

# Project Summary and Insights Report

## I. Project Overview

**Objective:** To analyze customer churn for a fictitious subscription-based business using Tableau dashboards, aiming to uncover patterns and drivers behind churn rates and to provide actionable recommendations for reducing attrition.

**Tools:** Tableau, data source ( telecom data from Databel).

**Audience:** Stakeholders and executives looking to understand churn and implement retention strategies.

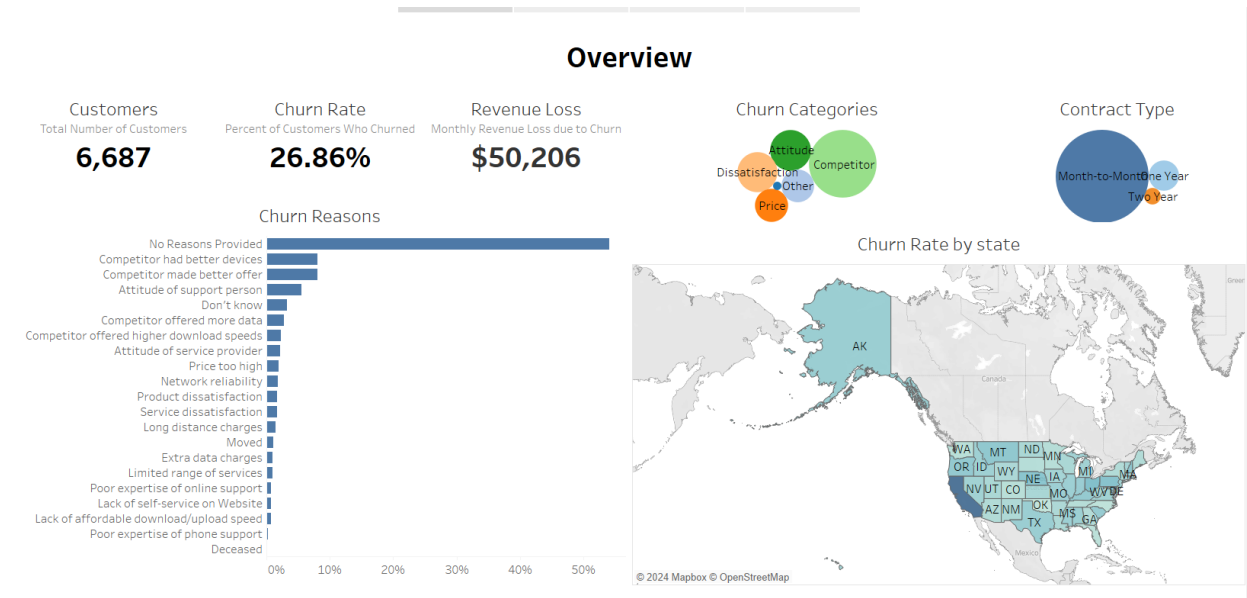
## II. Methodology

1. Conduct a data quality check to confirm that the data is well-prepared for analysis.
2. Formulate various business questions, explore the dataset thoroughly, and create calculated fields to support the analysis.
3. Examine the data to uncover insights, using appropriate visualizations to represent findings effectively.
4. Develop a dashboard or story to present key insights and share them with stakeholders.

## III. Dashboard Summaries and Key Insights

Dashboard 1: Overview

This dashboard provides a high-level view of churn-related KPIs, including the total number of customers, churn rate and revenue loss.



