# ML\_algorythms

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## 0.1 Download and Load the Data

We download the data directly from the DropBox link and load them in the Jupyter workspace as Pandas Dataframe. We than call the .head() method to check the result.

```
[]: import os
     import urllib
     import pandas as pd
     DOWNLOAD_URL = 'https://www.dropbox.com/s/7nwimmta836si5f/churn.csv?dl=1'
     CHURN_PATH = os.path.join("dataset", "churn")
     # Download data directly from Dropbox
     def fetch_data(download_url=DOWNLOAD_URL, path=CHURN_PATH):
         os.makedirs(path, exist_ok=True)
         csv_path = os.path.join(path, "churn.csv")
         urllib.request.urlretrieve(download_url, csv_path)
     # Load data
     def load_data(path=CHURN_PATH):
         csv_path = os.path.join(path, "churn.csv")
         return pd.read_csv(csv_path)
     fetch data()
     churn = load_data()
     # Check result
     churn.head(3)
```

## 0.2 Assemble Datasets

Here we assemble three datasets of different size:

- the data\_full dataset includes all the variables present in the original dataset except for the CLIENTNUM identifier
- the data\_best includes only the ten variables that we selected as most correlated with Attrition Flag from preliminary analysis

• the data\_mini only includes Total\_Trans\_Amt and Total\_Trans\_Ct as they proved the most predictive for the target

We also decided to keep an or\_data version of the full original set keeping all the unkown rows

```
[]: # Compute 3 different datasets
or_data=churn.drop(["Unnamed: 0", "CLIENTNUM"], axis=1)
data_full=churn.drop(["Unnamed: 0", "CLIENTNUM"], axis=1)
data_best=churn[["Attrition_Flag", "Gender", "Income_Category", "Total_Relationship_Count", "Monthdata_mini=churn[["Attrition_Flag", "Total_Trans_Amt", "Total_Trans_Ct"]]
```

# 0.3 Delete "Unknown" rows

Here we define a function that first checks the presence of the Education\_Level, Marital\_Status, Income\_Category in the datasets. It replaces the "Unknown" values with Nan and returns the dataset dropping all the NaN values. Notice that this operation was performed exclusively on the data\_full and data\_best datasets as the data\_mini does not include any categorical attribute. Moreover this operation was performed only on the Income\_Category for the data\_best in order to retain as many data points as possible. We also had to reset the index.

Than we check wheter the "Unknown" values have been correctly removed for both sets and if the Attrition Flag Proportions between Existing and Attriting customers have been retained after the removal.

```
[]: # Replace Unkown with NAN and drop Nan to delete rows
import numpy as np

unkown_vars = ['Education_Level', 'Marital_Status', 'Income_Category']

def replace_unkown(dataset):
    for var in unkown_vars:
        if var in dataset.columns:
            dataset[var] = dataset[var].replace("Unknown", np.NaN)
    return dataset.dropna()

data_full = replace_unkown(data_full).reset_index(drop=True)
data_best = replace_unkown(data_best).reset_index(drop=True)
```

```
[]: # Double-check for results with values_counts()
def check_replace_unkown(dataset):
    for var in unkown_vars:
        if var in dataset.columns:
            print(dataset[var].value_counts())
            print('\n')

check_replace_unkown(data_best)
print("DATAFULL###########")
check_replace_unkown(data_full)
```

# 0.4 Train-Test Splits

Here we define two functions to implement both a traditional train\_test\_split and a Stratified-ShuffleSplit split for Attrition Flag of the datasets. Both the methods were .imported from the model\_selection module of scikit-learn. We will call the functions in the section "Select and Train models" below. We also check the results of the stratified split on the data\_full computing the the Attrition Flag Proportions between Existing and Attriting customers on the strat\_test\_set

```
[]: # Check if proportions in test_set actually resemble those of the full dataset
prop = strat_test_set["Attrition_Flag"].value_counts() / len(strat_test_set)
proptot = churn["Attrition_Flag"].value_counts() / len(churn)

print(prop)
print("\n")
print(proptot)
print(proptot)
print("\nThe proportions between Attrited and Existing costumers are respected")
```

# 0.5 Prepare Data for ML Models

In this section we define a few functions to prepare the data for the Machine Learning models:

