UNVEILING INSIGHTS ON TELECOM CHURN ANALYSIS

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INTRODUCTION

This research looks at the churn statistics of a hypothetical Telecommunications firm in California from Q2 to 2022, encompassing 7,043 customers. To discover consumer trends, it studies demographics, regions, services, and current status. Understanding client profiles, identifying churn drivers, and enhancing retention measures are among the objectives. Insights about gender, age, city preferences, and service usage are intended to help the firm improve its products while reducing churn.

PROBLEM & BACKGROUND STATEMENT

Problem Statement:
The telecommunications company, serving 7,043 customers in California, faces challenges in understanding and addressing customer churn. The dataset for one quarter of 2022 provides detailed information on customer demographics, location, services, and current status. The company needs insights into customer acquisition, profiles of churned, joined, and stayed customers, key drivers of churn, and the retention of high-value customers.

Background:
With a focus on the second quarter of 2022, the dataset encompasses customer details such as gender, age group, city, internet service, average revenue, data consumption, unlimited data usage, specific streaming service preferences, and more. The company seeks to analyze the customer profiles, identify differences among churned, joined, and stayed customers, determine the primary reasons for churn, assess the loss of high-value customers, and understand preferences in payment methods, top churned cities, and preferred churn offers. This analysis aims to equip the company with actionable insights for effective customer retention strategies.

GOALS AND KPIs

Achieve a 75% retention rate for high-value customers.

Increase customer retention by 20%

Address challenges in top 12 churn cities to reduce churn by 10%

Improve customer satisfaction by improving customer support

Increase preferred methods by 20%

Reduce churn rate by 15% by identifying key churn drivers

RECOMMENDED ANALYSIS

How many customers joined the company? How many customers joined?

Based on the data, we have categorized customers who have joined the company according to demographic factors such as gender, age, city, unlimited data, internet services, average revenue, average monthly data consumption, and all streaming services.

- ❑ Gender distribution among customers shows 46.48% female and 53.52% male.
- ❑ The highest age groups among joined customers are 19-28 (19.82%), 29-38 (23.35%), and 39-48 (20.46%).
- ❑ Joined customers contribute revenue amounting to 199.5589, with a significant presence in top cities including Los Angeles, San Diego, San Francisco, Sacramento, and Glendale.
- ❑ The majority of joined customers prefer Internet Services and opt for unlimited data plans.
- ❑ A significant portion of joined customers (majority) subscribes to all streaming services, including Streaming TV, Music, and Movies.
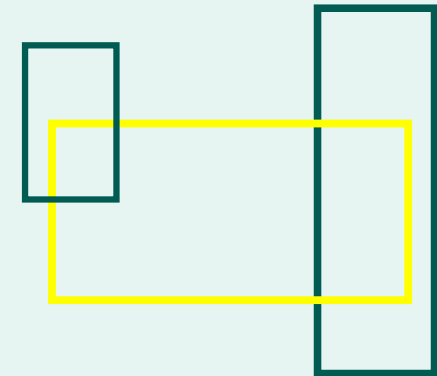
Customer Demographics

- ❑ **Female customers constitute 49.52% of the total, with 13.33% in the churned status, 3.00% joined, and 33.20% stayed.**
- ❑ **Male customers make up 50.48% of the total, with 13.20% in the churned status, 3.45% joined, and 33.82% stayed.**

- ❑ **Churned customers account for 26.54% of the total, with 1.60% indicating "No" and 24.93% indicating "Yes."**
- ❑ **Joined customers make up 6.45%, with 2.58% responding "No" and 3.86% responding "Yes."**
- ❑ **Stayed customers constitute the majority at 67.02%, with 17.48% responding "No" and 49.54% responding "Yes."**

- ❑ **Churned customers have an average total revenue of 1971.35.**
- ❑ **Joined customers have a significantly lower average total revenue of 119.56.**
- ❑ **Stayed customers show the highest average total revenue at 3735.68.**

