



- Hello everyone. My name is Lana, and today I'll be discussing strategies to reduce customer churn at Databel.
- We'll investigate some key drivers of churn, study customer behaviour, and explore actionable strategies to boost retention.
- Let's start with a quick overview of what we'll cover.



OVERVIEW

Impact of churn

Who's churning?

Why are they churning?

Customer segments most at risk

Strategy recommendations

Where to begin

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- In this presentation, we'll start by examining the impact of churn and why reducing it is essential.
- Next, we'll identify the demographics most affected by churn and explore the key reasons behind their decisions to leave, based on customer feedback.
- We'll then analyse the segments most at risk, present strategic recommendations to improve retention, and finally, discuss where to begin and how to implement these changes.

WHY IS THIS IMPORTANT?

1796

Customers churned in total

26.8%

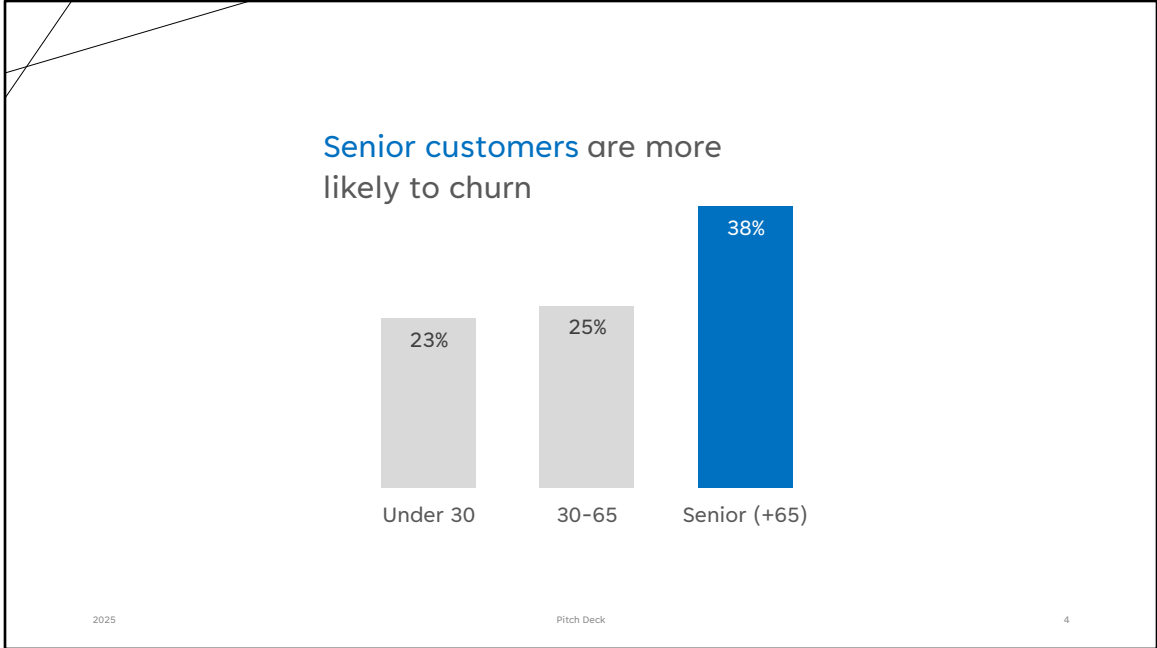
Churn Rate

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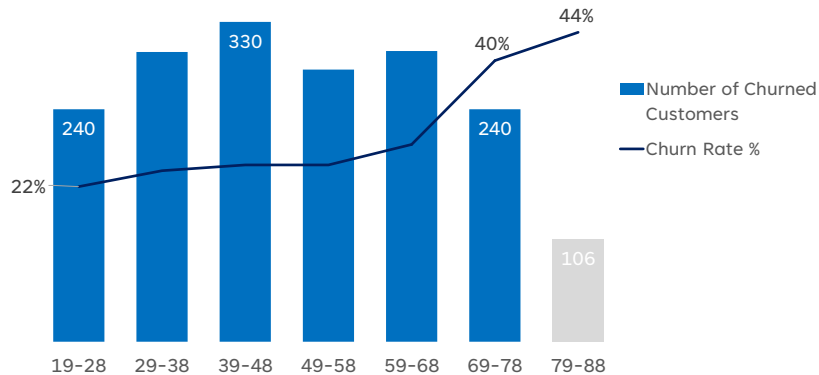
- So why is this important?
- Churn isn't just about losing customers, it's costly for the business. Acquiring a new customer costs significantly more than retaining an existing one. So, by reducing churn, we can increase long-term customer value, stabilise revenue, and improve market competitiveness.
- Here are the current stats:
 - Nearly 1800 customers have churned during the lifetime of our company giving us a churn rate of 26.8%. This is significantly higher than the 4% churn rate which is considered a good benchmark.
- Now, let's look at which customer groups are most affected by churn.



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- We analysed churn rates across different age groups: customers under 30, customers between the ages 30 and 65, and seniors, over 65.
- The data shows that seniors have the highest churn rate at 38%.
- But does that mean we should only focus on this group? Let's break it down further.

