Customer Churn Analysis

Databel Telecom

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Overview

Dashboard

Objective

- The goal of this project is to **analyze customer churn for Databel** and identify key factors driving attrition. The insights will help improve customer retention through targeted strategies.

Key objectives:

- Analyze overall churn rates and high-risk segments.

- Identify factors (subscription, usage, demographics) influencing churn.

- Provide actionable recommendations to reduce churn and enhance retention.

What is the overall churn rate for the company?

The overall churn rate of 26.8% is quite high for a telecom company, where typical churn rates are usually between 10% and 20%

Churn Rate
26.86%

1,796 of our customers have churned, which continues to represent a significant portion of our total customer base

Churned : Total Customers
1796 : 6687

Are there specific customer groups with higher churn rates?

California (CA) had the highest churn rate at *63%*

Adults had the highest churn rate at 55%, with 24% of accounts opting for competitors
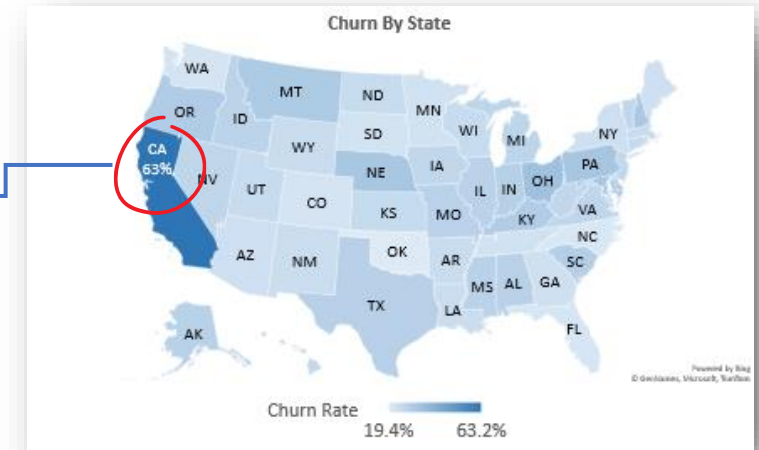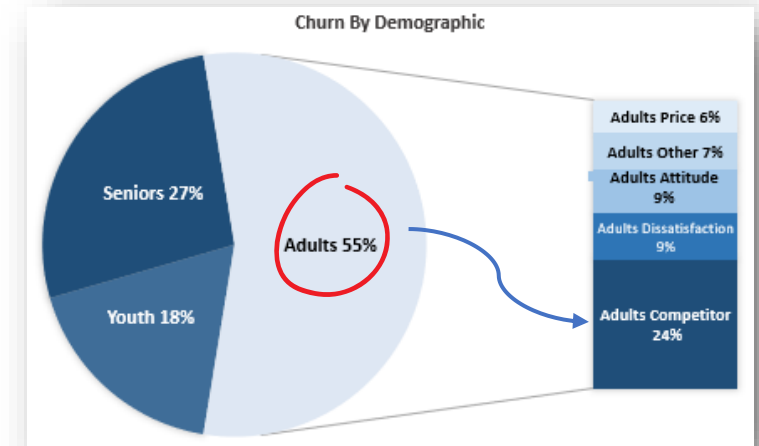
What are the most common reasons for customer churn?

The most common reasons for churn are **switching to competitor** (Due to better offers and better devices), it accounts for almost *40%* of churn

Churn By Churn Category

Dissatisfaction 21%

Attitude 21%

Competitor 58%

Top 10 Reason for Churn

~40%

Competitor made better offer — 20.78%
Competitor had better devices — 20.37%
Attitude of support person — 13.92%
Don't know — 10.29%
Competitor offered more data — 7.54%
Competitor offered higher download speeds — 6.52%
Attitude of service provider — 5.76%
Price too high — 5.08%
Product dissatisfaction — 5.01%
Network reliability — 4.73%

What are the most common reasons for customer churn?

Churn rates for users with an account length of **less than 10 months** are **25% higher** than those for users with an account length greater than 10
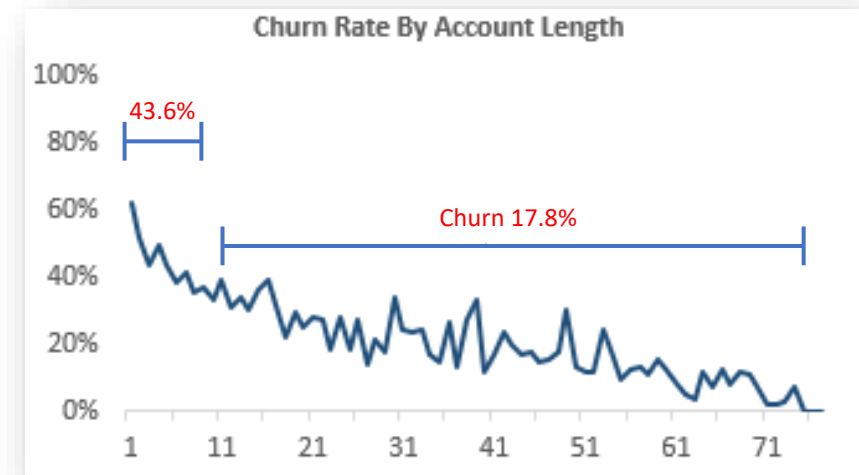
What are the most common reasons for customer churn?