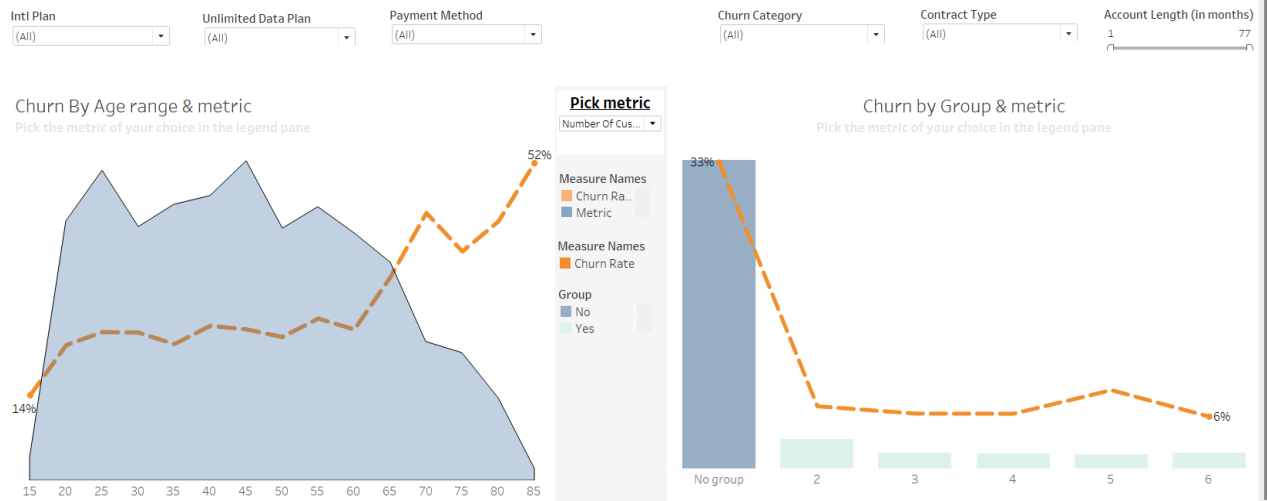
Key insights

- The average churn rate for telecom businesses is 22%, but this company's churn rate stands at 26%, which is higher than the industry average. This suggests that the company is experiencing a relatively high level of customer attrition.
- The leading causes of churn are competitors made better offers and competitors have better devices . This indicates that competitors are providing more attractive offers, contributing to a significant loss of customers. Additionally, in many cases, no specific reason for churn is provided, indicating potential gaps in customer feedback or understanding of the reasons behind their departure.
- Due to the high churn rate, the company is losing \$50,206 per month in potential revenue. This underscores the financial impact of customer attrition and the need for retention strategies.
- A geographic analysis revealed that California has the highest churn rate, with 64% of customers in this state churning. This is a concerning trend that suggests that regional factors might be influencing this high churn rate.

Dashboard 2 : Age range and groups

This dashboard provides a detailed analysis of churn across different age ranges and groups based on various metrics. The analysis was conducted on customers aged 15 to 85 years.

## Age range and Groups



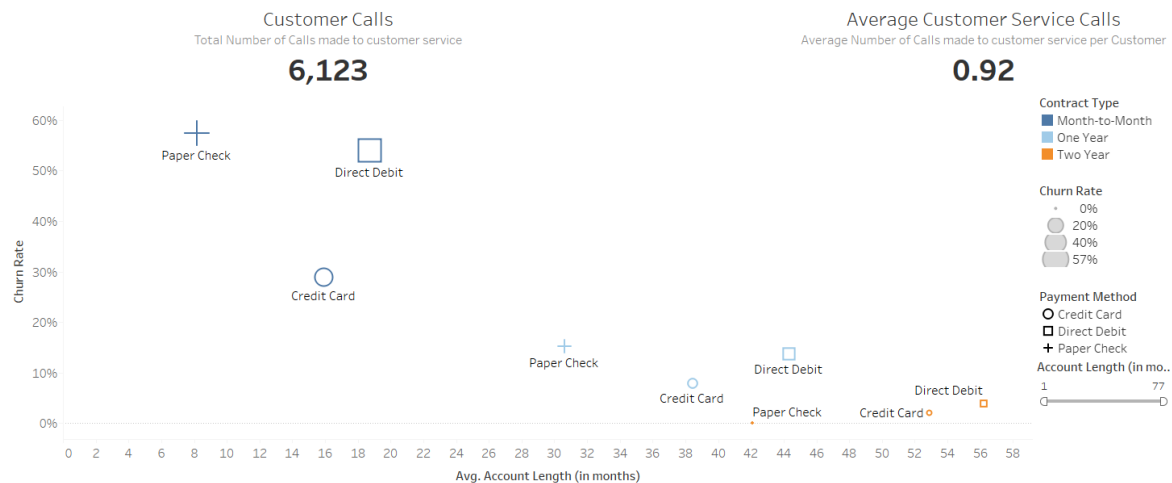
### Key Insights

- The company has a higher number of customers in the age range of 15 to 65 years, with a significant portion of the customer base falling into this group.
- Churn rates are noticeably higher among senior customers compared to younger customers. The churn rate is especially elevated for customers aged 70 to 85 years.
- Customers who do not fall into a defined group tend to have higher churn rates compared to those in specific age ranges.
- Seniors, along with customers not in any defined group, have a higher average monthly charge compared to younger customers. This may indicate that these groups are on higher-tier plans.
- Seniors and customers who are not in a specific group also make more customer service calls on average, suggesting potential issues or needs for more support in these demographics.

## Dashboard 3 : Payment method and contract type

This dashboard provides a detailed analysis of churn rate across different payment method and contract types. Telecommunication companies commonly offer contract-based subscriptions to their customers. This analysis aims to understand how different contract types impact the churn rate. Based on the dataset, the company offers three contract categories: month-to-month, one year, and two year.

