

# 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.

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

# METRIC

Avg. → Recency  
20 Days



# MEANING

Purchased very recently.

Avg. → Frequency  
15.85 Times



Purchase often.

Avg. → Monetary  
\$4,952.96



Spend the most money.  
money.

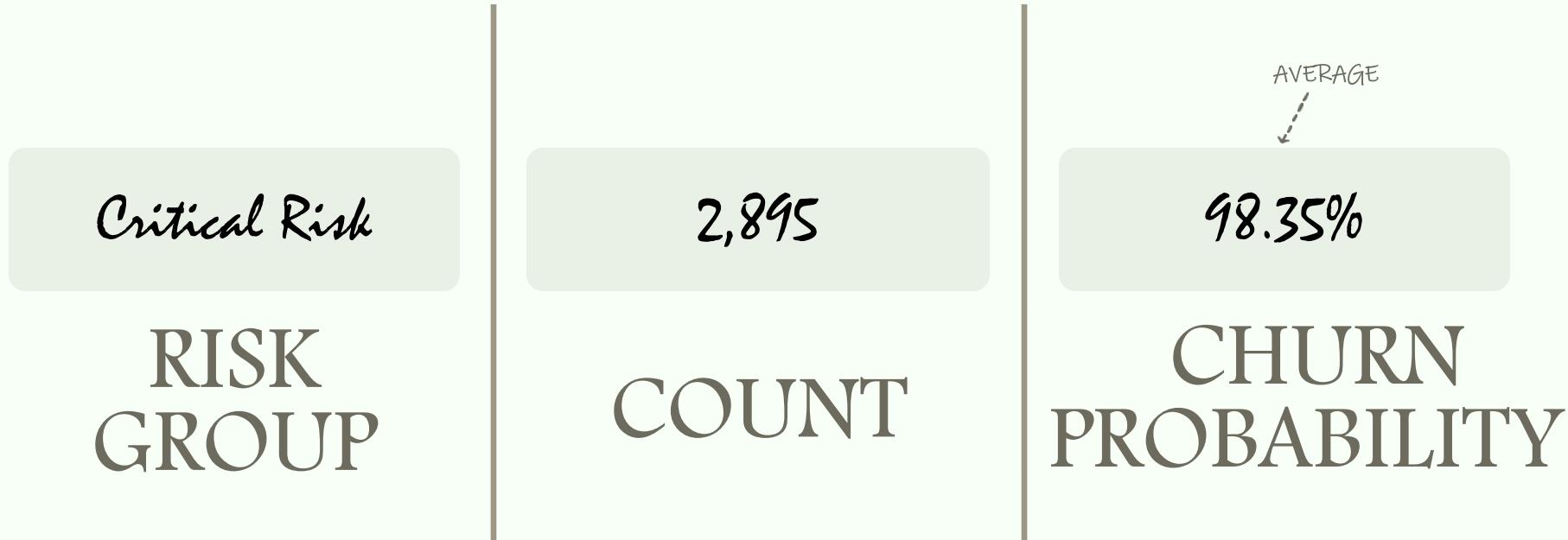
We must reinforce their loyalty with exclusive programs, as any churn here has the steepest revenue impact.

# [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 CHURN

25%

OF TOTAL CUSTOMER

273 Days

AVG.

10.8%

NEEDS  
ATTENTION

RECENCY

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)

# COMPETING HIGH-VALUE CUSTOMERS TO ACTIVE CHAMPIONS

ACTIVE  
CHAMPIONS

High \$4,950

METRIC

**Historical Spend**

AT-RISK  
HIGH-VALUE

High  
(\$3,000 ~ \$5,000)  
AVG.

