From Churn to Earn:

Customer Loyalty Pays Off

Luis Martinez

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TELCOCO
"Wow, that's internet and stuff"

Agenda

01 **Summary**

Presentation overview.

02 **Findings**

Observations from analysis.

03 **Recommendation**

Call to action.

04 **Conclusion**

Summary of presentation.

Summary

Goal
Reduce customer churn.

Big Idea
Month-to-month contracts are driving customer churn.

Findings

49% of new customers leave before their first year.

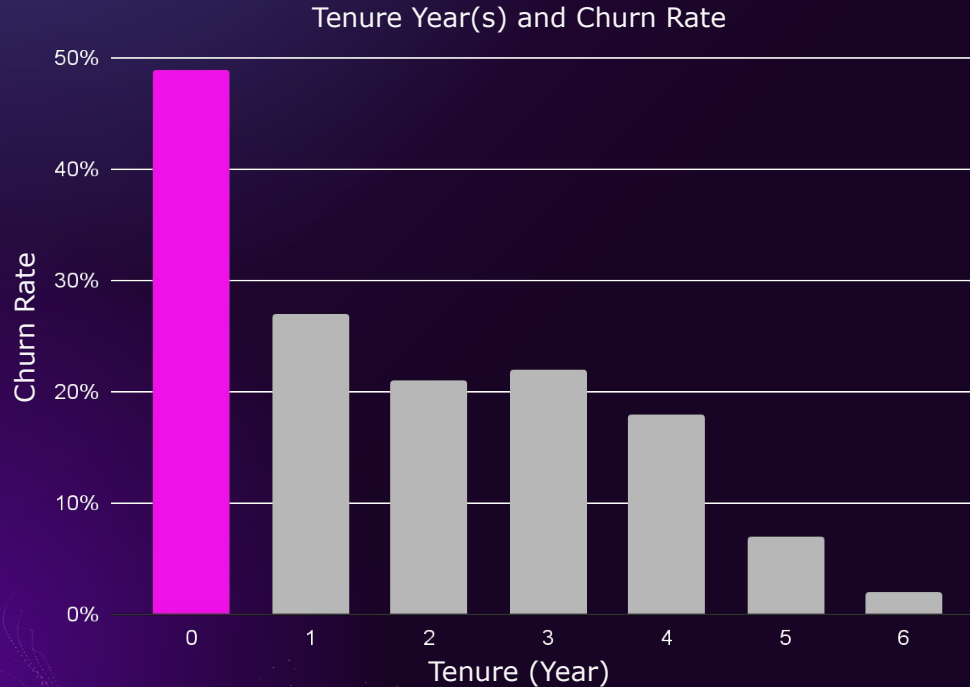**89%** of customers who leave were signed to a month-to-month contract.

Recommendation

Sign new customers to a a one year contract minimum.

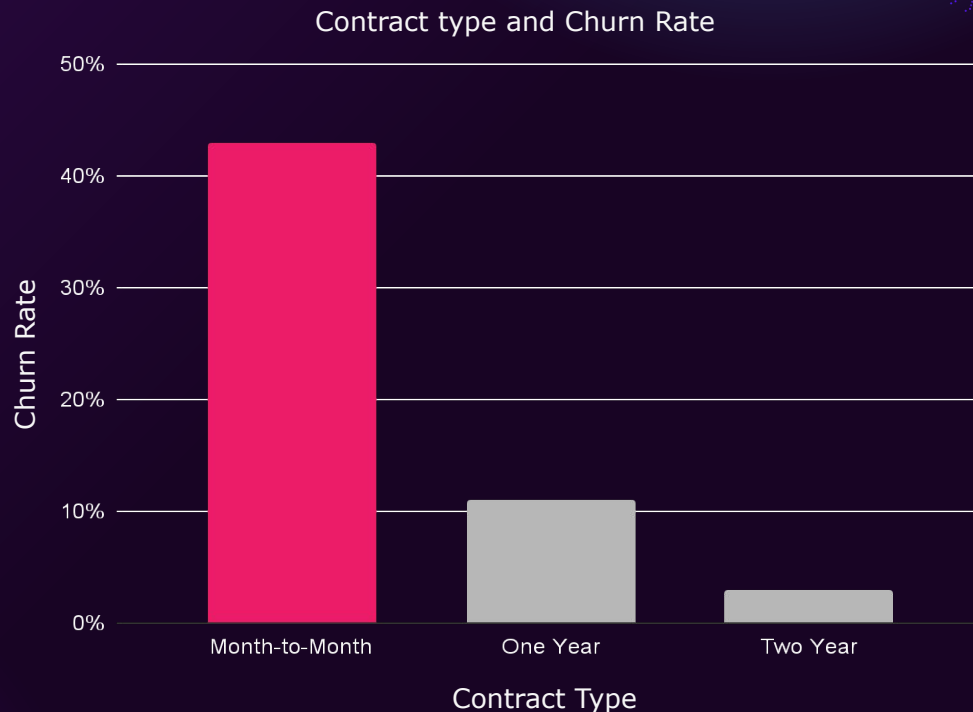Offer one year and two year contract incentives.

