

Summary – Customer Churn Analysis

The analysis provides insights into customer churn trends, highlighting key factors that contribute to retention and attrition. Below are the major findings:

Overall Churn Rate

- **26.54%** of customers have churned out, as identified from the pie chart.
- This indicates that roughly **1 in 4 customers** are leaving the service.

Key Drivers of Churn

1. **Customer Tenure**
 - Customers with **short tenure (1–2 months)** are significantly more likely to churn.
 - Customers with **longer tenure** tend to remain loyal.
2. **Contract Type**
 - **Month-to-month contract holders** are the most likely to churn.
 - Customers with **1-year or 2-year contracts** show much lower churn rates.
3. **Demographics**
 - A **greater percentage of senior citizens** have churned compared to non-senior customers.
4. **Services Subscribed**
 - Customers who **enable additional services** like:
 - **Phone Service**
 - **DSL Internet**
 - **Online Security**tend to have **lower churn**.
 - In contrast, customers without **Online Backup, Tech Support, or Streaming TV** show **higher churn rates**.
5. **Payment Method**
 - Customers using **Electronic Check** as their payment method have a **higher likelihood of churn** compared to those using credit card or bank transfer.

Percentage Breakdown (Key Influencers)

- **Churned Customers:** 26.54%
- Senior Citizen Churn: (Not explicitly stated but indicated as higher – requires calculation from data)
- High Churn Segments:
 - **Month-to-month contracts** vs. **1-2 year contracts** (significant difference suggested in charts).
 - **Electronic check users** (higher churn rate).

Recommendations

1. **Retention Strategies**
 - Offer **loyalty benefits** for early-tenure customers to reduce initial churn.
 - Promote **long-term contracts** with discounts or perks.
 - Bundle **value-added services** like Online Security and Tech Support to improve stickiness.
2. **Targeted Interventions**
 - Focus on **senior citizen customers** with dedicated engagement plans.
 - Review **payment method policies** and incentivize switching from electronic checks to auto-pay.