

# Databel - Customer Churn Report

## Key Findings

### 1. Churn Rate Analysis

- Overall Churn Rate: The overall churn rate is **27.8 %**
- California (CA) had the highest churn rate at **63%**
- Adults had the highest churn rate at 55%, with 24% of accounts opting for competitors

### 2. Key drivers of 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
- Another major reason for churn is the attitude of the support person, accounting for 14% of the 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 between 10 and 40 months
- The customer churn rate rises from **37% to 88%** when the number of customer service calls increases from 2 to 3. Customer Service call has a Point Biserial Correlation of **0.65**

### 3. Data Usage, Subscription Type & Contract Type

- Customers who used more than 3 GB of data had a 13% higher churn rate
- Unlimited plan users showed an 18% higher churn rate
- 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.