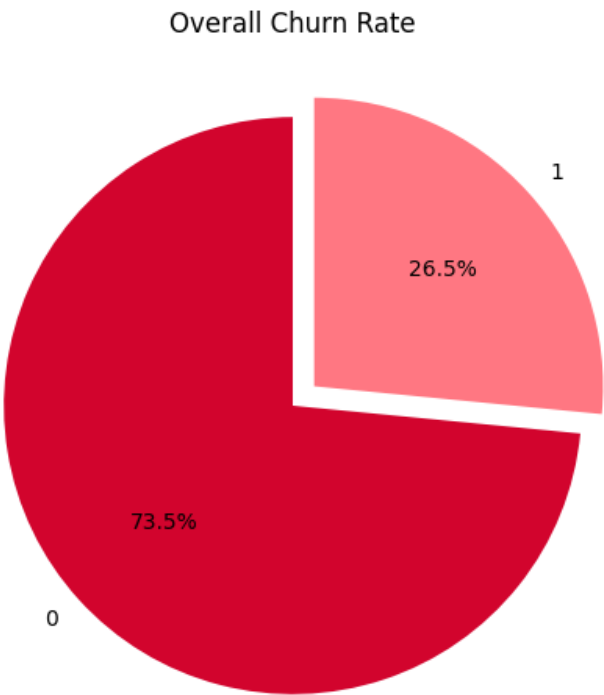


Telco Customer Churn – Business Report

1. Executive Summary

This analysis explores the Telco Customer Churn dataset (7,043 records, 21 fields) to identify key drivers of customer churn across demographics, contracts, payment methods, and billing. The study reveals that churn is strongly associated with **month-to-month contracts, higher monthly charges, and electronic check payments**. Senior citizens and customers with low tenure are also at higher risk of leaving. These findings provide actionable insights into **customer retention, payment method optimization, and loyalty program design**.

2. Churn Distribution

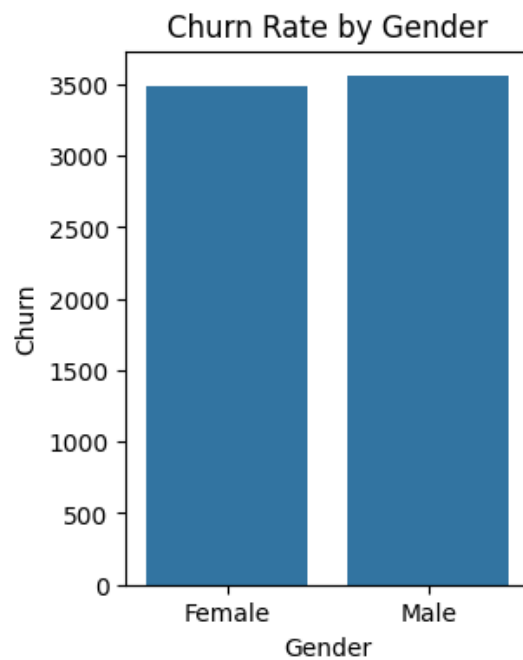


- Overall churn rate: ~26.5%.

Majority of customers stay, but churn is significant enough to impact revenue.

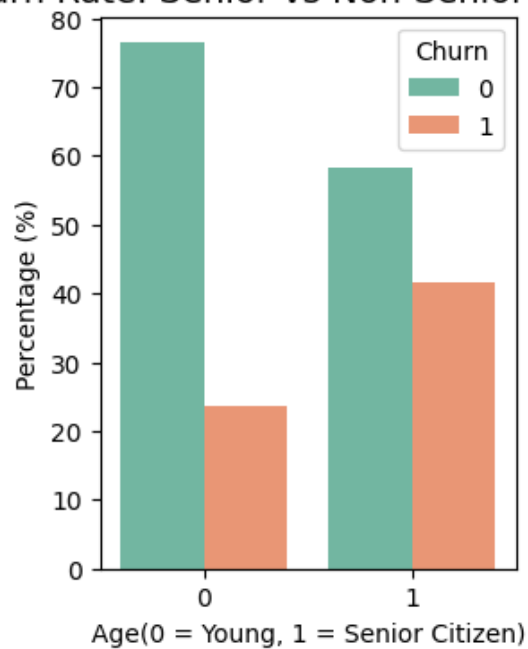
Key Insight: Even a small increase in retention can result in substantial revenue savings for telecom businesses.

