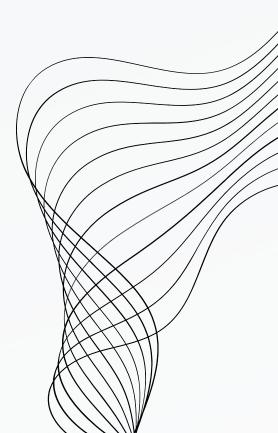
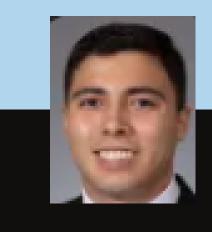
### KNOW YOUR CUSTOMER:

SYRIATEL CHURN MODEL





# OUR TEAM



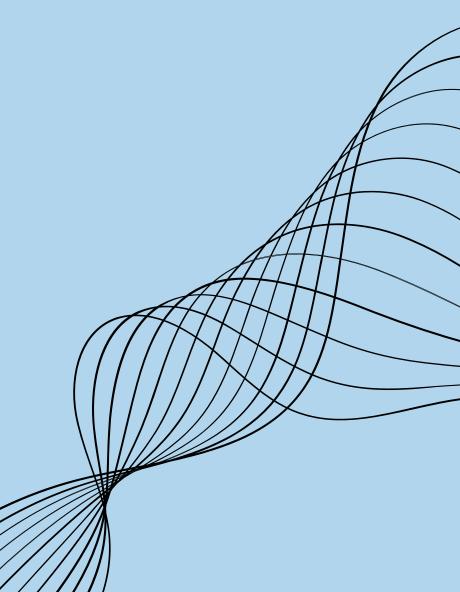
David Johnson

Houston, TX



Elina Rankova

New York, NY



# CONTENT

01

BUSINESS OBJECTIVES

02

DATA ANALYSIS AND METHODS

03

MODELING

04

RESULTS

05

NEXT STEPS

06

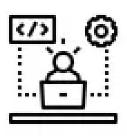
CONTACTS

## BUSINESS OBJECTIVE

Build a classifier to predict whether a customer will ("soon") stop doing business with SyriaTel, a telecommunications company.

Measure Performance with Recall:

