# Analysis of Data

```
#Necessary imports
import pandas as pd
import numpy as np
import warnings
warnings.filterwarnings('ignore')
import matplotlib.pyplot as plt
%matplotlib inline
import seaborn as sns
sns.set style(style="darkgrid")
import plotly.express as px
from sklearn.model selection import train test split
# Creating a function for churn rate
def get churn rate(array, include retention=False):
    churns = sum(array)
    churn rate = churns / len(array)
    if include retention:
        return churn rate, 1 - churn rate
    else:
        return churn_rate
```

# Splitting Dataframe to Come up with a Validation Set

```
df = pd.read_csv('/Users/jamesmaikara/Downloads/customer_churn.csv')
df.head()
  state
         account length area code phone number international plan \
0
                                415
     KS
                    128
                                        382-4657
1
     0H
                    107
                                415
                                        371-7191
                                                                  no
2
     NJ
                    137
                                415
                                        358-1921
                                                                  no
                                        375-9999
3
     0H
                     84
                                408
                                                                 yes
     0K
                     75
                                415
                                        330-6626
                                                                 yes
  voice mail plan number vmail messages total day minutes total day
calls \
                                       25
                                                        265.1
              yes
110
                                       26
                                                        161.6
1
              yes
123
                                                        243.4
               no
114
3
               no
                                                        299.4
71
4
                                                        166.7
               no
113
   total day charge ... total eve calls total eve charge \
```

```
0
               45.07
                                          99
                                                          16.78
                                                          16.62
1
               27.47
                                         103
                      . . .
2
               41.38
                                         110
                                                          10.30
3
               50.90
                                                           5.26
                                         88
4
               28.34
                                         122
                                                          12.61
   total night minutes
                         total night calls
                                              total night charge \
0
                  244.7
                                         91
                                                            11.01
                                                            11.45
1
                  254.4
                                         103
2
                                         104
                                                             7.32
                  162.6
3
                  196.9
                                         89
                                                             8.86
4
                  186.9
                                         121
                                                             8.41
   total intl minutes
                        total intl calls
                                            total intl charge \
0
                                                          2.70
                  10.0
                                        3
                                                          3.70
1
                  13.7
2
                                        5
                  12.2
                                                          3.29
3
                                        7
                   6.6
                                                          1.78
                                        3
                  10.1
                                                          2.73
   customer service calls
                             churn
0
                             False
1
                         1
                             False
2
                         0
                             False
3
                         2
                             False
4
                             False
[5 rows x 21 columns]
df train, df validation = train test split(df, test size=.1,
random state=1)
print(df train.shape, df validation.shape)
(2999, 21) (334, 21)
df validation.to csv('/Users/jamesmaikara/Downloads/
validation set.csv')
df train.to csv('/Users/jamesmaikara/Downloads/training set.csv')
```

Validation set will be used to assess quality of our model at the end. Split it and saved to a csv file for later.

# Question 1: Whether calling customer service a sign of customer unhappiness and a cause for churn.

```
#Getting churn and retention rate
get_churn_rate(df_train['churn'], include_retention=True)
(0.14338112704234746, 0.8566188729576525)
```

#filters the DataFrame df train to select rows where the 'customer service calls' column has a value greater than 1 and the 'churn' column is equal to True df train.loc[(df train['customer service calls'] > 1) & (df train['churn'] == True)] state account length area code phone number international plan 3304 IL 71 510 330-7137 yes 2402 NY 77 415 388-9285 no 1919 100 408 382-4932 WA no 2980 KS 84 415 335-7144 no 3255 RΙ 138 510 411-6823 yes 319 SD 128 510 413-9269 yes 3287 170 KS 415 404-5840 no 144 VT117 408 390-2390 yes 905 WV 161 415 418-9036 no 235 MN 139 510 374-9107 no number vmail messages total day minutes \ voice mail plan 3304 186.1 no 2402 33 143.0 yes 1919 0 70.8 no 2980 0 225.9 no 3255 0 286.2 no . . . . . . 319 32 223.5 yes 3287 42 199.5 yes 144 0 167.1 no 0 905 no 191.9 235 0 134.4 no total day calls total day charge total eve calls \ . . . 3304 114 31.64 140 2402 24.31 101 102 . . . 12.04 1919 94 102 . . . 2980 38.40 105 86 3255 61 48.65 60 . . . . . .

```
319
                     81
                                      38.00
                                                                  74
3287
                                      33.92
                                                                  90
                    119
144
                     86
                                      28.41
                                                                  87
905
                    113
                                      32.62
                                                                  87
235
                    106
                                      22.85
                                                                  98
      total eve charge
                           total night minutes total night calls
3304
                   16.88
                                          206.5
                                                                   80
2402
                   18.04
                                          104.9
                                                                  120
1919
                   18.33
                                          230.8
                                                                  125
2980
                   23.43
                                          201.4
                                                                  108
3255
                   15.91
                                          146.2
                                                                  114
                     . . .
                                                                  . . .
. . .
                   16.05
319
                                          154.9
                                                                  101
3287
                   11.48
                                          184.6
                                                                  49
144
                   15.09
                                          249.4
                                                                  132
                    6.03
905
                                          204.8
                                                                  107
235
                   17.96
                                          193.6
                                                                  125
      total night charge total intl minutes total intl calls
3304
                      9.29
                                             13.8
                      4.72
                                                                    4
2402
                                             15.3
1919
                     10.39
                                              9.5
                                                                    1
2980
                      9.06
                                             14.3
                                                                    3
                                                                    4
3255
                                             11.0
                      6.58
. . .
                                              . . .
                                                                    2
319
                      6.97
                                              9.4
                      8.31
                                             10.9
                                                                    3
3287
144
                     11.22
                                             14.1
                                                                    7
905
                      9.22
                                             13.4
                                                                    4
235
                      8.71
                                             10.2
      total intl charge customer service calls
                                                       churn
3304
                     3.73
                                                   4
                                                        True
2402
                     4.13
                                                   5
                                                        True
                     2.57
1919
                                                   6
                                                        True
                     3.86
                                                   3
2980
                                                        True
                     2.97
                                                   2
3255
                                                        True
                                                   2
319
                     2.54
                                                        True
3287
                     2.94
                                                   4
                                                        True
144
                     3.81
                                                   2
                                                        True
905
                     3.62
                                                   4
                                                        True
235
                     2.75
                                                        True
[238 rows x 21 columns]
```

