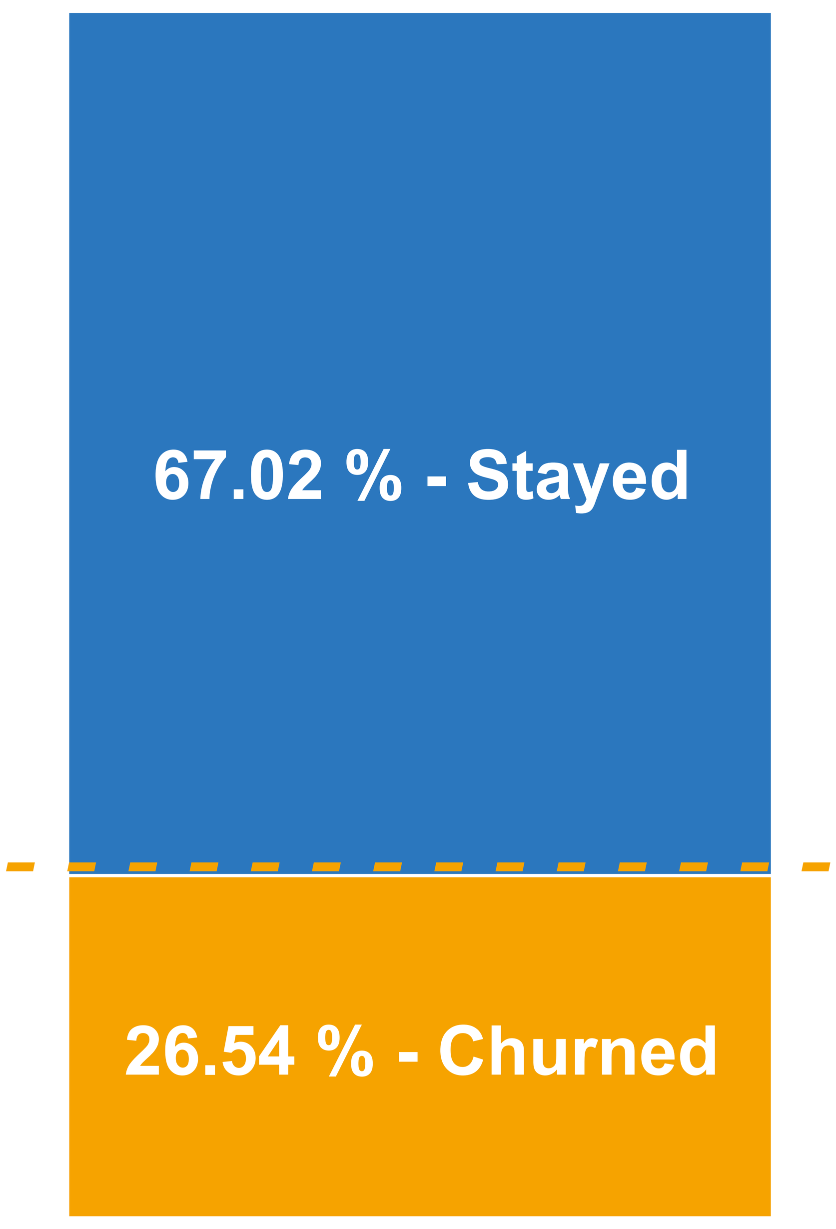
MAVEN ANALYTICS

Telecom Churn Analysis

Customer churn data for a Telecom company in California.

What Is The Situation ?

Customer Distribution



• **$3,684,460** in revenue were **lost** due to **26.54 %** of the telecom company's customers leaving.

• **$17,632,392** in revenue were **retained** from **67.02 %** of the telecom company's loyal customers.

• An additional **$54,280** in revenue were **gained** from **6.45 %** of the telecom company's new customers.