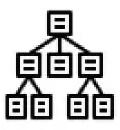


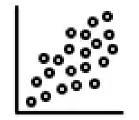


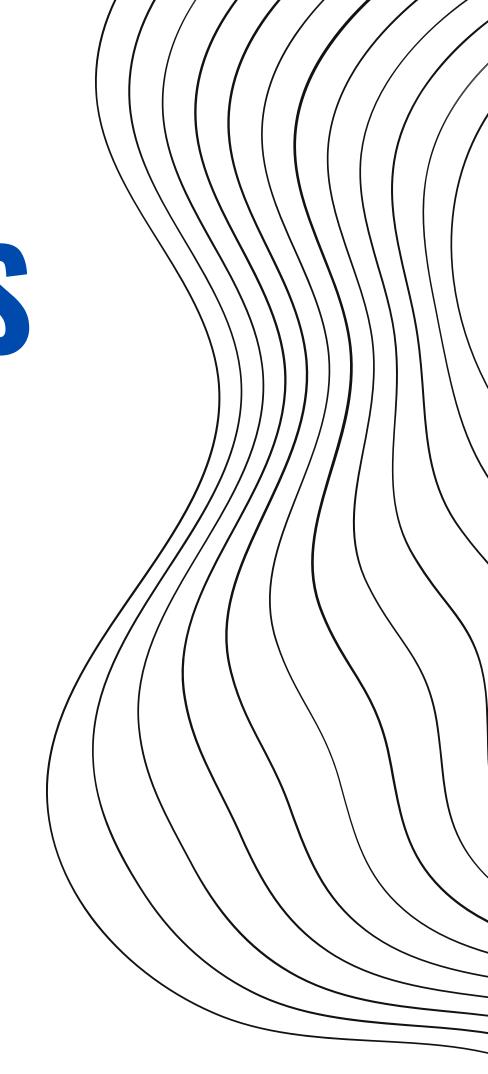








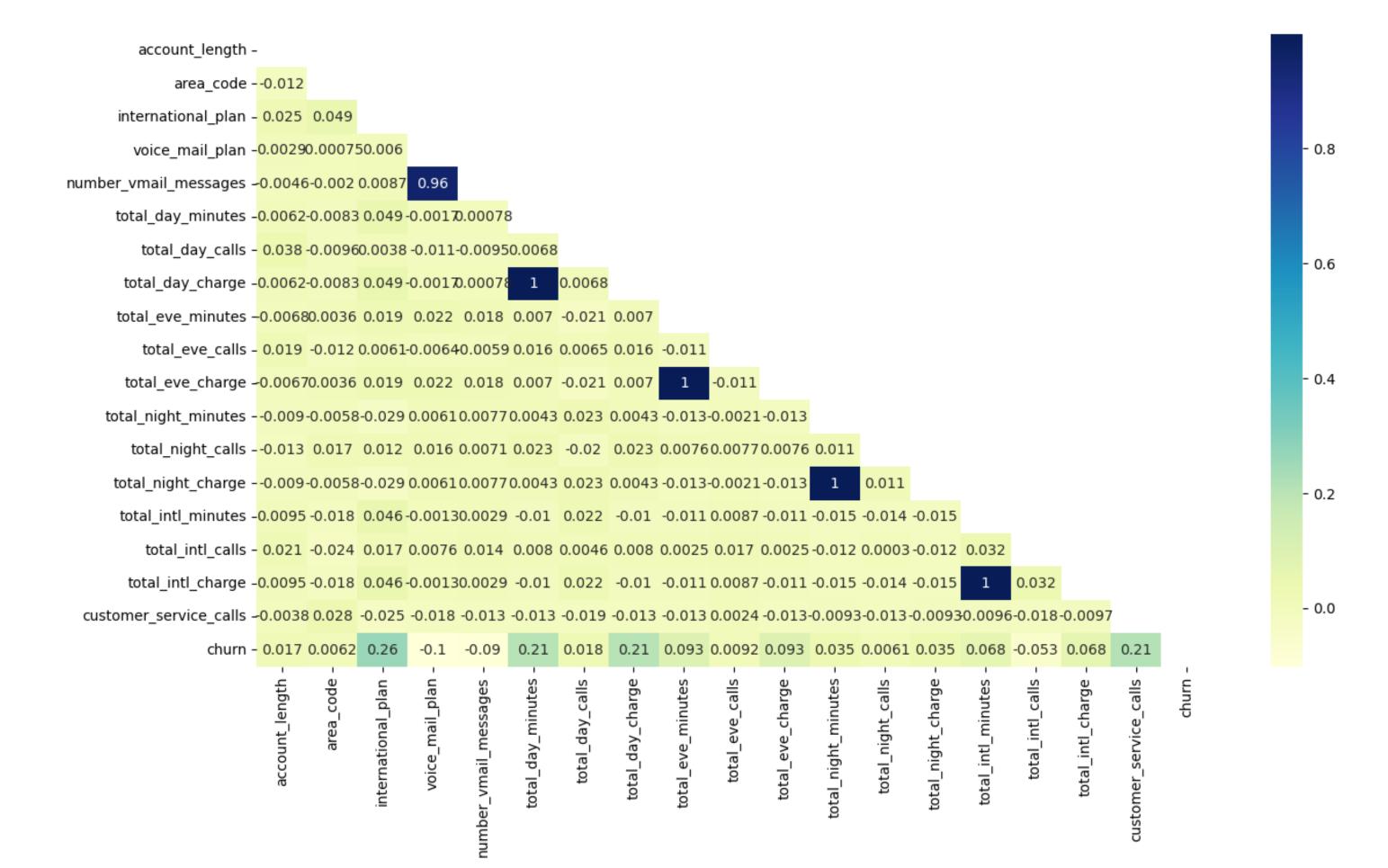


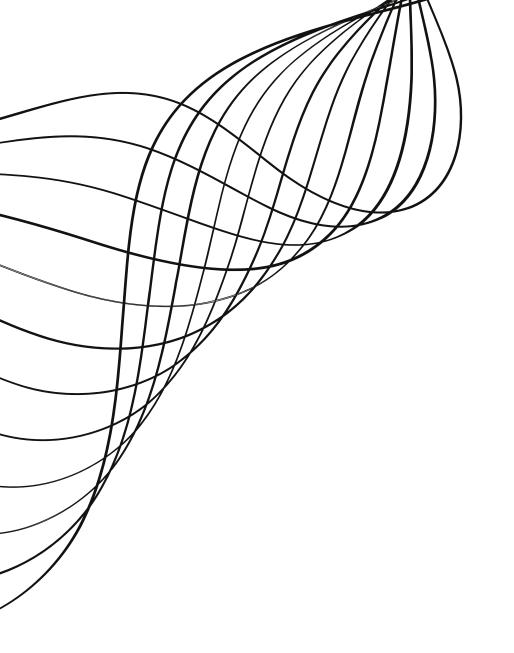


## The Data

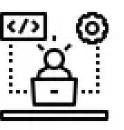
```
<class 'pandas.core.frame.DataFrame'>
RangeIndex: 3333 entries, 0 to 3332
Data columns (total 21 columns):
```

Data	Data columns (total 21 columns):							
#	Column	Non-Null Count	Dtype					
						churn		
0	state	3333 non-null	object			0		
1	account length	3333 non-null	int64	2500 -		1		
2	area code	3333 non-null	int64					
3	phone number	3333 non-null	object					
4	international plan	3333 non-null	object	2000 -				
5	voice mail plan	3333 non-null	object					
6	number vmail messages	3333 non-null	int64					
7	total day minutes	3333 non-null	float64	1500 -				
8	total day calls	3333 non-null	int64	1500	~85%			
9	total day charge	3333 non-null	float64		30070			
10	total eve minutes	3333 non-null	float64	1000 -				
11	total eve calls	3333 non-null	int64	1000 -				
12	total eve charge	3333 non-null	float64					
13	total night minutes	3333 non-null	float64	500				
14	total night calls	3333 non-null	int64	500 -				
15	total night charge	3333 non-null	float64			~15%		
16	total intl minutes	3333 non-null	float64					
17	total intl calls	3333 non-null	int64	0 —		1		
18	total intl charge	3333 non-null	float64		0	1		
19	customer service calls	3333 non-null	int64		CI	nurn		
20	churn	3333 non-null	bool					





