

Unveiling the Drivers of Customer Churn: Insights and Strategies for Telecom Retention

Total Customers

6,660

Churned Customers

1,769

Active Customers

4,891

Churn Rate

27%

Churn analysis is a critical process for telecom companies looking to reduce customer attrition and improve business performance. It provides insights into the factors driving churn and allows companies to take proactive measures to enhance customer satisfaction, optimize services, and build stronger, more loyal customer relationships. By leveraging churn analysis, telecom companies can maintain a competitive edge, increase profitability, and ultimately thrive in a challenging market.

Customer Demography

Distribution of Customers by Age Group

Age Group	Count
Mid-life	4,127
Under 30	1,282
Senior	1,251

Distribution of customers by Gender

Gender	Count
Male	3,365
Female	3,288
Prefer not to say	7

Distribution of Customers by State

- The telecom company has customers across wide range of ages. These ages are categorized into **Under 30**, **Mid-life** which covers ages **30 - 64**, & **Senior: 65+**. The age group with the highest subscription to the telecom company is the **Mid-life** age group with over **4,000** customers, followed by the **Under 30** with a little over **1,000** customers.
- There is a slight gap in gender distribution between **Male** and **Female** customers.
- All customers are based in the **United States**. There seems to be an equal distribution across most states with a few exceptions.
- The customers are finally grouped into tenures. The tenures communicates how long (in months) a customer has been subscribed to the service(s) of the telecom organization. **New customers : 0 - 12 months**, **Short-term customers : 13 - 24 months**, **Mid-term customers : 25 - 48 months**, **Long-term customers : 49 - 72 months**, **Loyal customers : 73 months and above**.

Customer distribution by Segment

Segment	Count
Long-term Customers	2,543
New Customers	2,073
Short-term Customers	971
Mid-term Customers	910
Loyal Customer	163

Customer Analysis (Who left?)

Churn Rate (Churned VS Non-churned)

Category	Count	Percentage
Churned	2,000	26.56%
Active	5,000	73.44%

Top 10 States with the Highest Customer Churn Rate%

%Churn Rate by Age Group

Age Group	Churn Rate (%)
Senior	38%
Mid-life	24%
Under 30	23%

Churn by Customer Segment

Segment	Churn Rate (%)
New Customers	48%
Short-term Customers	29%
Mid-term Customers	22%
Long-term Customers	12%
Loyal Customer	4%