The customer churn rate rises from 37% to 88% when the number of customer service calls increases from 2 to 3
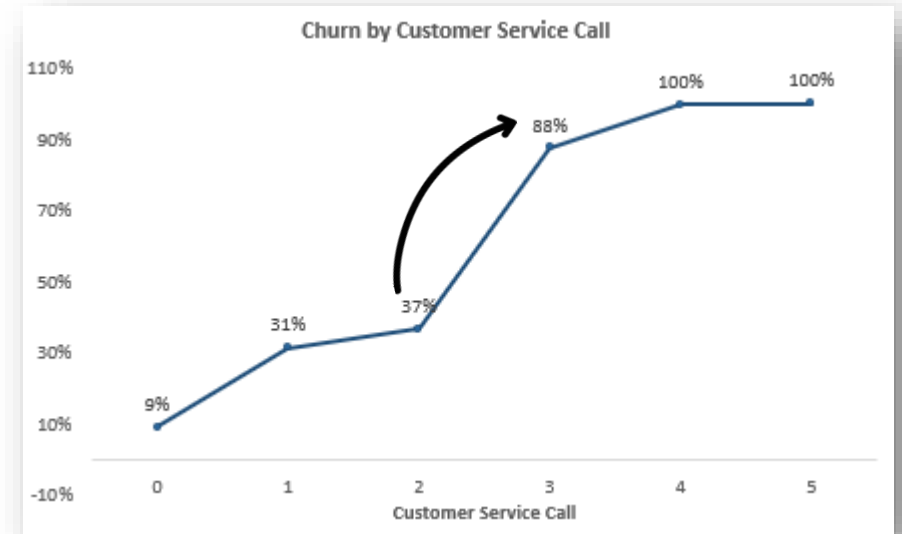

Churn by Customer Service Call

Do customers who consume less than 3 GB of data churn more often than those who consume more?

Customers who used more than 3 GB of data had a 13% higher churn rate
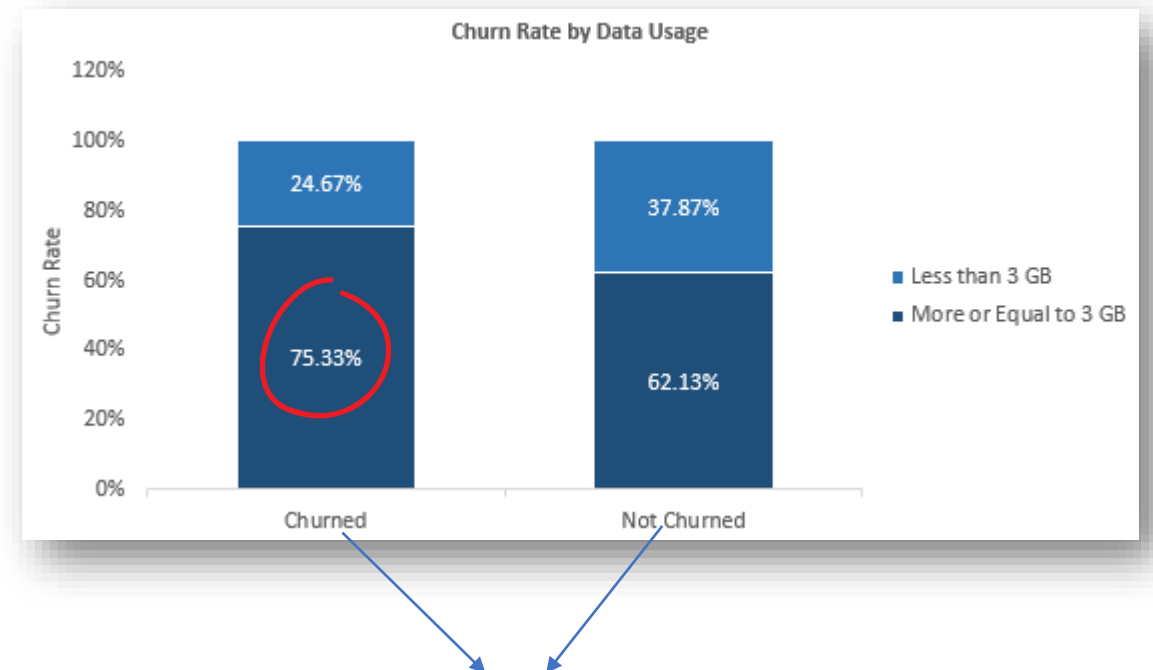
Plotted the distribution of churned vs. non-churned customers to see if the usage patterns (>3GB vs. <3GB) were the same.

