**Telco Customer Churn Analysis**

**Summary :**

This report presents an analysis of customer churn behavior for a telecommunications company using a dataset of 7,043 customers. The goal is to understand which customer segments are most likely to churn (i.e., stop using the service) and what factors are driving this behavior. The findings will help shape strategic decisions to improve customer retention.

**Findings from Analysis :**

* **Churn Rate**:  
  26.54% of total customers have churned.  
  That means 1 out of every 4 customers is leaving the service, a significant business concern.
* **Demographics**:
  + Senior Citizens show a higher churn rate than others.

Around 42% of senior citizens churned, compared to 24% of non-seniors.

* **Tenure (Customer Loyalty)**:
  + Customers with low tenure (1–2 months) churn more.
  + Customers with higher tenure (>40 months) tend to stay.
* **Contract Type**:
  + Month-to-month contracts have the highest churn (over 43%).
  + One-year and two-year contracts see much lower churn (below 12%).
* **Internet Services**:
  + Customers with InternetService = Fiber Optic or DSL churn more than those with No InternetService.
  + Features like OnlineSecurity, TechSupport, and StreamingTV have higher churn among users who opted in—suggesting possible dissatisfaction.
* **Payment Method**:
  + Customers paying via Electronic Check churn the most (~45% churn rate).
  + Other methods like Bank Transfer and Credit Card (auto) show more loyalty.

**Key Insights**

**1. Tenure Impacts Retention**

* A strong positive correlation exists between longer tenure and customer loyalty.
* Early churn (within the first 3 months) is a major problem—suggests onboarding or service experience issues.

**2. Contract Type Is Crucial**

* Month-to-month plans are flexible but risky in terms of churn.
* Promoting longer-term contracts with incentives could reduce churn dramatically.

**3. Senior Citizens Need Better Engagement**

* Though they represent 16.2% of customers, they have a disproportionately higher churn.
* Tailored service/support could help retain this segment.

**4. Internet & Value-Added Services Are a Double-Edged Sword**

* While internet services are essential, they must be reliable.
* Features like TechSupport and StreamingTV correlate with higher churn if perceived as low-value or buggy.

**5. Electronic Check Users Are Volatile**

* This segment has the highest churn.
* Consider identifying why this method relates to dissatisfaction—perhaps it's associated with less tech-savvy or more price-sensitive users.