Executive Summary

Situation

- Powerco faces the challenge of customer churn, which impacts their bottom line. We seek to understand the drivers of churn and develop a predictive model to identify customers at high risk of churning.

Complication

- Previous analysis suggested that price sensitivity may influence churn, but the extent of its impact remained unclear. Additionally, the client proposed offering a 20% discount to customers with a high propensity to churn.

Question

- Does price sensitivity significantly drive customer churn, and can a predictive model help identify at-risk customers?

Our Model

- After Data cleaning, EDA and Feature engineering, we applied Random Forest Classifier. Random Forest Classifier model has been built to predict customers' churn probability, achieving an accuracy of 0.9 and Precision score of 0.9.

Answer

- Our analysis reveals that while price sensitivity has some influence on churn, it is not the primary driver. Net margin on power subscription and consumption over 12 months is a top driver for churn.