



# CHURN PROBABILITY MODEL AND BUSINESS SIMULATION

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# DATA INSIGHTS

- All price features have low correlation to target (churn)
- Our client have approximately 10% churn customer
- All consumption features are positively skewed
- There are no high correlation among independent features to target feature
- The highest correlation are just 0.10 on margin feature

# RECOMMENDATION

Need

- Due to no high correlation to target feature, if possible we need additional customer data (customer profile, interaction, and behaviour)
- Need external general competitive price on market pricing, because we want to know if its make sense/effective to give discount 20% to churn customers

# MODEL INSIGHTS

## DISCOUNT STRATEGY

Discount strategy of 20% is effective but only if targeted appropriately. Our recommendation is offer discount to only to high-value customers with high churn probability

## FEATURE IMPORTANCE

Top drivers of client churn are antiquity of the client, tenure, and difference off peak - peak in energy price. We can say price sensitivity is main driver for clients churn, but not the most important factor

## POTENTIAL REVENUE

Maximum benefit at cutoff 0.22 with revenue delta of \$60,949.26



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# GET IN TOUCH

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# THANK YOU

