



Customer Churn Analysis

Understanding the key factors driving customer attrition and actionable strategies for retention

Analysis Objective



Primary Focus

Investigate factors influencing customer churn, with emphasis on payment methods and contract types



Data-Driven Insights

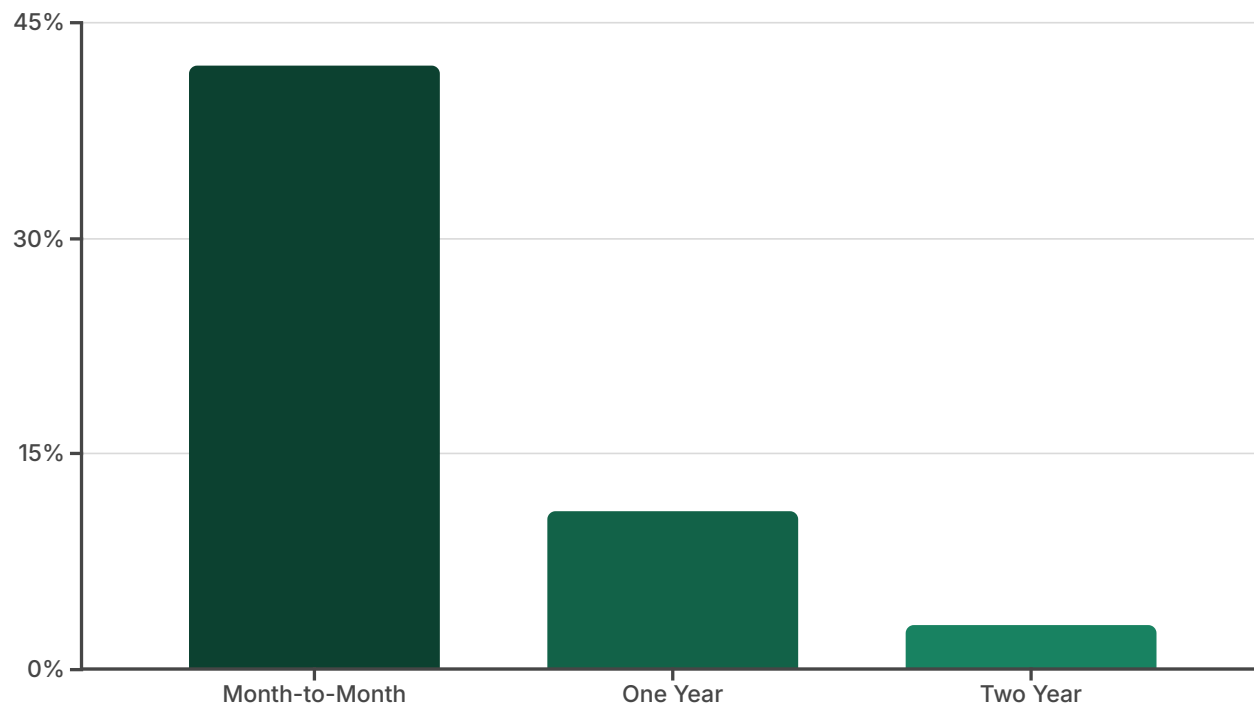
Analyze patterns across demographics, tenure, and service types to identify retention opportunities



Strategic Goal

Guide customer retention strategies through comprehensive churn pattern analysis

Contract Type Impact on Churn

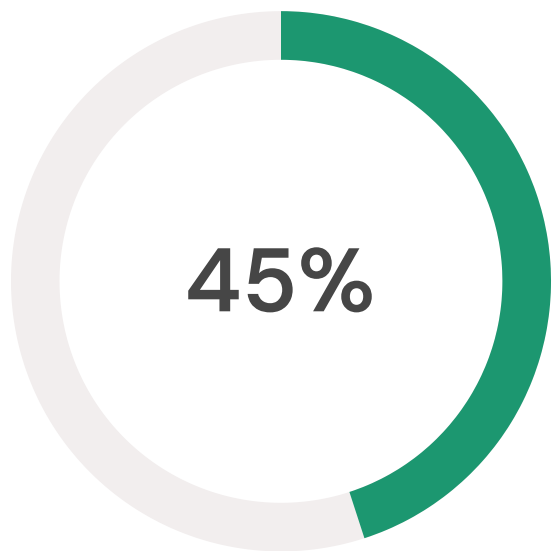


Key Finding

Longer contract periods serve as a **strong retention tool**. Month-to-month customers churn at 42%, while two-year contracts see only 3% churn.

