CHURN PREDICTION MODEL

Step 1: preprocessing, cleaning data, and descriptive statistics.

```
% Importing the data, text file format and encoding file specified.
opts = delimitedTextImportOptions("NumVariables", 14, "Encoding", "UTF-8");
```

Specifying the column names and variables types (within the original data, all the variables are of the same type).

```
opts.VariableNames = ["AnonymousCustomerID", "CallFailure", "Complains", "SubscriptionLength",
opts.VariableTypes = ["double", "double", "dou
```

Importing data

```
churn_data = readtable("Churn_Dataset.csv", opts);
churn_data = rmmissing(churn_data);
```

Calling variables and converting Complains, AgeGroup, TariffPlan, Status, and Churn into categorical vars (this is done for further plotting).

```
AnonymousCustomerID
                         = churn_data.AnonymousCustomerID;
CallFailure
                         = churn_data.CallFailure;
Complains
                      = categorical(churn_data.Complains);
SubscriptionLength
                      = churn_data.SubscriptionLength;
                      = churn data.ChargeAmount;
ChargeAmount
                      = churn data.SecondsOfUse;
SecondsofUse
FrequencyofUse
                      = churn_data.FrequencyOfUse;
                      = churn data.FrequencyOfSMS;
FrequencyofSMS
DistinctCalledNumbers = churn data.DistinctCalledNumbers;
                      = categorical(churn_data.AgeGroup);
AgeGroup
TariffPlan
                      = categorical(churn data.TariffPlan);
                      = categorical(churn_data.Status);
Status
Churn
                      = categorical(churn_data.Churn);
CustomerValue
                      = churn data.CustomerValue;
```

Descriptive Statistics | continuous variables (except AnonymousCustomerID)

2) CallFailure

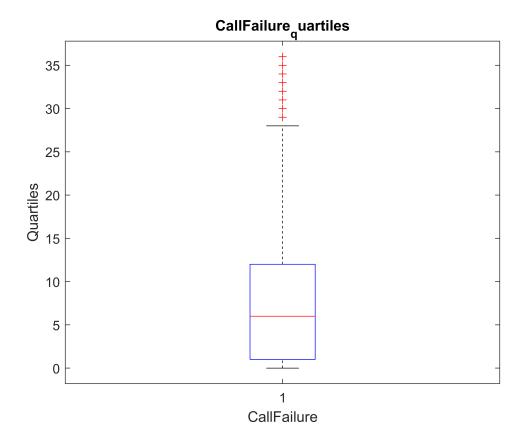
```
= mean(CallFailure);
CallFailure mean
CallFailure median
                        = median(CallFailure);
CallFailure_mode
                        = mode(CallFailure);
CallFailure minimum
                        = min(CallFailure);
CallFailure maximum
                        = max(CallFailure);
CallFailure_quartiles
                        = [0.25:0.25:1; quantile(CallFailure, 0.25:0.25:1)];
% Cell array for CallFailure stats
CallFailure_stats = {'Mean', CallFailure_mean; ...
         'Median', CallFailure_median; ...
         'Mode', CallFailure_mode; ...
```

```
'Minimum', CallFailure_minimum; ...
'Maximum', CallFailure_maximum; ...
'Quartiles', CallFailure_quartiles}
```

CallFailure_stats = 6×2 cell

	1	2
1	'Mean'	7.6279
2	'Median'	6
3	'Mode'	0
4	'Minimum'	0
5	'Maximum'	36
6	'Quartiles'	[0.2500,0.5000,0.7500,1;1,

```
% Boxplot - CallFailure_quartiles
figure(1);
boxplot(CallFailure)
xlabel('CallFailure')
ylabel('Quartiles')
title('CallFailure_quartiles')
```



4) SubscriptionLength

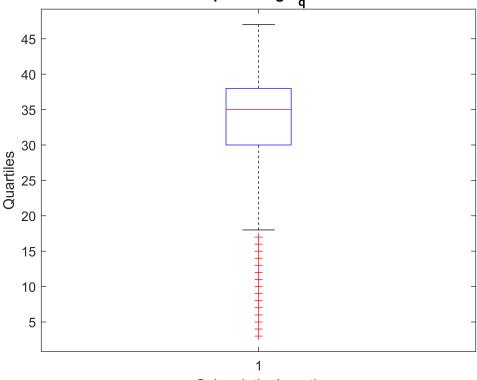
```
SubscriptionLength_mean = mean(SubscriptionLength);
SubscriptionLength_median = median(SubscriptionLength);
```

