

Telecom Customer Churn Analysis

Understanding customer behavior and retention patterns across 7,043 customers generating \$16.06M in revenue



Key Business Metrics

7043

Total Customers

Active customer base
analyzed

\$16.06M

Total Revenue

Generated across all
customers

\$64.76

Average Charges

Per customer monthly rate

228K

Tenure Months

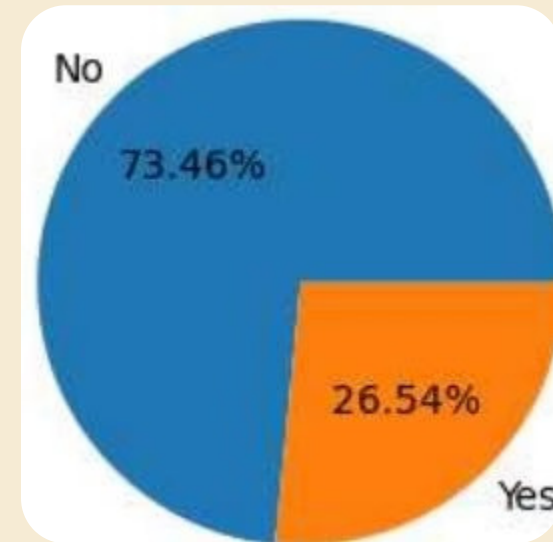
Cumulative customer tenure

The Churn Challenge

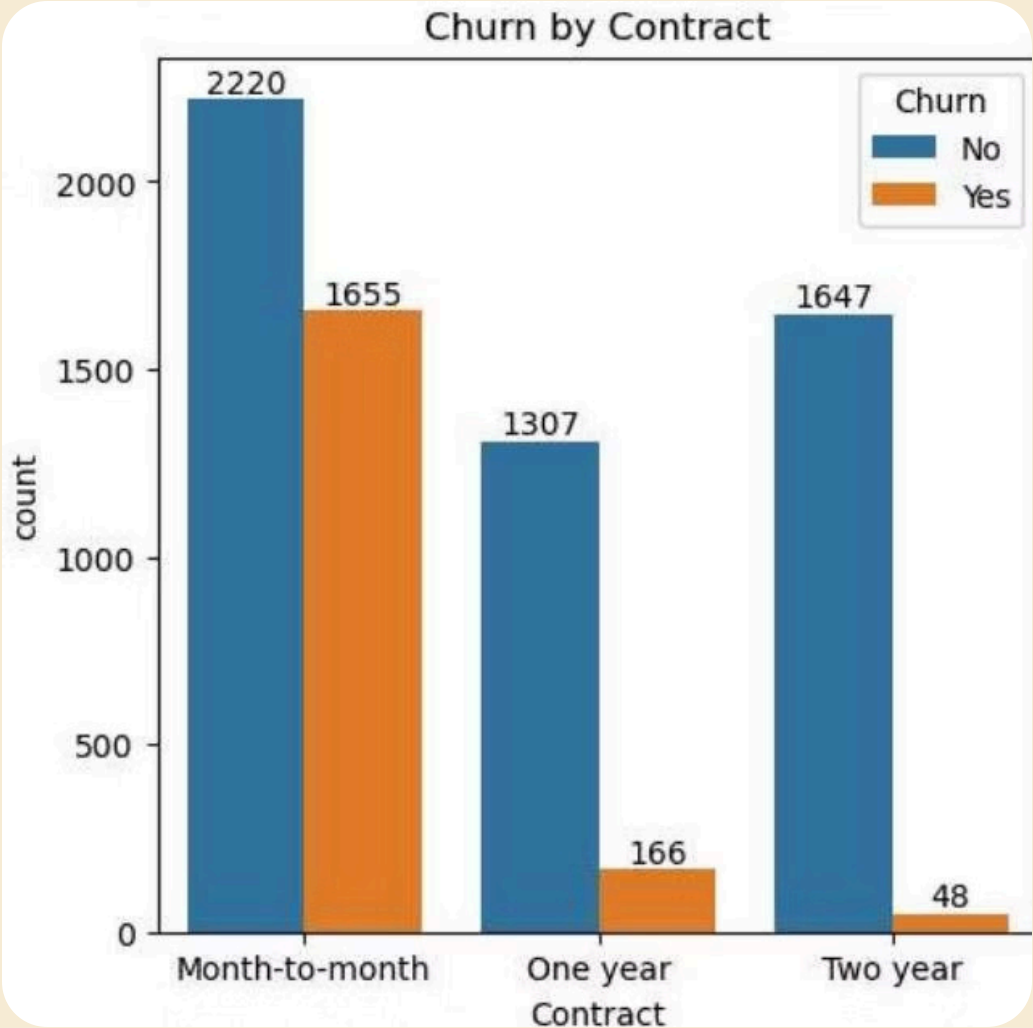
Customer Retention Overview

Analysis reveals 26.54% of customers have churned, representing 1,869 customers out of 7,043 total. This significant churn rate impacts revenue and requires strategic intervention.

