

Data Science
Module 3
Project



coral

Telco customer churn analysis and prediction

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Business value of customer churning

Churn rate essential for evaluating a company

1. Revenue losses caused directly by churning:

- Loss from churned customers

- Missing upselling from churned customers

- Loss from non generated referrals

2. The losses indirectly related with churning:

- Extra CAC due to lost revenues from retained customers

- Reputation in the market

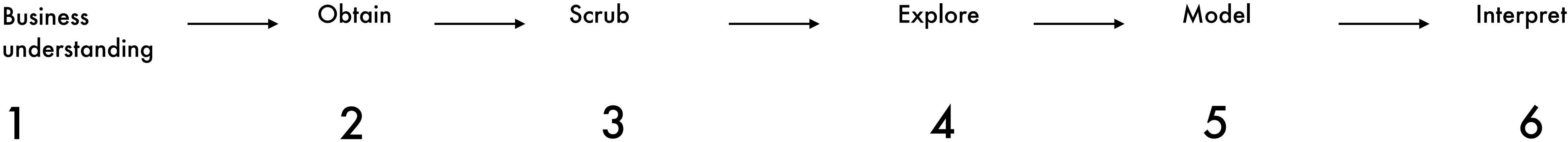


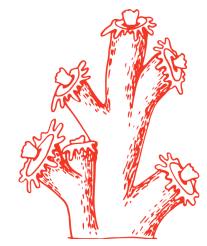
Key questions

1. What are the profiles of churning customers, are there any categories and patterns?
2. Can we assess the churning risk associated with each customer?
3. What are the potential profits and ROI if we would target the customers at high risk of churning?