SubscriptionLength_stats = 6x2 cell

	1	2
1	'Mean'	32.5419
2	'Median'	35
3	'Mode'	36
4	'Minimum'	3
5	'Maximum'	47
6	'Quartiles'	[0.2500,0.5000,0.7500,1;30,3

```
% Boxplot - SubscriptionLength_quartiles
figure(2);
boxplot(SubscriptionLength)
xlabel('SubscriptionLength')
ylabel('Quartiles')
title('SubscriptionLength_quartiles')
```





SubscriptionLength

5) ChargeAmount

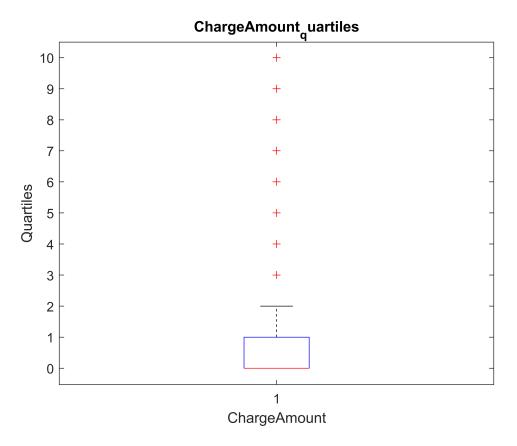
```
ChargeAmount_mean
                         = mean(ChargeAmount);
ChargeAmount_median
                         = median(ChargeAmount);
ChargeAmount mode
                         = mode(ChargeAmount);
ChargeAmount_minimum
                         = min(ChargeAmount);
ChargeAmount_maximum
                         = max(ChargeAmount);
                         = [0.25:0.25:1; quantile(ChargeAmount, 0.25:0.25:1)];
ChargeAmount quartiles
% Cell array for ChargeAmount stats
ChargeAmount_stats = {'Mean', ChargeAmount_mean; ...
         'Median', ChargeAmount_median; ...
         'Mode', ChargeAmount_mode; ...
         'Minimum', ChargeAmount_minimum; ...
         'Maximum', ChargeAmount_maximum; ...
         'Quartiles', ChargeAmount_quartiles}
```

ChargeAmount_stats = 6×2 cell

	1	2
1	'Mean'	0.9429
2	'Median'	0
3	'Mode'	0
4	'Minimum'	0
5	'Maximum'	10

	1	2		
6	'Quartiles'	[0.2500,0.5000,0.7500,1;0		

```
% Boxplot - ChargeAmount_quartiles
figure(3);
boxplot(ChargeAmount)
xlabel('ChargeAmount')
ylabel('Quartiles')
title('ChargeAmount_quartiles')
```



6) SecondsofUse

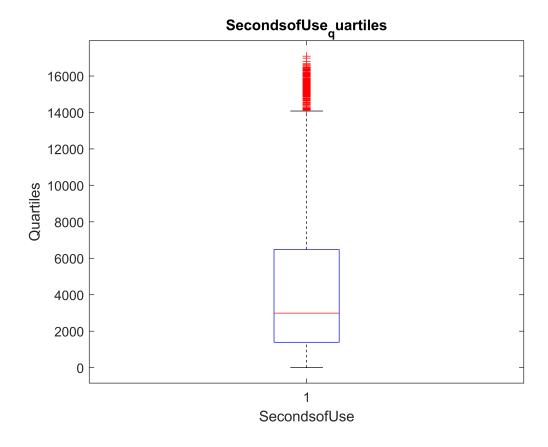
```
SecondsofUse_mean
                         = mean(SecondsofUse);
SecondsofUse median
                         = median(SecondsofUse);
SecondsofUse mode
                         = mode(SecondsofUse);
SecondsofUse_minimum
                         = min(SecondsofUse);
SecondsofUse maximum
                         = max(SecondsofUse);
                         = [0.25:0.25:1; quantile(SecondsofUse, 0.25:0.25:1)];
SecondsofUse_quartiles
% Cell array for SecondsofUse stats
SecondsofUse_stats = {'Mean', SecondsofUse_mean; ...
         'Median', SecondsofUse_median; ...
         'Mode', SecondsofUse_mode; ...
         'Minimum', SecondsofUse_minimum; ...
         'Maximum', SecondsofUse_maximum; ...
```

