## Data Preparation

MARKETING ANALYTICS: PREDICTING CUSTOMER CHURN IN PYTHON



Mark Peterson
Senior Data Scientist, Alliance Data



#### Model assumptions

- Some assumptions that models make:
  - That the features are normally distributed
  - That the features are on the same scale

## Data types

- Machine learning algorithms require numeric data types
  - Need to encode categorical variables as numeric



	•
Account_Length	int64
Vmail_Message	int64
Day_Mins	float64
Eve_Mins	float64
Night_Mins	float64
Intl_Mins	float64
CustServ_Calls	int64
Churn	object
Intl_Plan	object
Vmail_Plan	object
Day_Calls	int64
Day_Charge	float64
Eve_Calls	int64
Eve_Charge	float64
Night_Calls	int64
- Night_Charge	float64
Intl_Calls	int64
Intl_Charge	float64
State	object
Area_Code	int64
Phone Phone	object
dtype: object	
\ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \	



## **Encoding binary features**

```
telco['Intl_Plan'].head()
```

```
0 no
1 no
2 no
3 yes
4 yes
Name: Intl_Plan, dtype: object
```

## **Encoding binary features**

Option 1: .replace()

```
telco['Intl_Plan'].replace({'no':0 , 'yes':1})
telco['Intl_Plan'].head()
```

```
0    0
1    0
2    0
3    1
4    1
Name: Intl_Plan, dtype: int64
```

#### Option 2: LabelEncoder()

```
from sklearn.preprocessing importLabelEncoder

LabelEncoder().fit_transform(telco["Intl_Plan"])

telco['Intl_Plan'].head()
```

```
0  0
1  0
2  0
3  1
4  1
Name: Intl_Plan, dtype: int64
```

## **Encoding state**

telco['State'].head(4)

```
0 KS
1 OH
2 NJ
3 OH
Name: State, dtype: object
```

Could assign a number to each state

```
0   0
1   1
2   2
3   1
Name: State, dtype: int64
```

- Bad idea
- Would make your model less effective

## One hot encoding

State

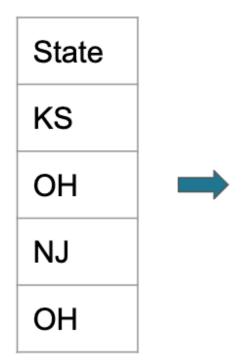
KS

OH

NJ

OH

## One hot encoding



## One hot encoding

State		State_KS	State_OH	State_NJ
KS		1	0	0
ОН	$\rightarrow$	0	1	0
NJ		0	0	1
ОН		0	1	0

## Feature scaling

- Features should be on the same scale
- Rarely true of real-world data

## Feature scaling

```
telco['Intl_Calls'].describe()
```

```
3333.000000
count
            4.479448
mean
            2.461214
std
            0.000000
min
25%
            3.000000
50%
            4.000000
75%
            6.000000
           20.000000
max
Name: Intl_Calls, dtype: float64
```

```
telco['Night_Mins'].describe()
```

```
3333.000000
count
          200.872037
mean
           50.573847
std
           23.200000
min
25%
          167.000000
          201.200000
50%
75%
          235.300000
          395.000000
max
Name: Night_Mins, dtype: float64
```

#### Standardization

- Centers the distribution around the mean
- Calculates the number of standard deviations away from the mean each point is

```
from sklearn.preprocessing import StandardScaler

df = StandardScaler().fit_transform(df)
```

# Let's practice!

MARKETING ANALYTICS: PREDICTING CUSTOMER CHURN IN PYTHON



# Feature selection and engineering

MARKETING ANALYTICS: PREDICTING CUSTOMER CHURN IN PYTHON



Mark Peterson
Senior Data Scientist, Alliance Data



## Dropping unnecessary features

- Unique identifiers
  - Phone numbers
  - Social security numbers
  - Account numbers
- .drop() method

```
telco.drop(['Soc_Sec', 'Tax_ID'], axis=1)
```



## Dropping correlated features

- Highly correlated features can be dropped
- They provide no additional information to the model