- the sep\_pred\_target takes as input the train and test sets and splits them both in X (predictors) and y (labels)
- the tranformation\_pipeline takes as input only the train set of the predictors (X), splits numerical and categorical variables and via the ColumnTransformer applies Standard Scaling to numerical variables and One Hot encoding on categorical variables. It returns the prepared train set. To perform this operations we imported the ColumnTransformer from the compose module and the StandardScaler and the OneHotEncoder from the preprocessing module of scikit-learn.

```
def sep_pred_target(train_set, test_set):
    X = train_set.drop("Attrition_Flag", axis=1)
    y = train_set["Attrition_Flag"].copy()

    X_test = test_set.drop("Attrition_Flag", axis=1)
    y_test = test_set["Attrition_Flag"].copy()

    return X, y, X_test, y_test

# Lets separate the predictors and target value STRATIFIED
X, y, X_test, y_test = sep_pred_target(train_set, test_set)
X_strat_train, y_strat_train, X_strat_test, y_strat_test = sep_pred_target(strat_train_set, strat_test_set)
X.shape
```

```
[]: # TRASFORMATION PIPELINE
from sklearn.preprocessing import OneHotEncoder
from sklearn.preprocessing import StandardScaler
from sklearn.compose import ColumnTransformer

# Define variables lists
cat_vars = ['Attrition_Flag', 'Gender', 'Education_Level', 'Marital_Status', \[ \to 'Income_Category', 'Card_Category']
```

```
num_vars = ["Customer_Age", "Dependent_count", "Months_on_book",__

¬"Total_Relationship_Count",
              "Months_Inactive_12_mon", "Contacts_Count_12_mon", "
 ⇔"Credit Limit", "Total Trans Amt",
             "Total_Trans_Ct", "Avg_Utilization_Ratio"]
def tranformation_pipeline(X):
    lst=[]
    for var in cat_vars:
        if var in X.columns:
            lst.append(var)
    #print(lst)
    # Split cat and num attributes
    X_num = X.drop(lst, axis=1)
    X_cat = X.drop(list(X_num.columns), axis=1)
    num_attribs = list(X_num.columns)
    cat_attribs = list(X_cat.columns)
    # Separate col transformations for num and cat
    full_pipeline = ColumnTransformer([("num", StandardScaler(), num_attribs), __
 → # STD SCALING for numerical
                                       ("cat", OneHotEncoder(), cat attribs),])
 → # ONE-HOT for categorical
    # Final TRAIN dataset (without labels)
    X_prep = full_pipeline.fit_transform(X)
    return X_prep
X_prep=tranformation_pipeline(X)
X_prep_test=tranformation_pipeline(X_test)
X_prep_test.shape
```

#### 0.6 SMOTE

Synthetic Minority Oversampling Technique (SMOTE) is an oversampling technique and widely used to handle the imbalanced dataset. This technique synthesizes new data points for minority class (Attrited Customers) and oversample that class. Unfortunately although we were able to run the SMOTE on the prepared train set and the train labels we were not able to feed the resampled data to our machine learning models.

```
[]: from imblearn.over_sampling import SMOTE

sm = SMOTE(random_state=0)
```

```
# Train
X_resampled, y_resampled = sm.fit_resample(X_prep, y)
y_resampled.value_counts()
```

#### 0.7 Metrics

Here we define a function that takes X\_train, y\_train, y\_test and y\_pred as input, compute all the metrics to evaluate our model and return them in a ordered list. We computed the following metrics:

- Confusion matrix
- Accuracy, Precision, Sensitivity, Specificity (manually computed form CM), Precision and Recall were recomputed with the precision\_score and recall\_score from scikit-learn just to double-check our results.
- Cross Validation (cv=3) scores, mean and standard deviation of the scores.
- f1 score

```
[]: from sklearn.metrics import confusion_matrix
     from sklearn.metrics import precision_score, recall_score, f1_score
     from sklearn.model_selection import cross_val_score
     # Compute function to analyze models performance
     def metrics(X_train, y_train, y_test, y_pred):
         lst=[]
         # Confusion matrix
         cm = confusion_matrix(y_test, y_pred)
         accuracy=(cm[1,1]+cm[0,0])/(cm[0,0]+cm[0,1]+cm[1,0]+cm[1,1])
         precision = (cm[1,1]/(cm[1,1]+cm[0,1]))
         sensitivity=cm[1,1]/(cm[1,1]+cm[1,0])
         specificity=cm[0,0]/(cm[0,0]+cm[0,1])
         # Precision and Recall
         prec = round(precision_score(y_test, y_pred, pos_label='Existing_
      ⇔Customer'),3)
         recall = round(recall_score(y_test,y_pred, pos_label='Existing Customer'),3)
         # Accuracy with crossval
         cv scores=cross val score(classifier, X train, y train, cv=3,,,
      ⇔scoring="accuracy")
         mean=round(cv_scores.mean(),3)
         std=round(cv_scores.std(),3)
         # F1 score
```

#### 0.8 Select and Train Models

Here we run a for loop to fit the models with three different test sizes (0.2, 0.25, 0.30). We ran the for loop on the data\_full set but to run it on the data\_best,the data\_mini or on the original dataset without the unknown values removal, it would be sufficient to substitute the dataset name where highlighted in comment.