The majority (73.46%) remain loyal, but understanding why over a quarter leave is critical for business growth.



Contract Type: The Biggest Predictor

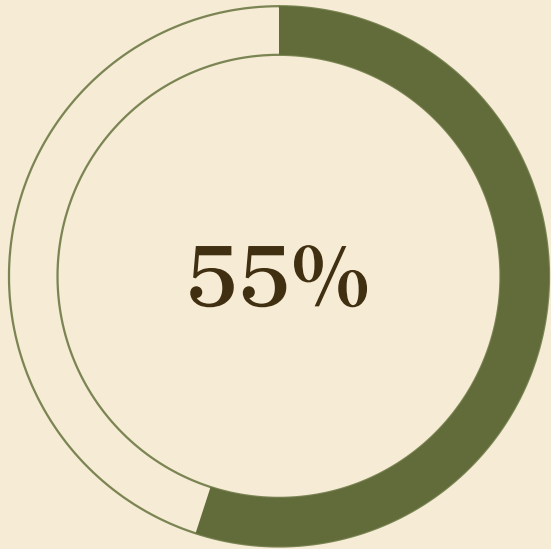


Month-to-Month Contracts Drive Churn

Customers on month-to-month contracts show dramatically higher churn (1,655) compared to one-year (166) and two-year (48) contracts.

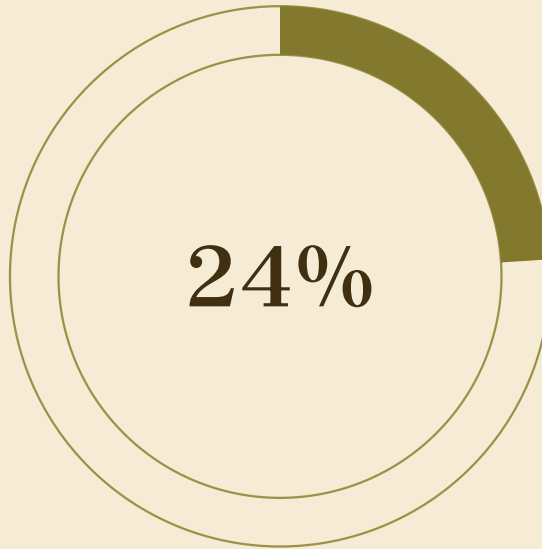
Key Insight: Longer commitments correlate strongly with retention. Month-to-month contracts represent 55% of revenue but highest churn risk.

