

Executive Summary And Recommendation

Objective

To analyze customer churn patterns within the telecom dataset (7,043 customers) and identify key drivers influencing attrition, with the goal of developing actionable strategies to improve customer retention and reduce revenue loss.

Key Findings

- **Overall Churn:** **26.5% (≈1,866 customers)** have churned, while **73.5% (≈5,177 customers)** remain.
 - **Demographics:** Senior citizens churn at **42%**, compared to **24%** for non-seniors.
 - **Tenure:** Customers with **1–2 months tenure** churn at disproportionately higher rates, while long-tenured customers (2+ years) are highly loyal.
 - **Contract Type:**
 - Month-to-month: **43% churn**
 - One year: **11% churn**
 - Two years: **3% churn**
 - **Internet Service:** Fiber optic users churn at **41%**, compared to **19%** for DSL.
 - **Service Features:** Customers without online security, backup, device protection, or tech support are more likely to churn.
 - **Payment Method:** Customers paying via electronic checks churn at **45%**, compared to **~18%** for other methods.
 - **Charges & Pricing:** Higher monthly charges correlate with increased churn, suggesting **price sensitivity**.
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Strategic Recommendations

- **Strengthen early engagement** with onboarding and targeted offers for new customers.
- **Promote long-term contracts** using incentives or discounts.
- **Enhance service bundles** by including online security, backup, and tech support.
- **Investigate fiber optic churn** through pricing and quality improvements.
- **Encourage secure payment methods** (shift customers away from electronic checks).
- **Adopt pricing strategies** such as loyalty rewards or tiered plans for cost-sensitive users