**Introduction**

Customer churn is often referred to as customer attrition, or customer defection which is the rate at which

the customers are lost. Customer churn is a major problem and one of the most important concerns for

large companies. Due to the direct effect on the revenues of the companies, especially in the telecom field,

companies are seeking to develop means to predict potential customer to churn. Looking at churn,

different reasons trigger customers to terminate their contracts, for example better price offers, more

interesting packages, bad service experiences or change of customers’ personal situations.

Customer churn has become highly important for companies because of increasing competition among

companies, increased importance of marketing strategies and conscious behaviour of customers in the

recent years. Customers can easily trend toward alternative services. Companies must develop various

strategies to prevent these possible trends, depending on the services they provide. During the estimation

of possible churns, data from the previous churns might be used. An efficient churn predictive model

benefits companies in many ways. Early identification of customers likely to leave may help to build cost

effective ways in marketing strategies. Customer retention campaigns might be limited to selected

customers but it should cover most of the customer. Incorrect predictions could result in a company losing

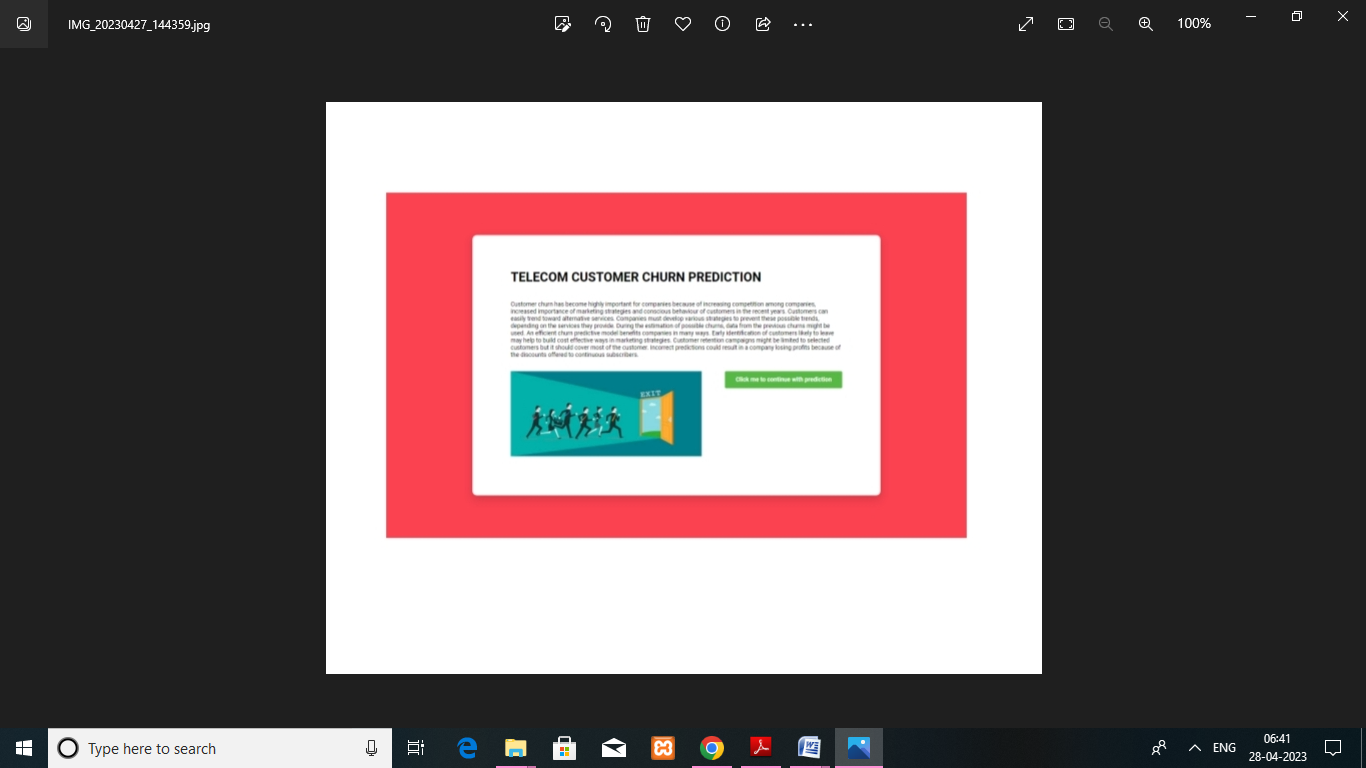
profits because of the discounts offered to continuous subscribers.

