Summary and Recommendation

Based on the provided analysis, a significant portion of the customer base, **26.54%**, has churned. The data indicates that a customer's likelihood to churn is strongly influenced by their contract type, tenure, and the type of services they subscribe to.

Detailed Analysis by Factor

- **Contract Type and Internet Service:** Customers with a **month-to-month contract** have the highest churn rate at **34.05%** of all churned customers. This rate is significantly higher compared to those with one-year contracts (13.79% churn) or two-year contracts (2.85% churn). The churn rate for customers on a month-to-month plan with **Fiber Optic internet service** is particularly high, suggesting a need to improve the service quality or offer more compelling long-term incentives for this group.
- **Tenure:** The analysis shows a clear relationship between customer tenure and churn. Customers with a short tenure, especially those using the service for only **one or two months**, have a very high churn rate. Conversely, the churn rate significantly decreases as customer tenure increases, indicating that customers who stay for a longer time are generally more loyal.
- **Payment Method:** The churn rate is highest among customers who use **electronic checks** as their payment method, with **1,071** of these customers having churned. This represents a churn rate of **42.92%** for this payment method. In contrast, customers using automatic payment methods like bank transfers or credit cards have much lower churn rates (16.70% and 15.35% respectively), suggesting that automated payment options may contribute to customer retention.
- **Add-on Services:** Customers who have not subscribed to additional services show a higher tendency to churn. The data indicates that customers who say "No" to services like **OnlineSecurity, OnlineBackup, DeviceProtection, and TechSupport** are more likely to churn than those who subscribe to these services. This suggests that these add-ons enhance customer loyalty.
- **Demographics:** While non-senior citizens make up the majority of the customer base (**83.79%**), the churn rate among **senior citizens is proportionally higher**. This demographic group accounts for a significant share of churned customers, indicating that a targeted retention strategy for senior citizens may be beneficial.

Recommendations

Based on these key findings, here are some recommendations to address customer churn:

- **Promote Longer-Term Contracts:** To combat the high churn among month-to-month customers, offer appealing incentives to encourage them to switch to one-year or two-year contracts. Discounts or bundled free add-on services could be effective strategies.
- **Targeted Retention for New Customers:** Implement a proactive retention program for new customers during their first two months, which is the period of highest risk. This could include personalized communication and special offers to ensure they feel supported and see the value of the service early on.
- **Encourage Automated Payments:** To address the high churn linked to electronic checks, incentivize customers to adopt automated payment methods. Offering a small discount for signing up for automatic payments could be an effective way to reduce this type of churn.
- **Increase Add-on Service Adoption:** Focus on marketing and highlighting the value of add-on services like Online Security and Tech Support, especially to new customers. Since these services are linked to higher retention, a stronger push to get customers to sign up for them could help build loyalty.
- **Senior Citizen-Specific Offers:** Develop targeted plans or services for senior citizens to better meet their needs and improve retention. Understanding what they value and creating a strategy that specifically addresses those points could help reduce their higher churn rate.