

# **YIPONLINE CUSTOMER CHURN REPORT**

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# Purpose Statement

The goal of this analysis, is to identify patterns and trends in customer behaviour that could be useful in diagnosing the root cause of **attrition** from July to October. At the same time, a **SWOT** analysis will be performed to understand how external factors and competitors in the Nigerian market may be affecting subscriptions to our technology support services. The insights will be used to proffer **recommendations** for improvement.

# Definition of Metrics

Some business key performance indicators used for this analysis include;

1. Customer satisfaction score
2. Churn rate
3. Percentage of resolved tickets
4. Duration of subscription
5. Subscription status before October ending (Active or Churned)
6. Retention rate

# Definition of Metrics (Continued)

- ❖ **Customer Satisfaction Score (CSAT)** – Measured how satisfied customers were with the company's service.
- ❖ **Churn Rate** – The percentage of customers who cancel their subscription within a month.
- ❖ **Percentage of Resolved Tickets** – The proportion of customer support issues successfully resolved.
- ❖ **Duration of Subscription** – The length of time a customer has been subscribed to the service. This was examined on the days and number of months levels.
- ❖ **Subscription Status Before October Ending (Active or Churned)** – A classification of whether a customer's subscription was still active or had been cancelled before the end of October.
- ❖ **Retention Rate** – The percentage of customers who continue their subscription over a month.

# What the data says (Quick Overview)



20

Customers



5.58

Average Ticket Resolution Time (Hours)