3. Demographics & Churn



- Gender has minimal impact; churn rates are nearly equal across males and females

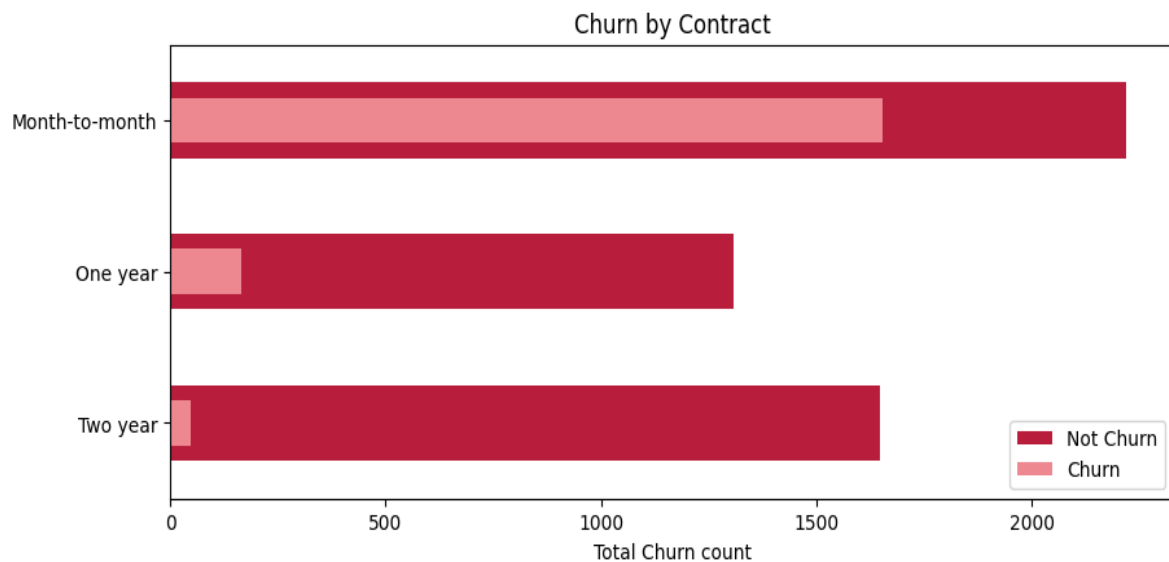
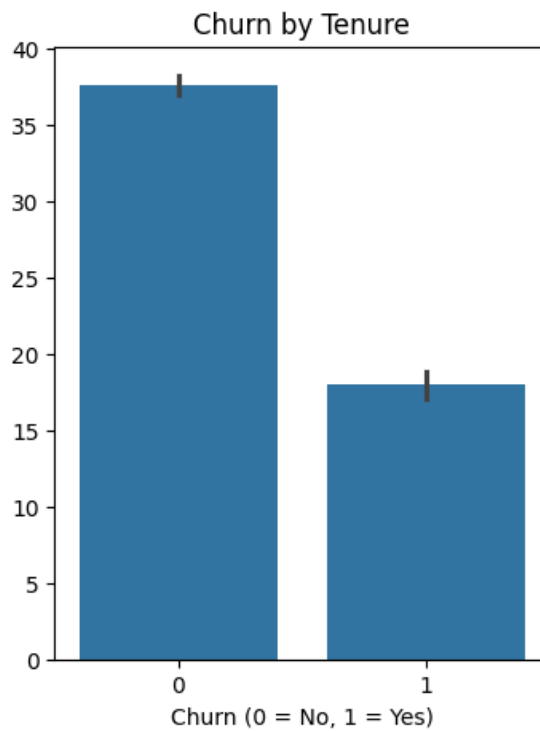
Churn Rate: Senior vs Non-Senior Citizens



- Senior citizens churn at a higher rate than younger customers.

