# DISCLAIMER: This data was generated automatically using a Python script and does not reflect any real-world information.

# **Project Description**

- You have been hired by NexaBank, a Banking company experiencing high customer churn.
- The company plans to develop a **machine learning** model to predict customers who are likely to switch to one of the competitors.
- These at-risk customers will be targeted by the marketing team with special offers and retention strategies.
- As the **Data Engineer**, your role is to **build a clean, well-engineered dataset** by **integrating and transforming messy, multi-source customer data**, making it ready for churn prediction models.

#### **Data Flow**

- The data is sourced from multiple systems and arrives in various file formats, including **JSON**, **CSV**, and **TXT**.
- We receive the data in **real-time**, meaning it is sent to us immediately after extraction from the source systems.
- Each file follows a **static, predefined schema**.
- The data is organized using a **two-level partitioning** structure (**date** and **hour**) as follows:



Data for 2025-04-18 2PM

- For example, data for **April 18<sup>th</sup>**, **2025**, is stored in a folder named **2025-04-18**, containing **24 subfolders**, one for each hour of the day.
- Occasionally, the source sends:
  - o Corrupted or invalid data files.
  - o Files with incorrect schemas.
  - o Extra/unnecessary data files.

#### **Data Sources**

You have to combine multiple messy sources of different formats:

#### 1. Customer Profile - CSV (customer\_profiles.csv)

This file contains data about our customer base.

 customer\_id, name, gender, age, city, account\_open\_date, product\_type, customer\_tier.

#### 2. Credit Cards Billing - CSV (credit cards billing.csv)

This file contains data on credit cards monthly payment for credit card customers.

o bill\_id, customer\_id, month, amount\_due, amount\_paid, payment\_date.

#### 3. Support Tickets - CSV (support\_tickets.csv)

This file contains data related to customer complaints.

ticket\_id, customer\_id, complaint\_category, complaint\_date, severity.

#### 4. Loans - TEXT (loans.txt)

This file contains data on loans requested by customers.

o customer\_id, loan\_type, amount\_utilized, utilization\_date, loan\_reason.

## 5. Money Transfers & Purchases - JSON (transactions.json)

This file contains data on money spent by bank customers.

sender, receiver, transaction amount, transaction date.

- The data comes from sources almost clean and of high quality.
- So, no heavy data cleaning or quality checks required.

# Requirements

- Data is received from sources inside a directory named "Incoming\_data".
- Your task is to **loop through all files** in this directory and **apply the specified transformations** to each file based on its type.
- For customers data:
  - o Add a new **Integer** column named **tenure**, representing the number of years since the customer joined the company.
  - o Add a new **String** column named **customer\_segment**, based on the following criteria:
    - Loyal: if the customer has been with the company for more than 5 years.
    - **Newcomer:** if the customer has been with the company for less than 1 year.
    - Normal: otherwise.
- For credit card billing data:
  - o Add a new **Boolean** column named **fully\_paid**, set to **True** if the customer has paid the full bill amount, and **False** otherwise.
  - Add a new Integer column named debt, representing the remaining due amount after payment.
  - o Add a new **Integer** column named **late\_days**, representing the number of days between the bill's **due date** (always the **1st of each month**) and the **actual payment date**.
  - o Add a new **Float** column named **fine**, representing the fine charged to customers for late payments, calculated as:
    - Fine = late\_days \* 5.15
  - o Add a new **Float** column named **total\_amount**, calculated as:
    - total\_amount = amount\_due + fine
- For support tickets data:

Add a new **Integer** column named **age**, representing the number of days since the ticket was issued.

- For transactions data:
  - o Knowing that each transaction costs the customer **50 cents + .1** % of the transaction amount.
  - o Add a new **float** column named **cost**, representing the cost of the transaction.
  - o Add a new float column named total\_amount, representing transaction\_amount + cost.
- For loans data:
  - o Add a new **Integer** column named **age**, representing the number of days since the transaction was completed.
  - o If the loan costs the customer 20% of its value per year, in addition to 1K\$.
  - Add a new float column named total\_cost, representing annual cost for the loan.

#### For loan reason data:

- o This column contains **sensitive** information (the reason for the loan request).
- o The Data Science team must not have access to the plain text of the loan reason!
- o Your task is to encrypt each row using a Caesar cipher.
- o Caesar cipher encryption/decryption depends on a key.
- o Important: You cannot use a static key for encryption!
- o You must generate a random key for encrypting each file.

