

6.1 Discuss the features that are most indicative of churn.

1. Tenure: Tenure represents the length of time a customer has been with the telecom company. Shorter tenure may be indicative of higher churn as new customers might be exploring other options. To reduce churn, the company could focus on retaining new customers during their initial months by providing incentives or special offers.

2. InternetService: The type of internet service chosen by customers can be a significant indicator. For example, customers with slower or less reliable internet services may be more likely to churn. Improving internet service quality, especially for Fiber optic customers, could help reduce churn.

3. OnlineSecurity and TechSupport: Customers who lack online security or tech support services might be more inclined to churn. Enhancing these services, providing proactive assistance, and educating customers about the benefits could improve customer retention.

4. Contract: Customers with month-to-month contracts tend to have higher churn rates compared to those with longer-term contracts (e.g., annual). Encouraging customers to sign longer contracts by offering discounts or perks can help reduce churn.

5. MonthlyCharges and TotalCharges: Higher monthly and total charges can sometimes lead to churn, especially if customers find more cost-effective alternatives. The company can consider adjusting pricing strategies, bundling services, or offering discounts to loyal customers.

6. PaperlessBilling: Customers who opt for paperless billing may be more tech-savvy and inclined to use online resources. Providing seamless online billing experiences and offering incentives for paperless billing can help retain such customers.

7. PaymentMethod: Customers using specific payment methods (e.g., electronic checks) might have higher churn rates. Offering alternative payment methods and promoting their convenience could reduce churn.

8. StreamingTV and StreamingMovies: Customers who subscribe to streaming TV and movie services might be more engaged with their entertainment. Ensuring a wide variety of content and enhancing the streaming experience can retain such customers.

6.2. Recommendations to Reduce Customer Churn:

1. Contract Type: Customers with month-to-month contracts have a higher churn rate. Encourage longer-term contracts (e.g., annual) by offering discounts or benefits for commitment.

2. Total Charges: Customers with higher total charges are less likely to churn. Consider offering incentives or loyalty rewards to long-term customers with high total charges.

3. Online Security and Tech Support: Customers who do not have online security and tech support are more likely to churn. Enhance these services to improve customer satisfaction.

4. Monthly Charges: High monthly charges are associated with higher churn. Explore options to offer competitive pricing or bundle services to reduce costs for customers.

5. Internet Service: Customers with Fiber optic internet service have a higher churn rate. Improve the quality and reliability of this service to retain customers.

6. Payment Method: Customers using electronic checks for payment are more likely to churn. Offer alternative, convenient payment methods and promote their benefits.

7. Contract Length: Encourage customers to sign up for longer contracts by offering special deals and ensuring they understand the benefits of longer-term commitment.