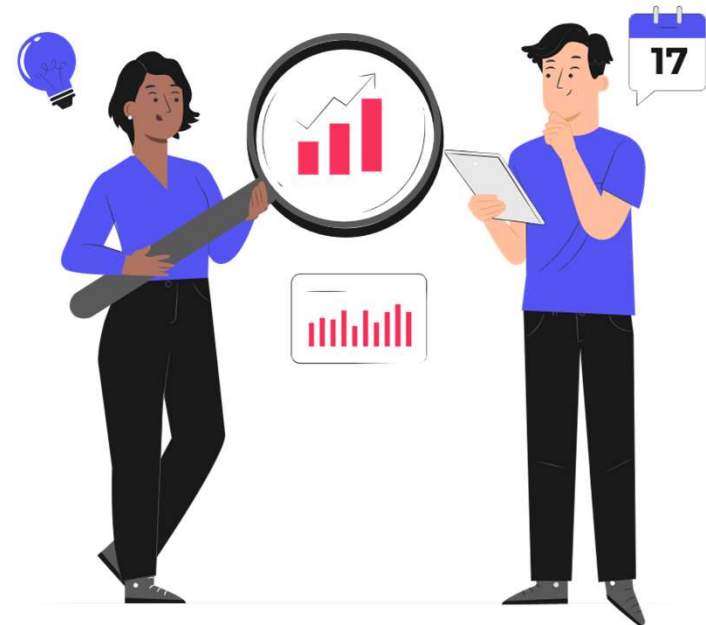# Reducing Customer Churn

Final Focus Areas & Practical Solutions

Presented By: Yash Devghare

01

BUSINESS PROBLEM

The Cost of Churn: A Hidden Threat to Growth

The Cost of Churn: A Hidden Threat to Growth

- Every **1 in 5 customers is silently walking away** — costing revenue, trust, and momentum.
- Despite product quality, company is **losing valuable customers** due to missed signals.
- Churn is not just a customer problem — it's a business growth blocker.
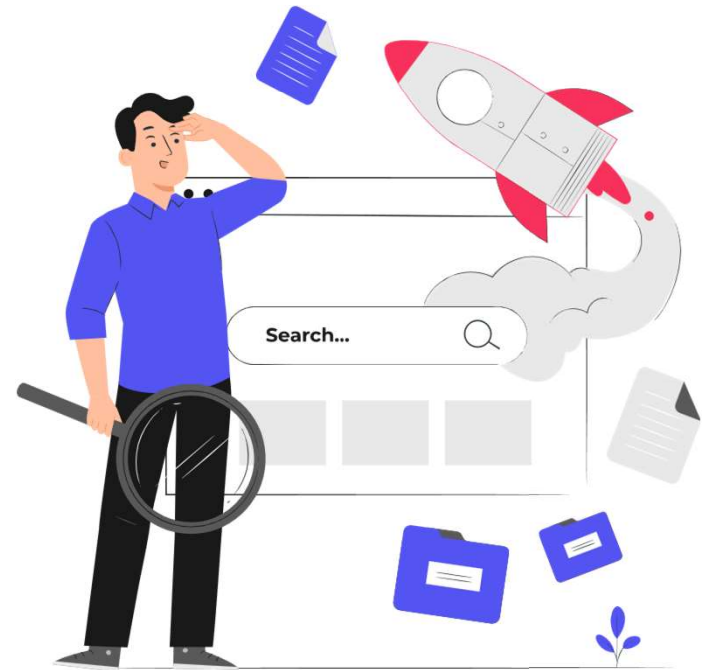- If unaddressed, it drains marketing spend, reduces ROI, and limits long-term profitability.
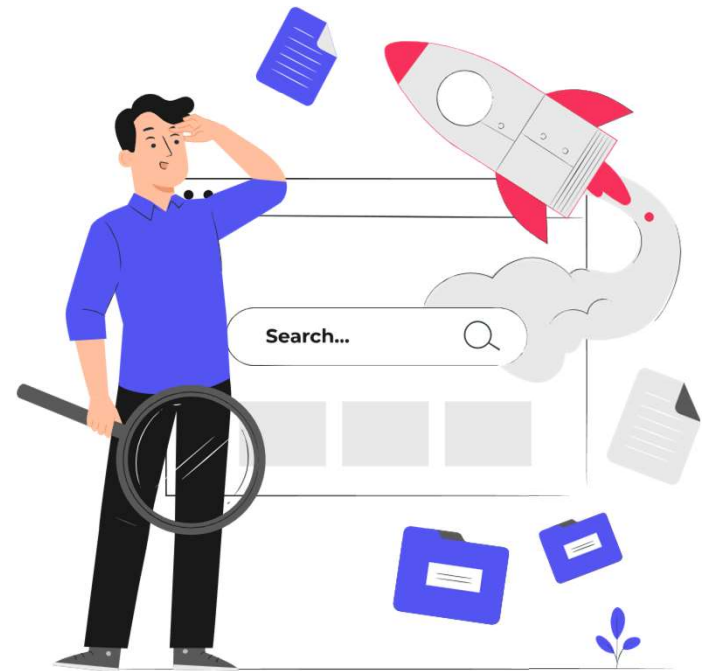
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PROJECT OBJECTIVE

