

Executive Summary — Customer Churn Analysis

Objective

Analyse customer data to understand which factors lead to churn (customers leaving service) and identify high-risk segments — so that we can plan targeted retention actions.

Key Findings

- Customers on **month-to-month contracts**, especially **new customers with short tenure**, showed the highest churn rates.
- Customers **without value-added services** (security, backup, device protection, support, streaming etc.) are more likely to churn — add-ons improve retention.
- Customers using **fiber-optic internet** had higher churn compared to those on DSL or no internet service.
- Customers using **“Electronic-check” payment method** showed higher churn compared to those with other payment methods.
- Among demographics, **senior-citizen** customers showed somewhat higher churn than non-senior customers (gender didn’t show a big effect).

Implications

- Churn isn’t random — it’s linked to identifiable customer traits (contract type, service choice, payment method, tenure).
- Users with minimal commitments or basic service only are most at risk — they need special attention or incentives.
- “Premium service” alone (like fiber-internet) doesn’t guarantee loyalty unless the overall value proposition (support, service extras, convenience) satisfy customers.

Recommendations

1. Encourage customers to choose **longer-term contracts** instead of month-to-month (perhaps via incentives or discounts).
2. Promote and bundle **value-added services/support** — show customers that extras add value and may increase loyalty.
3. Simplify and improve **payment/billing methods** — encourage stable, convenient payment options to reduce churn risk tied to payment friction.
4. Focus retention efforts on **high-risk segments** (new customers, minimal-service users, fiber-only users without extras, senior-citizens) — with better onboarding, offers or support.
5. Monitor **service quality and the full customer experience**, especially for premium users, to make sure perception of value matches service cost.

Strategic Value

By identifying churn-risk factors and acting on them — via contract incentives, service bundles, payment convenience and targeted retention — the company can reduce churn, stabilize customer base, and protect long-term revenue.

