7043
Total Customers

1869
Churned Customers
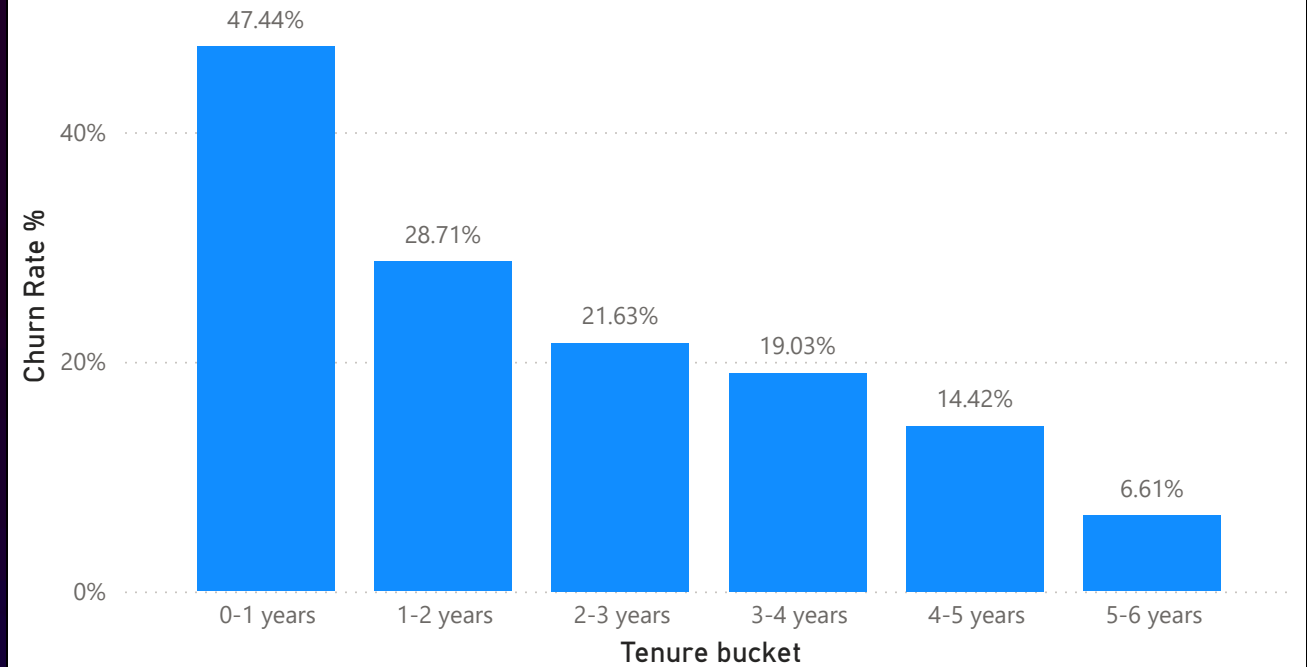
26.54%
Churn Rate %

CHURN BY CONTRACT TYPE
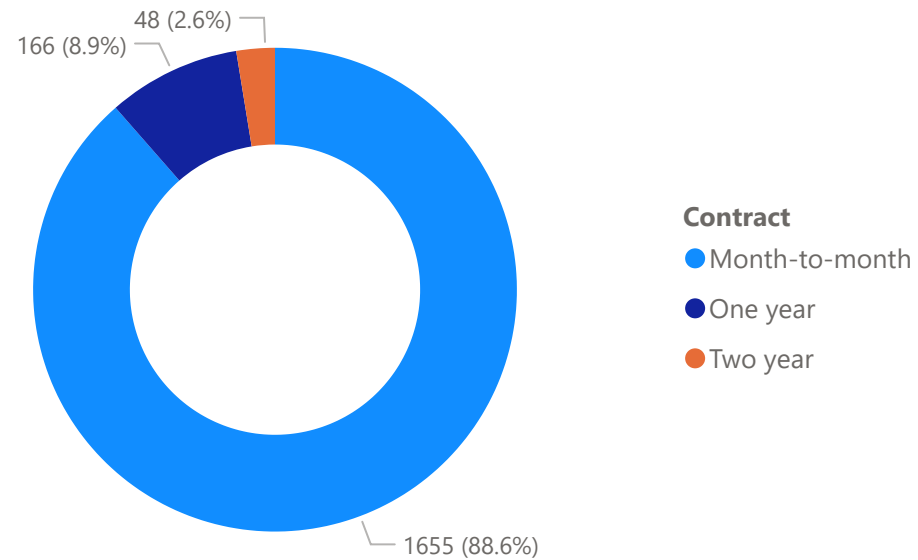
48 (2.6%)