- ❑ **Churned customers have an average monthly GB download of 41,446.**
- ❑ **Joined customers have an average monthly GB download of 6,935.**
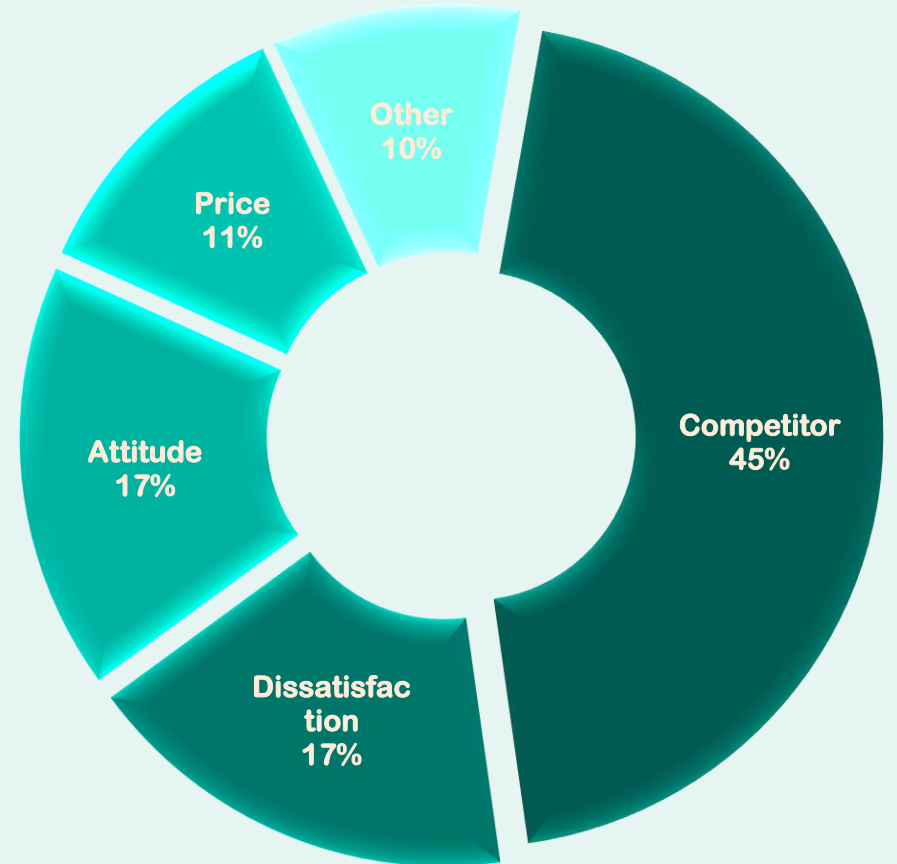- ❑ **Stayed customers have an average monthly GB download of 96,109.**

Cont….

- For customers with "Unlimited data," 21.67% have NA values, 1.60% are in the churned status, 2.58% joined, and 17.48% stayed.
- For customers with "No" unlimited data, 10.96% are in the churned status, 3.61% joined, and 6.67% stayed.
- For customers with "Yes" for unlimited data, 67.37% are in the churned status, 21.33% joined, and 42.87% stayed.

- Churned customers represent 26.54% of the total, with the highest count in the 19-28 age group.
- Joined customers make up 6.45% of the total, with the highest count in the 29-38 age group.
- Stayed customers constitute 67.02% of the total, with the highest count in the 19-28 age group.

