**BY**

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**Customer Churn Analysis – Executive Summary**

## ****Introduction****

Customer retention is a key challenge in the telecommunications industry. High churn rates lead to significant revenue loss, requiring businesses to implement effective retention strategies. This report provides a **data-driven analysis** of churn behavior among telecom customers, identifying key factors influencing churn and recommending actionable strategies to enhance customer loyalty.

## ****Key Findings****

### ****1. Overall Churn Rate****

* **26.5% of customers have churned**, indicating a substantial retention issue.
* **73.5% of customers remain active**, providing opportunities for customer engagement and loyalty programs.

### ****2. Contract Type & Payment Methods Influence Churn****

* **Month-to-month contracts have the highest churn rate (43%)**, compared to **one-year (11%) and two-year contracts (3%)**.
* Customers using **electronic check payments** show the highest churn (**45% churned**), whereas **credit card (16%) and bank transfer (23%)** users churn less frequently.

### ****3. Internet Service & Demographics Affect Customer Retention****

* **Fiber Optic Internet users churn at 42%**, significantly higher than DSL users (20%).
* **Senior citizens exhibit a 41% churn rate**, compared to **24% among younger customers**.
* **Customers with longer tenure (2+ years) churn at only 10%**, whereas **new customers (<6 months) churn at 55%**.

### ****4. Impact of Additional Services on Churn****

* **51% of customers without Online Security churn**, while only **16% of those with it churn**.
* **49% churned among those without Tech Support**, compared to **17% among those using the service**.
* Streaming services (TV & Movies) have **minimal impact on churn**, suggesting other factors are more influential.

### ****5. Financial Trends & Churn Behavior****

* **High monthly charges drive higher churn rates**:
  + Customers paying **$80+ per month churn at 48%**.
  + Those paying **less than $50 per month churn at just 12%**.
* **Tenure impacts churn significantly**:
  + **Short-term customers (under 6 months) churn at 55%**.
  + **Long-term customers (over 2 years) churn at only 10%**.

## ****Visual Insights****

This analysis is supported by various **data visualizations**, including:

* **Churn rate distribution by contract type, tenure, and billing method**.
* **Comparisons of churn across different internet service types**.
* **Correlation between additional services (security, tech support) and churn behavior**.
* **Monthly charges vs. churn trends**. These visual representations help in better understanding customer churn patterns and provide a foundation for strategic decision-making.

## ****Actionable Recommendations****

✅ **Convert month-to-month users to long-term plans**: Offering **discounts and loyalty benefits** for customers switching from monthly to annual plans can **reduce churn risk**.

✅ **Enhance Fiber Optic service quality & pricing**: As Fiber Optic users experience higher churn, improving **service reliability, affordability, and customer support** can **boost retention**.

✅ **Encourage adoption of security & tech support services**: Customers without these services churn at a much higher rate. Promoting **bundled offers** or **free trial periods** can **increase retention**.

✅ **Implement targeted retention strategies for high-risk customers**:

* **Identify new customers (<6 months tenure)** for early engagement campaigns.
* Provide **special retention offers** to customers with **high monthly bills ($80+)**.

✅ **Optimize billing methods**: Customers paying via **electronic check have the highest churn rate**. Encouraging **autopay enrollment with credit card or bank transfer discounts** can help retain more customers.

## ****Conclusion****

This analysis highlights key factors contributing to **customer churn** in the telecommunications industry. By addressing **contract flexibility, service quality, and strategic pricing**, telecom companies can **proactively reduce churn, increase customer satisfaction, and drive long-term revenue growth**.

### ****Key Takeaways:****

* **Short-term contract users, high-bill customers, and Fiber Optic users are at the highest risk of churning.**
* **Security and tech support services significantly impact retention.**
* **Targeted interventions can help reduce churn and improve customer loyalty.**

By implementing these insights, companies can **enhance customer experiences, improve retention rates, and maximize profitability**.