



Reducing Churn:

INCREASING TENURE OF TELCO'S
MONTH-TO-MONTH CUSTOMERS

Barbara Marques | Feb. 8, 2021

OUR AGENDA



EXECUTIVE SUMMARY

A quick look at our goal, analysis and significant findings.



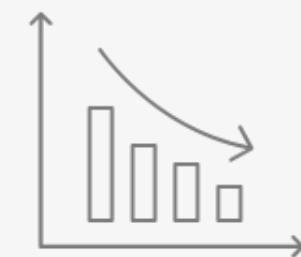
EXPLORING THE ISSUE

Reviewing the data and pinpointing a driver of churn.



RECOMMENDED SOLUTION

Our informed recommendation to reduce churn.



ANTICIPATED OUTCOME

Expected results and a look at our next steps.

*An **appendix** with detailed information on my analysis is included as the last slide.

Executive Summary

GOAL

Identify the driver of customer churn for Telco's month-to-month customers and recommend a targeted solution.

DATA SET

Telco's database of 7,043 customers which includes contract details, services, monthly rates and tenure.

SIGNIFICANT FINDINGS

- 88% of month-to-month customers (MTM) who churn have no tech support.
- Month-to-month customers with no tech support have an average monthly tenure of 14.
- Month-to-month customers with tech support have an average monthly tenure of 24.

RECOMMENDATION

Provide complimentary tech support to month-to-month customers.

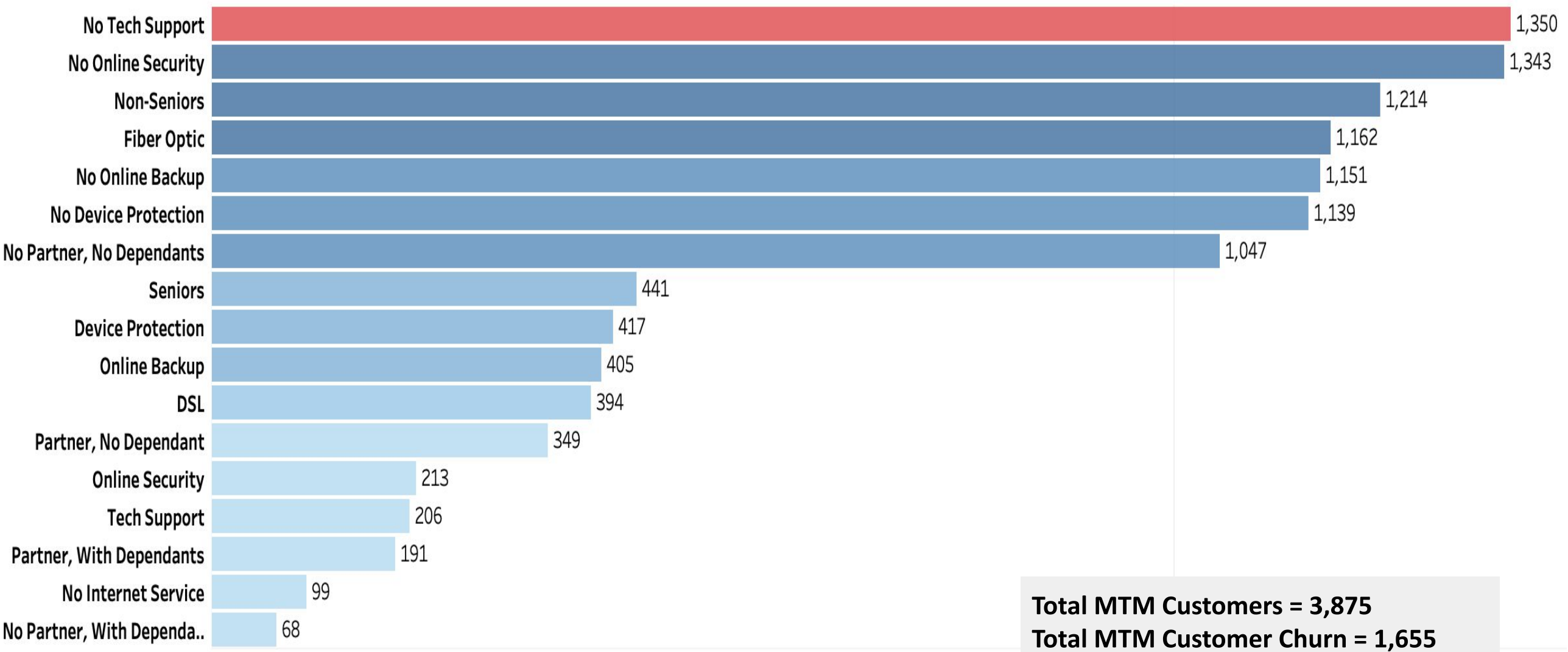
The issue:

