Dear Associate Director,

In our team meeting, the team established the hypothesis of price sensitivity being a major factor in customer churn. We want to know which customers are more likely to churn at the current price point. A predictive model is necessary in order to calculate what percent of our customers will churn and whether or not a discount of 20% is enough to continue retaining customers. In order to create our predictive model it is important to follow the data analysis process. The six steps in the data analysis process includes: Ask, Prepare, Process, Analyze, Share, Act.

The “ask” has been stated in our hypothesis “Does price changes affect churn?” “Will a 20% discount to customers at a high propensity sustain customer retention?” The second step of the data analysis phase is to process the data. This means collecting the data that will be relevant to our hypothesis and deciding whether this data follows “ROCCC”. In the process stage of the data must be free of duplicates, nulls, and N/A entries. I will ensure the data is formatted in the right structure and format. Once the data is cleaned and manipulated properly, we will begin analyzing and creating relationships. We will get statistical information on the data as well as comparing correlation. Now that we can draw some relationships, we should begin sharing by creating appropriate graphical representation of our findings. This can involve creativity and artistic direction to ensure the data is presentable to Power Co.

Sincerely,

Yassin Omer