Subject: Addressing Customer Churn and Pricing Strategy at PowerCo

Dear AD,

I hope this email finds you well. I wanted to delve deeper into our ongoing efforts to tackle the issue of customer churn, particularly in the SME segment, at PowerCo. As you know, the liberalization of the energy market in Europe has presented us with challenges in retaining customers, making it imperative for us to explore effective strategies.I've taken the liberty of summarizing some findings from the recent exploratory data analysis that align with your hypotheses:

Churn Problem:

The power-Liberalization of the energy market in Europe has led to significant customer churn especially in the SME segment.

2. A fair hypothesis is that price changes affect customer churn.

Client Hypothesis:

1. Through Predictive model could be helpful to know which customer are more likely to churn at their current price.

2. A discount might incentivize them to stay with our client.

3.SME is considering 20% discount that is avoid client churn.

Required Data:

Required electricity cussumption details, date joined as customer, monthly bill, industry.

Churn data which has details about customer churned

And historical price data of Client(PowerCo)

Process Of Solution(Work):

1. We need to define price limit

2. Need to do data analysis.

3. Need to features engineering based on data that we obtain(Logistic Regression, Random Forest)

4. And we deeply dive why price change impact on churn

5. According to this we define discount strategy

Regards,

Avinash N