

Teco Customer Churn Analysis – Summary

Objective:

This study looks at why customers stop using Teco's services. It focuses on contract types, payment methods, and how long customers stay before leaving.

Key Findings:

◆ Contract Type:

- Customers with month-to-month contracts have the highest churn rate (42%).
- Those with one-year contracts have an 11% churn rate, while two-year contracts have only 3% churn.
- What this means: Customers with longer contracts are less likely to leave.

◆ Payment Methods:

- Electronic check users have the highest churn (45%), while those using credit cards, bank transfers, or mailed checks have lower churn (15-18%).
- Possible reason: Electronic check payments may be inconvenient or untrustworthy.

◆ Tenure (How long customers stay before leaving):

- Customers with less than 1 year of service have the highest churn (50%).
- Churn drops to 35% for 1-3 years and 15% after 3 years.
- Takeaway: Engaging customers in their first year is crucial.

◆ Internet Service Type:

- Fiber Optic users churn at 30%, while DSL users churn at 20%.
- This could be due to service issues or competition.

◆ Senior Citizens & Churn:

- Customers aged 65+ churn at 41%, compared to 26% for younger customers.
- **Solution:** Special offers or better customer service for senior users may help.

Visual Insights:

Charts show that:

- Electronic check users churn 3x more than credit card users.
- Churn decreases as customers stay longer, showing the need for early-stage retention efforts.

Recommendations:

- Encourage longer contracts with discounts or benefits.
- Promote secure payment methods like credit cards.
- Improve customer engagement in the first year.
- Create senior-friendly support programs to reduce churn.