



Telecom Customer Churn

Summary and Recommendations

◆ Overall Churn Rate

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

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