



Executive Summary

Project Objective

The primary objective of this analysis was to understand customer behavior, identify churn patterns, and highlight the key factors driving customer retention and attrition. This will support the client in developing effective strategies to reduce churn and enhance customer lifetime value.

Dataset Overview

- Total Records: **7,043 customers**
- Key Features: Demographics (gender, senior citizen, dependents), services (internet, phone, online security, etc.), contract type, billing methods, charges, and churn status.
- Target Variable: **Churn** (whether the customer discontinued services).

Key Insights

1. **Contract Type is a major factor in churn:**
2. Customers on **month-to-month contracts** showed significantly higher churn compared to those on one-year or two-year contracts.
3. **Services impact retention:**
4. Lack of **online security, tech support, and backup services** correlates strongly with higher churn rates.
5. Customers with bundled services (e.g., multiple lines, streaming, device protection) are more likely to stay.
6. **Payment and Billing Preferences:**
7. Customers opting for **paperless billing and electronic payment methods** tend to churn more often.
8. **Demographics and Tenure:**
9. Newer customers (shorter tenure) are at a much higher risk of churn.
10. Senior citizens and single customers without dependents are relatively more likely to discontinue services.
11. **Charges:**
12. Higher **monthly charges** correlate with increased churn, suggesting price sensitivity among certain customer groups.

Business Implications

- **Retention Focus:** Target customers on month-to-month contracts with loyalty offers, discounts, or incentives to shift to longer contracts.
- **Value-Added Services:** Promote and bundle online security, tech support, and backup services to increase retention.
- **Customer Segmentation:** Build strategies specifically for new customers and senior citizens to improve early-stage engagement.
- **Pricing Strategy:** Review high-cost plans and consider tiered pricing models to reduce price-driven attrition.