Customer Retention & Churn Analysis

📌 Project Overview

This project focuses on analysing customer churn and retention patterns for a subscription-based business. Using Excel, the analysis identifies why customers leave, which segments are at higher risk of churn, and what actions can improve customer retention. The goal is to provide clear, business-focused insights that support data-driven decision making.

🎯 Business Problem

Customer churn directly impacts revenue and growth for subscription businesses. This project answers key questions such as:

- Why are customers leaving the platform?
- Which customer segments are most likely to churn?
- How long do customers typically stay active?
- What actions can help reduce customer churn?

🛠️ Tools Used

- **Microsoft Excel**
  - Data cleaning and preparation
  - KPI calculations
  - Pivot tables and charts
  - Interactive retention dashboard

📊 Dataset

The analysis is based on a customer subscription dataset containing:

- Customer demographics
- Service usage details
- Contract and payment information
- Monthly and total charges
- Churn status

(This dataset represents a real-world subscription business churn scenario.)

📈 Key Metrics Analysed

- Total Customers
- Churn Rate
- Retention Rate
- Average Customer Tenure
- Customer Distribution by Contract Type
- Churn by Tenure Group and Payment Method

🔍 Key Insights

- Customers on **month-to-month contracts** show the highest churn rate.
- **New customers (0–6 months tenure)** are more likely to churn.
- Customers using **electronic check** as a payment method churn more than auto-payment users.
- Customers with **long-term contracts and bundled services** demonstrate stronger retention.

📉 Retention Trends

- Customer retention improves significantly with longer contract durations.
- Churn decreases as customer tenure increases.
- Payment automation positively influences customer lifetime and retention.

🎯 Business Recommendations

- Encourage customers to switch from month-to-month to long-term contracts using incentives.
- Improve onboarding and engagement during the first 90 days of the customer lifecycle.
- Promote auto-payment methods to reduce payment-related churn.
- Upsell bundled services to increase customer lifetime value and engagement.

📌 Final Deliverable

- A clean and interactive **Excel retention dashboard**
- Clear insights into churn drivers and retention behavior
- Actionable recommendations suitable for business stakeholders

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🚀 Skills Demonstrated

- Customer retention & churn analysis
- Cohort and tenure-based analysis
- KPI development and dashboarding
- Business-oriented insight generation

📣 Project Outcome

This project simulates real-world work performed by data analysts in SaaS and subscription-based companies. The analysis helps stakeholders understand churn behavior and implement strategies to improve customer retention and long-term revenue growth.