	Day_Mins	Eve_Mins	Night_Mins	Intl_Mins	CustServ_Calls	Day_Calls	Day_Charge	Eve_Calls	Eve_Charge	Night_Calls	Night_Charge	Intl_Calls	Intl_Charge
Day_Mins	1.000000	0.007043	0.004323	-0.010155	-0.013423	0.006750	1.000000	0.015769	0.007029	0.022972	0.004300	0.008033	-0.010092
Eve_Mins	0.007043	1.000000	-0.012584	-0.011035	-0.012985	-0.021451	0.007050	-0.011430	1.000000	0.007586	-0.012593	0.002541	-0.011067
Night_Mins	0.004323	-0.012584	1.000000	-0.015207	-0.009288	0.022938	0.004324	-0.002093	-0.012592	0.011204	0.999999	-0.012353	-0.015180
Intl_Mins	-0.010155	-0.011035	-0.015207	1.000000	-0.009640	0.021565	-0.010157	0.008703	-0.011043	-0.013605	-0.015214	0.032304	0.999993
CustServ_Calls	-0.013423	-0.012985	-0.009288	-0.009640	1.000000	-0.018942	-0.013427	0.002423	-0.012987	-0.012802	-0.009277	-0.017561	-0.009675
Day_Calls	0.006750	-0.021451	0.022938	0.021565	-0.018942	1.000000	0.006753	0.006462	-0.021449	-0.019557	0.022927	0.004574	0.021666
Day_Charge	1.000000	0.007050	0.004324	-0.010157	-0.013427	0.006753	1.000000	0.015769	0.007036	0.022972	0.004301	0.008032	-0.010094
Eve_Calls	0.015769	-0.011430	-0.002093	0.008703	0.002423	0.006462	0.015769	1.000000	-0.011423	0.007710	-0.002056	0.017434	0.008674
Eve_Charge	0.007029	1.000000	-0.012592	-0.011043	-0.012987	-0.021449	0.007036	-0.011423	1.000000	0.007596	-0.012601	0.002541	-0.011074
Night_Calls	0.022972	0.007586	0.011204	-0.013605	-0.012802	-0.019557	0.022972	0.007710	0.007596	1.000000	0.011188	0.000305	-0.013630
Night_Charge	0.004300	-0.012593	0.999999	-0.015214	-0.009277	0.022927	0.004301	-0.002056	-0.012601	0.011188	1.000000	-0.012329	-0.015186
Intl_Calls	0.008033	0.002541	-0.012353	0.032304	-0.017561	0.004574	0.008032	0.017434	0.002541	0.000305	-0.012329	1.000000	0.032372
Intl_Charge	-0.010092	-0.011067	-0.015180	0.999993	-0.009675	0.021666	-0.010094	0.008674	-0.011074	-0.013630	-0.015186	0.032372	1.000000



	Day_Mins	Eve_Mins	Night_Mins	Intl_Mins	CustServ_Calls	Day_Calls	Day_Charge	Eve_Calls	Eve_Charge	Night_Calls	Night_Charge	Intl_Calls	Intl_Charge
Day_Mins	1.000000	0.007043	0.004323	-0.010155	-0.013423	0.006750	1.000000	0.015769	0.007029	0.022972	0.004300	0.008033	-0.010092
Eve_Mins	0.007043	1.000000	-0.012584	-0.011035	-0.012985	-0.021451	0.007050	-0.011430	1.000000	0.007586	-0.012593	0.002541	-0.011067
Night_Mins	0.004323	-0.012584	1.000000	-0.015207	-0.009288	0.022938	0.004324	-0.002093	-0.012592	0.011204	0.999999	-0.012353	-0.015180
Intl_Mins	-0.010155	-0.011035	-0.015207	1.000000	-0.009640	0.021565	-0.010157	0.008703	-0.011043	-0.013605	-0.015214	0.032304	0.999993
CustServ_Calls	-0.013423	-0.012985	-0.009288	-0.009640	1.000000	-0.018942	-0.013427	0.002423	-0.012987	-0.012802	-0.009277	-0.017561	-0.009675
Day_Calls	0.006750	-0.021451	0.022938	0.021565	-0.018942	1.000000	0.006753	0.006462	-0.021449	-0.019557	0.022927	0.004574	0.021666
Day_Charge	1.000000	0.007050	0.004324	-0.010157	-0.013427	0.006753	1.000000	0.015769	0.007036	0.022972	0.004301	0.008032	-0.010094
Eve_Calls	0.015769	-0.011430	-0.002093	0.008703	0.002423	0.006462	0.015769	1.000000	-0.011423	0.007710	-0.002056	0.017434	0.008674
Eve_Charge	0.007029	1.000000	-0.012592	-0.011043	-0.012987	-0.021449	0.007036	-0.011423	1.000000	0.007596	-0.012601	0.002541	-0.011074
Night_Calls	0.022972	0.007586	0.011204	-0.013605	-0.012802	-0.019557	0.022972	0.007710	0.007596	1.000000	0.011188	0.000305	-0.013630
Night_Charge	0.004300	-0.012593	0.999999	-0.015214	-0.009277	0.022927	0.004301	-0.002056	-0.012601	0.011188	1.000000	-0.012329	-0.015186
Intl_Calls	0.008033	0.002541	-0.012353	0.032304	-0.017561	0.004574	0.008032	0.017434	0.002541	0.000305	-0.012329	1.000000	0.032372
Intl_Charge	-0.010092	-0.011067	-0.015180	0.999993	-0.009675	0.021666	-0.010094	0.008674	-0.011074	-0.013630	-0.015186	0.032372	1.000000



