

## **Summary and Recommendations**

### **Objective-**

The report deals with investigating the factors which affect the customer churn.

### **Key Insights and Findings-**

- The customers on month-to-month contracts exhibit the highest churn rate, with **42%** of customers likely to churn out. In a complete contrast to its customers having one year a two-year contract have churn rate of **11%** and **3 %**.

**Implication-** Longer contract periods serve as a strong retention tool as the customers having extended commitment are far less likely to leave.

- The customers paying through electronic checks show a highest churn rate of **45%**, while the others using credit cards, bank transfers or mailing checks have quite a lower churn rate.

**Implication-** The convenience, security and trust issues related to electronic payments, can be the contributing factors and hence we must encourage customers to switch to more stable payment method to reduce the churn.

- The analysis reveals that the senior citizens (aged 65+) have a churn rate of **41%** compared to a **26%** churn rate among non-senior citizen.

**Implication-** A targeting customer service for senior citizen may help in reducing churn in this demographic.

- Customers using fiber optics services show a higher churn rate of **30%**, compared to DSL customers with a churn rate of **20%**

**Implication-** This could be due to increase competition or dissatisfaction with the service quality. Understanding customer satisfaction in the service speed may help retain fiber optic users.

### **Visualizations and Data-**

- **Bar Charts and Count charts-**

The visual representation of churn by payment method clearly shows that customers using electronic checks churn almost three times as much as those using the very traditional method like credit cards.

Customer tenure vs churn rate visualization also reveals a clear declining trend in churn as customers tenure increase, saying that there is a need for early-stage loyalty program.

- **Percentage Distribution-**  
**45%** churn for electronic users and **15%** for credit card users. Also, **42%** churn for month-to-month contracts, **11%** for yearly contracts, **3%** for two-year contracts.

### **Recommendations-**

- Promoting long term contracts
- Address Payment method concerns
- Customer Engagement in early tenure
- Special senior citizen retention programs