Business Interpretation: Targeted support and tailored offers for senior customers could help reduce churn in this segment.

4. Contract & Tenure Analysis



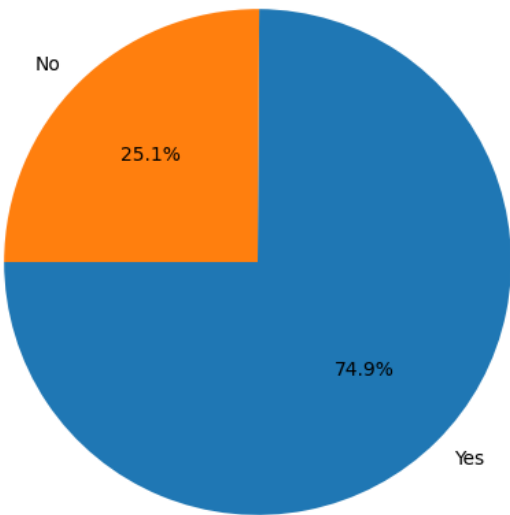
- Month-to-month contract customers are most likely to churn.
- One-year and two-year contracts show much lower churn rates.
- Long-tenure customers (loyal base) have significantly reduced churn risk.

Key Insight: Long-term contracts act as retention tools and should be incentivized.

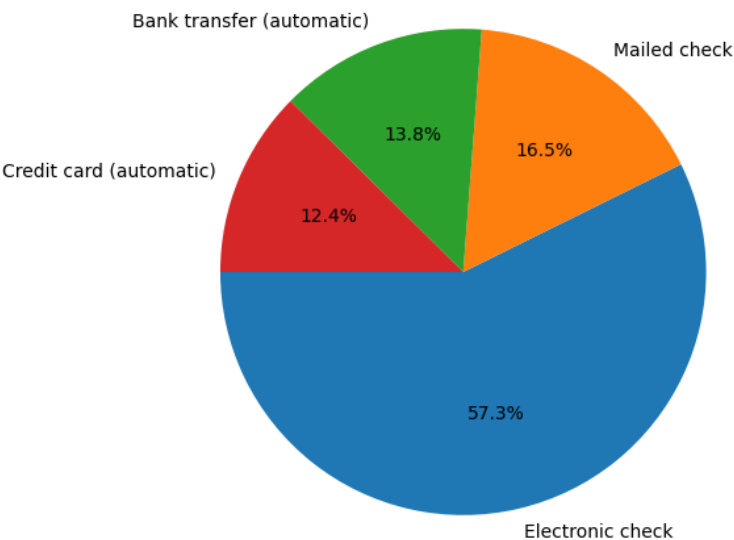
5. Payment Method Analysis

- Customers using **Electronic Check** show the **highest churn rate**.

