

Findings from the data analysis of Power Co data

Validating the price sensitivity hypothesis

Consumer behavior and the impact on churn

Key Takeaways and other required information

The exploratory data analysis has yielded the following results:

1. It has validated the price sensitivity hypothesis as presented by Power Co
2. Consumer behavior, such as contract end duration, availing gas connection and power usage affect churn.
3. Costs paid by the consumer also correlate with the price sensitivity hypothesis – as there is no benefit for the consumer to pay high charges for low utilization of resources.

Some data that might not be considered while preparing the model are:

1. Gross margin on power subscription – as the trends displayed by the net margin and gross margin are quite similar
2. Monthly power consumption – as the annual consumption data accurately represents the relation more than monthly data
3. Date of onboarding – historic association might not be related with consumer churn ratio

Other information that might be required while preparing the model:

1. Timeline of power liberalization – exact dates – to validate the consumer renewal behavior.
2. Units of measurement of power consumption – to ensure uniform quantity.
3. Data on how the margins on subscription are calculated