



Swan Analytics State of Play of Retentions Information Deck

Churn Catchers: Saad, Jagroop, Tom

What are the Demographics of the Churners?

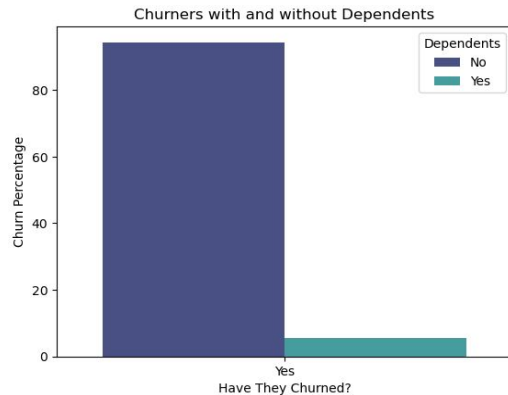
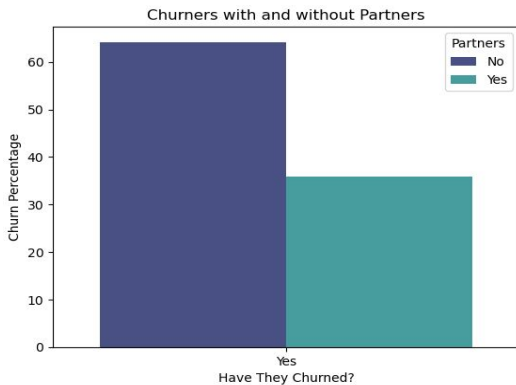
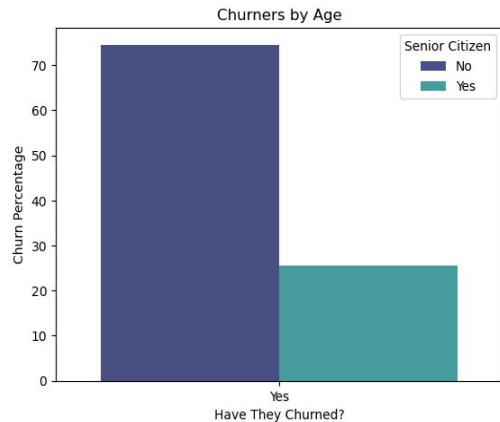
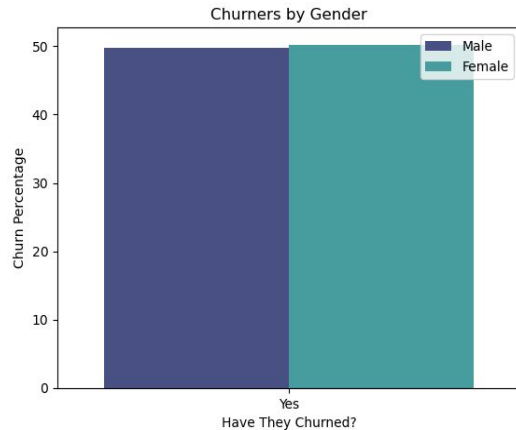
Who Is Churning?

According to our analysis, the majority of people who churn are either a younger male or female user with no dependents and no partner. That is, a single person using all of the provided services for their own use.

This makes it easier for them to switch rapidly, so care must be taken to ensure that services are of high quality that meet the demands of both families and single people.

Since single people with no dependents are the most likely to churn, this makes it more easier to focus on improvements and tailor services to them to ensure they stay for the long term.

