**Suggest Retention Ideas**

**Step 1: Root Causes of Churn**

From the analysis (which could have been derived from correlation analysis and insights from features such as "Monthly Charges", "Tenure", "Contract Type", etc.), here are the likely root causes of churn:

**1. High Monthly Charges:**

* Customers who have high monthly charges are more likely to churn. This could be due to affordability concerns, competitive offers from other providers, or dissatisfaction with the service relative to its cost.
* Impact: Price-sensitive customers are abandoning services they feel are too expensive.

**2. Short-Term Contracts (Month-to-Month):**

* Customers on month-to-month contracts are more likely to churn. They have no long-term commitment, making it easier for them to switch providers.
* Impact: Lack of commitment and fewer incentives to stay with the provider

**3. Low Tenure:**

* Newer customers (short tenure) are more likely to churn. This could be due to an unsatisfactory initial experience, a lack of engagement with the product, or competing offers coming in during the early stages of service.
* Impact: New customers might not have found value in the product/service yet, or may feel that their needs aren't being met.

**4. Lack of Support or Engagement:**

* If a customer does not receive timely customer service or feels neglected, they are more likely to churn.
* Impact: Customers feel they are not valued or supported when issues arise.

**5. Payment Method:**

* Payment method could indicate a customer's commitment or convenience with the service. For instance, customers using "Electronic Check" or "Bank Transfer" might be more likely to churn due to administrative complexities or payment failures.
* Impact: Payment issues could indicate either customer dissatisfaction or financial strain.

**Strategies to Retain Customers :**

**1. Better Pricing and Flexibility in Payment Plans:**

* Introduce Flexible Pricing: Offering tiered pricing structures or discount plans for long-term commitments can help retain customers. For instance, discount for a 12-month or 24-month contract could incentivize customers to stay longer.
* Discount for Loyal Customers: Introduce loyalty programs or reward systems that provide discounts or added benefits (e.g., data increases, special customer service) after certain milestones like 1 year, 2 years, etc.

**2. Improve Customer Engagement and Support:**

* 24/7 Customer Service: Ensure that customers have access to reliable and responsive customer support through various channels (phone, chat, email).
* Proactive Customer Support: Instead of reactive customer support, introduce proactive check-ins, especially for new customers or customers who have faced issues**.**

**3. Introduce Long-Term Contracts with Added Benefits:**

* Offer Incentives for Long-Term Commitments: Provide additional benefits for customers who opt for longer contracts **(**1-year or 2-yearplans). For instance, offer lower monthly prices, enhanced features, or free upgrades.
* Auto-Renewal Options: Introduce auto-renewal for contracts, with an easy option to opt out if the customer chooses. Provide reminders before renewal dates, offering special perks or discounts.

4. Engagement Programs for New Customers:

* Welcome Program: For new customers, introduce a "Welcome Package" that helps them get familiar with the service, such as an introductory offer, free consultation, or free access to premium features for a limited time.
* Onboarding and Education: Provide an engaging onboarding experience for new customers to ensure they understand the full value of the service they’ve subscribed to. Interactive tutorials, user guides, and video demos can be part of the strategy.

**Recommendations for Business Leaders :**

1.Customer-Centric Strategy:

* Focus on improving customer experience at every stage, from sign-up to support. A personalized customer experience can dramatically reduce churn. This should be backed by data-driven insights from customer feedback and behavioural analysis.

2. Price Adjustment and Bundling:

* Reevaluate the pricing strategy to ensure it’s competitive in the market, especially for customers who may be highly price-sensitive. Experiment with bundle offers and pricing tiers, ensuring they provide enough value to encourage retention.

3. Focus on Customer Support:

* Reinforce the importance of customer service and support. Provide training for support teams to handle issues promptly and efficiently. Highlight customer support as a competitive differentiator in the market.

4. Invest in Data Analytics for Personalization:

* Invest in more advanced customer segmentation and predictive analytics to predict churn before it happens. With this, the business can act proactively to retain customers based on their usage patterns and engagement metrics.

**Expected output :**

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| --- | --- | --- |
| **Churn Cause** | **Proposed Strategy** | **Expected Outcome** |
| High Monthly Charges | |  | | --- | | Introduce flexible pricing and discount plans |  |  | | --- | |  | | |  | | --- | | More affordable pricing will encourage price-sensitive customers to stay |  |  |  | | --- | --- | |  |  | |
| Short-Term Contracts (Month-to-Month) | Introduce long-term contracts with added benefits (e.g., 12/24 months) | Increased customer retention due to incentives for long-term commitment |
| Low Tenure (New Customers) | Provide "Welcome Packages" and special promotions for new customers | Improve early customer experiences, reducing churn among new customers |
| Payment Method Issues | Offer more flexible payment methods (e.g., auto-deductions, flexible billing) | Reduce churn among customers facing payment difficulties |