

Subject: Investigation Plan for PowerCo Churn Analysis

Dear [Associate Director's Name]

I hope this email finds you well. Following our recent meeting regarding PowerCo's customer churn issue, Estelle and I have outlined our understanding of the problem and the steps we plan to take to investigate it further

1. Business Understanding & Problem Framing

PowerCo is facing a significant challenge with customer churn as clients are increasingly leaving for better offers from competing energy providers. To address this, we need to understand the factors influencing customers' decisions to stay or leave. This will involve analyzing customer behavior and preferences in relation to PowerCo's offerings.

2. Key Reasons for Customer Churn

Based on our discussions, we believe the following factors may significantly influence a customer's decision to remain with or switch from PowerCo:

Price Sensitivity: The impact of pricing on customer retention.

Clean Energy Options: The importance of sustainability and renewable energy sources.

Customer Service Quality: The effect of customer support on overall satisfaction.

Contract Flexibility: The significance of contract terms and conditions.

Location: Geographical factors that may influence customer decisions.

3. Data Requirements

To investigate these key reasons, we will need the following data from PowerCo:

Customer Demographics: Age, business size, and location of current customers.

Customer Purchase History: Historical data of customer contracts and pricing for the past 5 years.

Churn Data: Information on customers who have left, including reasons for leaving (if available).

Customer Satisfaction Scores: Survey results or feedback related to customer service.

Market Comparison Data: Information on competitor pricing and offers.

4. Analysis Techniques

To analyse this data effectively, we propose the following techniques:

Exploratory Data Analysis (EDA): To visualize and summarize the data, allowing us to identify trends and correlations between customer demographics, satisfaction, and churn rates.

Statistical Analysis: To quantify the impact of identified factors (e.g., price sensitivity) on churn using regression models.

Predictive Modeling: To develop a churn prediction model based on historical data, which can help in forecasting potential future churn.

Visualization Tools: Using tools such as Power BI or Tableau to create dashboards that highlight key findings and insights for stakeholders.

We believe that following this structured approach will provide us with valuable insights into PowerCo's customer churn issue and help formulate actionable recommendations.

Thank you for your guidance, and we look forward to your feedback.

Best regards,

Ashish Singh

[Your Position/Title]

[Your Contact Information]