166 (8.9%)

1655 (88.6%)

Contract
- Month-to-month
- One year
- Two year

CHURN RATE BY TENURE GROUP

Churn Rate %

47.44%

28.71%

21.63%

19.03%

14.42%

6.61%

40%

20%

0%

0-1 years | 1-2 years | 2-3 years | 3-4 years | 4-5 years | 5-6 years

Tenure bucket

GENDER

All

SENIOR CITIZEN (Y/N)

All

PARTNER (Y/N)

All

PAYMENT METHOD

All

SERVICE INFLUENCE

OnlineSecurity ● No ● No internet service ● Yes

InternetService (y-axis), Churned Customers (x-axis)

InternetService	No	Yes	Total
Fiber optic	1114	183	1297
DSL	347	112	459
No	113		113

x-axis: 0, 200, 400, 600, 800, 1000, 1200
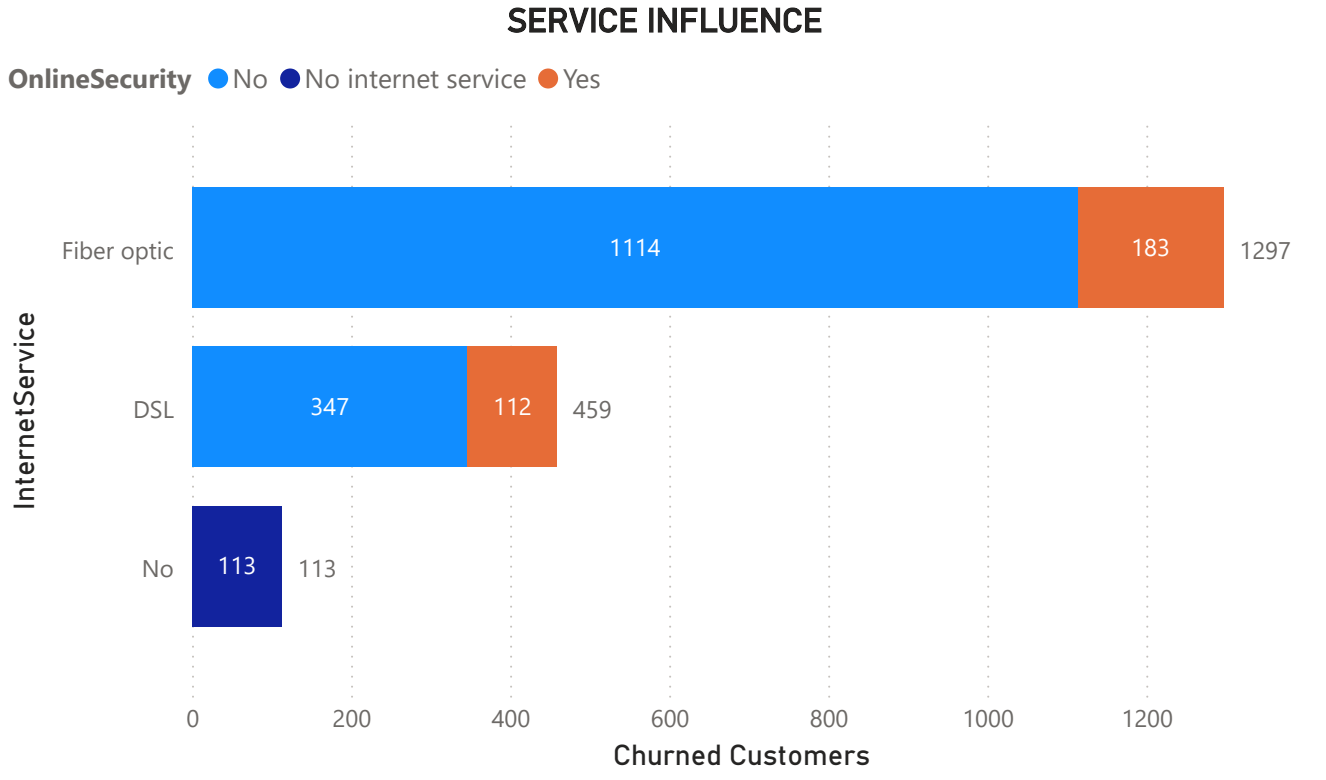
CUSTOMER TABLE