Churned Customers
Revenue Summary
$3.68M (17 %)
1,869 Customers - 26.54 %

Stayed Customers
Revenue Summary
$17.63M (83 %)
4,720 Customers - 67.02 %

Joined Customers
Revenue Summary
$54.28K (0.25 %)
454 Customers - 6.45 %

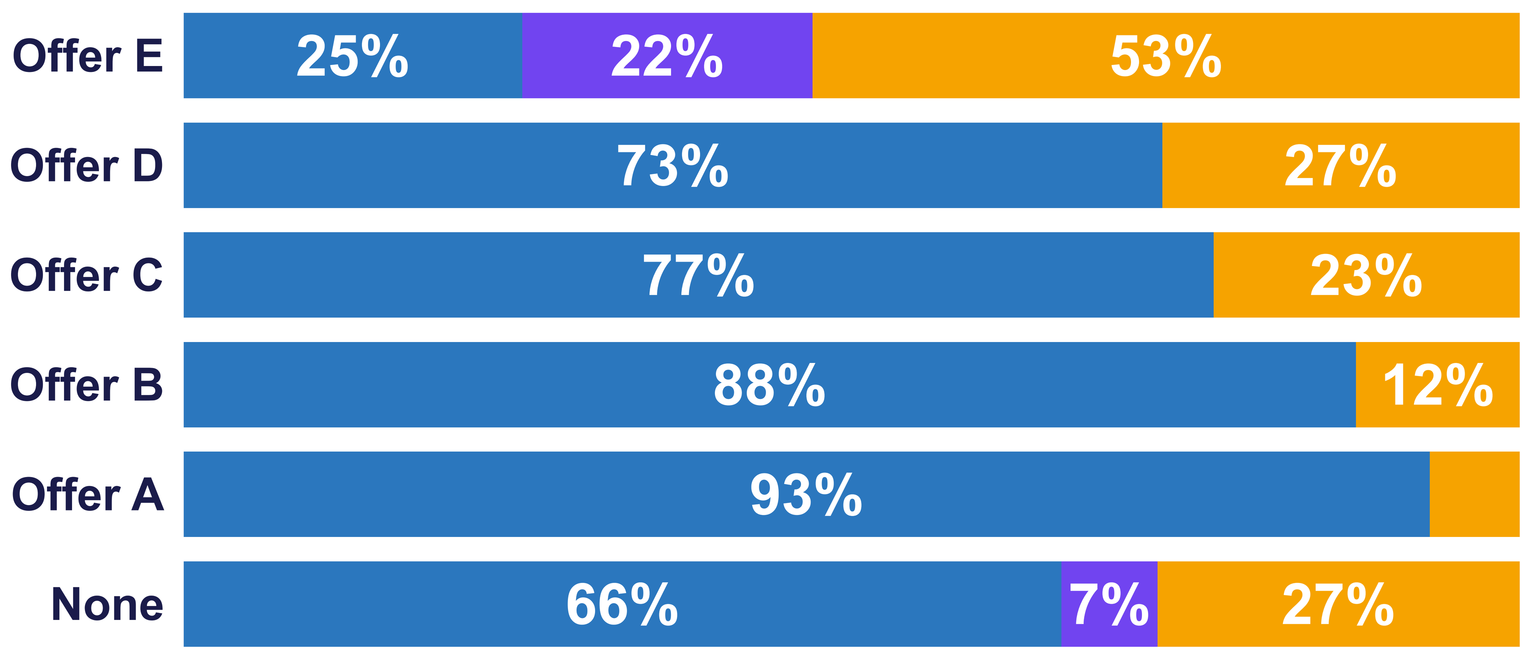
How Offers and Contract Duration Influence Churn ?

