

Executive Summary – Customer Churn Analysis

This analysis explores the customer churn patterns, identifying the key factors that drive customers to discontinue services.

- **Overall Churn Rate:** About **26.54%** of customers have churned, which is a substantial portion of the base and signals the need for strategic retention measures.
- **Demographics:** Churn is **comparatively higher among senior citizens**, indicating that this group requires tailored engagement and support initiatives.
- **Tenure Impact:** Customers with **tenure under 2 months are far more likely to churn**, while **long-term customers show much higher retention**. This suggests that early-stage customer experience is critical for building loyalty.
- **Contract Type:** Customers on **month-to-month contracts churn at the highest rates**, whereas those on **1-year or 2-year contracts** show stronger commitment. Contract length is thus a strong predictor of customer stability.
- **Service Usage:**
 - **Phone Service, Internet Service, and Online Security** subscriptions are associated with **lower churn rates**.
 - Customers who **lack Online Backup, Tech Support, or Streaming TV** show **noticeably higher churn**, underscoring the importance of bundled value-added services.
- **Payment Method:** A pattern emerges where customers using **electronic payment methods are more likely to churn**, suggesting the need to analyze potential pain points in these payment channels.

Strategic Implications

1. **Retention Programs:** Focus on onboarding and engagement for **new customers in their first 1–2 months**.
2. **Contract Incentives:** Promote and incentivize **long-term contract adoption** to reduce churn risk.
3. **Service Bundling:** Highlight the value of services like **Online Security, Backup, and Tech Support**, potentially through discounts or package deals.

4. **Targeted Interventions:** Senior citizens and month-to-month customers should be given **priority retention campaigns**.
5. **Payment Flexibility:** Evaluate the **electronic payment experience** and consider incentives for adopting more stable payment options.

⚡ This version gives management not only the **insights** but also **data-backed evidence (26.54% churn)** and **clear recommendations**.