customerID	MonthlyCharges	TotalCharges	Churn
0002-ORFBO	65.60	593.30	No
0003-MKNFE	59.90	542.40	No
0004-TLHLJ	73.90	280.85	Yes
0011-IGKFF	98.00	1,237.85	Yes
0013-EXCHZ	83.90	267.40	Yes
0013-MHZWF	69.40	571.45	No
0013-SMEOE	109.70	7,904.25	No
0014-BMAQU	84.65	5,377.80	No
0015-UOCOJ	48.20	340.35	No
0016-QLJIS	90.45	5,957.90	No
0017-DINOC	45.00	3,460.55	No
Total	**4,56,116.60**	**1,60,56,168.70**	

Service Stickiness (Cohort Analysis)

InternetService	Month-to-month	One year	Two year	Total
DSL	32.22%	9.30%	1.91%	**18.96%**
Fiber optic	54.61%	19.29%	7.23%	**41.89%**
No	18.89%	2.47%	0.78%	**7.40%**
Total	**42.71%**	**11.27%**	**2.83%**	**26.54%**

GENDER
All

SENIOR CITIZEN (Y/N)
All

PARTNER (Y/N)
All

PAYMENT METHOD
All
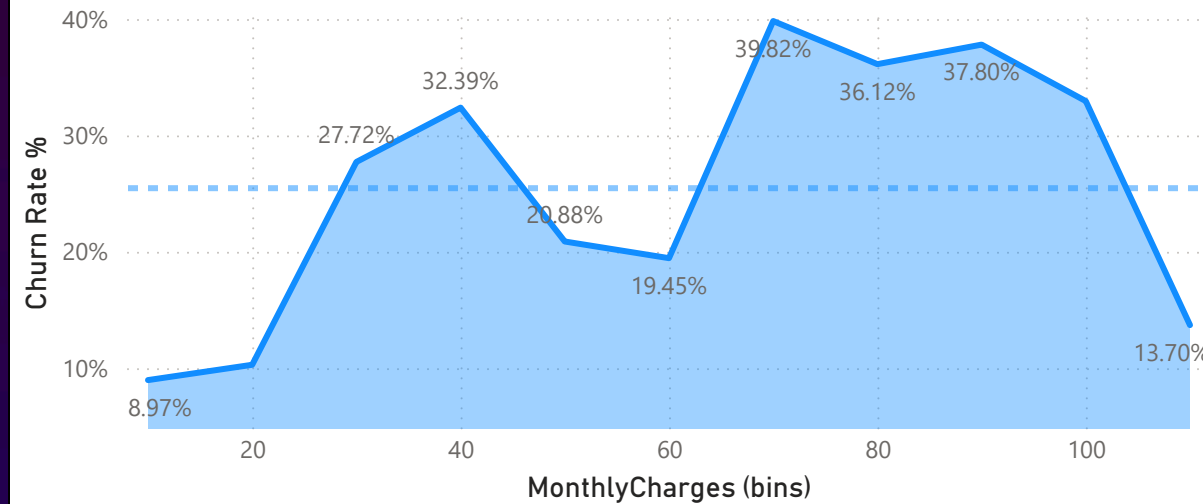
PAYMENT FRICTION ANALYSIS