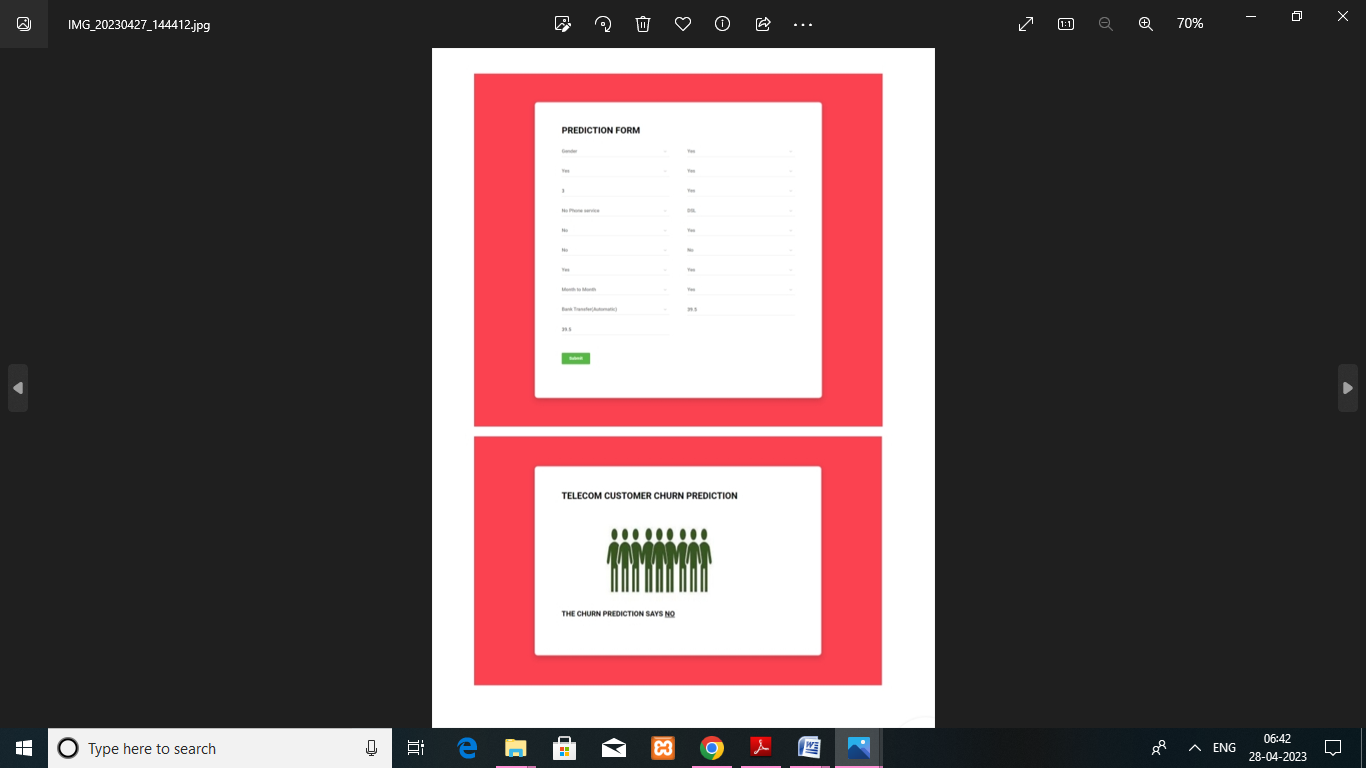
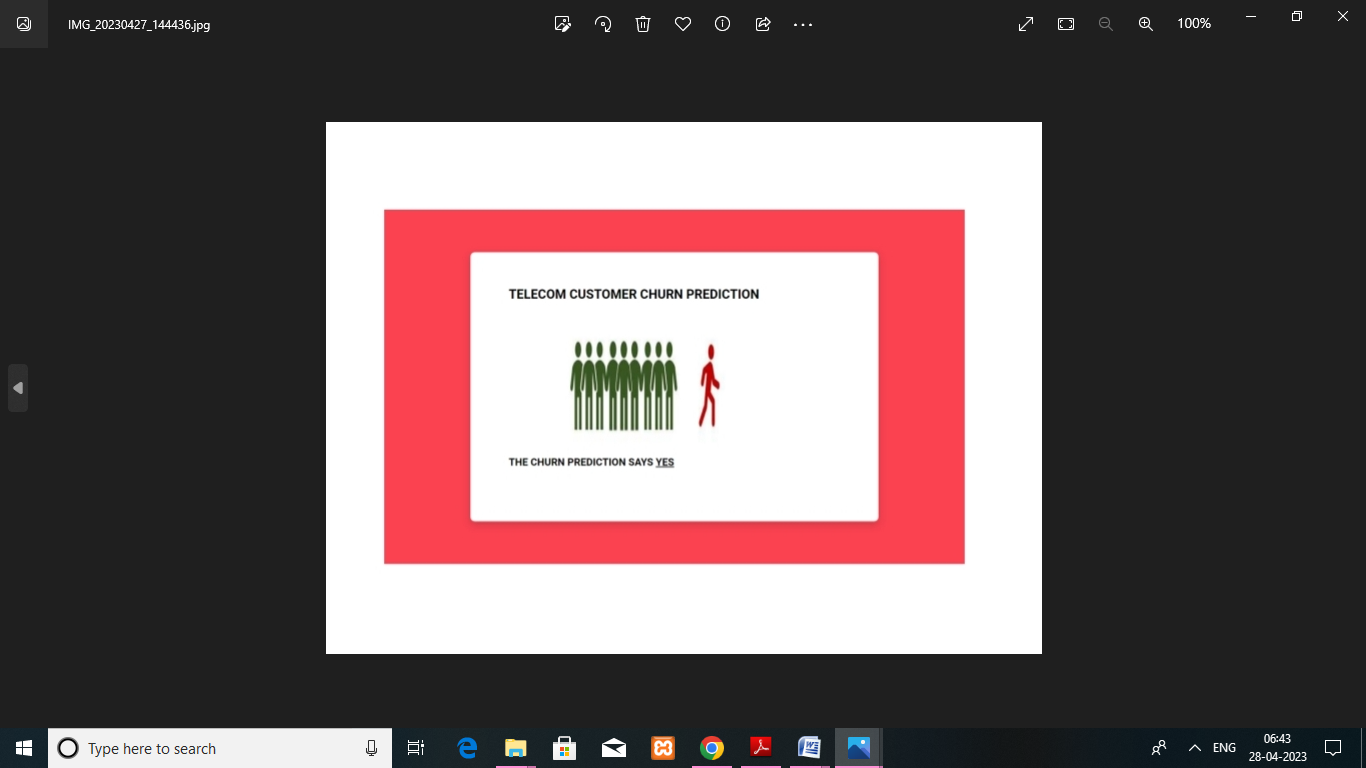
Telecommunication industry always suffers from a very high churn rates when one industry offers a better

plan than the previous there is a high possibility of the customer churning from the present due to a better

plan in such a scenario it is very difficult to avoid losses but through prediction we can keep it to a minimal

level.

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