'Quartiles', SecondsofUse_quartiles}

SecondsofUse_stats = 6×2 cell

	1	2
1	'Mean'	4472.5
2	'Median'	2990
3	'Mode'	0
4	'Minimum'	0
5	'Maximum'	17090
6	'Quartiles'	[0.2500,0.5000,0.7500,1;1390,2990,6

```
% Boxplot - SecondsofUse_quartiles
figure(4);
boxplot(SecondsofUse)
xlabel('SecondsofUse')
ylabel('Quartiles')
title('SecondsofUse_quartiles')
```



7) FrequencyofUse

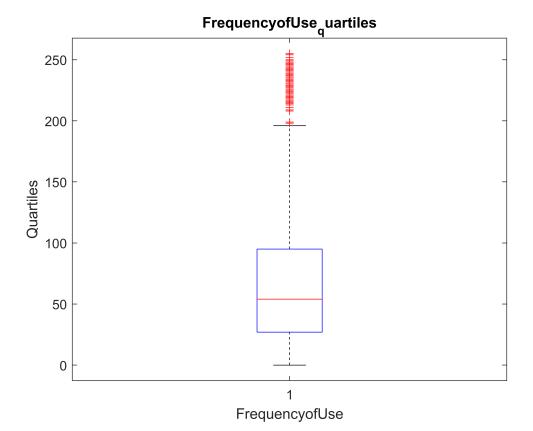
```
FrequencyofUse_maximum = max(FrequencyofUse);
FrequencyofUse_quartiles = [0.25:0.25:1; quantile(FrequencyofUse, 0.25:0.25:1)];

% Cell array for FrequencyofUse stats
FrequencyofUse_stats = {'Mean', FrequencyofUse_mean; ...
    'Median', FrequencyofUse_median; ...
    'Mode', FrequencyofUse_mode; ...
    'Minimum', FrequencyofUse_minimum; ...
    'Maximum', FrequencyofUse_maximum; ...
    'Quartiles', FrequencyofUse_quartiles}
```

FrequencyofUse_stats = 6×2 cell

	1	2
1	'Mean'	69.4606
2	'Median'	54
3	'Mode'	0
4	'Minimum'	0
5	'Maximum'	255
6	'Quartiles'	[0.2500,0.5000,0.7500,1;27,5

```
% Boxplot - FrequencyofUse_quartiles
figure(5);
boxplot(FrequencyofUse)
xlabel('FrequencyofUse')
ylabel('Quartiles')
title('FrequencyofUse_quartiles')
```



8) FrequencyofSMS

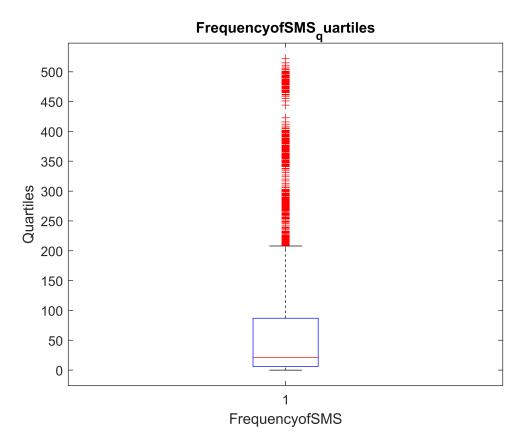
```
FrequencyofSMS_mean
                           = mean(FrequencyofSMS);
FrequencyofSMS median
                           = median(FrequencyofSMS);
FrequencyofSMS mode
                           = mode(FrequencyofSMS);
FrequencyofSMS_minimum
                           = min(FrequencyofSMS);
FrequencyofSMS_maximum
                           = max(FrequencyofSMS);
                           = [0.25:0.25:1; quantile(FrequencyofSMS, 0.25:0.25:1)];
FrequencyofSMS quartiles
% Cell array for FrequencyofSMS stats
FrequencyofSMS_stats = {'Mean', FrequencyofSMS_mean; ...
         'Median', FrequencyofSMS_median; ...
         'Mode', FrequencyofSMS_mode; ...
         'Minimum', FrequencyofSMS_minimum; ...
         'Maximum', FrequencyofSMS_maximum; ...
         'Quartiles', FrequencyofSMS_quartiles}
```

