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Telecommunications Company

Business Intelligence Division

Customer Churn Analysis & Retention Project Report

1. Introduction

Every number tells a story. Behind each customer who leaves, there is an experience, a moment of frustration, a missed call for help, or a perception of better value elsewhere. In today's hyper-competitive telecom market, customer loyalty cannot be taken for granted. Our company currently faces a 26% churn rate, which represents thousands of customers choosing competitors over us. Yet, this challenge also presents an opportunity, an opportunity to deeply understand our customers, to listen, and to transform insights into actions.

This report is more than numbers, it is the voice of our customers. By uncovering who leaves, why they leave, and how we can win them back, we take the first step toward building not just a customer base, but lasting relationships built on trust and value.

2. Project Overview and Goals

Objective:

- Identify which customers are leaving.
- Understand why they are leaving.
- Recommend strategies to reduce churn.
- Provide actionable steps to manage retained customers.

Goals:

- Improve retention beyond the current 74% baseline.
- Build a data-driven framework for predicting and preventing churn.
- Enhance customer lifetime value by strengthening loyalty and satisfaction.

3. Data and Analysis

Data Preparation & Quality Checks

- Missing Values: 11 blank cells under **Total Charges** column were filled with **N/A** to maintain data consistency.
- Data Validation: Applied to key categorical columns (B, D, E, G, Q, U) to ensure integrity and standardized ranges.
- Duplicates: None were found, confirming data uniqueness.

Key Findings

The data reveals a clear picture of who is most at risk of leaving. These customers are not just statistics; they are individuals whose expectations and needs are not being fully met. Understanding their story allows us to design better retention strategies.

1. Which Customers are Leaving?

- Customers on Month-to-Month contracts churn 3x more than those on 1–2year contracts.
- High-paying customers (> $70 monthly) churn 2x more than lower-paying customers.
- Customers without technical support services show a 40% higher churn risk.
- Gender has no statistical impact on churn.

When customers decide to leave, it is often the result of accumulated experiences, whether it is the ease of switching due to flexible contracts, dissatisfaction with perceived value, or the frustration of unresolved technical issues. These reasons tell us where our service promise is falling short.

2. Why Do They Leave?

- Flexibility of month-to-month contracts leads to low switching barriers.
- Price sensitivity among high-paying customers. Many do not perceive adequate value for cost.
- Poor technical support experience contributes significantly to dissatisfaction.
- Other factors (e.g., tenure, services subscribed) play secondary roles but are less impactful.

4. Recommendations

The story of churn can be rewritten. By addressing the root causes and listening to customer needs, we can shift the narrative from customer loss to customer loyalty. The following recommendations are designed to transform insights into impactful actions.

Reducing Churn:

- Contract Strategy: Promote 1–2year contracts through discounts, loyalty perks, and value bundles.
- Pricing & Value Optimization: Introduce tiered plans, bundle offers, and added services for high-paying customers.
- Customer Support Transformation: Expand 24/7 support channels, improve first-contact resolution, and proactively address service issues.
- Retention Programs: Launch loyalty programs rewarding tenure, referrals, and timely payments.

Retained customers are the backbone of sustainable growth. Their continued trust tells a story of satisfaction and value. Managing them well ensures that their journey with us remains positive and enduring.

Managing Retained Customers:

- Use predictive churn modeling to monitor retention health and intervene early.
- Personalize customer engagement using behavior-driven offers and communications.
- Enhance self-service tools (apps, FAQs, AI chatbots) to reduce friction in support interactions.
- Collect regular customer feedback and integrate insights into service improvements.

5. Actionable Steps

Short-Term (0–6 months):

- Fill data gaps and maintain robust validation for ongoing analysis.
- Launch contract migration campaign targeting month-to-month customers.
- Pilot a value-added bundle for customers paying > $70.
- Expand technical support capacity (live chat, AI-powered self-help tools).

Medium-Term (6–12 months):

- Deploy a churn prediction model leveraging demographic, usage, and complaint data.
- Introduce a structured loyalty program with points, discounts, or entertainment add-ons.
- Train customer service staff on customer empathy and first-contact resolution metrics.

Long-Term (12+ months):

- Integrate customer analytics into business strategy for proactive churn prevention.
- Establish a Customer Retention Taskforce to act on churn alerts in real time.
- Continuously evaluate pricing competitiveness and service quality against industry benchmarks.

6. Expected Outcomes

- Churn reduction by 5–8% within 12 months through targeted retention measures.
- Increased customer lifetime value from long-term contracts and loyalty program participation.
- Improved brand reputation and satisfaction via enhanced technical support and customer experience.
- Stable revenue growth through proactive customer retention and value optimization.

7. Conclusion

Every ending is the beginning of a new story. The churn analysis project has uncovered the voices of our customers, letting us know that contracts, pricing, and technical support are not just operational levers, they are experiences that shape trust and loyalty. Each insight points to a chance to rewrite the customer journey.

By embracing these lessons, we can shift from reactive churn management to proactive relationship building. Instead of seeing churn as a loss, we can see it as an invitation to improve, to innovate, and to stand out in a competitive market. The conclusion is clear: our story with our customers is far from over. With the right steps, we can turn risks into opportunities and challenges into long-term growth, ensuring that more customers choose to stay, believe in our value, and continue the journey with us.