20 DAYS

**Recency**

400+ Days

Retain

**Strategic Focus**

Win Back

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

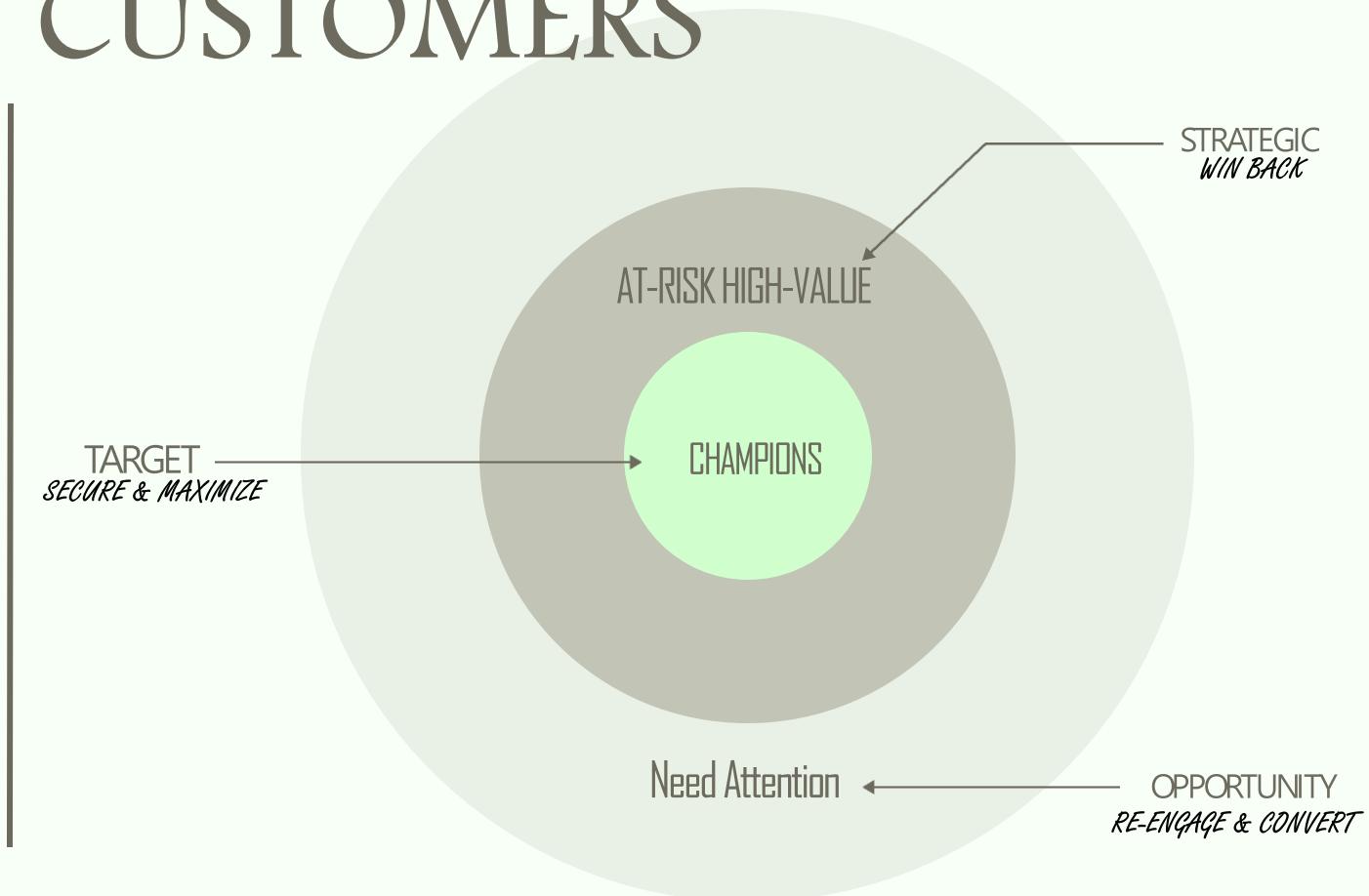
# [5] CUSTOMER SEGMENTATION & PRIORITIZATION

IDENTIFYING HIGH-VALUE SEGMENTS AND ACTIONABLE CHURN RISK.