3,875
MTM SUBSCRIBERS

43%
CHURN RATE

14.1 mos.
AVERAGE TENURE

Possible Drivers of Churn in MTM Customers

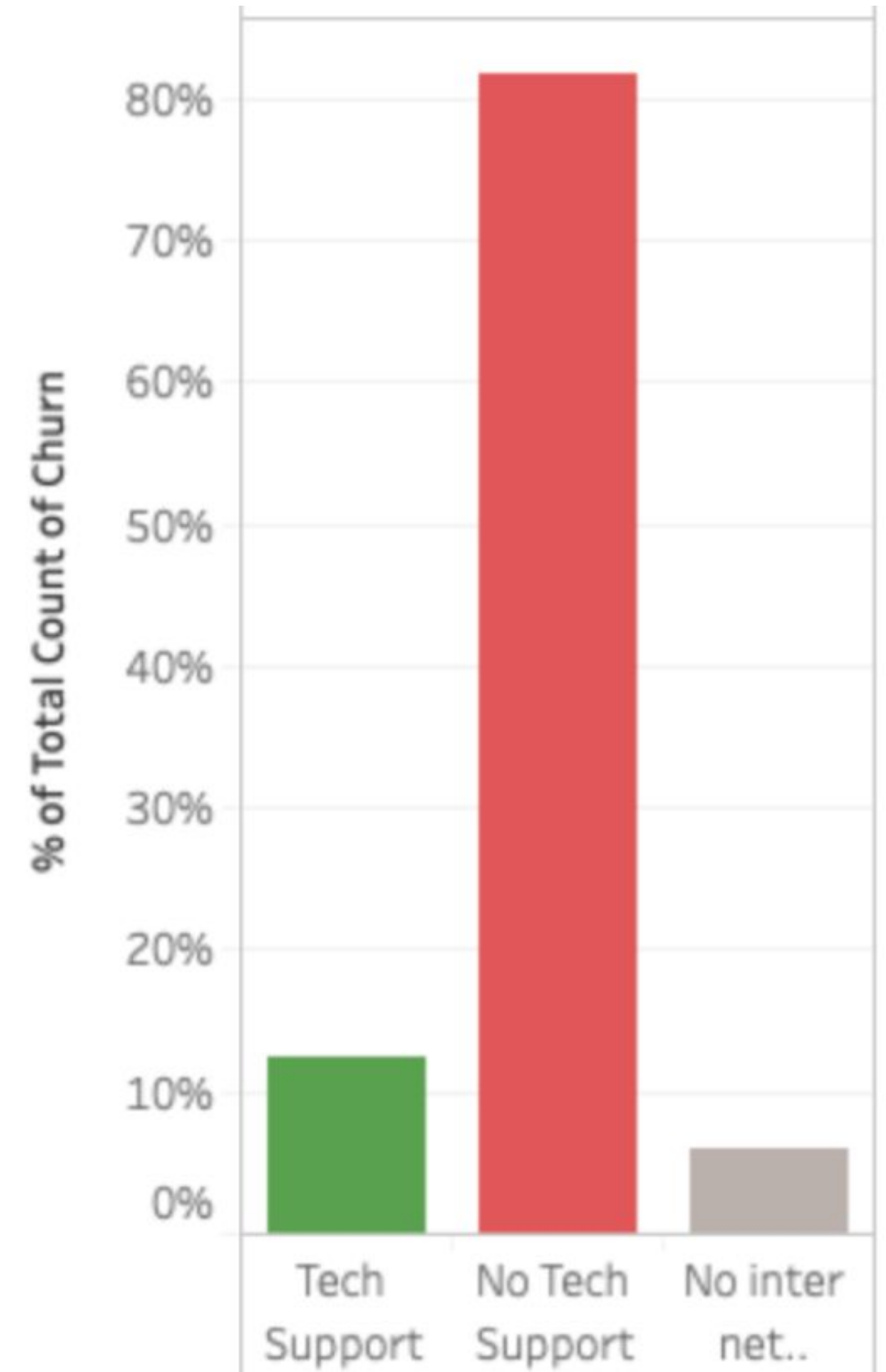


Total MTM Customers = 3,875
Total MTM Customer Churn = 1,655

Count of MTM Customers who Churned

Understanding the problem:

- 82% of the month-to-month customers who churned did not have access to Telco tech support.
- Month-to-month customers with access to tech support had a churn rate of only 11%.

