Dear Sir/Madam,

In my initial analysis for PowerCo, I realize that there are mainly two hypotheses we need to test. Firstly, whether customer churn is driven by price sensitivity.

The second hypothesis is whether offering customers a high propensity to churn a 20% might be effective or not. In order to test these two hypotheses, we need to model the churn probabilities and the effect of prices on the churn rate.

Because this is a classification problem, we will be using one or more classification algorithms such as Logistic Regression, Decision tree, or Random Forest to name a few. But in the first step, we need data to do EDA to confirm if the churn is driven by customer price sensitivity. Then we will find the most appropriate model that fits best. Once we get the model, we would able to understand the impact of price on churn rates and we can size the business impact of the second hypothesis.

Kind regards,

Krishna Tripathi