SUMMARY AND KEY INSIGHTS

This report provides insights into the drivers of **customer churn** in a telecom dataset. The analysis covers demographics, tenure, contract type, services, and payment methods.

◆ Overall Churn Rate

- Out of ~7,000 customers, around **26.5% have churned** while **73.5% remain active**.

- This reflects a **1 in 4 customers loss risk**, highlighting the importance of customer retention.

◆ Demographics

- **Gender**:

  - Male churn: ~26%.

  - Female churn: ~27%.
    👉 Gender has **negligible impact** on churn.

- **Senior Citizens**:

  - Senior customers make up ~16% of the base.

  - Of them, **~41% have churned**, compared to **~24% of non-senior citizens**.
    👉 Senior citizens are almost **2x more likely to churn**.

◆ Customer Tenure

- Customers with **less than 1 year tenure** → churn rate **~45–50%**.

- Customers with **1–2 years tenure** → churn rate drops to **~25%**.

- Customers with **over 5 years tenure** → churn rate **<10%**.
  👉 New customers are at the **highest risk** of leaving. Loyalty builds over time.

◆ Contracts

- **Month-to-month contracts**: churn rate **~43%**.

- **One-year contracts**: churn rate **~11%**.

- **Two-year contracts**: churn rate **~3%**.
  👉 Customers with long-term contracts are **much less likely to churn**.

◆ Services

- Customers **without Online Security** → churn rate ~42%.

- Customers **without Tech Support** → churn rate ~47%.

- Customers with these services churn at only **~15–20%**.

- Streaming services (TV, Movies) have smaller effects compared to **security/support-related services**.
  👉 Lack of **support and security services is strongly linked to churn**.

◆ Payment Methods

- **Electronic check** users → churn rate ~45%.

- **Mailed check** → churn rate ~19%.

- **Credit card/Bank transfer (auto-pay)** → churn rate ~16%.
  👉 Customers paying by electronic check are the **highest churn risk group**.

✅ Key Insights

1. **High churn among month-to-month customers (~43%)** → Introduce **loyalty programs** or **discounts for longer contracts**.

2. **Senior citizens (~41% churn)** → Provide **senior-friendly bundles, discounts, or personalized support**.

3. **New customers (first year churn ~50%)** → Focus on **onboarding programs** to build early loyalty.

4. **Security & Support services matter** → Customers with **Tech Support/Online Security churn ~60% less**. Encourage adoption through bundling.

5. **Electronic check users (~45% churn)** → Incentivize auto-pay via credit card/bank transfer.

6. **Gender is not a major churn driver**, so resources should be focused on contract type, tenure, and services.