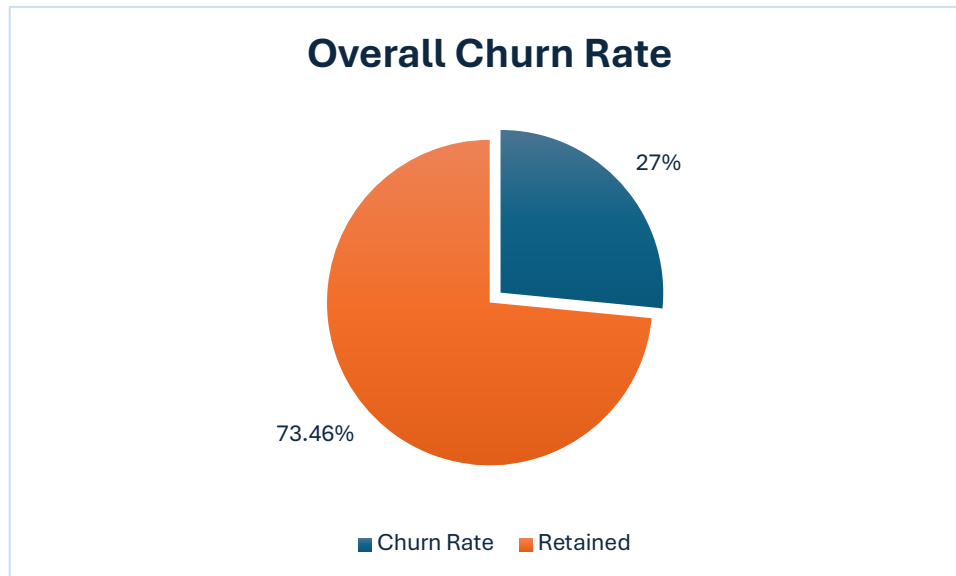


Data Insights



The overall churn rate is 27%. This is well below the average churn rate across the telecom industry and therefore is not alarming. However, it still can serve as an opportunity to find why the customers are dropping off in the first place and apply strategies to prevent the effects of it in the future.

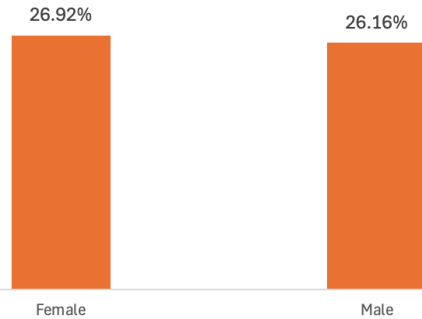
Source: <https://customergauge.com/blog/average-churn-rate-by-industry>

Further analysis pointed out various directions to explore. Churn analysis by segment revealed the following:

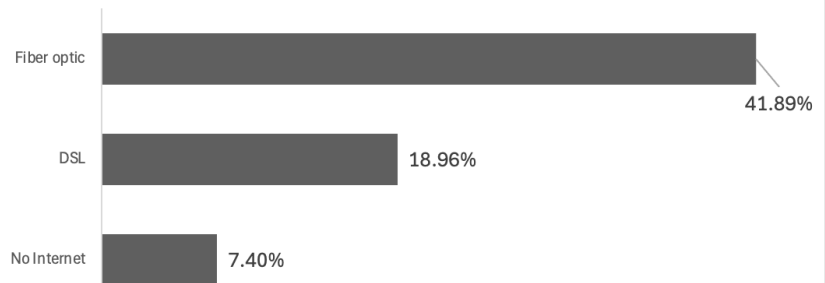
1. There is no significant difference in the churn rates among male and female customers.
2. Tenure acts as an important segment. 48% of the total customers that churned are in the first year of their tenure. This can be further investigated to see after how many months of activation are the customers getting churned, if the activation dates were given.

- Customers under month-to-month contract have the highest churn rate of 43% among all the subscribers.
- Relatively high churn rate has also been observed for customers without partner (33%), using Fiber optic internet service (43%) and are on paperless billing (34%).