PaperlessBilling ● No ● Yes

PaymentMethod / Churn Rate %

- Electronic check: 32.74% (No), 49.77% (Yes)
- Mailed check: 13.49% (No), 27.29% (Yes)
- Bank transfer (automa...): 11.03% (No), 20.88% (Yes)
- Credit card (automatic): 10.00% (No), 19.05% (Yes)
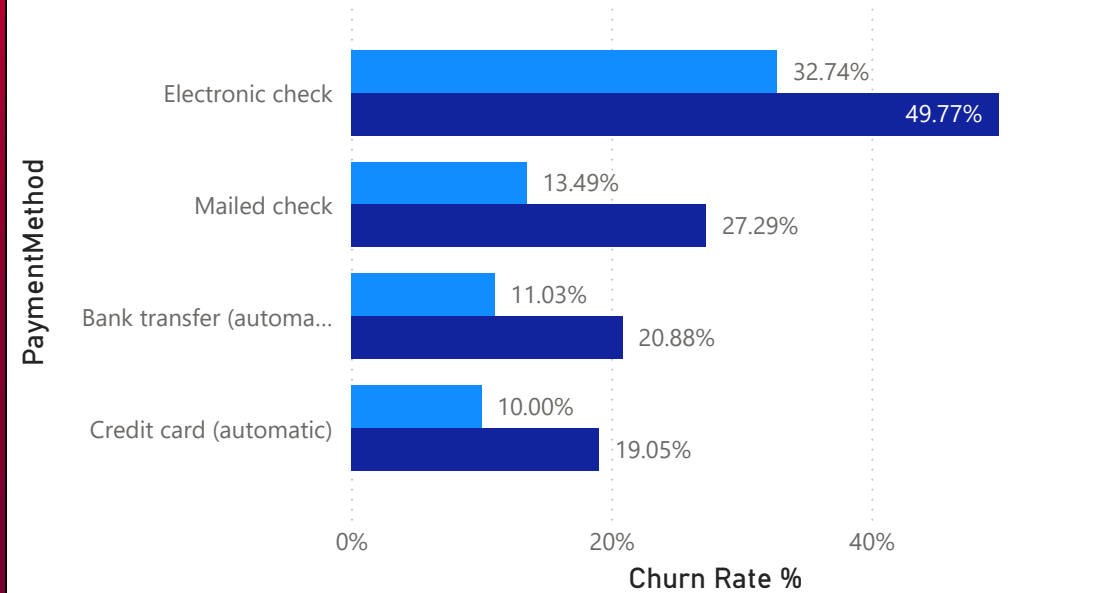
PRODUCT DENSITY CHART

● Total Customers ● Churn Rate %

No. of services taken by the customer:

- 0: 80 customers, 43.75% churn
- 1: 1701 customers, 21.11% churn
- 2: 1188 customers, 32.83% churn
- 3: 965 customers, 36.48% churn
- 4: 922 customers, 31.34% churn
- 5: 908 customers, 25.55% churn
- 6: 676 customers, 22.49% churn
- 7: 395 customers, 12.41% churn
- 8: 208 customers, 5.29% churn

PRICE SENSITIVITY CHART

MonthlyCharges (bins) / Churn Rate %:

