Executive Insights: Tenure, Revenue & Contracts

1. Tenure Distribution (Customer Mix)

• The largest customer cohort is at 0 months tenure (613 customers), indicating a high volume of new customer onboarding.

• There is also a significant concentration of long-tenured customers at 72 months (362 customers), showing the presence of a stable, loyal customer base.

Correlation

• The distribution suggests a bimodal pattern: customers either churn very early or stay for a long time.

• This points to early-stage experience and onboarding quality as a critical driver of long-term retention.

Action

• Strengthen first-90-day onboarding, including proactive support and clearer service education.

• Closely monitor early support tickets as leading indicators of churn.

2. Tenure vs Revenue Contribution

• Customers with 24+ months tenure contribute 59.4% of total monthly revenue, making them the most valuable segment.

• The 7–12 month tenure band contributes the least (9.12%), despite representing customers who have already passed initial onboarding.

Correlation

• Revenue contribution increases significantly with tenure, confirming that retention directly protects revenue.

• Customers who fail to progress beyond the first year represent lost lifetime value.

Action

• Prioritize retention strategies for customers approaching the 6–12 month mark.

• Introduce targeted offers or service interventions to move customers into longer tenure bands.

• Treat long-tenured customers as a revenue protection segment, not just "retained users."

3. Contract Type & Tenure

• Customers on 2-year contracts have the longest average tenure, outperforming monthly and shorter-term contracts.

Correlation

• Longer contract commitments are strongly associated with higher retention and longer customer lifetime value (CLV).

• Contract structure plays a predictive role in churn behavior.

<u>Action</u>

• Incentivize migration to longer-term contracts, especially after the first successful months of service.

• Use usage and support stability signals to identify the right moment to upsell 2-year contracts.

<u>Executive Summary</u>

Customer value increases sharply with tenure. Most revenue comes from customers retained beyond two years, while early-tenure customers represent the highest churn risk. Strengthening onboarding, managing early support issues, and promoting longer contracts are key levers for protecting revenue and increasing lifetime value.

Executive Insights: Demographics & Churn

1. <u>Gender vs Churn</u>

• Churn is evenly split between male and female customers, with no meaningful difference in churn rates by gender.

<u>Correlation</u>

• Gender is not a strong predictor of churn in this customer base.

<u>Action</u>

• Avoid gender-based retention strategies.

• Focus resources on behavioral and lifecycle factors (tenure, contracts, support interactions) instead.

2. <u>Senior Citizen Status & Churn</u>

• Higher churn is observed among non–senior citizens compared to senior customers.

<u>Correlation</u>

• Younger or working-age customers appear to be more price-sensitive or more likely to switch providers.

• Senior customers may value stability and are less likely to churn once onboarded.

<u>Action</u>

• Develop flexible plans, bundles, or loyalty incentives targeting non-senior customers.

• Use early churn prediction signals (support tickets, tenure, usage) more aggressively for this segment.

3. Dependents & Churn

• Customers without dependents show higher churn rates than those with dependents.

Correlation

• Customers with dependents may have higher switching costs and stronger service reliance.

• Customers without dependents may be less locked-in and more willing to change providers.

Action

• Position value-based or lifestyle-driven offers for customers without dependents.

• Reinforce stickiness through bundles, convenience features, or contract incentives.

4. Partner Status & Churn

• Customers without partners churn at higher rates than those with partners.

Correlation

• Partnered customers tend to have greater household dependency and longer-term usage patterns, reducing churn.

• Single customers are more likely to optimize for price or flexibility.

Action

• Target single customers with personalized plans, discounts, or flexible contracts.

• Encourage bundling or add-ons that increase perceived value and switching cost.

Executive Summary

Churn is driven less by gender and more by household stability indicators—customers without partners or dependents, and non-senior customers, are significantly more likely to churn.

Executive Insights: Product Usage & Churn

1. Phone Service & Churn

• Customers with phone service show higher churn compared to those without.

Correlation

• Phone service subscribers may expect more value or features and are quicker to switch if dissatisfied.

• Customers without phone service may have simpler needs, leading to more stable retention.

Action

• Evaluate phone service satisfaction and plan offerings.

• Introduce loyalty perks, bundle incentives, or feature upgrades to reduce churn among phone service users.

2. Internet Service & Churn

• Fiber optic customers account for 64% of churn, while churn is lowest among customers without any internet subscription.

