

Hi,

To test the hypothesis that customer churn is driven by price sensitivity, we'll need to model churn probabilities and assess the impact of pricing on churn rates.

For this, we'll require the following data:

1. Customer Data: Including client characteristics such as industry, historical electricity consumption, date joined, etc.
2. Churn Data: Indicating whether a customer has churned.
3. Historical Price Data: Detailing the prices charged to each customer for both electricity and gas at granular time intervals.

Once we have this data, our work plan will be:

1. Define and calculate price sensitivity.
2. Prepare the data and engineer relevant features.
3. Test the hypothesis using a binary classification model (e.g., Logistic Regression, Random Forest, Gradient Boosted Machines).
4. Select the best model based on complexity, explainability, and accuracy.
5. Use the trained model to determine how much price sensitivity influences churn.

Looking forward to your thoughts.

Best regards,  
Fatima Fazil