FrequencyofSMS_stats = 6×2 cell

	1	2
1	'Mean'	73.1749
2	'Median'	21
3	'Mode'	0
4	'Minimum'	0
5	'Maximum'	522

	1	2		
6	'Quartiles'	[0.2500,0.5000,0.7500,1;6,21		

```
% Boxplot - FrequencyofSMS_quartiles
figure(6);
boxplot(FrequencyofSMS)
xlabel('FrequencyofSMS')
ylabel('Quartiles')
title('FrequencyofSMS_quartiles')
```



9) DistinctCalledNumbers

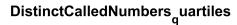
```
DistinctCalledNumbers_mean
                                  = mean(DistinctCalledNumbers);
DistinctCalledNumbers_median
                                  = median(DistinctCalledNumbers);
                                  = mode(DistinctCalledNumbers);
DistinctCalledNumbers_mode
DistinctCalledNumbers_minimum
                                  = min(DistinctCalledNumbers);
DistinctCalledNumbers maximum
                                  = max(DistinctCalledNumbers);
DistinctCalledNumbers_quartiles
                                  = [0.25:0.25:1; quantile(DistinctCalledNumbers, 0.25:0.25:1)
% Cell array for DistinctCalledNumbers stats
DistinctCalledNumbers_stats = {'Mean', DistinctCalledNumbers_mean; ...
         'Median', DistinctCalledNumbers_median; ...
         'Mode', DistinctCalledNumbers_mode; ...
         'Minimum', DistinctCalledNumbers_minimum; ...
         'Maximum', DistinctCalledNumbers_maximum; ...
```

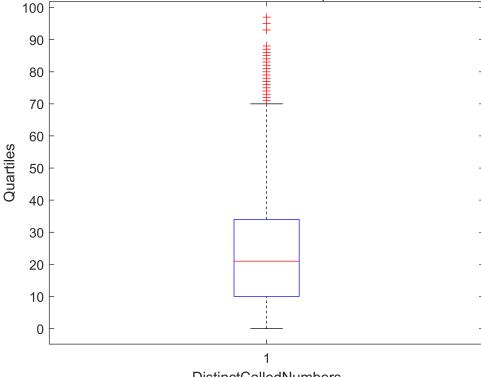
'Quartiles', DistinctCalledNumbers_quartiles}

DistinctCalledNumbers stats = 6×2 cell

	1	2		
1	'Mean'	23.5098		
2	'Median'	21		
3	'Mode'	0		
4	'Minimum'	0		
5	'Maximum'	97		
6	'Quartiles'	[0.2500,0.5000,0.7500,1;10,2		

```
% Boxplot - DistinctCalledNumbers_quartiles
figure(7);
boxplot(DistinctCalledNumbers)
xlabel('DistinctCalledNumbers')
ylabel('Quartiles')
title('DistinctCalledNumbers_quartiles')
```





DistinctCalledNumbers

14) CustomerValue

```
= mean(CustomerValue);
CustomerValue_mean
CustomerValue_median
                          = median(CustomerValue);
CustomerValue_mode
                          = mode(CustomerValue);
CustomerValue_minimum
                          = min(CustomerValue);
```

