

TELECOM CHURN ANALYSIS

Domain: Telecommunications

PROJECT BRIEF

Churn data for a Telecommunications company that provides phone and internet services to customers in California, and includes details about customer demographics, location, services, and current status, providing the foundation for a deep analytical exploration of churn patterns.

The objective is to uncover underlying factors driving customer attrition, assess retention challenges, and evaluate the characteristics of customers who join, stay, or leave the service. Key areas of focus include:

Customer Acquisition Trends: Examining the volume and patterns of new sign-ups, particularly in the last quarter, to identify potential growth opportunities.

Churn Profile Analysis: Distinguishing the behavioral, demographic, and service-based traits of customers who churn versus those who remain loyal.

Churn Drivers & Risk Indicators: Identifying key variables that correlate with customer attrition, such as service issues, pricing sensitivity, or contract length.

High-Value Customer Retention: Assessing whether the company is disproportionately losing its most valuable customers and formulating strategies to enhance retention.

EXECUTIVE SUMMARY

Maven Telecom currently serves 7,043 active customers, with 1,051 new subscribers joining in the last quarter. However, churn remains a pressing issue, as 1,869 customers have left, impacting revenue and long-term growth. Understanding why customers leave is crucial to mitigating future losses.

Customer Churn Insights

- **Competitor Influence:** The biggest driver of churn is competition. 313 customers left because a competitor offered better devices, while 311 customers switched due to more attractive promotional offers. Additionally, 117 customers left for providers with larger data packages.
- **Service Issues:** Customer service plays a major role in retention. 220 customers cited poor staff attitude, and 94 customers were dissatisfied with the general service experience.
- **Unexplained Churn:** A notable 130 customers left without stating a clear reason, highlighting a gap in feedback collection and engagement.

Contract & Service Plan Analysis

- **Churned Customers by Contract Type:** The majority of churned customers (1,312 out of 1,869; 70.2%) were on month-to-month contracts, making them highly volatile. Customers with one-year contracts (283 churned; 15.1%) and two-year contracts (274 churned; 14.7%) were comparatively more stable.
- **Premium Tech Support Impact:** A staggering 1,492 churned customers (79.8%) did not have premium tech support, suggesting that additional service support could improve retention.
- **Internet Type & Churn:** Most churners (1,296 customers; 69.3%) used fiber-optic internet, indicating either dissatisfaction with speed/reliability or pricing concerns.

High-Risk, High-Value Customers

Risk Assessment: Customers with month-to-month contracts, no premium tech support, and fiber-optic internet are at the highest risk of churning.

High-Value Customer Retention: Among the company's most profitable customers (those with high monthly charges, long tenure, and multiple referrals), some still exhibit multiple churn risk factors. Prioritizing their retention is key to sustaining revenue.

RECOMMENDATIONS

- 1. Enhance Competitive Offers** – Since 741 churners left due to competitor promotions, offering better device bundles and loyalty rewards could mitigate future losses.
- 2. Improve Customer Service** – Addressing dissatisfaction among the 314 customers who left due to poor service experience could directly impact retention
- 3. Targeted Retention for At-Risk Customers** – Customers on month-to-month contracts (70.2% of churners) should receive personalized retention efforts.
- 4. Boost Premium Tech Support Adoption** – With 79.8% of churners lacking premium tech support, providing adequate tech support should lessen the risk of churn.