

26.54%

Churned Customers

\$3034

Average total revenue from a customer

\$88

Average monthly recurring revenue from a customer

36% customers rake in 75% of the company's revenue from customers till Q2

58% customers rake in 75% of the company's monthly recurring revenue from customers

31% of customers are High Value Customers

- 4.7 times more valuable than other customers in terms of average total revenue

- 1.6 times more valuable than other customers in terms of average monthly recurring revenue

Top customers responsible for 75% of total revenue

Top customers responsible for 75% of monthly recurring revenue

Profile of High Value Customers

50% | 50%

48yrs

Average age

66% married

100%

Subscribes to internet service

Top Cities

San Diego

Los Angeles

16%

Of the High Value customers churned

4.6yrs

average tenure

### When is churn risk the highest for High Value Customers?

Contract type, Offer

Two Year, Offer C	Stayed	Churned
Two Year, Offer B	Stayed	Churned
Two Year, None	Stayed	Churned
Two Year, Offer A	Stayed	Churned
One Year, Offer B	Stayed	Churned
One Year, Offer C	Stayed	Churned
One Year, None	Stayed	Churned
One Year, Offer A	Stayed	Churned
Month-to-Month, Offer B	Stayed	Churned
Month-to-Month, Offer A	Stayed	Churned
Month-to-Month, None	Stayed	Churned
Month-to-Month, Offer C	Stayed	Churned

Customer Status

- Stayed
- Churned

% of Customers

High Value customers have the highest probability to be retained when they are on **Two Year** contract and using **Offer C**. Likelihood of retention reduces as duration of contract falls. Probability of churn is highest for High Value customers when they are on **Month-to-Month** contract and using **Offer C**. High Value customers do not subscribe to Offers D and E at all.

### Identifying churn risk factors

Services	Correlation between service and churned/stayed customers
HomePhoneService	0.0333
MultipleLines	0.0227
InternetService	0.4834
OnlineSecurity	-0.3585
OnlineBackup	-0.1833
DeviceProtectionPlan	-0.161
PremiumTechSupport	-0.3444
StreamingTV	0.0691
StreamingMovies	0.0654
StreamingMusic	0.0438
UnlimitedData	0.2974
Unmarried	0.302

Correlation analysis shows that opting for **Internet Service** is decently correlated to churning of customers. **Unlimited Data** service is also positively correlated. However, opting for **Online Security** and **Premium Tech Support** services can increase chances of retaining a customer. **66%** of churned customers opted for **Fiber Optic internet type**. Being **Unmarried** also has a correlation to increased churning of customers.

Major churn risks:

- Choosing fiber optic internet service
- Not choosing premium tech support
- Not choosing online security
- Unmarried customer

### Remaining Customers at risk of churn

High-value/Low-value

- High value customer
- Low value customer

Total Revenue

Recurring Monthly Revenue ↗

- 426 customers still at risk of churning
- At 111 average recurring monthly revenue, these customers are more valuable than the average customers for bringing in constant cashflow for the company

### Recommendations

- Most newly joined customers are on **Month-to-Month contract**. These customers should receive proper incentives to adopt longer contracts, since longer contracts have a better High Value customer retention rate.
- Although offer E brings in highest number of customer among the offers, it has the worst churn rate. This means the offer is lucrative, but services are falling short.
- Correlation analysis shows that customers usually opt for **Streaming Music** and **Streaming Movies** together. Such services may be bundled together.
- It is crucial to mitigate the churn risks for the remaining customers. Service needs to be improved in terms of **premium tech support** and **online security**.
- Network reliability must be improved. Majority of churned customers cite **competitors'** services as the reason for churn. Maven Telecom must ensure better services at competitive pricing to mitigate this risk.