

# Executive Summary – Telco Customer Churn Analysis

## Project Objective

- Analyze telecom customer data to identify the key factors driving customer churn.
  - Use exploratory data analysis and visualizations to uncover patterns that impact customer retention.
  - Translate data insights into business-focused recommendations.
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## Key Findings

- **Contract Type**
  - Customers on **month-to-month contracts account for the majority of churn.**
  - In contrast, **1-year and 2-year contract customers contribute only a small percentage of churn**, indicating strong loyalty.
  - Month-to-month customers are **several times more likely to churn** than long-term contract customers.
- **Tenure**
  - **New customers (low tenure)** show the **highest churn concentration.**
  - Customers with **longer tenure represent a large share of the total base but a much smaller percentage of churn**, proving that loyalty increases over time.
- **Service Usage**
  - Over **60–70% of churn** comes from customers who **do not use value-added services** such as:
    - Online Security
    - Tech Support
    - Device Protection

- Online Backup

- Customers who subscribe to these services have **significantly lower churn rates**, showing that service bundling improves retention.

- Internet Service

- **Fiber-optic users show a higher percentage of churn** compared to DSL users.
- This suggests **pricing sensitivity or higher service expectations** in the premium internet segment.

- Streaming Services

- Customers who use **Streaming TV and Streaming Movies** are **more likely to stay**.
- Churn is **more concentrated among customers without streaming services**, indicating that higher engagement reduces attrition.

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## Business Impact

- **Long-term contracts + bundled services = lower churn**
- **Short-term contracts + fewer services = higher churn risk**
- Improving **early customer experience** and **upselling value-added services** can significantly increase customer lifetime value.

Here are **practical, revenue-focused business recommendations** based on your churn analysis, written in a professional Data Analyst tone:

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## Business Recommendations for Reducing Churn & Increasing Profitability

### 1. Convert Month-to-Month Customers into Long-Term Contracts

- Since **month-to-month customers contribute the highest percentage of churn**, offer:
  - Discounted **1-year or 2-year contract upgrades**
  - Loyalty rewards (free installation, bill discounts, or bonus data)

- This will **stabilize revenue** and significantly **reduce customer acquisition costs**.
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## 2. Bundle Value-Added Services to Increase Retention

- Customers without **Online Security, Tech Support, Device Protection, and Online Backup** show **60–70% higher churn contribution**.
  - Introduce **service bundles** at a discounted price:
    - “Security + Support Pack”
    - “Complete Protection Pack”
  - Bundling increases **customer dependency** and **switching costs**, improving retention.
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## 3. Focus on Early-Tenure Customers (First 3–6 Months)

- Churn is **highest among new customers**.
  - Implement:
    - Welcome offers
    - Proactive customer support
    - Early satisfaction check-ins
  - Improving the first-month experience can **dramatically lower long-term churn**.
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## 4. Re-evaluate Fiber-Optic Pricing & Experience

- Fiber customers have a **higher churn share** despite being a **high-revenue segment**.
  - Actions:
    - Improve service reliability
    - Offer loyalty discounts
    - Provide premium support for fiber users

This protects **high-value customers** and prevents revenue loss.
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## 5. Promote Streaming Services as Engagement Tools

- Streaming TV & Movies reduce churn by increasing **platform engagement**.
  - Offer:
    - Free trial months
    - Bundled entertainment packages

This improves **customer stickiness** while increasing **average revenue per user (ARPU)**.
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## 6. Use Churn Prediction for Targeted Retention

- Build a churn prediction model using:
    - Tenure
    - Contract type
    - Service usage
  - Focus retention offers on **high-risk customers**, which is far more **cost-effective than acquiring new ones**.
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## Final Business Value

By converting short-term customers into long-term users, bundling high-retention services, and improving early-stage engagement, the company can **reduce churn, increase lifetime value, and maximize revenue with minimal additional marketing cost** 🚀