

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

4,127

1,282

1,251

Mid-life

Under 30

Senior

Distribution of customers by Gender

3,365

3,288

7

Male

Female

Prefer not to say

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

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)

Churned

2K (26.56%)

Active

5K (73.44%)

Top 10 States with the Highest Customer Churn Rate%

%Churn Rate by Age Group

38%

24%

23%

Senior

Mid-life

Under 30

Churn by Customer Segment

New Customers

48%

Short-term Customers

29%

Mid-term Customers

22%

Long-term Customers

12%

Loyal Customer

4%

%Churn Rate by Payment Method

38%

34%

14%

Paper Check

Direct Debit

Credit Card

%Churned customers by Contract Type

46%

11%

2%

Month-to-Month

One Year

Two Year

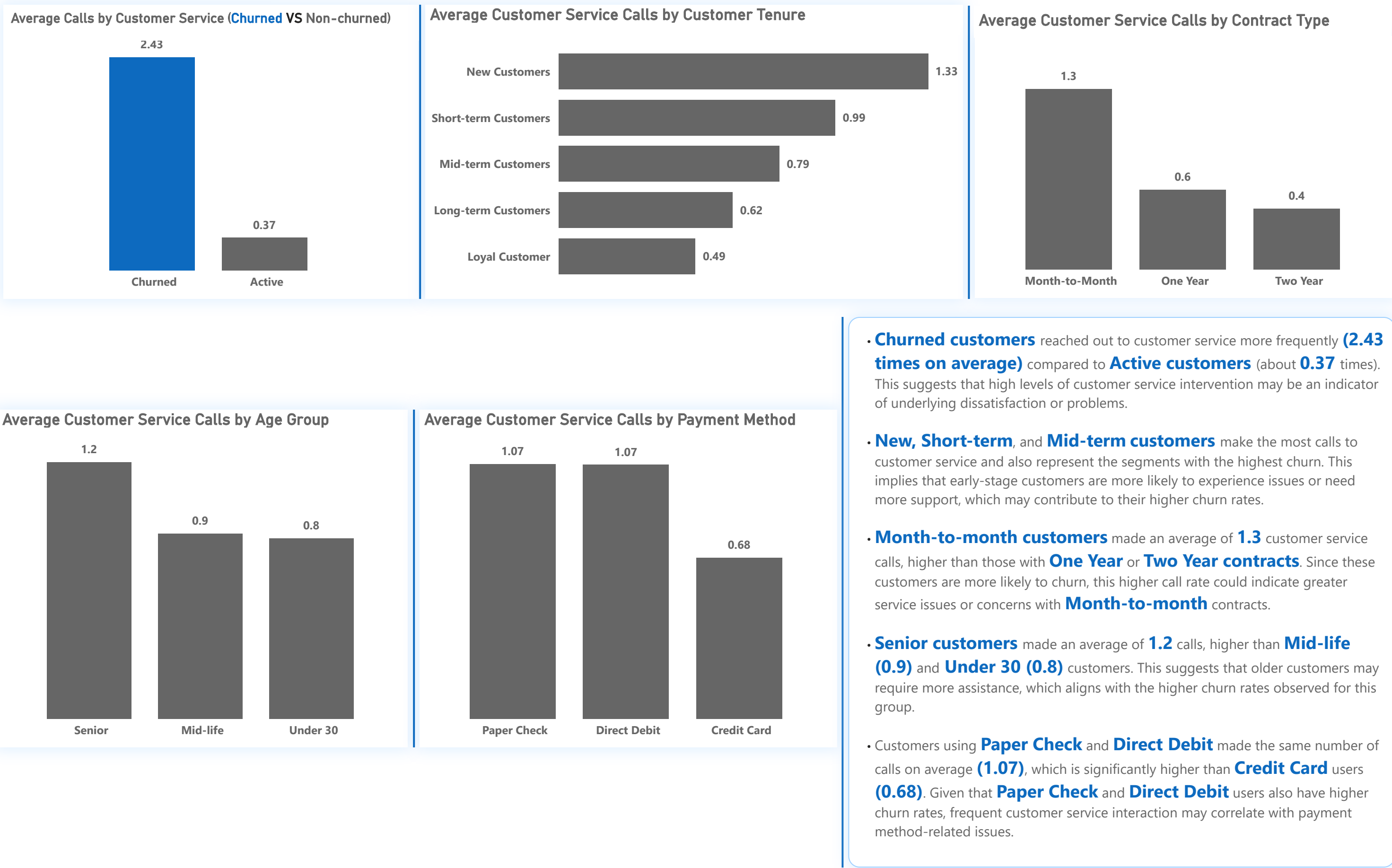
- Overall Churn: 27%** of customers churned, which accounts for over **2,000** customers.
- New Customers and Short-term Customers:** These groups have the highest churn rates at **48%** and **29%**, respectively. This suggests that retaining customers in the early stages of their tenure is a challenge.
- 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?)

