



Executive Summary Template

Solution:

- Build a churn prediction model focused on profitability and consumption to proactively reduce customer loss and improve retention ROI.
- Contrary to our initial hypothesis, price sensitivity features were weaker contributors.

Situation:

- The client operates in the energy sector, serving a diverse customer base with varying consumption patterns and contract histories. Reducing customer churn is a key strategic priority due to the high cost of acquiring new customers and the competitive nature of the energy market.

Complication:

- Initial model results showed high accuracy (90%), but very low recall (~6%), indicating that most churners were being missed. Additionally, while price sensitivity was suspected to be a key driver, it was not ranked among the most influential features. This creates an opportunity to rethink targeting strategies and refine the model to improve identification of churn-prone customers.

Question:

- Is churn primarily driven by customers' price sensitivity?