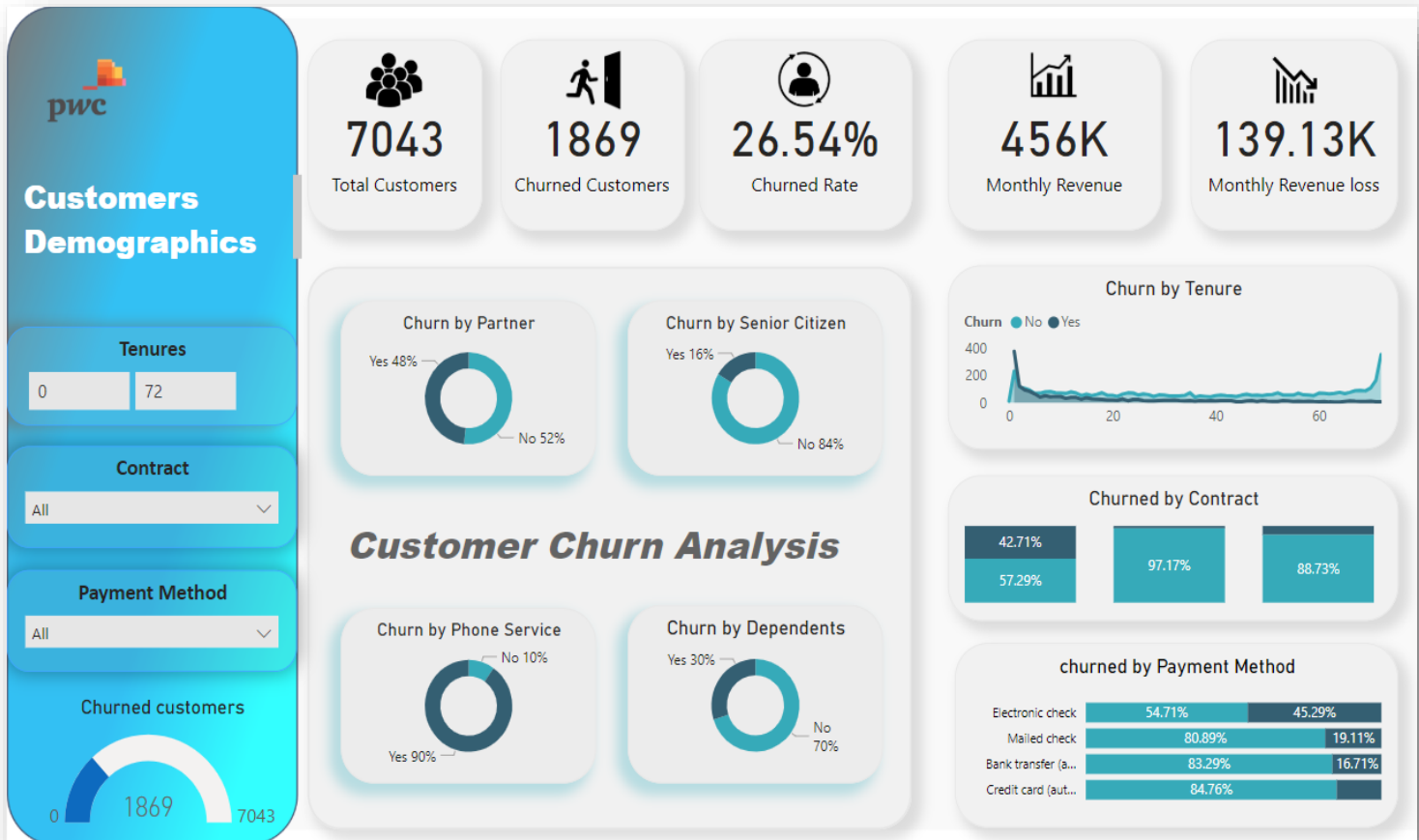# Customer Churn Analysis

Dashboard

Summary

The dashboard shows a 26.54% churn rate from 7,043 customers, resulting in a monthly revenue loss of 139.13K. Churn is highest among customers on monthly contracts (57.29%), those using electronic checks, and those in the early tenure stage. Longer-term contracts (1-Year, 2-Year) and automated payment methods (Credit Card, Bank Transfers) significantly reduce churn. To improve retention, focus on promoting long-term contracts, encouraging automated payments, and enhancing the experience of early-stage customers.

Report

1. Key Metrics (KPIs) Overview

The following are the key performance indicators presented in the dashboard:

1. **Total Customers**: **7,043**

   o Represents the total number of customers currently.

