

Summary and recommendations

Objective: The analysis primarily investigates factors influencing customer churn, particularly focusing on the payment methods and contract types

Key Findings:

Churn Rate:

The churn rate in the dataset is a significant concern, where approximately 26.6% of customers have churned, indicating more than a quarter of customers leave the service over time.

Demographics and Churn:

Senior Citizens: A higher percentage of senior citizens are likely to churn compared to non-senior customers. Over 41% of senior citizens in the dataset have churned.

Gender: Churn rates between genders do not differ significantly, with males and females having a relatively equal churn rate.

Service Usage:

Customers with multiple services (such as phone, internet, and streaming) have lower churn rates compared to those subscribed to only one service.

Fiber optic internet users exhibit a much higher churn rate (above 42%), likely due to service quality or pricing issues.

Contract Type:

Customers with month-to-month contracts are the most likely to churn, with over 43% churn. In contrast, those on two-year contracts have the lowest churn at around 11%.

Payment Method:

Electronic check as a payment method stands out with the highest churn rate (about 45%), whereas customers using credit cards or bank transfers show a lower likelihood of churning.

Tenure:

Short-term customers (less than one year) have a significantly higher churn rate. Churn decreases as tenure increases, indicating that customer loyalty builds over time.

Additional Services:

Customers without additional services like tech support or online security are more likely to churn compared to those who opt for these features.

Visualizations:

The charts you created provide excellent clarity:

Churned Customers by Payment Method:

This chart highlights that electronic check users are more prone to churn compared to those using other payment methods like bank transfer or credit cards.

Churn by Contract Type:

Visualizing churn by contract type confirms that monthly contract users are at higher risk.

Churn by Internet Service:

The fiber optic internet service has the highest churn rate, making it a key area for potential service improvements.

Senior Citizen Churn:

This demographic shows a significantly higher churn rate (over 40%), indicating that special attention may be needed to retain this group.

Recommendations:

Loyalty Programs:

Implement retention strategies targeting month-to-month contract users to encourage longer-term commitments, such as discounts or special offers.

Service Improvements:

Address concerns related to fiber optic internet service, possibly improving quality or revisiting pricing strategies.

Targeted Retention:

Focus on electronic check customers, providing incentives for switching to more stable payment methods like credit cards.

Support Senior Citizens:

Since senior citizens show a higher churn rate, special services or customer support targeted at their needs could reduce churn.