

Greetings [AD],

In order to test the hypothesis that customer churn is driven by their price sensitivity, it is imperative to develop a model that predicts churn probabilities for customers and evaluates the influence of pricing on churn rates. The following data is essential to construct the models:

1. Customer data, inclusive of their unique characteristics, such as industry, historical electricity consumption, and customer acquisition date.
2. Churn data that unequivocally indicates whether a customer has churned.
3. Historical pricing data, highlighting the prices charged to customers for electricity and gas at discrete time intervals.

The work plan to achieve the stated objectives would entail:

1. Defining the concept of price sensitivity and quantifying it based on the available data.
2. Engineering features derived from the data and constructing a binary classification model, utilizing techniques such as Logistic Regression, Random Forest, or Gradient Boosted Machines.
3. Choosing the optimal model based on the criteria of complexity, interpretability, and accuracy.
4. Analyzing in-depth the underlying causes of how and why price changes impact churn rates.
5. Ultimately, the model will facilitate the estimation of the potential business impact of the proposed client discounting strategy.

Thank you for your attention.

Best regards, [Aldiva Wibowo]