Churn at Swan Teleco

By The Holy Churnity

1. **Who is Churning ?**

2. **Why are they Churning ?**

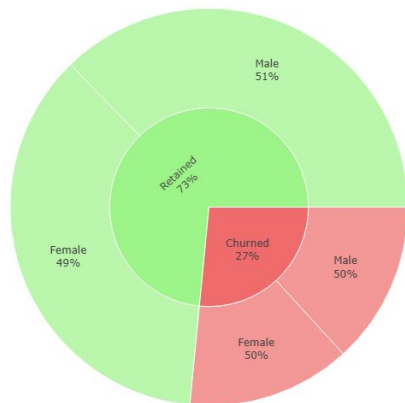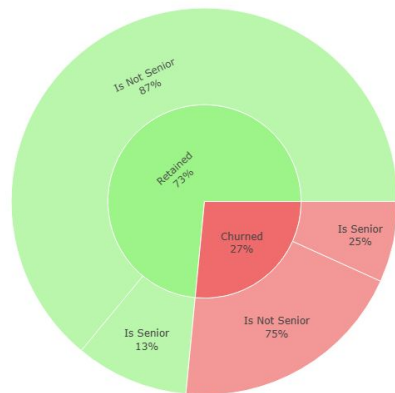3. **What are the current Risks?**

4. **What are the most Important Factors?**

5. **What Factors should you Incentivise?**

Swan Teleco

Who is Churning ?

Gender

Senior Citizen
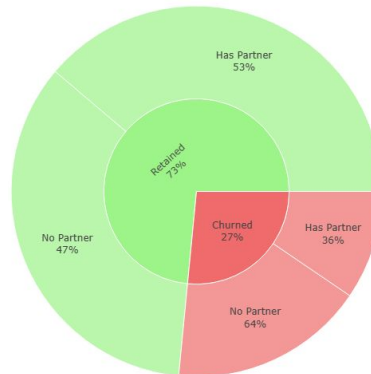
Has a Partner
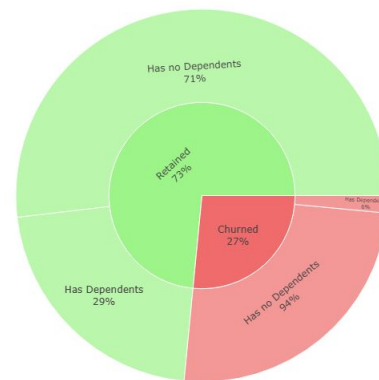
Has Dependents

What are some characteristics that make up our Churner?
- The typical Churner is neither male or female. Both retained and churned have an approximately equal distribution.
- As for the age range of Churners, most tend to be younger, however an important note to add is that there is a greater representation of Senior Customers who are churning than remaining, suggesting more catering could be made to senior customers.
- Most Churners are also without partner and have no dependents.

Swan Teleco

What are the current Risks?

Risk Catergory Breakdown

- ■ High Risk
- ■ Medium Risk
- ■ Low Risk
- ■ Very Low Risk
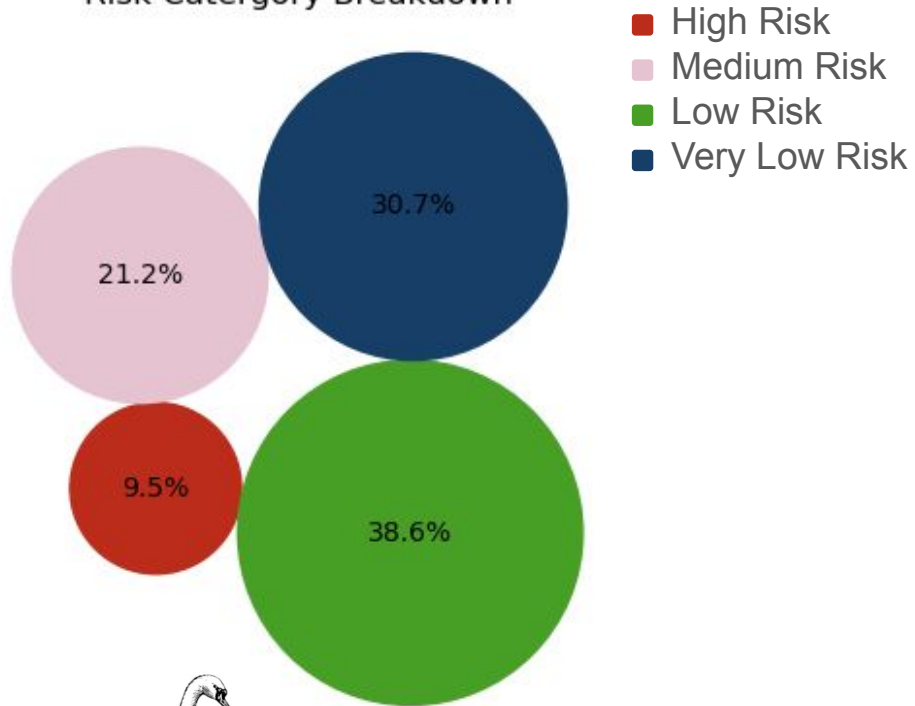
- After splitting data into levels of risk, it's seen that the most common risk section is X risk.

