Telecom Customer Churn - Analytical Summary

1. Churn Rate Overview

Overall churn rate is ~26.54%, meaning roughly one in four customers leave the service. This rate is high enough to impact profitability, customer lifetime value, and brand loyalty, making churn prevention critical.

2. Demographic Insights

Senior Citizens are significantly more likely to churn, possibly due to difficulty with service complexity or pricing. Gender does not show a significant difference, indicating churn is not gender-biased.

3. Service-Related Behavior

Customers without internet services or with basic phone service churn less. However, those subscribed to multiple services like StreamingTV, StreamingMovies, and DeviceProtection tend to churn more, possibly due to high costs or dissatisfaction. Lack of tech support and online security is also linked to higher churn.

4. Contract and Billing Behavior

Monthly contracts show the highest churn. Longer contracts (1-2 years) have lower churn due to commitment. Electronic check payments are also associated with higher churn, potentially reflecting unstable customer segments. Churn decreases with tenure, making the first few months critical.

5. Key Drivers of Churn

- Short tenure
- Senior citizens
- Monthly billing
- No technical support
- Streaming service usage
- No online backup/security

Business Implications

High churn in monthly contracts and new customers signals a need for improved onboarding. Multiple-service users are high-risk and should receive better support. Value-added services must maintain quality or risk increasing churn.

Strategic Recommendations to Reduce Customer Churn

1. **Incentivize Long-Term Commitments**
   Encourage customers to choose one- or two-year contracts by offering attractive incentives, such as discounted rates or added benefits. Longer-term contracts are associated with significantly lower churn rates.

2. **Strengthen Onboarding During the First 90 Days**
   Implement a structured and engaging onboarding experience to ensure new customers see value early. The first three months are critical to reducing early-stage churn.

3. **Bundle Essential Support Services**
   Create value-driven bundles that include must-have services like online security and tech support. Customers using these services show a higher likelihood of retention.

4. **Personalize Plans for Senior Citizens**
   Design tailored communication and flexible service plans for senior customers, who are at a higher risk of churn. Consider simplified packages and targeted support.

5. **Engage High-Value, Multi-Service Users Proactively**
   Monitor customers who subscribe to multiple services and have higher monthly charges. These users often have higher expectations—proactive engagement and service excellence can significantly boost their loyalty.