The table summarizes customer streaming preferences across various categories. In the "Churned" group, 1869 customers opted for streaming TV, movies, and music. The "Joined" category had 454 customers with streaming preferences, and the majority, 4720, in the "Stayed" group also had diverse streaming choices.
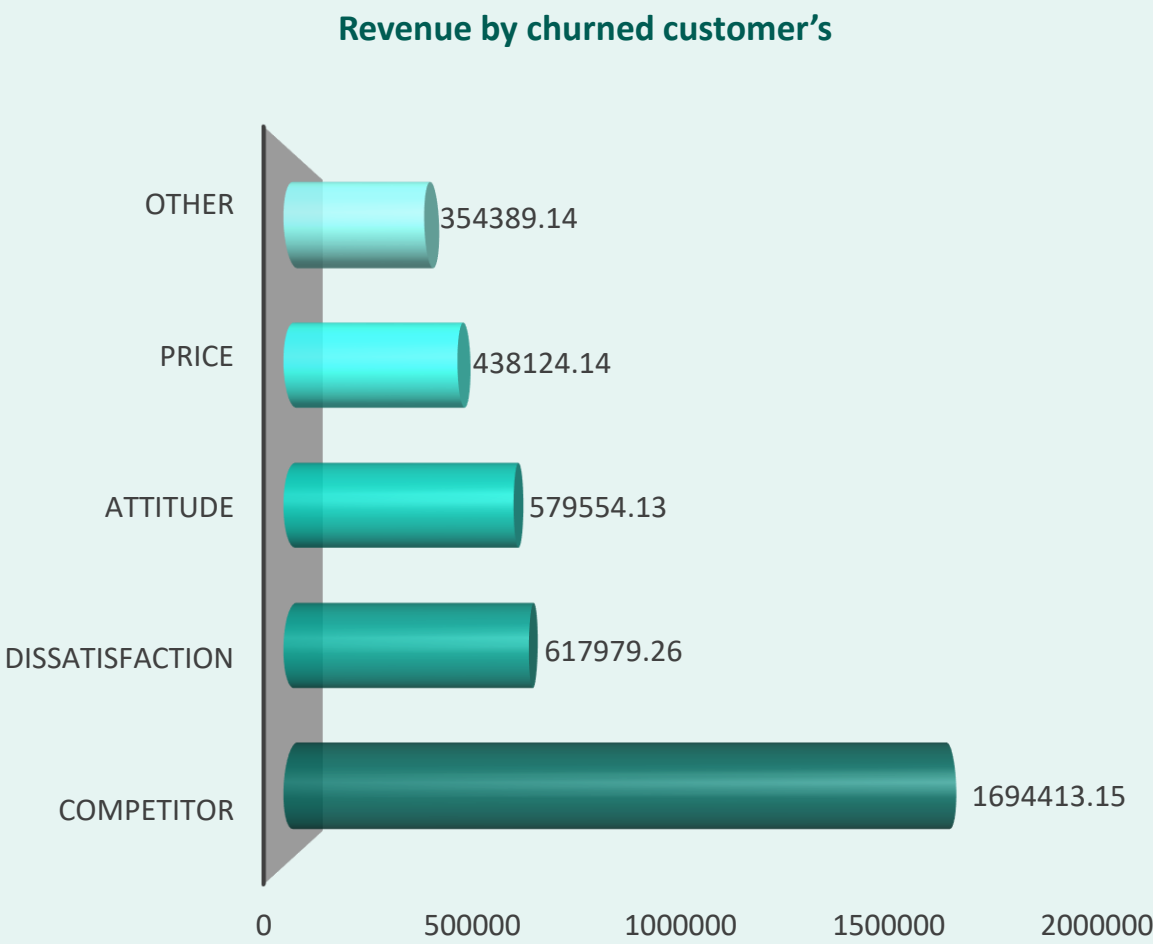
key drivers of customer churn

According to the data, a majority of the churned customers express the belief that the company's competitor offers superior devices and more attractive deals. Additionally, these customers indicate dissatisfaction with the company's support personnel, citing perceived inadequacy in problem resolution and attitude. Furthermore, they contend that the company's competitor outperforms in terms of providing more data with higher download speeds.

Other
10%

Price
11%

Attitude
17%

Competitor
45%

Dissatisfac
tion
17%

Is the company losing high-value customers? If so, how can they retain them?

Revenue by churned customer's

| Category	Value
OTHER	354389.14
PRICE	438124.14
ATTITUDE	579554.13
DISSATISFACTION	617979.26
COMPETITOR	1694413.15

As depicted in the illustration, the revenue generated by churned customers ranked as the second-highest, totaling 3,684,460. Consequently, these customers are identified as high-value clients that the company has lost. Previous analyses have already discerned the reasons for this, primarily attributing churn to the superior services and attractive offers provided by our competitors.

The company can retain customers as per the points given below:.

1. Provide more appealing deals to increase competitiveness.

2. Improve customer support services, addressing reported dissatisfaction with problem resolution and perceived attitude.