- Alongside splitting the risk, we have ran simulations of the potential scenarios that customers will churn based on probabilities from our model.

- From these simulations, we found that on average ~1870 current customers are expected to churn, with results ranging from +/- 80 customers.

- NOTE: These simulations are the result of **current customers and conditions** so should only be interpreted as such.

Why are they Churning ?

Churn Reason

- Customer Service
- Competitor
- Unrelated
- Doesn't Know
- Affordability
- Product

5.2% 5.5% 4.8%
1.0% 1.1% 2.4% 5.5%
0.3% 2.8%
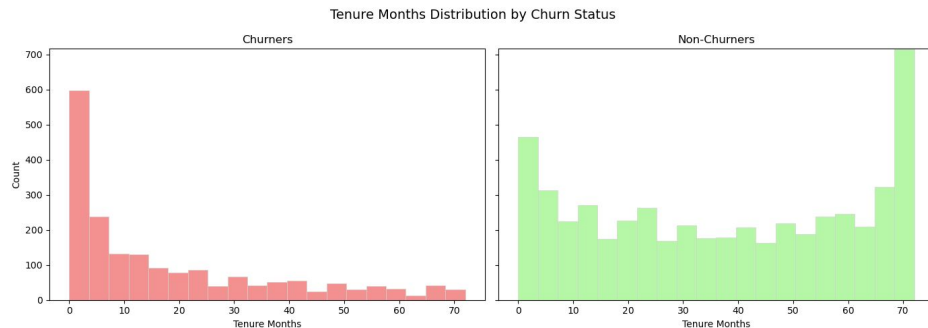4.7% 2.4%
8.7% 8.2% 3.0% 2.4%
10.3%
7.5% 10.1%
7.0%
7.2%
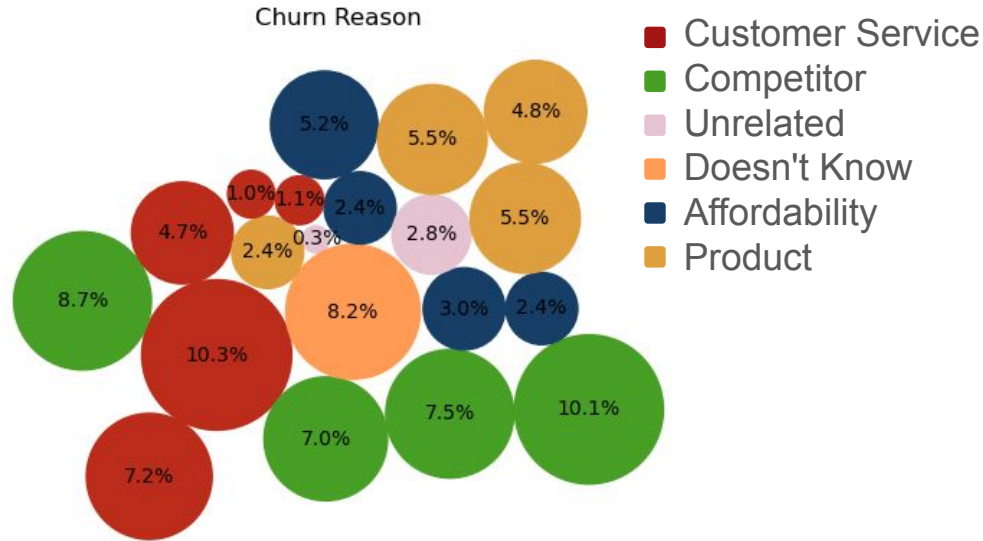
- The two most common types of self reported reasons to churn are related to your **customer service** or your **competitors**. Together these reasons account for 57.6% of their reasons to churn.