	Day_Mins	Eve_Mins	Night_Mins	Intl_Mins	CustServ_Calls	Day_Calls	Day_Charge	Eve_Calls	Eve_Charge	Night_Calls	Night_Charge	Intl_Calls	Intl_Charge
Day_Mins	1.000000	0.007043	0.004323	-0.010155	-0.013423	0.006750	1.000000	0.015769	0.007029	0.022972	0.004300	0.008033	-0.010092
Eve_Mins	0.007043	1.000000	-0.012584	-0.011035	-0.012985	-0.021451	0.007050	-0.011430	1.000000	0.007586	-0.012593	0.002541	-0.011067
Night_Mins	0.004323	-0.012584	1.000000	-0.015207	-0.009288	0.022938	0.004324	-0.002093	-0.012592	0.011204	0.999999	-0.012353	-0.015180
Intl_Mins	-0.010155	-0.011035	-0.015207	1.000000	-0.009640	0.021565	-0.010157	0.008703	-0.011043	-0.013605	-0.015214	0.032304	0.999993
CustServ_Calls	-0.013423	-0.012985	-0.009288	-0.009640	1.000000	-0.018942	-0.013427	0.002423	-0.012987	-0.012802	-0.009277	-0.017561	-0.009675
Day_Calls	0.006750	-0.021451	0.022938	0.021565	-0.018942	1.000000	0.006753	0.006462	-0.021449	-0.019557	0.022927	0.004574	0.021666
Day_Charge	1.000000	0.007050	0.004324	-0.010157	-0.013427	0.006753	1.000000	0.015769	0.007036	0.022972	0.004301	0.008032	-0.010094
Eve_Calls	0.015769	-0.011430	-0.002093	0.008703	0.002423	0.006462	0.015769	1.000000	-0.011423	0.007710	-0.002056	0.017434	0.008674
Eve_Charge	0.007029	1.000000	-0.012592	-0.011043	-0.012987	-0.021449	0.007036	-0.011423	1.000000	0.007596	-0.012601	0.002541	-0.011074
Night_Calls	0.022972	0.007586	0.011204	-0.013605	-0.012802	-0.019557	0.022972	0.007710	0.007596	1.000000	0.011188	0.000305	-0.013630
Night_Charge	0.004300	-0.012593	0.999999	-0.015214	-0.009277	0.022927	0.004301	-0.002056	-0.012601	0.011188	1.000000	-0.012329	-0.015186
Intl_Calls	0.008033	0.002541	-0.012353	0.032304	-0.017561	0.004574	0.008032	0.017434	0.002541	0.000305	-0.012329	1.000000	0.032372
Intl_Charge	-0.010092	-0.011067	-0.015180	0.999993	-0.009675	0.021666	-0.010094	0.008674	-0.011074	-0.013630	-0.015186	0.032372	1.000000