3. Introduce promotional incentives, such as one month of free data for new customers.

4. Proactively engage customers to build stronger relationships.

5. Focus on continuous improvement in service quality to address and mitigate churn factors.

# The Highest Out Of 3 Customer Statuses, Stayed, Churned, Joined

➢ **The customer status with the highest percentage is "Stayed" at 67.02%, followed by "Churned" at 26.54% and "Joined" at 6.45%.**
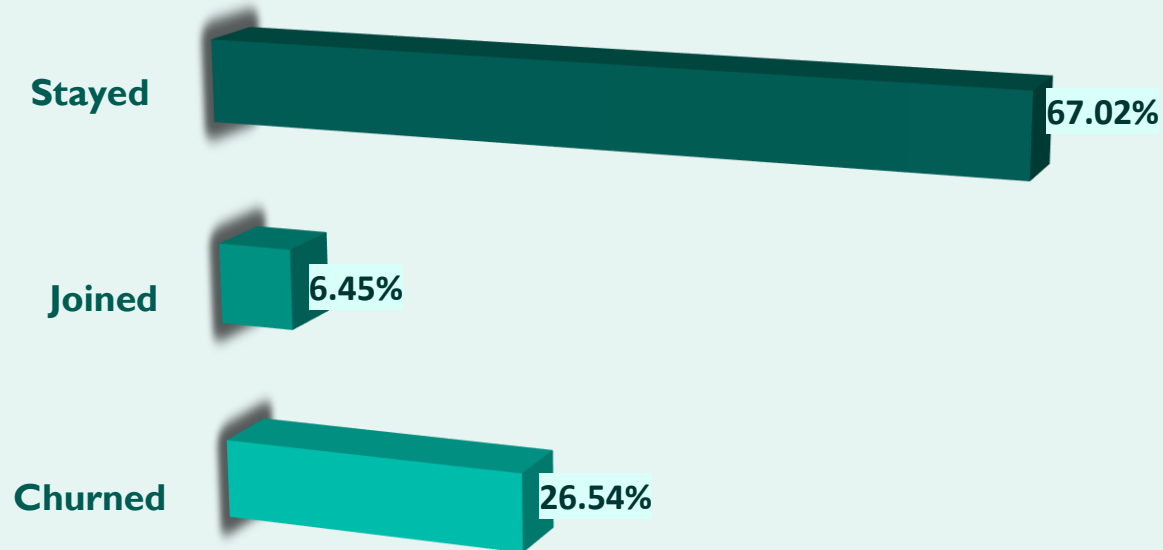
Preferred Payment Method By Churned User's

➢ **According to the figure below, the majority of churned consumers selected bank withdrawal with the greatest percentage of 71.11, credit card with 21.29%, and mailed check with 7.60%.**

