Business Problem Overview

In the telecom industry, customers are able to choose from multiple service providers and actively switch from one operator to another. In this highly competitive market, the telecommunications industry experiences an average of 15-25% annual churn rate.Given the fact that it costs 5-10 times more to acquire a new customer than to retain an existing one, customer retention has now become even more important than customer acquisition.

For many incumbent operators, retaining high profitable customers is the number one business goal.

To reduce customer churn, telecom companies need to predict which customers are at high risk of churn.

Objective

In this project, we will analyses customer-level data of a leading telecom firm, build predictive models to identify customers at high risk of churn and identify the main indicators of churn.

Business Insights

Less number of **high value customer** are churning but for last **6 month** no new high valued customer is on boarded which is concerning and company should concentrate on that aspect.

Customers with less than **4 years** of tenure are more likely to churn and company should concentrate more on that segment by rolling out new schemes to that group.

Average revenue per user seems to be most important feature in determining churn prediction.

Incoming and Outgoing Calls on roaming for 8th month are strong indicators of churn behavior.