2. **Churned Customers**: **1,869**

   o The number of customers who have left the service.

3. **Churn Rate**: **26.54%**

   o This percentage indicates the proportion of customers who churned out of the total customers.

4. **Monthly Revenue**: **456K**

   o The revenue generated by all customers on a monthly basis.

5. **Monthly Revenue Loss**: **139.13K**

   o The amount of revenue lost due to customer churn.

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2. Churn Analysis Insights

Churn by Partner

- **Yes**: 48% churned.

- **No**: 52% churned.

- **Insight**: Customers with and without partners churn at nearly similar rates, meaning partnership status does not strongly affect churn.

Churn by Senior Citizen

- **Yes (Senior Citizens)**: 16% churned.

- **No (Non-Senior Citizens)**: 84% churned.

- **Insight**: Most churned customers are **non-senior citizens**, suggesting senior citizens have better retention.

Churn by Phone Service

- **Yes (Phone Service)**: 90% churned.

- **No**: 10% churned.

- **Insight**: A significant majority of churned customers are those with phone service. Phone service customers may need targeted improvements or offerings.

  Churn by Dependents

- **Yes (Dependents)**: 30% churned.

- **No**: 70% churned.

- **Insight**: Customers **without dependents** churn more frequently. This group may require tailored strategies to improve retention.

  Churn by Tenure

- The **Churn by Tenure** graph shows churn distribution across customer tenures (0 to 72 months).

- **Insight**: Most churn occurs in the **early stages** of tenure, with a slight spike toward the end. Early-stage customers should be prioritized for retention programs.

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3. Churn by Contract Type

- **Monthly Contract**:

  - Churned: **57.29%**

  - Retained: **42.71%**

- **1-Year Contract**:

  - Churned: **2.83%**

  - Retained: **97.17%**

- **2-Year Contract**:

  - Churned: **11.27%**

  - Retained: **88.73%**

Insight:

- **Monthly Contracts** have the **highest churn rate**. Customers on shorter-term contracts are more likely to leave.

- **1-Year and 2-Year Contracts** show much lower churn rates, indicating that longer-term contracts improve customer retention.

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4. Churn by Payment Method

- **Electronic Check**:

  - Churned: **54.71%**

  - Retained: **45.29%**

- **Mailed Check**:

  - Churned: **19.11%**

  - Retained: **80.89%**

- **Bank Transfer**:

  - Churned: **16.71%**

  - Retained: **83.29%**

- **Credit Card (Auto-pay)**:

  - Churned: **15.24%**

  - Retained: **84.76%**

  Insight:

- Customers using **Electronic Checks** have the **highest churn rate**.

- **Credit Card (Auto-pay)** and **Bank Transfers** have the lowest churn rates, indicating that automated payment methods lead to better retention.

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5. Key Relationships Between KPIs

1. **High Churn Rate (26.54%)** contributes to **Monthly Revenue Loss (139.13K)**.

2. **Shorter Tenure** and **Monthly Contracts** are strongly associated with higher churn.

3. Payment methods like **Electronic Checks** significantly impact churn, while automated methods (Credit Card and Bank Transfers) improve retention.

4. Customers **without dependents** and those with **Phone Services** are at higher churn risk.

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6. Business Recommendations

Based on the analysis, the following steps can improve customer retention and reduce churn:

1. **Promote Long-Term Contracts**:

- o   Encourage customers to move from **Monthly Contracts** to **1-Year or 2-Year Contracts** with discounts or loyalty rewards.

2. **Enhance Early-Stage Customer Experience**:

   - o   Focus on retention efforts during the **first few months** of customer tenure where churn is highest.

   - o   Offer onboarding programs, personalized communications, or discounts to improve customer satisfaction early.

3. **Encourage Automated Payments**:

   - o   Incentivize customers to switch to **Credit Card (Auto-pay)** or **Bank Transfer** to reduce churn.

4. **Target Phone Service Customers**:

   - o   Investigate why customers with **Phone Service** are more likely to churn.

   - o   Improve service quality, offer bundles, or provide additional benefits.

5. **Segment Customers Without Dependents**:

   - o   Create targeted offers and loyalty programs to retain customers who do not have dependents.

6. **Monitor Revenue Loss**:

   - o   Track churned customers closely to mitigate **Monthly Revenue Loss**.

Conclusion

This analysis identifies **key churn drivers** and relationships between KPIs. By implementing strategies such as promoting long-term contracts, improving early-stage engagement, and encouraging automated payments, the business can significantly reduce churn and increase monthly revenue.