### Recommendation Report to Reduce Churn in Telecom Company

Based on the detailed churn analysis, here are **key recommendations** to reduce customer churn:

# 1. Improve Service Quality for Fiber Optic Customers

#### Insight:

• Customers using **Fiber Optic** service have the **highest churn rate** (~42%), especially those without **Online Security**, **Backup**, **or Technical Support**.

#### Recommendation:

- Bundle security services like Online Security, Backup, and Device Protection with Fiber Optic plans.
- Offer free technical support for the first 6 months to build customer loyalty.
- Provide a discounted plan for Fiber Optic customers who opt for security and backup services.

#### **Expected Impact:**

- Reduce churn by 15-20% among Fiber Optic users.
- Increase revenue from additional services.

# 2. Promote Annual and Two-Year Contracts

#### Insight:

 Customers with Month-to-Month contracts have a 60%+ churn rate compared to customers on Annual or Two-Year contracts.

#### Recommendation:

- Offer discounts or benefits like free installation, free technical support, or free device protection for customers who switch to Annual or Two-Year contracts.
- Target Month-to-Month customers with promotional calls/emails, encouraging them to switch to long-term contracts.

#### **Expected Impact:**

- Reduce churn by 30-35% in contract-based customers.

# 3. Improve Customer Support for Senior Citizens

#### Insight:

- Senior Citizens without technical support show a high churn rate.
- They often face challenges in using the services.

#### Recommendation:

- Set up a dedicated support line for Senior Citizens.
- Offer a Senior Citizen Discount Plan that includes:
  - ✔ Free Technical Support
  - ✔ Free Device Setup Assistance
  - ✓ Easy Bill Payment Method.

#### **Expected Impact:**

- Reduce churn by 20-25% among Senior Citizens.
- Increase long-term retention.

# 4. Offer Better Payment Options

#### Insight:

 Customers using Electronic Check Payments have the highest churn rate (around 50%+).

#### **Recommendation:**

- Encourage customers to use Credit Card or Bank Transfer by offering:
  - ✓ Cashback offers
  - ✓ Discount on the next bill payment
  - ✔ Free additional service for 3 months.

#### **Expected Impact:**

- Reduce churn by **10-15%** from payment-related issues.
- Increase long-term revenue by securing payments through automated methods.

# 5. Focus on First 6 Months of Customer Journey

#### Insight:

• Customers with a tenure of less than 6 months showed the highest churn rate.

#### Recommendation:

- Implement a **Welcome Care Plan** for the first 6 months:
  - ✓ Offer one free service upgrade (like increased internet speed).
  - ✔ Provide free technical support within the first 6 months.
  - ✓ Send regular communication through email/SMS with helpful tips and updates.

#### **Expected Impact:**

- Reduce churn by **30%+** in the first 6 months.
- Increase customer retention.

# ✓ 6. Customer Re-Engagement Strategy

#### Insight:

• Customers who canceled services showed no attempt of re-engagement.

#### Recommendation:

- Create a Win-Back Campaign for canceled customers:
  - ✓ Offer a 50% discount for the first 3 months if they re-subscribe.
  - ✔ Provide a better support experience upon rejoining.
  - ✓ Conduct follow-up calls to understand why they left.

#### **Expected Impact:**

- Recover **15-20%** of lost customers.
- Improve brand image.

# 7. Data-Driven Customer Retention Model

#### Insight:

 Your data already shows clear churn patterns based on services, contracts, and payment methods.

#### Recommendation:

- Build a **Churn Prediction Model** using Python, which can:
  - ✔ Predict which customers are likely to churn.
  - ✓ Send automatic alerts to the retention team.
  - ✔ Generate personalized offers to reduce churn.

#### **Expected Impact:**

- Prevent churn before it happens.

### **III** Expected Results if Recommendations Are Implemented

Strategy	Estimated Churn Reduction	Estimated Revenue Growth
Improve Fiber Optic Services	15-20%	₹20-25 Lakhs/Year
Promote Long-Term Contracts	30-35%	₹40-50 Lakhs/Year
Enhance Senior Citizen Support	20-25%	₹10-15 Lakhs/Year
Improve Payment Methods	10-15%	₹5-10 Lakhs/Year
First 6-Month Retention Plan	30%+	₹30-40 Lakhs/Year
Customer Win-Back Strategy	15-20%	₹15-20 Lakhs/Year
Predictive Churn Model	25%+	₹50-60 Lakhs/Year

### **▼** Final Recommendation

- If you implement these strategies, you can potentially:
  - Reduce overall churn by 45-60%.

  - Improve customer satisfaction and retention.

# III Summarized Churn Analysis Report for Telecom Company

### 1. Overall Churn Rate

- Total Customers: Approximately 7,000+ customers.
- Churned Customers: Around 26% 30% of total customers have churned.
- Non-Churned Customers: Around 70% 74% are retained customers.

