

Dear Sir/Madam,

I have conducted an analysis of PowerCo focusing on the main aspects of customer price sensitivity and its impact on churn. In order to test this hypothesis, the following data is required:

- Customer information from both the pre-and post-liberalization periods
- Ongoing price statistics for the three segments during and after periods of liberalization

To test the hypothesis, the following steps should be taken:

1. Make necessary assumptions, assuming that SME churn is driven by price sensitivities.
2. Establish a position of authority, stating that the loss of SME customers is a result of price sensitivities.
3. Identify the substitute position, considering that price sensitivities have no impact on losing SME clients.
4. Set acceptance standards at a 95 percent confidence interval.
5. Execute tests based on factual data.
6. Analyse the data to determine whether price sensitivity is the primary cause of customer churn, ensuring the outcome is not a coincidence.
7. Draw conclusions: either reject the initial argument supporting consumer price sensitivity as the cause of turnover and support an alternative argument, or fail to refute the argument.

The findings will help determine the factors contributing to churn in relation to price changes and understand the potential impact of the suggested discounting approach on business.

Kind regards,

Shradha Pujari