



Telecom Customer Churn Analysis Report



Objective

The goal of this analysis is to understand why customers are leaving the telecom service (called *churn*) and what factors are influencing their decision. By identifying these patterns, the company can take steps to improve customer satisfaction and reduce churn.



Overall Churn Rate

- **Total customers analyzed:** 7,043
- **Customers who left (churned):** 1,868
- **Churn Rate:** 26.54%

This means **1 out of every 4 customers is leaving**, which is a major concern for the business.



Customer Profile Analysis

1. Senior Citizens


- **Senior Citizens who churned:** 41.7%
- **Non-Senior Citizens who churned:** 23.8%



Interpretation: Older customers may find it difficult to use or manage telecom services. They may need more support or simpler plans.

2. Customer Tenure (How long they stayed)


- **Customers with tenure < 1 year:** Over **40% churn rate**
- **Customers with tenure > 2 years:** Only **12% churn rate**

 **Interpretation:** New customers are more likely to leave early. The company needs to engage and support them better in the first few months.

Plan and Contract Analysis


3. Type of Contract

Contract Type	Churn Rate
Monthly	43.5%
One Year	11.7%
Two Year	3.8%

 **Interpretation:** Customers on longer-term contracts stay longer. Providing discounts or offers for yearly plans could reduce churn.

4. Internet Service Type

Internet Service	Churn Rate
Fiber Optic	34.5%
DSL	13.2%
No Internet	7.1%


 **Interpretation:** Fiber optic users churn more. The company should investigate whether it's due to pricing, connection issues, or competition.

Services and Features Analysis

5. Value-Added Services (V.A.S)


These services include online security, tech support, backup, and protection. Here's what we found:

Service	Churn Without Service	Churn With Service
Online Security	45.2%	15.3%
Tech Support	42.9%	13.8%
Online Backup	High churn without it	Lower churn with it

 **Interpretation:** Customers who don't subscribe to these services are more likely to leave. These features add value and improve retention.

6. Streaming Services (TV/Movies)


Service Type	Churn Rate (With)	Churn Rate (Without)
Streaming TV	28.4%	24.6%
Streaming Movies	29.1%	25.2%

 **Interpretation:** These services have a small impact on churn. They are not strong enough to keep customers loyal by themselves.

Phone Service Analysis

7. Phone & Multiple Lines

Line Type	Churn Rate
Single Line	22.4%
Multiple Lines	31.2%

 **Interpretation:** Customers with more lines are churning more—possibly due to higher bills or complicated usage.

Payment Method Analysis


8. Preferred Payment Types

Payment Method	Churn Rate
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Electronic Check	34.3%
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Bank Transfer	16.5%
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Credit Card	15.7%
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 **Interpretation:** People using electronic checks are leaving more. This group might be more price-sensitive or less digitally engaged.

Key Takeaways

Why Customers Are Leaving:

- Senior citizens face service complexity.
 - Short-term contracts and lack of trust in new customers.
 - No value-added services like tech support or online security.
 - Higher-priced internet plans (fiber optic).
 - Less digital engagement or manual payment modes.
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Recommendations to Reduce Churn:

Issue	Suggestion
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High churn in new customers	Improve onboarding, offer free support for first 3 months
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Monthly contract churn	Offer discounts for switching to yearly plans
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Fiber internet dissatisfaction	Collect feedback and improve service quality
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No tech/security services	Bundle these as part of base plans
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High churn with electronic check	Offer cashback/points for auto-pay or card payment
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