Revenue Distribution by Contract



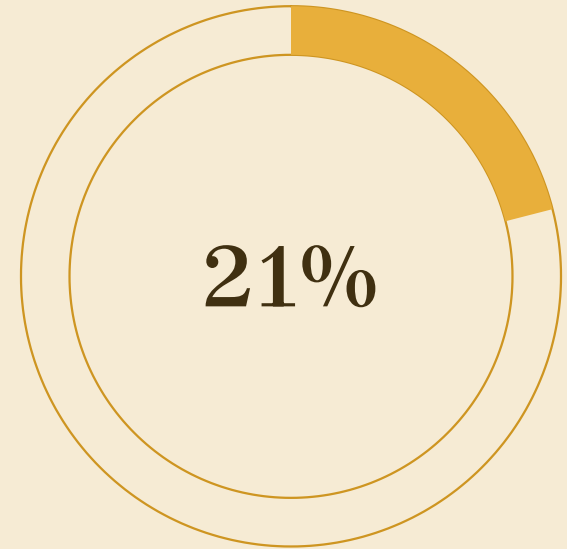
Month-to-Month

Highest revenue but greatest churn risk



Two Year

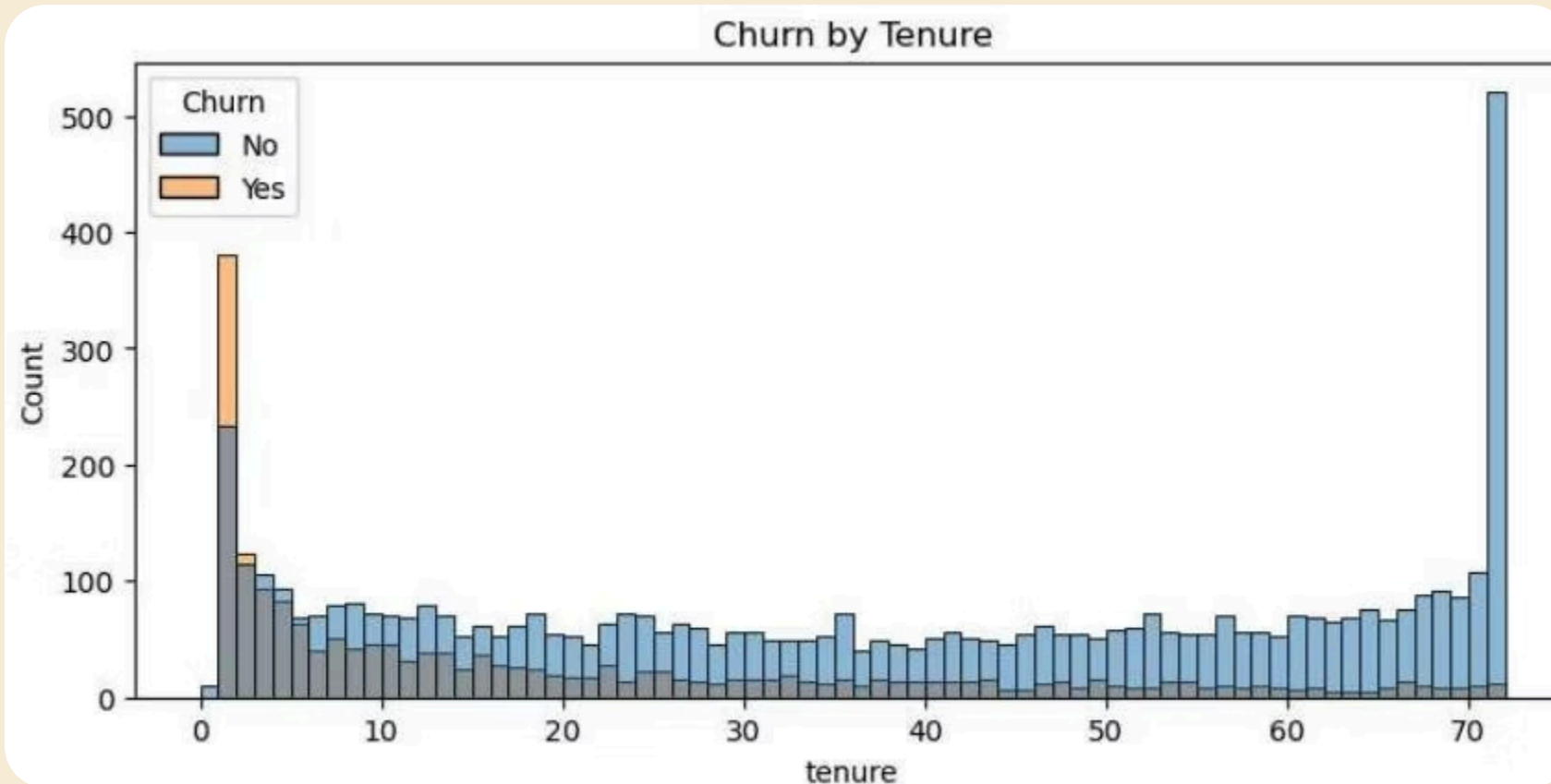
Most stable customer segment



One Year

Moderate stability and revenue

Tenure Reveals Critical Pattern



Customers with 1-2 months tenure show highest churn rates. Those who stay beyond initial months demonstrate strong loyalty. The first 90 days are critical for retention.

