Executive summary

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Situation

- *PowerCo* has a situation with customer churn. According to them, it is due to the price sensitivities. Their proposed solution is to offer 20% discount to customer who is likely to churn.

Machine Learning

- After Exploratory Data Analysis and Feature Engineering, we modelled the data using a Random Forest Classifier to predict customer's churn probability. The Model has accuracy score of 0.9006 and precision score of 0.7778.

Insights

1. Approximately 9.7% of customers have churned.
2. Net margin on power subscription and consumption over 12 months is a top driver for churn in this model
3. Forecasted bill of meter rental for the next 12 months also is an influential driver
4. Time seems to be an influential factor, especially the number of months they have been active, their tenure and the number of months since they updated their contract