%Churn Rate by Payment Method

Payment Method	Churn Rate (%)
Paper Check	38%
Direct Debit	34%
Credit Card	14%

%Churned customers by Contract Type

Contract Type	Churn Rate (%)
Month-to-Month	46%
One Year	11%
Two Year	2%

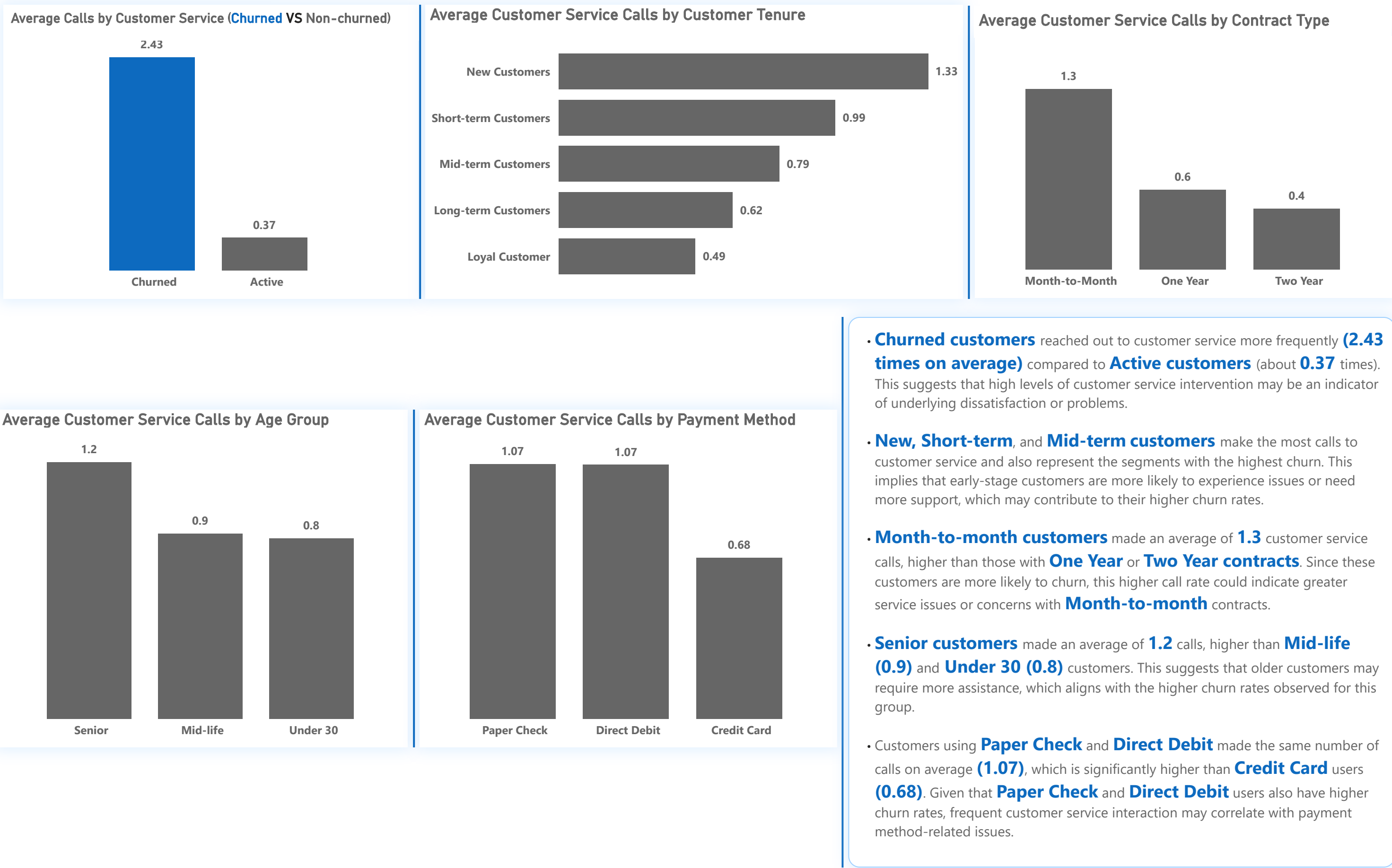
- Overall Churn: 27%** of customers churned, which accounts for over **2,000** customers.
- New Customers and Short-term Customers:** These groups have the highest churn rates at **48%** and **29%**, respectively. This suggests that retaining customers in the early stages of their tenure is a challenge.
- Long-term Customers:** Customers with longer tenure have a lower likelihood of churning, indicating that customer loyalty builds over time.
- Senior and Mid-life customers** show the highest churn rates at **38%** and **24%**, respectively. This indicates a need to focus on retention strategies for these age groups.
- Customers using **Paper Check** have the highest churn rate at **38%**, followed by **Direct Debit** users at **34%**.
- Customers paying with **Credit Cards** have the lowest churn rate at **14%**, suggesting that convenience or security of payment method might influence customer retention.
- The top 10 states with the high churn have a churn rate exceeding 30%. **California** has the highest churn rate at **39%**, followed by **Ohio** at **35%**.
- Month-to-month customers** have a significantly higher churn rate (**46%**) compared to those with **One Year (11%)** and **Two Year (2%)** contracts. Longer contract terms seem to correlate with customer retention.

Churn Analysis (Why did they leave?)