Stayed — 67.02%

Joined — 6.45%

Churned — 26.54%

71.11%
Bank Withdrawal

21.29%
Credit Card

7.60%
Mailed Check
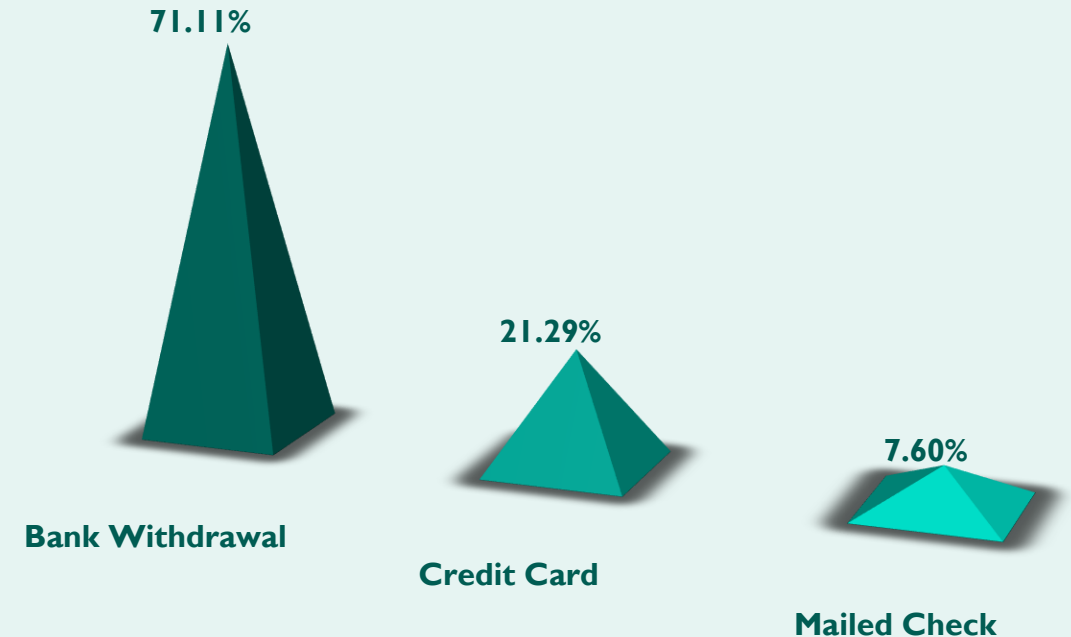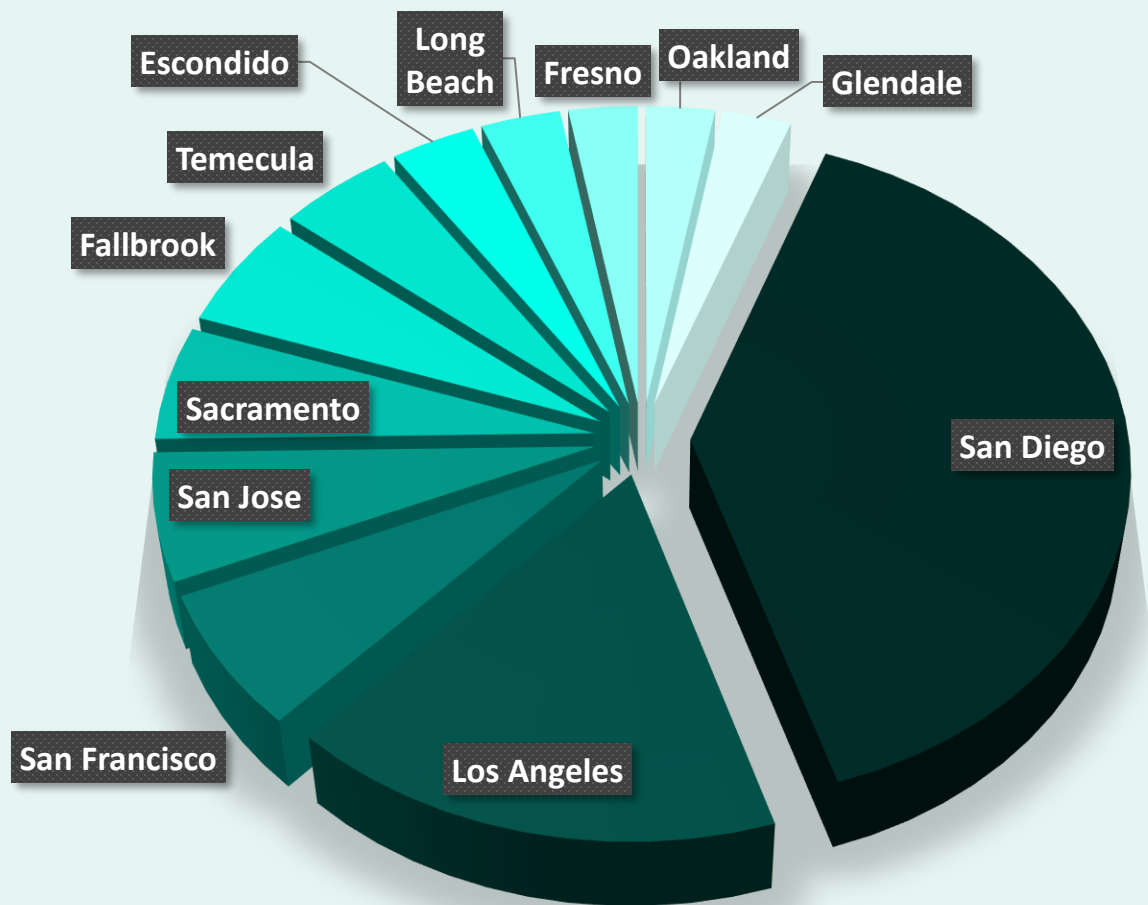
What are the top 12 cities that churned?

The following are the top 12 cities with the highest recorded instances of churn, with "San Diego "ranking first as the location associated with the highest number of churned customers.

Churn Offers Preferable By The Customer's

➢ **Customers demonstrated a preference for Churn Offer E, which accounted for 22.79% of the choices, as indicated below.**

Conclusion

In conclusion, the churn data analysis for the telecoms industry shows useful information. Understanding consumer demographics, such as gender distribution, age groupings, favorite cities, and service consumption, offers a thorough insight. Examining the characteristics of consumers who churned, joined, and stayed reveals critical variances that might inspire focused retention initiatives. The identification of significant churn sources enables the organization to handle issues more proactively. The study also underlines the significance of maintaining high-value customers and provides a thorough examination of payment methods, top-churning cities, and favorite churn incentives, paving the path for strategic decision-making to improve customer retention and satisfaction.

Thank You

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