- 8.97%
- 27.72%
- 32.39%
- 20.88%
- 19.45%
- 39.82%
- 36.12%
- 37.80%
- 13.70%
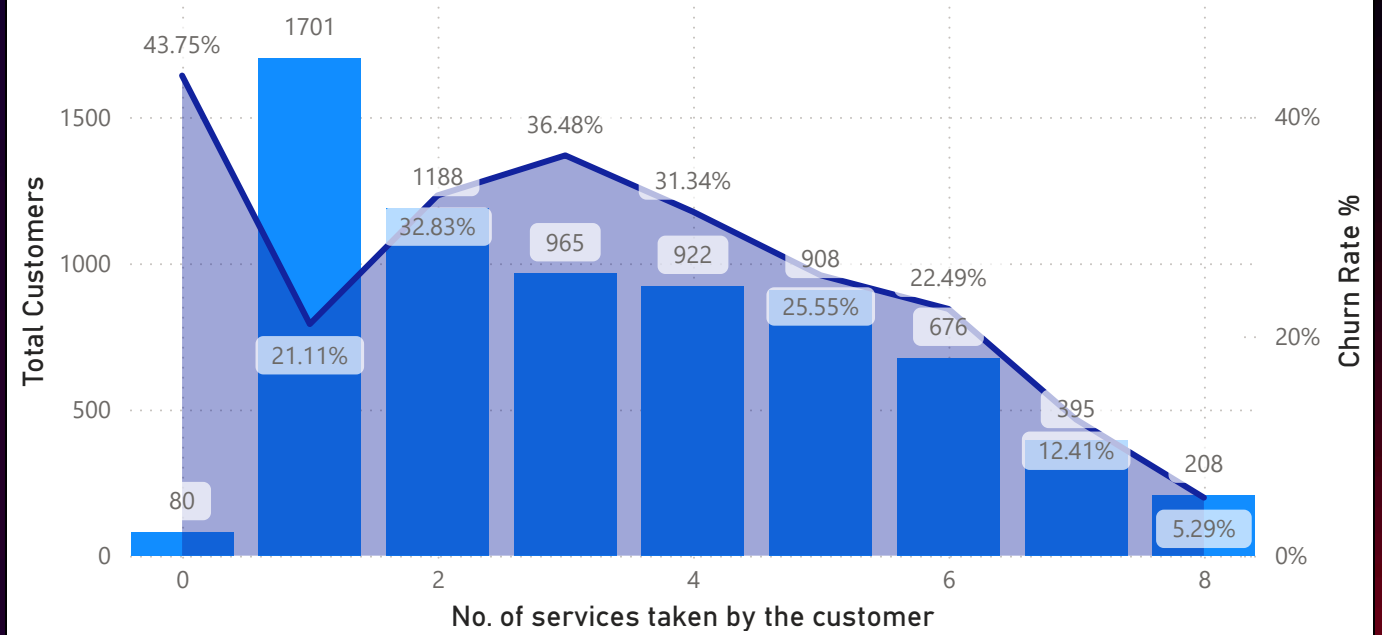
CHURN DRIVERS ANALYSIS

Key influencers   Top segments

What influences Churn to be [Yes ⌄] ?