76.5

Average Customer Satisfaction Score



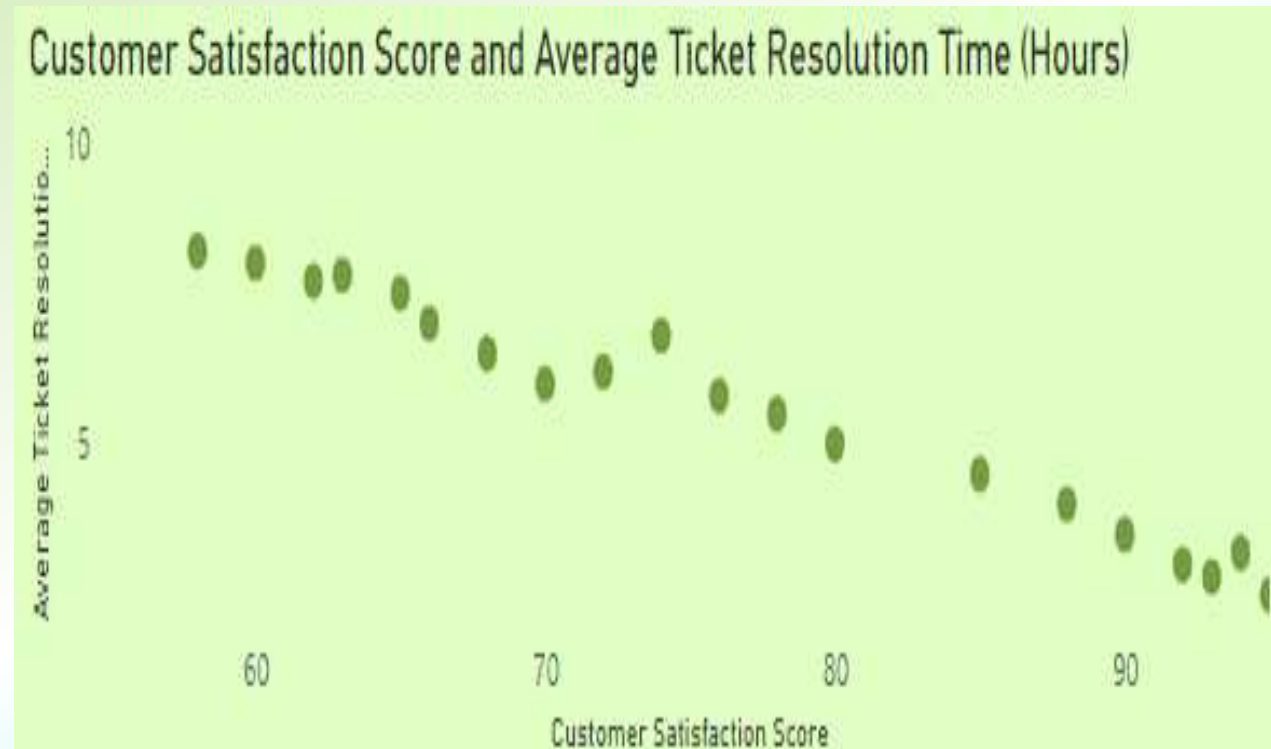
50.5K

Average Competitor Subscription Price

- ❖ The company admitted 20 new customers over the four-month period.
- ❖ Issues raised by clients were resolved on an average of 6 hours (approximately).
- ❖ The average satisfaction score was 76.5.
- ❖ Our competitor's average subscription price was 50,500 NGN.