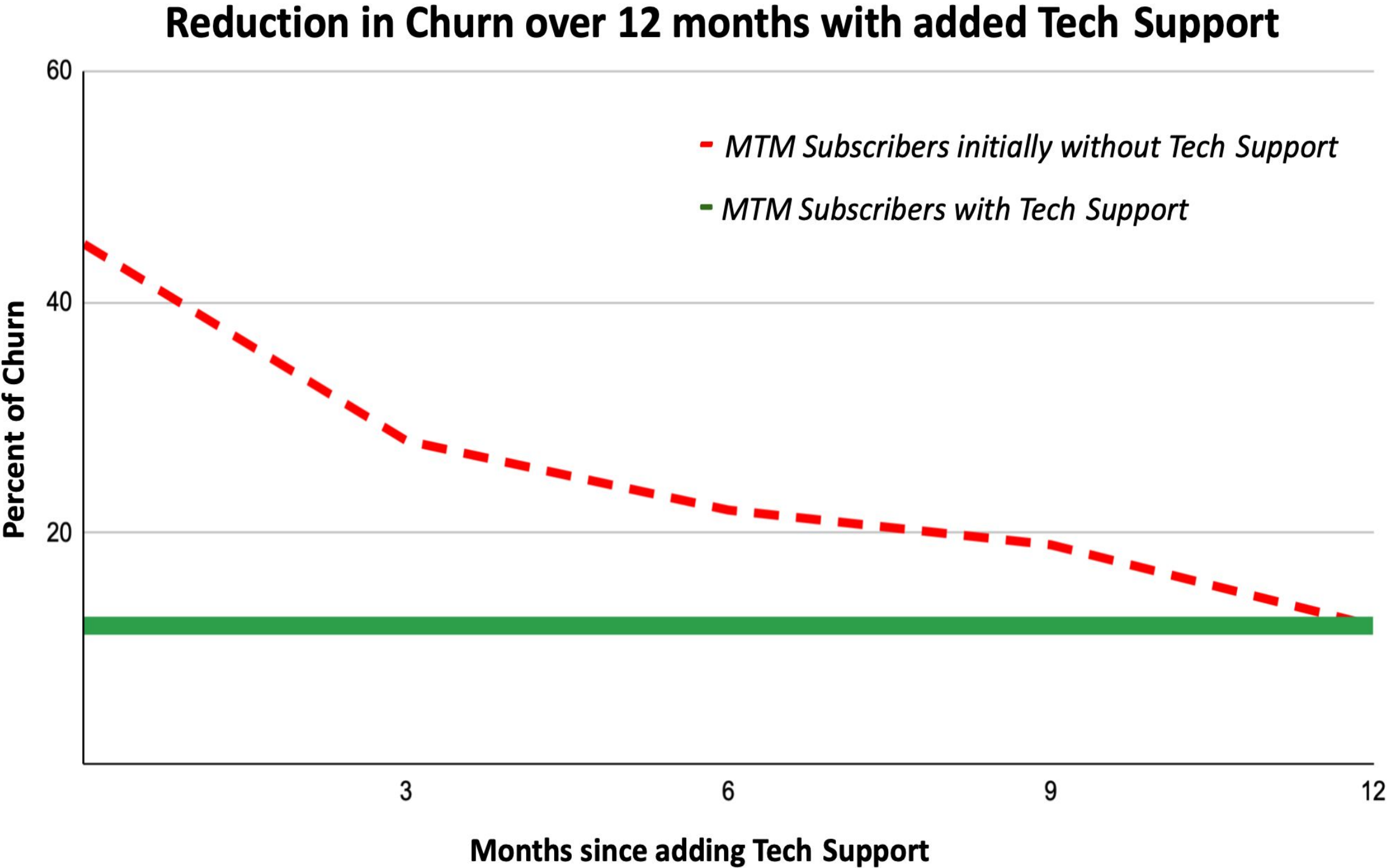


Recommendation

Provide **complimentary tech support** to **month-to-month customers** for their first 12 months of service.



Anticipated Outcomes:



Month-to-Month customer churn reduced to 11% within 1 year

Average tenure of MTM customers increased from 14 to 24 months.

Conclusions



KEY DRIVER

The key driver of churn among month-to-month customers at Telco is a **lack of technical support** for internet customers.



RECOMMENDATION

Providing **complementary tech support** to internet customers will **reduce churn to 11%** and raise average monthly tenure to 24 months.