When...   ....the likelihood of Churn being Yes increases by

Contract is Month-to-month   6.32x
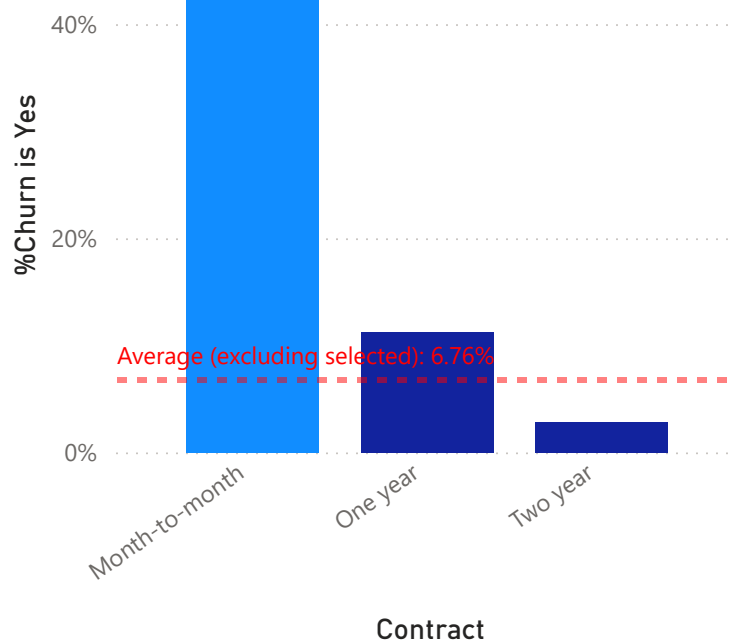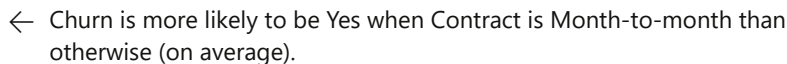
OnlineSecurity is No   3.63x

TechSupport is No   3.51x

InternetService is Fiber optic   2.89x

Tenure bucket is 0-1 years   2.77x

PaymentMethod is Electronic check   2.65x

← Churn is more likely to be Yes when Contract is Month-to-month than otherwise (on average).

%Churn is Yes

40%

20%

Average (excluding selected): 6.76%

0%

Month-to-month   One year   Two year

Contract

☐ Only show values that are influencers

KEY INFLUENCERS (AI-Driven Visual)

· Insight: Customers in a month-to-month contract have a massive churn. Also, lack of Online Security and Tech Support are the top statistical predictors of a customer leaving.

· Recommendation: Bundle these "stickiness services" into our basic plans to create a more resilient product offering.

KEY FINDINGS & RECOMMENDATIONS

1)KPI Cards:
- **Key Finding:** The current churn rate of 26.5% indicates a high customer turnover that significantly offsets new acquisition efforts.
- **Recommendation:** Reducing this by 5% or so would highly improve the long-term Customer Lifetime Value (CLV) and profitability.

2) Churn by Contract Type (Donut chart)
- **Key Finding:** Month-to-month contracts are the primary source of churn, whereas multi-year contracts show exceptionally high retention.
- **Recommendation:** Incentivize the "Contract Bridge" by offering a small discount for users to migrate from monthly to annual billing.

3) Churn Rate by Tenure Group (Clustered Column chart)
- **Key Finding:** The highest churn occurs within the first 12 months, making it the "critical window" for customer success.
- **Recommendation:** Implement a robust 90-day onboarding program to ensure new users find value early and survive the high-risk first year.

4) Service Stickiness heatmap (Matrix visual)
- **Insight:** Fiber Optic users on month-to-month plans represent our highest revenue risk cohort.
- **Recommendation:** Plan prioritized proactive outreach and loyalty offers specifically for this high-value, high-risk segment.

5) Service Influence (Stacked Bar chart)
- **Key Finding:** Customers using Fiber Optic internet who do not have Online Security represent the highest churn volume in the entire dataset.
- **Recommendation:** Launch a "Security First" campaign targeting Fiber Optic users; offering a discounted bundle for security services can act as a "lock-in" mechanism to improve retention in this particularly premium segment.

6) Customer Table (Detailed data view)
- **Key Finding:** This table allows for granular identification of high-value "at-risk" customers (those with high Monthly Charges and Month-to-month contracts) before they churn.
- **Advise:** Use this list to feed a "High-Touch" customer success workflow where account managers reach out personally to the top 50 highest-paying monthly customers to offer loyalty incentives.

7) Payment Friction analysis (Clustered Bar chart)

- **Key Finding:** We are losing significant annual revenue specifically from customers using "Electronic Check" payments. Paperless billing combined with automated payments creates the most "frictionless" and loyal customer experience.
- **Recommendation:** Mitigate "passive churn" by transitioning customers to automated Credit Card or Bank Transfer payments. Phase out manual paper billing to reduce the monthly "re-decision" point that leads to churn.