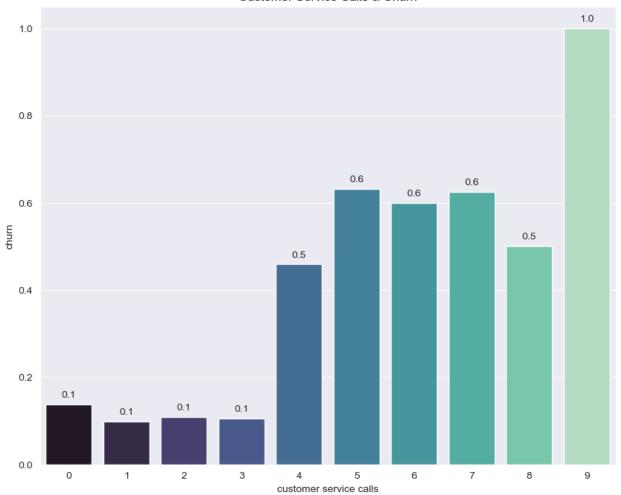
#filters the DataFrame df\_train to select rows where the 'customer service calls' column has a value greater than 1 df\_train.loc[df\_train['customer service calls'] > 1]

\	state	account	length	area code	phone number	r international	plan
3304	IL		71	510	330-7137	7	yes
2402	NY		77	415	388-9285	5	no
756	WY		33	415	331-3202	2	no
133	TX		82	408	400-3446	5	no
366	NC		112	415	334-1872	2	no
144	VT		117	408	390-2390	)	yes
960	AR		5	415	380-2758	3	no
2763	NC		116	408	338-7527	7	no
905	WV		161	415	418-9036	5	no
235	MN		139	510	374-9107	7	no
3304 2402 756 133 366  144 960 2763 905 235	voice	mail plan no yes no no no no yes no no		vmail me	ssages total 0 33 0 0 0 19 0	186.1 143.0 213.9 200.3 193.3  167.1 199.2 155.7 191.9 134.4	\
3304 2402 756 133 366  144 960 2763 905 235	total	9 9 	4 1 8 6 6 6 6 6 4 3	31.0 24.3 36.3 34.0 32.8 28.4 33.8 26.4 32.0 22.8	64 31 36 95 86 41 86 47	140 102 119 102 123  87 12 118 87 98	

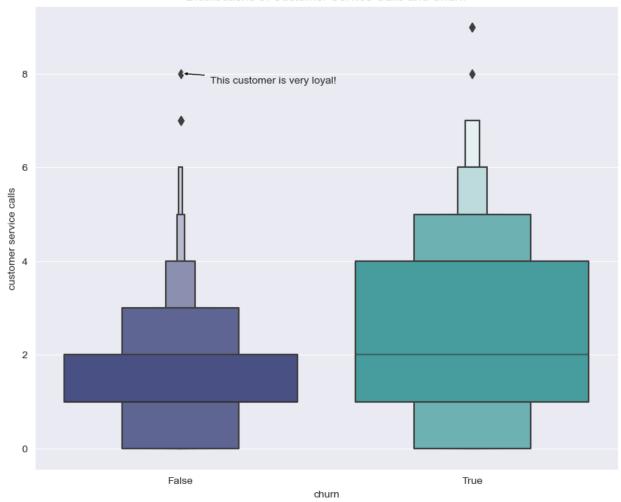
3304 2402 756 133 366  144 960 2763 905 235	total (	eve charge 16.88 18.04 20.38 17.10 22.45  15.09 15.92 15.76 6.03 17.96	total	night	minutes 206.5 104.9 148.7 206.1 128.6  249.4 214.0 192.7 204.8 193.6	tota	al night	calls 80 120 71 60 115 132 85 116 107 125	\	
3304 2402 756 133 366  144 960 2763 905 235	total i	night charge 9.29 4.72 6.69 9.27 5.79  11.22 9.63 8.67 9.22 8.71		l intl	minutes 13.8 15.3 9.8 7.1 9.1  14.1 13.3 8.2 13.4 10.2	tot	al intl	calls 5 4 14 1 3 7 3 2 4 2	\	
3304 2402 756 133 366  144 960 2763 905 235	total	intl charge 3.73 4.13 2.65 1.92 2.46 3.81 3.59 2.21 3.62 2.75	custo	omer se	ervice cal	11s 4 5 2 4 4  2 3 3 4 5	churn True True False False True False False True True True			
#crea servi count custo ['chu custo	tes a Da ce call: of each mer_serv rn'].agg mer_serv		tomer_ com the ue in ain.gr	df_ti the 'd	rain DataF churn' col	rame Lumn.	e and ca	lculate		е
custo	mer serv	vice calls								

```
0
                           630
1
                          1066
2
                           676
3
                           392
4
                           146
5
                            57
6
                            20
7
                             8
8
                             2
9
                             2
#creates a bar plot with annotations to show the churn rate for
different numbers of customer service calls.
plt.figure(figsize=(10, 8))
splot = sns.barplot(x='customer service calls', y='churn',
                     data=df train, palette='mako', ci=None)
# Add annotations to bars
for p in splot.patches:
    splot.annotate(format(p.get_height(), '.1f'),
                    (p.get_x() + p.get_width() / 2., p.get_height()),
                    ha = 'center', va = 'center',
xytext = (0, 9),
                    textcoords = 'offset points')
plt.title('Customer Service Calls & Churn')
plt.show()
```

### Customer Service Calls & Churn







# Findings & Recommendations

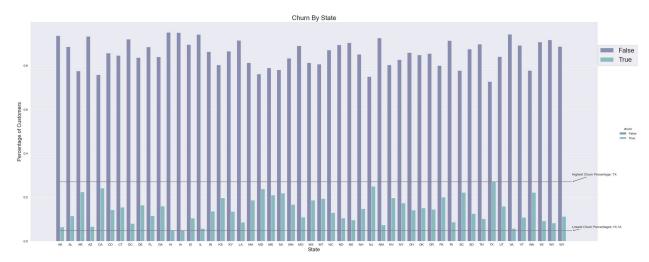
In our analysis of the training dataset, we found that the current churn rate stands at approximately 14.5%. Notably, as we delve into the relationship between customer service calls and churn, a compelling pattern emerges. It becomes evident that with an increase in the number of customer service calls, the likelihood of a customer churning also escalates. This relationship is particularly pronounced when a customer has made at least 4 customer service calls, where the likelihood of churn surges from around 10% to a substantial 50%.

However, it's crucial to underscore that the mere occurrence of customer service calls does not serve as a definitive indicator of churn. In fact, a majority of customers who did not churn had made only 1-2 customer service calls. On the other hand, it is noteworthy that a significant proportion of customers who did churn had made 1-4 calls to customer service. Therefore, it is prudent to consider more than 3 calls to customer service as a potential red flag, indicating a heightened risk of customer churn. These insights highlight the importance of proactive measures to address and mitigate customer issues early, particularly when a customer's interactions with customer service exceed this threshold.

