

# **\*\*Executive Summary of Telco Customer Churn Analysis\*\***

This analysis identifies the main factors contributing to customer churn in Telco's customer base. By using data insights and visualizations, we've uncovered key drivers of churn and provided actionable recommendations to improve customer retention and reduce churn rates.

## **1. Customer Churn Overview**

Overall churn rate “26.54%” of customers have left the service, posing a significant challenge for business growth.

## **2. Demographics & Churn**

Senior citizens have a 42% churn rate, compared to 22% for younger customers, indicating a need for tailored support and service packages for older demographics.

## **3. Impact of Tenure on Retention**

60% churn occurs within the first 1-2 months of tenure.  
After 1 year, churn drops below 10%.

**Action:** Focus on improving early engagement through effective onboarding and personalized communication to retain new customers.

## **4. Contract Type and Churn**

Month-to-month contracts show a 43% churn rate, whereas two-year contracts have just a 3% churn rate.

**Action:** Promote long-term contracts with discounts or rewards to reduce churn and encourage commitment.

## **5. Service Usage and Retention**

Customers using PhoneService, InternetService (DSL), and OnlineSecurity churn at significantly lower rates.

**Action:** Promote bundled services to increase value and reduce churn.

## 6. Payment Methods and Churn

Electronic check users have a 40% churn rate, compared to around 10-15% for credit card or bank transfer users.

**Action:** Encourage customers to switch to simpler payment methods through incentives.

### **\*Key Recommendations\***

**1. Enhance Early Engagement:** Implement a robust onboarding program to retain new customers.

**2. Promote Long-Term Contracts:** Offer incentives for customers to commit to longer contracts.

**3. Increase Service Bundling:** Encourage the use of bundled services to provide more value and reduce churn.

**4. Improve Payment Processes:** Simplify payment methods to reduce churn caused by friction.

### **\*Conclusion\***

By addressing early-stage churn, promoting longer-term contracts, bundling services, and improving payment processes, Telco can significantly reduce customer churn and increase loyalty. These data-driven insights provide a clear strategy for improving customer retention and driving business growth.

This condensed version focuses on delivering key insights and actionable strategies in a clear and efficient manner.