Hi AD,

As a follow up to your brief about the customer churn problem in the SME segment. Here are my thoughts:

Considering the undifferentiated nature of our services, it is very likely that price is the primary driver of churn. However, we will need data evidence of this. I also suspect that there could be other reasons such as poor customer service, marketing etc.

To confirm the above and develop a model to predict potential churn and see if discount will be good for the specific customer, we will need some data. These include:

• Customer pricing data: This data could include the price paid by each customer, the duration of their contract, any discounts or promotions they received, and any penalties for early termination.

• Customer demographic data:This could include data such as the customer's industry, company size, location, and contract length.

• Customer usage data: This data could include energy consumption patterns, seasonal fluctuations, and peak usage times.

• Customer feedback data: This data could include reasons for leaving, such as better pricing offers from competitors, and what would have made them stay.

• Competitor pricing data:This could include data on pricing plans, promotions, and discounts.

The above data points will help confirm if pricing is the primary reason for churn; considering the price differences between our offer and competitors, if 20% discount (as proposed) will stem the tide; if the churn does really exist or it's following typical seasonal patterns; how pricing affects customer choices and the effects of past discounts on target segment.

Regards.