

CUSTOMER CHURN ANALYSIS AND STRATEGY FOR FUTURE GROWTH

Executive Summary:

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.

Background:

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 analyze 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.

Solution:

1. Data Analysis:

Comprehensive analysis of churn data focusing on demographics, service usage, and location. Exploration of trends related to customer churn, acquisition, and retention.

2. Data-Driven Insights:

Extraction of valuable insights on customer profiles based on demographics. Identification of key drivers of churn through data-driven analysis.

3. Stakeholder Engagement:

Collaboration with stakeholders to share insights and strategize effective retention measures. Promotion of a data-driven decision-making culture for sustainable improvements.

Project Scope:

The project aims to analyze churn data for a fictional Telecommunications company in California. Goals include understanding customer dynamics, identifying key drivers of churn, and proposing strategies. Analysis covers demographics, services, and current status, providing insights into Product, Price, Promotion, Place, and People domains.

Methodology:

Data Sources: Local data sources.

Data Wrangling: Collection and meticulous cleaning to ensure accuracy.

Data Analysis Parameters:

- ✓ Customer Acquisition: Number of customers who joined during Q2 2022.
- ✓ Demographic Analysis: Gender and age group distribution among new customers.

- ✓ Geographical Insights: Top 12 cities with the highest churn rates.
- ✓ Service Preferences: Analysis of internet and streaming service preferences.
- ✓ Key Drivers of Churn: Factors influencing churn and potential retention strategies.
- ✓ Payment Method Preferences: Examination of preferred payment methods among churned users.

Data Visualization: Charts and graphs for gender distribution, age groups, top churn cities, service preferences, and more.

Goals and KPIs:

1. Increase customer retention by 20%.
2. Improve customer satisfaction by enhancing support.
3. Achieve a 75% retention rate for high-value customers.
4. Reduce churn rate by 15% by identifying key drivers.
5. Increase preferred methods by 20%.
6. Address challenges in top 12 churn cities to reduce churn by 10%.

Technical Processes:

- ✓ **Formulas:** Vlookup ,Count ,IF ,IFERROR ,Average ,Percentage ,MIN., MAX., PIVOT TABLE ,Find & Replace etc.
- ✓ **Tool:** Excel.

Business Concepts:

- ✓ Market Understanding: Analysing demographics for market insights.
- ✓ Customer Demographic: Profiling churned, joined, and stayed customers.
- ✓ Customer Behaviour: Identifying key drivers and assessing behaviour.
- ✓ Customer Retention: Evaluating loss of high-value customers and proposing retention strategies.
- ✓ New Customer Acquisition: Understanding characteristics of new customers.

Recommended Analysis:

1. Number of customers joined, gender distribution, and age group distribution.
2. Customer profiles for churned, joined, and stayed.
3. Key drivers of customer churn.
4. Loss of high-value customers and retention strategies
5. Percentage of customers in stayed, churned, and joined statuses.
6. Preferred payment method among churned users.
7. Top 12 churned cities.
8. Preferable churn offers by customers.