

CHURN RISK ANALYSIS



MOAAZ MAGDY

2025

- Identifying our most valuable segments and the critical risks posed by customer inactivity and churn. Our focus is on prioritizing strategic actions that protect high-value revenue and maximize Customer Lifetime Value (CLV).

OVERVIEW

- › MARKET OVERVIEW
- › OUR CHAMPION
- › THE RISK ZONE
- › CRITICAL OPPORTUNITY
- › CUSTOMER SEGMENTATION & PRIORITIZATION
- › STRATEGIC CUSTOMER RETENTION RECOMMENDATIONS

[1] MARKET OVERVIEW

BREAKDOWN OF OUR CUSTOMER SEGMENTS

The customer base is segmented using Recency, Frequency, and Monetary value (RFM).

This analysis reveals a concentrated revenue source, where a small segment of customers generates most of the sales.

BREAKDOWN OF OUR CUSTOMER SEGMENTS

ORDERED BY



Segment	Customer %	Revenue %	Avg. Recency (Day)	Key Role
Champions	22.1%	62.6%	~20	Core Revenue Generator
Loyal Customers	11.8%	12.7%	83	Steady Contributor
Need Attention	25%	10.8%	273	Volume Risk
Other Segments	41.1%	13.9%	Varies	Future Potential

[2]OUR CHAMPION

THE CHAMPIONS ARE THE BENCHMARK FOR CUSTOMER LOYALTY AND SPENDING.

CHAMPIONS

Their behavior is characterized by high frequency, high monetary value, and extremely low recency.

METRIC

MEANING

AVG. → Recency
20 Days

Purchased very recently.

AVG. → Frequency
15.85 Times

Purchase often.

AVG. → Monetary
\$4,952.96

Spend the most money.
money.

We must reinforce their loyalty with exclusive programs, as any churn here has the steepest revenue impact.

[3] THE RISK ZONE

A LARGE GROUP OF CUSTOMERS IS SHOWING CLEAR SIGNS OF LEAVING THE BUSINESS.

The largest at-risk segment by count is
"Need Attention"

“NEED ATTENTION” GROUP

Critical Risk

RISK
GROUP

2,895

COUNT

AVERAGE
↙

98.35%

CHURN
PROBABILITY

CRITICAL CHURN

OF TOTAL CUSTOMER

25%

NEEDS
ATTENTION

AVG.

273 Days

RECENCY

10.8%

REVENUE

Although they have bought from us before, their low frequency and high recency indicate they are now largely inactive and highly vulnerable to competitors.

[4] CRITICAL OPPORTUNITY

IDENTIFYING HIGH-VALUE CUSTOMERS AT RISK

The most valuable retention opportunity is found among the At-Risk High-Value Customers (the “About to Sleep” segment)

COMPERING HIGH-VALUE CUSTOMERS TO ACTIVE CHAMPIONS

ACTIVE
CHAMPIONS

METRIC

AT~RISK
HIGH~VALUE

High \$4,950

Historical Spend

High
(\$3,000 ~ \$5,000)
AVG. ↗

20 DAYS

Recency

400+ Days
Inactive ↗

Retain

Strategic Focus

Win Back

OPPORTUNITY

Recovering these customers
yields a significantly higher
return on investment than
acquiring new, unproven high-
value customers.