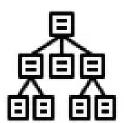
# MODELING

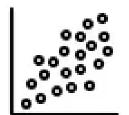


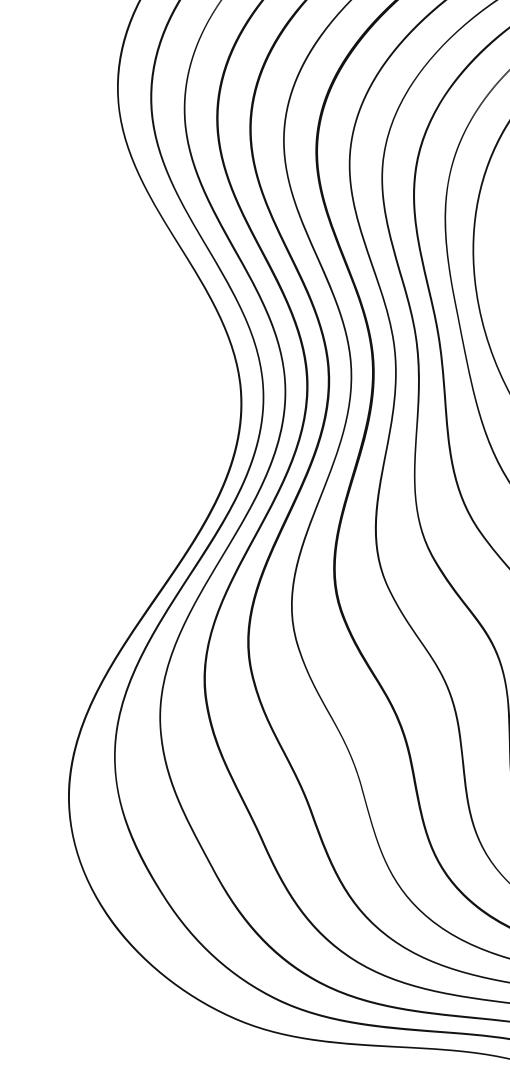












#### Logistic Regression Models

### Logistic L1 Model: Data Prep/Train Results

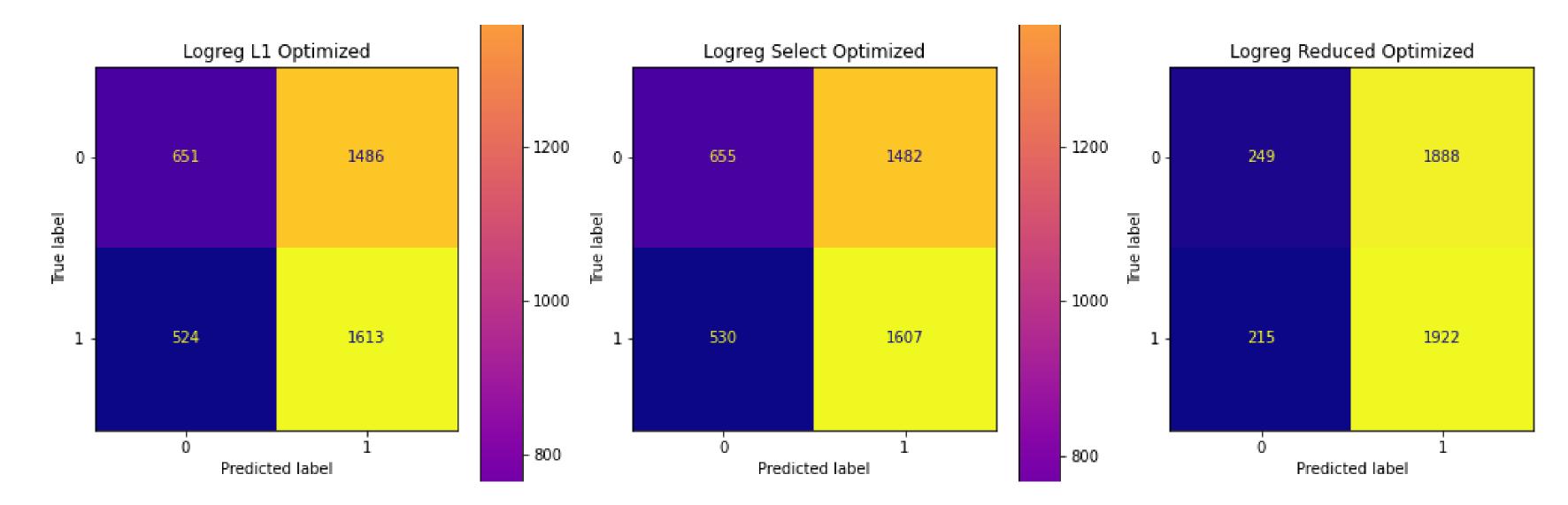
• This model contains all predictor variables, except phone number.

### **Logistic Select Model: Data Prep/Train Results**

- We Used **SelectFromModel** to select **features** for us that are **most important**:
  - Reduced the dataframe from 69 predictors to 53.

### Logistic Reduced Model: Data Prep/Train Results

• We only included highly correlated predictors with respect to churn.



