

Project 1: Telco Customers

Description: Telco is a fictional company that provides home phone and Internet services to 7043 customers in California. The company has been having a growing number of customers churning, and would like to develop measures to retain its customers

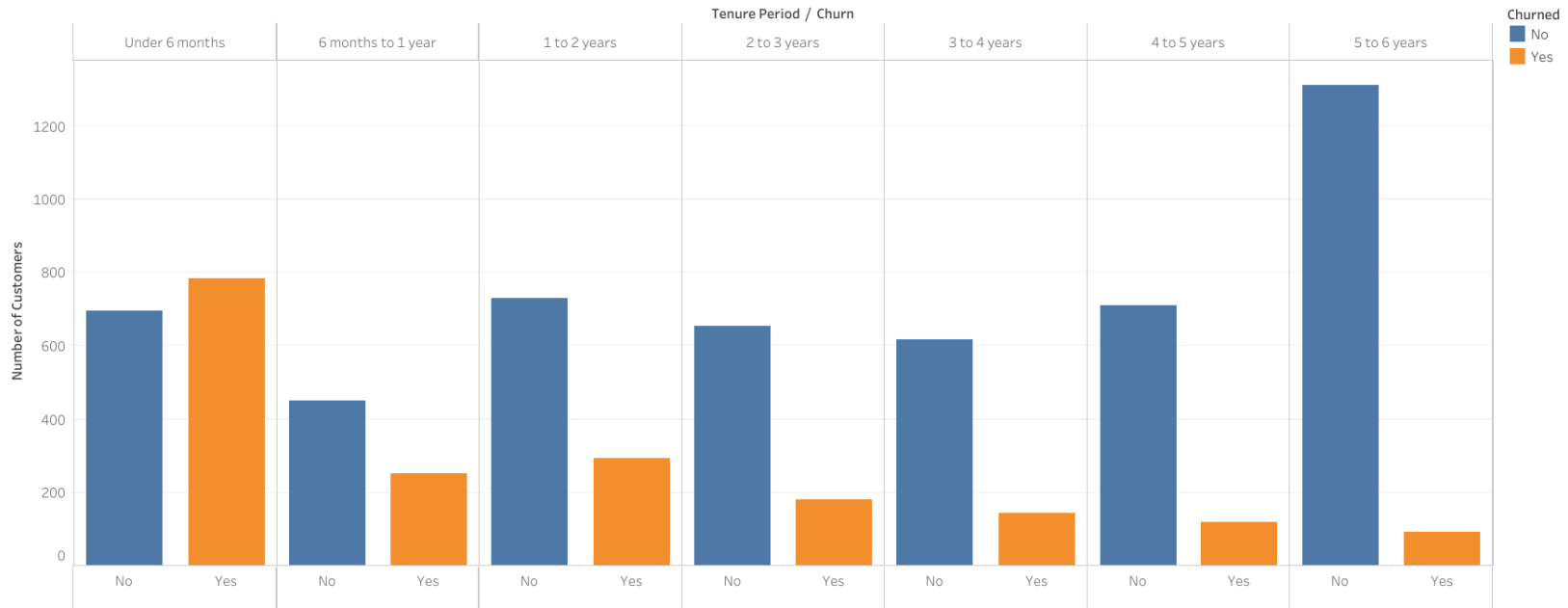
Objective: Detail which factors are most influential in retaining customers and provide solutions that will help develop an informed customer retention program.

Questions to answer:

1. How does the number of churned customers vary based on how long they received services from Telco?
2. What kind of services were used by customers who eventually churned?
3. How did cost vary with the services received and what factors most influence churning customers?
4. Were there any additional services that played a major role in determining the number of churning customers?

How does the number of churned customers vary based on how long they received services from Telco?