Correlation

• High-end internet subscribers (fiber optic) may have higher expectations or better alternatives.

• Customers without internet are simpler and less exposed to competitive options, reducing churn risk.

Action

• Consider retention campaigns, service quality checks, and value-adds for fiber optic users.

• Explore cross-sell/up-sell opportunities with tailored packages to increase stickiness.

3. Streaming Services (TV & Movies)

• Churn is balanced among streaming TV and movie subscribers, with no significant skew.

Correlation

• Streaming services do not appear to drive churn independently. Likely a secondary factor relative to core services like phone and internet.

Action

• Focus retention efforts on core subscription services, while using streaming offerings as value-adds.

• Monitor streaming usage for engagement trends that may indicate early churn signals.

Executive Summary

Churn is concentrated among higher-tier subscribers (phone and fiber internet), while streaming services have little impact, highlighting core services as the key levers for retention.

Executive Insights: Support Services & Churn

1. <u>Online Security</u>

• Customers without online security are churning more than those with it.

<u>Correlation</u>

• Lack of security features may reduce customer confidence, making them more likely to switch providers.

<u>Action</u>

• Promote online security packages as part of core offerings and educate customers on security benefits, increasing perceived value and trust.

2. <u>Device Protection</u>

• Higher churn among customers without device protection.

<u>Correlation</u>

• Customers may perceive higher risk in switching providers when protection is absent, but those without it may feel vulnerable, prompting churn.

<u>Action</u>

• Offer device protection add-ons or bundles, especially targeting at-risk segments.

3. <u>Online Backup</u>

• Customers without online backup show elevated churn.

<u>Correlation</u>

• Lack of backup services reduces overall service stickiness; customers may leave for providers offering more complete solutions.

<u>Action</u>

• Include online backup incentives in retention campaigns for mid- and high-tier subscribers.

4. <u>Technical Support</u>

• Customers without tech support are churning more.

<u>Correlation</u>

• Access to responsive technical support is critical for retention, particularly among users of multiple services.

<u>Action</u>

• Strengthen technical support offerings for at-risk customers. and Introduce tiered or proactive support programs for users without tech support.

Executive Summary

Customers lacking key support services—security, backup, device protection, and tech support—exhibit higher churn, highlighting support features as critical levers for retention.

Executive Insights: Contract & Billing Behavior

1. **Contract Type**

• Highest churn: Month-to-month contracts.

• Lowest churn: Two-year contracts; customers stay longer and are more stable.

Correlation

• Longer contract commitments reduce churn by increasing customer stickiness. Month-to-month customers are more likely to leave when dissatisfied or price-sensitive.

Action

• Incentivize longer-term contracts with discounts or added benefits.

• Focus retention efforts on month-to-month customers, particularly those with higher monthly charges.

2. **Payment Method**

• Highest churn: Customers paying via electronic check.

• Lowest churn: Automatic payments via credit card or bank transfer.

Correlation

• Automatic payments increase convenience and reduce churn risk. Manual payments (checks) create friction and missed payments, leading to higher churn.

Action

• Encourage adoption of auto-pay options with credit card or bank transfers.

• Offer incentives or reminders for electronic check customers to switch.

3. **Billing Method**

• Higher churn among paperless billing customers compared to those receiving invoices.

Correlation

• Could indicate lower engagement or perceived value among paperless billing users.

<u>Action</u>

• Engage paperless billing customers with proactive retention messaging or value-added communications.

4. <u>Monthly Charges & Churn Rate</u>

• Month-to-month: Churn rises sharply at $70+ monthly charge (up to 54.6%).

• One-year contracts: Churn increases at $100–110 monthly charge (25–27%).

• Two-year contracts: Churn remains low and stable, even at higher monthly charges (10% at $100, 4% at $110).

<u>Correlation</u>

• Customers on shorter contracts are more sensitive to price, especially at higher monthly charges.

• Longer contracts buffer price sensitivity and reduce churn risk.

<u>Action</u>

• Introduce tiered pricing incentives for month-to-month and one-year contract holders.

• Monitor high-paying short-term customers and implement personalized retention strategies.

• Consider bundling services or offering loyalty benefits for high-value customers on short-term contracts.

Executive Summary

Contract length, payment method, and monthly charges are strong predictors of churn: month-to-month and electronic check customers are most at risk, especially at higher monthly charges, while long-term, auto-pay customers remain highly stable.