	Day_Mins	Eve_Mins	Night_Mins	Intl_Mins	CustServ_Calls	Day_Calls	Day_Charge	Eve_Calls	Eve_Charge	Night_Calls	Night_Charge	Intl_Calls	Intl_Charge
Day_Mins	1.000000	0.007043	0.004323	-0.010155	-0.013423	0.006750	1.000000	0.015769	0.007029	0.022972	0.004300	0.008033	-0.010092
Eve_Mins	0.007043	1.000000	-0.012584	-0.011035	-0.012985	-0.021451	0.007050	-0.011430	1.000000	0.007586	-0.012593	0.002541	-0.011067
Night_Mins	0.004323	-0.012584	1.000000	-0.015207	-0.009288	0.022938	0.004324	-0.002093	-0.012592	0.011204	0.999999	-0.012353	-0.015180
Intl_Mins	-0.010155	-0.011035	-0.015207	1.000000	-0.009640	0.021565	-0.010157	0.008703	-0.011043	-0.013605	-0.015214	0.032304	0.999993
CustServ_Calls	-0.013423	-0.012985	-0.009288	-0.009640	1.000000	-0.018942	-0.013427	0.002423	-0.012987	-0.012802	-0.009277	-0.017561	-0.009675
Day_Calls	0.006750	-0.021451	0.022938	0.021565	-0.018942	1.000000	0.006753	0.006462	-0.021449	-0.019557	0.022927	0.004574	0.021666
Day_Charge	1.000000	0.007050	0.004324	-0.010157	-0.013427	0.006753	1.000000	0.015769	0.007036	0.022972	0.004301	0.008032	-0.010094
Eve_Calls	0.015769	-0.011430	-0.002093	0.008703	0.002423	0.006462	0.015769	1.000000	-0.011423	0.007710	-0.002056	0.017434	0.008674
Eve_Charge	0.007029	1.000000	-0.012592	-0.011043	-0.012987	-0.021449	0.007036	-0.011423	1.000000	0.007596	-0.012601	0.002541	-0.011074
Night_Calls	0.022972	0.007586	0.011204	-0.013605	-0.012802	-0.019557	0.022972	0.007710	0.007596	1.000000	0.011188	0.000305	-0.013630
Night_Charge	0.004300	-0.012593	0.999999	-0.015214	-0.009277	0.022927	0.004301	-0.002056	-0.012601	0.011188	1.000000	-0.012329	-0.015186
Intl_Calls	0.008033	0.002541	-0.012353	0.032304	-0.017561	0.004574	0.008032	0.017434	0.002541	0.000305	-0.012329	1.000000	0.032372
Intl_Charge	-0.010092	-0.011067	-0.015180	0.999993	-0.009675	0.021666	-0.010094	0.008674	-0.011074	-0.013630	-0.015186	0.032372	1.000000



	Day_Mins	Eve_Mins	Night_Mins	Intl_Mins	CustServ_Calls	Day_Calls	Day_Charge	Eve_Calls	Eve_Charge	Night_Calls	Night_Charge	Intl_Calls	Intl_Charge
Day_Mins	1.000000	0.007043	0.004323	-0.010155	-0.013423	0.006750	1.000000	0.015769	0.007029	0.022972	0.004300	0.008033	-0.010092
Eve_Mins	0.007043	1.000000	-0.012584	-0.011035	-0.012985	-0.021451	0.007050	-0.011430	1.000000	0.007586	-0.012593	0.002541	-0.011067
Night_Mins	0.004323	-0.012584	1.000000	-0.015207	-0.009288	0.022938	0.004324	-0.002093	-0.012592	0.011204	0.999999	-0.012353	-0.015180
Intl_Mins	-0.010155	-0.011035	-0.015207	1.000000	-0.009640	0.021565	-0.010157	0.008703	-0.011043	-0.013605	-0.015214	0.032304	0.999993
CustServ_Calls	-0.013423	-0.012985	-0.009288	-0.009640	1.000000	-0.018942	-0.013427	0.002423	-0.012987	-0.012802	-0.009277	-0.017561	-0.009675
Day_Calls	0.006750	-0.021451	0.022938	0.021565	-0.018942	1.000000	0.006753	0.006462	-0.021449	-0.019557	0.022927	0.004574	0.021666
Day_Charge	1.000000	0.007050	0.004324	-0.010157	-0.013427	0.006753	1.000000	0.015769	0.007036	0.022972	0.004301	0.008032	-0.010094
Eve_Calls	0.015769	-0.011430	-0.002093	0.008703	0.002423	0.006462	0.015769	1.000000	-0.011423	0.007710	-0.002056	0.017434	0.008674
Eve_Charge	0.007029	1.000000	-0.012592	-0.011043	-0.012987	-0.021449	0.007036	-0.011423	1.000000	0.007596	-0.012601	0.002541	-0.011074
Night_Calls	0.022972	0.007586	0.011204	-0.013605	-0.012802	-0.019557	0.022972	0.007710	0.007596	1.000000	0.011188	0.000305	-0.013630
Night_Charge	0.004300	-0.012593	0.999999	-0.015214	-0.009277	0.022927	0.004301	-0.002056	-0.012601	0.011188	1.000000	-0.012329	-0.015186
Intl_Calls	0.008033	0.002541	-0.012353	0.032304	-0.017561	0.004574	0.008032	0.017434	0.002541	0.000305	-0.012329	1.000000	0.032372
Intl_Charge	-0.010092	-0.011067	-0.015180	0.999993	-0.009675	0.021666	-0.010094	0.008674	-0.011074	-0.013630	-0.015186	0.032372	1.000000



