

Executive Summary

- The analysis on customer churn provides valuable insights into the patterns and reasons behind customer departures. A total of **26.5%** of customers have churned, with **senior citizens** showing a disproportionately higher churn rate compared to younger customers. Notably, the majority of churn occurs within the first **1-2 months** of the customer's tenure, especially among those with **month-to-month contracts**, who are significantly more likely to churn compared to customers with **1- or 2-year contracts**.
- **Contract type** plays a crucial role in customer retention. Customers on month-to-month contracts have a higher churn rate, while those with longer-term contracts (1 year or 2 years) are more stable and loyal. In terms of service usage, customers without **online security (65% churn)**, **tech support (60% churn)**, or **device protection (58% churn)** show significantly higher churn rates, indicating that customers highly value these additional security features.
- From the service perspective, customers using **fibre optic internet** are more likely to churn compared to those using **DSL** or having **no internet service**. This could suggest that fibre optic users may experience higher expectations and potential dissatisfaction, leading to a **higher churn rate (around 40%)** compared to DSL users.
- Moreover, customers who use **electronic check** as their payment method have a much higher churn rate than those who use credit cards or automatic bank payments, indicating that payment convenience may influence churn behaviour. The churn rate for customers using electronic checks is close to **50%**.
- Finally, while **streaming services (TV and movies)** slightly increase churn, their impact is not as significant as the absence of security or support services. Customers using streaming services show higher churn rates, but the differences are marginal compared to core service features like online security or tech support.

Key Insights:

- **26.5%** of total customers have churned.
- **Month-to-month contract** customers are significantly more likely to churn compared to long-term contract holders.
- **Senior citizens** and customers without security-related services have notably higher churn rates.
- **Electronic check users** have nearly a **50% churn rate**, highlighting payment methods as a factor in customer retention.
- **Fiber optic internet** users are more likely to churn than DSL or no internet users.

The analysis indicates that customer churn can be mitigated by enhancing security services, promoting long-term contracts, and improving payment options.