PowerCo

Customer churn analysis and prediction

Business understanding and hypothesis framing

Context

- PowerCo is a major electricity and gas utility
  - Supplies to corporate, SME (Small & Medium Enterprise), and residential customers
- PowerCo is facing significant churn problem
  - Driven by power liberalization of energy market
  - SME segment is most the affected

Business understanding and hypothesis framing

Hypothesis

- Price changes affect customer churn
- Find out customers most likely to churn
  - Use predictive modeling
- Discount to customers that are at high risk of churning
  - SME division head recommends 20% discount to make customers stay