Based on these, I recommend relooking at our customer service protocol. It may be useful to offer a larger incentive/discount to customers making more than 3 calls to customer service.

# Question 2: Are customers in certain areas more likely to churn?

```
display(df train['state'].unique())
display(df train['area code'].unique())
array(['DC', 'IL', 'UT', 'NY', 'NV', 'KY', 'WY', 'MT', 'NE', 'CT',
'MO',
       'SC', 'DE', 'CO', 'IN', 'NM', 'TX', 'FL', 'ND', 'AL', 'OK',
'NC',
       'MA', 'VA', 'VT', 'MD', 'KS', 'MN', 'WA', 'AZ', 'IA', 'AK',
'MI',
       'OR', 'WV', 'GA', 'MS', 'OH', 'ID', 'WI', 'SD', 'HI', 'LA',
'ME',
       'RI', 'NJ', 'AR', 'NH', 'CA', 'TN', 'PA'], dtype=object)
array([510, 415, 408])
#groups the df train DataFrame by the 'state' column and calculates
the normalized value counts of 'churn' for each state. Then, it
converts this information into a DataFrame
churn by state = df train.groupby('state')
['churn'].value counts(normalize=True)
churn by state = pd.DataFrame(churn by state)
churn by state.columns = ['value']
churn by state = churn by state.reset index()
# Create a bar plot using seaborn
sns.catplot(data=churn_by_state, kind='bar', x='state', y='value',
hue='churn', palette='mako', alpha=0.6, height=10, aspect=2.5)
# Set plot title, y-label, and x-label
plt.title('Churn By State', fontsize=20)
plt.vlabel('Percentage of Customers', fontsize=16)
plt.xlabel('State', fontsize=16)
# Add a legend with custom location and font size
plt.legend(loc=(1, 0.8), fontsize=20)
# Add horizontal lines at specific v-values
plt.hlines(y=0.27, xmin=0, xmax=51, color='gray')
plt.hlines(y=0.048, xmin=0, xmax=51, color='gray')
# Annotate the highest and lowest churn percentages with arrows
plt.annotate('Highest Churn Percentage: TX', xy=(51, 0.27),
xytext = (51, 0.3),
             arrowprops=dict(facecolor='black', arrowstyle='simple'))
```



```
#filters the churn by state DataFrame to select rows where the 'value'
column is greater than 0.23 and the 'churn' column is equal to True
churn by state.loc[(churn_by_state['value'] > .23) &
(churn by state['churn'] == True)]
   state churn
                    value
9
          True 0.241379
      CA
41
     MD
          True 0.238095
63
      NJ
          True
                 0.250000
     TX
        True 0.272727
87
#filters the churn_by_state DataFrame to select rows where the 'value'
column is less than or equal to 0.05.
churn by state.loc[churn by state['value'] <= .05]
          churn
                   value
   state
23
      HΙ
          True
                 0.04878
25
      IΑ
          True
                0.05000
#separates the churn_by_state DataFrame into two DataFrames:
lowest churn percent and highest churn percent
lowest churn percentage = churn by state.loc[churn by state['value']
<= .051
highest_churn_percentage = churn_by_state.loc[(churn_by_state['value']
> .23) & (churn by state['churn'] == True)]
churn choropleth = churn by state.loc[churn by state['churn']==True]
fig = px.choropleth(data frame=churn choropleth, locations='state',
```

```
locationmode="USA-states",
                     color='value', scope="usa", title='States with
Highest Churn Percentage',
                      color continuous scale='Blues')
fig.show()
{"config":{"plotlyServerURL":"https://plot.ly"},"data":
[{"coloraxis":"coloraxis", "geo": "geo", "hovertemplate": "state=%
{location}<br>value=%{z}<extra></extra>","locationmode":"USA-
states", "locations":
["AK", "AL", "AR", "AZ", "CA", "CO", "CT", "DC", "DE", "FL", "GA", "HI", "IA", "ID", "IL", "IN", "KS", "KY", "LA", "MA", "MD", "ME", "MI", "MN", "MO", "MS", "MT", "NC", "ND", "NE", "NH", "NJ", "NM", "NV", "NY", "OH", "OK", "OR", "PA", "RI", "SC", "SD"
,"TN","TX","UT","VA","VT","WA","WI","WV","WY"],"name":"","type":"choro
pleth", "z": [6.382978723404255e-
2,0.11428571428571428,0.22448979591836735,6.666666666666666-
2,0.2413793103448276,0.14285714285714285,0.15384615384615385,8.0e-
2,0.16363636363636364,0.11538461538461539,0.16,4.878048780487805e-
2,5.0e-2,0.1044776119402985,5.7692307692307696e-
2,0.136363636363635,0.196969696969696,0.1346153846153846,8.5106382
9787234e-
2,0.1864406779661017,0.23809523809523808,0.21052631578947367,0.21875,0
967742,0.12903225806451613,0.10526315789473684,9.615384615384616e-
2,0.14814814814814814,0.25,7.407407407407407e-
2,0.19672131147540983,0.1733333333333334,0.14084507042253522,0.150943
3962264151, 0.14492753623188406, 0.2, 8.620689655172414e-
2,0.22222222222222,0.125,0.10204081632653061,0.2727272727272727,0.15
873015873015872,5.714285714285714e-
2,0.1076923076923077,0.222222222222222,9.230769230769231e-
2,8.247422680412371e-2,0.11267605633802817]}],"layout":{"coloraxis":
{"colorbar":{"title":{"text":"value"}}, "colorscale":
[[0, "rgb(247, 251, 255)"], [0.125, "rgb(222, 235, 247)"],
[0.25, "rgb(198, 219, 239)"], [0.375, "rgb(158, 202, 225)"],
[0.5, "rgb(107, 174, 214)"], [0.625, "rgb(66, 146, 198)"],
[0.75, "rgb(33, 113, 181)"], [0.875, "rgb(8, 81, 156)"],
[1, "rgb(8,48,107)"]]}, "geo": {"center": {}, "domain": {"x": [0,1], "y":
[0,1]}, "scope": "usa"}, "legend": {"tracegroupgap": 0}, "template": {"data":
{"bar":[{"error x":{"color":"#2a3f5f"},"error y":
{"color":"#2a3f5f"},"marker":{"line":
{"color": "#E5ECF6", "width": 0.5}, "pattern":
{"fillmode": "overlay", "size": 10, "solidity": 0.2}}, "type": "bar"}], "barpo
lar":[{"marker":{"line":{"color":"#E5ECF6","width":0.5},"pattern":
{"fillmode": "overlay", "size": 10, "solidity": 0.2}}, "type": "barpolar"}], "
carpet":[{"aaxis":
{"endlinecolor": "#2a3f5f", "gridcolor": "white", "linecolor": "white", "min
orgridcolor": "white", "startlinecolor": "#2a3f5f"}, "baxis":
{"endlinecolor": "#2a3f5f", "gridcolor": "white", "linecolor": "white", "min
orgridcolor": "white", "startlinecolor": "#2a3f5f"}, "type": "carpet"}], "ch
oropleth":[{"colorbar":
```

```
{"outlinewidth":0,"ticks":""},"type":"choropleth"}],"contour":
[{"colorbar":{"outlinewidth":0,"ticks":""},"colorscale":
[[0, "#0d0887"], [0.1111111111111111, "#46039f"],
[0.2222222222222, "#7201a8"], [0.333333333333333, "#9c179e"],
[0.444444444444444, "#bd3786"], [0.5555555555556, "#d8576b"],
[0.666666666666666, "#ed7953"], [0.77777777777778, "#fb9f3a"],
[1, "#f0f921"]], "type": "contour"}], "contourcarpet": [{"colorbar":
{"outlinewidth":0,"ticks":""},"type":"contourcarpet"}],"heatmap":
[{"colorbar":{"outlinewidth":0,"ticks":""},"colorscale":
[[0,"#0d0887"],[0.1111111111111111,"#46039f"],
[0.2222222222222, "#7201a8"], [0.333333333333333, "#9c179e"],
[0.444444444444444, "#bd3786"], [0.55555555555556, "#d8576b"],
[0.666666666666666, "#ed7953"], [0.7777777777778, "#fb9f3a"],
[1, "#f0f921"]], "type": "heatmap"}], "heatmapgl": [{"colorbar":
{"outlinewidth": 0, "ticks": ""}, "colorscale": [[0, "#0d0887"],
[0.111111111111111, "#46039f"], [0.222222222222222, "#7201a8"],
[0.333333333333333, "#9c179e"], [0.444444444444444, "#bd3786"],
[0.7777777777778, "#fb9f3a"], [0.8888888888888888, "#fdca26"],
[1, "#f0f921"]], "type": "heatmapgl"}], "histogram": [{"marker": {"pattern":
{"fillmode": "overlay", "size": 10, "solidity": 0.2}}, "type": "histogram"}],
"histogram2d":[{"colorbar":{"outlinewidth":0,"ticks":""},"colorscale":
[[0, "#0d0887"], [0.1111111111111111, "#46039f"],
[0.2222222222222, "#7201a8"], [0.333333333333333, "#9c179e"],
[0.666666666666666, "#ed7953"], [0.7777777777778, "#fb9f3a"],
[1, "#f0f921"]], "type": "histogram2d"}], "histogram2dcontour":
[{"colorbar":{"outlinewidth":0,"ticks":""},"colorscale":
[[0, "#0d0887"], [0.1111111111111111, "#46039f"],
[0.2222222222222, "#7201a8"], [0.333333333333333, "#9c179e"],
