Customer Churn Prediction: Pre-Assesment Report

Client: PowerCO

Problem Statement

Due to power-liberalization of the energy market in Europe, PowerCo has seen an increase in customer churn especially in the SME segment of their customers.

PowerCo Hypothesis

The client is convinced that this round of churn is driven by price sensitivities   
  
Proposed Hypothesis

Whilst price sensitiveness is a major driver of churn, other factors such as service availability and customer service could have an impact on the customer’s ability to stay with the service provider. To that effect, we would need to model individual customer’s proponsity to Churn.

Data to be Requested

To be able to investigate the hypothesis in depth, the Data Science Churn team should be furnished with descriptive customer data, including average spend, how long they have been with the company, how often they have contacted customer service. Further, Churn Data should be provided which would indicate if a customer has churned.

Modelling

For this task, the approach will be to use a supervised learning model. We will build a binary Classification Model. Different models will be considered such that the best model is chosen and getting fine tuned from time to time.

Exploratory Data Analyses

We investigate the relationship between various data columns to see how each correlates to the main churn column.