- Your two most common specific reasons given are: "attitude of support person" and "competitor offered a higher download speed".

- Outside of the self reported reasons, only 8% of clients with dependents churn, suggesting some kind of relationship between variables.

Swan Teleco

What are the Most Important Factors ?

Tenure Months Distribution by Churn Status

Product Subscription Differences Between Retained and Churned Customers

- You can also see that the longer a client stays on your services, the less likely they are to churn.

- 40% of your clients churn in the first 5 months of being on your services.

- There is not a strong trend for the retention of the clients and tenure.
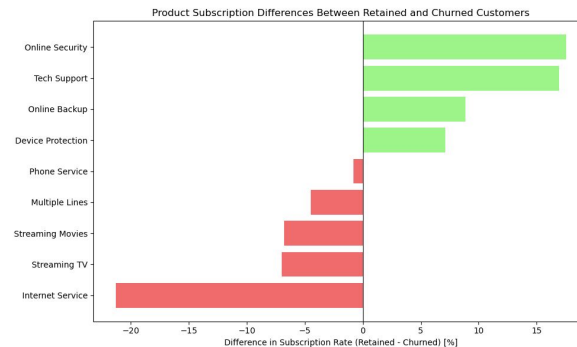
- In terms of the services you offer, more clients churn when they are subscribed to some rather than others.

- The highest churn rate is from Internet Service and the highest retention is from Online Security.

- The second most cited reason for churning was related to the d

Swan
Teleco

What Factor should you Incentivise ?

Factors Ranked by Importance
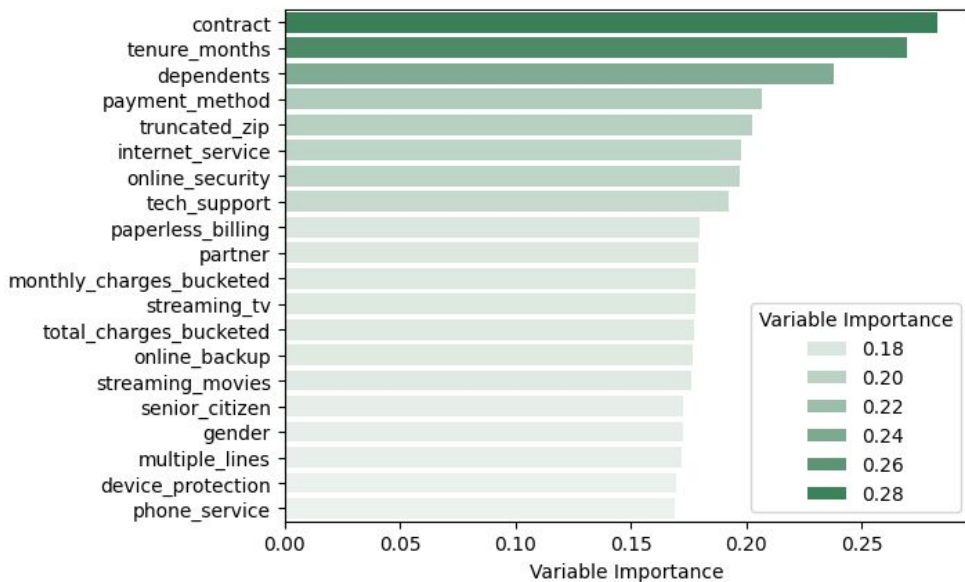
- The most important factor affecting the likelihood of churning in our predictive model is the "Contract Length", the decisive difference being between month-to-month and anything longer.

- The contract length has a direct positive impact on the tenure months, and, as seen previously, longer tenure month means lower churn rate.

- This strengthens the importance of the contract length as it accounts for the second most impactful factor.

Our advice is to incentivise contract length, encouraging customers to commit for periods longer than month-to-month.

Swan Teleco