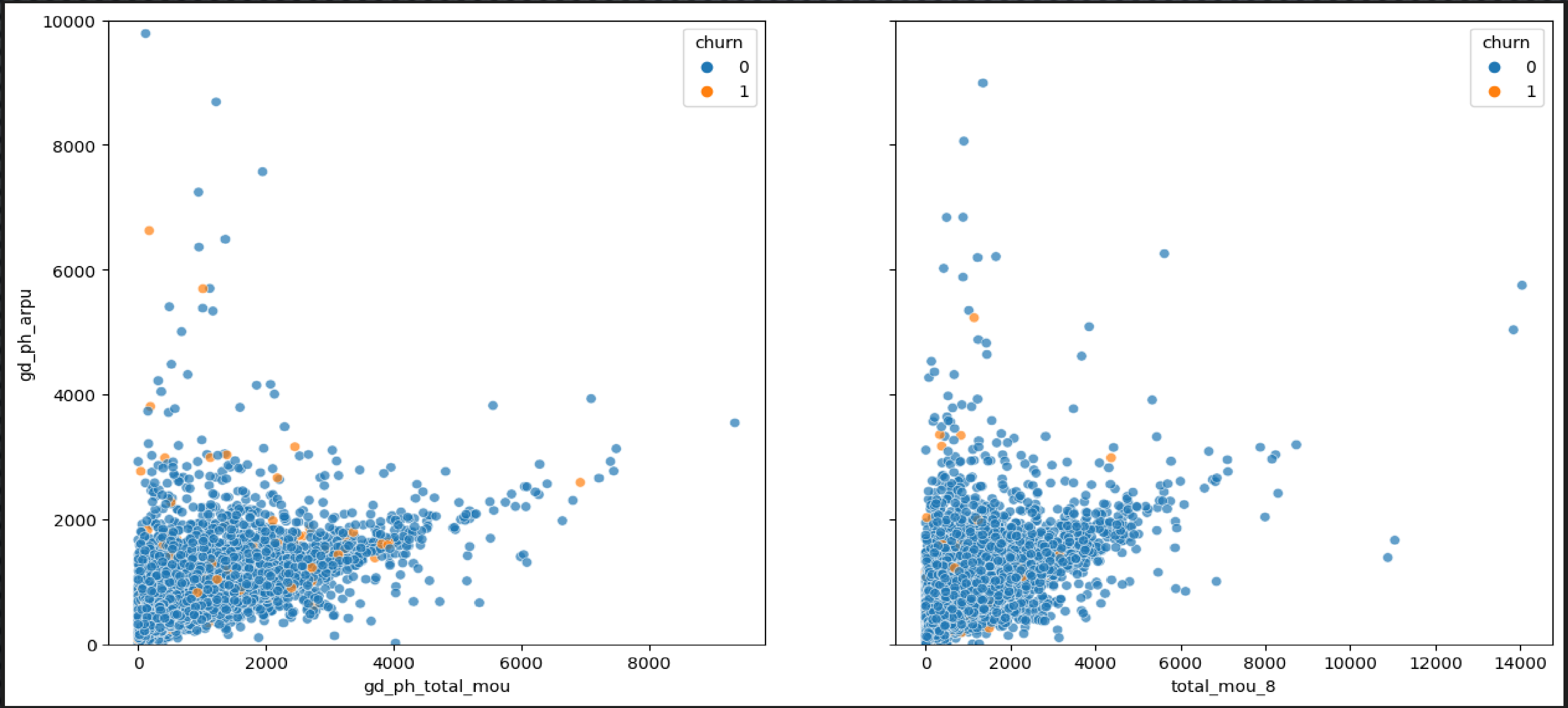
TELECOM CHURN CASE STUDY

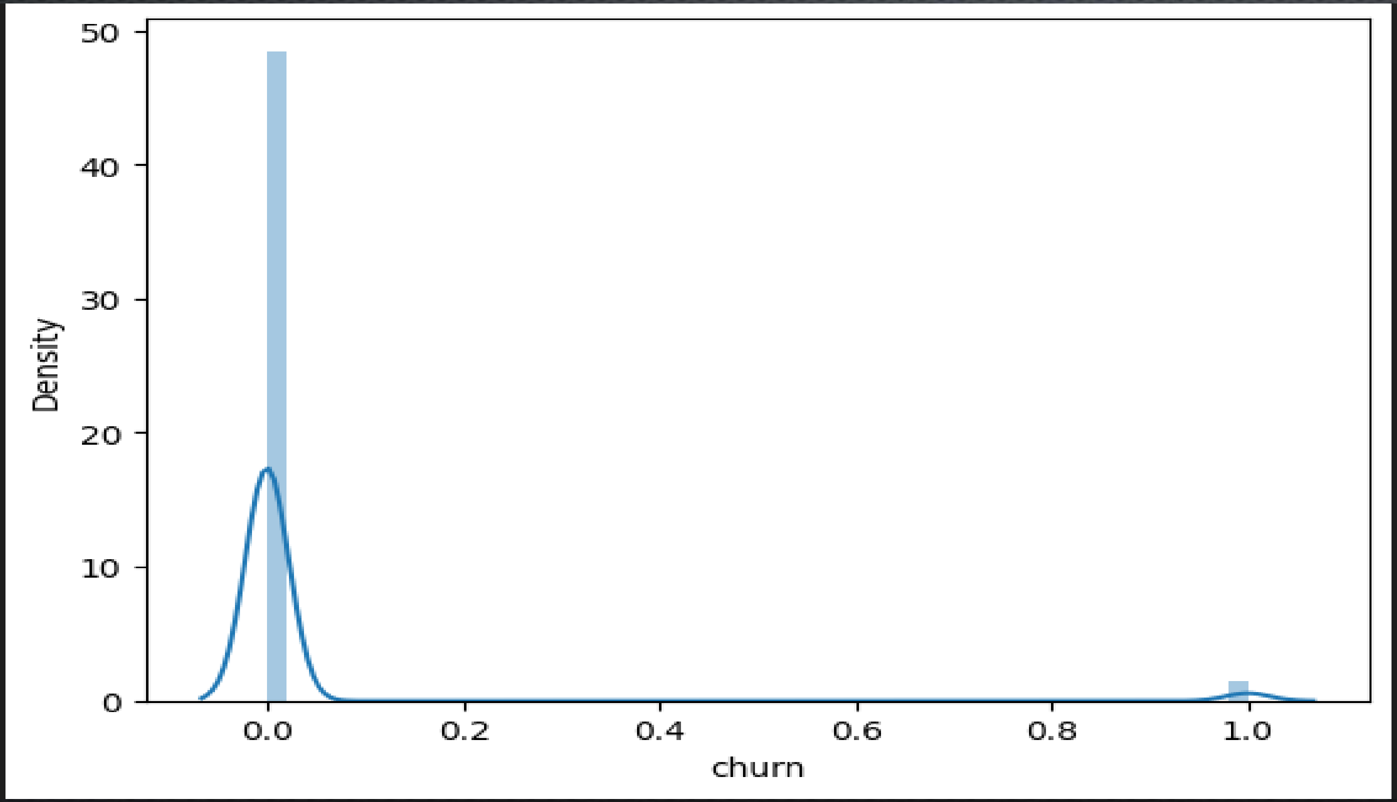
In the telecom industry, customers are able to choose from multiple service providers and actively switch from one operator to another. in this highly competitive market, the telecommunications industry experiences an average of 15-25% annual churn rate. given the fact that it costs 5-10 times more to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