Although churn rate rises with age, customer churn remains high across ages 19-78



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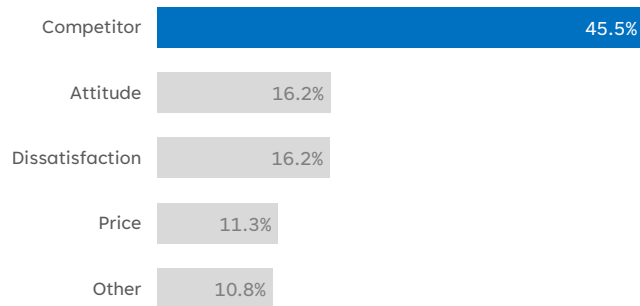
- When we split the age groups into 10-year age bins, we see churn rates, which is represented by the dark blue line here, rising sharply from age 59 upwards.
- However, in terms of actual customer numbers, churn is significant across almost all ages from 19-78.
- This tells us that to tackle churn effectively, we need a broader strategy that targets all age groups, not just seniors.



SO WHY ARE CUSTOMERS CHURNING?

- So why are customers churning?

The Top Reason for Churn Was Due to Competitors



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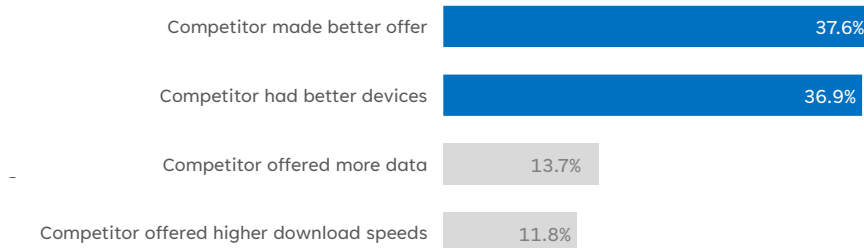
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- When we asked customers why they left, almost half said it was due to competitors.
- This suggests that external factors such as pricing, plans, and devices, play a major role in retention.
- So, what exactly are competitors offering that makes customers switch?

Competitors made better offers and had better devices



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- Two key reasons emerged:
 1. Competitors made a better offer.
 2. Competitors had better devices.
- One way we could counter this is by offering a price match to competitor deals when customers try to leave. This also makes it more convenient for the customers to stay as they can avoid the hassle of switching companies.
- Another strategy is ensuring we offer a competitive range of devices. We should analyse current market trends to see which devices are in high demand and make sure we provide these for our customers.
- While competitors are a major reason for customer churn, our data also reveals surprising churn trends among our customers on unlimited data plans.

RETHINKING DATA PLANS

Customers with an unlimited data plan were

2 times

more likely to churn, with a churn rate of 32%

- One unexpected finding is that customers with unlimited data plans are twice as likely to churn compared to those who pay per GB.
- This suggests that these customers may not feel they're getting good value from their plan.
- To understand why, let's look at their actual data usage.

Among customers with unlimited data plans,
those **using less data are more likely to churn**



(5 second pause)

- Among unlimited data plan users, churn is highest among those who use less data.
- These customers likely feel they're overpaying for data they don't use.
- So, what could be a potential solution? Introducing a limited data plan for example 10GB per month at a lower cost. This could better match customer needs and reduce churn.

CUSTOMER LOYALTY

Customers are more likely to leave within the first year of their contract with a churn rate of

48%

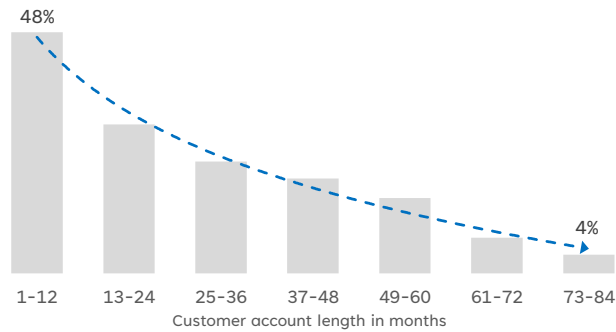
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- So, we've seen that low-data users on unlimited plans are more likely to leave but there's another key group at high risk of churn - new customers.
- Nearly half of all customers who join, leave within the first year.

Longer account lengths lead to **lower churn rates**



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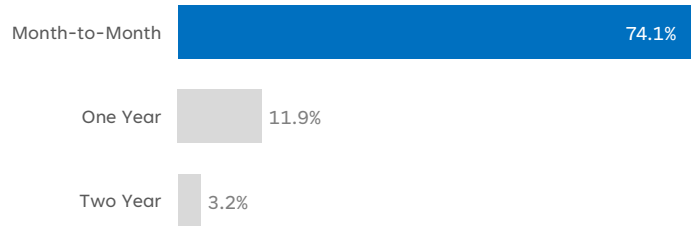
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- After the first year, churn rates drop.
- This tells us that early retention is critical. If we can keep customers engaged in that first year, we have a much better chance of keeping them long-term.
- A stronger onboarding experience such as better customer support, engagement programs, or incentives could help prevent early churn.
- Another major factor influencing churn is the type of contract a customer is on. Specifically, whether they have a long-term commitment.

