Subject: Proposal to address customer churn and price sensitivity

Estimated Associate Director,

I hope this message finds you well. I would like to take this opportunity to discuss a proposal related to the challenge we are facing in relation to customer churn and the possible price sensitivity.

To address this issue effectively, I have designed a strategy that involves the following key steps:

Step 1: Hypothesis Test

Clearly define null and alternative assumptions regarding price sensitivity and customer cancellation.

Collect and prepare historical customer data, including details on cancellations, purchase behavior, price changes and other relevant factors.

Perform an exploratory analysis to understand the relationships between customer cancellation and price changes.

Use appropriate statistical tests, such as t-tests, chi-square tests, or regression analysis, to determine whether there is a significant relationship.

Step 2: Define Necessary Data

Ensure we have access to historical customer data, including detailed information about cancellations, duration of the relationship with the company, buying behavior and price changes.

Step 3: Predictive Model

Preprocess the data to make sure it's clean and ready for analysis.
Select and/or extract relevant features that may be related to customer cancellation.

Test and adjust statistical models, such as logistic regression, or machine learning models, such as decision trees and random forests, to predict customer cancellation.

My goal with this proposal is to systematically address the possible relationship between price sensitivity and customer cancellation, which will allow to make informed and strategic decisions.

If you agree, I would like to discuss in more detail how we can implement this strategy and the resources that might be needed to carry it out. I am open to your comments and suggestions on how we can further improve this initiative.

I appreciate your time and consideration. I look forward to having the opportunity to discuss this matter with you at an upcoming meeting.

Yours sincerely,
Diego Sanmiguel.
Data Scientist.