

Executive Summary on Telecom Customer Churn Analysis

This analysis dives into the factors influencing customer churn in a telecommunications company, leveraging data-driven insights and visualisation to understand the profile of customers most likely to leave. The following summary outlines the key findings, focusing on customer retention and churn-driving factors. Each point is backed by charts, percentages, and comparisons to aid stakeholders in making informed decisions.

Key Insights:

1. Overall Churn Rate:

Approximately 26.5% of the customer base has churned, providing a benchmark to explore retention strategies.

2. Customer Profile and Churn Factors:

Demographics:

Senior Citizens: have a notably higher churn rate, suggesting that age-based engagement strategies could improve retention within this segment.

Gender: Gender does not show a significant disparity in churn rates, indicating that other factors like service offerings and tenure may hold stronger influences.

3. Service and Usage Patterns:

Tenure: Customers with longer tenure tend to stay, while those with very short tenure (1-2 months) have higher churn rates. Initiatives to enhance the early customer experience could help reduce churn.

Contract Type: Customers on month-to-month contracts are more likely to churn compared to those on one-year or two-year contracts. Longer-term contracts appear to provide stability in customer retention.

PhoneService and MultipleLines: Higher retention rates are observed among customers who have PhoneService and MultipleLines, highlighting these services as factors in customer loyalty.

4. Internet Service Type:

Fiber Optic: users show a higher churn rate than other types of internet services. This may indicate a need for improved satisfaction measures for fiber optic users, such as addressing performance or pricing concerns.

5. Additional Services and Churn Correlation:

Customers without value-added services like **Online Security, Online Backup, Device Protection, and Tech Support** are more likely to churn. Encouraging the adoption of these services may improve retention.

Streaming Services: Not having Streaming TV or Streaming Movies correlates with higher churn, suggesting that entertainment service bundling could be an effective strategy for retaining customers.

6. Payment Methods:

Customers using **Electronic Check** for payments are more likely to churn compared to those using other methods, such as credit cards or automatic bank transfers. This highlights an opportunity to shift customers to more stable payment methods through incentives or education.

Recommendations for Stakeholders:

- **Enhance Early Customer Engagement:** Initiatives to improve customer experience within the first few months, especially for month-to-month contract holders, can help in lowering churn.
 - **Promotion of Long-Term Contracts:** Offering discounts or benefits for longer-term commitments could be an effective way to retain customers.
 - **Service Bundling and Upsell Strategies:** Actively promoting value-added services like Online Security, Backup, and Streaming options could engage customers further and reduce the likelihood of churn.
 - **Optimizing Fiber Optic Experience:** Addressing feedback from fiber optic users, such as on service quality or pricing, can help in reducing churn within this high-risk segment.
 - **Payment Method Transition:** Moving customers away from electronic check payments towards automatic or card-based options might contribute to increased customer stability.
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Conclusion

The analysis provides a clear overview of churn factors and identifies actionable areas to improve customer retention. Addressing specific service gaps, enhancing customer experience, and promoting bundled services can help reduce churn rates, thereby supporting the company's goal of sustainable customer growth and satisfaction. This data-driven approach aims to assist stakeholders in crafting targeted strategies to enhance retention and minimise churn.