

■ Executive Summary: Customer Churn Analysis

Overall Churn Rate

26.5% of customers have churned, while 73.5% have stayed. This shows that more than 1 in 4 customers are leaving, which is a significant challenge for retention.

Key Insights

Demographics & Tenure

Senior Citizens: ~42% churn rate vs. ~24% for non-seniors → nearly 2x more likely to churn. Tenure: Customers with 1–2 months of service churn >50%. Customers with 2+ years churn <10%.

Contract Type

Month-to-Month: ~43% churn, One-year: ~11%, Two-year: ~3%. Long-term contracts reduce churn risk by 10–15x.

Services & Features

Without Online Security, Tech Support, or Backup → churn 35–45%. With services → churn only 15–20%.

Payment Method

Electronic check users churn at ~45%. Other methods (credit card, bank transfer, mailed check) → 15–20%.

Billing & Paperless Options

Paperless billing → ~33% churn. Mailed billing → ~18% churn.

Strategic Recommendations

- Target Early-Stage Customers: Offer discounts, onboarding support, or loyalty perks in the first 3 months.
- Encourage Long-Term Contracts: Incentivize switching from month-to-month to yearly contracts, bundle services.
- Upsell Value-Added Services: Promote Online Security, Tech Support, Backup. Customers with these churn far less.
- Shift Payment Methods: Provide cashback/rewards for switching from electronic check to credit card/bank transfer.
- Address Senior Citizen Segment: Create senior-friendly packages, simplified billing, and priority support.