

Hi sir,

After going through the business problem of PowerCo, I realize that the hypothesis we need to test are, whether customer churn is driven by price sensitivity and offering customers at high propensity to churn a 20% might be effective or not.

The Data needed are, Customer data, which is important to know the characteristics of the customers. We also need Churn data containing information whether the customer has churned or not. And we need the pricing data containing the price charged by our client to their customers.

Once we have the data, we will conduct exploratory data analysis and check if the customers are price sensitive or not. After cleaning the data and doing accurate analysis we will choose the significant features for the accurate prediction. This is a classification problem so we will use classification models like Logistic regression, Random Forest, Decision Tree. The best would be picked according to the data and the accuracy of each model. During the analysis, we will go deeper into whether the discount will change the mind of the customer. The model will help us to understand if this strategy will work or is there any need to find other strategies.

Regards,

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