What We Set Out to Solve?

What We Set Out to Solve?

Our goal:
- Pinpoint high-risk segments
- Recommend practical, targeted actions
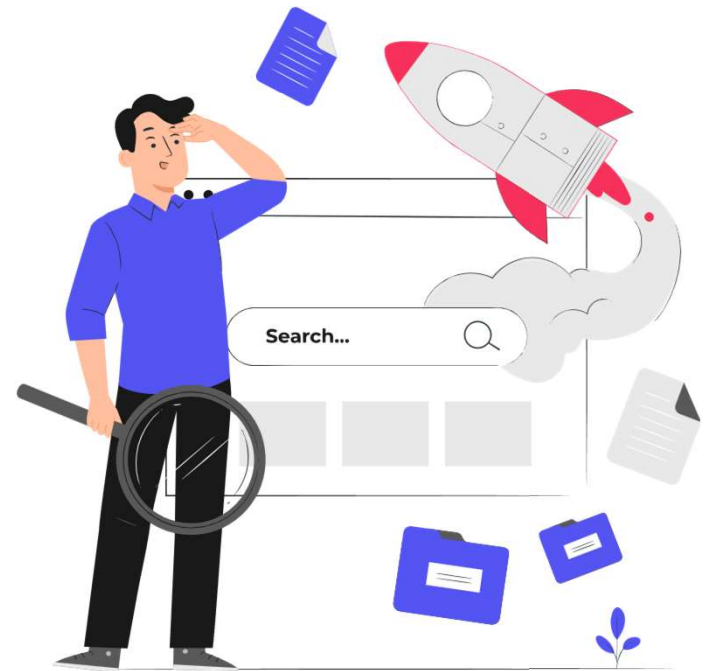- Empower leadership to **reduce churn by 15–20%**

03

INTRODUCTION

Why Reducing Customer Churn Matters?

Why Reducing Churn Matters ?

- Retaining existing customers is **5x cheaper** than acquiring new ones.

- Even a **1% reduction** in churn significantly boosts profitability.

- High churn **weakens brand trust**, drains budgets, and **limits long-term growth.**

04

APPROACH

How we Chose the Metrics ?

We Selected Metrics Based On:

- **Clear behavioral** impact on churn.

- **Ease of identification** in existing systems.

- **Strategic value** to customer experience.

SELECTED METRICS

ACTIVITY LEVEL

A reliable signal of customer engagement

PRODUCT HOLDING

Indicates relationship depth

AGE GROUP

Customer needs and behaviors vary widely with age

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TOP FOCUS METRICS

Key Focus Areas for Reducing Churn

SELECTED METRICS

INACTIVE CUSTOMERS

Customers who are inactive are nearly 2x more likely to churn than active members, making engagement a powerful early warning indicator.

SINGLE-PRODUCT HOLDERS

Single-product customers churn at 28.96%, while those with two products drop to 8.76%, showing product depth directly impacts retention.

CUSTOMERS AGED 50-60

Customers aged 50–60 have the highest churn rate (56.04%), likely due to digital friction or unmet service expectations.

These areas present the highest churn risk and are readily actionable through targeted retention efforts.

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CHURN DRIVERS & FIXES

What the Data says and What we can do?