	Day_Mins	Eve_Mins	Night_Mins	Intl_Mins	CustServ_Calls	Day_Calls	Day_Charge	Eve_Calls	Eve_Charge	Night_Calls	Night_Charge	Intl_Calls	Intl_Charge
Day_Mins	1.000000	0.007043	0.004323	-0.010155	-0.013423	0.006750	1.000000	0.015769	0.007029	0.022972	0.004300	0.008033	-0.010092
Eve_Mins	0.007043	1.000000	-0.012584	-0.011035	-0.012985	-0.021451	0.007050	-0.011430	1.000000	0.007586	-0.012593	0.002541	-0.011067
Night_Mins	0.004323	-0.012584	1.000000	-0.015207	-0.009288	0.022938	0.004324	-0.002093	-0.012592	0.011204	0.999999	-0.012353	-0.015180
Intl_Mins	-0.010155	-0.011035	-0.015207	1.000000	-0.009640	0.021565	-0.010157	0.008703	-0.011043	-0.013605	-0.015214	0.032304	0.999993
CustServ_Calls	-0.013423	-0.012985	-0.009288	-0.009640	1.000000	-0.018942	-0.013427	0.002423	-0.012987	-0.012802	-0.009277	-0.017561	-0.009675
Day_Calls	0.006750	-0.021451	0.022938	0.021565	-0.018942	1.000000	0.006753	0.006462	-0.021449	-0.019557	0.022927	0.004574	0.021666
Day_Charge	1.000000	0.007050	0.004324	-0.010157	-0.013427	0.006753	1.000000	0.015769	0.007036	0.022972	0.004301	0.008032	-0.010094
Eve_Calls	0.015769	-0.011430	-0.002093	0.008703	0.002423	0.006462	0.015769	1.000000	-0.011423	0.007710	-0.002056	0.017434	0.008674
Eve_Charge	0.007029	1.000000	-0.012592	-0.011043	-0.012987	-0.021449	0.007036	-0.011423	1.000000	0.007596	-0.012601	0.002541	-0.011074
Night_Calls	0.022972	0.007586	0.011204	-0.013605	-0.012802	-0.019557	0.022972	0.007710	0.007596	1.000000	0.011188	0.000305	-0.013630
Night_Charge	0.004300	-0.012593	0.999999	-0.015214	-0.009277	0.022927	0.004301	-0.002056	-0.012601	0.011188	1.000000	-0.012329	-0.015186
Intl_Calls	0.008033	0.002541	-0.012353	0.032304	-0.017561	0.004574	0.008032	0.017434	0.002541	0.000305	-0.012329	1.000000	0.032372
Intl_Charge	-0.010092	-0.011067	-0.015180	0.999993	-0.009675	0.021666	-0.010094	0.008674	-0.011074	-0.013630	-0.015186	0.032372	1.000000