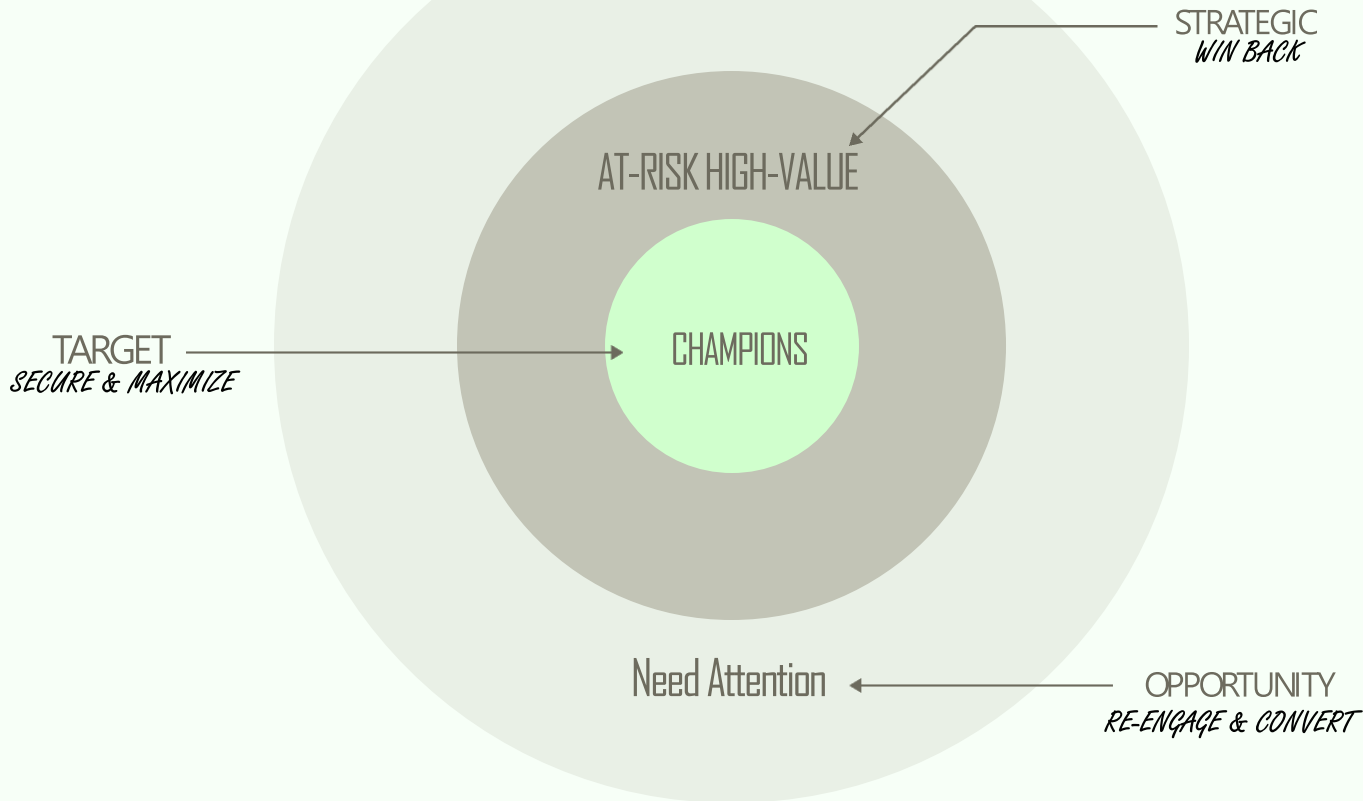
[5] CUSTOMER SEGMENTATION & PRIORITIZATION

IDENTIFYING HIGH-VALUE SEGMENTS AND ACTIONABLE CHURN RISK.

