

# Executive summary template

## Situation:

- PowerCo has a problem with customer churn. They hypothesize that this is due to the customers' sensitivity to prices. To overcome this, they consider to offer 20% discount to prevent customer churn especially to SME segment.

## Machine Learning Model Results

- RandomForestClassifier model was built to predict customers' churn probability. It achieved 90.71% of accuracy, 75.86% of precision and 6.21% of recall. Meaning that this model able to predict customers who do not churn, but do not able to predict customers who do churn. It needs improvement.

## Insights:

- About 10% of total customers have churned, and 90% of the customers have not churned.
- Customer churn is not driven by price sensitivity.
- Net margin and forecasted bill of meter rental for the next 12 months are the major driver for customer churn.
- Time seems to be an influential factor, especially the number of months they have been active, their tenure and the number of months since they updated their contract