# **📊 Customer Churn Analysis Summary Report**

## **🔍 Overview**

This report summarizes a detailed **customer churn analysis**, identifying patterns and key drivers behind customer attrition. The current churn rate stands at **26.54%**, indicating that more than one in four customers have discontinued the service — a critical metric that warrants attention.

## **🧠 Key Findings**

### **1. Churn Distribution**

* A pie chart revealed that **26.54%** of customers have churned.
* Churn is a **non-negligible issue** impacting customer retention and revenue.

### **2. Demographic Impact**

#### **📌 Gender**

* Churn is **equally distributed** across male and female customers.
* **Gender is not a significant predictor** of churn.

#### **📌 Senior Citizens**

* A **higher proportion of senior citizens** churn compared to non-senior customers.
* Suggests that **age-related needs or preferences** may not be adequately addressed.

### **3. Customer Tenure**

* Customers with **shorter tenure** are significantly more likely to churn.
* Loyalty increases with time: **long-term customers churn less**.
* Action: Early-stage engagement is crucial to reduce churn.

### **4. Contract Type**

* **Month-to-month contracts** show the highest churn.
* One-year and two-year contracts have significantly **lower churn rates**.
* Action: Incentivize longer-term contracts to improve retention.

### **5. Service Usage Patterns**

| **Service Feature** | **Impact on Churn** |
| --- | --- |
| **Online Security** | Churn ↓ Lower |
| **Online Backup** | Churn ↓ Lower |
| **Tech Support** | Churn ↓ Lower |
| **Fiber Optic Internet** | Churn ↑ Higher |
| **DSL/No Internet** | Churn ↓ Lower |
| **Streaming/Phone** | Neutral to Minimal Impact |

* Customers **using support-related services** are **less likely to churn**.
* **Fiber optic users churn more**, possibly due to pricing or reliability issues.

### **6. Payment Method**

* Customers paying via **Electronic Check** have the **highest churn rate**.
* Other methods like **Credit Card, Bank Transfer, Mailed Check** have relatively lower churn.
* Action: Investigate dissatisfaction linked to electronic check users (e.g., auto-payment failures, service interruption).

## **✅ Recommendations**

* **Target high-risk segments** like new users, senior citizens, and month-to-month subscribers.
* Offer **incentives for long-term contracts** (e.g., discounts, added services).
* Promote **value-adding services** like online security and tech support.
* **Review the fiber optic offering** — assess pricing, reliability, and customer satisfaction.
* Encourage users to **switch to low-churn payment methods** (e.g., autopay via bank or card).

## **📈 Conclusion**

Customer churn is **influenced by a combination of tenure, services, contract type, and payment method**. Proactive retention strategies focusing on **early engagement, contract incentives, service bundling, and payment experience** can significantly reduce churn and improve customer lifetime value.