Customer Retention Insights

Created for TeleCom by Kimberly Humphrey
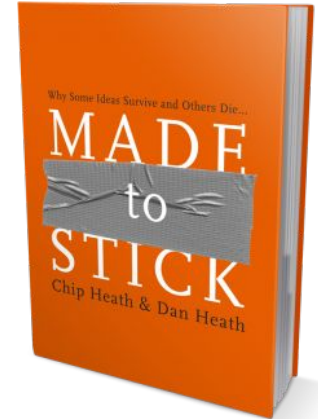
Focus - Customer Churn

Company's Current Estimated Retention Rates

14 % Leave

86% Stay

- Ways to identify a client that has a higher probability of terminating their contract BEFORE it happens
- Intervening to increase our current retention rates

Indicators

Top 3

➔ **High Customer Service Calls**
More than 3

➔ **Having an International Plan**
Why?

➔ **Spending over $1 a day**
Your most valuable customers

Customer Service Calls

Once a Client has made their 4th service call, there is nearly a 50% chance they will end service.

Customer Churn by Number of Service Calls

— Percentage of Customers that leave
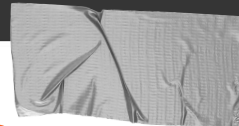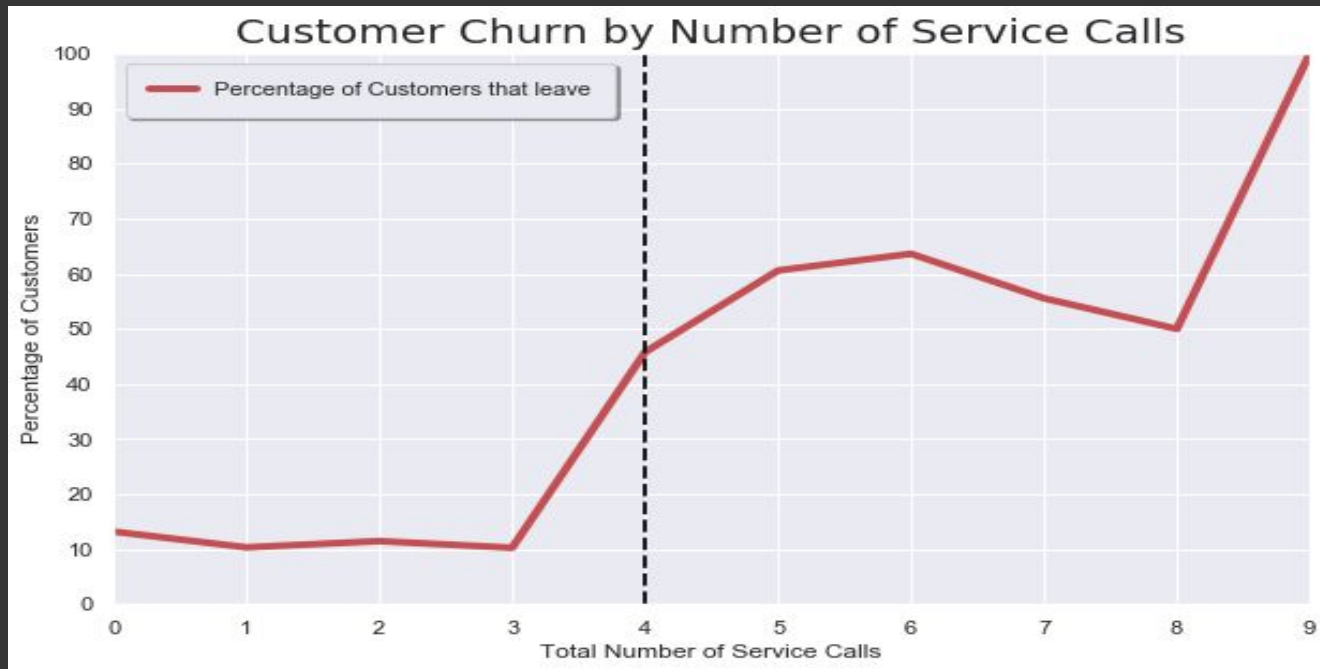
(Percentage of Customers vs. Total Number of Service Calls)