New Customers Churn the Most

Tenure Year(s) and Churn Rate

22%

Decrease

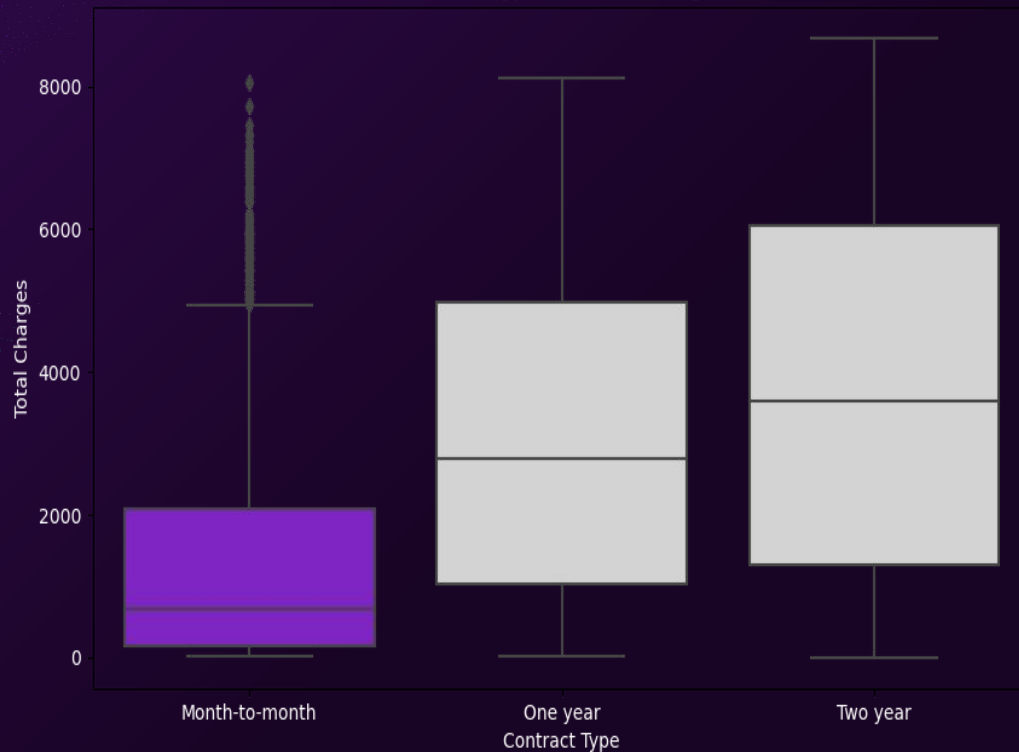in churn rate between accounts less than one year old and accounts at least one year old.

Month-to-Month = Churn Leader

32%

Difference

between Month-to-month contracts and One Year contracts.

Contract type and Churn Rate

Churn Rate

50%

40%

30%

20%

10%

0%

Month-to-Month   One Year   Two Year

Contract Type

Recommendations

Contract Type and Total Charges

Call to Action:

1. Sign new customers to a one year contract minimum.

2. Offer One year and Two year contract incentives.

● Customers with shorter contracts have lower total charges.

Conclusion

Takeaway

- Customer acquisition is costly.
- So let's reduce churn and earn customer loyalty in return by addressing contract types and their impact on the company.

Next Steps

- Evaluate new customers with short contracts further with detailed customer segmentation based on demographics and service usage.

Thank you for your time.