

Customer Churn – Detailed Summary

Objective:

The analysis investigates customer churn patterns to identify high-risk segments and recommend strategies for retention. The focus is on **contract types, payment methods, tenure, service type, and demographics**.

Key Insights

1. Contract Type

- Month-to-month customers show the highest churn rate (**42%**).
- One-year contracts reduce churn to **11%**, while two-year contracts lower it further to just **3%**.
- *Insight:* Long-term contracts strongly increase customer loyalty.

2. Payment Method

- Customers paying via electronic check have the highest churn (**45%**).
- Other methods like credit card, bank transfer, and mailed check show significantly lower churn (**15–18%**).
- *Insight:* Trust and convenience issues with electronic checks may drive higher churn.

3. Tenure (Length of Relationship)

- Customers with less than 1 year tenure churn the most (**50%**).
- Churn decreases to **35%** for 1–3 years, and only **15%** for 3+ years.
- *Insight:* The **first year is the most critical** for retention.

4. Internet Service Type

- Fiber optic users churn at a higher rate (**30%**) than DSL users (**20%**).
- *Insight:* Competition and service satisfaction issues may impact fiber optic users more.

5. Demographics – Senior Citizens

- Senior citizens (65+) churn at **41%**, while non-seniors churn at **26%**.
- *Insight:* Senior customers may need tailored support and personalized offers.

Visualization Findings

- Bar charts and line graphs clearly show:
 - **Electronic check churn ~3x higher** than other payment methods.
 - **Churn rate decreases as tenure increases**, reinforcing the importance of customer engagement in the early months.

Recommendations

1. Promote Long-Term Contracts

- Provide discounts or loyalty rewards for yearly/bi-annual contracts.
- Encourage month-to-month customers to upgrade.

2. Address Payment Method Risks

- Educate customers on secure alternatives to electronic checks.
- Offer incentives to switch to credit cards or auto-pay bank transfers.

3. Strengthen Early Engagement

- Focus on customer onboarding, personalized communication, and proactive support within the first year.
- Launch “welcome offers” and loyalty programs to build trust.

4. Improve Service for Fiber Optic Users

- Conduct surveys to identify pain points (e.g., speed, reliability, pricing).
- Implement targeted quality improvements.

5. Senior Citizen Retention Programs

- Create personalized plans, discounts, or dedicated customer service for older customers.
- Offer simplified billing and priority helplines.

- **This summary now includes detailed percentages, clear insights, and action-oriented recommendations.**