NEXT STEPS

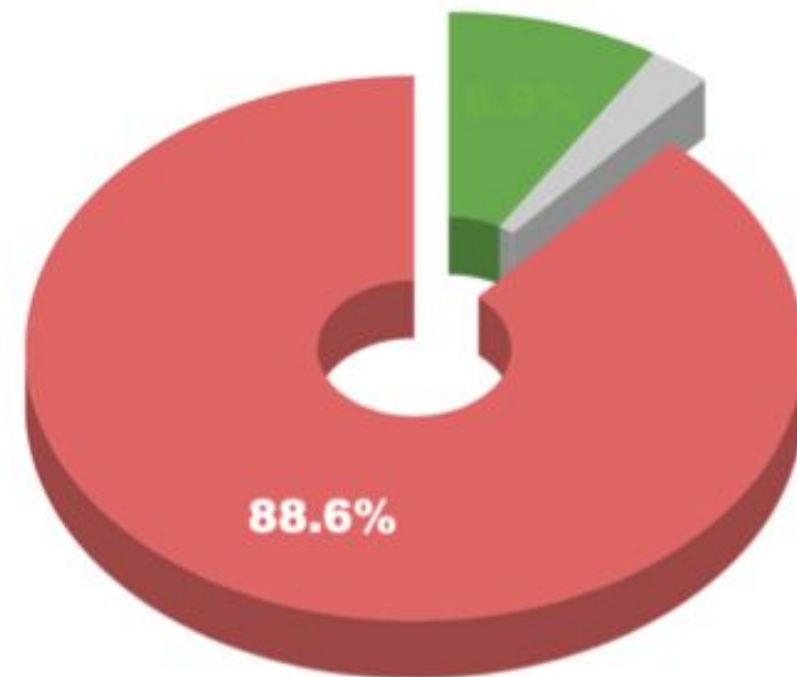
Analysis of **other leading drivers of churn** may lead to further reductions in attrition of customers of all contract types.

*For detailed information on the data analyzed, please refer to the **appendix**.

Appendix 1

Customer Churn by Contract Type

- 1 Year
- 2 Year
- Month-to-Month



| COUNTA of Chu. StreamingTV | | | | |
|----------------------------|-----|---------------------|-----|-------------|
| Contract | No | No internet service | Yes | Grand Total |
| Month-to-month | 899 | 99 | 657 | 1655 |
| One year | 36 | 9 | 121 | 166 |
| Two year | 7 | 5 | 36 | 48 |
| Grand Total | 942 | 113 | 814 | 1869 |

| COUNTA of Chu. StreamingMovies | | | | |
|--------------------------------|-----|---------------------|-----|-------------|
| Contract | No | No internet service | Yes | Grand Total |
| Month-to-month | 900 | 99 | 656 | 1655 |
| One year | 29 | 9 | 128 | 166 |
| Two year | 9 | 5 | 34 | 48 |
| Grand Total | 938 | 113 | 818 | 1869 |

| COUNTA of Chu. TechSupport | | | | |
|----------------------------|------|---------------------|-----|-------------|
| Contract | No | No internet service | Yes | Grand Total |
| Month-to-month | 1350 | 99 | 206 | 1655 |
| One year | 82 | 9 | 75 | 166 |
| Two year | 14 | 5 | 29 | 48 |
| Grand Total | 1446 | 113 | 310 | 1869 |

| COUNTA of Chu. OnlineSecurity | | | | |
|-------------------------------|------|---------------------|-----|-------------|
| Contract | No | No internet service | Yes | Grand Total |
| Month-to-month | 1343 | 99 | 213 | 1655 |
| One year | 97 | 9 | 60 | 166 |
| Two year | 21 | 5 | 22 | 48 |
| Grand Total | 1461 | 113 | 295 | 1869 |

Appendix 2

Tech Support v. Average Tenure of Churned MTM Customers

| AVERAGE of tenure Contract | Tech Support? | |
|-------------------------------|---------------|------|
| | No | Yes |
| Month-to-month | 14.1 | 17.6 |

Tech Support v. Average Tenure of MTM Customers who did not churn

| AVERAGE of tenure Contract | TechSupport | |
|-------------------------------|-------------|------|
| | No | Yes |
| Month-to-month | 22.7 | 26.2 |

Tech Support v. Average Tenure of All MTM Customers (not filtered for churn)

| AVERAGE of tenure Contract | TechSupport | |
|-------------------------------|-------------|-------------|
| | No | Yes |
| Month-to-month | 18.40037313 | 23.54247392 |

Average Monthly Tenure