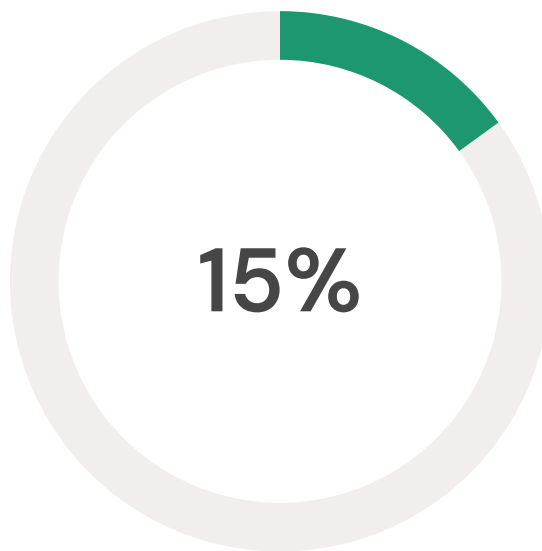
Extended commitments dramatically reduce customer attrition rates.

Payment Methods Drive Churn



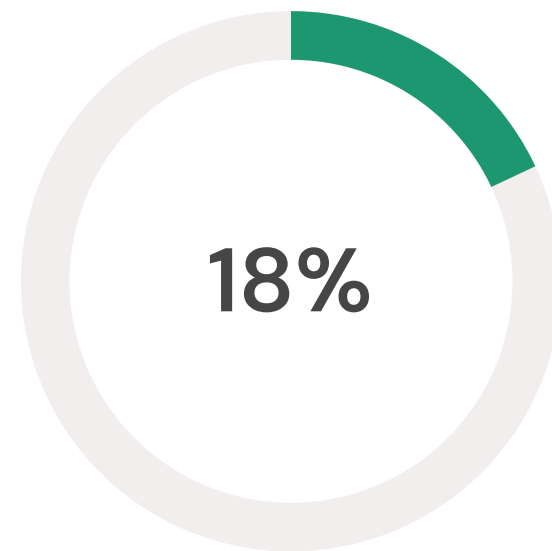
Electronic Checks

Highest churn rate among all payment methods



Credit Cards

Significantly lower churn with secure payments



Bank Transfers

Stable payment method with reduced churn

Customers using electronic checks churn almost **three times more** than those using credit cards or bank transfers. Convenience, security, and trust issues may be contributing factors.

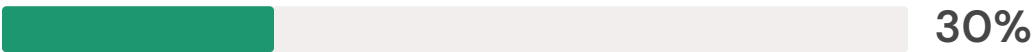
The Critical First Year



Engaging customers early in their journey is **critical for retention**. Churn drops dramatically as tenure increases, emphasizing the need for strong initial engagement strategies.

Service Type & Demographics

Internet Service Type



Fiber Optic

Higher churn due to competition or service quality concerns



DSL

More stable customer base with lower churn

Senior Citizens

41%

Senior Citizens (65+)

Significantly higher churn rate

26%

Non-Senior Citizens

Lower baseline churn rate



Key Takeaway

Early engagement and payment method security are the strongest predictors of customer retention

Strategic Recommendations



Promote Long-Term Contracts

Offer incentives for customers to commit to yearly or two-year contracts to reduce churn from 42% to single digits



Address Payment Method Concerns

Implement campaigns encouraging customers to switch from electronic checks to credit cards or bank transfers



First-Year Engagement Programs

Focus on improving customer experience within the first year when churn risk is highest at 50%



Senior Citizen Retention

Create personalized offers and dedicated assistance programs for the 65+ demographic



Churn Rate Summary

Payment Methods

- Electronic checks: 45%
- Credit cards: 15%
- Bank transfers: 18%

Contract Types

- Month-to-month: 42%
- One year: 11%
- Two year: 3%

Customer Tenure

- First year: 50%
- 1-3 years: 35%
- 3+ years: 15%

Next Steps

01

Implement Contract Incentives

Launch promotional campaigns for long-term contract commitments within 30 days

03

Early Engagement Strategy

Design onboarding programs focused on first-year customer experience and satisfaction

02

Payment Method Migration

Develop targeted communications to transition electronic check users to secure payment options

04

Monitor and Optimize

Track retention metrics quarterly and adjust strategies based on performance data

Focus on the first year, secure payment methods, and long-term commitments to dramatically reduce churn and build lasting customer relationships.