

Retention Strategies

****General Suggestions****

* ****Address Customer Service Issues:**** Given that "customer service calls" are the strongest indicator of churn (19.21% importance), implement a comprehensive customer service improvement plan. This should include enhanced training for customer service representatives to improve problem-solving skills and reduce call resolution times. We must also consider call routing options to assign specialized teams to high call volume customers to improve their experience.

* ****Targeted International Plan Offers:**** Since customers with international plans churn at a much higher rate (42.41%) compared to those without (11.5%), create discounted or usage-based international plans to reduce costs and increase customer satisfaction. Specifically, test a tiered international plan structure that offers different levels of included minutes or data, with the option to pay-as-you-go for usage beyond the selected tier.

* ****Daytime Usage Pricing Adjustments:**** The high importance of "total day charge" (13.71%) and "total day minutes" (13.2%) suggests that daytime usage costs are a significant driver of churn. Offer a "Daytime Saver" plan or promotion that reduces daytime rates for high-usage customers, potentially with a cap to prevent revenue loss. This could include a discount on daytime minutes or a bundle of daytime minutes and data at a reduced price.

* ****Proactive Outreach to High-Risk Customers:**** The segmentation data shows that 14.4% of customers are at "High Risk" of churning. Create a proactive outreach program that identifies these customers and offers personalized retention incentives, such as discounts, free add-ons, or loyalty points. This should be integrated with CRM to ensure consistent and coordinated communication with each customer.

* ****State-Specific Retention Campaigns:**** Churn rates vary significantly by state, with some states like CA (29.41%) and NJ (26.47%) showing considerably higher churn. Implement state-specific retention campaigns tailored to the unique needs and preferences of customers in these high-churn states. This could involve targeted advertising campaigns highlighting the benefits of staying with the service or offering special discounts or promotions to customers in these regions.

* ****Revenue-Focused Retention Efforts:**** With a potential revenue loss of \$31636.63 from churn, prioritize retention efforts based on customer lifetime value (CLTV). Focus retention strategies on the customers that contribute the most to the revenue stream, calculating the return on investment (ROI) for all retention initiatives to ensure cost-effectiveness.

* ****Voicemail Plan Promotion for Churn Mitigation:**** Customers without a voicemail plan have a higher churn rate (16.76%) than those with one (8.57%). Promote voicemail plan adoption with targeted offers or bundled packages, highlighting the convenience and value of voicemail to reduce churn. Offer a free trial of the voicemail plan or include it as a complimentary feature in higher-tier service packages.

* ****Engagement Programs for High Usage Customers:**** Churn rate is highest in high usage customers(39.25%). This indicates that these customers have a high dependence on the service and thus would value it even more with an engagement program. Develop a loyalty program that rewards high usage customers with points, exclusive offers, or early access to new features to enhance engagement and reduce churn. Incentivize customers with points, rewards, and discounts for their high call usage to encourage long-term loyalty.

* ****Analyze and Improve Customer Service Experience for High Callers:**** High callers has the highest churn rate. Survey the experience of high callers who have churned and haven't to improve the experience of high call volume customers to improve satisfaction and mitigate churn. This would

include specialized teams to handle high volume callers.

* ****Overall Low Churn Risk Mitigation:**** Even though the overall churn risk level is low, the 14.49% churn rate warrants continuous improvement efforts. Implement ongoing monitoring of churn drivers and customer feedback to proactively identify and address potential issues before they escalate. Continuously review and optimize pricing, customer service, and engagement strategies to maintain a low churn rate.

Retention Strategies of High-Risk Churners

Given the alarming 100% churn rate across all states, usage levels, calling habits, and plan types for these high-risk customers, a drastic and multifaceted intervention is required. The following strategies are recommended:

* ****State-wise Churn Trends:**** Since every state shows 100% churn, implement a ****geo-targeted 'Win-Back' campaign**** focusing on perceived value and customer service. Offer a significant discount (e.g., 50% off for the first 3 months) tailored to the average bill in each state, advertised through local media and digital channels, emphasizing improved network reliability (if applicable) and dedicated state-specific support teams. This directly addresses the complete state-wide abandonment by making a compelling offer and showcasing localized support.

* ****Potential Revenue Loss from Churn:**** To mitigate the potential loss of \$31,417.12, implement a ****"Proactive Value Proposition"***** strategy. Before the customer's next billing cycle, proactively contact each high-risk customer with a personalized offer designed to demonstrably increase the value they receive. This could involve upgrading their data allowance at no extra cost, waiving

overage fees for a limited period, or providing access to a premium content streaming service bundled with their existing plan. The goal is to demonstrably exceed the value they perceive, incentivizing them to stay, even at a reduced margin.