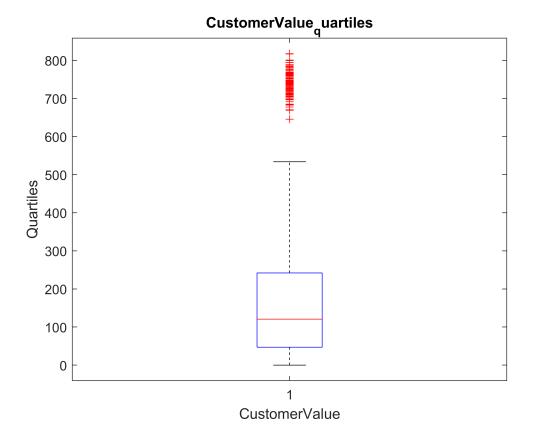
```
CustomerValue_maximum = max(CustomerValue);
CustomerValue_quartiles = [0.25:0.25:1; quantile(CustomerValue, 0.25:0.25:1)];

% Cell array for CustomerValue stats
CustomerValue_stats = {'Mean', CustomerValue_mean; ...
    'Median', CustomerValue_median; ...
    'Mode', CustomerValue_mode; ...
    'Minimum', CustomerValue_minimum; ...
    'Maximum', CustomerValue_maximum; ...
    'Quartiles', CustomerValue_quartiles}
```

CustomerValue_stats = 6x2 cell

	1	2
1	'Mean'	170.9503
2	'Median'	120.675
3	'Mode'	0
4	'Minimum'	0
5	'Maximum'	817.65
6	'Quartiles'	[0.2500,0.5000,0.7500,1;47.0100,120.6750,241.9

```
% Boxplot - CustomerValue_quartiles
figure(8);
boxplot(CustomerValue)
xlabel('CustomerValue')
ylabel('Quartiles')
title('CustomerValue_quartiles')
```



Std. dev.

```
CallFailure_std
                             = [std(CallFailure)];
SubscriptionLength_std
                          = [std(SubscriptionLength)];
                          = [std(ChargeAmount)];
ChargeAmount std
SecondsofUse_std
                          = [std(SecondsofUse)];
FrequencyofUse_std
                          = [std(FrequencyofUse)];
FrequencyofSMS std
                          = [std(FrequencyofSMS)];
DistinctCalledNumbers_std = [std(DistinctCalledNumbers)];
CustomerValue_std
                          = [std(CustomerValue)];
std_dev_cont
               = [CallFailure_std(1), ...
             SubscriptionLength_std(1), ...
             ChargeAmount_std(1), ...
             SecondsofUse_std(1), ...
             FrequencyofUse_std(1), ...
             FrequencyofSMS_std(1), ...
             DistinctCalledNumbers_std(1),
             CustomerValue_std(1)];
```

Skewness and Kurtosis

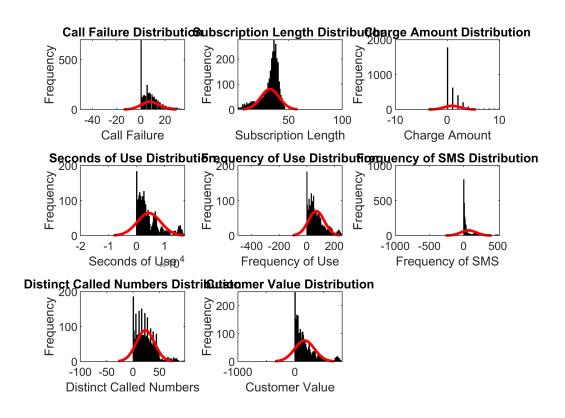
Plotting distribution

```
figure(9)
% Call Failure
subplot(3,3,1)
histfit(CallFailure, 80)
xlabel('Call Failure')
ylabel('Frequency' )
title('Call Failure Distribution')
% Subscription Length
subplot(3,3,2)
histfit(SubscriptionLength, 80)
xlabel('Subscription Length')
ylabel('Frequency' )
title('Subscription Length Distribution')
% Charge Amount
subplot(3,3,3)
histfit(ChargeAmount, 80)
xlabel('Charge Amount')
ylabel('Frequency' )
title('Charge Amount Distribution')
% Seconds of Use
subplot(3,3,4)
histfit(SecondsofUse, 80)
xlabel('Seconds of Use')
ylabel('Frequency' )
title('Seconds of Use Distribution')
% Frequency of Use
subplot(3,3,5)
histfit(FrequencyofUse, 80)
xlabel('Frequency of Use')
ylabel('Frequency' )
title('Frequency of Use Distribution')
% Frequency of SMS
subplot(3,3,6)
histfit(FrequencyofSMS, 80)
xlabel('Frequency of SMS')
ylabel('Frequency' )
```

```
title('Frequency of SMS Distribution')

% Distinct Called Numbers
subplot(3,3,7)
histfit(DistinctCalledNumbers, 80)
xlabel('Distinct Called Numbers')
ylabel('Frequency')
title('Distinct Called Numbers Distribution')

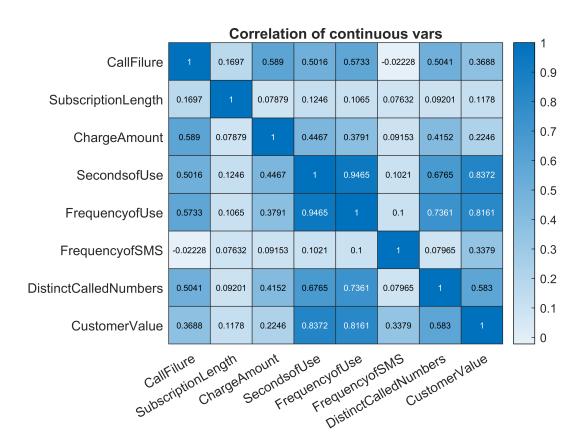
% Customer Value
subplot(3,3,8)
histfit(CustomerValue, 80)
xlabel('Customer Value')
ylabel('Frequency')
title('Customer Value Distribution')
```



