TELECOM CHURN CASE STUDY - DOMAIN ORIENTED

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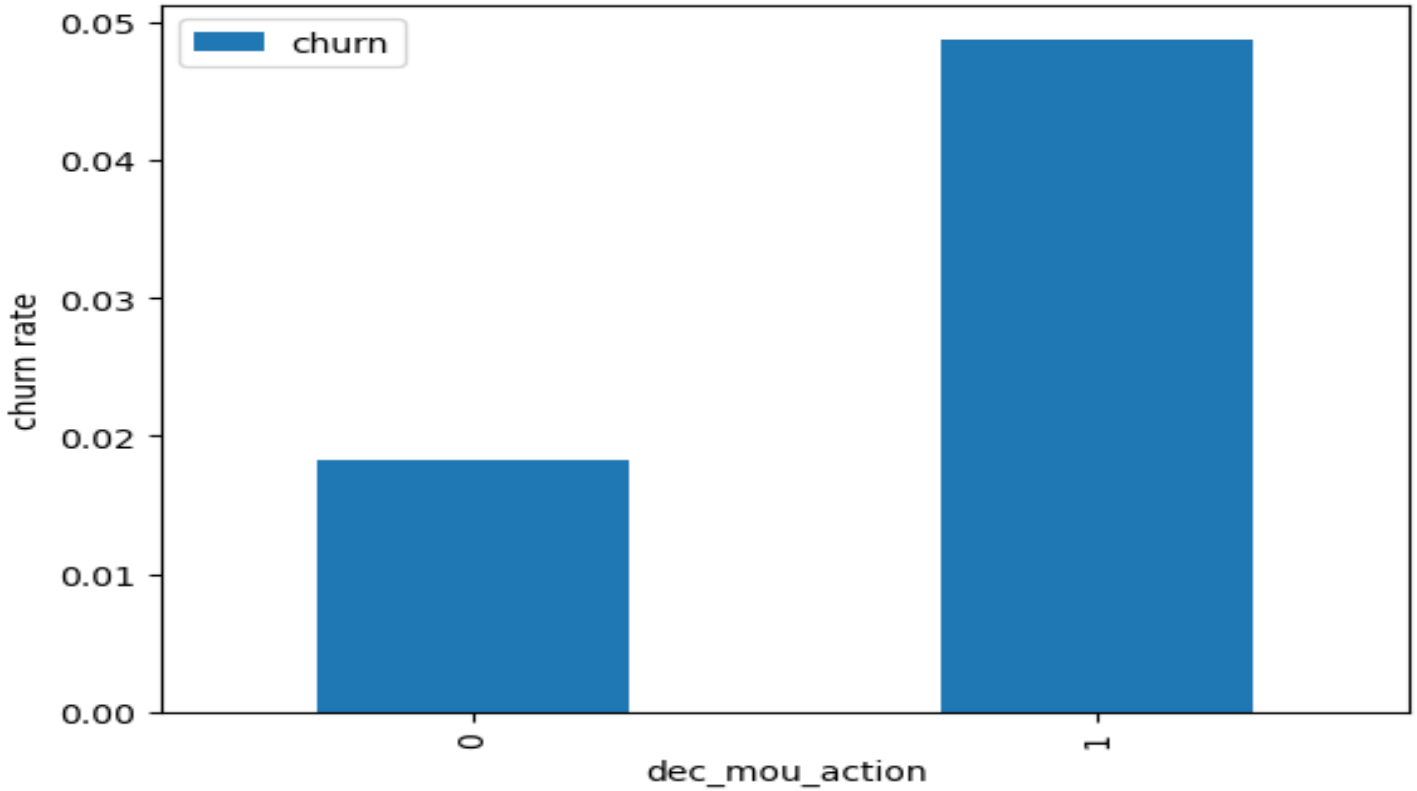
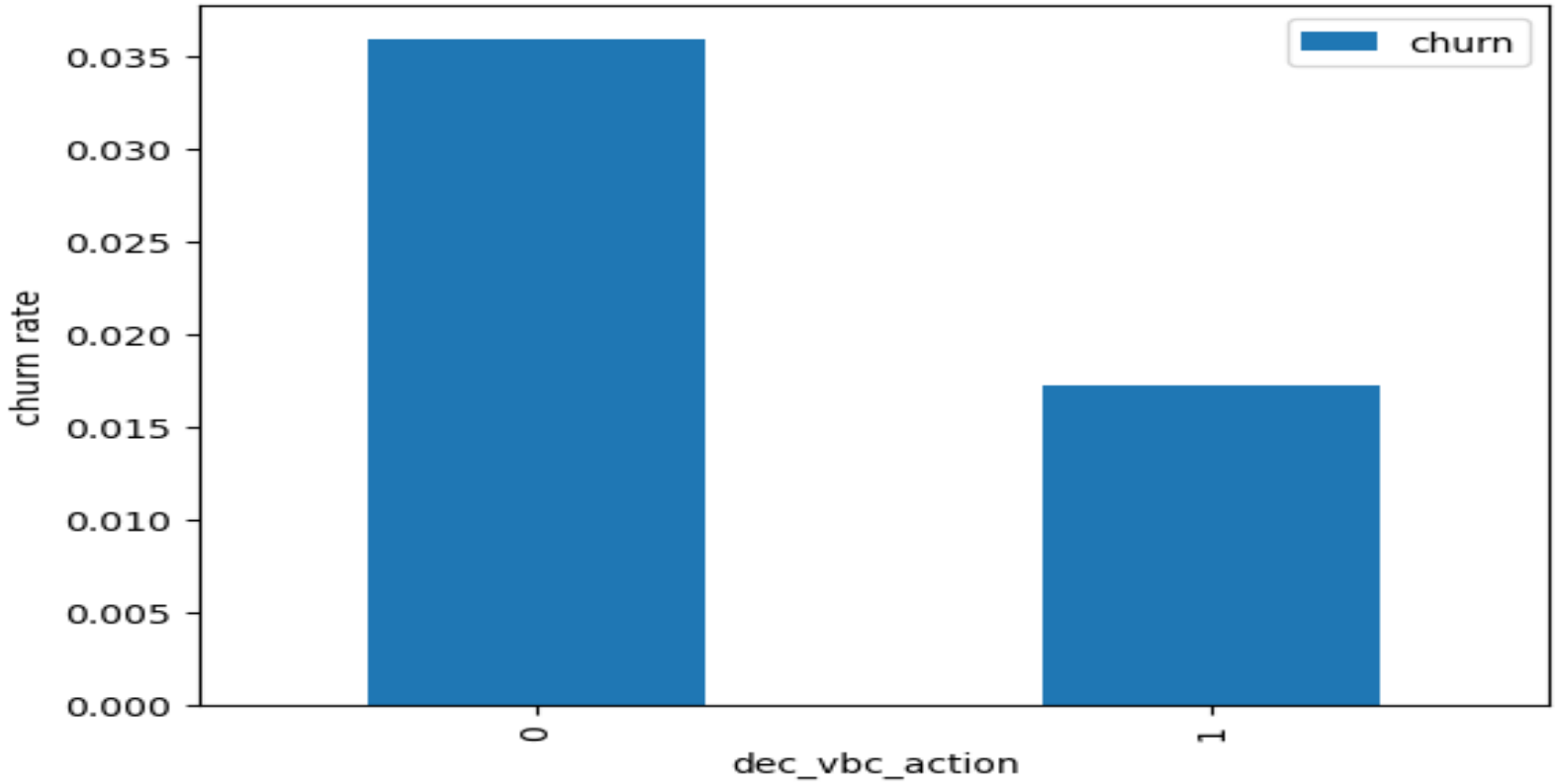
PROBLEM STATMENT

