

Teco Customer Churn Analysis - Executive Summary

Objective

The primary aim of this analysis is to investigate the driving factors behind customer churn in order to guide strategic decisions for improving customer retention. Key focus areas include contract types, payment methods, tenure, and customer demographics.

Key Insights & Analytical Findings

1. Contract Types:

- Month-to-month contracts have the highest churn rate at 42%.
 - One-year and two-year contracts show significantly lower churn at 11% and 3% respectively.
- => Long-term contracts correlate with improved customer loyalty.

2. Payment Methods:

- Electronic check users have the highest churn rate at 45%.
 - Credit card, bank transfer, and mailed check users average around 15-18%.
- => Transitioning users to more reliable payment methods can reduce churn.

3. Customer Tenure:

- First-year customers: 50% churn.
 - 1-3 years: 35% churn.
 - More than 3 years: 15% churn.
- => Early customer engagement is critical.

4. Internet Service Type:

- Fiber Optic: 30% churn.
 - DSL: 20% churn.
- => Investigate service satisfaction for fiber customers.

5. Senior Citizens:

- Seniors (65+): 41% churn.

- Non-seniors: 26% churn.

=> Tailored support may improve retention.

Visual Insights

- Churn rate visualizations (bar and line graphs) highlight:

 - * Electronic checks have nearly 3x churn compared to credit cards.

 - * Churn drops significantly after the first year of tenure.

- Percentages reinforce key trends:

 - * Electronic check: 45%, Credit card: ~15%

 - * Month-to-month: 42%, Two-year: 3%

 - * First-year: 50%, Post-three-year: 15%

Recommendations

1. Incentivize Long-Term Contracts

- Promote yearly or bi-annual plans with discounts.

2. Promote Reliable Payment Methods

- Encourage credit card or bank transfer payments over electronic checks.

3. Focus on Early Engagement

- Personalized onboarding and loyalty programs during the first year.

4. Senior-Centric Retention Strategies

- Special support programs and simplified service options for senior customers.