

Executive Summary: Telco Customer Churn Analysis

Churn Rate Overview:

- **26.54% of customers** have churned, as visualized in the pie chart, highlighting a significant retention issue.
- This translates to **1,869 out of 7,043 total customers**, leaving a **73.46% retention rate**.

Gender Analysis:

- Churn is **almost evenly distributed** across genders:
 - **50.3% of churned customers are male**, while **49.7% are female**.
 - This indicates that gender is **not a significant factor in churn**.

Senior Citizens:

- Senior citizens make up a smaller portion of the total customer base but are significantly more likely to churn:
 - **42.2% of senior citizen customers** have churned compared to only **23.6% of non-senior citizens**.
 - This highlights the need for **targeted retention strategies** for senior customers.

Tenure Impact:

- **Tenure has a clear impact on churn**:
 - Customers with a tenure of **1–2 months** show the highest churn rate at **42%**.
 - In contrast, those with a tenure of **50 months or more** have a churn rate below **10%**.
- These insights suggest that improving the **early experience** and incentivizing longer stays can reduce churn.

Contract Type Analysis:

- Customers with **month-to-month contracts** are far more likely to churn (**42.3% churn rate**) compared to those with:
 - **One-year contracts (11% churn rate)**.
 - **Two-year contracts (3.5% churn rate)**.
- This indicates a strong relationship between **contract type and customer retention**. Offering incentives to encourage longer contracts could be a key strategy.

Service Usage Patterns:

- Customers who do not use certain premium services are more likely to churn:
 - Those without **Online Security** or **Tech Support** services churn at rates of **35% or higher**.

- Customers who only have **basic services**, like phone or internet, tend to have higher churn rates.

Key Metrics Recap (in %):

| Metric | % of Total | Churn % | Retention % |
|----------------------------|------------|---------|-------------|
| Total Customers | 100% | 26.54% | 73.46% |
| Male Customers (Churned) | 13.35% | 50.3% | - |
| Female Customers (Churned) | 13.19% | 49.7% | - |
| Senior Citizens (Churned) | 6.2% | 42.2% | - |
| Month-to-Month Contracts | 60% | 42.3% | 57.7% |
| 1-Year Contracts | 25% | 11% | 89% |
| 2-Year Contracts | 15% | 3.5% | 96.5% |

Recommendations:

1. Focus on New Customers:

- Customers are most vulnerable in the **first 1–2 months**. Implement onboarding strategies such as welcome offers, proactive support, and tailored communication.

2. **Promote Long-Term Contracts:**

- Provide incentives such as discounts or added benefits for **1 or 2-year contract sign-ups**, targeting month-to-month customers.

3. **Senior Citizen Engagement:**

- Develop tailored plans for **senior citizens**, including **personalized support**, **simple service bundles**, and **educational resources**.

4. **Enhance Service Packages:**

- Promote premium services like **Online Security**, **Tech Support**, and **Device Protection** to improve the perceived value of services and reduce churn.