

Executive summary

Situation

- PowerCo, a major electricity and gas utility, is facing a significant churn problem.

PowerCo's hypothesis

- Price changes affect customer churn
- 20% discount will reduce churn

Analysis results

- The churn rate is nearly 10%
- Price changes don't affect customer churn

Prediction model

- Model uses random forest classifier
- Over 90% accuracy
- Good at predicting non-churn customers but poor at predicting churn customers