






Executive Summary of Churn Analysis

This churn analysis aims to understand customer behavior, identify churn patterns, and provide actionable insights to reduce customer loss and increase retention.

Key Findings

-  **Churn Rate Overview:**
Approximately **26.54%** of customers have discontinued the service. This indicates a significant portion of the customer base is at risk, and churn reduction must be prioritized.
 -  **Tenure and Churn Relationship:**
About **50% of churned customers** had a tenure of just **1–2 months**, which strongly suggests early dissatisfaction. These users likely didn't see value quickly or faced onboarding/frustration issues.
→ **Actionable Insight:** Improve early customer experience through onboarding support and welcome offers.
 -  **Contract Type Impact:**
More than **40% of churned users** were on **month-to-month contracts**, while those on **1 or 2-year contracts** had much better retention.
→ **Actionable Insight:** Promote long-term contracts with discounts and loyalty programs to increase customer stickiness.
 -  **Effect of Add-On Services:**
Customers **without Online Security, Tech Support, or Backup services** had churn rates almost **twice as high** as those with them.
→ **Actionable Insight:** Bundle and upsell essential services early in the customer lifecycle to boost engagement.
 -  **Payment Method Correlation:**
Customers using **Electronic Check** had the highest churn rate (**~45%**), likely due to manual effort or dissatisfaction with service value.
→ **Actionable Insight:** Promote automatic payment methods like credit cards or bank transfers with incentives.
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Strategic Implications

- **Customer Experience Strategy:** Focus on improving the first 60 days of the customer journey. Provide proactive support, onboarding materials, and feedback loops.
- **Retention Programs:** Design contract-lock-in offers, loyalty benefits, and periodic check-ins for customers with month-to-month subscriptions.
- **Targeted Marketing:** Identify customers without additional services and promote value-adding packages through personalized email campaigns.
- **Operational Improvements:** Reduce churn from manual billing by offering smoother, digital payment systems with rewards or reminders.