[1, "#f0f921"]], "type": "histogram2dcontour"}], "mesh3d":[{"colorbar":
{"outlinewidth":0,"ticks":""},"type":"mesh3d"}],"parcoords":[{"line":
{"colorbar":{"outlinewidth":0, "ticks":""}}, "type":"parcoords"}], "pie":
[{"automargin":true,"type":"pie"}],"scatter":[{"fillpattern":
{"fillmode":"overlay", "size": 10, "solidity": 0.2}, "type": "scatter"}], "sc
atter3d":[{"line":{"colorbar":{"outlinewidth":0,"ticks":""}},"marker":
{"colorbar":
{"outlinewidth":0, "ticks":""}}, "type": "scatter3d"}], "scattercarpet":
[{"marker":{"colorbar":
{"outlinewidth":0, "ticks":""}}, "type": "scattercarpet"}], "scattergeo":
[{"marker":{"colorbar":
{"outlinewidth":0,"ticks":""}},"type":"scattergeo"}],"scattergl":
[{"marker":{"colorbar":
```

```
{"outlinewidth":0,"ticks":""}},"type":"scattergl"}],"scattermapbox":
[{"marker":{"colorbar":
{"outlinewidth":0,"ticks":""}},"type":"scattermapbox"}],"scatterpolar"
:[{"marker":{"colorbar":
{"outlinewidth":0,"ticks":""}},"type":"scatterpolar"}],"scatterpolargl
":[{"marker":{"colorbar":
{"outlinewidth":0,"ticks":""}},"type":"scatterpolargl"}],"scatterterna
ry":[{"marker":{"colorbar":
{"outlinewidth":0,"ticks":""}},"type":"scatterternary"}],"surface":
[{"colorbar":{"outlinewidth":0,"ticks":""},"colorscale":
[[0,"#0d0887"],[0.1111111111111111,"#46039f"],
[0.2222222222222, "#7201a8"], [0.333333333333333, "#9c179e"],
[0.444444444444444, "#bd3786"], [0.55555555555556, "#d8576b"],
[0.666666666666666, "#ed7953"], [0.7777777777778, "#fb9f3a"],
[1, "#f0f921"]], "type": "surface"}], "table": [{"cells": {"fill":
{"color": "#EBF0F8"}, "line": {"color": "white"}}, "header": {"fill":
{"color":"#C8D4E3"},"line":
{"color":"white"}},"type":"table"}]},"layout":{"annotationdefaults":
{"arrowcolor": "#2a3f5f", "arrowhead": 0, "arrowwidth": 1}, "autotypenumbers
":"strict","coloraxis":{"colorbar":
{"outlinewidth":0,"ticks":""}},"colorscale":{"diverging":
[[0,"#8e0152"],[0.1,"#c51b7d"],[0.2,"#de77ae"],[0.3,"#f1b6da"],
[0.4, "#fde0ef"], [0.5, "#f7f7f7"], [0.6, "#e6f5d0"], [0.7, "#b8e186"],
[0.8, "#7fbc41"], [0.9, "#4d9221"], [1, "#276419"]], "sequential":
[[0,"#0d0887"],[0.1111111111111111,"#46039f"],
[0.2222222222222, "#7201a8"], [0.333333333333333, "#9c179e"],
[0.444444444444444, "#bd3786"], [0.55555555555556, "#d8576b"],
[0.666666666666666, "#ed7953"], [0.7777777777778, "#fb9f3a"], [0.888888888888888, "#fdca26"], [1, "#f0f921"]], "sequentialminus":
[[0, "#0d0887"], [0.1111111111111111, "#46039f"],
[0.2222222222222, "#7201a8"], [0.3333333333333333, "#9c179e"],
[0.66666666666666, "#ed7953"], [0.77777777777778, "#fb9f3a"], [0.88888888888888, "#fdca26"], [1, "#f0f921"]]}, "colorway":
["#636efa","#EF553B","#00cc96","#ab63fa","#FFA15A","#19d3f3","#FF6692"
, "#B6E880", "#FF97FF", "#FECB52"], "font": {"color": "#2a3f5f"}, "geo":
{"bgcolor": "white", "lakecolor": "white", "landcolor": "#E5ECF6", "showlake
s":true, "showland":true, "subunitcolor": "white"}, "hoverlabel":
{"align":"left"}, "hovermode": "closest", "mapbox":
{"style":"light"}, "paper_bgcolor": "white", "plot_bgcolor": "#E5ECF6", "po
lar":{"angularaxis":
{"gridcolor":"white","linecolor":"white","ticks":""},"bgcolor":"#E5ECF
6", "radialaxis":
{"gridcolor":"white","linecolor":"white","ticks":""}},"scene":
{"xaxis":
{"backgroundcolor": "#E5ECF6", "gridcolor": "white", "gridwidth": 2, "lineco
lor":"white","showbackground":true,"ticks":"","zerolinecolor":"white"}
, "yaxis":
```

```
{"backgroundcolor": "#E5ECF6", "gridcolor": "white", "gridwidth": 2, "lineco
lor":"white", "showbackground":true, "ticks":"", "zerolinecolor":"white"}
"zaxis":
{"backgroundcolor": "#E5ECF6", "gridcolor": "white", "gridwidth": 2, "lineco
lor":"white", "showbackground":true, "ticks":"", "zerolinecolor":"white"}
}, "shapedefaults":{"line":{"color":"#2a3f5f"}}, "ternary":{"aaxis":
{"gridcolor":"white","linecolor":"white","ticks":""},"baxis":
{"gridcolor": "white", "linecolor": "white", "ticks": ""}, "bgcolor": "#E5ECF
6", "caxis":
{"gridcolor":"white","linecolor":"white","ticks":""}},"title":
{"x":5.0e-2}, "xaxis":
{"automargin":true,"gridcolor":"white","linecolor":"white","ticks":"",
"title":
{"standoff": 15}, "zerolinecolor": "white", "zerolinewidth": 2}, "yaxis":
{"automargin":true, "gridcolor": "white", "linecolor": "white", "ticks": "",
"title":
{"standoff": 15}, "zerolinecolor": "white", "zerolinewidth": 2}}}, "title":
{"text": "States with Highest Churn Percentage"}}}
#filters the churn by state DataFrame to select states with a churn
rate (value) greater than or equal to 0.2, and where the 'churn'
column is equal to True. Then, it extracts the unique states that meet
these criteria.
high competition = churn by state.loc[(churn by state['value'] >= .2)
& (churn by state['churn'] == True)]
high competition['state'].unique()
array(['AR', 'CA', 'MD', 'ME', 'MI', 'NJ', 'PA', 'SC', 'TX', 'WA'],
      dtype=object)
# filters the churn by state DataFrame to select states with a churn
rate (value) greater than or equal to 0.15 and less than 0.2, and
where the 'churn' column is equal to True. Then, it extracts the
unique states that meet these criteria.
med_high_competition = churn_by_state.loc[(churn_by_state['value'] >=
.15) & (churn by state['value'] < .2) & (churn by state['churn'] ==
True)1
med high competition['state'].unique()
array(['CT', 'DE', 'GA', 'KS', 'MA', 'MN', 'MS', 'MT', 'NV', 'NY',
'OK',
       'UT'], dtype=object)
#filters the churn by state DataFrame to select states with a churn
rate (value) less than 0.15 and greater than or equal to 0.10, and
where the 'churn' column is equal to True. Then, it extracts the
unique states
medium competition = churn by state.loc[(churn by state['value'] <</pre>
.15) & (churn by state['value'] >= .10) & (churn by state['churn'] ==
```

```
True)1
medium competition['state'].unique()
array(['AL', 'CO', 'FL', 'ID', 'IN', 'KY', 'MO', 'NC', 'ND', 'NH',
'OH',
       'OR', 'SD', 'TN', 'VT', 'WY'], dtype=object)
#filters the churn by state DataFrame to select states with a churn
rate (value) less than 0.1, and where the 'churn' column is equal to
True.
low competition = churn by state.loc[(churn by state['value'] < .1) &
(churn by state['churn'] == True)]
low competition['state'].unique()
array(['AK', 'AZ', 'DC', 'HI', 'IA', 'IL', 'LA', 'NE', 'NM', 'RI',
'VA',
       'WI', 'WV'], dtype=object)
#wo functions, categorize state and create competition feat, for
encoding states based on the level of competition and adding a new
'competition' feature to the DataFrame.
def categorize state(state):
    if state in ['AK', 'AZ', 'DC', 'HI', 'IA', 'IL', 'LA', 'NE', 'NM',
'RI', 'VA', 'WI', 'WV']:
        state = 1
elif state in ['AL', 'CO', 'FL', 'ID', 'IN', 'KY', 'MO', 'NC', 'ND', 'NH', 'OH', 'SD', 'TN', 'VT', 'WY']:
        state = 2
    elif state in ['CT', 'DE', 'GA', 'KS', 'MA', 'MN', 'MS', 'MT',
'NV', 'NY', 'OK', 'UT']:
        state = 3
    else:
        state = 4
    return state
def create competition(df):
    df['competiton'] = df['state'].apply(categorize state)
    return df
create competition(df train)
df train.head(5)
     state account length area code phone number international plan
2682
        DC
                                   510
                                            354-5058
                         55
                                                                     yes
3304
        IL
                         71
                                   510
                                            330-7137
                                                                     yes
```