Customers on **month-to-month** contracts
are **significantly more likely to churn**



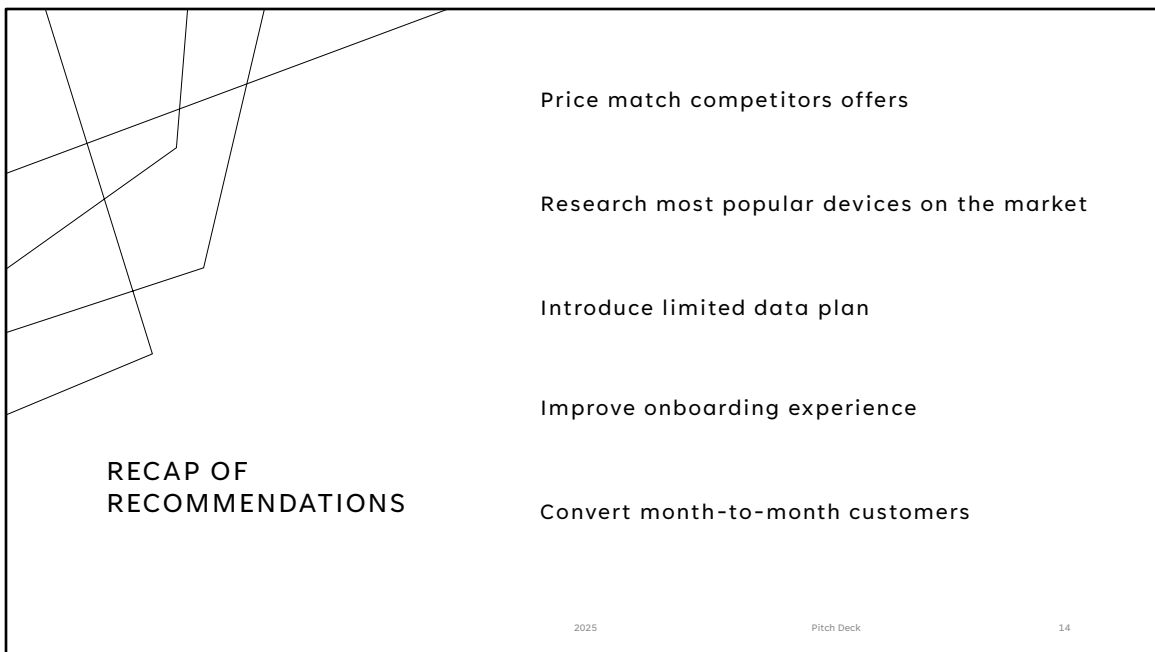
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- Our data shows that customers without long-term contracts are over 6 times more likely to leave.
- This, along with the previous slide on early churn, reveals an opportunity:
 1. We should educate new customers on the benefits of a one-year contract over a month-to-month plan.
 2. We could offer attractive incentives to encourage existing month-to-month customers to switch to yearly contracts such as one month free when signing up for a yearly contract.



- Now let's bring everything together and recap what we've covered.
- We've identified the key drivers of churn - competitor offers, unlimited data plan problems, early customer loss, and contract type.
- To summarize the key strategies, here's what we need to focus on:
 - First, let's offer more competitive contracts. Price matching and better deals will help us stay ahead of competitors
 - Next, we should introduce a cost-effective limited data plan for low-data users who don't need unlimited plans. This gives them a better option while keeping them with us.
 - And finally, we need stronger retention strategies. Better onboarding experiences and attractive contract incentives will encourage long-term commitment.
- By making these changes, we can reduce our customer churn rates.
- Now, let's discuss where we can start implementing these changes.

WHERE TO START?

Focus on the 10 high-churn states

State	Churn Rate %
CA	63.2%
OH	34.8%
PA	33.3%
MD	32.9%
NE	32.8%
NH	32.1%
MT	31.4%
OR	30.8%
KY	30.5%
DE	30.3%

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- To make the biggest impact, we need to start where churn is the highest.
- California is our top priority, with a 63% churn rate. That's where we can make the most difference.
- By focusing on high-churn states first, we can test, refine, and perfect our strategies before rolling them out nationwide.
- This way, we tackle the biggest challenges head-on and set ourselves up for long-term success.



NEXT STEPS

- Develop retention programme
- Track improvements
- Adjust strategy

- So, what are the next steps?
- First, we need to develop a retention program focused on the states with the highest churn.
- Then, we'll track improvements in customer retention over time to see what's working.
- And finally, we'll adjust our strategies based on customer feedback and churn reduction.
- With this targeted approach, we can diminish customer losses, boost loyalty, and drive revenue growth.



- Thank you for your time and attention.
- I'd love to hear your thoughts and answer any questions you may have.

APPENDIX

- 4% Churn rate benchmark taken from Recurly <https://recurly.com/research/>