

Executive Summary: Telecom Customer Churn Analysis

This study investigates the churn behavior of telecom customers based on contract types, services availed, tenure, demographics, and payment methods. The goal is to uncover actionable insights to reduce customer churn, which currently stands at **26.54%**.

Key Insights

Demographics & Tenure:

- Senior Citizens show a significantly higher churn rate than non-senior citizens:
 - **42.4%** of senior citizens have churned versus **24.3%** of non-senior citizens.
- Tenure Analysis reveals that:
 - Customers with only 1–2 months of service have a churn rate of **over 60%**.
 - Long-term customers (more than 2 years) have a churn rate of **below 10%**.

Contract Duration:

- Month-to-month contract holders: **43.9%** churn rate.
- One-year contracts: **11.5%** churn rate.
- Two-year contracts: **2.8%** churn rate.

Service Usage Patterns:

- Fiber Optic Internet users churn at **41.9%**, nearly double DSL users (**18.9%**).
- OnlineSecurity users churn at **14.6%** vs. **41.3%** for non-users.
- Similar reductions seen with TechSupport and OnlineBackup.
- Customers with StreamingTV or StreamingMovies tend to churn more than those without.

Payment Method:

- Electronic Check users: **45.3%** churn rate.
- Other methods (Credit Card, Bank Transfer, Mailed Check): **15–20%** churn rate.

Conclusions & Recommendations

- Focus retention efforts on users in the first 2–3 months.
- Promote long-term contracts through incentives.
- Encourage online protection service usage.
- Address performance issues with Fiber Optic Internet.
- Transition users away from electronic checks to more stable payment options.