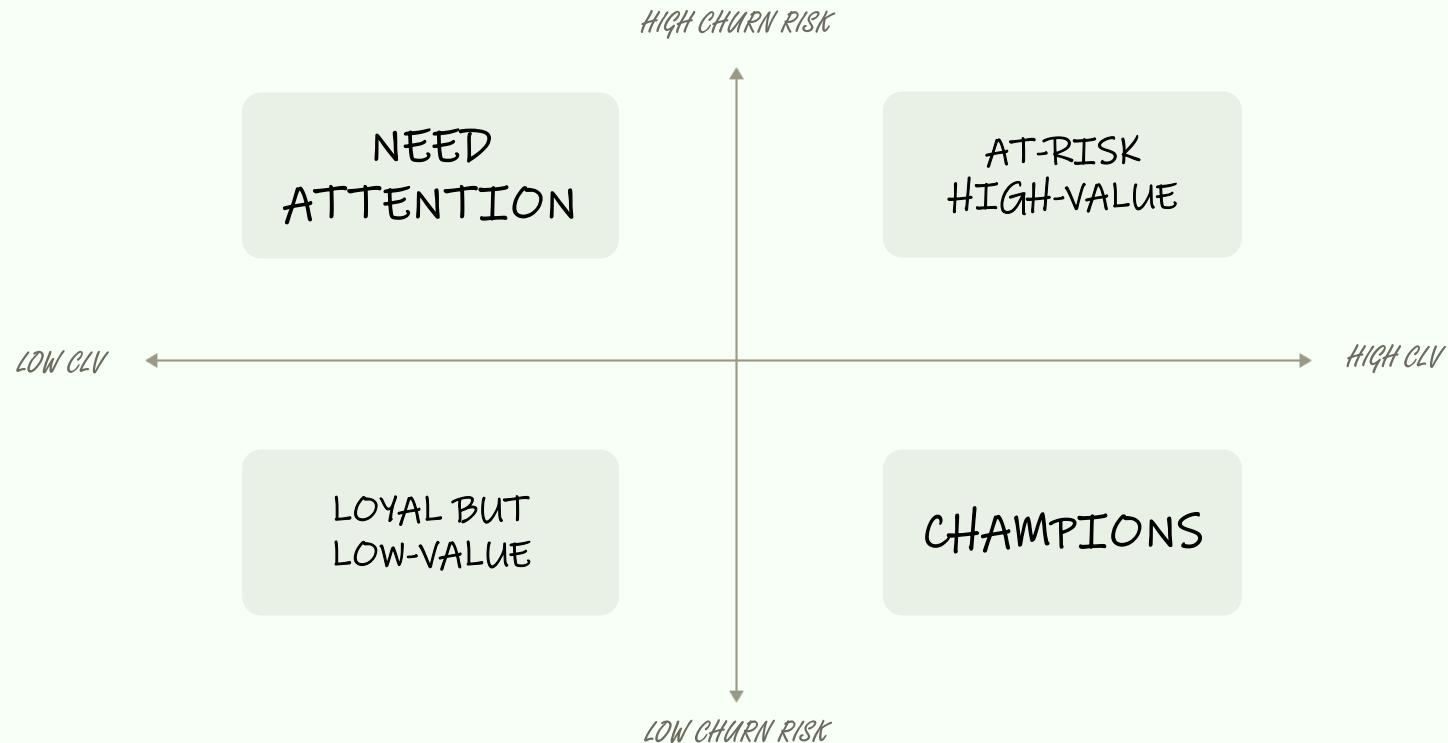
We have successfully identified the critical segments where revenue share is highest and risk is most urgent.

# 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.

## 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).

MEANS  
↓

EXCLUSIVE VIP LOYALTY PROGRAM

PERSONALIZED, HIGH-INCENTIVE CAMPAIGN

SIMPLE, AUTOMATED COMMUNICATION FLOWS

RELY ON PREDICTED CLV

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.

**THANK YOU.**