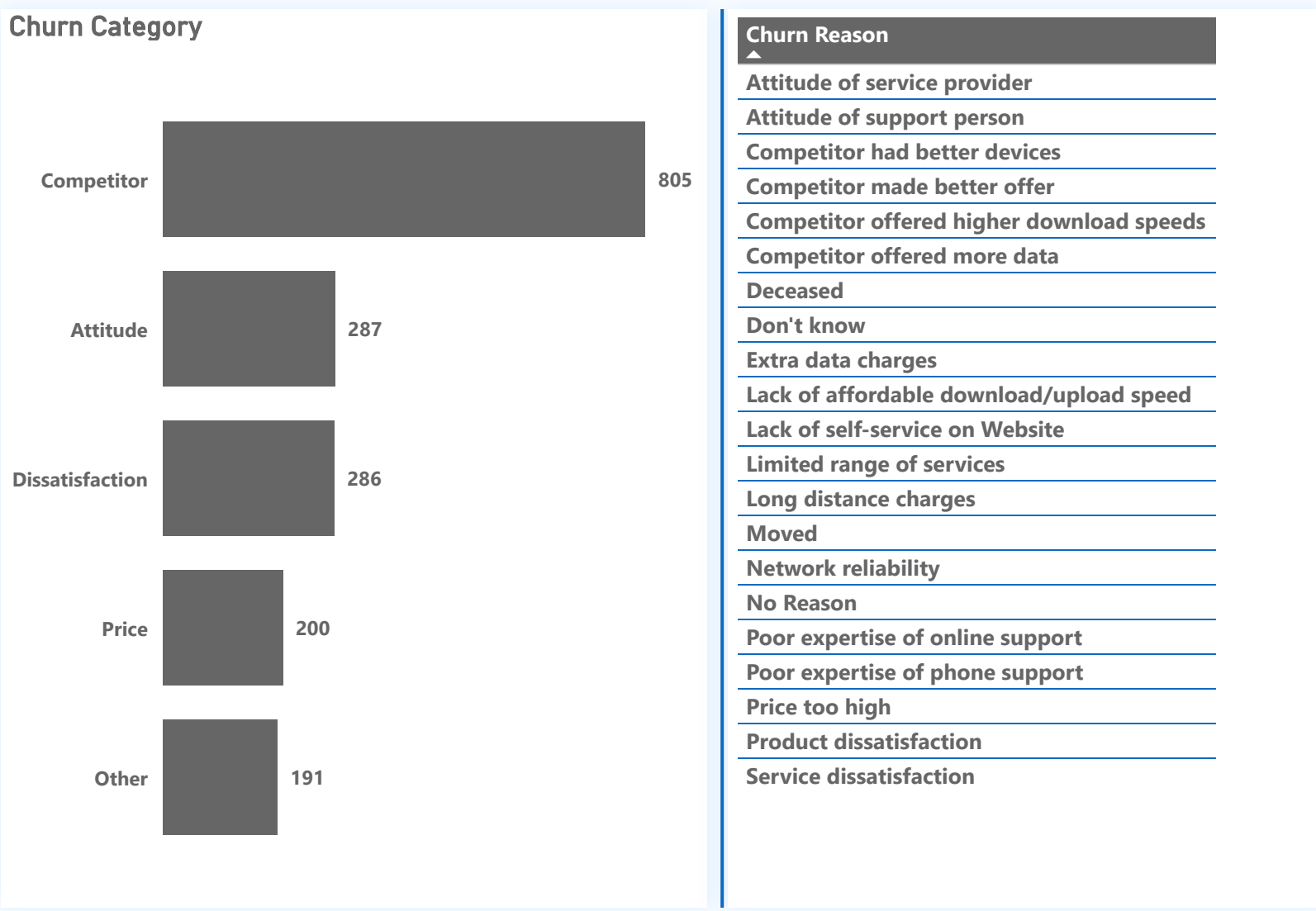
Monthly Charges



Customer Service Calls



Churn Reasons



Competitor (805 customers):

- This is the leading cause of churn, suggesting that **competitive pressure** is a significant factor. Customers might perceive competitors as offering better value, services, or benefits. Strategies to address this could include enhancing competitive differentiation, improving customer loyalty programs, or reevaluating pricing and features relative to competitors.

