

Summary & Business Recommendations

This analysis examines customer churn patterns across service types and value-added offerings to identify key drivers of customer attrition. The findings reveal a strong relationship between **service adoption depth and churn behavior**. Customers who do not subscribe to value-added services such as Online Security, Tech Support, and Device Protection consistently exhibit **churn rates above 50%**, while customers who have adopted these services show **significantly lower churn levels, typically below 20%**. This indicates that value-added services play a critical role in increasing perceived service value and customer retention.

Churn behavior also varies notably by internet service type. **Fiber Optic customers experience the highest churn rates (approximately 40–45%)**, substantially exceeding those of DSL customers. This suggests potential issues related to pricing competitiveness, service expectations, or operational performance within the Fiber Optic segment. In contrast, customers with **bundled services**, including Phone Service and Multiple Lines, demonstrate lower churn levels, indicating that multi-service engagement increases customer commitment and reduces the likelihood of churn.

Overall, the analysis suggests that churn risk is highest among customers with **limited service adoption and single-product usage**, while customers with broader service engagement show stronger retention outcomes.

Business Recommendations

- **Increase adoption of value-added services** by introducing bundled pricing, targeted promotions, or introductory offers aimed at customers currently not using these services, as this segment represents the highest churn risk.

- **Conduct a focused review of Fiber Optic services**, including pricing strategy, service quality metrics, and customer support performance, to address the elevated churn observed in this customer group.
- **Implement data-driven retention strategies** targeting high-risk segments, particularly customers with minimal service usage, using personalized offers and service recommendations based on usage patterns.
- **Strengthen service bundling strategies** to encourage customers to adopt multiple services, thereby increasing engagement, perceived value, and long-term retention.