Hello AD,

After viewing the report provided by PowerCo I have formulated a plan to test the hypothesis that price affects customer churn, and the effect a 20% discount will have on the risk of churn.

My plan to test this hypothesis is:

1. *Building and testing a logistic regression model, discovering the likelihood of churn at certain price points based on historic data.*
2. *I will run this model again with a 20% discount given to customers at varying levels of churn risk*
3. *Build/present a report of findings, where the cost of churn risk will be assessed, and the cutoff for the discount will be decided.*
4. *Automate a process, creating a report showcasing companies that need to be given a discount along with figures to qualify the claim.*

To create these models, I will need access to these data:

* *The average cost per unit a customer paid during the span of a month.*
* *Whether or not the customer continued using our service the following month.*
* *The listed month and year being tracked.*

The model I plan on using assumes that churn is based ENTIRELY on the cost per unit charged to customers.

Important factors that can affect churn that this model will not account for include:

* *The customer’s industry.*
* *The cost of crude oil futures (in relation to PepsiCo’s charges).*
* *The customer’s tenure.*
* *Whether or not the customer went out of business the month they churned.*

Please let me know if you have any unlisted requirements, questions, or recommendations for this project.

Best,

Aymen Belakhoua