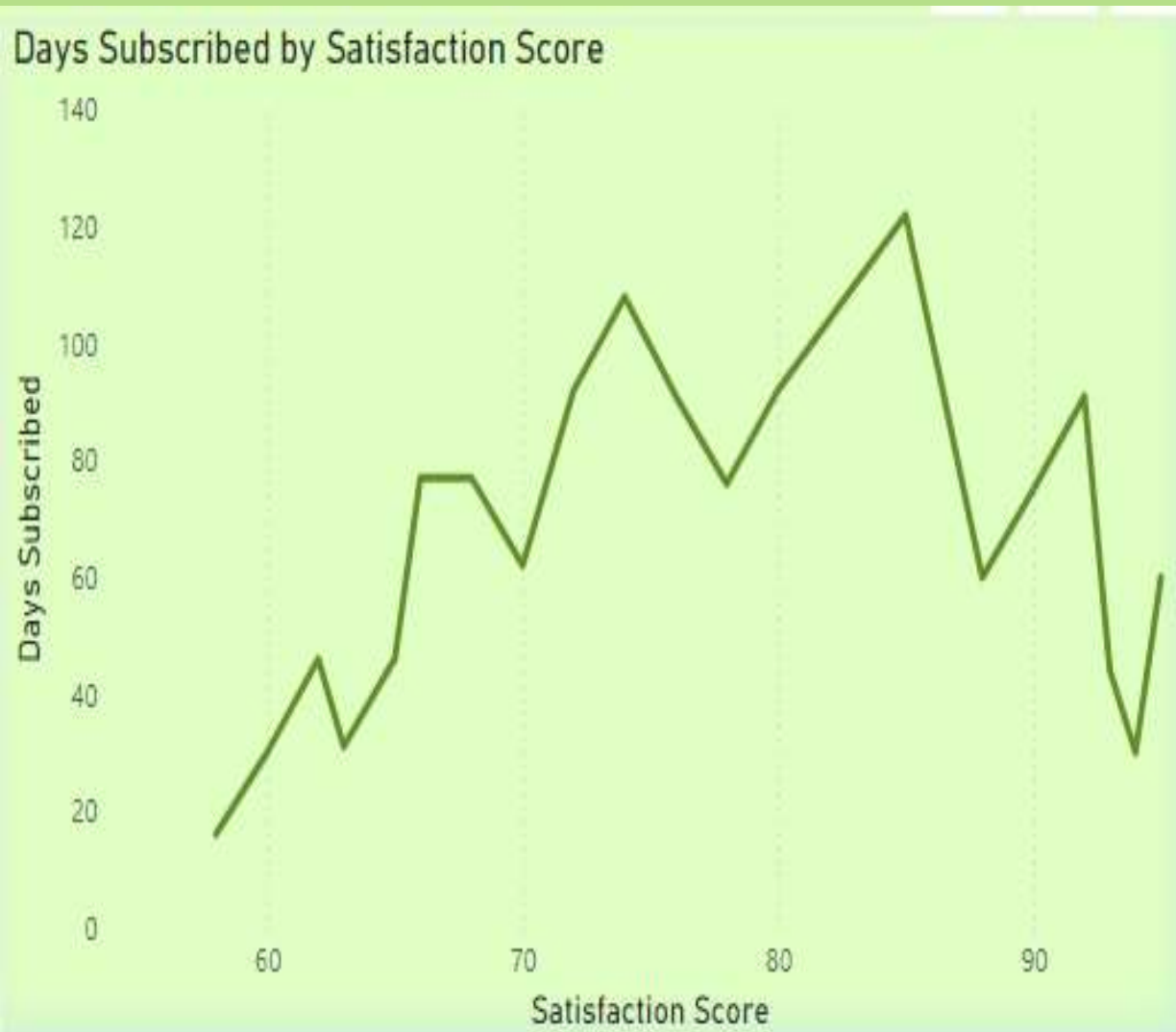
# What the data says

- ❑ There is a negative correlation between average ticket resolution time and customer satisfaction score.
- ❑ When support tickets remain unresolved for long periods, frustration builds up, leading to lower satisfaction rating.
- ❑ Resolve this by increasing the efficiency of the support team.





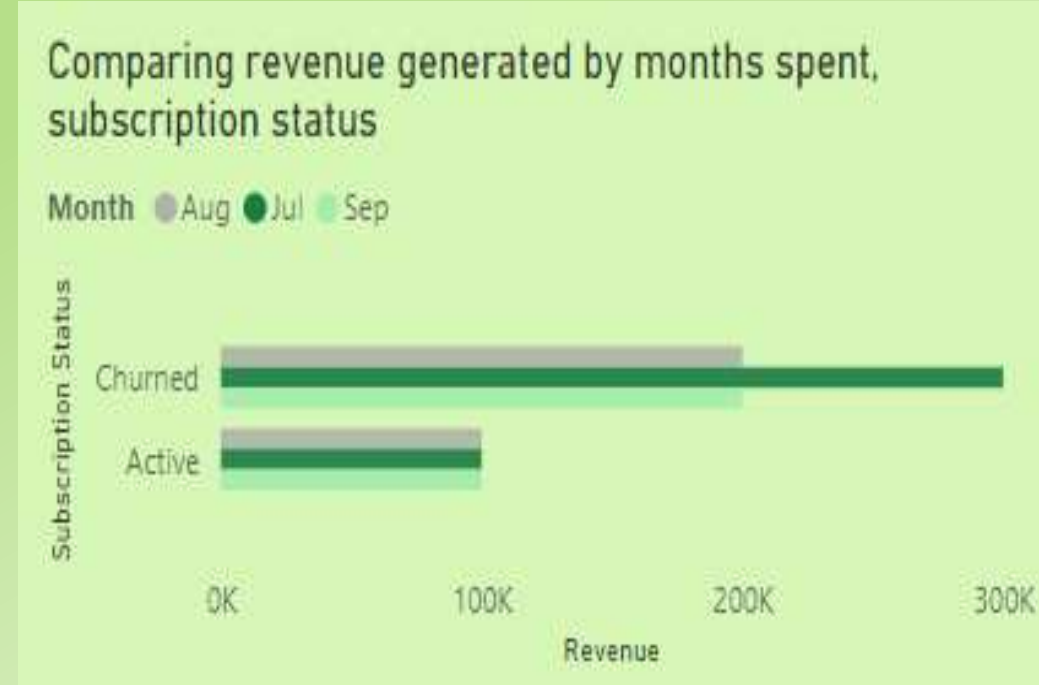
# What the data says



- Generally, customers with higher satisfaction scores tend to stay subscribed longer.
- However, some customers with very high satisfaction scores still churn. The inconsistencies and drops can be noticed between scores 80 – 90
- This may be due to external factors like budget constraints or the company's inability to provide additional value.



# What the data says



- ✓ Customer satisfaction rating peaked when all or nearly all tickets were resolved. This is despite notable fluctuations in the percentage of closed tickets between scores 60 to 85.
- ✓ July accounted for the highest revenue generated in subscriptions.

# What the data says

Mean Customer Satisfaction Score by Subscription Status



A 4% difference between active and churned customers means satisfaction is not a strong predictor of churn. Even customers with relatively high satisfaction may still quit.