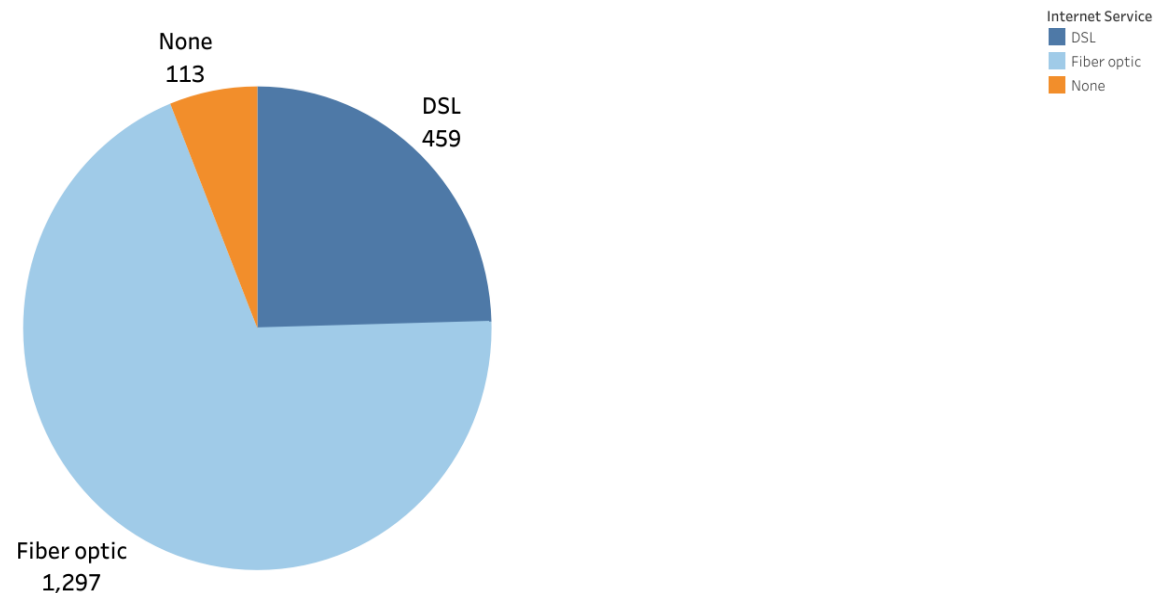
Number of current and churned customers in each tenure period



- 784 customers left within the first 6 months. A large proportion considering 1085 customers left among the customers who spent longer than 6 months.
- Customers who have spent more than a year with the company are less likely to churn with the majority being those who spend over 5 years.

What kind of services were used by customers who eventually churned?

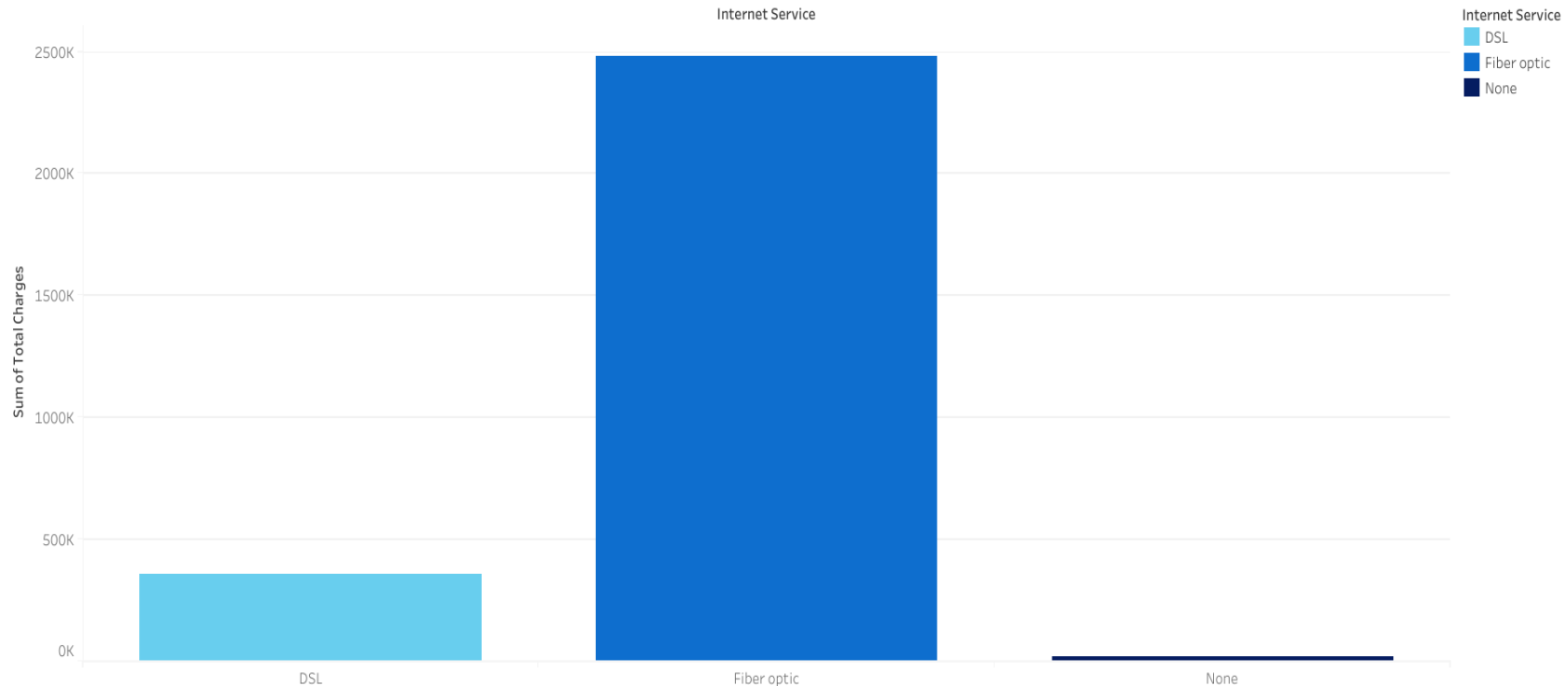
Churned customers variation in internet services



