

Executive Summary

Based on the analysis of the customer data (7043 customers), the following key findings regarding customer churn have been identified:

1. **Overall Churn Rate:** Approximately **26.54%** (1869 out of 7043 customers) of the customer base has churned. This indicates a significant portion of customers are leaving the service.
2. **Contract Type:** Customers on **Month-to-Month contracts** exhibit a substantially higher churn rate. While representing a large portion of the customer base, a disproportionately high number of these customers churn compared to those with longer One-year or Two-year contracts. This suggests short-term commitments are a major risk factor.
3. **Tenure:** Customer tenure is a strong predictor of churn. **Newer customers**, particularly those within the first few months of service (low tenure), show the highest propensity to churn. Customer loyalty and retention increase significantly as tenure grows longer.
4. **Payment Method:** Customers using **Electronic Check** as their payment method have a significantly higher churn rate compared to other methods (Mailed check, Bank transfer, Credit card). This payment method appears associated with a higher risk of churn.
5. **Senior Citizens:** While senior citizens make up only about 16.2% of the customer base, they churn at a much higher rate. Approximately **41.7% of senior citizen customers have churned**, compared to about **23.6% of non-senior citizen customers**.
6. **Internet Service:** Customers with **Fiber Optic** internet service demonstrate a considerably higher churn rate compared to those with DSL or no internet service. This suggests potential issues related to fiber service satisfaction or pricing might be contributing factors.
7. **Add-on Services:**
 - Customers **without** key supportive add-on services show higher churn rates. Specifically, churn is noticeably higher among customers who do **not** subscribe to:
 - **Online Security**
 - **Online Backup**
 - **Device Protection**
 - **Tech Support**
 - Conversely, customers subscribing to these services tend to have better retention rates, indicating these add-ons contribute to customer loyalty.

Conclusion:

The analysis highlights that churn is most concentrated among specific segments: customers with low tenure, those on month-to-month contracts, senior citizens (churning at nearly double the rate of non-seniors), users of Fiber Optic internet, and those paying via

electronic check. Furthermore, the lack of engagement with value-added security and support services strongly correlates with higher churn.

Recommendations: Retention strategies should focus on:

- Incentivizing longer contract commitments (One-year or Two-year).
- Targeted outreach and support for new customers during their initial months.
- Investigating and addressing potential drivers of churn among senior citizens and Fiber Optic users (e.g., pricing, service experience, technical support).
- Analyzing the friction points associated with Electronic Check payments.
- Promoting the value and benefits of add-on services like Online Security and Tech Support to enhance customer stickiness.