Implement an intervention plan for clients that reach 3 customer service calls.
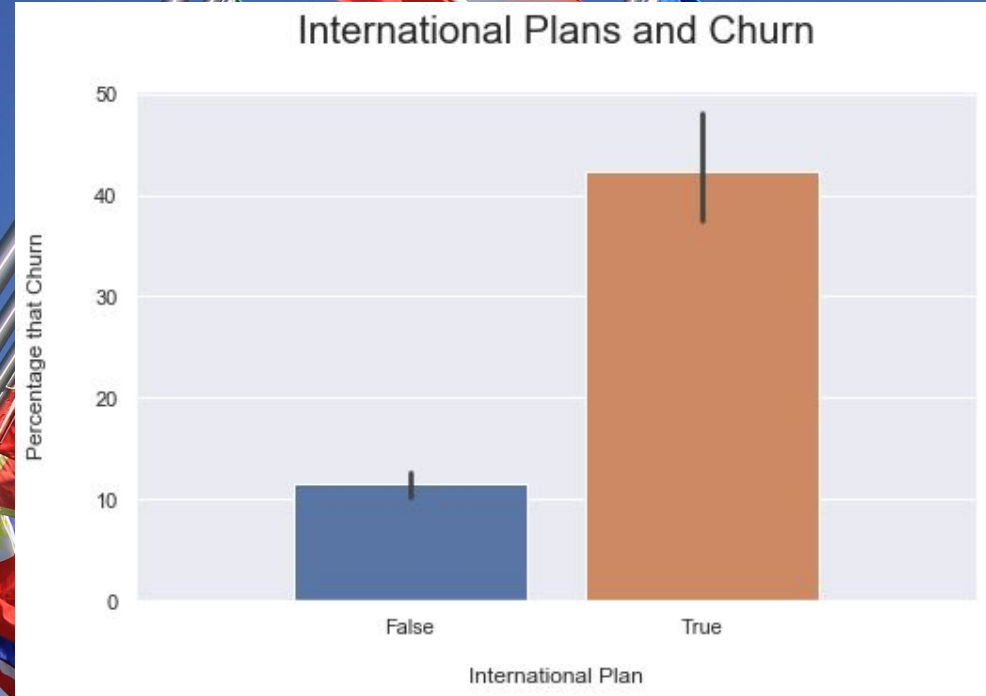
Research ways to improve how customer service calls are handled

International Plan

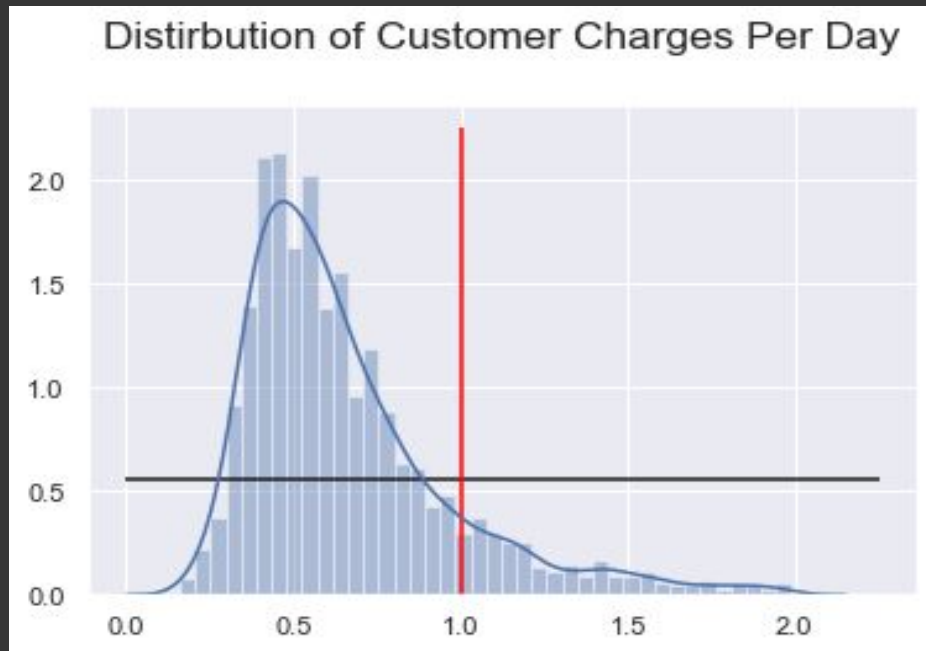- Customers that have an international plan leave at almost a **50% rate**

Tip

Focus on this group and find out why

Most Valuable Customers

Spend, on average, over $1 a day.

Currently lower retention overall

18% churn

Distirbution of Customer Charges Per Day

$0.56 is the median spend per customer per day

Tip

Focus on your most valuable customers first

Goal

➜ **Identify**
Customers that are likely to churn using indicators provided

➜ **Intervene**
Before that customer becomes a statistic

Summary of Identifiers

1. Reaching 3 customer service calls
2. Having an International Plan
3. Spending over $1 a day on average

Story for illustration only

Final Model

Using a classifying algorithm we can predict about **87% of customers that leave** before they do -- as well as customers who are potentially heading that direction.

Tip

Pay extra attention to the customers that fall into this model.

Future Work

- Potential Data we Can Track or Acquire:

# of accounts, specific locations, age, sex, race, income, family, dropped calls, job, education, calls answered / unanswered, married/single, education, credit score, employer or personal account

- Finding patterns of customers that stay vs. leave

- Surveying Customers

- Analyzing the effect on churn of any changes made from these findings

Tip

Together we can lower churn and increase the bottom line

Thank You, I look forward to working with you again!

-   Kimberly Humphrey