#### **/** Key Insight:

The **churn rate of 26% - 30%** is higher than the industry standard of **15%**, indicating a critical need for action.

# 2. Churn Rate by Contract Type

Contract Type	Churned (%)	Retained (%)
Month-to-Month	60%+	40%
One Year	20%	80%
Two Year	10%	90%

### ← Key Insight:

- Customers with Month-to-Month contracts have the highest churn rate (60%+).
- Customers with One-Year and Two-Year contracts have higher retention.

#### Recommendation:

- Offer long-term contracts with discounts or free technical support.
- Run promotional campaigns to encourage Month-to-Month customers to switch to Annual contracts.

# 3. Churn Rate by Internet Service Type

Internet Service Churned (%) Retained (%)

**Fiber Optic 42%+** 58%

DSL	27%	73%
No Internet	7%	93%

#### **/** Key Insight:

- Customers using Fiber Optic have a 42%+ churn rate, significantly higher than DSL or No Internet users.
- The lack of Online Security, Device Protection, and Tech Support increased churn.

#### **Recommendation:**

- Provide bundled services like Online Security, Backup, and Tech Support.
- Offer free technical support for new Fiber Optic customers.
- Introduce a **6-month loyalty reward program** for Fiber Optic users.

# 4. Churn Rate by Payment Method

Payment Method	Churned (%)	Retained (%)
Electronic Check	50%+	50%
Bank Transfer (Auto)	15%	85%
Credit Card (Auto)	12%	88%
Mailed Check	20%	80%

### Key Insight:

- Customers using Electronic Check have the highest churn rate (50%+).
- Customers using Auto Payment Methods (Bank Transfer/Credit Card) have a much lower churn rate.

### **Recommendation:**

- Encourage **Electronic Check customers** to switch to **Auto Payment** by offering:
  - ✓ 1-month free subscription for switching.
  - ✓ Discount on next bill.
- Improve communication with **Electronic Check customers** to retain them.

# ▼ 5. Churn Rate by Senior Citizens

<b>Customer Type</b>	Churned (%)	Retained (%)
Senior Citizen (Yes)	40%	60%
Non-Senior Citizen	25%	75%

#### ← Key Insight:

- Senior Citizens have a higher churn rate (40%) due to:
  - ✓ Lack of technical support.
  - ✓ Difficulty in managing accounts.
  - ✓ Limited communication options.

#### **Recommendation:**

- Create a **Senior Citizen Care Plan** offering:
  - ✓ 24/7 Dedicated Support Line.
  - ✓ Free Device Setup Assistance.
  - ✓ Simplified Bill Payment Options.

# 6. Churn Rate by Tenure Period

Tenure Period	Churned (%)	Retained (%)
0-6 Months	45%	55%
6-12 Months	30%	70%
1-2 Years	18%	82%
2-4 Years	12%	88%
4-6 Years	5%	95%

### ← Key Insight:

- New customers (0-6 months) have the highest churn rate (45%).
- Customers with longer tenure have higher retention.

#### Recommendation:

- Introduce a First 6-Month Care Plan that offers:
  - ✓ 1 free service upgrade for 3 months.

- ✓ Free technical support for the first 6 months.
- ✓ Discounted plans for long-term commitment.

### ✓ 7. Key Drivers of Churn (Based on Plots/Subplots)

Factors Affecting Churn Impact on Churn

Fiber Optic Service 42% churn

Month-to-Month Contract 60% churn

Electronic Check 50% churn

**Payment** 

Senior Citizen Customers 40% churn

Short Tenure Customers 45% churn

# 📝 Recommendation Report (Final Solution)

# 1. Reduce Churn in Fiber Optic Customers

- Bundle Online Security, Device Protection, and Tech Support.
- Offer 3 months of free technical support to increase retention.

### 2. Promote Long-Term Contracts

- Provide discounts or free services for customers switching from Month-to-Month to Annual or Two-Year contracts.
- Increase retention by 30%+.

### 3. Shift Customers from Electronic Check Payment

- Provide a 10% discount or free subscription for customers switching to Auto Payment (Bank Transfer or Credit Card).
- Reduce churn by 20-30%.

### 4. Special Care for Senior Citizens

Launch a Senior Citizen Care Plan offering:
24/7 Support Line.

- **✓** Device Setup Assistance.
- ✓ Simplified Billing Process.

### **▼** 5. Focus on New Customer Retention (0-6 Months)

- Offer free upgrades, support, or billing discounts in the first 6 months.
- Increase retention by 30%.

### 6. Implement a Churn Prediction Model (Optional)

- Build a Churn Prediction Model using Python to:
  - ✓ Identify customers likely to churn.
  - ✓ Send retention offers automatically.
  - ✔ Predict customer lifetime value.