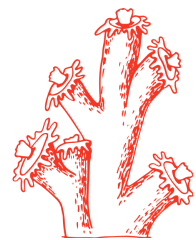
Behind our recommendations

Business understanding + Obtain Scrub Explore Model iNterpret - OSEMN

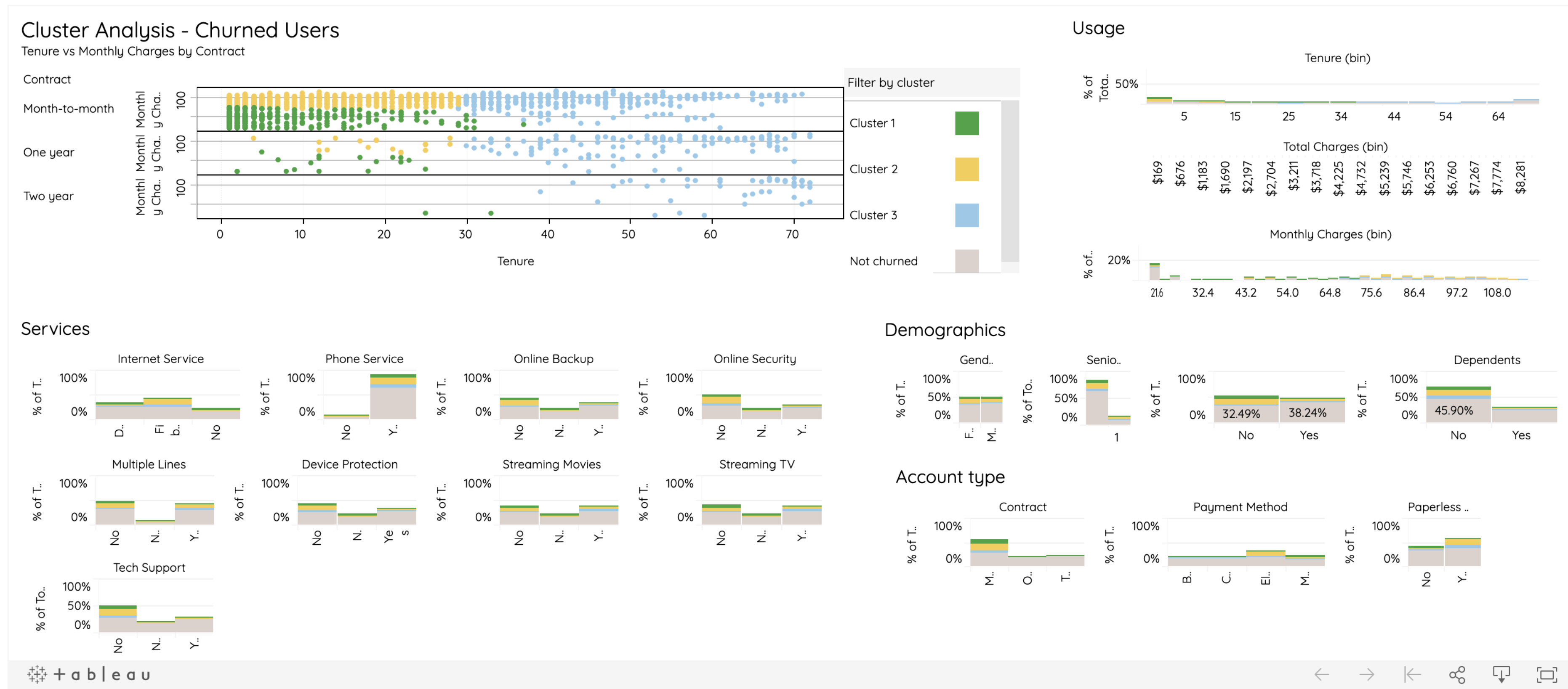




Our business recommendations

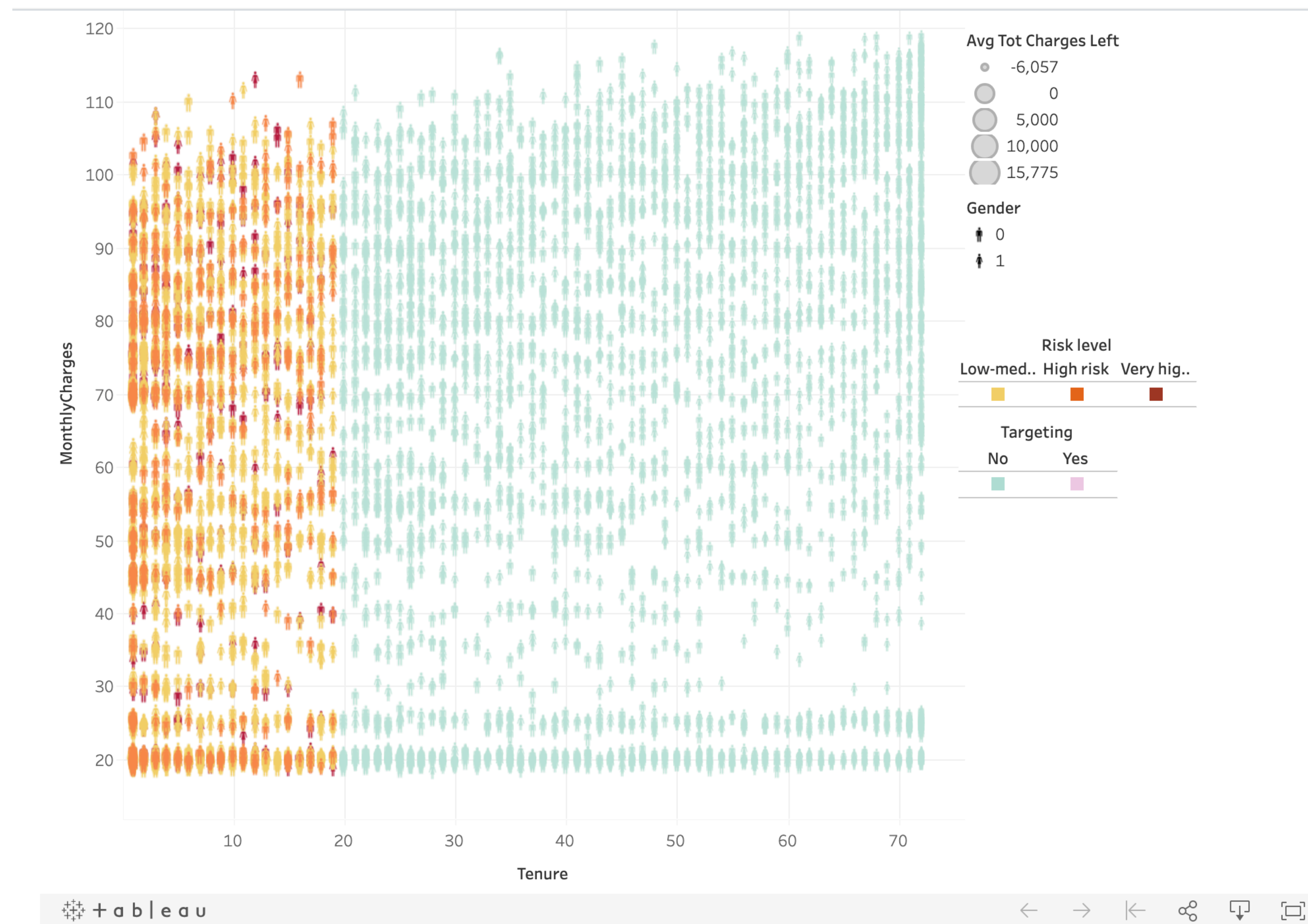


1. Churned customers profile