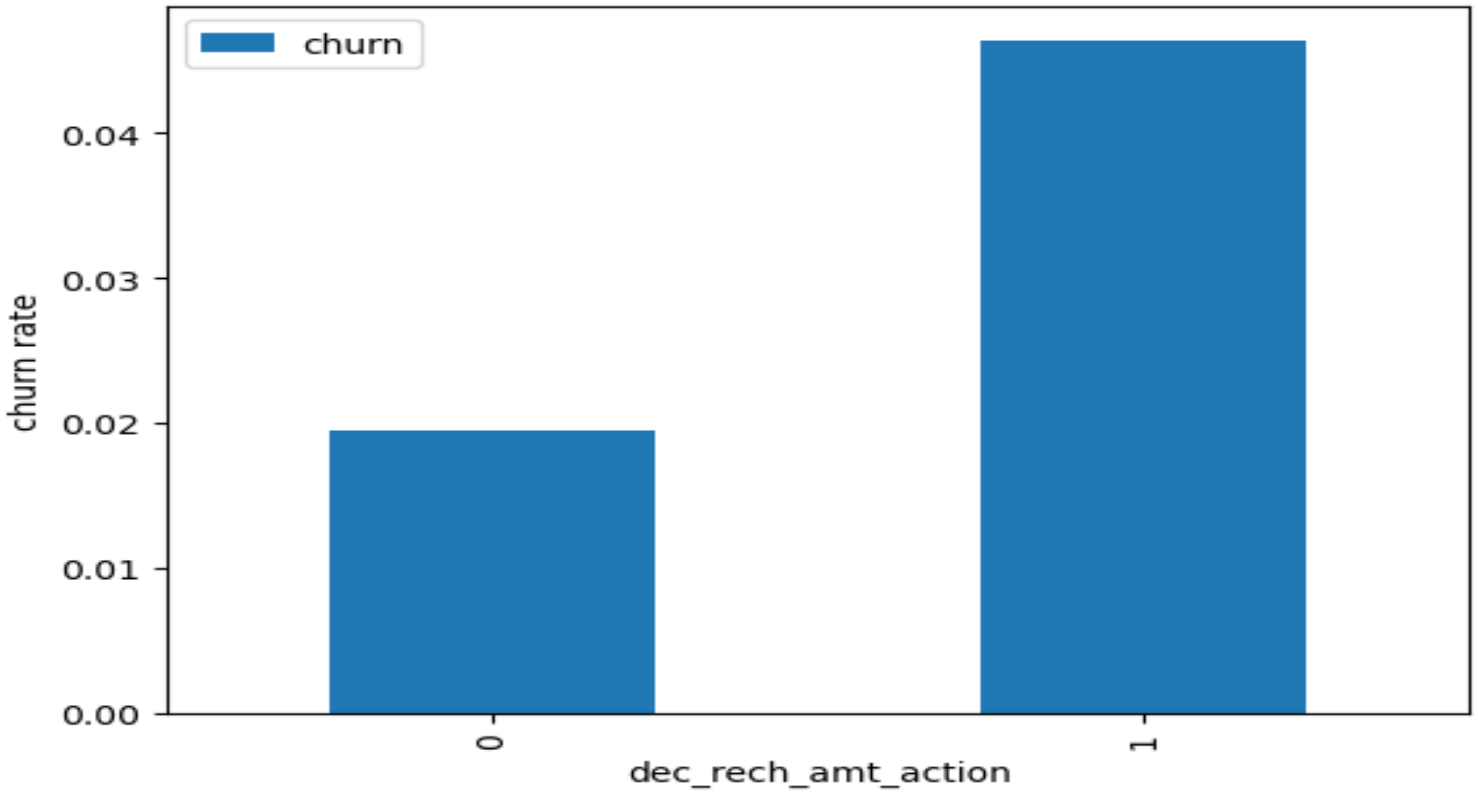
- Customers in the telecom industry have the option to select from a variety of service providers and actively switch from one operator to another. In this extremely competitive market, the tele communications industry experiences an average annual churn rate of 15 25%.
- Customer retention is becoming much more crucial than acquiring new customers.
- To reduce customer churn, telecom companies need to **predict which customers are at high risk of churn.**
- In this project, we will analyze customer-level data of a leading telecom firm, build predictive models to identify customers at high risk of churn and identify the main indicators of churn.



