

Executive Summary: Analysis of Customer Churn

1. Total Churn Rate

According to the analysis, a sizable percentage of the customer base—26.54%—has churned.

Prioritizing retention initiatives will lower this percentage and increase customer lifetime value.

2. The Effect of Demographics on Churn

Compared to younger customers, senior citizens (those over 60) are more likely to leave.

Age-related factors may have an impact on retention, as evidenced by the higher percentage of senior citizens who have discontinued services (compared to non-senior customers).

Programs for senior citizens' targeted engagement could increase retention.

3. Churn Behavior & Customer Tenure

Early customer experience is important, as evidenced by the highest churn rate among customers with a tenure of 1-2 months.

Customers who have been using the service for more than two years, on the other hand, exhibit noticeably lower churn rates.

An analysis of tenure-based churn:

0–6 months: High rate of customer attrition (the majority of churned customers fall into this category).

Moderate churn rate for one to two years.

2+ years: Low churn rate, which indicates that clients who stick around for this long are probably going to stay.

Practical Advice: In the initial months, churn can be decreased by providing early incentives and enhancing onboarding experiences.

4. Contract Type's Effect on Churn

Compared to customers with 1-year (~11-15%) and 2-year (~5-7%) contracts, those with month-to-month contracts have a significantly higher churn rate (~45-50%).

Incentives for yearly contracts may aid in retention, as long-term contracts seem to drastically lower churn.

