PowerCo Executive Summary

Insights from Data Analysis

1. Correlation analysis suggests that customers do not appear to be highly price-sensitive when it comes to churn.

- o It's notable that the derived pricing features, display limited correlations (below 0.05 on a scale of -1 to 1) with customer churn. This suggests that either customers may not be highly sensitive to price changes in their decisions to churn, or additional unexplored factors may be at play.

2. Margin, consumption and contract history-related features consistently rank among the top 10 most important features in all iterations of our predictive models.

- o The recurring presence of margin, consumption, and contract history features in the top 10 across all model iterations emphasizes their significance in influencing customer churn at PowerCo. These features encompass profitability margins, consumption patterns, and historical contract interactions, making them vital in crafting tailored retention strategies.

NEXT STEPS:

To improve our models and strategies, we suggest acquiring data on:

- o Competitor Pricing: To assess if competitor offers impact churn.

- o Average Utilities Prices: To gauge the effect of pricing.

- o Customer Feedback: For insights into churn triggers.

This data will strengthen our models and enable precise strategies for churn reduction.