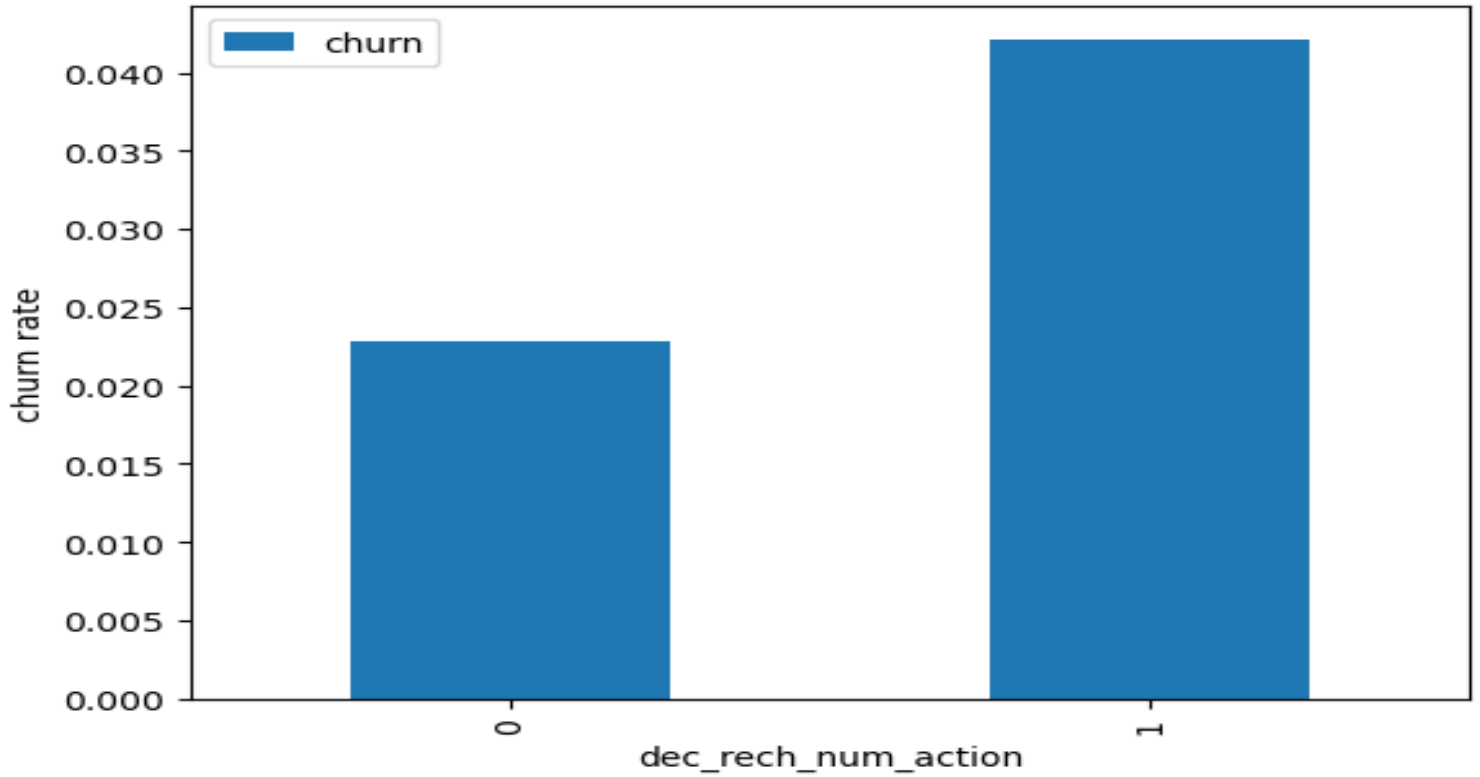
We can see that the consumers with lower minutes of usage (mou) during the action phase as opposed to the good phase have a higher churn rate.



