Subject: Findings and Recommendations on Customer Churn Analysis

Dear Janet,

I hope this email finds you well. Following our recent analysis of customer churn data, I would like to share some key findings and propose actionable recommendations to address the identified issues.

Our current churn rate is 26.54%, with a total of 1,869 customers having left within the analyzed period. The gender distribution among churned customers is almost equal, with both male and female customers each accounting for approximately 50% of the churned population. This suggests that gender has no significant influence on churn. Furthermore, among the churned group, senior citizens represent 25%, while customers with dependents account for 17%, and those with partners constitute 35.8%. These demographic characteristics indicate limited correlation between churn and factors such as age, dependents, or partnership status.

Tenure and contract type, however, show a clear relationship with churn. Among the churned customers, a significant 52% had been with the company for less than one year. Additionally, 42% of the churned population were on month-to-month contracts, reinforcing the notion that short-term contracts contribute heavily to customer attrition. These findings highlight the need to focus on retaining customers early in their journey and encouraging long-term commitments.

Payment method appears to play a critical role in churn as well. Customers using electronic checks account for 45% of the churned group, with 1,071 individuals falling into this category. This is notably higher than customers using other payment methods, suggesting that electronic checks may be associated with dissatisfaction or challenges in the payment process. Additionally, 75% of churned customers used paperless billing, which could point to usability or communication issues related to this billing option. The average monthly charge for churned customers is $77, and their average total charge stands at $1,531, indicating these customers represent a significant financial impact.

Finally, service usage and support tickets highlight potential technical issues as a primary driver of churn. Among churned customers, 90% subscribed to Phone Services, and 43% used Streaming TV and Streaming Movies. This suggests that dissatisfaction with these services, possibly due to technical issues, could be influencing their decision to leave. Additionally, the high volume of tickets—885 administrative tickets and 2,173 technical tickets—further supports this observation, pointing to a need for enhanced technical support and issue resolution.

To address these challenges, I recommend implementing strategies to retain customers on month-to-month contracts by offering incentives for transitioning to longer-term plans. We should also investigate why customers using electronic checks are more likely to churn and encourage the adoption of alternative payment methods with improved convenience or security. Furthermore, a review of the paperless billing process is necessary to identify and resolve any pain points that may be affecting customer satisfaction. Strengthening technical support for Phone Services, Streaming TV, and Streaming Movies should be prioritized to reduce the impact of service-related issues. Lastly, targeted retention strategies focused on new customers, particularly in their first year of tenure, will help address the high churn rate among this group.

I believe these findings and recommendations provide actionable insights into the root causes of churn and can guide us in improving overall customer retention. Please let me know if you would like to discuss this analysis in more detail or require additional information.

Best regards,
Jin