Data Visualisation and Price Sensitivity

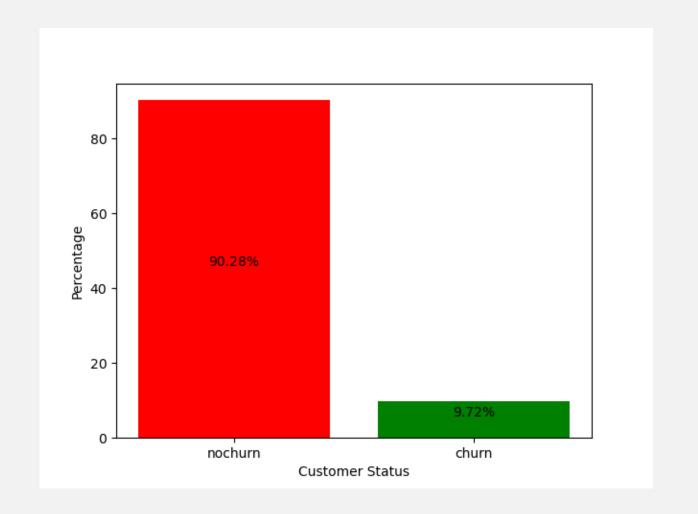
Predictive Model and Its Performance

Suggestions

Summary

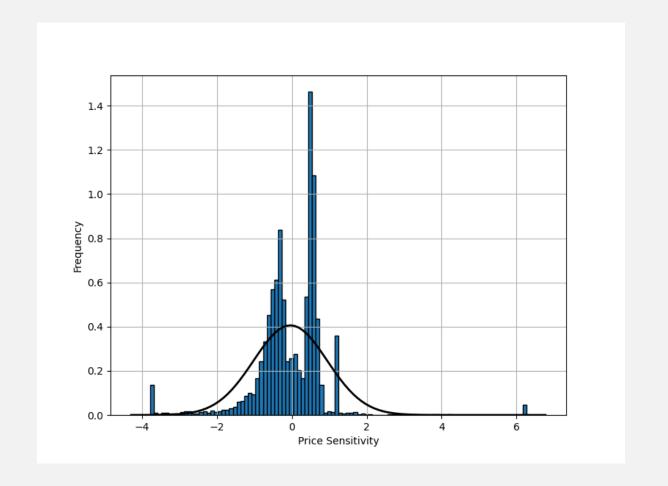
Data
Visualisation
and Price
Sensitivity

• The churn rate is about 9.7%.



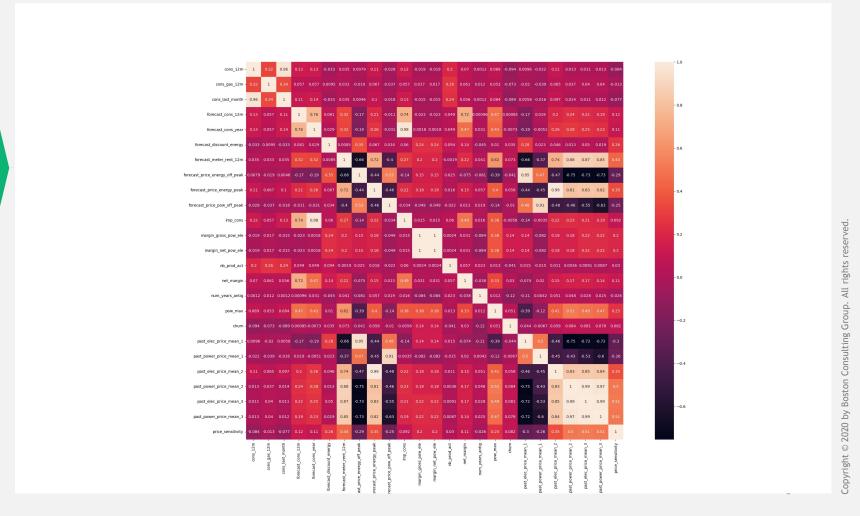
Data Visualisation and Price Sensitivity

- The price sensitivity is defined as the minus ratio of percentage change in consumption to the percentage change in price.
- There are many customers reduce their consumptions even the price decreases.



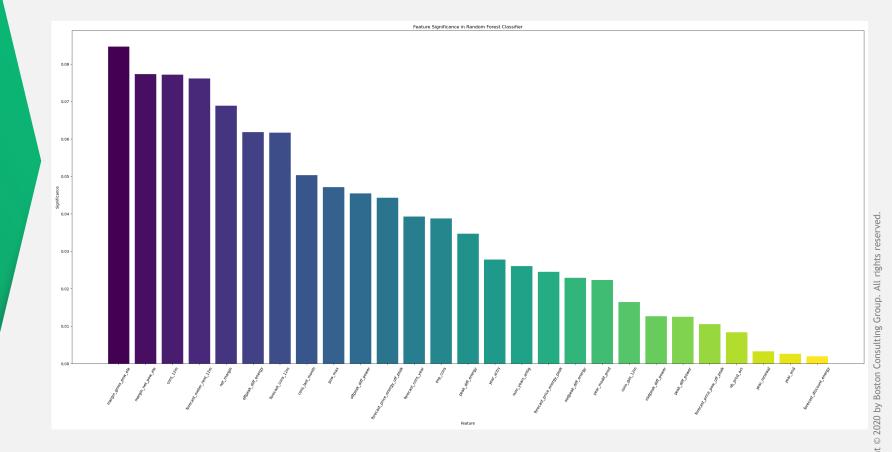
Data
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• The correlation matrix indicates that there is no significant relationship between each independent variables and the churn rate.



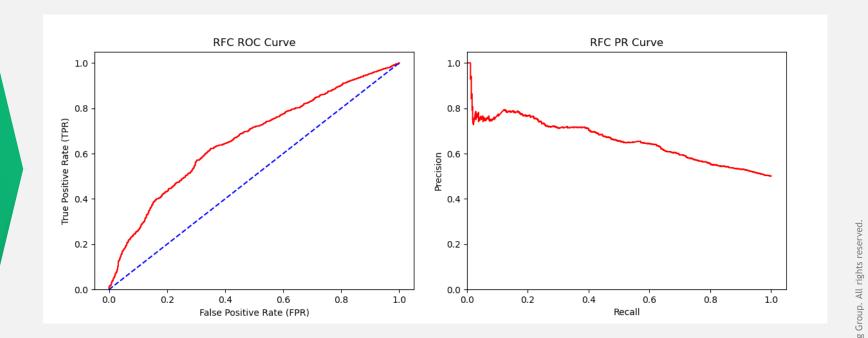
Predictive Model and Its Performance

- The Random Forest Classifier is used.
- The model predicts low significance between variables and the churn rate.



Predictive Model and Its Performance

• The performance of this predictive model is poor, and several testing scores are low.



Suggestions

• Since there is no significant relationship between the price and the churn rate, it is not recommended to apply a discount to customers who are predicted to churn.

To retrieve a more accurate predictive model, it is recommended to collect data from other sources, e.g., the market and competitors.