## Payment method and contract type

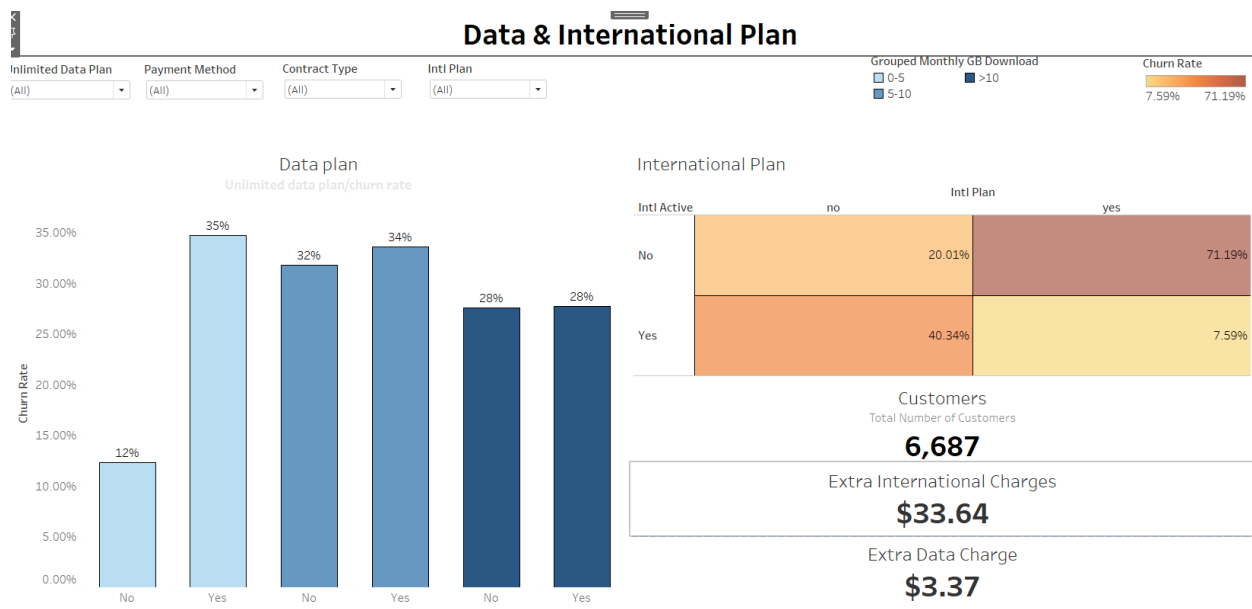


### Key Insights

- The analysis reveals that customers on month-to-month contracts are more likely to churn compared to those on longer-term contracts.

## Dashboard 4 : Data & International Plan

This dashboard provide a detailed overview of churn rate by data plan



## Key insights

- **Churn Rate for Unlimited Data Plan:** Churn rates tend to be higher for customers on an unlimited data plan who consume 5GB or less of data per month.
- **Churn Rate for International Plan:** Churn is also higher for customers on an international plan who are not internationally active. The table shows that customers with an international data plan who are not internationally active experience a high churn rate of 71.19%, whereas those who are internationally active on the same plan have a much lower churn rate of 7.59%.

## IV. Recommendations

### ➤ Focus on Competitor Offers and Devices:

Since churn is mostly driven by competitors offering better deals and devices, the company should consider enhancing its offers to remain competitive. This could involve revisiting pricing strategies, introducing new devices, or offering more attractive bundles to prevent customers from leaving for better alternatives.

### ➤ Address Churn Among Senior Customers:

Senior customers, particularly those aged 70-85, exhibit higher churn rates. It may be beneficial to tailor retention efforts for this demographic, such as providing specialized support, loyalty rewards, or simpler plans that better meet their needs. Additionally, improving customer service interactions for seniors, who tend to make more customer service calls, could help reduce churn.

### ➤ Target Non-Grouped Customers:

Customers who do not fall into a defined group tend to have higher churn rates. Further analysis should be conducted to better understand this segment and develop targeted marketing or retention strategies for customers without clear demographic segmentation.

➤ **Reevaluate Month-to-Month Contracts:**

The analysis indicates that customers on month-to-month contracts are more likely to churn. The company may consider offering incentives for customers to switch to longer-term contracts, such as discounted rates for signing up for a one-year or two-year plan, which could help reduce churn by increasing customer commitment.

➤ **Improve Retention for Unlimited Data Plan Users:**

Customers on unlimited data plans who consume 5GB or less per month have a higher churn rate. It may be beneficial to offer these customers targeted incentives to encourage greater data usage or consider upselling them to higher-tier plans that offer more benefits, reducing their likelihood of churn.

➤ **Enhance Value for International Plan Users:**

Customers on international plans who are not internationally active are showing very high churn rates (71.19%). The company could investigate the reasons why these customers are not using the international features and consider providing them with targeted communication or promotions to encourage international use, or alternatively, offer more relevant plans that align with their needs.

➤ **Geographic Focus in High-Churn States:**

The analysis showed that California has the highest churn rate, with 63.24% of customers in this state churning. The company should focus retention efforts in this region by understanding local factors that might be driving churn, such as competition, customer satisfaction, or service issues. Offering region-specific promotions or improving customer service in these areas could help reduce churn.

## V. Conclusion

This analysis provides valuable insights into the factors contributing to customer churn for the telecom company. Key findings indicate that churn rates are notably high due to competitor offers, better devices, and certain demographic and contract characteristics. Seniors, month-to-month contract holders, and international plan users not actively engaged in international services represent key segments driving churn. Additionally, geographical hotspots like California highlight areas requiring targeted attention.

By addressing these insights through strategic improvements in offers, customer service, and tailored retention efforts, the company can reduce churn rates and enhance customer loyalty over time. These recommendations provide a practical approach to refining current strategies and better meeting customer needs, which will ultimately drive more sustainable growth and profitability for the company.