- We first split the dataset with boht the plain and the stratified splits, we prepare the data by calling the transformation pipeline function defined above (Standard Scaling, One Hot) and define the final prepared variables.
- Than we feed four different models from scikit-learn with the prepared data: Logistic Regression, Support Vector Machines, Decision Trees, Random Forest. We fit the models with both the plain and stratified data
- We compute the metrics for each model by calling the metrics function defined above and print the perforance measures.

```
strat_train_set, strat_test_set = strat_split(data_best, size)
→SUBSTITUTE DATASET with DATA_BEST, MINI, OR
  # Lets separate the predictors and target value
  X, y, X_test, y_test = sep_pred_target(train_set, test_set)
  X strat, y strat, X strat test, y strat test =
sep_pred_target(strat_train_set, strat_test_set)
  # Transformation Pipeline
  X_prep = tranformation_pipeline(X)
  X_prep_test = tranformation_pipeline(X_test)
  X_prep_strat = tranformation_pipeline(X_strat)
  X_prep_test_strat = tranformation_pipeline(X_strat_test)
  # FINAL renaming
  X_train = X_prep
  y_train = y
  X_test = X_prep_test
  y_test = y_test
  X_train_strat = X_prep_strat
  y_train_strat = y_strat
  X_test_strat = X_prep_test_strat
  y_test_strat = y_strat_test
  ########################### LOGISTIC REGRESSION
  # Fitting Logistic to Train set
  classifier = LogisticRegression(random_state = 0)
  classifier.fit(X_train, y_train)
  # Predicting the Test set results
  y_pred = classifier.predict(X_test)
  # Metrics
  print("\nLOGISTIC\n")
  logistic = metrics(X_train, y_train, y_test, y_pred)
  for x in logistic:
      print(x)
  print("\n")
  ############################## LOGISTIC REGRESSION STRATIFIED
  # Fitting Logistic to Train set
  classifier = LogisticRegression(random_state = 0)
  classifier.fit(X_train_strat, y_train_strat)
  # Predicting the Test set results
  y_pred_strat = classifier.predict(X_test_strat)
```

```
# Metrics
  logisticstr = metrics(X_train_strat, y_train_strat, y_test_strat,_
→y_pred_strat)
  for x in logisticstr:
      print(x)
  print("\n")
  # Fitting SVM to the Training set
  classifier = SVC(kernel = 'linear', random_state = 0)
  classifier.fit(X_train, y_train)
  # Predicting the Test set results
  y_pred_svm = classifier.predict(X_test)
  # Metrics
  print("\nSVM\n")
  svm = metrics(X_train, y_train, y_test, y_pred_svm)
  for x in svm:
      print(x)
  print("\n")
  # Fitting Logistic to Train set
  classifier = SVC(kernel = 'linear', random_state = 0)
  classifier.fit(X_train_strat, y_train_strat)
  # Predicting the Test set results
  y_pred_strat = classifier.predict(X_test_strat)
  # Metrics
  svm_str = metrics(X_train_strat, y_train_strat, y_test_strat, y_pred_strat)
  for x in svm_str:
      print(x)
  print("\n")
  #################################### DECISION TREE CLASSIFICATION
  classifier = DecisionTreeClassifier(criterion = 'entropy', random_state = 0)
  # entropy for homogenous node split
  classifier.fit(X_train, y_train)
  # Predicting the Test set results
  y_pred_dt = classifier.predict(X_test)
  print("\nDECISION TREE\n")
  dt = metrics(X_train, y_train, y_test, y_pred_dt)
  for x in dt:
```

```
print(x)
  print("\n")
  # Fitting Logistic to Train set
  classifier = DecisionTreeClassifier(criterion = 'entropy', random_state = 0)
  classifier.fit(X_train_strat, y_train_strat)
  # Predicting the Test set results
  y_pred_strat = classifier.predict(X_test_strat)
  # Metrics
  dt_str = metrics(X_train_strat, y_train_strat, y_test_strat, y_pred_strat)
  for x in dt_str:
     print(x)
  print("\n")
  ################################### RANDOM FOREST CLASSIFICATION
  classifier = RandomForestClassifier(n_estimators = 300, criterion = ___
classifier.fit(X_train, y_train)
  y_pred_rf = classifier.predict(X_test)
  print("\nRANDOM FOREST\n")
  rf = metrics(X_train, y_train, y_test, y_pred_rf)
  for x in rf:
     print(x)
  print("\n")
  # Fitting Logistic to Train set
  classifier = RandomForestClassifier(n estimators = 300, criterion = 1
classifier.fit(X_train_strat, y_train_strat)
  # Predicting the Test set results
  y_pred_strat = classifier.predict(X_test_strat)
  # Metrics
  rf_str = metrics(X_train_strat, y_train_strat, y_test_strat, y_pred_strat)
  for x in rf_str:
     print(x)
  print("\n")
```