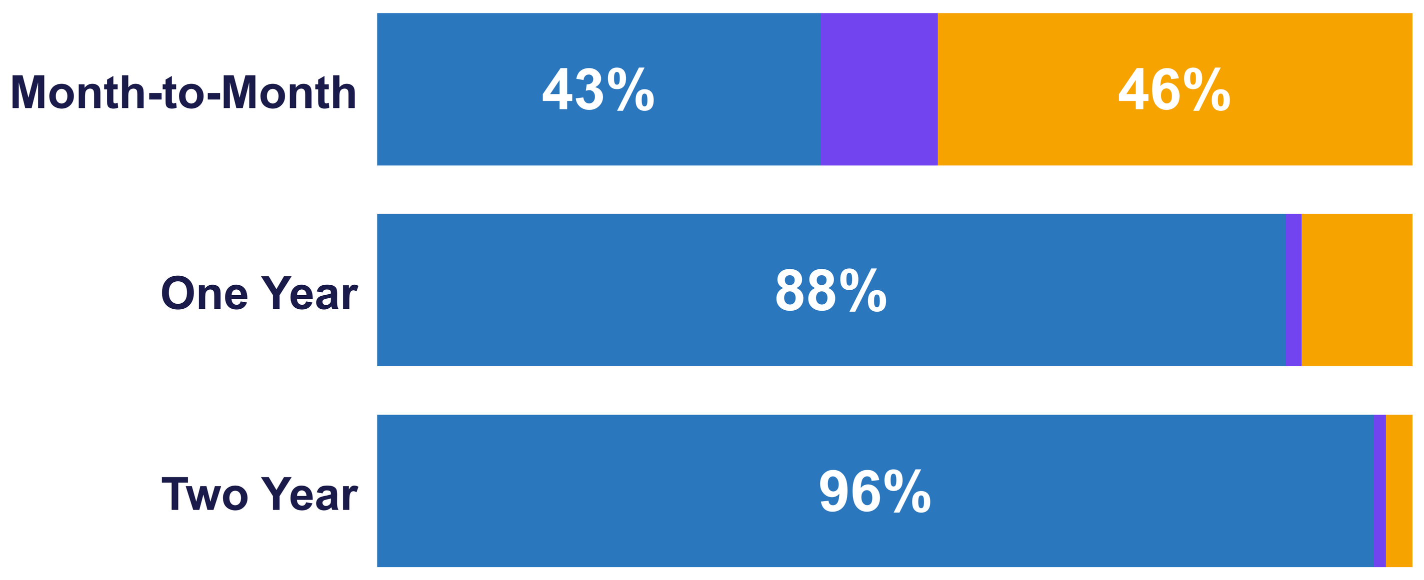
• **Offer E** is the least effective, with more than half (**53%**) of the customers **churning**. However, it also attracted **22%** new customers.

• Customers who received **no offer** had a **churn** rate of **27%**, indicating that some form of offer may be necessary to retain customers.

Longer-term contracts **(One Year and Two Year)** have higher retention rates.

However, the **Month-to-Month** contract has a significant **churn** rate, indicating a need for strategies to improve customer retention in this contract.





Why customers are churning ?

➡ **Competitors** and **customer dissatisfaction** were the top two reasons for revenue loss, followed by **poor attitude**, costing the company a total of **$2,891,946**. Specifically:

- **$1,694,413** were lost of **competitors.**
- **$617,979** were lost of **dissatisfaction.**
- **$579,554** were lost of **Attitude.**

Key Recommendations

The analysis shows there are opportunities to improve customer retention by addressing offer **attractiveness**, **contract length** incentives, and major drivers of **dissatisfaction** including **competition** and **attitude**.

1. **Improve/discontinue Offer E** given **53% churn rate** - Offer E seemingly does not provide enough value to retain customers.
2. **Ensure all customers receive promotional offers** since **27% churn with no offer** - Customers without offers are over 2 times as likely to leave. Promotions incentivize loyalty.
3. **Promote longer 1 & 2 year contracts** which have **higher retention** - Lengthier contracts prove "sticky" for keeping subscribers.
4. **Reduce churn of Month-to-Month contracts** - Almost **a third** currently leave every month showing this segment needs additional nurturing.
5. **Address competition, dissatisfaction, poor attitude** as top **churn** drivers - Focusing on these core issues halts the revenue bleed.

Churned | Stayed Customer
Monthly Charge Summary

	High Value	Low Value
Total	Total Charge **$238K** (53 %) Avg Charge *$72.3* Accounts *3,290*	Total Charge **$210K** (47 %) Avg Charge *$56* Accounts *3,753*
Churned	Total Charge **$35K** (8 %) Avg Charge *$91.5* Accounts *383*	Total Charge **$102K** (23 %) Avg Charge *$69* Accounts *1,486*
Stayed @ Risk	Total Charge **$33K** (7 %) Avg Charge *$81.3* Accounts *402*	Total Charge **$59K** (13 %) Avg Charge *$64* Accounts *922*
Stayed Safe	Total Charge **$169K** (38 %) Avg Charge *$67.9* Accounts *2,495*	Total Charge **$31K** (7 %) Avg Charge *$34.2* Accounts *901*

Churned accounts have a higher than average monthly charge for both **high and low value customers**.

Taking a look at the analysis of the ***churn risk factor*** below we can see a number of **high and low value stayed** accounts that showing similar patterns to the **churned** accounts, and are **potentially at risk.**