Executive Insights: Revenue & Financial Impact

1. Overall Revenue at Risk

• Monthly revenue lost due to churn: $140k

• Average monthly charge:

- Churned customers: $74.44
- Retained customers: $61.31

Correlation

• High-paying customers are leaving at a higher rate than low-paying customers, indicating that churn is disproportionately affecting revenue.

Action

• Prioritize retention strategies for high-value customers.

• Implement targeted campaigns or loyalty incentives for customers with above-average monthly charges.

2. Service Type Impact

• Phone service churn: Highest revenue impact, losing $132.75k monthly.

• Internet service: Fiber optic subscribers contribute to 82% of revenue loss due to churn.

• No internet subscription: Minimal revenue impact.

Correlation

• Revenue loss is concentrated among high-value services (phone & fiber optic).

• Service type is a strong predictor of financial risk.

Action

• Strengthen retention initiatives for customers with phone and fiber optic services.

• Monitor service bundles and consider loyalty or discount programs for high-value service subscribers.

3. Contract Type Impact

• Month-to-month contracts: Account for 86% of monthly revenue at risk (highest).

• Two-year contracts: Minimal revenue loss.

Correlation

• Shorter-term contracts are financially risky due to higher churn rates.

• Longer-term commitments mitigate revenue exposure.

<u>Action</u>

• Encourage month-to-month customers to move to longer-term contracts with incentives or bundled offers.

• Monitor high-value month-to-month customers closely for early retention interventions.

4. <u>Customer Lifetime Value (CLV) & Average Revenue</u>

• Average CLV: $2,100

• Average monthly revenue per user: $64.80

<u>Correlation</u>

• Customers with higher monthly charges represent higher CLV; losing them has a significant long-term financial impact.

<u>Action</u>

• Use CLV to segment customers and prioritize retention efforts.

• Focus churn-reduction strategies on high-CLV customers for maximum ROI.

Executive Summary

Churn is concentrated among high-paying, month-to-month customers and high-value services like phone and fiber optic. Retaining these customers is critical to safeguarding $140k in monthly revenue and $2.1k average CLV per customer.

Executive Insights Support & Ticket Analysis

1. Ticket Volume by Churn Status

Average tickets:

- Tech tickets: 1.16 for churned vs 0.15 for retained
- Admin tickets: 0.47 for churned vs 0.51 for retained

Correlation

• Churned customers generate significantly more tech tickets than retained customers.

• Admin tickets show little correlation with churn, suggesting tech issues are a stronger driver of customer dissatisfaction.

Action

• Focus on resolving recurring technical issues proactively.

• Analyze patterns in tech tickets to prevent churn among high-value users.

2. Tech Tickets vs Tenure

• Observation: Churned customers with longer tenure tend to log more tech tickets.

• Retained customers: Tech ticket volume remains low and stable, regardless of tenure.

Correlation

• Long-tenured churned customers may be experiencing unresolved technical issues over time.

Action

• Implement proactive technical outreach for long-tenured customers with repeated tickets.

• Use predictive analytics to flag high-risk customers based on ticket patterns.

3. Tech Tickets vs Monthly Charges

• Observation: Churned customers with monthly charges above $90 report more tech tickets.

• Highest average: $110 monthly charge customers with ~4.97 tech tickets.

Correlation

• High-paying customers are disproportionately affected by technical issues, increasing revenue at risk.

Action

• Prioritize tech support and dedicated interventions for high-value, high-ticket customers.

• Consider personalized support or escalation pathways for customers with large monthly charges.

4. Revenue Impact by Ticket Bands

• Churned customers with 0 admin tickets: Contribute significantly to revenue loss.

• Churned customers with multiple tech tickets (2–3): Represent higher revenue loss than retained customers within the same ticket bands.

<u>Correlation</u>

• Even low admin-ticket churners are financially impactful, while multiple tech-ticket churners signal urgent intervention needs.

<u>Action</u>

• Segment customers by ticket type and revenue to target retention initiatives.

• Address recurring tech issues in high-revenue segments proactively.

Executive Summary

Technical support tickets are a strong predictor of churn and correlate with revenue risk — particularly among high-value, long-tenured customers. Proactive technical support and ticket pattern analysis are key to reducing churn and protecting revenue.