757	UT	1	12	415	358-5953		no
2402	NY		77	415	388-9285		no
792	NV		69	510	397-6789		yes
2682 3304 757 2402 792	voice mai	l plan nu no no no yes yes	mber vma:		es total o 0 0 0 33 33	day minutes \	
2682 3304 757 2402 792	total da	y calls t 77 114 108 101 98	otal day	charge 18.04 31.64 19.69 24.31 46.16	total	eve charge \     10.50     16.88     20.68     18.04     21.54	
2682 3304 757 2402 792	total ni	ght minute 96. 206. 184. 104. 165.	4 5 6 9	night ca	lls total 92 80 78 120 85	night charge 4.34 9.29 8.31 4.72 7.44	\
2682 3304 757 2402 792	total in	tl minutes 12.9 13.8 13.1 15.3 8.2			s total ir 3 5 5 4 2	3.48 3.73 3.54 4.13 2.21	
2682 3304 757 2402 792 [5 ro	customer ows x 22 c	service c	0 Fa <sup>-</sup> 4 Ti 1 Fa <sup>-</sup> 5 Ti	urn comp lse rue lse rue rue	etiton 1 1 3 3 3		

# Findings & Recommendations

Our analysis reveals significant disparities in churn rates across different states. Texas stands out with the highest churn rate, reaching a staggering 27%, while New Jersey, Maryland, and

California also exhibit elevated churn rates, exceeding 23%. In stark contrast, states like Hawaii and Iowa maintain remarkably low churn rates, hovering below 0.05%.

