

Executive summary and proposed solutions

Churn is high in the SME division

- 9.7% across 14606 customers

Complication

- Predictive model is able to predict churn but main driver is not customer price sensitivity.
- the 3 largest drivers-early consumption, forecasted consumption and net margin

How to retain customers?

- Maybe if the net margin is reduced?

Answer

- Verify the forecasted consumption model
- Reduce margins on services, offering 20% discount to loyal customers