Hello ,

In this project, we would need to model the churn probabilities of customers, so that we can derive the effect of prices on churn rates. So that we can test the hypothesis of whether churn is driven by the price sensitivity.

To build the model, we would need the following data.

* **Customer data** - including type of the customer (corporate, SME or residential), electricity consumption, date joined as customer and other characteristic of customers.
* **Price data** –indicating the prices the client charges to each customer for both electricity and gas
* **Churn data** – indicating if customer has churned or not

Once we have the data, the work plan would be:

1. We would calculate the price sensitivity

2. We would engineer features based on the data available, and build a classification model (e.g. Logistic Regression, Random Forest)

3. We would pick the best model based on the accuracy of the models.

4. We would check how price changes impact churn.

5. We would check the business impact of the client’s proposed discounting strategy.

Regards,

Kanika