Closed Subscription by Month



By October, all 20 customers had quit, pointing to complete churn over two months. YipOnline is facing a dire problem of retention. Urgent interventions are required.

Average Ticket Resolution Time (Hours) by Subscription Status



Churned customers waited 0.4 hours or 24 minutes longer than active customers. Although the time difference seems little, the service team may want to take practical steps to reduce resolution time.

# SWOT Analysis

## STRENGTHS

1. YipOnline has a price advantage of 500 naira less than the average competitor price. This can be used as an attractive offer for future subscribers.
2. The organization generally has a great service team given the average customer satisfaction score of 76.5

## OPPORTUNITIES

1. According to Statista, the IT industry has a projected 2025 to 2029 annual growth rate of 12.03% which will culminate in a market volume of \$4.03 billion USD in 2029. This implies a growing demand for outsourced technology support services.
2. Underserved sectors and country regions can be targeted for more sales.

## WEAKNESSES

1. Given the few number of clients attracted over the 4-month client, it appears that the company is struggling with limited brand recognition. More marketing efforts will be needed to tout the company to potential subscribers.
2. The retention rate of customers saw a huge decline, especially, in September and October. More strategic policies must be applied to maintain and increase customer presence.

## THREATS

1. There is intense competition from competitors such as Bitswift Tech, Outcess Solutions, and Tanta Innovative with established internet presence.
2. Economic inflations may result in unstable subscription prices.
3. Competitors may have stronger teams with better ticket resolution times.

# Recommendations

So far, the following relevant recommendations can be made based on the facts observed from the analysis;

1. Evaluate current customer relationship management tools to gain deeper insights into customer segments and demographics. Also introduce feedback surveys and newsletters to improve relationship with customers and understand major reasons for attrition.
2. Organize employee training sessions aimed at equipping staff on the required skills for delivering exceptional customer service. This will not only ensure quality service but will also increase customer satisfaction and improve retention levels.
3. Invest in social media marketing, website optimization to attract engagement and enhance brand recognition.
4. Introduce incentives and loyalty rewards to keep customers interested in the brand. Additionally, offer unique services that set the company apart from competitors.





# YIP ONLINE CUSTOMER CHURN REPORT

Identifying key reasons for customer attrition from July to October 2023



20

Customers



5.58

Average Ticket Resolution Time (Hours)



76.5

Average Customer Satisfaction Score



50.5K

Average Competitor Subscription Price

% Tickets resolved by Customer Satisfaction Score



## NOTABLE TRENDS

Below, we get insights into the correlations between variables like customer satisfaction score, percent tickets resolved and number of days users subscribed for the service

Days Subscribed by Satisfaction Score



Customer Satisfaction Score and Average Ticket Resolution Time (Hours)



