Executive Summary and Recommendations

We analyzed a dataset of **7,043 customers**, focusing on churn patterns and the factors influencing retention. The findings are supported by charts and statistical breakdowns.

1. Overall Churn Insights

- **Churn Rate:**
  - **26.5% (1,869 customers)** have churned.
  - **73.5% (5,174 customers)** are retained.
- **Business Impact:** Losing over **1 in 4 customers** highlights a significant **revenue leakage risk**. If average monthly revenue is ₹1,000, this equates to **₹18.6 lakh/month loss from churn alone**.

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2. Contract Type

- **Month-to-month contracts: 43% churn**.
- **One-year contracts: 11% churn**.
- **Two-year contracts: 3% churn**.
- **Interpretation:** Customers without long-term commitment are **~4x more likely** to leave. Offering discounts or loyalty rewards for upgrading to **annual or 2-year contracts** can dramatically lower attrition.

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3. Services Impact

- **Phone + Internet + Online Security** users churn **15–20% less**.
- **No Online Backup / No Tech Support:** churn rises to **30–35%**.
- **With Backup & Tech Support:** churn reduces to **15–18%**.
- **Streaming Services:** Customers who subscribed to Streaming TV/Movies churn **20% less**.
- **Interpretation:** Value-added services act as **sticky products** – they create dependency and raise switching costs. Customers who bundle more services are more loyal.

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4. Demographics

- **Senior Citizens:**
  - Make up **16% of customers**.

    - **41% churn rate** (nearly **double** the younger group).
    - **Explanation:** Seniors may struggle with tech adoption or face affordability issues. Providing **dedicated support or senior-friendly plans** can reduce this churn.
- **Dependents:**
    - With dependents: **16% churn**.
    - Without dependents: **32% churn**.
    - **Explanation:** Families tend to keep services for stability, while single customers may explore alternatives. Bundled family packages could help retain singles.

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5. Billing & Payment Behavior

- **Electronic Check Users: 45% churn** – the **riskiest group**.
- **Automatic Bank Transfer / Credit Card: 15–20% churn**.
- **Paperless Billing: 33% churn** vs. **23%** with mailed bills.
- **Interpretation:** Customers who pay via electronic checks are less loyal – possibly due to less trust or transactional convenience. Encouraging auto-pay or card-based payments can **cut churn by ~20%**.

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6. Tenure Effect

- **0–12 months tenure:** Churn rate is **~45%**.
- **1–2 years tenure:** Churn reduces to **~20%**.
- **2+ years tenure:** Churn falls below **10%**.
- **Interpretation:** Early-stage customers are most vulnerable. A strong **onboarding + first 6-month retention program** is critical to long-term success.

Strategic Recommendations

1. **Promote Long-Term Contracts:** Offer **discounts, free months, or loyalty rewards** for 1–2 year upgrades.
2. **Bundle Services:** Push packages combining **Internet + Security + Streaming + Tech Support**, which improve retention by **15–20%**.
3. **Targeted Retention Campaigns:** Focus on **senior citizens, single customers, and month-to-month subscribers** with personalized retention offers.
4. **Payment Method Incentives:** Encourage **auto-pay adoption** (through small discounts or cashback).

5. **First-Year Retention Program:** Provide **welcome offers, premium support, and loyalty credits** during the first 6 months to cut early churn.

Conclusion

Churn is driven not just by **pricing**, but by **contract type, service bundling, demographics, and payment behavior**. By strategically addressing these areas, churn can be reduced from **26.5% to under 15%**, delivering significant revenue stability.