# 0.9 ROC curves

Here we define a function to plot the ROC curve of the classifier based on the confusion matrix

```
[ ]: # ROC e AUC
    from sklearn.metrics import precision_recall_curve, roc_curve
    import matplotlib.pyplot as plt
    # Precision Recall curve
    def plot_prec_rec(classifier):
        y_pred = classifier.predict(X_test)
        y_pred_prob = classifier.predict_proba(X_test)[:,0]
        precisions, recalls, thresholds = precision_recall_curve(y_test,__
      def plot precision recall vs threshold(precisions, recalls, thresholds):
            plt.figure(figsize=(10, 8))
            plt.plot(thresholds, precisions[:-1], "b--", label="Precision")
            plt.plot(thresholds, recalls[:-1], "g-", label="Recall")
        plot_precision_recall_vs_threshold(precisions, recalls, thresholds)
        plt.legend()
        plt.show()
    # R.O.C.
    def plot_roc(classifier):
        y pred = classifier.predict(X test)
        y_pred_prob = classifier.predict_proba(X_test)[:,0]
        fpr, tpr, thresholds = roc_curve(y_test, y_pred_prob, pos_label="Existing"
      ⇔Customer")
        def plot_roc(fpr, tpr, thresholds):
            plt.figure(figsize=(10, 8))
            plt.plot(fpr, tpr, linewidth=2)
            plt.plot([0, 1], [0, 1], 'k--')
        plot_roc(fpr, tpr, thresholds)
        plt.legend()
        plt.show()
```

### 0.10 Hyperparameters Fine Tuning

We used the RandomizedSearchCV method from sklearn.model\_selection module to fine tune the Random Forest classifier hyperparameters. Our goal was to to inspect whether we could obtain even better performance metrics.

```
[]: from sklearn.model_selection import RandomizedSearchCV from scipy.stats import uniform
```

### 0.11 Final Model

Finally we fit the Randomized Search seach.best\_estimator\_ with the data\_best dataset and analyze the final results and the ROC curve obtained.

```
[]: train_set, test_set = split(data_best, 0.2)
    # Separate the predictors and target value
    X, y, X_test, y_test = sep_pred_target(train_set, test_set)
    # Transformation Pipeline
    X_prep = tranformation_pipeline(X)
    X_prep_test = tranformation_pipeline(X_test)
    # FINAL renaming
    X_train = X_prep
    y_train = y
    X_test = X_prep_test
    y_test = y_test
    classifier = search.best estimator
    classifier.fit(X_train, y_train)
    y_pred_rf = classifier.predict(X_test)
    print("\nRANDOM FOREST\n")
    rf = metrics(X_train, y_train, y_test, y_pred_rf)
    for x in rf:
        print(x)
```

```
[ ]: plot_prec_rec(classifier)
[ ]: plot_roc(classifier)
```