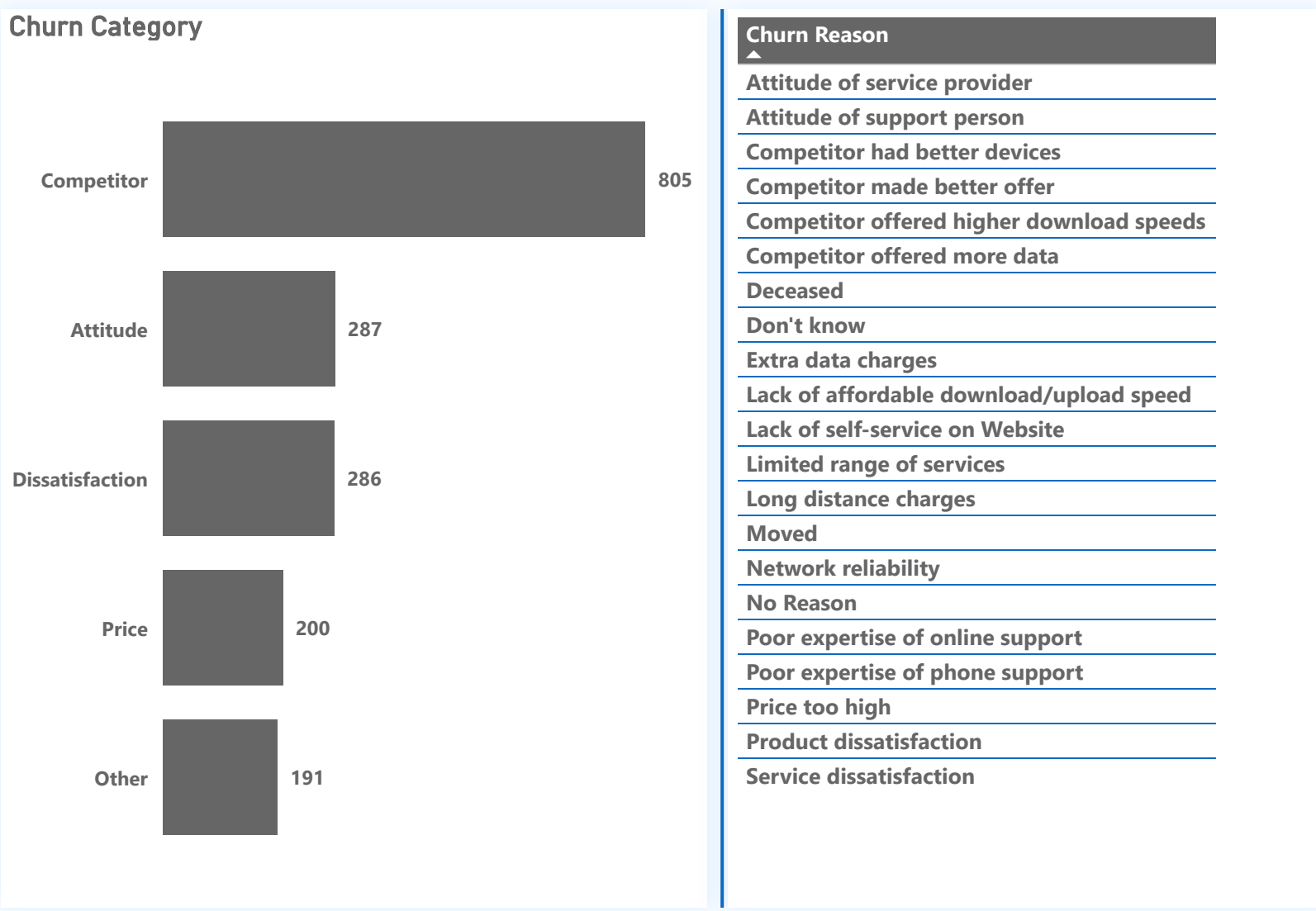
Monthly Charges



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 stealing **805** of your customers. And they're not doing it because they have a better network. They're doing it because they understand that value isn't always measured in gigabytes—it's in **experience**.
- **287** customers churned because of **poor support and attitude**. Yes, your customer service isn't just a department—it's your frontline. It's your brand voice, your promise keeper. You want loyal customers? Fix the attitude of your people.
- **Price isn't the problem, the experience is**. Churned customers pay more on average **(\$38)** compared to active ones **(\$28)**. **They aren't leaving because of price**, they're leaving because **they don't see the value in paying more**. If your service doesn't reflect premium quality, you will lose them to the next shiny deal.
- **48%** of them churned. Yes, nearly **half of your new customers are walking out the door** within the first 12 months. You spent all that money acquiring them, and just like that, they're gone. Why? Because **loyalty is earned, not assumed**.
- **Senior customers are calling more often for help** than younger users. Yet, they are also churning at the highest rate **(38%)**. You know what that means? It means your product might be too complicated, and your solutions aren't clear enough for this demographic.

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**.