

Summary and Recommendation

◆ Overall Churn Rate

- The analysis shows that **26.54% of customers have churned**, while **73.46% have stayed**.
 - This means roughly **1 in every 4 customers leaves the company**, which is a significant business concern.
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◆ Demographic Factors – Senior Citizens

- **Senior Citizens** (converted from binary 0/1 to Yes/No) exhibit a **higher churn rate** compared to non-senior customers.
 - Example: If seniors make up ~20% of the customer base, a disproportionately high percentage of them churn compared to younger groups.
 - This indicates **age-related support needs** and possibly differences in service adoption.
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◆ Tenure Impact

- **Short-term customers (1–2 months of tenure)** have the **highest churn rates, exceeding 50%**.
 - In contrast, customers with **longer tenure (>2 years)** show churn rates below **10%**, proving that **the longer a customer stays, the less likely they are to leave**.
 - This suggests **early customer experience** is critical for retention.
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◆ Contract Type

- **Month-to-Month contracts:**

- Contribute the **largest share of churn**, with nearly **43–45% churn rate**.
 - **One-year contracts:**
 - Churn rate drops significantly to around **12–15%**.
 - **Two-year contracts:**
 - Lowest churn rate (**~3–5%**).
 - Clearly, **longer contracts provide stability** and reduce the likelihood of customers leaving.
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◆ **Payment Methods**

- Customers using **Electronic Check** as their payment method show the **highest churn rates** (**≈ 40–45%**).
 - Customers paying via **Credit Card, Bank Transfer, or Mailed Check** churn much less (below **20%**).
 - This may indicate **convenience and trust issues** with electronic checks, or that customers preferring them are less committed.
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✓ **Strategic Implications**

1. **Onboarding & First 90 Days Focus**

- With churn exceeding **50% in the first 1–2 months**, invest in welcome programs, tutorials, and special offers to **strengthen early customer engagement**.

2. **Promote Long-Term Contracts**

- Provide **discounts, loyalty rewards, or bundled services** to encourage customers to switch from month-to-month to 1–2 year contracts.

3. Targeted Senior Citizen Support

- Create **simplified support channels** (e.g., dedicated helplines, personalized onboarding) to reduce churn among older customers.

4. Optimize Payment Options

- Incentivize customers to use **Credit Cards or Bank Transfers** by offering discounts, cashback, or reward points.
- Reduce reliance on electronic checks, which correlate with the **highest churn risk**.

Key Takeaway:

Churn is **not evenly distributed**—it is heavily concentrated among **new customers, senior citizens, month-to-month subscribers, and electronic check payers**. Addressing these groups with targeted strategies can significantly improve customer retention.