

# Analysis Summary

## **Objective:**

Analyze customer churn patterns based on contract types, payment methods, tenure, and demographics to identify factors linked to higher churn rates and improve retention strategies.

## **Key Findings:**

### **1. Contract Type:**

- Highest churn: Month-to-month contracts (42%).
- Lowest churn: Two-year contracts (3%).
- Recommendation: Promote long-term contracts with incentives.

### **2. Payment Method:**

- Highest churn: Electronic checks (45%).
- Lower churn: Credit cards, bank transfers, mailed checks (15–18%).
- Recommendation: Encourage switching to stable payment methods.

### **3. Tenure:**

- First-year churn: 50%.
- Drops to 15% for tenure >3 years.
- Recommendation: Enhance early-stage customer engagement.

### **4. Internet Service:**

- Fiber Optic users: Higher churn (30%) vs. DSL users (20%).
- Recommendation: Investigate and improve fiber service quality.

### **5. Senior Citizens:**

- Churn rate: 41% (vs. 26% for non-seniors).
- Recommendation: Develop targeted retention programs for seniors.

## **Visual Insights:**

- Churn by Payment Method: Electronic check users churn ~3x more than others.
- Churn by Tenure: Clear decline as tenure increases.

## **Recommendations:**

- Incentivize long-term contracts.
- Shift electronic check users to stable payment methods.
- Prioritize customer engagement within the first year.
- Launch senior citizen-specific retention programs.