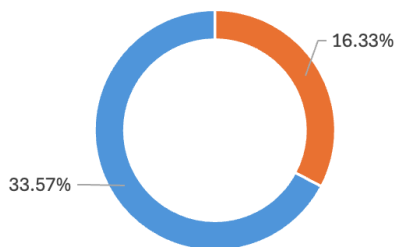
Churn Rate by Gender



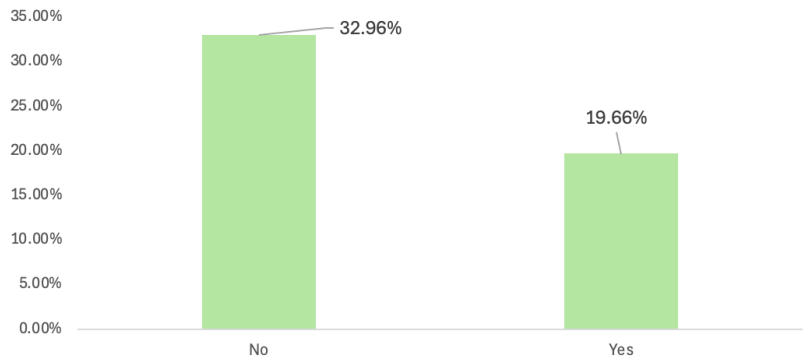
Churn Rate by Type of Internet Service



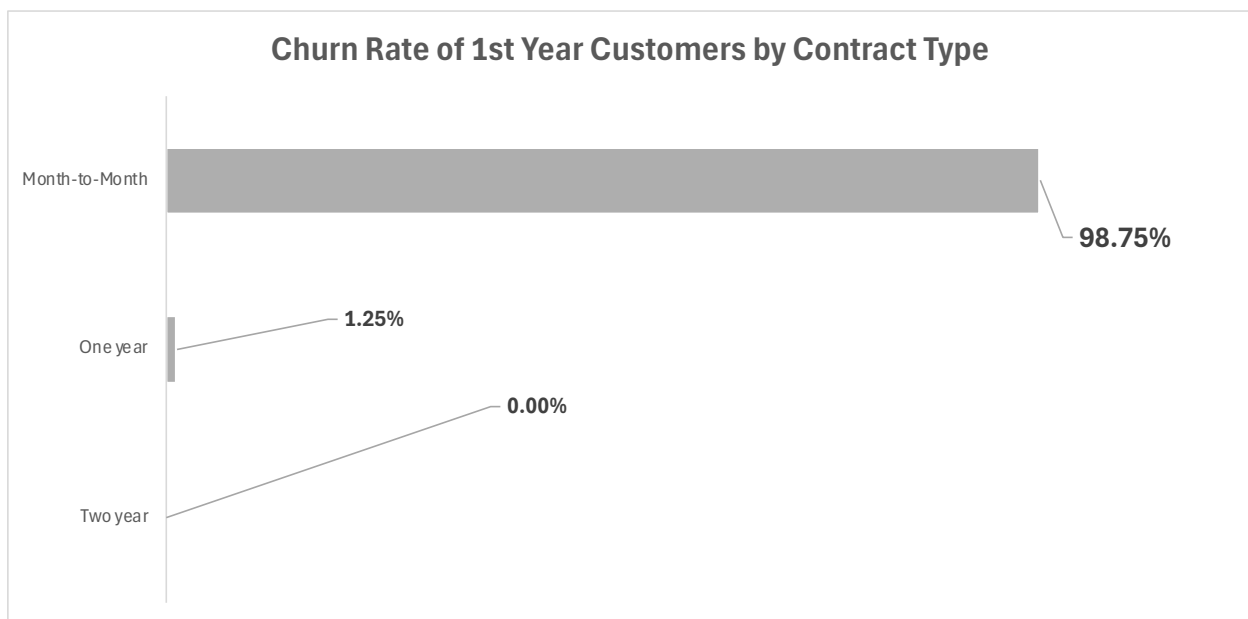
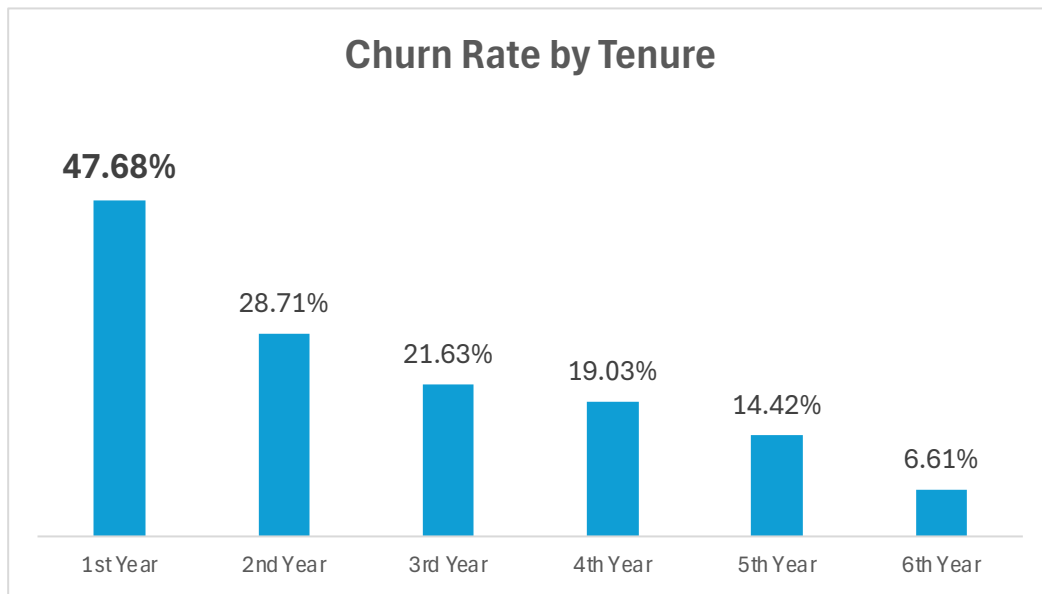
Churn Rate by Paperless or Non-paperless Customers



Churn Rate for Customers with Partner



Let's dive deep into churn rate by Tenure and contract type.



As seen above, most customers are churning in the first year (48%) and out of those 48% , most of them belong to Month-to-Month contract (98.75%). This shows that most of the leak is happening in this subgroup, and we need strategies to reduce it. Focusing on this sub-group and bring down the overall churn rate significantly.

Recommendations

1. Reduce Early Tenure Churn

- Improve onboarding experiences and the customer engagement during the initial months /years.
- Introduce welcome programs
- get survey of onboarding experience
- add tutorials or help content to engage customers

2. Reduce Month-to-Month Customers to long term customers

- Offer incentives to stay with the services and focus on converting them to long term customers
- Offer discounts and loyalty points so that they continue using the product
- Long term commitment by paying high rates may be a problem. Offer flexibility on payment terms

3. Improve customer experience of customers using Fiber optics

It is possible that customers are experiencing technical issues in using fiber internet.

- Improve technical aspects of it like network reliability, improve downtime or network issue resolve time
- Provide easy access to customer support when facing such technical issues. Follow-up regularly on their user experience"

4. Spread awareness about Paperless billing

Customers may be dropping because either they are not paying attention to paperless correspondence sent to them or they simply prefer receiving bills in mail

- Create awareness about the advantages of paperless billing. Offering special discounts can encourage this
- Ensure that people are aware of how to see the paperless bill and completing the payment