

Executive Summary – Telecom Churn Analysis

This analysis investigates the factors influencing customer churn in a telecom company and provides insights into customer behaviour patterns to help improve retention.

Key Findings

1. Overall Churn Rate

- Approximately **26.54% of customers have churned**, meaning over a quarter of the customer base has left the service.

2. Senior Citizen Impact

- A **higher percentage of senior citizens** are observed to churn compared to younger customers.
- Indicates possible dissatisfaction among older customers, possibly due to service complexity or cost sensitivity.

3. Tenure and Loyalty

- **Customers with longer tenure** tend to stay.
- Newer customers are more likely to churn, suggesting the need for better onboarding or early engagement programs.

4. Contract Type Effect

- **Month-to-month contract customers** have the highest churn rate.
- **1-year and 2-year contract holders** are significantly more loyal.
- Incentivizing customers to shift to longer-term contracts could reduce churn.

5. Service Usage Patterns

- Customers who **use additional services** such as:
 - **PhoneService**
 - **InternetService (especially DSL)**

- **OnlineSecurity**
- **TechSupport**
- ...are **less likely to churn**.
- Lack of these value-added services is associated with higher churn.

6. **Payment Method Influence**

- Customers who pay via **Electronic Check** show a **higher likelihood of churn**.
- This could indicate a negative experience with billing or payment reliability.

Strategic Recommendations

1. **Customer Retention Programs**

- Target **senior citizens** and **new customers** with personalized offers and support.
- Promote **long-term contract plans** through discounts or loyalty benefits.

2. **Service Improvement**

- Improve satisfaction for **Electronic Check** users — possibly by promoting auto-pay or card-based payments.
- Encourage usage of **security, backup, and tech support** services.

3. **Predictive Analytics**

- Build a **churn prediction model** to proactively identify at-risk customers.
- Use insights from tenure, contract, and service usage to take preventive action.

Conclusion

The analysis clearly shows that churn is influenced by **contract duration, customer age, service adoption, and payment method**.

Focusing on **long-term engagement, service enrichment, and better payment experiences** can significantly improve retention and reduce churn rates.