Based on the data analysis, it was found that the overall churn rate is 26.5% out of a total customer base of 7043. To understand the same, each of the variables were studied individually and on the basis of their impact on the churn rate, certain recommendations are made to reduce the churn rate.

Effect of Demography

- Demographic study revealed that gender did not play a significant role in customers opting out.
- People without partners had a churn rate of ~33%, which is 1.75 times higher than customers who had partners. Similarly, customers with no dependents in the house churned almost twice (~31%) as compared to the people with dependents (~15%).
- Senior citizens which comprised only 16.2% of the customers had a massive churn rate of ~42%.

Effect of Internet Services

Fiber Optics vs DSL Connection
Insight: It was found that the churn rate is very high for customers opting for fiber optics at ~42% whereas customers with DSL had a churn rate of ~19%.
Recommendation: Study the internet connectivity data- interruptions, speed etc. and survey customers to find the concerns with Fiber Optics connection.

Increase in additional services reduces churn rate
Insight: The churn rate varied significantly with the number of services opted by the customers. Customers opting for internet without any add-on services (Online security, Tech Support, Online Backup etc.) had a churn rate of 52.2%. An interesting trend was observed, with each additional service added, the churn rate reduced drastically.
Recommendation: Offer a bundle package with several add-on services at a discounted rate to increase customer retention.

Online security is a major concern
Insight: The churn reduced from 27.9% to 9.5% for customers with DSL connection and from 49.3% to 21.8% for customers with a Fiber Optic connection when they opted in for online security services.
Recommendation: Design a campaign to promote the security features available with the company and encourage customers to opt-in. Security services could also be made freely available to all for a limited time period, if viable.

Customers prefer automatic payment
Insight: Out of the total churned customers, 73.7% paid using non-automatic mediums out of which 57% were paying through electronic checks, which had a churn rate of 45.3%.
Recommendation: The company should focus on transiting the manual customers to an automatic medium especially for electronic checks as customers are not satisfied with this payment method.

<u>Month-to-Month subscription has a higher churn rate</u>

Insight: Out of the total customers with monthly subscription, 42.71% churned whereas ~2% churned out of the ones having a two-year subscription.

Recommendation: Provide higher discounts on yearly packages to attract and retain customers

<u>Benefit of Tech support</u>

Insight: Customers opting for the service of streaming movies, in isolation, had a churn rate of 64.86% whereas those opting for streaming TV, in isolation, had a churn rate of 61.40%. On data analysis, it was found that with the addition of Tech support, the churn rate was drastically reduced to 20.69% for streaming movies service and to 42.50% for streaming TV service.

Recommendation: Buffering of videos for streaming services might be a potential reason for customer dissatisfaction. Thus, we should ensure customers who are offered these services have sufficient internet speed. Also, Tech support and online security can be offered complimentarily for a limited time period.