



CHURN PROBABILITY MODEL AND BUSINESS SIMULATION

Erlando Regita

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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 correlations on target feature are just 0.10 on margin feature

RECOMMENDATION

- 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

EMAIL ADDRESS

erlandoregita99@gmail.com

PHONE NUMBER

0821-1000-4094

LINKEDIN

www.linkedin.com/in/erlandoregita/

WEBSITE

www.brian-insights.site

GITHUB

github.com/erIndofebri



THANK YOU