### 0.12 Results Plots

To further visualize our classifiers performance we decided to plot decision boundaries for the two variables of Tot\_Trans\_Count over the Tot\_Trans\_Amt for both the training and the test set. We repeated this procedure for both the Decision Tree and the Random Forest classifier.

```
[]: import matplotlib.pyplot as plt
     # Prepare data
     data_best = data_best[["Attrition_Flag","Total_Trans_Amt","Total_Trans_Ct"]]
     for x in data_best.iloc[:, 0].values:
         if x=="Existing Customer":
             flag.append(1)
         else:
             flag.append(0)
     data_best["flag"]=flag
     X = data_best.iloc[:,[1,2]].values
     y = data_best.iloc[:, 3].values
     X_train, X_test, y_train, y_test = train_test_split(X, y, test_size = 0.2,_
      →random_state = 0)
     # Feature Scaling
     sc = StandardScaler()
     X_train = sc.fit_transform(X_train)
     X_test = sc.transform(X_test)
     classifier = DecisionTreeClassifier(criterion = 'entropy', random_state = 0)
     classifier.fit(X_train, y_train)
     y_pred = classifier.predict(X_test)
     # Visualising the Training set results
     from matplotlib.colors import ListedColormap
     X_set, y_set = X_train, y_train
     X1, X2 = np.meshgrid(np.arange(start = X_set[:, 0].min() - 1, stop = X_set[:, __
      \rightarrow 0].max() + 1, step = 0.01),
                          np.arange(start = X_set[:, 1].min() - 1, stop = X_set[:,__
      41].max() + 1, step = 0.01))
     plt.contourf(X1, X2, classifier.predict(np.array([X1.ravel(), X2.ravel()]).T).
      →reshape(X1.shape),
                  alpha = 0.75, cmap = ListedColormap(('red', 'green')))
     plt.xlim(X1.min(), X1.max())
     plt.ylim(X2.min(), X2.max())
     for i, j in enumerate(np.unique(y_set)):
         plt.scatter(X_set[y_set == j, 0], X_set[y_set == j, 1],
                     c = ListedColormap(('red', 'green'))(i), label = j)
```

```
plt.title('Decision Tree (Training set)')
plt.xlabel('Total_Trans_Amt')
plt.ylabel('Total_Trans_Ct')
plt.legend()
plt.show()
# Visualising the Test set results
from matplotlib.colors import ListedColormap
X_set, y_set = X_test, y_test
X1, X2 = np.meshgrid(np.arange(start = X_set[:, 0].min() - 1, stop = X_set[:, __
0].max() + 1, step = 0.01),
                     np.arange(start = X_set[:, 1].min() - 1, stop = X_set[:,__
 41].max() + 1, step = 0.01))
plt.contourf(X1, X2, classifier.predict(np.array([X1.ravel(), X2.ravel()]).T).
 →reshape(X1.shape),
             alpha = 0.75, cmap = ListedColormap(('red', 'green')))
plt.xlim(X1.min(), X1.max())
plt.ylim(X2.min(), X2.max())
for i, j in enumerate(np.unique(y_set)):
    plt.scatter(X_set[y_set == j, 0], X_set[y_set == j, 1],
                c = ListedColormap(('red', 'green'))(i), label = j)
plt.title('Decision Tree (Test set)')
plt.xlabel('Total Trans Amt')
plt.ylabel('Total_Trans_Ct')
plt.legend()
plt.show()
```

```
sc = StandardScaler()
X_train = sc.fit_transform(X_train)
X_test = sc.transform(X_test)
classifier = search.best_estimator_
classifier.fit(X_train, y_train)
y_pred = classifier.predict(X_test)
# Visualising the Training set results
from matplotlib.colors import ListedColormap
X_set, y_set = X_train, y_train
X1, X2 = np.meshgrid(np.arange(start = X_set[:, 0].min() - 1, stop = X_set[:, __
 \rightarrow 0].max() + 1, step = 0.01),
                     np.arange(start = X_set[:, 1].min() - 1, stop = X_set[:, __
\hookrightarrow 1].max() + 1, step = 0.01))
plt.contourf(X1, X2, classifier.predict(np.array([X1.ravel(), X2.ravel()]).T).
 →reshape(X1.shape),
             alpha = 0.75, cmap = ListedColormap(('red', 'green')))
plt.xlim(X1.min(), X1.max())
plt.ylim(X2.min(), X2.max())
for i, j in enumerate(np.unique(y_set)):
    plt.scatter(X_set[y_set == j, 0], X_set[y_set == j, 1],
                c = ListedColormap(('red', 'green'))(i), label = j)
plt.title('Random Forest (Training set)')
plt.xlabel('Total_Trans_Amt')
plt.ylabel('Total_Trans_Ct')
plt.legend()
plt.show()
# Visualising the Test set results
from matplotlib.colors import ListedColormap
X_set, y_set = X_test, y_test
X1, X2 = np.meshgrid(np.arange(start = X_set[:, 0].min() - 1, stop = X_set[:, __
 0].max() + 1, step = 0.01),
                     np.arange(start = X_set[:, 1].min() - 1, stop = X_set[:, __
 41].max() + 1, step = 0.01))
plt.contourf(X1, X2, classifier.predict(np.array([X1.ravel(), X2.ravel()]).T).
 →reshape(X1.shape),
             alpha = 0.75, cmap = ListedColormap(('red', 'green')))
plt.xlim(X1.min(), X1.max())
plt.ylim(X2.min(), X2.max())
for i, j in enumerate(np.unique(y_set)):
    plt.scatter(X_set[y_set == j, 0], X_set[y_set == j, 1],
                c = ListedColormap(('red', 'green'))(i), label = j)
plt.title('Random Forest (Test set)')
plt.xlabel('Total Trans Amt')
plt.ylabel('Total_Trans_Ct')
```

plt.legend()
plt.show()