

Executive summary

PowerCo has a high customer churn rate

- 9.7% across 14,606 customer churned during the last year

RandomForest model performs well in terms of accuracy and precision when predicting the possibility of whether a customer will churn, but had a drop in recall. The main driver for churn prediction is not price sensitivity

- Top three are: yearly consumption, forecasted consumption, and net margin.

The 20% discount strategy is effective but only if targeted appropriately.

- Offer discount to high-value customers who have high churn probabilities.