

## Executive Summary for model selection

- Churn is indeed high in the SME division.
  - 9.7% across 14606 customers.
- Predictive model can predict churn but the main driver is not customer price sensitivity.
  - Yearly consumption, forecasted consumption and net margin are the 3 largest drivers.
- Discount strategy of 20% is effective but only if targeted appropriately.
  - Offer discount to only to high value customers with high churn probability.