Attitude (287 customers):

- This refers to churn caused by **negative attitudes** or perceptions about the company, customer service, or experience. This could be influenced by poor interactions with support staff or dissatisfaction with how customer concerns are addressed. Training customer service representatives and improving customer touchpoints might reduce churn in this category.

Dissatisfaction (286 customers):

- General dissatisfaction** with the product, service quality, or user experience comes in close to the Attitude category. Addressing product or service-related issues through feedback mechanisms, quality improvements, and proactive customer outreach could help mitigate this type of churn.

Price (200 customers):

- Although price isn't mentioned in the top three categories, it likely contributes to some churn cases. Regularly evaluating pricing structures in light of customer expectations and competitor offerings could reduce price-sensitive churn.

Other (191):

- This category likely includes miscellaneous or less common reasons for churn, and it could be worth analyzing further to identify trends that might be addressable.

Unveiling the Truth About Customer Churn in Telecom: It's Not the Product, It's the Customer Experience.

- **Competitors are taking 805 of your customers, but it's not because they have a better network.** The real advantage lies in customer experience. While gigabytes and speeds matter, the value customers seek often comes from how they feel about the service they receive.
- **287 customers churned due to unsatisfactory support and interactions.** Enhancing the approach and training of your customer service team is vital. As the primary point of contact, they play a crucial role in representing your brand and ensuring that customer concerns are addressed with care and professionalism.
- **Price is not the issue—experience is.** On average, churned customers were paying **\$38** per month compared to the **\$28** paid by current customers. **It's clear that customers are not leaving because of price alone. They leave when they don't perceive the value in what they're paying for.** To retain them, the service provided must reflect the quality associated with higher costs.
- **48% of your new customers churned within the first 12 months.** Acquiring new customers is only the first step; **retaining them requires effort. Nearly half of them are leaving within the first year because loyalty is earned, not given.** Ensuring a smooth and satisfying experience from the beginning is key to building lasting relationships.
- **Senior customers are calling for help more often and are churning at the highest rate (38%).** This suggests that the product may not be as intuitive for this demographic. Simplifying your offerings and ensuring that support is tailored to their needs could reduce churn and improve their overall experience.

RECOMMENDATIONS

- **Competitive Retention Strategies:** Your competitors may offer lower prices, but you can offer **better relationships**. Invest in retention programs that **reinforce loyalty** early in the customer journey. Turn your customers into advocates before they turn into a statistic.
- **Shift from Customer Service to Customer Success:** Don't just train your people—**transform them**. Your customer service team should be proactive, not reactive. Call them before they call you. Fix their problems before they complain. Want to see churn drop? Get your frontlines to deliver solutions, not just apologies.
- **Simplify for Seniors:** Tailor your offerings for the senior segment. If they're calling more frequently, it means something is broken in the communication chain. Make it easy for them—clarify, simplify, support. The easier it is for them to use your product, the less likely they are to churn.
- **Month-to-month contracts are bleeding you dry (46% churn!).** Offer **incentives to lock in** longer-term contracts with better rewards. Long-term contracts aren't just about security—they're about giving your customer something they can't resist.
- **Go deep, not wide.** More calls to churned customers? It's a signal that more interaction isn't solving their issues. Focus on **the quality of each interaction**, not the quantity. It's not about how often you reach out; it's about whether you're solving their pain points.
- **Build a Predictive Churn Model:** Data is your greatest asset. **Leverage AI and machine learning** to build a model that **predicts which customers are likely to leave** before they do. Use behavioral data (like service calls, payment method, usage patterns) to identify churn signals. Armed with this foresight, **target at-risk customers with tailored interventions**—whether through personalized offers, proactive support, or exclusive benefits. **Don't wait for the churn to happen—predict it, prevent it.**

Together, let's turn this tide. Let's make customer experience the cornerstone of our strategy and watch as we not only retain our customers, but also attract new ones who see us as their trusted partner in telecommunications.