



BOSTON CONSULTING GROUP (BCG)

FINDINGS & RECOMMENDATIONS

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Situation :

- PowerCo has a problem with customer churn; they believe it is caused by customers' price sensitivities. One possible solution is to provide 20% off to customers who are most likely to start leaving.

Machine Learning Modeling :

- After Data cleaning, EDA and Feature engineering, I applied Random Forest Classifier. Random Forest Classifier. Random Forest Classifier model has been built to predict customers' churn probability, achieving an accuracy of 0.90 and Precision score of 0.91 on test set.

Insights :

- 9.7% of the customers have churned and 90% of the customers have not churned.
- Net margin on power subscription and consumption over 12 months is a top driver for churn.
- Forecasted bill of meter rental for the next 2 months also is an influential driver.
- Time seems to be an influential factor, especially the number of months they have been active, their tenure and the number of months since they updated their contract.