#### Hints and guidelines:

- o You can maintain a state store with two columns:
  - File name
  - Encryption Key
- o Alternatively, you can use a **keyless decryption mechanism**:
  - Encrypt the text using a random key without storing the key.
  - To decrypt:
  - You will be provided with a text file listing all valid English words!
  - Write a function that checks a sentence and counts how many valid English words it contains.
  - Try to decrypt the message using all possible Caesar cipher shifts (keys from 1 to 25).
  - For each trial count the number of **valid English words** of the **text's** content.
  - Select the decryption that yields the highest number of valid English words this
    is considered the correct decrypted text.

#### - Finally:

- o Add the following data quality columns to each table:
  - processing time: the current timestamp at the time of processing.
  - partition\_date: the date part, e.g., 2025-04-18 (based on the example provided).
  - partition\_hour: the hour part, e.g., 14 (based on the example provided).

```
incoming_data > 2025-04-18 > 14
```

- o Drive meaningful insights from the transformed data:
  - Perform an analysis of your choice.
  - Focus on delivering insightful findings.
  - Creativity is highly encouraged in your analysis.
- o Identify at least three possible reasons behind the company's high customer churn rate based on your findings.
- o Save the final output:
  - Save the 5 processed tables in Parquet format.
  - Upload the files to HDFS Using Python subprocess.
  - These files will be inserted into Hive tables for the Data Science team to access.

#### Instructions

#### **Logging Requirements:**

- Every step of the pipeline must be properly logged:
  - o Each log entry must include **Timestamp**, **Action**, and **Status**:
    - Ex: 2025-04-19 01:17:38 => Started extracting loans data from txt file at
       "C:\Users\alghaly\Desktop\Python Course\Project\incoming\_data\2025-04-18\14\loans.txt"
  - o Logs should capture as many details as possible, such as:
    - Number of rows extracted.
    - Extracted schema.
    - Any other useful metadata or operational details.
  - Persist logs into files for future log analysis.

#### **Pipeline Behavior:**

- The pipeline must operate in real-time.
- Data should be **extracted**, **transformed**, and **loaded immediately** upon receipt.

#### **Schema Validation:**

- Reject any incoming files that do not match the predefined schema.
- Upon rejection:
  - o Log the action with appropriate details.
  - o Send an email notification to enable faster issue recovery.

#### **Error Handling:**

- In case of pipeline failure:
  - o **Log** the exception details **clearly**.
  - o **Send an email notification** about the failure.
  - o Automatically re-run the pipeline.

#### **Real-time Constraints:**

- Because the pipeline is real-time, quick failure detection and recovery are critical.
- Again, the pipeline works in **real-time fashion**, so make sure **once** a file is extracted, transformed, and loaded, it **won't be reprocessed** in the next cycle!
  - o **Hint:** consider using a state store or an archiving mechanism.

#### **Sensitive Information:**

- You will need your **email password** to send automated emails.
- Store your password in a **separate text file** and read it securely within your script.
- **Do not** hardcode or include your password in the project delivery.

# Suggested analysis — Optional

## **Churn Analysis:**

- Identify which customer **segments** (by age, location, spending level) have the **highest churn rate**.
- Analyze churn correlation with late credit card payment behavior.

#### **Behavior Trend Analysis:**

- Compare **customer activity** (transactions, loans requests) between churned and non-churned customers.
- Identify **spending patterns** that predict **churn**.

#### Revenue Analysis:

 Calculate Average Revenue Per User (ARPU) and identify the customer profile of high spenders vs churners.

#### Geographical Analysis:

- Find **cities** or **regions** with the highest churn rates.

# **Tenure Analysis:**

- Analyze if **newly joined** customers **churn faster** than older ones.

# **Bonus Section (Optional — No Implementation Required)**

You are highly recommended to think about these steps (no implementation needed)

- **Consider replacing** the full data load with an **incremental load** strategy to improve efficiency and performance. (*Interview Question*)
- Think about implementing a log analyzer script to extract insights from the generated log files.
  - o You may implement it using **Python** or **Bash**, whichever you find more convenient.
- Generate a final report summarizing:
  - Any anomalies detected during the data extraction and transformation processes.
  - o This report would assist in further analysis and quality checks.
- Extra Enhancements:
  - o Some of the functionalities like mailing don't need to block the pipeline.
  - o Consider moving these functionalities to separate threads.
  - o The pipeline is **real-time** and very **critical** you are very encouraged to create a separate **thread** for **health checks**.

# **Delivery**

- The deadline for the project is Sunday 11th of May (3+ weeks).
- The project is **team-based**; you will be divided into **teams of 2s**.
- Students will submit their work via a **sheet containing links to their GitHub repositories**.
- Students are expected to understand and explain the computational complexity (performance analysis) of their written code.
- Students are required to follow the Object-Oriented Programming (OOP)
   paradigm throughout the project.
- **Applying SOLID principles** is strongly recommended, as it will **make your** development process much easier and more organized.