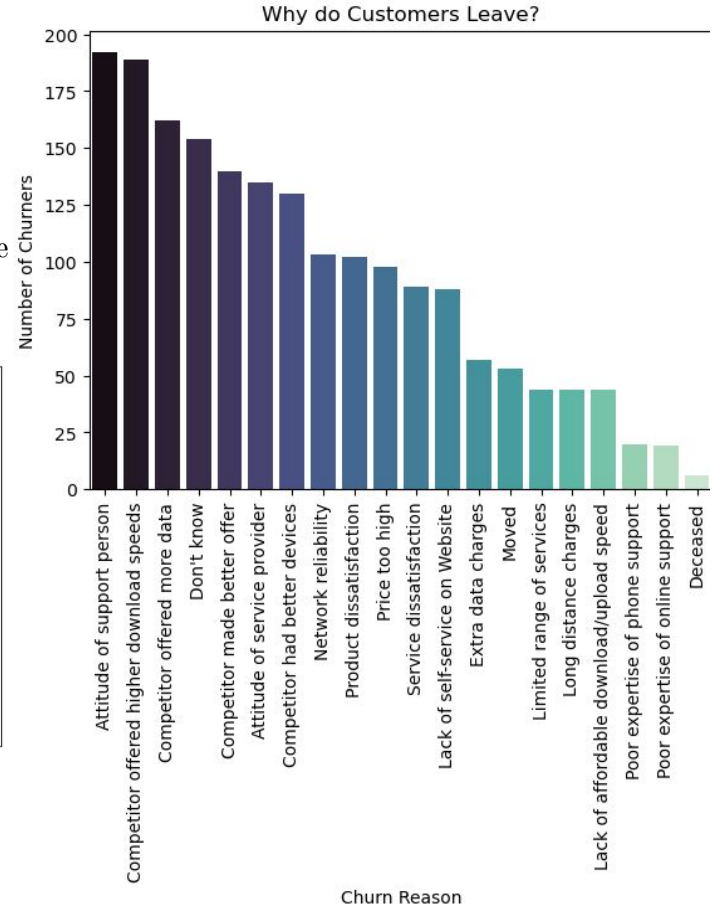
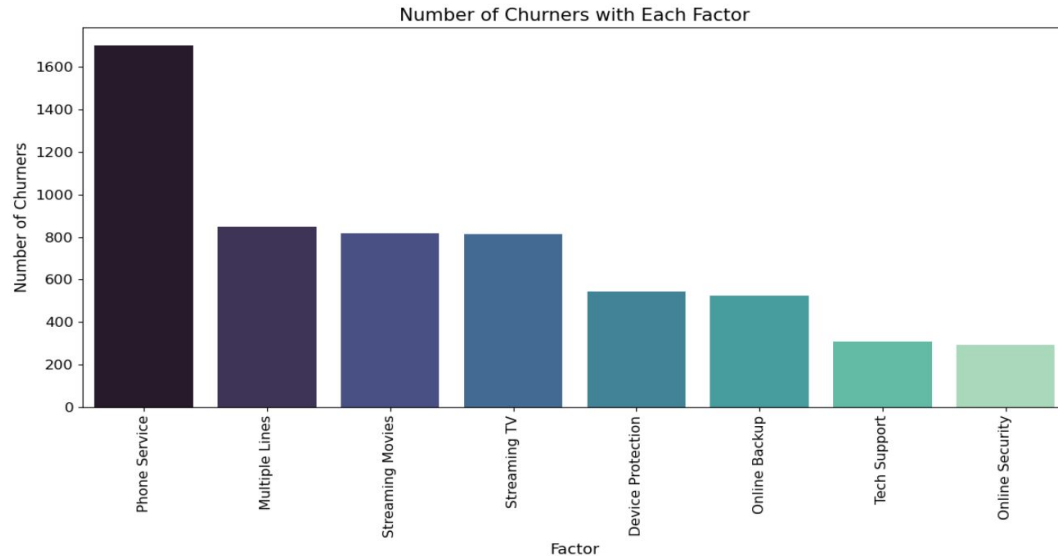
The reasons why they churn vary and are discussed further.



What Factors Influence Someone to Churn?

There are a variety of reasons why people churn as described on the graph on the right. From our analysis, we believe customers with fiber optic are most likely to churn perhaps due to higher prices or competitors offering better service or higher download speeds.

In addition, customers with DSL internet are relatively more likely to stay and those with no internet service are the least likely to churn.



What Factors Make Customers Most Likely to Stay?

Tenure Months:

