EXECUTIVE SUMMARY

1. Pain point

The telecom company has 15% churn (loss of customers due to competition). It is a problem because as it's more expensive to acquire new customers than to keep your existing ones.

2. Context

The telecom companies often compete on price, which makes it hard to maintain profitability. One of the ways to sustain profitability is to reduce churn by focusing can be on retaining customers. The company may choose to develop a data driven retention strategy in order to succeed.

3. Analysis

Regression analysis is performed on customer usage data to identify key factors influencing the churn based. There are 3,333 observations, 483 of those left the company, and 2,850 are current customers. Data is available at https://bigml.com/dashboard/dataset/5619be69568be56b00000826

4. Objectives

Identify significant factors influencing churn and prioritise those drivers. Identify customers most likely to leave and worth keeping. Finally, provide recommendation for data informed retention strategy.

5. Recommendations

Adopt retention strategy in order to minimise acquisition costs and improve profitability. Invest the savings from the acquisition costs into retention strategy.
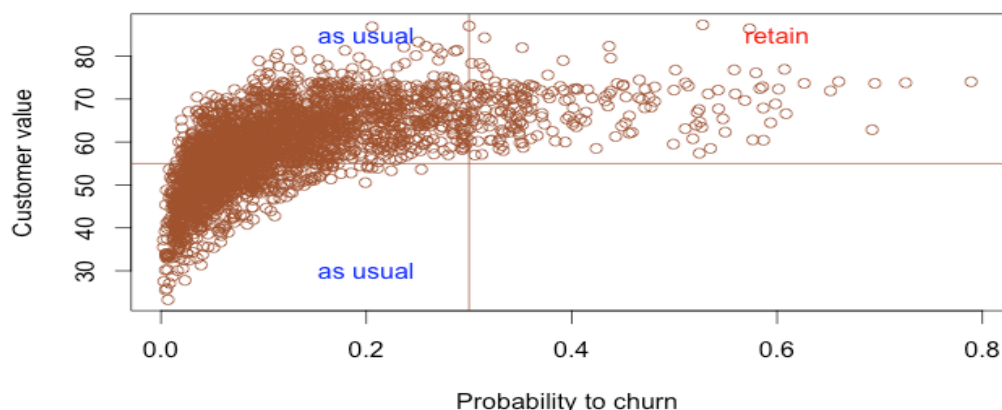

Service Calls and Churn

Driver	Effect	Importance
Customer Service Calls	Negative	A
Number of Voice Mails	Positive	B
International calls	Positive	C
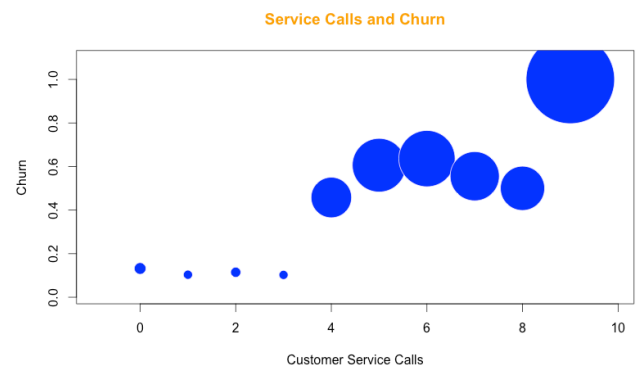
Customer service calls is the key area for improvement, as churn probability surges after the 4th call and if issues are not resolved a customer would most likely leave after the 8th call.

IMPROVING SERVICE CALLS FOCUSING ON HIGH VALUE CUSTOMERS MOST LIKELY TO CHURN

Method: building predictions on churn for every customer against the customer value.

Conclusion:

Retention strategy is most likely to success if focused on improving customer service calls, as well as encouraging more voice mails and international calls to increase stickiness. The focus should be on high value customers that demonstrate most probability to leave.