Overall Churn Rate by Paperless Billing



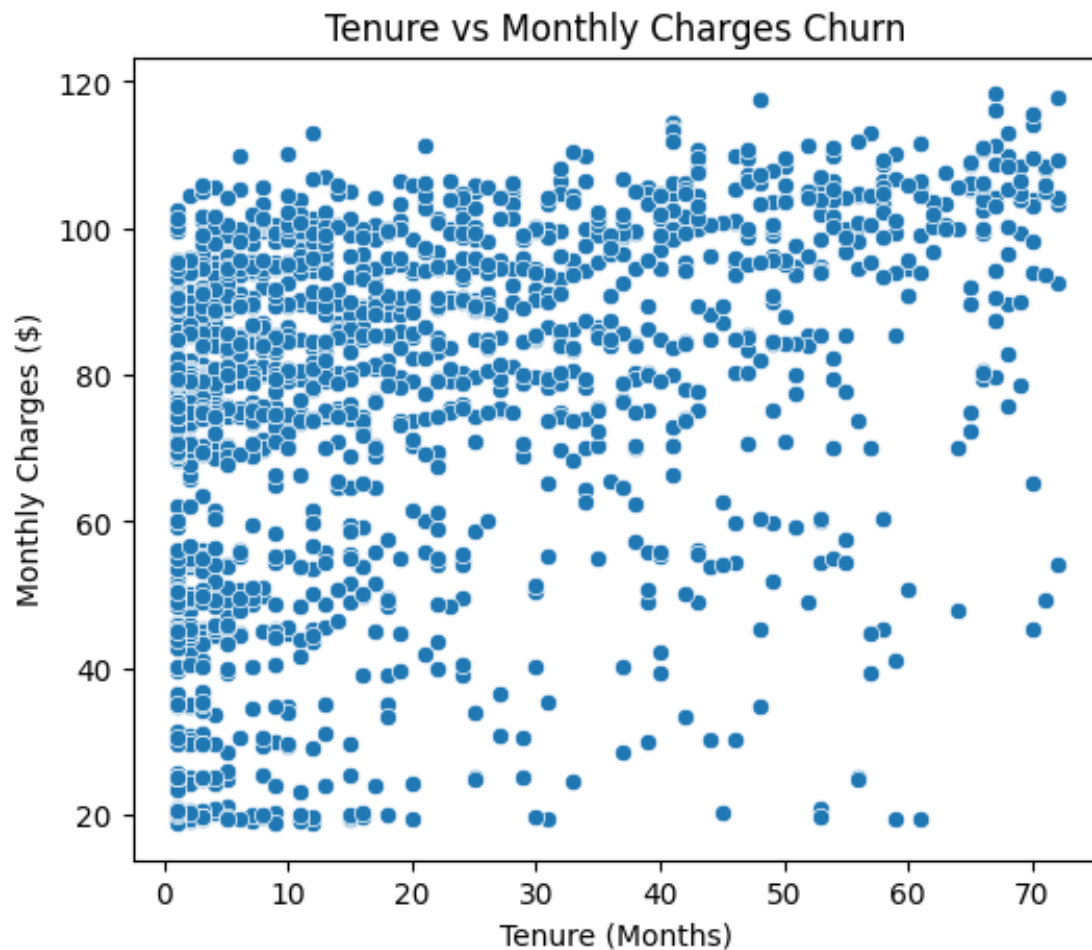
Overall Churn Rate by Payment Mode



- Automatic payment methods like credit card and bank transfer reduce churn risk.

Business Interpretation: Encouraging stable, automated payment methods improves customer stickiness.

