

Executive Summary

Project Title: Customer Churn Analysis and Retention Strategy

Business Context

Customer retention is a critical factor for sustainable business growth in subscription-based industries. High customer churn directly impacts revenue, increases acquisition costs, and reduces long-term profitability. This project focuses on analyzing customer churn data to identify key drivers of churn and provide actionable, data-driven recommendations to improve customer retention.

Objective

The primary objective of this analysis is to understand the factors influencing customer churn and to develop effective business strategies that can reduce churn and improve customer lifetime value.

Data Overview

The analysis was conducted using a customer churn dataset containing 500 records with variables related to customer tenure, billing details, contract type, payment method, and churn status. The dataset was cleaned and preprocessed to ensure high data quality and consistency before analysis.

Key Insights

- Customers with **shorter tenure** show a significantly higher churn rate.
- Customers with **higher monthly charges** are more likely to churn.
- **Month-to-month contracts** have the highest churn compared to long-term contracts.
- Payment method and paperless billing also show moderate influence on churn behavior.

Recommendations

- Introduce **early-stage retention programs** for new customers.
- Offer **discounts or incentives** to shift customers from month-to-month to long-term contracts.
- Review pricing strategies for high-charge customer segments.
- Implement targeted retention campaigns using churn prediction models.

Business Impact

Implementing these recommendations can help reduce churn, improve customer satisfaction, and increase long-term revenue. The insights derived from this analysis provide a strong foundation for data-driven decision-making.