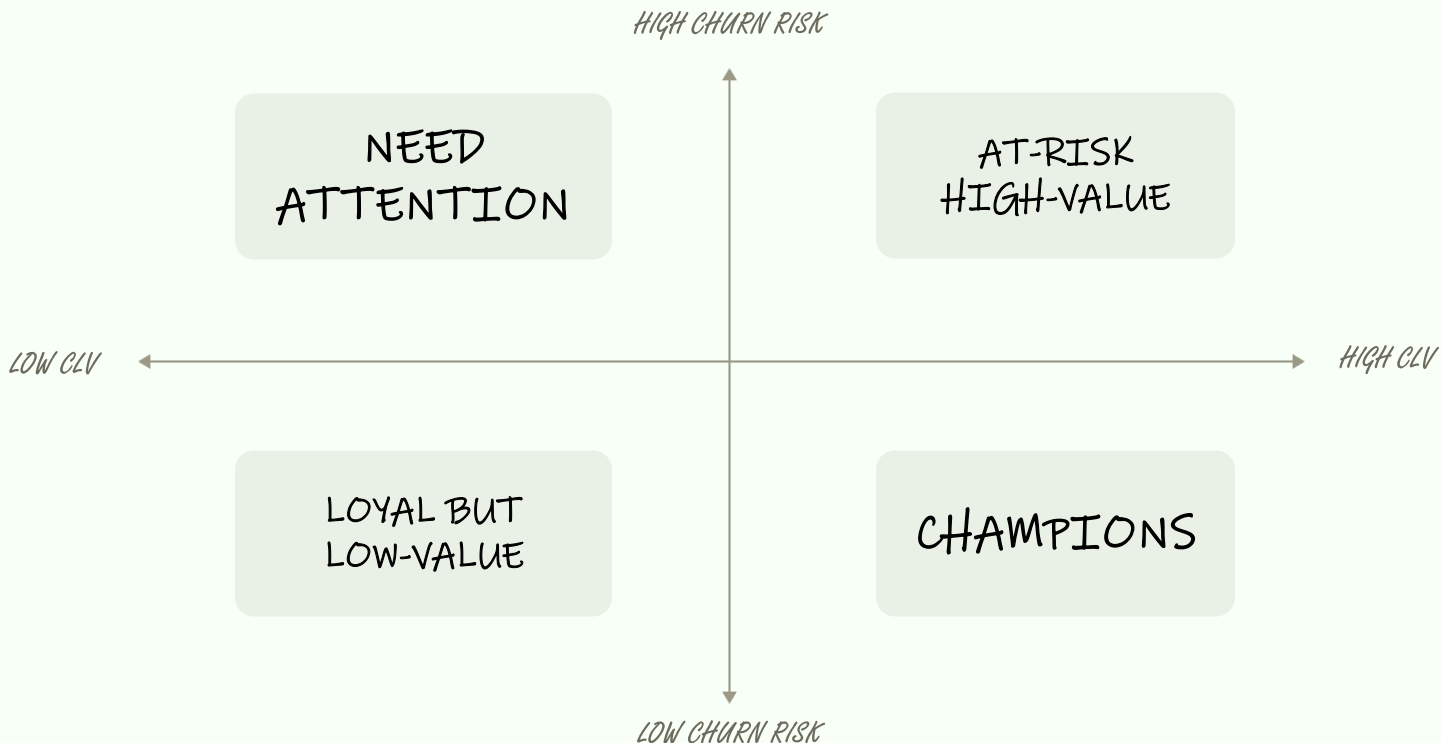
We have successfully identified the critical segments where revenue share is highest and risk is most urgent.

TARGET CUSTOMERS

The company relies heavily on the Champions segment. Maintaining their loyalty is the single most critical business goal.



RETENTION STRATEGY PRIORITIZATION MATRIX



This prioritization ensures our retention efforts and marketing spend are maximized for the greatest financial impact.

[6] STRATEGIC CUSTOMER RETENTION RECOMMENDATIONS

Our segmentation analysis has shown us exactly where to focus our resources. Now, we translate these insights into a decisive, four-point action plan.

STRATEGIC RETENTION ACTIONS

ACTION

Secure Champions

secure our highest-value, most loyal customers.

Save Critical Threats

personalized, high-incentive campaign

Activate Volume

(email/SMS) for the large 'Need Attention' group.

Guide Spending

Use Predicted CLV as the primary metric to guide all marketing budget allocation.

MEANS

EXCLUSIVE VIP LOYALTY PROGRAM

PERSONALIZED, HIGH-INCENTIVE CAMPAIGN

SIMPLE, AUTOMATED COMMUNICATION FLOWS

RELY ON PREDICTED CLV

GOALS

Maximize their lifetime value and drive continuous advocacy.

Reactivate their spending and prevent the loss of significant historical revenue.

Efficiently re-engage dormant customers before they churn completely.

Ensure retention spending is always proportional to the potential future value of the customer (maximize ROI).

Our strategic focus shifts all retention spending toward proactive, high-return interventions. This ensures we safeguard our most valuable customers and efficiently grow revenue from every segment.

The background of the image features a repeating pattern of the text 'MOAAG' and 'MACDG' in a light gray, handwritten-style font. Each word is followed by a right-pointing arrow. The pattern is arranged in a grid-like fashion, with 'MOAAG' and 'MACDG' alternating in a checkerboard pattern across the rows and columns. The text is slightly tilted and has a casual, sketched appearance.

THANK YOU.