

PREDICTING CUSTOMER CHURN IN TELECOMMUNICATIONS

Strategies for Enhancing Customer Retention

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BUSINESS OVERVIEW

- **What is Customer Churn**

- This refers typically to percentage of customers who stop using a company's services over a certain period.

- **Significance of Addressing Churn:**

- Lowering churn rates can lead to increased profitability and stronger customer loyalty.

BUSINESS UNDERSTANDING

- **Stakeholder**

- This analysis is conducted for telecommunications company seeking to retain its customers.

- **Source of Data**

- Dataset containing customer account information, including service usage, previous interactions, and customer service calls, to understand factors contributing to churn.

PREDICTIVE MODELING AND SUMMARY

- **Classification:** a method used to predict which category something belongs to. In this case, whether a customer will churn or not.

Evaluation Criteria:

- **Accuracy:** The proportion of correct predictions made by the model.
- **Precision:** The ratio of true positive predictions to the total predicted positives.
- **Recall:** The ratio of true positives to the actual positives in the dataset

Outcome:

Our model effectively pinpointed a considerable number of customers at risk of leaving.

RECOMMENDATIONS AND WAY FORWARD

Proposed Actions :

- Launch targeted marketing initiatives for customers identified as at risk.
- Enhance customer service experiences tailored to individual needs.
- Introduce loyalty programs or incentives to foster customer retention.

What's next?

Monitor closely the effectiveness of implemented strategies whilst continuously updating the model with new data for improved predictions.

THANK YOU!!

Any Questions?