

Summary

The customer churn analysis dives deep into behavioural, demographic, and service-related factors influencing churn. Using data-driven insights and visualizations, key patterns have been uncovered to inform retention strategies.

1. Churn Overview:

- **Overall Churn Rate:**
 - A significant **26.54%** of the customer base has churned, highlighting the need for proactive retention efforts.
 - The majority (**73.46%**) have remained loyal, offering a strong foundation for upselling and cross-selling opportunities.
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2. Key Insights from Visualizations:

- **Contract Types and Churn:**
 - **Month-to-Month Contracts:**
 - **43%** of month-to-month contract holders have churned, the highest among all contract types.
 - This suggests that customers without long-term commitments are more likely to leave.
 - **One-Year Contracts:**
 - Only **11%** churned, indicating that moderate-term plans encourage stability.
 - **Two-Year Contracts:**
 - Just **3%** churned, showcasing the effectiveness of long-term contracts in reducing attrition.

Actionable Insight: Incentivizing customers with month-to-month contracts to switch to longer-term plans could significantly reduce churn.

- **Tenure and Churn Correlation:**
 - **New Customers (0-6 months):**
 - **50%** churn rate, indicating dissatisfaction or unmet expectations early on.
 - **Mid-Tenure Customers (6-24 months):**
 - Churn drops to **25%**, suggesting customers who stay past the initial months are more likely to continue.
 - **Long-Term Customers (24+ months):**
 - Only **10%** churned, indicating strong brand loyalty.

Actionable Insight: Focus on onboarding and early engagement strategies to retain new customers during their critical first 6 months.

- **Payment Methods and Churn:**
 - **Electronic Checks:**
 - Highest churn rate at **45%**, possibly due to inconvenience or demographic preferences.
 - **Bank Transfers and Credit Cards:**

- Both show lower churn rates around **15%-20%**, indicating more satisfied customers.
- **Mailed Checks:**
 - Moderate churn rate of **30%**, possibly influenced by older demographics.

Actionable Insight: Encourage customers using electronic checks to switch to more stable payment methods through incentives.

- **Service Features Impact:**
 - **Online Security:**
 - Customers without online security churned at **42%**, compared to **15%** for those with the service.
 - **Tech Support:**
 - Lack of tech support correlates with a **39%** churn rate, whereas those with support have a significantly lower rate of **18%**.
 - **Streaming Services:**
 - Churn rates for users without streaming services are **30%**, while those who use streaming features churn at **20%**.

Actionable Insight: Upsell online security and tech support to high-risk customers and promote bundles that include streaming services to increase engagement.

3. Demographic and Behavioral Insights:

- **Senior Citizens:**
 - **41%** of senior citizens churned, notably higher than the **24%** churn rate for younger customers.
 - This may suggest challenges in service usability or unmet expectations among this demographic.
 - **Gender:**
 - Minimal impact on churn—**male customers** had a churn rate of **26.9%**, and **female customers** had **26.1%**.
 - This highlights that service and engagement strategies should be universal rather than gender-targeted.
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4. Strategic Recommendations:

1. **Incentivize Long-Term Contracts:**
 - Offer discounts, loyalty programs, or exclusive features to encourage upgrades from month-to-month plans.
2. **Improve Early Engagement:**
 - Implement personalized onboarding experiences and proactive support within the first 6 months to reduce the high churn rate among new users.
3. **Enhance Payment Flexibility:**
 - Introduce incentives for customers to shift away from electronic checks to more stable and preferred payment methods like bank transfers or credit cards.
4. **Upsell Add-On Services:**
 - Target customers without online security or tech support, highlighting the added value and safety these services provide.
5. **Senior Citizen-Focused Campaigns:**

- Create tailored offers, simplified service options, or dedicated support lines to improve retention among senior customers.

6. Retention-Focused Bundles:

- Promote bundles that combine internet, streaming, and security services to increase customer engagement and reduce churn.

Conclusion:

This analysis highlights that churn is influenced heavily by contract terms, service features, and payment methods, with demographic factors playing a secondary role. By focusing on early engagement, incentivizing long-term plans, and addressing service gaps, significant improvements in customer retention can be achieved.