

Customer Retention Report

Requirement of the client

The Retentions Manager has provided some information in the resources.

- Customers in the telecom industry are hard-earned: we don't want to lose them
- The retention department is here to get customers back in case of termination
- Currently, we get in touch after they have terminated the contract, but this is reactionary: it would be better to know in advance who is at risk
- We would like to know more about our customers: visualised clearly so that it's self-explanatory for our management

Observations

- .Out of 7043 Total clients, 1869 are churners and 5174 are current customers. That is a 27% churn rate.
- •50% M to 50% F, even distribution of gender.
- .43% of Current Customers are on Month to Month contracts, whereas 89% of Churners are on Month to Month contracts.
- Churners are often single status, no dependents and older.
- Customers are often married status, dependents and younger.
- Churners are often those with a low tenure, less than 2 years.
- .Churners tend not to be subscribed to services like Online Security, Online Backup and Device Protection.
- There is a \$1.6M loss of revenue by churners when payment method is Electronic check., more than double that of any other payment method.
- •Credit card and bank transfers offer the most revenue, more than \$4M for each type.
- 57% of churners have the shortest tenure (0-1 years) and tend to have the most Admin tickets as well.
- Revenue sharply increases after 5 years, 30% increase.
- •Current customers tend to have lower monthly and yearly charges.
- Recommendations
- To increase revenue, there should be an emphasis to push a customer from a month to month contract and instead sign up for 1 or 2 year contract.
- We should seek to improve advertising or value of Online Security to early customers. Churners often decline Online Security in their early tenure.
- .There is an issue with Electronic checks we need to address because there is a tremendous loss in revenue.
- There should be an emphasis to prevent Admin tickets from occurring to new customers because it can result in higher churn rates.
- Discounts should be encouraged to keep current customers from churning.

