

# Customer Churn Analysis & Prediction Report

Strategic insights and actionable recommendations to reduce customer attrition and enhance retention strategies



# Overview: The Churn Challenge

The analysis reveals a **27.0% overall churn rate**, representing 2,000 customers lost from a total base of 6,418. This report combines historical churn patterns with predictive modeling to identify at-risk customers and drive targeted retention initiatives.

The findings highlight critical risk factors across demographics, contract types, and customer lifecycle stages—providing a roadmap for strategic intervention.

27%

Overall Churn Rate

2,000 customers churned

381

Predicted Churners

At-risk customers identified

6,418

Total Customer Base

Active customers analyzed



# Demographics: Gender & Age Insights

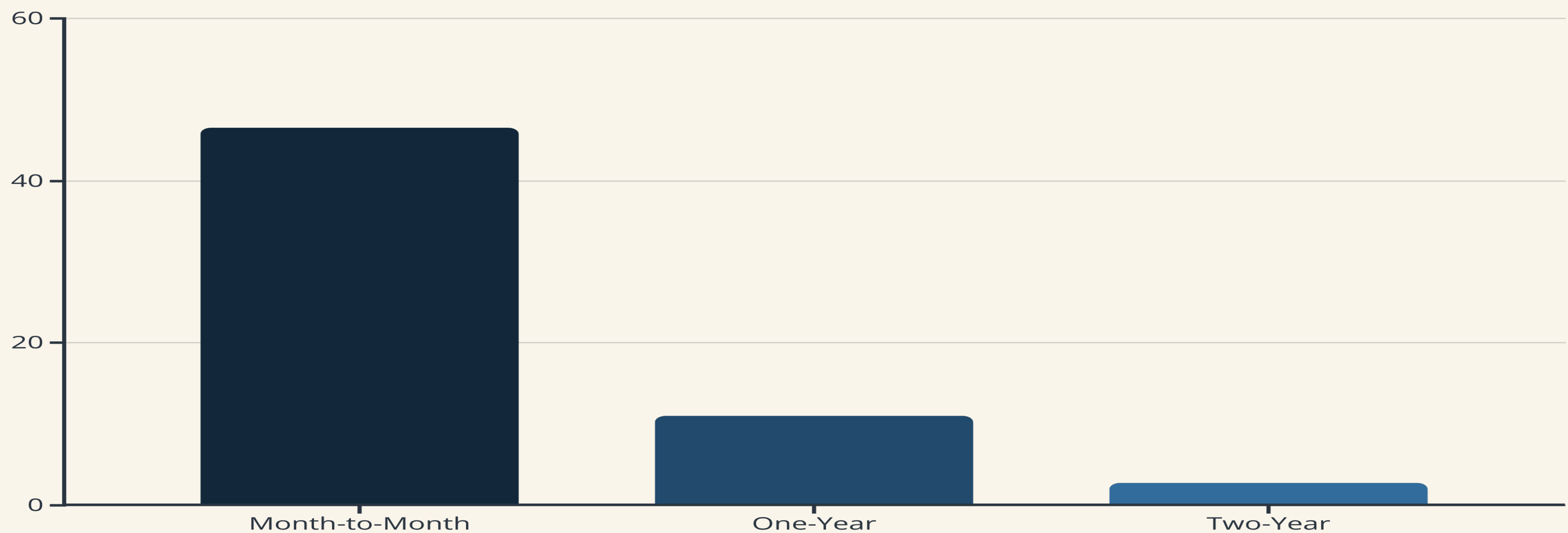
## Gender Distribution

**Female customers** represent 64.1% of total churn (1,111 customers), significantly outpacing male churn at 35.85% (621 customers). This gender disparity demands targeted retention strategies.

## Age Group Analysis

The **>50 age group** accounts for 44.22% of all customers (2,838) with a 31.0% churn rate—the largest contributor to overall attrition. A positive correlation exists between customer volume and churn across age segments.

# Contract Type: The Critical Risk Factor



Month-to-Month contracts exhibit a **46.5% churn rate**—dramatically higher than One-Year (11.0%) and Two-Year (2.7%) contracts. This represents our **single most critical vulnerability** , with 357 of 381 predicted churners on this contract type.

# Tenure & Payment Methods: Early Warning Signals



## Tenure Patterns

Churn peaks at **27.5%** for customers in their first 6 months, declining slightly to 26.1% in months 6-12. The  $\geq 24$  months group (2,087 customers) demonstrates strong loyalty, emphasizing the importance of early retention.



## Payment Risk Profile

**Mailed Check** users show 37.8% churn, **Bank Withdrawal** at 34.4%, while **Credit Card** users exhibit only 14.8% churn—suggesting payment convenience directly impacts retention.



## Geographic Hotspot

**Jammu & Kashmir** leads with a concerning 57.2% churn rate among top states, indicating regional service challenges requiring immediate investigation and localized solutions.

# Why Customers Leave: Root Causes



## Churn Category Breakdown

### Competition (761)

External market pressures and competitor offerings driving the majority of customer losses

### Dissatisfaction (300)

Service quality and product performance falling short of customer expectations

### Attitude (301)

Poor customer service interactions and relationship management issues

These three categories reveal both external competitive threats and internal service deficiencies that must be addressed simultaneously.



# Predictive Model: Profile of At -Risk Customers

## Gender & Status

**249 female** vs. 132 male predicted churners. Unmarried customers (193) slightly outnumber married (188) in the at-risk pool.

## Contract Alert

**357 of 381** predicted churners have Month-to-Month contracts, reinforcing this as the dominant risk factor requiring urgent action.



## Age Profile

The **>50 age group** leads with 136 predicted churners, mirroring historical patterns and confirming this demographic's elevated risk.

## Tenure Risk

**107 customers** in their first 6 months are predicted to churn—highlighting critical vulnerability in the onboarding phase.

# Strategic Priorities: Four -Pillar Approach



## Contract Migration Initiative

Target the 357 Month-to-Month predicted churners with aggressive incentives to convert to One-Year or Two-Year contracts. Offer pricing discounts, feature upgrades, or loyalty rewards to drive commitment.



## Demographic Campaigns

Create specialized retention strategies for female customers and investigate root causes of the 57.2% churn rate in Jammu & Kashmir through local market research and service audits.



## Early Intervention Program

Deploy enhanced onboarding and dedicated support for the <6 Months tenure group. Proactive check-ins, personalized guidance, and rapid issue resolution during this critical window.



## Experience Enhancement

Address Competition, Dissatisfaction, and Attitude churn drivers through service quality improvements, competitive pricing analysis, and comprehensive customer service training programs.



# Implementation Roadmap

## Immediate (0-30 Days)

- Launch contract migration campaign for 357 at-risk Month-to-Month customers
- Deploy retention calls to Jammu & Kashmir high-risk segment
- Activate payment method optimization initiative

## Medium-term (3-6 Months)

- Evaluate and refine retention programs based on early results
- Expand geographic strategies to other high-churn regions
- Introduce loyalty rewards for long-term contract commitments



## Short-term (1-3 Months)

- Roll out enhanced onboarding program for new customers
- Implement service quality improvements based on Dissatisfaction feedback
- Launch targeted campaigns for female customer segments

# Thank You