

Summary and Recommendations



Executive Summary: Customer Churn Analysis

Objective

This analysis examines customer churn patterns across contract types, payment methods, tenure, internet service types, and demographics. The goal is to identify the strongest drivers of churn and recommend targeted retention strategies.

Key Insights & Findings

1. Contract Type & Churn

- **Month-to-month contracts:** Highest churn at **42%**.
 - **One-year contracts:** Churn drops to **11%**.
 - **Two-year contracts:** Lowest churn at **3%**.
- Implication:** Longer contracts are a powerful retention lever.

2. Payment Methods & Churn

- **Electronic checks:** Highest churn at **45%**.
 - **Credit cards, bank transfers, mailed checks:** Lower churn at **15–18%**.
- Implication:** Trust and convenience issues with electronic payments drive churn. Encouraging secure alternatives can reduce attrition.

3. Tenure & Churn

- **<1 year tenure:** Churn peaks at **50%**.
 - **1–3 years tenure:** Declines to **35%**.
 - **>3 years tenure:** Drops further to **15%**.
- Implication:** Early engagement is critical; the first year is the highest-risk period.

4. Internet Service Type & Churn

- **Fiber Optic users:** Churn at **30%**.
- **DSL users:** Lower churn at **20%**.

Implication: Fiber churn may reflect competition or service dissatisfaction. Service quality improvements are essential.

5. Senior Citizens & Churn

- **Senior citizens (65+):** Churn at **41%**.
 - **Non-seniors:** Churn at **26%**.
- Implication:** Tailored retention programs for seniors can significantly reduce churn.



Visual Insights

- **Bar charts:** Highlight electronic check churn nearly **3x higher** than other payment methods.
- **Line graphs:** Show churn declining steadily with customer tenure, reinforcing the need for early loyalty initiatives.
- **Distribution charts:** Confirm contract type and payment method as the most influential churn drivers.



Recommendations

- **Promote Long-Term Contracts:** Incentivize customers to commit to 1–2 year contracts.
- **Address Payment Method Concerns:** Campaigns to shift customers from electronic checks to secure alternatives.
- **Engage Early Tenure Customers:** Loyalty programs and proactive support in the first year.
- **Senior Citizen Retention Programs:** Personalized offers, dedicated support, and simplified processes for older customers.