Several factors may underlie these variations in churn rates. First, the level of competition plays a pivotal role. Remote states like Hawaii and Iowa may experience less competition, resulting in reduced customer attrition. Conversely, states such as California, New Jersey, and Texas might boast a more competitive landscape, providing customers with alternative choices when considering a switch. Another plausible factor is the quality of service in regions within high-churn states.

### Recommendations

In light of these findings, I propose several strategic considerations:

Competitor Analysis: It is imperative to scrutinize the competitive landscape in states with high churn rates, including Texas, California, and New Jersey. Investigate if competitors offer enticing introductory offers or incentives that entice our customers to churn.

Service Quality Assessment: Conduct an in-depth examination of the cellular network quality and service provision in these high-churn states. Identify potential dead zones or areas with service-related issues, as they might contribute to the elevated churn rates.

# Question 3: How people are using their plan and what info it can give about churn?

```
#creates a new DataFrame df calls by selecting specific columns from
the df_train DataFrame, namely 'total day calls,' 'total eve calls,'
'total night calls,' and 'churn.'
df_calls = df_train[['total day calls', 'total eve calls', 'total
night calls', 'churn']]
df calls.head()
      total day calls total eve calls total night calls
                                                              churn
2682
                                    100
                                                          92
                                                              False
                    77
3304
                   114
                                     140
                                                          80
                                                               True
757
                                                         78
                                                              False
                   108
                                     111
2402
                   101
                                     102
                                                         120
                                                               True
792
                    98
                                     102
                                                         85
                                                               True
#groups the df calls DataFrame by the 'churn' column and calculates
the sum of the call counts for each category of 'churn.'
calls = df calls.groupby('churn').sum()
calls.reset index()
   churn total day calls total eve calls total night calls
   False
                    257671
                                      256525
                                                          256621
   True
                     43432
                                       43113
                                                           43039
#creates a box plot for the call counts at different times of the day,
based on the 'churn' categories
sns.catplot(data=calls, orient="h", kind="box", palette='mako')
```

```
plt.title('Calls at Different Times of Day')
plt.xlabel('Number of Calls')
plt.show()
```

# total day calls total eve calls total night calls 50000 100000 150000 200000 250000 Number of Calls

```
#calculates and prints calling rates for different parts of the day
and international calls. The calling rate is calculated by dividing
the total charge for a particular type of call. The median is used to
summarize these rates.
day_rate = (df_train['total day charge'] / df_train['total day
minutes']).median()
eve_rate = (df_train['total eve charge'] / df_train['total eve
minutes']).median()
night_rate = (df_train['total night charge'] / df_train['total night
minutes']).median()
intl_rate = (df_train['total intl charge'] / df_train['total intl
minutes']).median()
names = ['Day Rate', 'Eve Rate', 'Night Rate', 'Intl Rate']
```

```
for name, rate in zip(names, [day rate, eve rate, night rate,
intl rate]):
    print(f'{name}:', round(rate, 2))
Day Rate: 0.17
Eve Rate: 0.09
Night Rate: 0.04
Intl Rate: 0.27
#creates two separate DataFrames: df intl and df non intl. These
DataFrames contain subsets of data from the original df train
DataFrame, with specific conditions based on the 'international plan'
column.
df intl = df train.loc[df train['international plan'] == 'yes']
df non intl = df_train.loc[df_train['international plan'] == 'no']
#calculates and prints the median international calling rates for two
groups of customers based on whether they have an international plan
or not.
intl plan rate = (df intl['total intl charge'] / df intl['total intl
minutes']).median()
non intl plan rate = (df non intl['total intl charge'] /
df non intl['total intl minutes']).median()
print(intl plan rate, non intl plan rate)
0.27 0.270063694267516
```

### Notice the similarity!

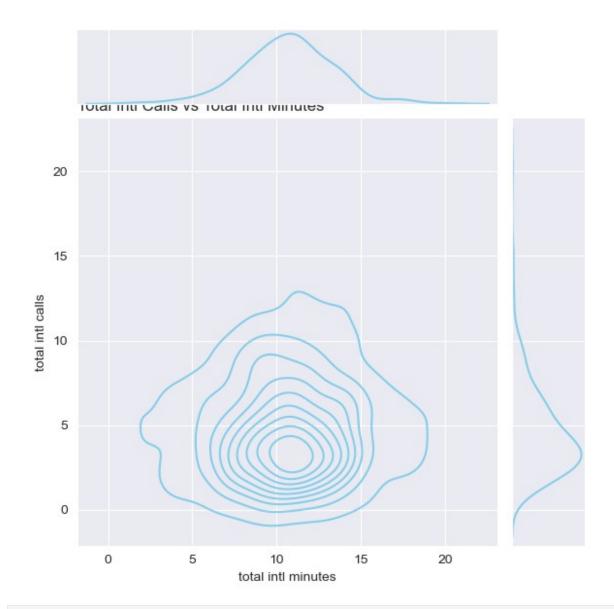
df_i	ntl.hea	d( <mark>5</mark> )						
	state	account	length	area code	phone	number	international	plan
2682	DC		55	510	35	4-5058		yes
3304	IL		71	510	33	0-7137		yes
792	NV		69	510	39	7-6789		yes
933	KY		74	510	36	8-7555		yes
1804	СТ		125	415	40	9-7523		yes
2682 3304 792 933 1804		mail plar no no yes no no	) ) ;	r vmail mes	33 0 0 0 0	total	day minutes 106.1 186.1 271.5 125.8 187.3	\

```
total day calls total day charge
                                                total eve charge \
                                           . . .
2682
                    77
                                   18.04
                                           . . .
                                                           10.50
3304
                   114
                                   31.64
                                                            16.88
                                           . . .
792
                    98
                                   46.16
                                                           21.54
                                           . . .
933
                   103
                                   21.39
                                                            17.65
1804
                                   31.84
                   118
                                                            13.66
      total night minutes
                            total night calls
                                                total night charge \
2682
                                                               4.34
                      96.4
                                            92
3304
                     206.5
                                            80
                                                               9.29
792
                                                               7.44
                     165.4
                                            85
933
                     207.4
                                           143
                                                               9.33
1804
                     263.8
                                           112
                                                              11.87
      total intl minutes total intl calls total intl charge \
2682
                     12.9
                                                            3.48
                     13.8
                                           5
                                                           3.73
3304
                                           2
792
                      8.2
                                                           2.21
933
                     14.1
                                           4
                                                            3.81
1804
                      9.6
                                           2
                                                           2.59
      customer service calls churn
                                      competiton
2682
                               False
                                                1
                                                1
3304
                            4
                                True
                                                3
792
                            1
                                True
                                                2
933
                            1
                                True
1804
                            0
                                True
                                                3
[5 rows x 22 columns]
intl churn =
df intl['churn'].value counts(normalize=True).reset index().rename(col
umns={'index': 'churn', 'churn': 'percentage'})
non intl churn =
df_non_intl['churn'].value_counts(normalize=True).reset_index().rename
(columns={'index': 'churn', 'churn': 'percentage'})
display(intl churn)
display(non intl churn)
   percentage
               proportion
0
        False
                  0.571918
1
         True
                 0.428082
   percentage proportion
0
        False
                  0.887329
1
         True
                 0.112671
df train.groupby('international plan')['total intl calls'].mean()
```

