



Summary and Recommendations

- **Objective:**

The analysis investigates key factors influencing customer churn, with a primary focus on **payment methods, contract types, tenure behavior, and customer demographics**. The goal is to identify churn-prone segments and recommend targeted retention strategies.

- **Key Insights:**

- **Contract Type**

- Customers on **Month-to-Month contracts** show the **highest churn rate (42%)**, making them the most unstable customer segment.
 - Churn significantly decreases for **one-year contracts (11%)** and is lowest for **two-year contracts (3%)**.
 - **Implication:** Longer-term contracts have strong retention effects and reduce churn drastically.

- **Payment Methods**

- Customers who pay via **Electronic Checks** have a **churn rate of 45%**, far higher than other payment modes.
 - Customers using **credit cards, bank transfers, or mailed checks** show much lower churn (15–18%).
 - **Implication:** Electronic check users face convenience/trust issues. Encouraging reliable payment modes can reduce churn.

● Churn Rate by Tenure:

- Customers with **less than 1 year** of tenure have the **highest churn at ~50%**.
 - Those with **1–3 years** show a reduced churn rate of **35%**.
 - Customers with **more than 3 years** have the **lowest churn at ~15%**.
 - **Implication:** Early customer lifecycle (first year) is the most critical for engagement and retention.
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● Additional Insights:

○ Internet Service Type

- **Fiber Optic users churn at 30%**, higher than **DSL users (20%)**.
- **Implication:** Fiber customers may be facing issues with service quality, cost, or expectations.

○ Senior Citizens

- Senior citizens (65+) have a **41% churn rate**, compared to **26% for non-seniors**.
 - **Implication:** Age-related difficulties, product usability, or support needs must be addressed.
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● Visualizations:

- **Bar plots and line charts** highlight clear disparities in churn across contract types and payment methods.

- Payment method visuals show that **electronic check users churn almost 3x more** than credit card users.
 - Tenure-based visualizations clearly show a **declining churn trend as tenure increases**, emphasizing the need for **early-stage retention programs**.
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● Percentage Distribution of Churn Across Factors:

- **Payment Method:**
 - Electronic Check → **45% churn**
 - Credit Card / Bank Transfer / Mailed Check → **15–18% churn**
 - **Contract Type:**
 - Month-to-Month → **42%**
 - One-Year → **11%**
 - Two-Year → **3%**
 - **Tenure:**
 - < 1 year → **50%**
 - 1–3 years → **35%**
 - 3 years → **15%**
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✓ Recommendations:

- **Promote Long-Term Contracts**

Offer discounts, loyalty benefits, or value-added services to encourage customers to shift from **month-to-month** to **annual contracts**.

- **Address Payment Method Concerns**

Run targeted campaigns encouraging customers to switch from **electronic checks** to more stable and secure options like credit cards or bank transfers.

- **Strengthen Early-Tenure Engagement**

Since churn is highest in the first year, prioritize:

- Onboarding support
- Proactive check-ins
- Personalized offers in first 3–6 months

- **Senior Citizen Retention Programs**

Introduce:

- Simplified plans
- Dedicated customer support
- Senior-friendly communication
to reduce churn in this vulnerable segment.