

Dear AD, I hope this email finds you well. I wanted to discuss a hypothesis that I believe is crucial for our client's business. The hypothesis suggests that customer price sensitivity plays a significant role in churn for our client. In other words, as customers become increasingly sensitive to price changes, they are more likely to leave our client's service.

To test this hypothesis, we need to follow the following steps:

1. **Define Metrics:** We need to define metrics to evaluate customer price sensitivity and churn. We can use metrics like Customer Lifetime Value (CLV), Monthly Recurring Revenue (MRR), customer churn rate, and Net Promoter Score (NPS) to assess the hypothesis.
2. **Data Collection:** We need to collect data on customer demographics, usage patterns, subscription plan details, pricing, and billing information. We can also gather customer feedback through surveys or feedback forms.
3. **Data Preprocessing:** Once we have the data, we need to preprocess it to remove any missing or erroneous data points. We can also derive additional features like customer tenure, usage frequency, and monthly expenditure from the available data.
4. **Model Building:** After preprocessing the data, we can build analytical models to test the hypothesis. We can use regression models to estimate the impact of pricing on churn and customer sensitivity to pricing. Machine learning algorithms like decision trees, random forests, and logistic regression can also help us identify the most significant predictors of churn.
5. **Model Evaluation:** Finally, we need to evaluate the performance of our models and test the validity of our hypothesis. We can use metrics like accuracy, precision, recall, and F1-score to assess the performance of our models. We can also perform hypothesis testing and significance testing to verify the relationship between price sensitivity and churn.

To perform these steps, we would need data on customer demographics, usage patterns, subscription plan details, pricing, and billing information. We can also collect customer feedback through surveys or feedback forms.

In conclusion, testing the hypothesis that churn is driven by customer price sensitivity is critical for our client's business success. By following the steps mentioned above, we can help our client understand the impact of pricing on customer churn and take appropriate measures to reduce churn and retain valuable customers.

Thank you for your time and consideration.

Best regards,
Foawziah Naeri