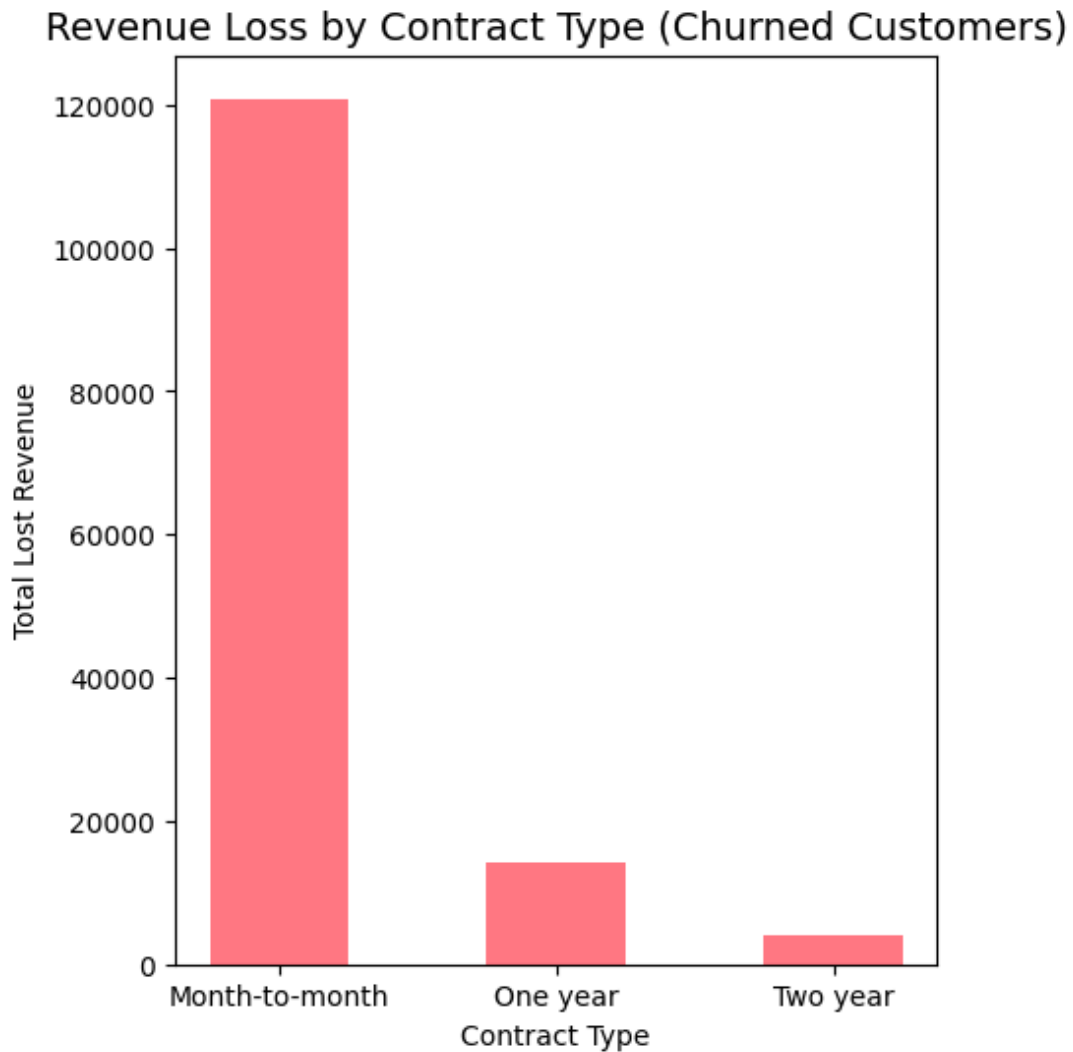
6. Billing & Charges Analysis



- Higher monthly charges are associated with higher churn.
- Customers with low total charges are also likely to churn, indicating **early exits**.

Key Insight: Price sensitivity is a major churn driver. Customers who feel they are overpaying or not receiving value tend to leave early.

9. Revenue Loss Analysis by Segment



- Month-to-month contracts are the most impacted segment around \$120847.10
 - While the other segments face loss too but are significantly lower
-

8. Key Insights

- Overall Churn rate is **26.5%**
- **Month-to-month contracts** are the most **vulnerable** group.
- **Senior citizens** face **higher churn** risk.
- **Payment method** strongly influences churn.

- **Higher bills accelerate churn**, while loyal customers with longer tenure are less likely to leave
 - Some **long-term customers** are also **prone to churn** due to **higher monthly charges**.
-

9. Business Recommendations

1. **Contract Incentives:** Offer discounts or perks for switching from month-to-month to long-term plans.
 2. **Senior-Citizen Support:** Create special customer-care programs and affordable bundles.
 3. **Payment Stability:** Incentivize customers to adopt credit card or bank transfers instead of electronic checks.
 4. **Loyalty Rewards:** Introduce benefits after 6 months of tenure to reduce early exits.
 5. **Pricing Strategies:** Provide usage-based discounts to reduce churn among high-billing customers.
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10. Conclusion

Based on the analysis, the following takeaways emerge:

- Churn is highest among customers with month-to-month contracts, high bills, and electronic check payments.
- Demographics play a smaller role, but senior citizens remain vulnerable.
- Contract type, tenure, and payment method are the **strongest churn predictors**.

Recommendations Summary:

- Improve retention through **contract-based discounts**.
- Enhance **customer support for seniors**.
- Push **automated payment adoption**.
- Launch **early tenure loyalty programs**.
- Review **pricing for high-bill customers** to prevent dissatisfaction.