

# Executive summary

- **Objective:** To understand the key drivers of customer churn with a focus on price sensitivity.
- **Approach:** Leveraging advanced predictive modeling to identify customers who might churn and provide actionable insights.
- **Outcome:** Strategic recommendations to enhance customer retention and satisfaction.

## Situation

- The energy sector is highly competitive, with customers having multiple options for their energy needs. Price fluctuations and service quality are critical factors influencing customer loyalty. PowerCo wants to stay ahead of the curve to solidify the company's revenue and market position.

## Complication

- **Targeted Retention Strategies:** By identifying at-risk customers through predictive modeling, PowerCo can implement targeted retention strategies to reduce churn.

## Question

- **Primary Hypothesis:** Price sensitivity is the primary driver of customer churn at PowerCo. Customers who experience price increases are more likely to churn compared to those with stable pricing.

## Answer

- **Focus on High Net Margin and Consumption:** Develop personalized offers and usage-based plans to retain high-value customers.
- **Leverage Time-Related Insights:** Implement loyalty programs and contract renewal incentives to reduce churn.