Telco Customer Churn

Final Report

📌 Business Insights & Recommendations

1️⃣ High Churn Rate (26%)

- **Insight**: More than a quarter of the customers have left, signaling a potential issue with retention.
- **Recommendation**: Conduct **customer feedback surveys** to understand why they leave and improve service accordingly.

```python
percentage_churn=((df['Churn Value']==1).sum()/df['CustomerID'].value_counts().sum())*100
percentage_churn
# 26 percentage of the customers churned
```
```
26.536987079369588
```

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2️⃣ Tenure vs. Churn

- **Insight**: Newer customers (average tenure ~18 months) churn more, while older customers stay longer.
- **Recommendation**: Introduce **loyalty programs** or **discounted long-term plans** to encourage new customers to stay longer.

```
Churn Value
0    37.569965
1    17.979133
Name: Tenure Months, dtype: float64
```

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3️⃣ Payment Method & Churn

- **Insight**: Customers who pay manually (e.g., check payments) are more likely to churn, while those on auto-pay churn less.
- **Recommendation**: Encourage **auto-pay adoption** by offering **discounts, cashback, or convenience perks** for switching to automated payments.

```
Payment Method
Bank transfer (automatic)    0.167098
Credit card (automatic)      0.152431
Electronic check             0.452854
Mailed check                 0.191067
Name: Churn Value, dtype: float64
```

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4️⃣ Dependents vs. Churn

- **Insight**: Customers without dependents churn more.
- **Recommendation**: Offer **family plans** or **exclusive benefits** for customers without dependents to enhance retention.

📊 Short Report: Customer Churn Analysis

📌 Introduction

This report analyzes customer churn trends to identify key factors influencing customer retention. Using the given dataset, we examined churn patterns based on tenure, payment methods, and customer demographics.

🔍 Key Findings

📌 Overall Churn Rate:

- 26% of customers have churned, indicating a potential retention issue.

📌 New Customers Churn More:

- Customers who churned had an **average tenure of 17.98 months**, meaning newer customers are more likely to leave.
- Long-term customers tend to stay, suggesting retention strategies should target new customers.

📌 Payment Method & Churn:

- Customers who **pay manually (e.g., check payments) churn more**.
- Customers using **automatic payments are more likely to stay**.

📌 Dependents & Churn:

- Customers **without dependents churn more**, whereas those with dependents tend to stay longer.

📈 Recommendations

✅ Enhance New Customer Retention

- Implement **welcome offers**, long-term discounts, and loyalty programs.
- Improve **onboarding experience** with better customer support.

✅ Promote Auto-Payment Options

- Offer **discounts or rewards** for switching to auto-pay.
- Improve awareness of auto-pay benefits through **marketing campaigns**.

✅ **Targeted Retention Strategies for At-Risk Groups**

- Customers without dependents: Offer **exclusive deals** or personalized retention plans.
- New customers: Provide **personalized recommendations and engagement programs**.

📌 Conclusion

By implementing these strategies, the company can reduce churn, improve customer satisfaction, and boost long-term revenue.