

Executive Summary : Telecom Churn Analysis

This analysis provides a comprehensive overview of customer churn behavior at a telecom company, aiming to identify key factors contributing to churn and suggest actionable strategies to reduce it.

Key Insights:

1. **Churn Rate:**
 - **26.54%** of customers have churned.
 - The remaining **73.46%** are retained customers.
 2. **Gender & Churn:**
 - No significant difference in churn rates between **male** and **female** customers.
 3. **Senior Citizens:**
 - **Churn rate among senior citizens is higher** compared to non-senior citizens.
 - Focused retention strategies are recommended for this demographic.
 4. **Tenure & Churn:**
 - Customers with **shorter tenures** are more likely to churn.
 - Retaining customers beyond the initial months significantly reduces churn.
 5. **Contract Type:**
 - **Month-to-month contracts** have the highest churn rate, contributing to the overall churn percentage.
 - **1-year** and **2-year contracts** show significantly lower churn rates.
 6. **Service Usage:**
 - Customers without **value-added services** like **Online Security, Tech Support,** and **Backup services** show higher churn rates.
 - Enhancing the perceived value of these services may reduce churn.
 7. **Internet Services:**
 - Customers with **Fiber Optic internet** have a higher churn rate compared to those with **DSL** or **no internet service**.
 - This could be due to performance issues or pricing concerns.
 8. **Payment Methods:**
 - The **highest churn rate** is observed among customers using **Electronic Check** payments (**over 50% churn rate**).
 - **Automated payment methods** like **Credit Card** and **Bank Transfer** have the **lowest churn rates**, indicating that ease of payment impacts customer loyalty.
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Recommendations to Reduce Churn:

- **Implement loyalty programs** for month-to-month customers to encourage longer commitments.
 - **Target senior citizens** with personalized offers and support services.
 - **Improve the perceived value** of optional services like Online Security and Tech Support.
 - **Promote automated payment options** to reduce churn associated with manual payment methods.
 - This analysis highlights that **payment method, contract type, and tenure** are among the most critical factors influencing customer churn.
 - Addressing these areas can significantly reduce churn rates and improve customer retention.
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