

Executive Summary

Problem Statement

Customer churn is a major problem and one of the most important concerns for large companies especially in the telecom sector due to the direct effect on the revenue of the company. Research shows that acquiring a customer is 5 times more costlier than retaining one.

Companies are seeking to develop means and tools to predict potential churn customers. Hence, analysing factors that impact customer churn is important to take necessary actions to reduce this churn.

Analysis

The EDA showed both strengths and weaknesses of the operator.

Below are the factors and segments of customers the operator must focus on to reduce churn:

1. Customers who have onboarded within the last 3 months.
2. There seems to be an issue with the fiber optic as an internet service.
3. Senior citizens without any dependents or partners.
4. Market looks to be price sensitive, customers with high monthly charges are one of the major reasons for churn.
5. Customers with monthly contracts have a higher churn rate as compared to customers with longer contract periods.
6. Customers opting for payments through electronic cheque and paperless billing.

Strengths of the operator which came out as part of analysis are listed below:

1. Customers opting for tech support and online security have a lower churn percentage.
2. Customers who cross the 10 months AON churn less.

Proposed Solutions

1. The operator should review and analyse the pricing and the services offered by other operators in the market and benchmark his offerings to identify reasons for churn, similarly the sale channels followed by other operators should be compared to restrict 0-3 months churn.
2. Price elasticity models should be applied to determine the charges applied for various services.
3. The operator should strategise to maximise its topline and reduce bottom line by marginally reducing the monthly charges which would eventually have a longer AON customers and reduce acquisition cost.

4. To promote long term plans there should be a discount component as compared to monthly charges, for trial purpose a 6 month plan can also be introduced with 15 days rental discount.
 - a. Only potential risk in long term plans is if the customer defaults in bill payment.
 - b. There should be an exit charge in case customers are churning out within 12 months of onboarding.
5. Technical review and analysis for fiber optics service to be done to identify service gaps and take corrective action to improve the service quality.
 - a. Customers' complaints for fiber optic service should be analysed to understand the VOC(Voice of Customer) to get an insight into the problem faced by customers.
 - b. Testing lab to be set up by the operator to experience the services.
6. Self service platform available to customers needs to be enhanced with a full bouquet of digital payment options and availability of digital bill copies.
 - a. Improvement in UI/UX for seamless experience.
 - b. Ease of setting up E-Check (Automated Clearing House) facility on self-service platform and avoid paper based E-check mandate.