

# Business Statement Document: Customer Churn Prediction Project

## Project Title:

Customer Churn Prediction Analysis

## Business Context:

Customer churn—when clients stop using a service—is a critical metric for subscription-based businesses. High churn rates directly impact revenue and can indicate dissatisfaction or misalignment between customer expectations and service offerings.

## Objective:

The primary goal of this project is to **analyze customer behavior patterns and predict churn using machine learning models**. By identifying key factors contributing to churn, the company can implement targeted strategies to enhance customer retention and satisfaction.

## Problem Statement:

The business is experiencing a **notable churn rate of approximately 26.5%**. Most customers (73.5%) remain loyal, but the loss of over 2,000 customers represents a significant revenue risk. The company needs a data-driven approach to understand and proactively reduce churn.