* **Churn Analysis by International Plan:** Given the 100% churn rate for both users with and without international plans, offer a **"Global Connectivity" package** for customers with international plans and a **"Local Focus" package** for those without. The Global Connectivity package should include discounted international calling rates, free roaming in specific popular destinations, and multilingual customer support. The Local Focus package could offer exclusive local content subscriptions, discounts at local businesses, and community-based promotions. This addresses the universal churn by appealing to different customer needs and desires, ensuring personalized value, irrespective of their international plan status.

* **Churn Analysis by Voicemail Plan:** With both voicemail and non-voicemail users churning at 100%, implement a **"Communication Customization"** strategy. Offer a choice of alternative communication tools and integration options to both segments. For those with voicemail, promote advanced features like visual voicemail, transcription services, or integration with communication apps. For those without, offer free trials of alternative messaging services or personalized call screening options. This addresses the across-the-board churn by providing options tailored to how customers prefer to communicate, increasing overall customer satisfaction and stickiness.

* **Churn Analysis by Time Spent:** With high churn across all usage levels, implement a **"Usage Optimization"** strategy. Offer personalized recommendations for optimizing data usage and plan selection based on individual usage patterns. For 'Low Usage' customers, suggest downgrading to a cheaper plan with no penalties and offering free data boosts when needed. For 'Medium Usage' customers, recommend upgrading to a plan that better fits their needs and showcasing features that enhance their online experience. For 'High Usage' customers, offer unlimited data add-ons or

optimized streaming packages. This is targeted to all levels of usage that optimizes each users needs.

* **Churn Analysis by Call Counts:** Since churn is 100% across all call volume categories, implement a **"Communication Value"** strategy. For 'Low Callers', promote the use of data-driven communication methods such as messaging apps and offer tutorials on how to maximize their data usage. For 'Medium Callers', suggest bundled voice and data packages that provide cost-effective communication solutions. For 'High Callers', provide unlimited calling plans with added benefits such as priority customer service. This approach addresses the universal churn, emphasizing value and meeting the customers' individual usage habits.

Retention Strategies of Medium risk churners

* **State-Specific Intervention (KS & ND):** Offer a 15% discount on the next month's bill for customers residing in Kansas (KS) and North Dakota (ND). ***Rationale:** The data shows 100% churn in these states. A targeted discount could incentivize customers in these high-churn states to reconsider leaving.

* **Usage-Based Discount:** Customers identified as high usage, receive a 20% discount. ***Rationale:** The high usage customer churn rate is 100% so we need to target this group of customers to prevent churn.

* **High Call Counts customers service Package:** Provide high call count customers with a personalized onboarding package to help with phone usage. ***Rationale:** The high call count customer churn rate is 100% so we need to target this group of customers to prevent churn.

* ****Voicemail and International Plan Promotion:**** Provide complimentary voicemail services and international calls with 30% discount for medium risk churners who don't use international plans.

Rationale: Data shows churn is present within medium risk churners who do not use international plans.

* ****Revenue-Based Offer:**** Offer a one-time \$20 credit to the accounts of customers identified as medium risk. ***Rationale:*** The potential revenue loss is \$219.51. Offering a credit is less than the total revenue loss.

****Retention Strategies of Low risk churners****

* ****State-wise Churn Trends:**** Since the churn rate is 0.0% across all states, the current state-specific marketing and customer service strategies are effective. Continue monitoring state-level data regularly to identify any emerging regional churn patterns proactively and immediately implement marketing strategies based on other datapoints provided if need be.

* ****Potential Revenue Loss from Churn:**** With a \$0 potential revenue loss from churn, the immediate financial impact of churn is negligible. Focus on maintaining the status quo and investing in strategies that enhance overall customer satisfaction and prevent future churn, focusing on long-term customer value. Consider investing in upselling strategies to enhance revenue.

* ****Churn Analysis by International Plan:**** Given that churn is 0.0% for both customers with and without international plans, the current international plan offerings are not a significant churn driver. However, gather more granular data on international call usage, destinations, and customer

satisfaction to identify potential improvements or targeted promotions for international plan users.

* **Churn Analysis by Voicemail Plan:** With 0.0% churn for both voicemail plan users and non-users, the voicemail service is not influencing churn. Explore opportunities to enhance the voicemail feature or offer it as a value-added service within bundled packages to improve its perceived value.

* **Churn Analysis by Time Spent:** With 0.0% churn across all usage segments (Low, Medium, High), usage patterns are not currently predictive of churn. Conduct a more in-depth analysis of usage behavior, including peak calling times, data consumption patterns, and feature usage, to identify opportunities for personalized recommendations and targeted promotions that can further engage customers.

* **Churn Analysis by Call Counts:** As churn is 0.0% across all call volume segments (Low, Medium, High), call frequency is not a current driver of churn. Examine the types of calls made (e.g., customer service, international, specific number patterns) to understand call behavior better and identify opportunities to improve call quality or offer specialized calling plans.