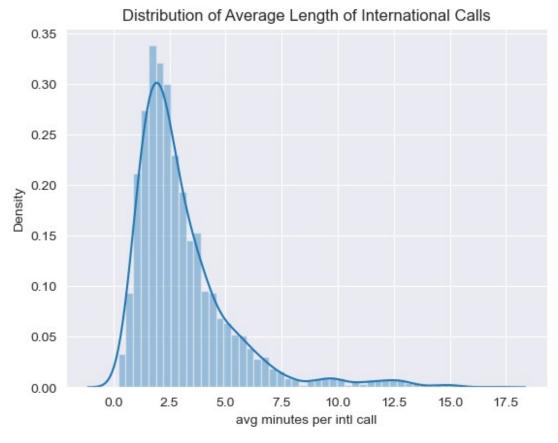
```
international plan
       4.482453
       4,623288
yes
Name: total intl calls, dtype: float64
#groups the df train DataFrame by the 'international plan' column and
calculates the mean of the 'total international charge' for each
group. It shows the average international charges for customers with
and without international plans.
df train.groupby('international plan')['total intl charge'].mean()
international plan
       2.753170
no
       2.878459
ves
Name: total intl charge, dtype: float64
# Create functions to create new features so we can use them later in
a pipeline
def create total calls column(df):
    df['total calls'] = df['total day calls'] + df['total eve calls']
+ df['total night calls'] + df['total intl calls']
    return df
def create minutes per intl call(df):
    df['avg minutes per intl call'] = df['total intl minutes'] /
df['total intl calls']
    return df
# Create 2 new features on the training data set
df train = create minutes per intl call(df train)
df train = create total calls column(df train)
df train.head(10)
     state account length area code phone number international plan
\
2682
        DC
                        55
                                  510
                                          354-5058
                                                                   yes
3304
                        71
                                  510
                                          330-7137
        IL
                                                                   yes
757
        UT
                       112
                                          358-5953
                                  415
                                                                    no
2402
        NY
                        77
                                  415
                                           388-9285
                                                                    no
792
        NV
                        69
                                  510
                                           397-6789
                                                                   yes
        KY
                        74
933
                                  510
                                          368-7555
                                                                   yes
```

756	WY		33	41	5	331-3	3202			no
804	MT		72	41	5	398-8	385			no
1966	NE		77	41	5	350-1	1532			no
1804	СТ		125	41	5	409-7	7523		У	es es
2682 3304 757 2402 792 933 756 804 1966 1804	voice m	nail plan no no yes yes no no no	number	vmail m	3	0 0 0 3	otal d	lay minut 106 186 115 143 271 125 213 253 169	.1 .8 .0 .5 .8 .9	
2682 3304 757 2402 792 933 756 804 1966 1804	total	day calls 77 114 108 101 98 103 88 73 102 118	total	31 19 24 46 21 36 43 28	.04	1	total	night ca	lls \ 92 80 78 120 85 143 71 89 89	
2682 3304 757 2402 792 933 756 804 1966 1804	total	9. 8. 4. 7. 9. 6.	34 29 31 72 44 33 69 49 54	al intl	12 13 13 15 8 14 9	.9 .8 .1 .3	total	intl cal	ls \ 3	
2682 3304 757 2402	total	intl charg 3.4 3.7 3.5 4.1	je cust 18 73 54	omer se			9 Fal 4 Tr 1 Fal	se ue	etiton 1 1 3	\

792 933 756 804 1966 1804	2.21 3.81 2.65 2.65 0.54 2.59	1 1 2 0 1	True True False False False True	3 2 2 3 1 3				
avg minu 2682 3304 757 2402 792 933 756 804 1966 1804	1tes per intl call 4.300000 2.760000 2.620000 3.825000 4.100000 3.525000 0.700000 2.450000 0.285714 4.800000	272 339 302 327 287 346 292 244 342 343						
[10 rows x 24	columns]							
<pre>#creates a kernel density estimation (KDE) joint plot using seaborn to visualize the relationship between the 'total international minutes' and 'total international calls' for customers with an international plan ('df_intl') sns.jointplot(x=df_intl["total intl minutes"], y=df_intl["total intl calls"], kind='kde', color="skyblue") plt.title('Total Intl Calls vs Total Intl Minutes', loc='left') plt.show()</pre>								

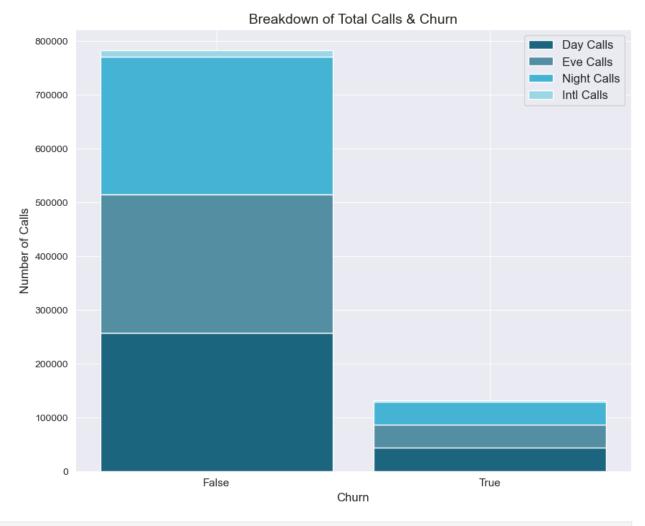


#create a distribution plot (histogram) to visualize the distribution
of the 'avg minutes per intl call' feature in the df\_train DataFrame.
sns.distplot(df\_train['avg minutes per intl call'])
plt.title('Distribution of Average Length of International Calls')
plt.show()