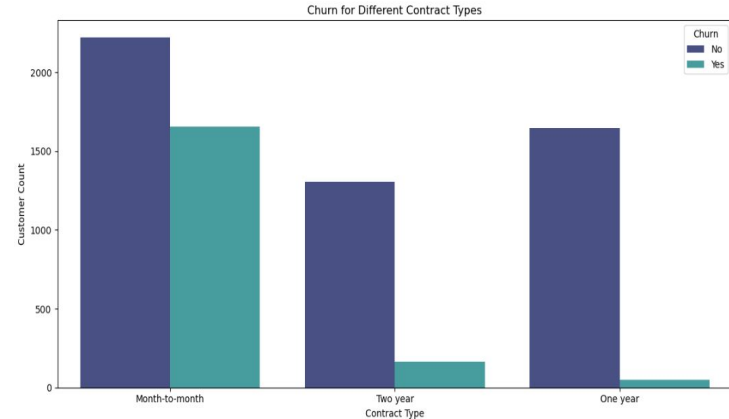
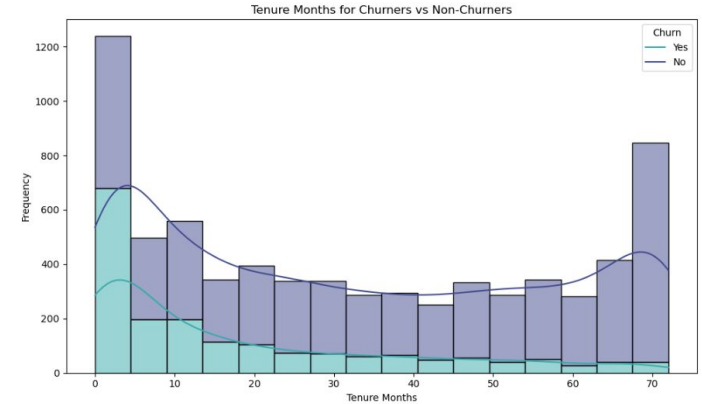
A longer tenure is strongly associated with lower churn, meaning that customers who have been with the company for a long time are less likely to leave, suggesting that loyalty is a key retention factor. This highlights the importance of cultivating long-term relationships with customers. A more engaged customer base can lead to greater word-of-mouth referrals, reducing the need for costly acquisition efforts.

Contract - One Year:

Customers on a one-year contract are less likely to churn compared to customers without a contract. This could mean that a longer commitment to a contract can significantly improve customer retention. A one-year agreement also gives the company time to develop trust and offer additional value to the customer, which can make it harder for them to switch to competitors during the contract period.

Dependents:

Customers with dependents are more likely to stay, which could be because customers with families or dependents may value stability and longer-term service relationships. Furthermore, these customers might also feel more inclined to choose services that provide consistent benefits and security, factors that contribute to their long-term satisfaction and retention.



What To Incentivise and Why?

Contract Length: Customers who commit to long-term contracts are generally less likely to churn due to their interest in maintaining service continuity, these type of contracts help foster a long-lasting relationship reducing churn by locking in customers for a longer period.

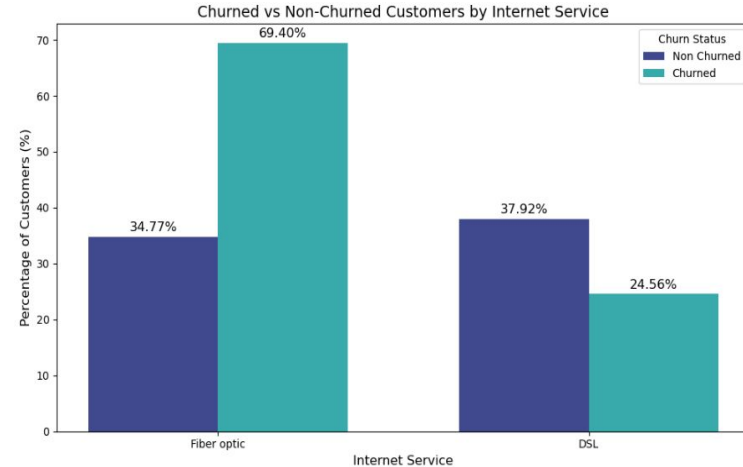
Dependents: Similarly, customers with dependents or family members who rely on the service are also less likely to churn as they need the stability and reliability of the service, knowing that switching providers could stop their access to these essential services. This factor is important when considering incentives tailored to families or individuals with dependents.

Internet Service: According to the data, **fiber optic customers** tend to have a higher likelihood of churning, this could be linked to dissatisfaction with the speed provided or the cost of the service being too high. As seen on the graph, **69.40% of churners** are using fiber optic internet, suggesting that despite using 'fast' internet, it might not be meeting their expectations when compared to competitors.

In contrast, **DSL customers** are more likely to stay, from the same graph we can observe that **37.92% of non-churners** are using DSL, and this higher retention rate might be linked to its affordability or the familiarity with the service, making them less likely to churn when their needs are met at a reasonable cost.

Incentive Strategy: Focus on Long-Term Contracts

Given the data, the most effective way to reduce churn is by incentivizing the team to sign more long-term contracts by offering **discounts, service upgrades** or additional benefits for customers who commit to **12-24 months contracts**. This can significantly lower the likelihood of them switching providers and not only keeps the customers for a longer period, but also enhances their satisfactions with added value, making them less likely to churn.



End

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