



Data-Driven Insights for Churn Prevention

**Identifying the Variables with the Biggest Impact on
Churn and Crafting a Winning Solution.**

By Michal Ostrowski



The objective

- Help TeleConnect become a leader in customer satisfaction and retention in the telecommunications industry.
- Identify the top three features that impact churn.
- Develop effective strategies to reduce churn and improve customer retention.

Overview

- The objective
- Recommended actions for reducing churn
- The Data
- Packaging for Success
- Optimizing Pricing Strategy for Customer Retention and Profitability
- The Cost of Dissatisfaction
- Effect of Customer Service Calls on Churn Rate
- To Plan or Not to Plan?
- Recommendations
- How can we improve this in the future?

Recommended actions for reducing churn

- Implement a monthly plan at \$58.00 for all customers that includes additional services.
- Provide training for customer service representatives to prioritize resolving customer issues within the first three calls, and escalate issues to a senior employee if the issue persists.
- Consider incorporating international calling into the monthly phone plan to simplify billing and reduce the likelihood of churn

The Data

- Name: SyriaTel Customer Churn
- Dataset includes customer demographics, account information, usage patterns, and churn status
- 3,333 rows (customers)
- Used for predictive modeling to identify churn factors in telecom industry

Packaging for Success

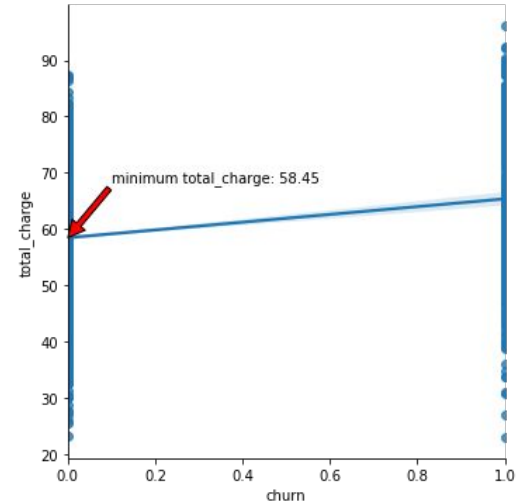
How Bundling Services Can Combat Churn and Boost Satisfaction

- Implement a monthly plan for all customers at a rate of \$58.00.
- Retain lower spenders and reduce the likelihood of churn.
- Provide greater value to customers through enhanced services.

Optimizing Pricing Strategy for Customer Retention and Profitability

Finding the Sweet Spot for Maximum Revenue and Minimum Churn

- There is a positive relationship, meaning: higher churn rates correspond with higher total charges.
- \$58.45 is the point in total charges where a customer is likely to start thinking about leaving the company.



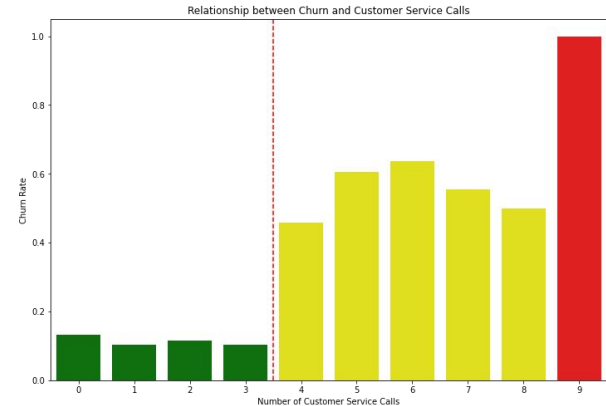
The Cost of Dissatisfaction

Total Customer Service Calls and Churn in the Telecom Industry

- High customer service calls linked to high churn.
- Recommend training for customer service reps to resolve issues by the third call.
- Escalate customer issues to senior employees if not resolved after three calls.
- Improve customer service to reduce dissatisfaction and churn rates, leading to greater retention and increased revenues.

Effect of Customer Service Calls on Churn Rate

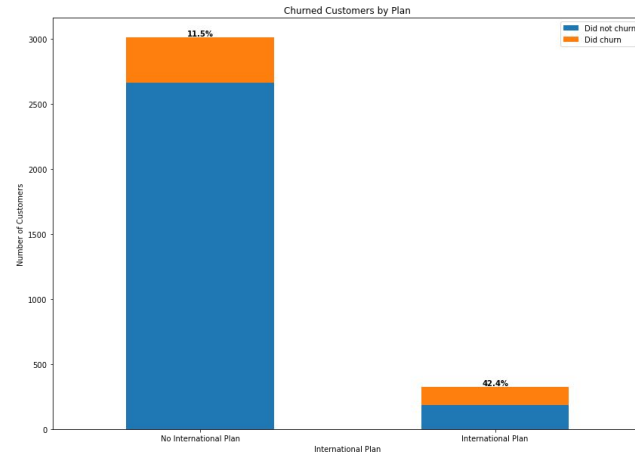
- Improve customer service resolution processes for customers who make 3 or more calls to reduce churn.
- Customers who have between 4 and 8 customer service calls demonstrate a significant increase in churn rate.
- Customers who have 9 customer service calls have a 100% churn rate.



To Plan or Not to Plan?

The Impact of International Plan Usage on Customer Churn Rates

- Only 9.7% of customers have an international plan.
- However, 42.4% of those customers churned.
- Incorporate international plans and the main plan together to reduce churn.
- This will not only retain international customers but also increase revenue for the company.



Recommendations

- Total charge, total customer service calls, and international plan are the most important factors in predicting customer churn.
- To reduce churn, implement a monthly plan at \$58 to create more predictable bills for customers.
- Train customer service representatives to be more effective at resolving issues to reduce the number of customer service calls.
- Incorporate international calling options into main plans to make it more accessible to customers and potentially reduce churn.

How can we improve this in the future?

- Surveying customers who have churned or are at risk of churning can provide valuable qualitative data on why they chose to leave and what improvements they would like to see.
- Monitor the impact of our current strategies on customer churn
- Determine whether further analysis is needed to identify other factors that influence churn
- Refine our current features based on feedback and data-driven insights

Thank you for your attention!

We hope that after this presentation you have gained some insight to what drives churn here at TeleConnect .

We are excited to continue our quest to reduce churn and provide more ways to satisfy our customers!

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