8) Product Density (Line and Stacked Column chart)

- **Insight:** Churn rate drops exponentially as customers adopt three or more services.
- **Strategic Move:** Focus marketing efforts on "cross-selling" existing customers rather than just acquiring new single-service users.

9) Price Sensitivity (Area Chart)

- **Insight:** A "Price Wall" exists at the $70–$80 mark where churn peaks regardless of the service quality.
- **Recommendation:** Re-evaluate our mid-tier pricing to ensure we aren't pushing customers toward competitors when their bill hits this threshold.

EXECUTIVE SUMMARY

Project Goal: To identify the primary drivers of customer attrition and provide data-driven recommendations to stabilize revenue and increase the Customer Lifetime Value (CLV).

Current Status: The organization is experiencing a 26.54% churn rate, which is high for a subscription-based model. Analysis reveals that churn is not random; it is heavily concentrated among new customers (tenure<12 months) and those on Month-to-Month contracts. There is a clear "Service Stickiness" correlation—as customers adopt more auxiliary services (Security, Tech Support, etc.), their likelihood of leaving drops significantly. Financially, the "Electronic Check" payment method is the leakiest bucket, contributing to a substantial portion of revenue loss.

Strategic Roadmap (Revenue & Retention Recovery)

This roadmap is designed to move the business from a **26.5% churn rate** down to an industry-standard **5-10% range** over the next 12 months.

Phase 1: Immediate Stabilization (Months 0–3)

Focus: Plugging the biggest revenue leaks and securing the "At-Risk" base.

- **Action 1: The "Contract Migration" Campaign.** *Strategy:* Target month-to-month users with a "loyalty locked-in" discount (e.g., 10% off) for switching to a 12-month contract.
  Target: High-value Fiber Optic users who are currently on monthly billing.
- **Action 2: Payment Automation Incentives.** *Strategy:* Reach out to "Electronic Check" users with a one-time bill credit (e.g., $10) to switch to automatic credit card or bank transfer payments. This eliminates "passive churn" due to payment forgetfulness.
- **Action 3: High-Priority Onboarding for New Signups.** *Strategy:* Implement a "Concierge Onboarding" for customers in their first 30 days. Our data shows that if they survive Month 1, their lifetime value triples.

Strategic Goal	KPI to track	Target Outcome
Improve Retention	Net Churn Rate	Reduce from 26.5% to <15%
Increase Stickiness	Avg. Services per Customer	Increase from 2.0 to 3.5
Shift Contracts	% of Annual Contracts	Increase from ~55% to 75%
Fix Payment Friction	% on Automatic Payment	Increase from ~40% to 65%

Phase 2: Product Stickiness & Value Optimization (Months 3–9)

Focus: Deepening the customer relationship through feature adoption.

- **Action 4: Security-First Bundling.** *Strategy:* Based on the finding that "Online Security" reduces churn, offer a free 3-month trial of this service to all existing Fiber Optic users.

Goal: Increase the "Service Density" per customer (Target: 3+ services per account).

· **Action 5: Pricing Tier Realignment.** *Strategy:* Address the "$70 Price Wall" by introducing a mid-tier "Value Bundle" at $55–$60.

· *Goal:* Retain price-sensitive customers who are currently leaving once their bill hits the $70 threshold.

Phase 3: Mature Retention & Growth (Months 9–12+)

Focus: Scaling automated retention and improving long-term CLV (Customer Lifetime Value).

· **Action 6: Predictive Churn Modeling Integration.** *Strategy:* Automate the "Key Influencers" logic into your CRM. When a customer's behavior matches a churn profile (e.g., they drop a service or call support), trigger an automatic loyalty offer.

· **Action 7: Loyalty Tier Program.** *Strategy:* Create a "Gold/Platinum" tier for customers with 24+ months of tenure, offering them early access to new tech or priority support to solidify the long-term base.