Is there a difference in churn rates between customers with unlimited subscriptions and those without?
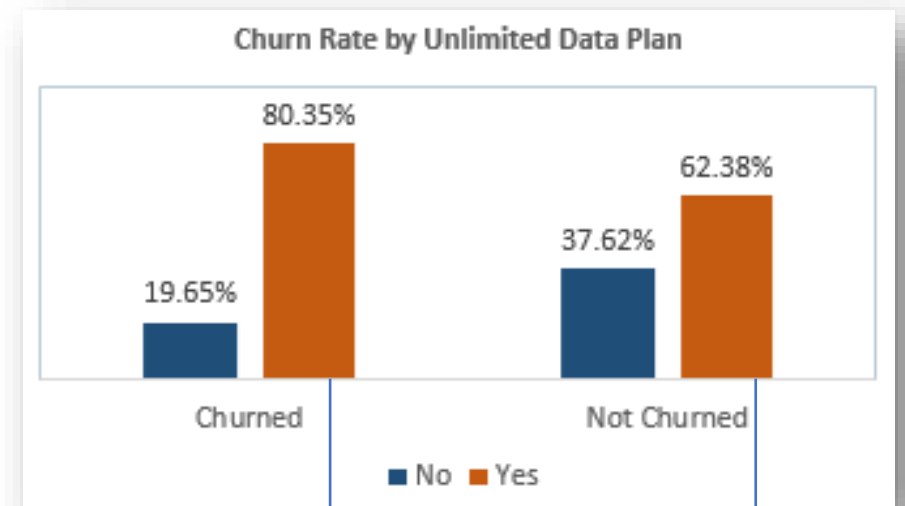
Unlimited plan users showed an 18% higher churn rate

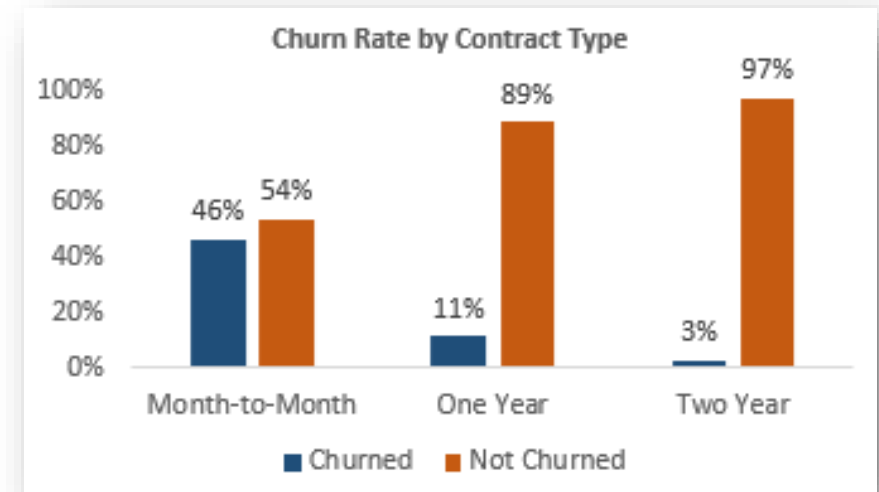**Churn Rate by Unlimited Data Plan**

80.35% *of* **Churned** *Users have Unlimited Plan*

62.38 *of* **Not Churned** *Users have Unlimited Plan*

How does the type of contract (month-to-month vs. annual) affect churn?

Month-to-month users had the highest churn rate at 46%, compared to 11% for 1-year contracts and 3% for 2-year contracts

Recommendations to Reduce Churn

1. **Competitive Analysis**: Assess competitor products and devices to craft more attractive package options

2. **Enhance Customer Service:** Improve training and the work environment to boost representative productivity and morale

3. **Review Pricing**: Adjust pricing to enhance satisfaction for customers on the Unlimited Plan using less than 3 GB

4. **Encourage Long-Term Contracts**: Incentivize customers to switch to long-term plans by offering discounts or added benefits, as they are less likely to churn

5. **Targeted Retention Strategies:**
   - Target adults (55% churn) with personalized offers and support.
   - Focus on California (63% churn) with localized promotions.