To [Lead Data Scientist],

Customer churn has a huge impact on future revenues and profits. With more customers leaving the platform you will need to bring in new users faster to keep the company on the growth path.

Hence to verify the hypothesis, I have mentioned certain points in the mail that can be looked upon while analysing the different aspects that might lead to a high churning rate.

**1. Bad onboarding experience**

Onboarding is the first time the customer is interacting with your product. Make an impact by:

* Using guided walkthroughs
* Creating engaging onboarding videos and content
* Embedding training modules in the product for complex features
* Mapping the onboarding journey, A/B test and constantly improve

**2. Poor Customer Experience & Service**

Even though a sale has been made, poor customer experience is one of the leading reasons for customer churn. This can stem from something as simple as bad in-app user experience or poor customer support.

**3. Product Problems**

Crashes and downtime impacts the customer experience. A leading payments app would often face crashes in India and saw significant churn when users were unable to use the app during offline purchases. The company responded by acknowledging the problem, focussing teams on solving it and then launching a cashback program to win users back.

**4. Competition**

Sometimes the competition comes up with innovations and product features which draws users to its platform. Even though your company has done well in meeting the customer expectations, often competition can beat you in pricing, customer experience, building trust or execution.

**5. Poor Product/Market Fit**

he initial hypothesis on user problems and perceived solutions may be wrong. It may be beneficial to start improving on the product and pricing so that the users do not churn.

**6. Pricing**

We have frequently seen how pricing can impact churn. At times, merely a 5% increase in the pricing can lead to a significant churn. It is important to understand the price elasticity of the customers before deploying a new pricing strategy. Understand price sensitivity by talking to customers or trying out A/B testing with pricing.

After looking into the hypothesised Report, I have found, the current pricing that PowerCo is Offerring to the SME and residential customers has a profound impact on the Churn Rate and the Losses being incurred due to the unsubscription of services.

Hence, a discounting strategy in which customers that have a high propensity to churn: a 20% discount might be effective.

Thanking You

Abhineet Sharma