INACTIVE CUSTOMERS

26.12% V/S 14.30%

Churn Rate: Inactive Customers   Churn Rate: Active Customers

Inactivity reflects Disengagement and Future Risk

INACTIVE CUSTOMERS

Ideas to Combat:

- Set inactivity triggers and alert systems

- Personalized reactivation incentives

- Proactive outreach from support

Goal: Prevent churn by re-engaging before customers silently exit

SINGLE PRODUCT HOLDERS

28.96% V/S **8.76%**

Churn Rate: 1 Product Holders

Churn Rate: 2 Product Holders

Shallow engagement leads to higher switching behavior

SINGLE PRODUCT HOLDERS

Ideas to Combat:

- Offer bundled services or product combinations
- Launch targeted cross-sell campaigns
- Introduce loyalty rewards tied to multi-product usage

Goal: Strengthen the relationship and increase retention stickiness

AGE GROUP 50-60

56.04% V/S **7.56%**

Churn Rate: Age Group 50-60

Churn Rate: Age Group <30

Possibly due to lack of digital support or complex offerings

AGE GROUP 50-60

Ideas to Combat:

- Simplify digital interfaces for older users

- Assign relationship managers to high-risk age segments

- Capture feedback via personalized touchpoints

Goal: Make banking accessible and valuable for aging customers
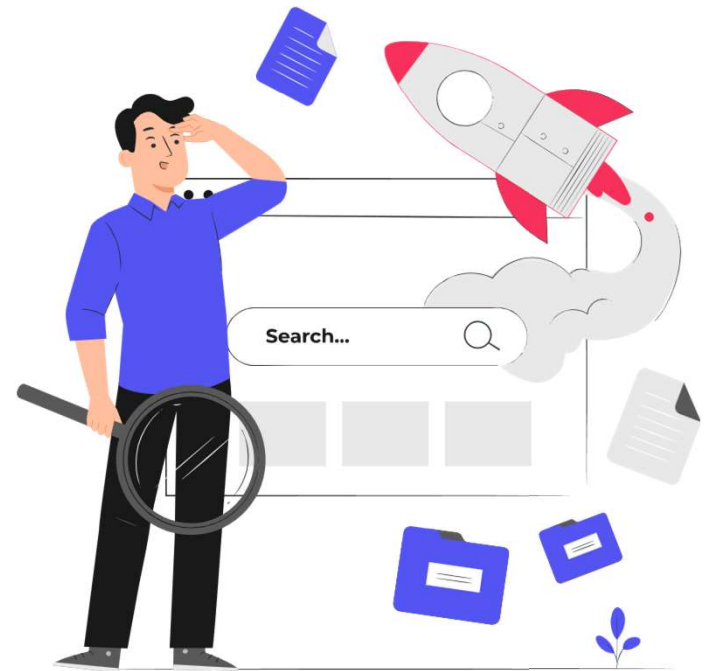
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WHY THESE METRICS

Reason for choosing the Metrics

Why These Metrics Matter ?

- These groups represent the **largest contributors** to churn.

- Each is **easily trackable** and **segmentable** using basic filters.

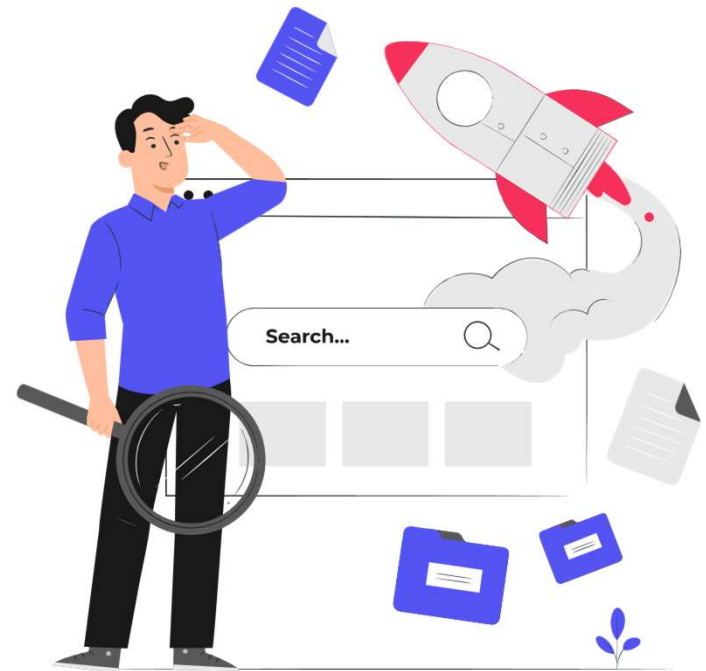- Solutions can be implemented **without advanced tech** – purely operational improvements.

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WHAT NEXT?

Action Plan and Next Steps

Action Plan and Next Steps

- Run **3 pilot retention initiatives** focused on these segments.

- **Track churn drop** and customer re-engagement over 90 days.

- Roll out the **best-performing strategies** to the entire customer base.