

TECO CHURN ANALYSIS

Detailed Summary of Customer Churn Analysis

Key Insights & Findings:

1. **Overall Churn Rate**
 - About **26.54% of customers have churned**, indicating a significant churn problem.
2. **Senior Citizen Impact**
 - A **higher proportion of senior citizens churn** compared to younger customers, suggesting older customers are at greater risk of leaving.
3. **Tenure Impact**
 - Customers with **short tenures (1–2 months)** show a much higher churn rate.
 - Longer-tenured customers tend to remain loyal.
4. **Contract Type Effect**
 - **Month-to-month contracts** have the highest churn rate.
 - In contrast, customers with **1-year or 2-year contracts** show much lower churn.
5. **Service Usage Impact**
 - Customers **without TechSupport, OnlineSecurity, OnlineBackup, or DeviceProtection** are far more likely to churn.
 - Specifically, **Fiber Optic InternetService** is associated with higher churn than DSL or no internet service.
6. **Streaming Services**
 - Slightly higher churn among customers using **Streaming TV and Streaming Movies**.
7. **Payment Method Impact**
 - Churn is higher among customers who pay by **Electronic Check** compared to other payment methods (e.g., Bank Transfer, Credit Card).

□ Key Percentage Figures (Approximate):

- **Churn rate:** ~26.54%
 - **Higher churn rate in Month-to-month contracts:** ~45–50% churn vs. ~10% for 1- or 2-year contracts.
 - **Senior Citizens churn rate:** ~35% compared to ~20% in other age groups.
 - **Electronic Check Payment churn:** ~40% vs. <20% for other methods.
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Recommendations for Reducing Churn

1. ✓ **Encourage Long-Term Contracts**

- Offer incentives (discounts, benefits) for customers to switch from Month-to-Month to 1- or 2-Year Contracts.
 - 2. ✓ **Improve Service Add-ons**
 - Promote packages that include **TechSupport, OnlineSecurity, OnlineBackup, and DeviceProtection.**
 - Create bundled plans that automatically include these features.
 - 3. **Targeted Senior Citizen Engagement**
 - Provide special customer service support and offers to senior citizens to reduce their churn.
 - 4. **Revisit Internet Plans**
 - Investigate the quality and pricing of **Fiber Optic Internet Service**, as customers using it show a higher churn rate.
 - 5. **Payment Method Strategy**
 - Discourage Electronic Check payment or offer alternative seamless online payment methods.
 - Provide incentives for using bank transfers or credit card payments.
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This actionable executive summary should help guide business decisions toward improving customer retention and reducing churn effectively.