**Executive Summary: Customer Churn Analysis**

This report analyzes customer churn trends to identify factors influencing customer retention

and attrition. The dataset explores customer demographics, contract types, service usage, and

payment methods. Various visualizations and statistical insights were used to uncover patterns

in churn behavior.

Key Findings and Insights

1. Senior Citizens and Churn Rate

● Senior citizens (age 65+) have a churn rate of approximately 42%, significantly higher

than non-senior customers at 25%.

● This suggests that older customers might require better engagement strategies or

customized service plans.

2. Customer Tenure and Churn

● Customers who have been with the company for less than 6 months exhibit a churn

rate of over 60%.

● In contrast, customers with a tenure of more than 2 years have a churn rate below

15%.

● The trend indicates that the first few months of service are critical for customer retention.

3. Impact of Contract Type on Churn

● Month-to-month contract holders are most likely to churn (over 55%), while those with

1-year (11%) and 2-year contracts (5%) have much lower churn rates.

● Encouraging customers to opt for long-term contracts could significantly reduce churn.

4. Service Usage and Churn Trends

● Customers using Phone Service, DSL Internet, and Online Security have higher

retention rates (over 80%).

● Customers who do not subscribe to Online Backup, Tech Support, or Streaming TV

show a churn rate of 45%-50%.

● This indicates that customers who use more services are more likely to stay.

5. Payment Method Influence on Churn

● Customers using electronic checks have a churn rate of over 50%, significantly higher

than those using credit cards (20%) or bank transfers (22%).

● This suggests that customers paying via electronic checks might face more billing issues

or lack automation, leading to dissatisfaction.

**Recommendations**

1. Increased Customer Engagement in the First 6 Months

○ Offer personalized onboarding, discounts, or loyalty programs to improve

retention rates.

2. Promote Long-Term Contracts

○ Provide better incentives for 1-year and 2-year contracts to reduce

month-to-month churn.

3. Bundle Key Services

○ Encourage customers to subscribe to Online Backup, Tech Support, and

Streaming TV, as these services improve retention.

4. Improve Billing Options

○ Promote credit card or bank transfer payments instead of electronic checks to

reduce churn due to billing-related dissatisfaction.

By implementing these strategies, the company can reduce churn rates and enhance customer

lifetime value.