

Telco Customer Churn Analysis

This analysis focuses on customer churn in the telecom sector. Out of all customers, 26.54% have churned, meaning more than 1 in 4 users have stopped using the service. The goal was to identify patterns behind this loss and understand what factors influence customer retention.

Key Insights: -

- **Tenure:** Customers with shorter tenure (0–2 months) form the majority of those who churned. Long-term users are more likely to stay.
- **Contract Type:** About 43% of churned users were on month-to-month contracts, while churn is significantly lower (around 11%) among those with two-year contracts.

- **Services Used:**

Customers without Online Security have a churn rate of about 35%, compared to less than 15% for those who had it.

Similar patterns are seen for Tech Support, Online Backup, and Device Protection — users without these services are more likely to churn.

- **Internet Type:** Customers using Fiber Optic internet show a higher churn rate (30%) compared to DSL users (14%).
- **Payment Method:** Around 45% of churned customers used Electronic Check, whereas those using automated payments (Credit Card or Bank Transfer) have much lower churn (15%).
- **Senior citizens** have a noticeably higher churn rate compared to non-senior customers. Gender does not show any significant impact on churn both males and females have similar churn patterns.

Conclusion: -

Customers who stay longer, have long-term contracts, use security/support services, and pay via automated methods are far less likely to churn. Focusing on early engagement, value-added services, and better contract/payment options could significantly reduce churn.