	Day_Mins	Eve_Mins	Night_Mins	Intl_Mins	CustServ_Calls	Day_Calls	Day_Charge	Eve_Calls	Eve_Charge	Night_Calls	Night_Charge	Intl_Calls	Intl_Charge
Day_Mins	1.000000	0.007043	0.004323	-0.010155	-0.013423	0.006750	1.000000	0.015769	0.007029	0.022972	0.004300	0.008033	-0.010092
Eve_Mins	0.007043	1.000000	-0.012584	-0.011035	-0.012985	-0.021451	0.007050	-0.011430	1.000000	0.007586	-0.012593	0.002541	-0.011067
Night_Mins	0.004323	-0.012584	1.000000	-0.015207	-0.009288	0.022938	0.004324	-0.002093	-0.012592	0.011204	0.999999	-0.012353	-0.015180
Intl_Mins	-0.010155	-0.011035	-0.015207	1.000000	-0.009640	0.021565	-0.010157	0.008703	-0.011043	-0.013605	-0.015214	0.032304	0.999993
CustServ_Calls	-0.013423	-0.012985	-0.009288	-0.009640	1.000000	-0.018942	-0.013427	0.002423	-0.012987	-0.012802	-0.009277	-0.017561	-0.009675
Day_Calls	0.006750	-0.021451	0.022938	0.021565	-0.018942	1.000000	0.006753	0.006462	-0.021449	-0.019557	0.022927	0.004574	0.021666
Day_Charge	1.000000	0.007050	0.004324	-0.010157	-0.013427	0.006753	1.000000	0.015769	0.007036	0.022972	0.004301	0.008032	-0.010094
Eve_Calls	0.015769	-0.011430	-0.002093	0.008703	0.002423	0.006462	0.015769	1.000000	-0.011423	0.007710	-0.002056	0.017434	0.008674
Eve_Charge	0.007029	1.000000	-0.012592	-0.011043	-0.012987	-0.021449	0.007036	-0.011423	1.000000	0.007596	-0.012601	0.002541	-0.011074
Night_Calls	0.022972	0.007586	0.011204	-0.013605	-0.012802	-0.019557	0.022972	0.007710	0.007596	1.000000	0.011188	0.000305	-0.013630
Night_Charge	0.004300	-0.012593	0.999999	-0.015214	-0.009277	0.022927	0.004301	-0.002056	-0.012601	0.011188	1.000000	-0.012329	-0.015186
Intl_Calls	0.008033	0.002541	-0.012353	0.032304	-0.017561	0.004574	0.008032	0.017434	0.002541	0.000305	-0.012329	1.000000	0.032372
Intl_Charge	-0.010092	-0.011067	-0.015180	0.999993	-0.009675	0.021666	-0.010094	0.008674	-0.011074	-0.013630	-0.015186	0.032372	1.000000



	Day_Mins	Eve_Mins	Night_Mins	Intl_Mins	CustServ_Calls	Day_Calls	Day_Charge	Eve_Calls	Eve_Charge	Night_Calls	Night_Charge	Intl_Calls	Intl_Charge
Day_Mins	1.000000	0.007043	0.004323	-0.010155	-0.013423	0.006750	1.000000	0.015769	0.007029	0.022972	0.004300	0.008033	-0.010092
Eve_Mins	0.007043	1.000000	-0.012584	-0.011035	-0.012985	-0.021451	0.007050	-0.011430	1.000000	0.007586	-0.012593	0.002541	-0.011067
Night_Mins	0.004323	-0.012584	1.000000	-0.015207	-0.009288	0.022938	0.004324	-0.002093	-0.012592	0.011204	0.999999	-0.012353	-0.015180
Intl_Mins	-0.010155	-0.011035	-0.015207	1.000000	-0.009640	0.021565	-0.010157	0.008703	-0.011043	-0.013605	-0.015214	0.032304	0.999993
CustServ_Calls	-0.013423	-0.012985	-0.009288	-0.009640	1.000000	-0.018942	-0.013427	0.002423	-0.012987	-0.012802	-0.009277	-0.017561	-0.009675
Day_Calls	0.006750	-0.021451	0.022938	0.021565	-0.018942	1.000000	0.006753	0.006462	-0.021449	-0.019557	0.022927	0.004574	0.021666
Day_Charge	1.000000	0.007050	0.004324	-0.010157	-0.013427	0.006753	1.000000	0.015769	0.007036	0.022972	0.004301	0.008032	-0.010094
Eve_Calls	0.015769	-0.011430	-0.002093	0.008703	0.002423	0.006462	0.015769	1.000000	-0.011423	0.007710	-0.002056	0.017434	0.008674
Eve_Charge	0.007029	1.000000	-0.012592	-0.011043	-0.012987	-0.021449	0.007036	-0.011423	1.000000	0.007596	-0.012601	0.002541	-0.011074
Night_Calls	0.022972	0.007586	0.011204	-0.013605	-0.012802	-0.019557	0.022972	0.007710	0.007596	1.000000	0.011188	0.000305	-0.013630
Night_Charge	0.004300	-0.012593	0.999999	-0.015214	-0.009277	0.022927	0.004301	-0.002056	-0.012601	0.011188	1.000000	-0.012329	-0.015186
Intl_Calls	0.008033	0.002541	-0.012353	0.032304	-0.017561	0.004574	0.008032	0.017434	0.002541	0.000305	-0.012329	1.000000	0.032372
Intl_Charge	-0.010092	-0.011067	-0.015180	0.999993	-0.009675	0.021666	-0.010094	0.008674	-0.011074	-0.013630	-0.015186	0.032372	1.000000