📌 **Action Item:** Focus retention efforts on new customers during their first quarter of service.

Service Gaps Driving Churn

No Online Security

Significantly higher churn among customers without this protection

No Tech Support

Lack of support services correlates with increased churn

No Online Backup

Customers without backup services more likely to leave

Fiber Optic Issues

Higher churn rate than DSL users, suggesting cost or service concerns

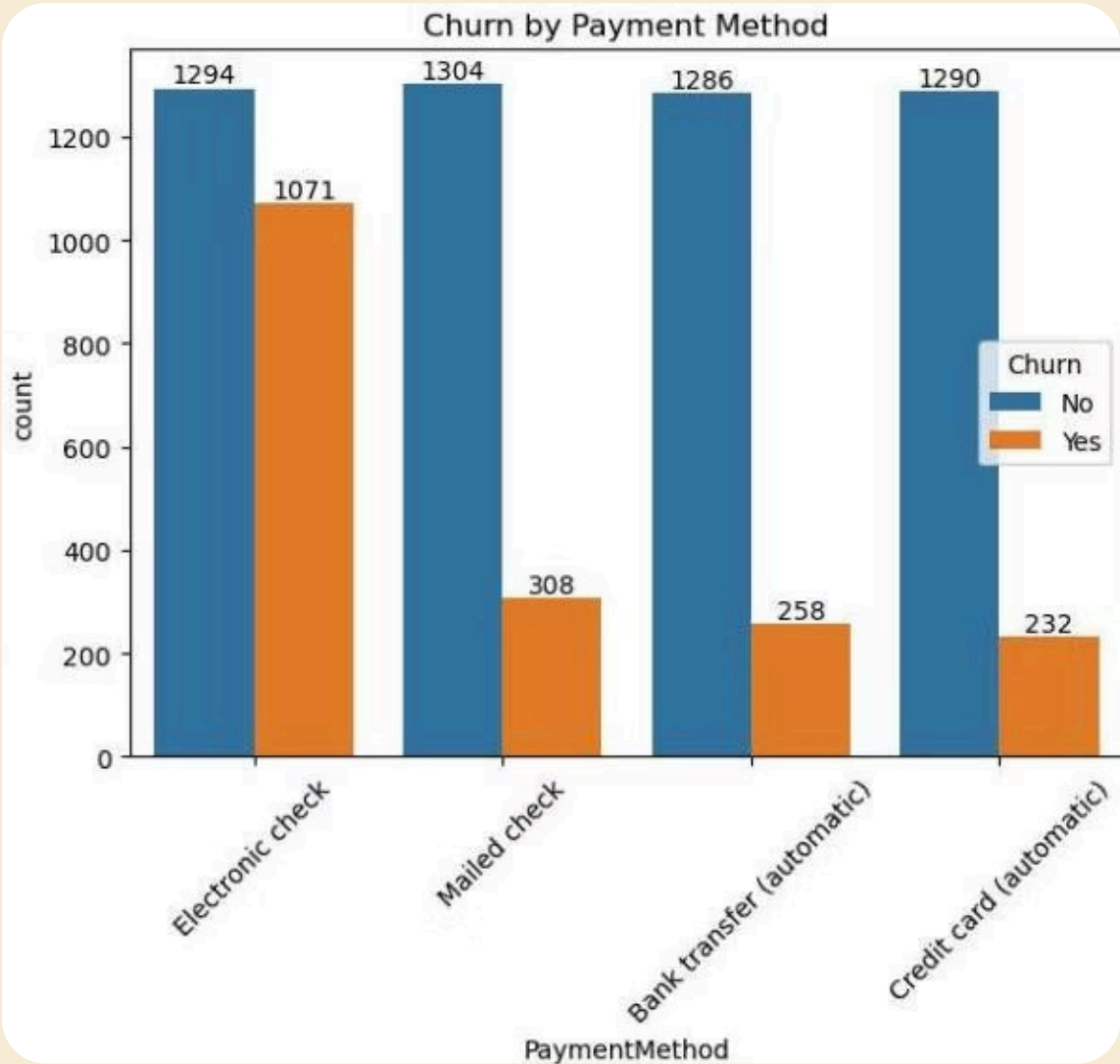


Payment Method Impact

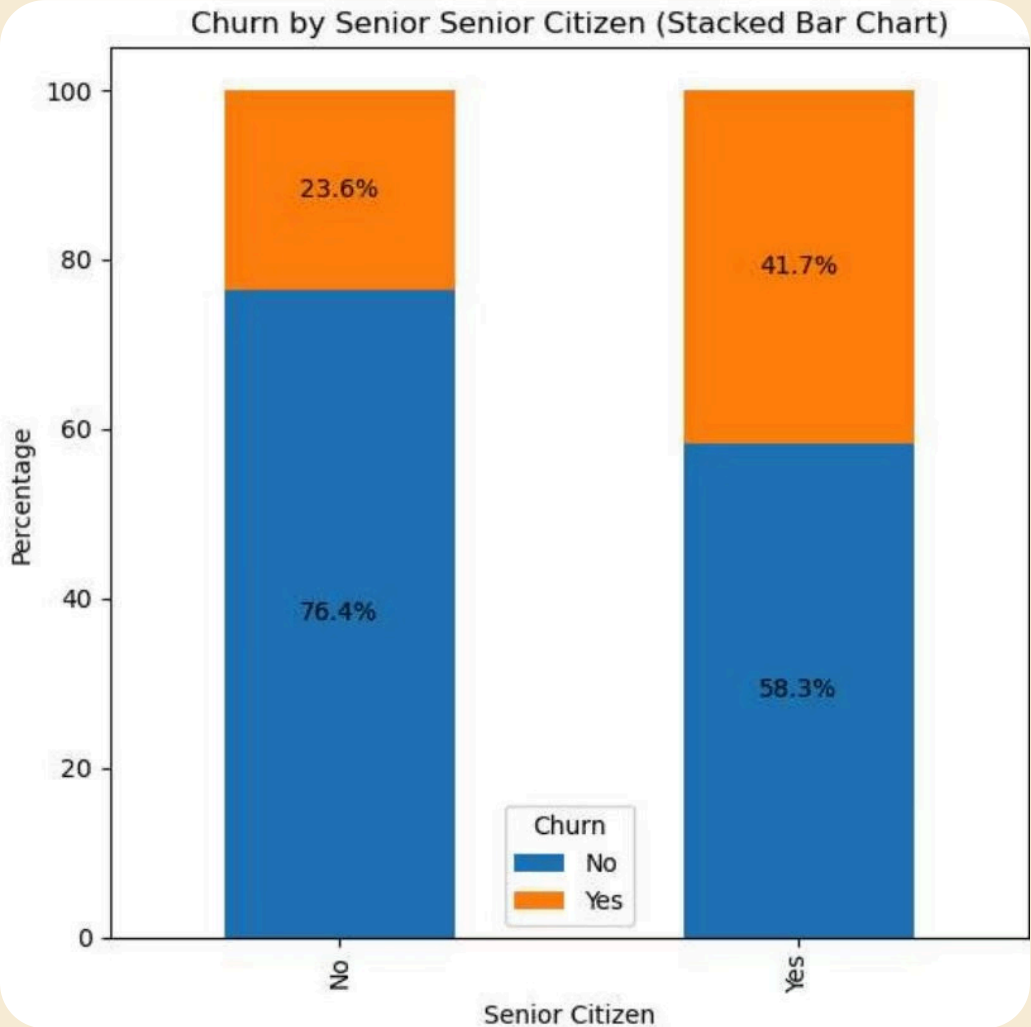
Electronic Check Risk

Customers using electronic checks show highest churn (1,071 churned vs 1,294 retained).

Automatic payment methods (bank transfer, credit card) demonstrate much lower churn rates, with only 232-258 churned customers.



Senior Citizens & Demographics



Age Factor

Senior citizens show 41.7% churn rate compared to 23.6% for non-seniors—nearly double the rate.

Gender shows balanced distribution (50.48% male, 49.52% female) with similar churn patterns across both groups.

Strategic Recommendations

01

Incentivize Long-Term Contracts

Offer discounts and benefits to convert month-to-month customers to annual commitments

02

Bundle Value-Added Services

Include online security, tech support, and backup in standard packages

03

Focus on First 90 Days

Implement onboarding program with enhanced support for new customers

04

Promote Automatic Payments

Encourage migration from electronic checks to automatic payment methods

05

Senior Citizen Support

Develop targeted retention programs for senior customers with specialized assistance