

Findings:

The analysis found that about 10% of customers have churned, and consumption data is highly skewed, requiring treatment before modeling. Outliers in the data should also be addressed before modeling. Furthermore, price sensitivity has a low correlation with churn, indicating that feature engineering will be critical, especially to enhance the predictive power of price sensitivity. To improve churn prediction, the analysis suggests considering competitor price data, examining average utilities prices across the country, and analyzing client feedback, including complaints, calls, or feedback provided to PowerCo.

Suggestions:

- Consider competitor price data – Customers may be more likely to switch to a new provider if a competitor offers a better deal than the current provider, even if their current prices have dropped.
- Clarify the meaning of zero in price data – If zero prices represent free power or energy, understanding the reason for this is necessary.
- Examine other possible factors, such as customer satisfaction – If providers continue to provide excellent customer service, it is less likely that a rise in prices will lead to customer churn.