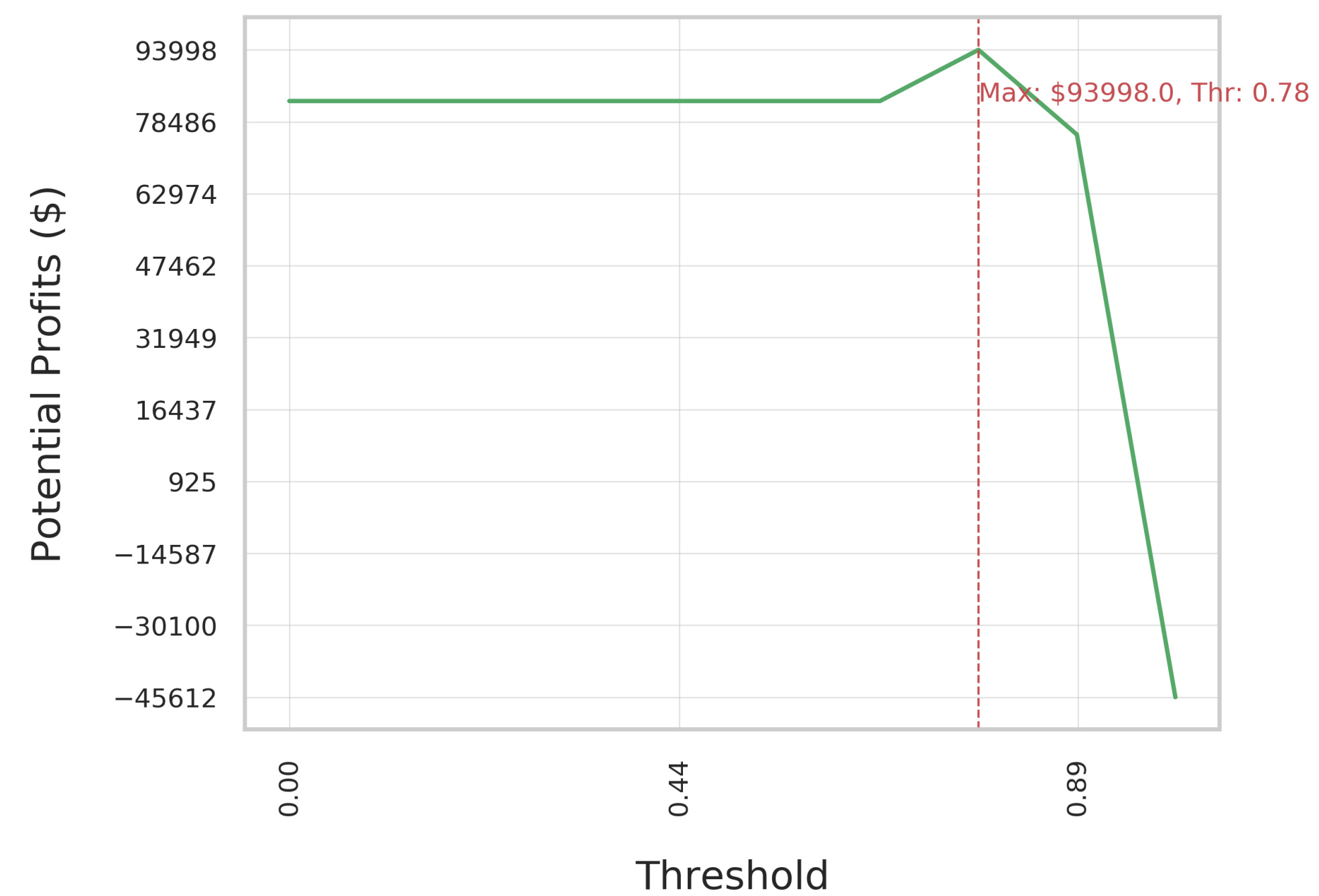
2. Churning risk assessment



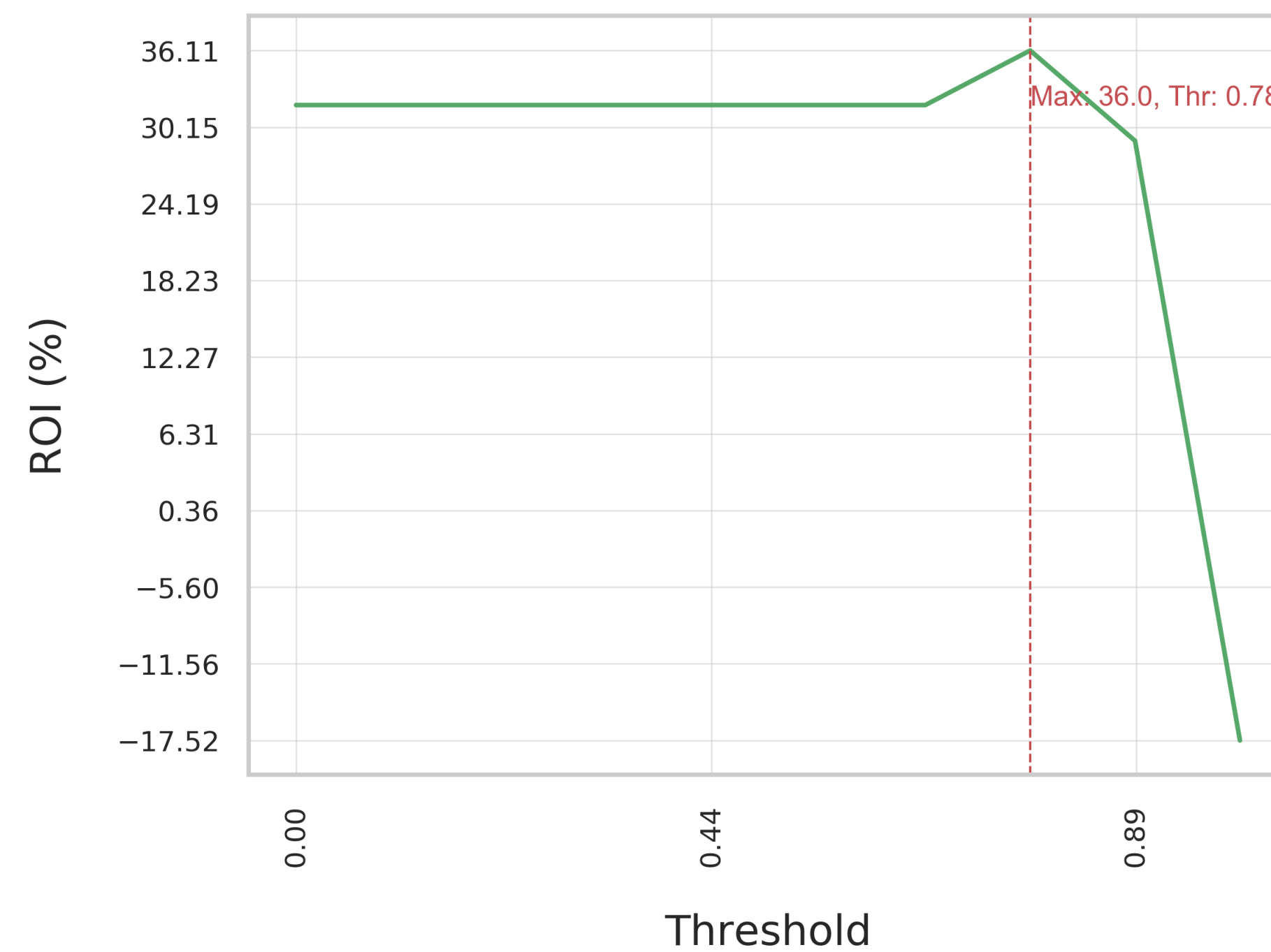


3. Potential profits and ROI

Potential profits from marketing campaign by labeling threshold - Conv. rate: 0.4



Potential ROIs from marketing campaign by labeling threshold - Conv. rate: 0.4

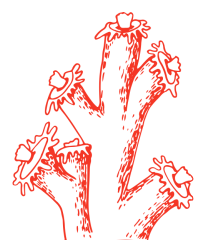




Future works: 1. Longitudinal data, social media data

2. Improving classifier performance

3. Putting into production



Wrapping up



1. Churned customers profiles
2. Churning risk levels
3. Potential profits and ROI



Thank you