Here we see the expected result. The churn rate is more for the customers, whose volume based cost in action month is increased. That means the customers do not do the monthly recharge more when they are in the action phase.



The churn rate is more for the customers, whose amount of recharge in the action phase is lesser than the amount in good phase.



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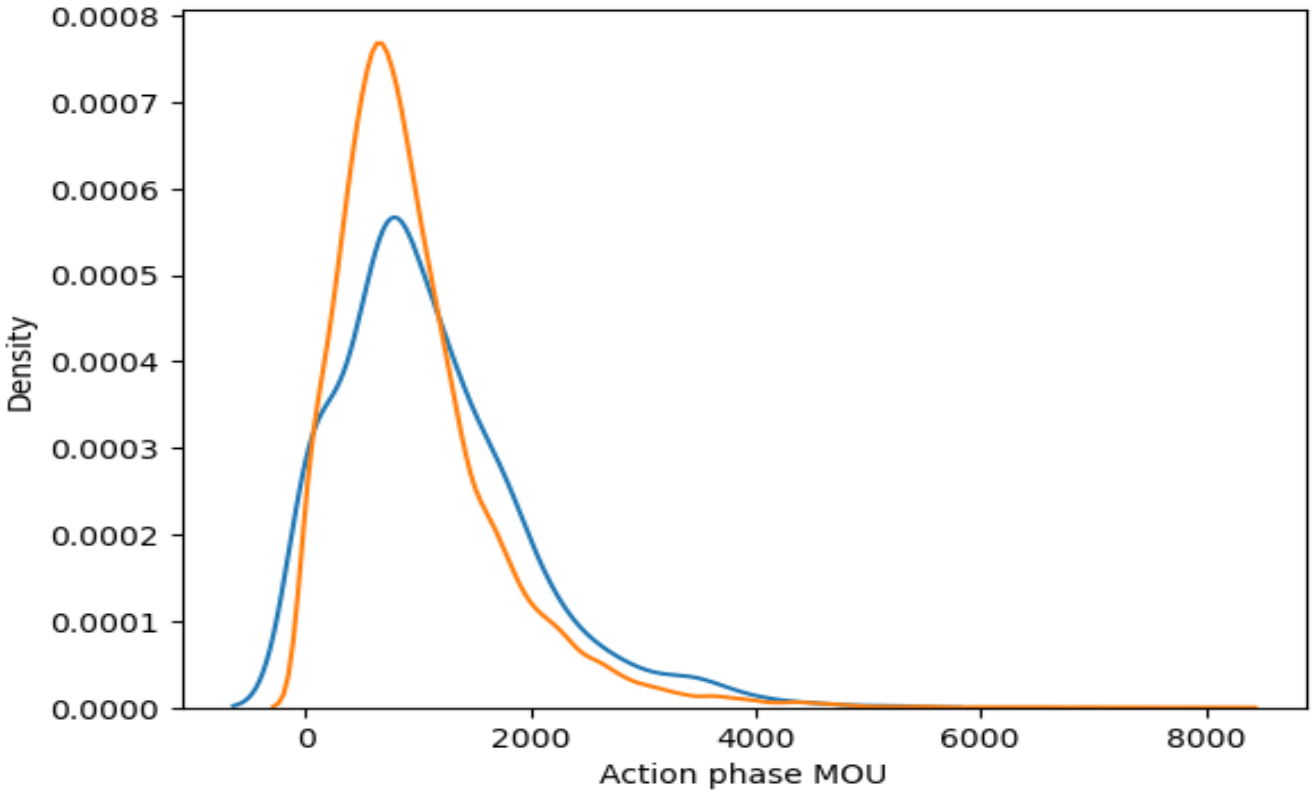
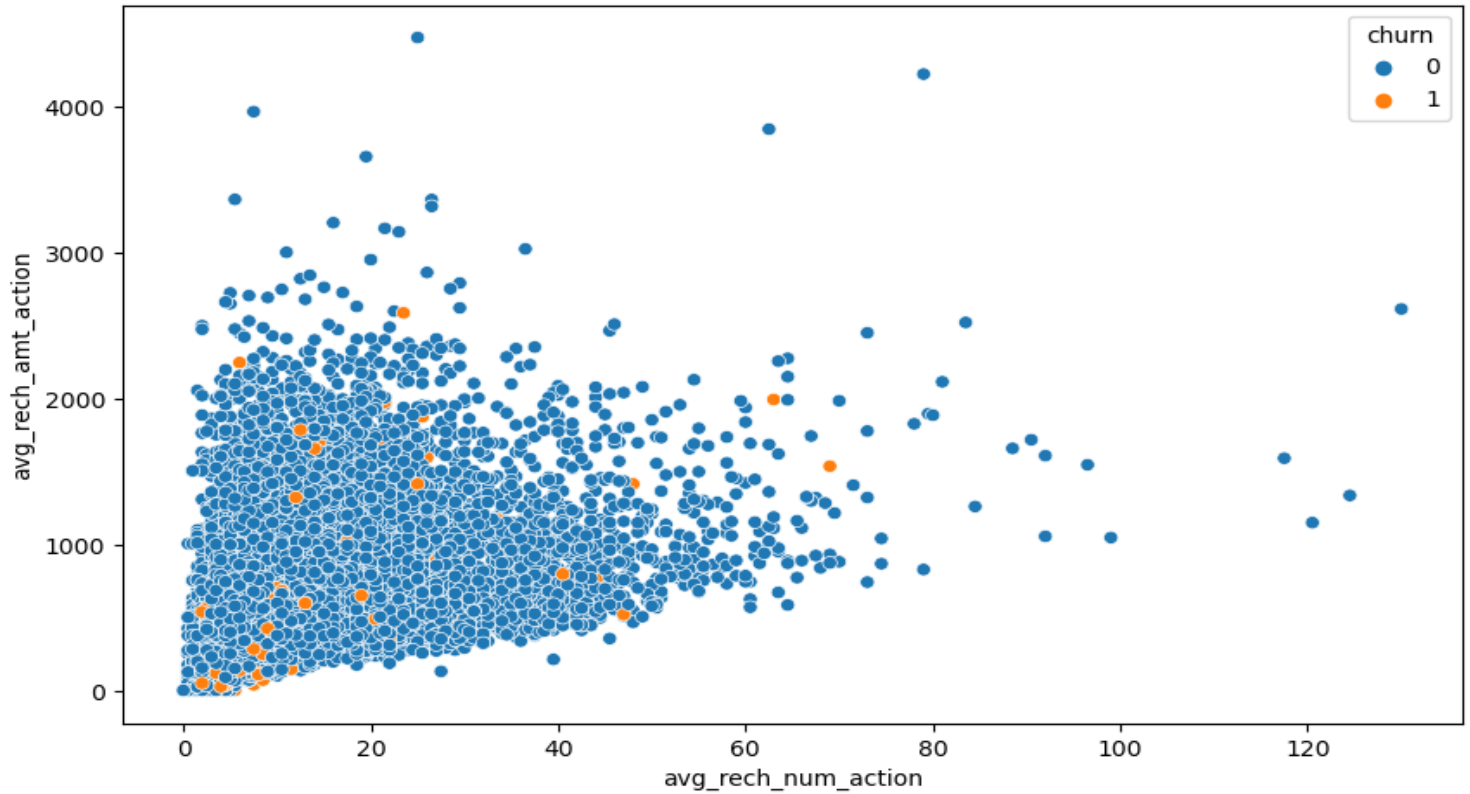


Minutes of usage(MOU) of the churn customers is mostly populated on the 0 to 2500 range. Higher the MOU, lesser the churn probability.



The pattern mentioned above demonstrates that the recharge quantity and amount are primarily proportional. The amount of the recharge increases with the number of recharges.

Conclusion

- The majority of the top variables, as can be seen, have negative coefficients. This indicates that the factors and the probability of churn have an inverse relationship.

- E.g.:-The likelihood that a client will leave increases if their local inbound minutes of usage (loc_ic_mou_8) are lower in August than in any other month.

Recommendations

- Target the clients that pay more in July for departing services than they do for receiving services in August.
- Customers with higher August monthly 3G recharges are more likely to be churned.
- Target the clients that use fewer minutes for incoming local calls and outgoing ISD calls during the action phase (mostly in August).
- Customers who used fewer STD inbound minutes on fixed T lines from operators T in August are more likely to churn. Customers that use less 2G data each month in August are more likely to churn.
- Promotional offers can also be very helpful.
- Customers might be enticed with a variety of alluring offers by exhibiting a sudden decrease in the amount spent on calls and data recharge during the action phase.

THANK YOU