

Executive Summary – Customer Churn Analysis

Customer churn is a major challenge for subscription-based businesses, as it directly impacts revenue and long-term growth. Retaining existing customers is more cost-effective than acquiring new ones. This project analyzes customer data to identify the key drivers of churn and recommend strategies to improve retention.

The analysis uses a cleaned customer churn dataset containing demographic, billing, contract, and service usage information. The dataset was prepared to ensure accuracy and reliability.

Key findings show that customers with higher monthly charges and shorter tenure are significantly more likely to churn. Month-to-month contracts exhibit the highest churn rates, while long-term contracts are associated with stronger customer retention. Statistical analysis confirms that pricing and contract structure play a critical role in churn behavior.

Churn is most prevalent among new customers on short-term contracts with higher monthly charges, posing a risk to customer lifetime value and increasing acquisition costs.

Based on these insights, the business should promote long-term contracts, implement targeted retention strategies for high-risk customers, review pricing models, and strengthen early-stage onboarding. Addressing these factors can significantly reduce churn, improve customer retention, and support sustainable business growth.