



Telecom Customer Churn

Summary and Recommendations

◆ Overall Churn Rate

- **26.5%** of total customers have churned
(**≈ 1 in 4** customers are leaving)
-

◆ Customer Tenure Impact

- **>50%** of churned customers have tenure **< 1 year**
 - Customers with **> 2 years** tenure have churn rate **< 10%**
 - Long-term customers show strong loyalty, while new customers are highly vulnerable
-

◆ Contract Type Influence

- **Month-to-month customers = ~90% of all churn**
 - **One-year & Two-year contract customers churn only 10–12%**
 - Contract commitments dramatically reduce churn risk
-

◆ Internet & Service Features

- **Fiber-optic users churn ~42%**, much higher than DSL users (**~18%**)
 - Customers without value-added services show 2–3× higher churn:
 - **OnlineSecurity** → **No service churn ~30% vs Yes ~15%**
 - **TechSupport** → **No service churn ~29% vs Yes ~13%**
 - **OnlineBackup, DeviceProtection, StreamingTV, StreamingMovies** follow the same pattern
-

♦ **Payment Behavior**

- **Electronic Check** users have the highest churn at **~45%**
 - AutoPay methods (credit card, bank transfer) have lower churn (**~15–18%**)
 - Indicates billing experience strongly affects customer retention
-

♦ **Key Churn Drivers**

- Short tenure
 - Month-to-month contracts
 - Lack of security/backup/support add-ons
 - High-cost fiber plans
 - Electronic check payments
-

High-Level Insights for Management

- Push customers toward **long-term contracts**
- Bundle and upsell **security + tech support packages**
- Improve or re-price **fiber-optic plans**
- Encourage migration from **electronic check** → **AutoPay**
- Target new customers (< 6 months) with retention offers