

Project Summary: Telecom Customer Churn Analysis

◆ Introduction to the Project

- **Purpose:** This project analyses customer churn in a telecom company, identifying key factors that influence whether customers stay or leave.
 - **Problem Solved:** Helps telecom companies understand churn patterns and take proactive measures to reduce customer loss.
 - **Domain:** Business analytics, customer retention.
-

◆ Key Features and Components

- **Main Functionalities:**
 - Loads and preprocesses telecom customer data.
 - Calculates churn percentages.
 - Visualizes churn trends with bar plots and count plots.
 - **Libraries Used:**
 - pandas – Data handling.
 - numpy – Mathematical calculations.
 - matplotlib & seaborn – Data visualization.
-

◆ Mathematical Explanation

- The project likely calculates **churn rates** as:

$$\text{Churn Rate} = (\text{Number of churned customers} / \text{total customers}) \times 100$$

- It also computes percentage distributions and uses **grouping techniques** for segmentation.
-

◆ Steps and Workflow

1. **Load Data:** The dataset (`telecom_customer_churn.csv`) is read into a Pandas
 2. **Preprocessing:** Data is structured and missing values handled.
 3. **Exploratory Data Analysis (EDA):**
 - Customer status distribution is analysed.
 - Percentage-wise churn calculation is performed.
 - Count plots visualize key service features (e.g., internet service, security plans).
 4. **Mathematical Computations:** Churn percentages, revenue distribution, and customer segmentation are calculated.
-

◆ Results and Insights

- **One-third of customers have churned**, indicating a significant retention issue.
 - **Certain services (e.g., Premium Tech Support) have lower adoption**, potentially impacting customer satisfaction.
 - **Revenue contributions by customer status** are analysed to understand how churn affects financial performance.
-

◆ Challenges and Future Work

- **Challenges:**
 - Handling missing or inconsistent data.
 - Identifying the exact factors causing churn.
 - Need to understand why senior citizens are churning the most.
-

◆ Conclusion

This project provides **valuable insights into telecom customer churn**, offering both statistical and visual analysis. By identifying key trends and patterns, telecom companies can **develop better retention strategies** and improve customer satisfaction.