

Customer Churn Analysis

Objective

This analysis looks at customer churn and what drives it, mainly contract type, payment method, and customer tenure.

Key Findings

- **Contract Type**
 - Month-to-month customers churn the most at **42%**
 - One-year contracts have **11%** churn
 - Two-year contracts drop to **3%**
 - Longer contracts clearly keep customers longer
- **Payment Method**
 - Customers using electronic checks have the highest churn at **45%**
 - Credit cards, bank transfers, and mailed checks stay much lower at **15–18%**
 - Electronic check users are far more likely to leave
- **Tenure**
 - Churn is highest in the first year at **50%**
 - It falls to **35%** after 1–3 years
 - After 3 years, churn drops to **15%**
 - The first year is the danger zone
- **Other Signals**
 - Fiber optic users churn more at **30%** compared to **20%** for DSL
 - Senior citizens churn at **41%**, higher than non-seniors at **26%**

Recommendations

- Push customers toward longer contracts with simple, clear incentives
- Reduce reliance on electronic checks and nudge users to more stable payment methods
- Invest heavily in the first year experience since half of churn happens there
- Create basic, practical support and offers for senior customers