GOURAB NANDI

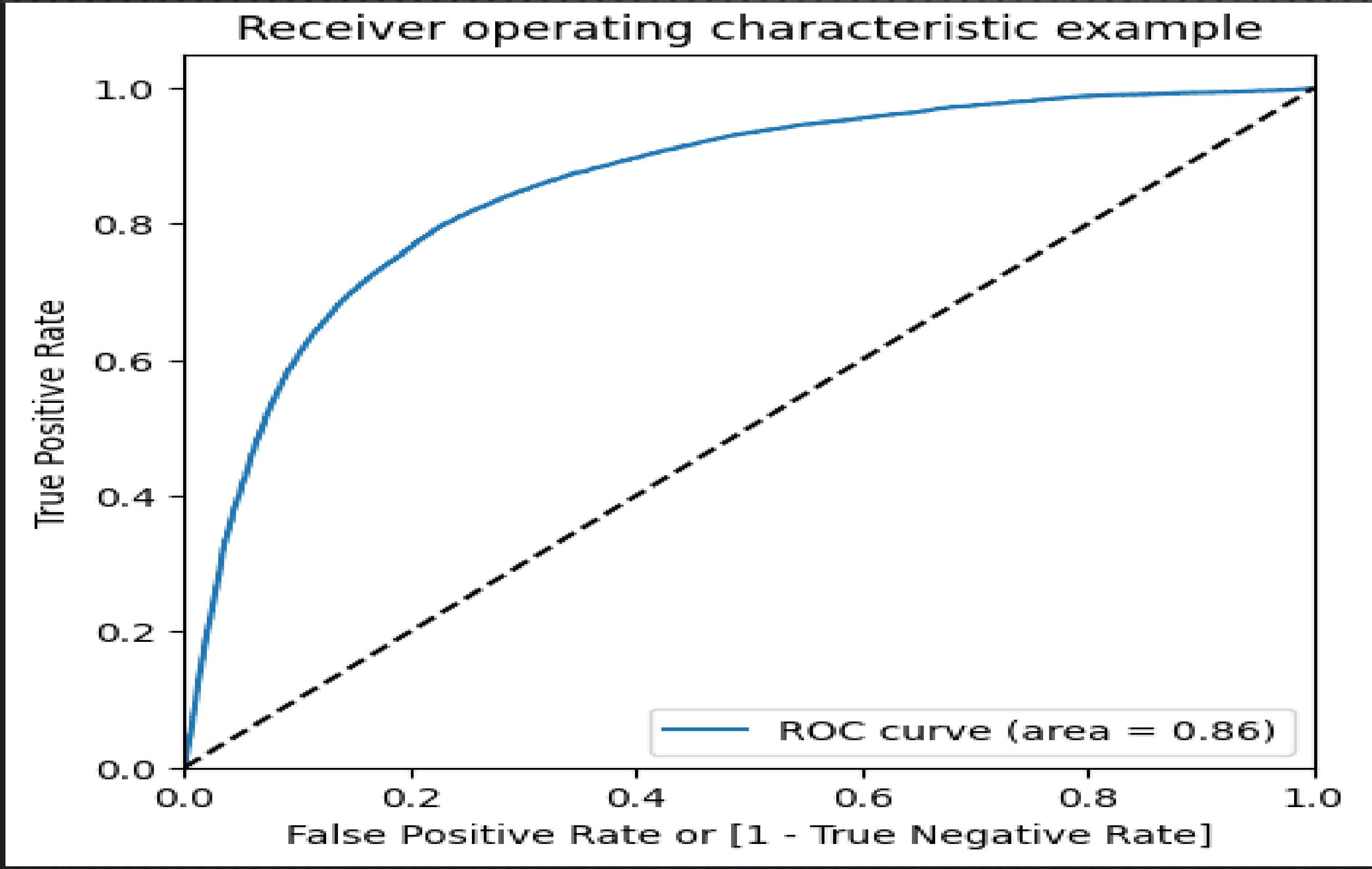
CHECK HOW THE VBC EFFECTS THE REVENUE



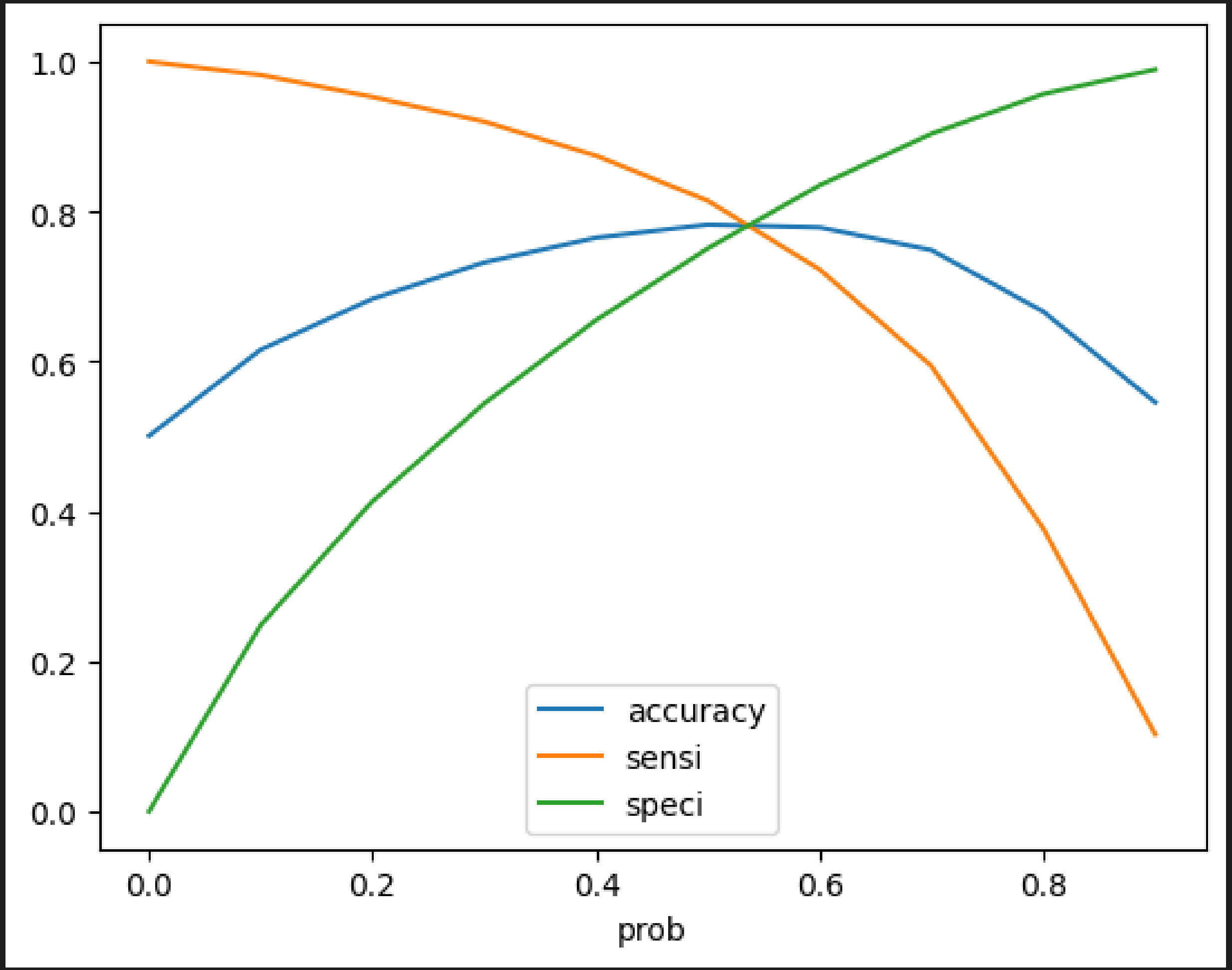
DISTRIBUTION OF TARGET VARIABLE



ROC CURVE


Receiver operating characteristic example
True Positive Rate
1.0
0.8
0.6
0.4
0.2
0.0
0.0
0.2
0.4
0.6
0.8
1.0
False Positive Rate or [1 - True Negative Rate]
ROC curve (area = 0.86)

ACCURACY ,SENSITIVITY AND SPECIFICITY



BUSINESS INSIGHTS

less number of **high value customer** are churing but for last **6 month** no new high valued customer` is onboarded 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
local outgoing calls made to landline , fixed line , mobile and call center provides a strong indicator of churn behavior.
better 2g/3g area coverage where 2g/3g services are not good, it's strong indicator of churn behavior.