

Business Understanding & Problem Framing Alejandro Cerrilla

Hypothesis

Create a predictive model applying a 20% discount for PowerCo services, from this model we will observe the reduced churn rate and determine if the discount percentage is effective.

The parameters we first need to analyze should be:

- Churn rate during the liberalization of the energy market in Europe (before & after).
- The average client's bill for PowerCo services during this period.
- Date of client's last bill before quitting PowerCo services.

From these variables we will have a certain idea what was the customers churn before the liberalization of the energy market in Europe and the average PowerCo bill for each client. The predictive model will analyze if the discount is a good factor for the churn to decrease.

The goal here is to reach a similar or smaller churn rate than the one PowerCo had before the liberalization of energy market in Europe.