KEY COMPARISONS

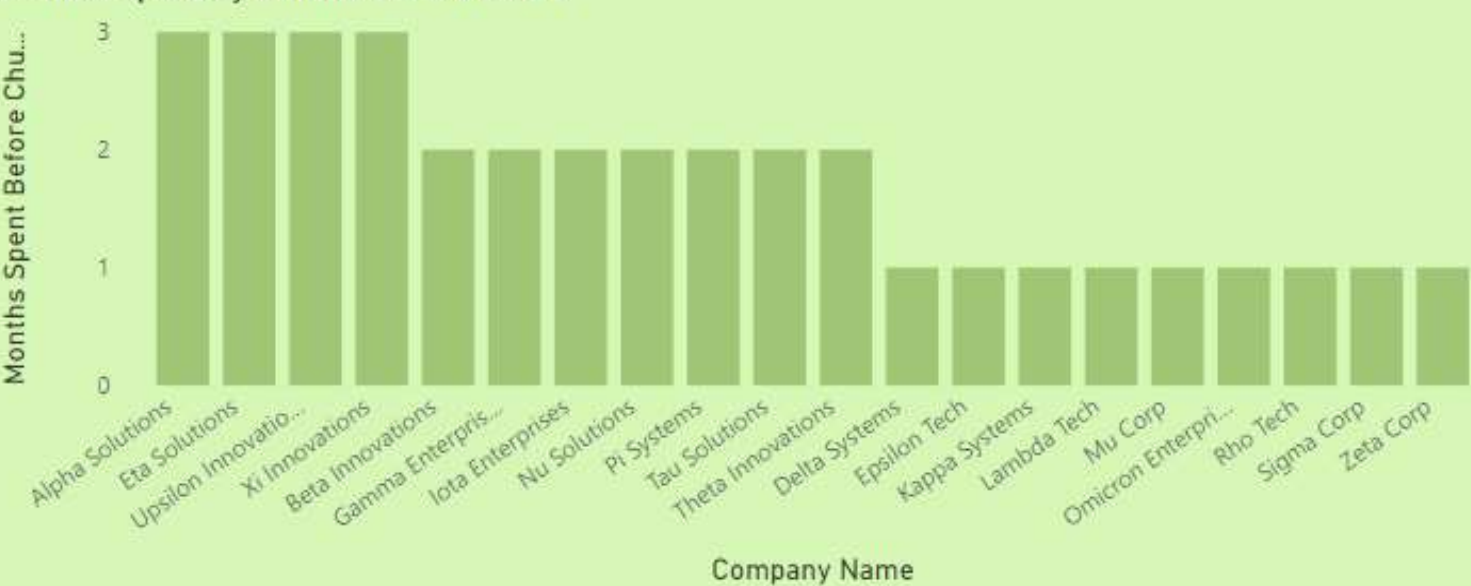
How exactly do factors like ticket resolution time and customer satisfaction affect the rate of attrition and retention?

Month	Opened Subscription	Closed Subscription	Cumulative Opened Subscriptions	Retention Rate %	Monthly Churn_Rate
Sep	6	7	13	46	50
Oct		13	0	0	100
Jul	8		8	100	
Aug	6		14	100	

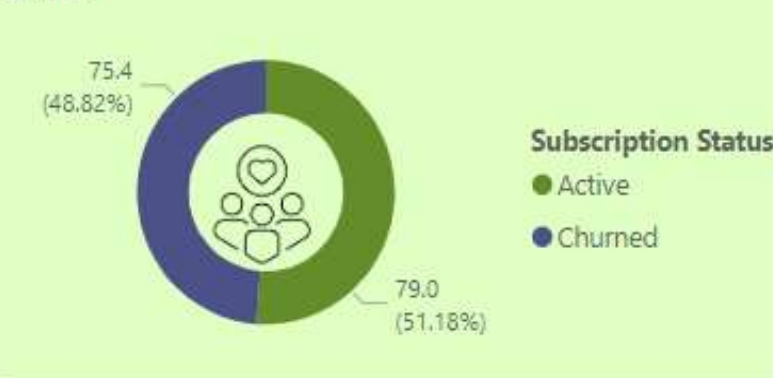
The Customer Churn Rate formula is:

$$\frac{\text{Customers at the Beginning of the Month} - \text{Customers at the End of the Month} \times 100}{\text{Customers at the Beginning of the Month}}$$

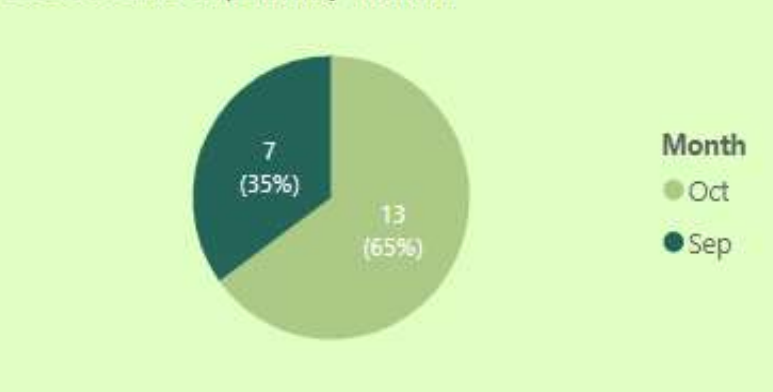
Months Spent by Clients Before Churn



Mean Customer Satisfaction Score by Subscription Status



Closed Subscription by Month



Average Ticket Resolution Time (Hours) by Subscription Status

