

CAPSTONE PROJECT: EXECUTIVE SUMMARY

Customer Retention Strategy Analysis

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Problem Statement:

The telecom business is experiencing customer attrition. We need to identify at-risk segments and provide actionable recommendations to reduce churn.

Key Findings:

1. Overall Churn Rate: 10.6%
2. Contract Risk: Customers on 'Month-to-month' contracts are significantly more likely to churn compared to long-term contracts.
3. Financial Factors: Higher Monthly Charges correlate with higher churn, suggesting price sensitivity.
4. Tenure Impact: Churn is highest among new customers (low tenure).

Strategic Recommendations:

1. Loyalty Incentives: Offer discounts to move month-to-month customers to 1 or 2-year contracts.
2. Onboarding Support: Enhance the first 6 months of customer experience to build long-term loyalty.
3. Value Optimization: Target high-charge customers with bundle offers to increase perceived value.