

# Executive summary

## Situation:

- Powerco has a problem with customer churn; they believe it is caused by The power-liberalization of the energy market in Europe.

## Complication:

- So assuming that the price changes are affecting the customer churn. So we can try one possible solution that is to provide 20% off to customers who are most likely to start leaving.

## Question:

- Is cost of the service only reason or are there any factors affecting the customer churn?

## Solution:

After performing the Data Cleaning, EDA, Featuring Engineering and applying the Random Forest Classifier it shows that:

- Nearly 10% (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.
- 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.
- The price is not have much related to customer churn, but this changes when we apply the 20% discount.
- This tells us that other service providers are providing a little better customer service at lower price, which changes when we apply a 20% discount. This means the customers will prefer PowerCo services if prices are lowered