key Drivers of Churn : Identification of factors influencing churn, enabling the formulation of targeted retention strategies.

- Geographical Insights : Recognition of the top 12 cities with the highest churn rates, providing a foundation for addressing challenges in those areas.

- Payment Method Preferences : Examination of preferred payment methods among churned users, offering insights for improving transaction processes.

- High-Value Customer Retention: Evaluation of the loss of high-value customers and proposed strategies to achieve a 75% retention rate.

# CONCLUSION

**Strategic Recommendations:**

- Stakeholder Collaboration: Continue fostering a data-driven decision-making culture through ongoing collaboration with stakeholders.

- Retention Strategies: Implement targeted retention strategies based on identified key drivers of churn.

- Geographic Focus: Allocate resources to address challenges in the top 12 churned cities, tailoring solutions to local needs.

- Customer Support Enhancement: Enhance customer support to improve satisfaction and increase retention.

- Continuous Monitoring : Establish a framework for continuous monitoring and adjustment of strategies based on evolving customer dynamics.

**In conclusion, the customer churn analysis project provides a solid foundation for strategic decision-making, ensuring the telecommunications company can proactively address customer challenges, enhance satisfaction, and achieve sustainable growth in a highly competitive market.**