

CUSTOMER CHURN ANALYSIS

[SUMMARY AND RECOMMENDATIONS]

Approximately **27% of customers have churned**, indicating a moderate churn rate that wants attention.

1) Customer Churn Overview

- Stayed Customers: 62.9%
- Churned Customers: 26.7%
- Newly Joined: 10.4%

2) Parameters and Churn:

- **Senior citizens** (age > 50) show a **higher tendency to churn**, although they also represent a significant portion of new joiners.
- **Gender-wise distribution** does not show a major disparity, suggesting gender neutrality in churn behavior.
- Services like **Device Protection Plan, Online Security, Streaming Services**, and **Internet Services** were closely linked with customer status.
- Customers who opted out of digital services (like streaming or internet-based features) showed higher churn.
- **Month-to-month contract holders churn the most**, while annual contracts tend to retain customers longer.
- **Paperless billing** and **automatic payment methods** (credit card, bank withdrawal) are correlated with better retention.
- Features like **Unlimited Data, Premium Support**, and **Multiple Lines** appear to influence customer satisfaction, helping reduce churn when utilized effectively.

3) Service Usage and Churn Patterns

Feature	Churn Rate (No Subscription)	Churn Rate (Yes Subscription)
Online Security	35.8%	16.9%
Device Protection Plan	33.4%	20.4%
Streaming Movies	29.7%	22.5%
Online Backup	31.2%	18.8%
Premium Support	30.3%	19.9%

4) Internet and Contract Types

- Customers **with no internet** have a churn rate of only **3.4%**, likely due to lower service dependency.
- **Fiber Optic users** show the **highest churn** at **33.5%**

5) Contract Type:

- Month-to-Month: **43% churn**
- One-Year: **11% churn**
- Two-Year: **4% churn**

Insight: Long-term contracts significantly reduce churn. Promoting annual plans with discounts can drive customer loyalty

6) Billing & Payment Behavior

- **Paperless Billing:**
Churn Rate (Yes): **29.1%**
Churn Rate (No): **21.3%**
Indicates tech-savvy users may still churn unless service value is perceived.
- **Payment Method:**
Mailed Check users have the **highest churn rate at 45.8%**
Automatic payments (Bank/Credit Card) show **lowest churn (~18-22%)**

Insight: Encouraging auto-payment options can reduce churn by **20-25%**. Paperless billing needs to be complemented with proactive engagement.

7) Entertainment & Data Services

- **Streaming TV / Music:**
Churn Rate (No): **~30%**
Churn Rate (Yes): **~22%**
- **Unlimited Data:**
Customers with **Unlimited Data** churn less (**24.3%**) than those without (**31.7%**)

Insight: Providing **rich content bundles and unlimited data** adds perceived value, reducing churn risk.

8) Demographic Influence on Churn

- **Senior Citizens (Age > 50):**
Represent about **47.8%** of the dataset. Among them, **32% have churned**, compared to **22% churn** for non-senior citizens.
- **Gender Distribution:**
Male: **50.1%**, Female: **49.9%**
Churn rates are almost **equal across genders**, indicating **gender is not a major churn factor**.

Insight: Senior citizens are more likely to churn — designing tailored plans and better support for this segment could improve retention.

Business Recommendations

- **Retention Campaigns:** Target senior citizens and monthly-contract customers with loyalty programs and support.
- **Service Bundling:** Promote online services (Security, Backup, Premium Support) as churn-prevention packages.
- **Upgrade Contracts:** Offer incentives for upgrading to yearly or bi-yearly contracts.
- **Auto-Payment Promotion:** Encourage switching to bank/credit payment to reduce churn likelihood.
- **Customer Segmentation:** Use behavioral segmentation to personalize communication and offers