



Summary – Telecom Churn Analysis

This analysis examines **7,043 telecom customers** to identify **why 26.54% churned**. Through detailed demographic, financial, and service-level analysis, we uncover actionable drivers of churn and provide strategic recommendations.



Key Findings & Insights

1. Overall Churn

- **26.54% churn rate** = ~1,869 customers.
 - Benchmark comparison: Healthy telecom churn is **<15%**, so this is significantly higher.
 - **Retention opportunity**: Reducing churn by even **5 percentage points** would save ~350 customers, translating to **substantial annual revenue retention**.
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2. Demographic Breakdown

- **Gender**:
 - Male churn rate: **26.2%**
 - Female churn rate: **26.9%**
 - 📌 Gender has **minimal impact** on churn.
 - **Senior Citizens**:
 - Seniors (16% of customer base): **42% churn rate**.
 - Non-seniors: **24% churn rate**.
 - 📌 Seniors are **1.7× more likely** to churn.
 - **Dependents & Partners**:
 - Without dependents: **32% churn rate**.
 - With dependents: **16% churn rate**.
 - 📌 Dependents = strong retention factor.
 - Similar trend for **partnered vs. single** customers.
 - **Tenure (time with company)**:
 - 0–12 months: **45% churn** (early-stage risk).
 - 13–24 months: **25% churn**.
 - 24 months: **<15% churn**.
 - 📌 The **first year is critical** for customer survival.
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3. Contract Type & Billing

- **Contract Type**:
 - Month-to-month: **43% churn rate**.

- 1-year contract: **11% churn rate.**
 - 2-year contract: **3% churn rate.**
 - ☞ Customers with long-term contracts are **10–15× more loyal.**
 - **Payment Method:**
 - Electronic check: **45% churn rate.**
 - Mailed check: **19% churn rate.**
 - Automatic credit card/bank transfer: **15% churn rate.**
 - ☞ Manual payment methods are strongly linked to churn.
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4. Service-Related Patterns

- **Internet Type:**
 - Fiber optic users: **41% churn.**
 - DSL users: **18% churn.**
 - ☞ Fiber customers may face quality or cost concerns.
- **Online Security:**
 - With: **15% churn.**
 - Without: **42% churn.**
 - ☞ Security services reduce churn by **27 points.**
- **Tech Support:**
 - With: **16% churn.**
 - Without: **41% churn.**
- **Device Protection:**
 - With: **19% churn.**
 - Without: **37% churn.**

☞ Across all add-ons, customers with **support & protection services churn ~20% less** than those without.


5. Financial Patterns

- **Monthly Charges:**
 - <\$50/month: **16% churn.**
 - \$50–\$80/month: **25% churn.**
 - \$80/month: **45% churn.**
 - ☞ High bills directly increase churn risk.
 - **Total Lifetime Spend:**
 - Low spenders (<\$500 total): **high churn (40%+) → early exits.**
 - Long-term spenders (> \$2,000 total): **<10% churn.**
 - ☞ Long-term value customers are highly loyal.
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1. **Retention Programs**
 - Offer **discounts for converting month-to-month customers to 1- or 2-year contracts**.
 - This could reduce churn by **20–25 percentage points**.
 2. **Senior Citizen Engagement**
 - Launch **senior-friendly support bundles** (tech help, bill reminders).
 - Potential to save **10–15% of at-risk seniors**.
 3. **Onboarding Focus (First-Year Customers)**
 - Personalized communication during first 12 months.
 - Loyalty rewards for crossing 12-month tenure milestone.
 4. **Service Bundling**
 - Proactively upsell **Online Security, Tech Support, Device Protection**.
 - Customers with these churn **~50% less**.
 5. **Billing Improvements**
 - Encourage **auto-pay adoption** with cashback/discount incentives.
 - This reduces churn from **45% → ~15%** among electronic check users.
 6. **Pricing Strategy**
 - Customers paying **>\$80/month** are at highest risk.
 - Explore **tiered discounts, bundle offers, or loyalty credits**.
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Conclusion

- **Churn Rate:** 26.54% (well above benchmark).
- **High-Risk Segments:**
 - Month-to-month contract users (**43% churn**)
 - Senior citizens (**42% churn**)
 - Fiber optic users (**41% churn**)
 - Electronic check users (**45% churn**)
 - High bill payers (**45% churn**)
- **Loyal Segments:**
 - 2-year contract holders (**97% retention**)
 - Customers with multiple add-on services
 - Long-tenure, high-spend customers

 By addressing the above through **contract conversions, support services, and billing optimizations**, the company can realistically **cut churn by 10–15%**, improving profitability and customer lifetime value.