- The largest proportion of churned customers, approximately 69%, had subscribed to the Fiber optic internet service. Internet service being the most influential.
- DSL (Digital Subscriber Line) accounted for only 25% of churned customers, and less than 1 percent were not subscribed to any internet service

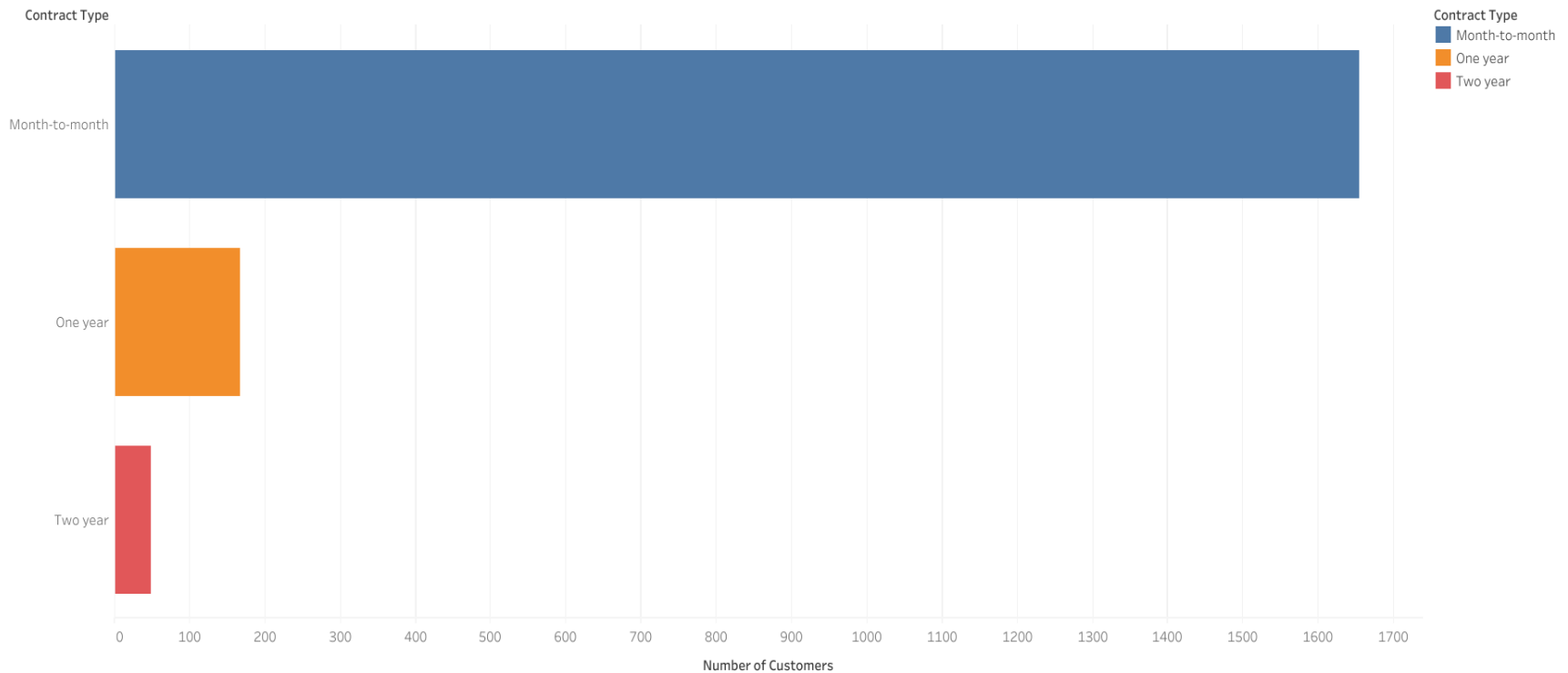
How did cost vary with the services received and what factors most influence churning customers?

