

Executive Summary

-- A 20% discount is effective to prevent customers from churning



New customers are more likely to churn

- 9.7% customers churned between 2016 Jan. and 2016 Mar.
- Over 25% customers subscribing the service for less than 2 years chose to leave



Predictive model based on random forest method performs high-accuracy prediction on churning

- The model can provide 99.42% accuracy, 98.96% precision, and 99.90% recall



Price sensitivity has weaker influence on the prediction than we expected

- In the predictive model, net margin on power subscription and annual electricity consumption are the most significant features



A 20% discount is enough to keep the customers and reduce the revenue loss

- The discount can save up to 242k euro by keeping potentially leaving customers
- Discount plan can be more personalized regarding customers' demands