	Day_Mins	Eve_Mins	Night_Mins	Intl_Mins	CustServ_Calls	Day_Calls	Day_Charge	Eve_Calls	Eve_Charge	Night_Calls	Night_Charge	Intl_Calls	Intl_Charge
Day_Mins	1.000000	0.007043	0.004323	-0.010155	-0.013423	0.006750	1.000000	0.015769	0.007029	0.022972	0.004300	0.008033	-0.010092
Eve_Mins	0.007043	1.000000	-0.012584	-0.011035	-0.012985	-0.021451	0.007050	-0.011430	1.000000	0.007586	-0.012593	0.002541	-0.011067
Night_Mins	0.004323	-0.012584	1.000000	-0.015207	-0.009288	0.022938	0.004324	-0.002093	-0.012592	0.011204	0.999999	-0.012353	-0.015180
Intl_Mins	-0.010155	-0.011035	-0.015207	1.000000	-0.009640	0.021565	-0.010157	0.008703	-0.011043	-0.013605	-0.015214	0.032304	0.999993
CustServ_Calls	-0.013423	-0.012985	-0.009288	-0.009640	1.000000	-0.018942	-0.013427	0.002423	-0.012987	-0.012802	-0.009277	-0.017561	-0.009675
Day_Calls	0.006750	-0.021451	0.022938	0.021565	-0.018942	1.000000	0.006753	0.006462	-0.021449	-0.019557	0.022927	0.004574	0.021666
Day_Charge	1.000000	0.007050	0.004324	-0.010157	-0.013427	0.006753	1.000000	0.015769	0.007036	0.022972	0.004301	0.008032	-0.010094
Eve_Calls	0.015769	-0.011430	-0.002093	0.008703	0.002423	0.006462	0.015769	1.000000	-0.011423	0.007710	-0.002056	0.017434	0.008674
Eve_Charge	0.007029	1.000000	-0.012592	-0.011043	-0.012987	-0.021449	0.007036	-0.011423	1.000000	0.007596	-0.012601	0.002541	-0.011074
Night_Calls	0.022972	0.007586	0.011204	-0.013605	-0.012802	-0.019557	0.022972	0.007710	0.007596	1.000000	0.011188	0.000305	-0.013630
Night_Charge	0.004300	-0.012593	0.999999	-0.015214	-0.009277	0.022927	0.004301	-0.002056	-0.012601	0.011188	1.000000	-0.012329	-0.015186
Intl_Calls	0.008033	0.002541	-0.012353	0.032304	-0.017561	0.004574	0.008032	0.017434	0.002541	0.000305	-0.012329	1.000000	0.032372
Intl_Charge	-0.010092	-0.011067	-0.015180	0.999993	-0.009675	0.021666	-0.010094	0.008674	-0.011074	-0.013630	-0.015186	0.032372	1.000000



## Feature engineering

- Creating new features to help improve model performance
- Should consult with business and subject matter experts



## **Examples of feature engineering**

- Total Minutes: Sum of Day\_Mins , Eve\_Mins , Night\_Mins , Intl\_Mins
- Ratio between Minutes and Charge

```
telco['Day_Cost'] = telco['Day_Mins'] / telco['Day_Charge']
```

# Let's practice!

MARKETING ANALYTICS: PREDICTING CUSTOMER CHURN IN PYTHON

