

# Summary and recommendation

## Objective

The analysis investigates factors influencing customer churn, with a particular focus on:

- **Contract types**
- **Payment methods**
- **Customer tenure**

The goal is to identify drivers of churn and recommend strategies for improving customer retention.

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## Key Insights and Findings

### 1. Contract Type and Churn

- **Month-to-Month Contracts:** Customers on month-to-month contracts exhibit the highest churn rate at **42%**.
- **Yearly Contracts:** Customers on one-year contracts show a churn rate of **11%**.
- **Two-Year Contracts:** The churn rate drops significantly to **3%** for customers on two-year contracts.

#### Implication:

Longer contract durations significantly improve customer retention by reducing the likelihood of churn.

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### 2. Payment Methods and Churn

- **Electronic Checks:** Customers paying via electronic checks have the highest churn rate at **45%**.
- **Other Payment Methods:** Customers using credit cards, bank transfers, or mailed checks experience a churn rate of **15–18%**.

#### Implication:

The trust and convenience issues associated with electronic check payments contribute to higher churn rates. Encouraging customers to adopt more reliable payment methods could improve retention.

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### 3. Churn by Tenure

- **First-Year Customers:** Customers with less than one year of tenure have a churn rate of **50%**.
- **Mid-Tenure Customers (1–3 years):** The churn rate decreases to **35%**.
- **Long-Term Customers (>3 years):** Churn rate drops further to **15%**.

#### Implication:

Customer engagement strategies should focus heavily on the first year, as this is the most critical period for retention.

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### 4. Churn by Internet Service Type

- **Fiber Optic Services:** Customers using fiber optic services have a churn rate of **30%**.
- **DSL Services:** DSL users have a lower churn rate of **20%**.

#### Implication:

The higher churn rate among fiber optic users may stem from service dissatisfaction or competition. Addressing quality issues and offering competitive pricing could help retain these customers.

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### 5. Senior Citizens and Churn

- **Senior Citizens (65+):** Churn rate is **41%** for senior customers.
- **Non-Senior Citizens:** Churn rate is **26%** among non-senior customers.

#### Implication:

Senior citizens may benefit from specialized retention programs tailored to their unique needs, improving their customer experience and satisfaction.

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## Visualizations and Data Insights

### Key Observations from Visuals

1. **Bar Charts and Line Graphs:**
  - The disparity in churn rates across payment methods highlights that customers using electronic checks churn at nearly **three times** the rate of credit card users.

- A declining trend in churn rates with increasing customer tenure emphasizes the importance of early retention efforts.
  - 2. **Percentage Distribution of Churn Across Factors:**
    - **Payment Methods:**
      - Electronic checks: **45%**
      - Credit cards: **15%**
    - **Contract Types:**
      - Month-to-month: **42%**
      - Yearly: **11%**
      - Two-year: **3%**
    - **Tenure:**
      - First-year: **50%**
      - 1–3 years: **35%**
      - 3 years: **15%**
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## Recommendations

### 1. Promote Long-Term Contracts

Offer discounts or additional perks to incentivize customers to choose one- or two-year contracts over month-to-month plans.

### 2. Address Payment Method Concerns

Launch educational campaigns and provide incentives for customers to switch from electronic checks to more secure and convenient options, such as credit cards or bank transfers.

### 3. Engage Customers Early

Develop personalized engagement strategies for new customers, particularly within their first year.

- Examples include onboarding programs, loyalty rewards, and proactive customer service follow-ups.

### 4. Retention Programs for Seniors

Implement tailored offers for senior customers, such as:

- Dedicated customer service teams.
- Discounted packages or loyalty rewards.
- Simplified billing and payment options.

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## Summary of Findings in Visuals

*Example of visual representation emphasizing churn trends*

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By addressing these key factors—contract type, payment methods, tenure, and demographic insights—your organization can implement strategies to significantly reduce churn and improve customer satisfaction.