Dear [Associate Director's Name],

I hope this email finds you well. As part of my initial analysis for PowerCo, I have identified two key hypotheses that require testing to understand the drivers of churn and customer price sensitivity.

1. Hypothesis 1: Customer Churn and Price Sensitivity

We aim to investigate whether customer churn at PowerCo is influenced by price sensitivity. This requires modeling churn probabilities and assessing the impact of prices on churn rates.

2. Hypothesis 2: Offering 20% Discount to High Churn Vulnerabilities

The second hypothesis involves evaluating the effectiveness of offering a 20% discount to customers with high churn vulnerabilities.

To proceed with testing these hypotheses, we need relevant customer data, including industry, joining date, tenure with PowerCo, power consumption, etc. Additionally, churn data that indicates whether a customer has churned, along with historical price data, will be crucial for our analysis.

Given that this is a classification problem, we plan to explore algorithms such as Logistic Regression, Decision Tree, or Random Forest to build our model. We will begin with Exploratory Data Analysis (EDA) to assess the relationship between churn and customer price sensitivity, followed by selecting the most suitable model.

Once the model is developed, we anticipate gaining insights into the impact of price on churn rates and determining the potential business impact of our second hypothesis.

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Kind regards,

Krish Sethi