Total charges for churned customers by internet service



- Churned customers who opted for the fiber optic service accounted for 86.7% of the sum of total charges at the end of the quarter.
- Customers who subscribed to the fiber optic service paid more in summation than any other category combined.

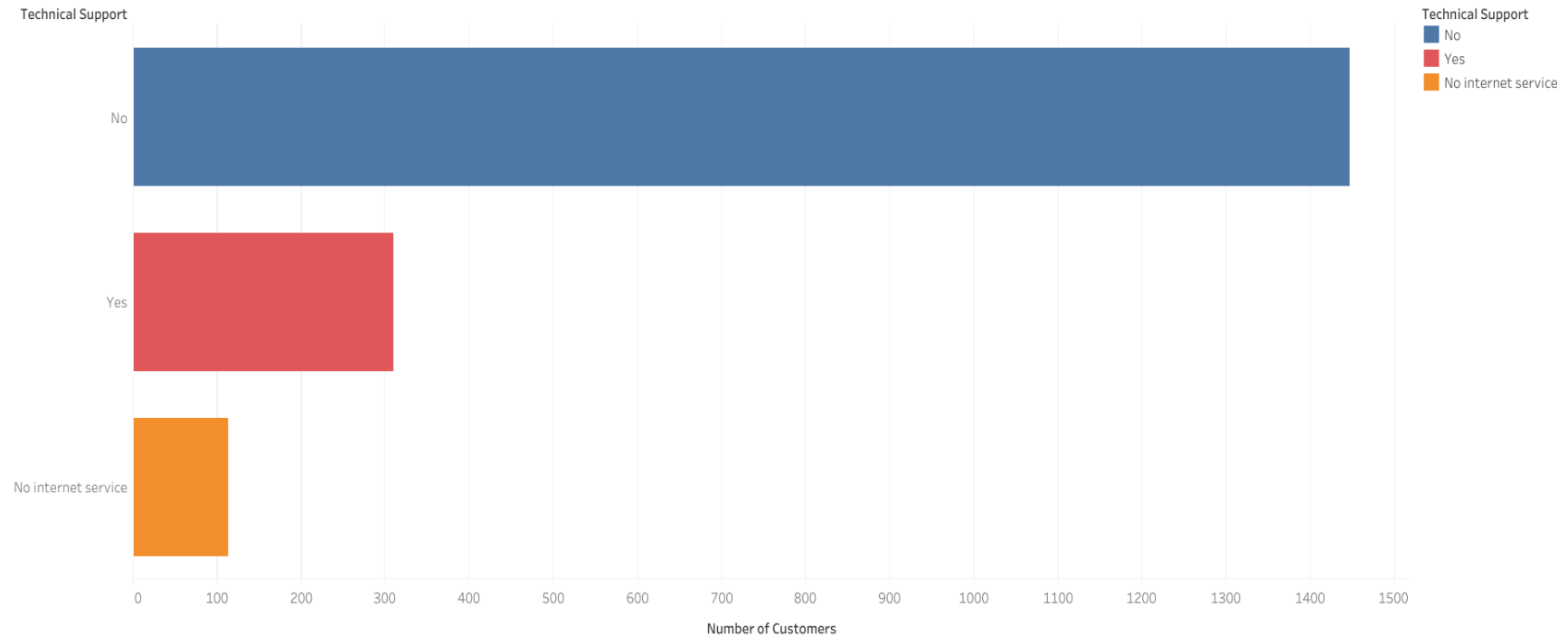
Number of churned customers per contract type



- Customers who had a month-to-month contract made up approximately 88.6% of all churned customers
- Customers who had longer contracts were less likely to churn

Were there any additional services that played a major role in determining the number of churning customers?

Number of churned customers with technical support



- Customers who did not subscribe to a technical support plan were more likely to churn, with this group making up approximately 77% of churned customers

Conclusion

Proposals:

- Reducing the cost of service for new customers who subscribe to the fiber optic internet service for either the two-year or three-year contract.
- Providing technical support as part of the subscription to an internet service, without any additional charges for the first year of service.