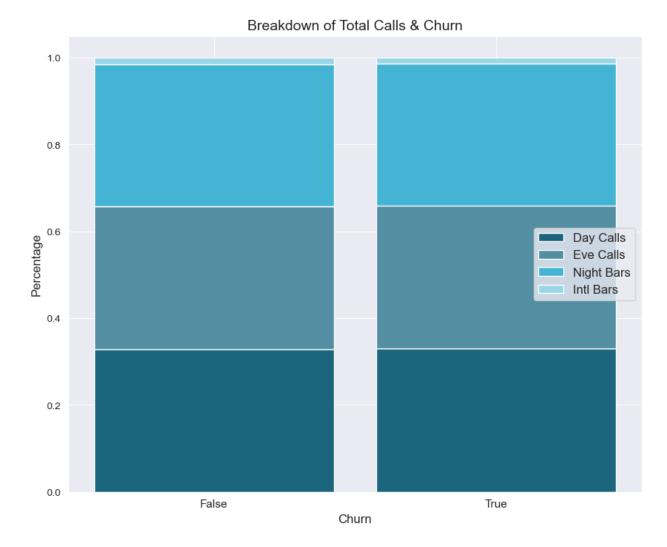
```
stacked bar data = df train.groupby('churn').sum().reset index()
stacked bar data
  churn
                                                    state account
length \
  False DCUTWYMTNEMOSCDECOINNMKYTXFLNDALNCILMAVAVTSCKY...
258560
   True
         ILNYNVKYCTOKMDWAORGANMALKSRIOKMTWIINDEDEVTNVTX...
43692
                                                 phone number \
  area code
0
    1122642
             354-5058358-5953331-3202398-8385350-1532375-33...
     188415 330-7137388-9285397-6789368-7555409-7523352-69...
1
                                international plan \
  yesnonononoyesnononoyesnononoyesn...
  yesnoyesyesyesnoyesnononononoyesnonononoye...
                                   voice mail plan number vmail
messages
0 nonononononononononononoyesyesnononoyesnoy...
22015
  noyesyesnononoyesnonononononononononoyesn...
2194
```

```
total day minutes total day calls ... total night minutes \
0
            449548.1
                               257671
                                       . . .
                                                        513363.8
1
             88889.3
                                43432
                                                         88447.3
                                       . . .
   total night calls total night charge total intl minutes \
0
              256621
                                23101.62
                                                      26106.1
1
               43039
                                 3980.15
                                                       4604.0
   total intl calls total intl charge customer service calls
competiton \
                               7050.03
              11709
                                                           3716
5907
               1775
                               1243.31
                                                            957
1
1186
   avg minutes per intl call total calls
0
                 7694.886751
                                   782526
1
                 1548.873101
                                   131359
[2 rows x 24 columns]
#creates an awesome stacked bar graph to visualize the breakdown of
total calls by 'churn' status, where each bar represents the total
number of calls for different categories
# Create an awesome stacked bar graph of all calls
r = stacked bar data['churn']
# Values
totals = stacked bar data['total calls']
DayBars = stacked bar data['total day calls']
EveBars = stacked bar data['total eve calls']
NightBars = stacked bar data['total night calls']
IntlBars = stacked bar data['total intl calls']
# Plot
plt.figure(figsize=(10,8))
names = ('False', 'True')
barWidth = 0.85
# Create Bars
plt.bar(r, DayBars, color='#1b667e', edgecolor='white',
        width=barWidth, label='Day Calls')
plt.bar(r, EveBars, bottom=DayBars, color='#548ea3',
        edgecolor='white', width=barWidth, label='Eve Calls')
plt.bar(r, NightBars, bottom=[i+j for i,j in zip(DayBars, EveBars)],
        color='#45b4d4', edgecolor='white', width=barWidth,
label='Night Calls')
```



```
# Create an awesome stacked bar graph of all calls
r = stacked_bar_data['churn']
```

```
# Turn values to percentage
totals = stacked bar data['total calls']
DayBars = stacked bar data['total day calls'] / totals
EveBars = stacked bar data['total eve calls'] / totals
NightBars = stacked bar data['total night calls'] / totals
IntlBars = stacked bar data['total intl calls'] / totals
# Plot
plt.figure(figsize=(10,8))
names = ('False', 'True')
barWidth = 0.85
# Create Bars
plt.bar(r, DayBars, color='#1b667e', edgecolor='white',
        width=barWidth, label='Day Calls')
plt.bar(r, EveBars, bottom=DayBars, color='#548ea3',
        edgecolor='white', width=barWidth, label='Eve Calls')
plt.bar(r, NightBars, bottom=[i+j for i,j in zip(DayBars, EveBars)],
        color='#45b4d4', edgecolor='white', width=barWidth,
label='Night Bars')
# Create Bars
plt.bar(r, IntlBars, bottom=[i+j+k for i,j,k in zip(DayBars, EveBars,
NightBars)],
        color='#99d6e6', edgecolor='white', width=barWidth,
label='Intl Bars')
# Graph details
plt.xticks(r, names, fontsize=11)
plt.xlabel('Churn', fontsize=12)
plt.ylabel('Percentage', fontsize=12)
plt.title('Breakdown of Total Calls & Churn', fontsize=14)
plt.legend(loc=7, fontsize='large')
# Show graph
plt.show()
```



# Findings & Recommendations

It is evident that there is a remarkable similarity in call usage between customers who churned and those who didn't churn, encompassing day, evening, night, and international calls. Notably, the international call rates remain consistent irrespective of whether a customer has an international plan or not, with both being charged at 27 cents per minute. Interestingly, the percentage of churned customers was higher among those with international plans compared to those without. This suggests that customers with international plans might not perceive the added cost as a valuable benefit.

## **Recommendations:**

Given these insights, I recommend revising the international call rates. Customers with international plans should be offered more competitive rates for international calls compared to those without international plans. This adjustment can enhance the attractiveness of international plans and potentially reduce churn among this group of customers.