

Data Analytics Tools 2 - BIA-5301-0LA

Cognos Analytics: Exploration - Exercise

Churn



Tree sunburst

Tree diagram

Rules

Nodes

All

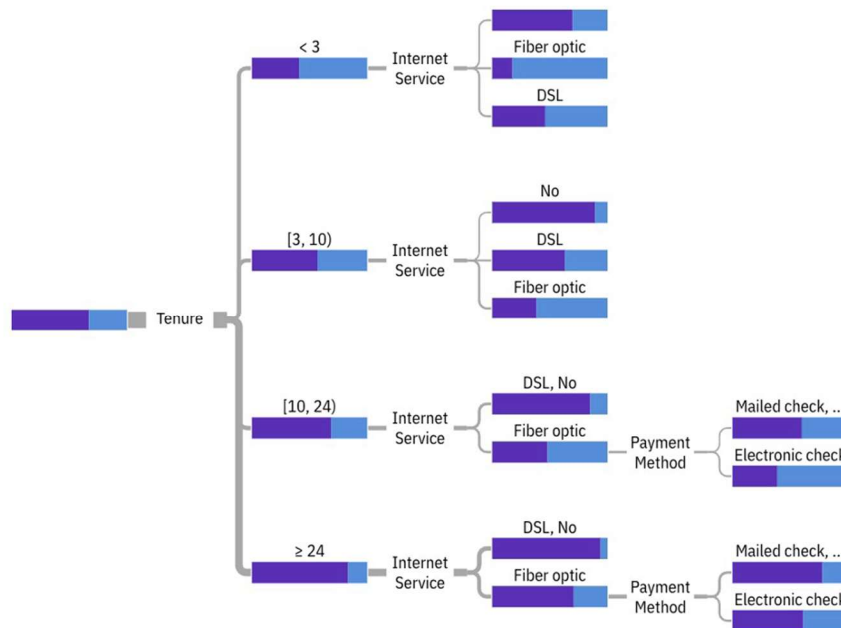


Churn

● No ● Yes

Target category

No



Questions:

1. What were the 3 key drivers (in order) that affected Churn?

According to the decision tree analysis, the three primary drivers of customer churn, in order of impact, are:

- **Tenure** – This is the root node, indicating it's the most important factor. Customers with lower tenure (e.g., < 3 months) are more likely to churn.
- **Internet Service Type** – The next major split is based on whether the customer uses DSL, Fiber optic, or has no internet service.

- **Payment Method** – For customers with long tenure and fiber optic internet, payment method (especially electronic check) is a key churn driver.

2. Please summarize 3 key insights that you discovered through this exercise.

Three key insights are mentioned below:

- **New Customers Churn More:** Customers with less than 3 months of tenure have a significantly higher churn rate, regardless of the internet service type.
- **Fiber Optic Users Are at Higher Risk:** Across almost all tenure brackets, customers with fiber optic internet show higher churn rates compared to DSL or those without internet service.
- **Electronic Check Payment is Risky:** Among long-term customers (≥ 24 months), those who pay via electronic check are more likely to churn than those who use other methods (e.g., mailed check or credit card).