### Processing steps SMOTE, hyperparameter tuning, and OneHotEncoding

Processing steps
SelectFromModel, hyperparameter tuning

Processing steps
SMOTE, hyperparameter tuning,
and feature selection

#### Logistic Regression Models: Test Results

#### **Train Results:**

model_name	recall_score
Logistic L1	0.754796
Logistic Select	0.751989
Logistic Reduced	0.899392

**Our Logistic Regression models** are underfitting!!!!

#### **Test Results:**

Classification	report	for	Model	1:	

weighted avg

Classificatio	n report for	Model 1:					
	precision	recall	f1-score	support			
0	0.91	0.32	0.48	713			
1	0.17	0.81	0.28	121			
			0.20	024			
accuracy			0.39	834			
macro avg	0.54	0.57	0.38	834			
weighted avg	0.80	0.39	0.45	834			
Classificatio	n report for	Model 2:					
	precision	recall	f1-score	support			
0	0.91	0.33	0.48	713			
1	0.17	0.81	0.28	121			
accuracy			0.40	834			
macro avg	0.54	0.57	0.38	834			
weighted avg	0.80	0.40	0.45	834			
Classification report for Model 3:							
	precision	recall	f1-score	support			
0	0.96	0.13	0.24	713			
1	0.16	0.97	0.27	121			
accuracy			0.26	834			
macro avg	0.56	0.55	0.25	834			

0.84

0.26

0.24

834

#### **DecisionTree Model**

#### **Data Prep/Train Results**

- We used the same data that was used for model 3.
- Applied GridSearchCV() to find the optimal parameters for the model.
- Best Parameters:

{'criterion': 'gini', 'max donth': 1

'max\_depth': 1,

'max\_features': 1,

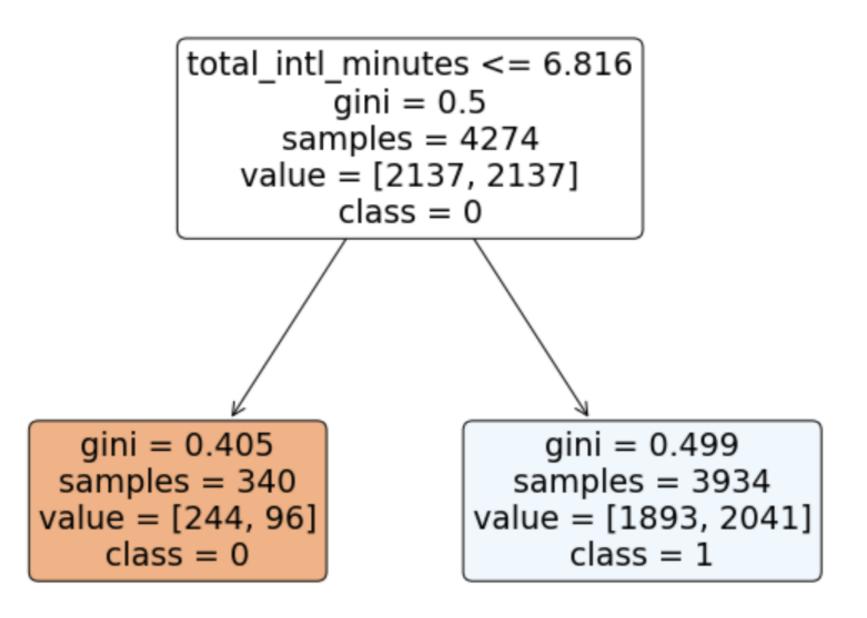
'min\_samples\_leaf': 1,

'min\_samples\_split': 2,

'splitter': 'best'}

#### **CV Train Results**

Metrics	Values
Mean Train Score	0.946065
Train Standard Deviation Score	0.022619
Mean Test Score	0.940583
Test Standard Deviation Score	0.027754



#### **Test Results**

	precision	recall	f1-score	support
0	0.89	0.12	0.21	713
1	0.15	0.92	0.26	121
accuracy			0.23	834
macro avg	0.52	0.52	0.23	834
weighted avg	0.78	0.23	0.21	834

# FUTURE CONSIDERATIONS

Different type of model or ensemble modeling

STEP 1



Tiered Marketing Strategy

STEP 3

STEP 2

Larger data set to offset the underfitting we encountered

# Contact

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