

#Customer Churn Analysis – Summary

Objective:-*The goal of this analysis was to explore customer service usage patterns and identify key factors associated with customer churn.*

!!Overall Churn Rate

- Approximately **25–27% of customers have churned**
- Around **1 in 4 customers** leave the service

This is a significant churn rate and indicates retention improvement opportunities.

Key Findings

#Contract Type is the Strongest Indicator

- **Month-to-month customers show the highest churn**
- **One-year contracts show much lower churn**
- **Two-year contracts have extremely low churn**

#Online Security & Tech Support Reduce Churn

Customers who **do NOT** have:

- Online Security
- Tech Support
- Device Protection
- Online Backup

show significantly higher churn.

#Internet Service Type

- **Fiber optic users show higher churn compared to DSL**
- Customers with no internet service have very low churn

Possible Reason:

Fiber users may have:

- Higher expectations
- Higher pricing
- Service dissatisfaction

#Payment Method

- **Electronic check users show the highest churn**
- Automatic payment methods (credit card / bank transfer) show much lower churn

!!Automatic payments likely correlate with:

- More committed customers
- Lower friction
- Higher engagement

#Streaming Services

StreamingTV and StreamingMovies show moderate churn differences but are not as strong predictors compared to:

- Contract type
- Tech support
- Security services

Business Recommendations

#Incentivize Long-Term Contracts

- Offer discounts for 1-year or 2-year upgrades
- Provide loyalty bonuses
- Bundle upgrades with contract conversion

#Bundle Security & Support Services

- Offer discounted bundles:
 - Internet + Online Security
 - Internet + Tech Support
- Provide free trial of protection services

#Target Electronic Check Users

- Encourage transition to auto-pay
- Offer cashback or discounts for auto-payment enrollment

#Improve Fiber Experience

- Investigate customer complaints
- Review pricing structure
- Improve support response times

Conclusion

The churn rate (~25%) is largely driven by:

- Short-term contracts
- Lack of support/security services
- Manual payment methods

Customer retention strategies should prioritize:

- Contract upgrades
- Service bundling
- Payment automation