Hypothesis 1:
It is possible to predict customers likely to churn using a predictive model

Predicting Customers likely to Churn

Steps

1. Historical data of SME Customers before and after the power-liberalization of the energy market in Europe (both those that churn and those that didnt)

2. Analysis on data to get important variables and customer analytics for churn rate, also taking a look at the customers' price sensitivities.

3. Feature Selection (based on their effect on the Customer churn).

4. Create a Churn predictive Model for the Customers, and test it.

Hypothesis 2:
Churn is driven by customer price sensitivity

Rate of Churn is dependent on the Price

Steps

1. Analysis on the Prices and the Rate of Churn.

2. Adding all other price dependent features and analysing the Churn rate.

Hypothesis 3:
Client wants to try discounting strategy. SME division head suggests that offering customers at high propensity to churn a 20% discount might be effective

Assessing effect of 20% Discount on Customers predicted to Churn.

Steps

1. Run Analytics on Historical Customer Behaviour (Purchasing Behaviour)

2. Create a Predictive Model on Choice of Purchase, puuting the 20% discount into consideration.