Correlation plot of cotinuous variables

- Please, <u>DO NOT</u> integrate this section with the previous section!
- For some reason, if done, the correlation plot appears inside the distributions plot.
- Also figure number for corrplot "figure(500)" is a huge number on purpose cause earlier it was mixing with the distribution plots.
- Otherwise, you can follow the continuous figure numbers after **"figure (11)".** Thanks and apologies for any inconvenience.

figure(500)



Descriptive Statistics | categorical variables

Frequency distributions

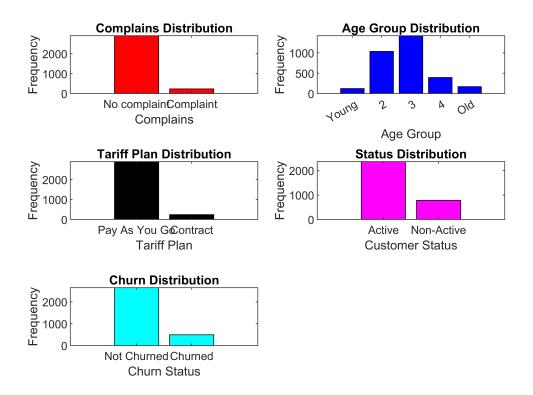
```
% Converting complains, AgeGroup, TariffPlan, Status, and Churn into categorical vars.
Complains_Freq_dist = tabulate(churn_data.Complains);
AgeGroup_Freq_dist = tabulate(churn_data.AgeGroup);
TariffPlan_Freq_dist = tabulate(churn_data.TariffPlan);
Status_Freq_dist = tabulate(churn_data.Status);
Churn_Freq_dist = tabulate(churn_data.Churn);
```

Std. dev.

```
Complains_std = [std(churn_data.Complains)];
AgeGroup_std = [std(churn_data.AgeGroup)];
TariffPlan_std = [std(churn_data.TariffPlan)];
```

Plotting frequency distribution

```
figure(11)
% Complains
subplot(3,2,1)
bar(Complains_Freq_dist(:,1), Complains_Freq_dist(:,2), 'red')
xticklabels({'No complaint', 'Complaint'})
xlabel('Complains')
ylabel('Frequency')
title('Complains Distribution')
% Age Group
subplot(3,2,2)
bar(AgeGroup_Freq_dist(:,1), AgeGroup_Freq_dist(:,2), 'blue')
xticklabels({'Young', '2', '3', '4', '01d'})
xlabel('Age Group')
ylabel('Frequency')
title('Age Group Distribution')
% Traffic Plan
subplot(3,2,3)
bar(TariffPlan_Freq_dist(:,1), TariffPlan_Freq_dist(:,2), 'black')
xticklabels({'Pay As You Go', 'Contract'})
xlabel('Tariff Plan')
ylabel('Frequency')
title('Tariff Plan Distribution')
% Status
subplot(3,2,4)
bar(Status_Freq_dist(:,1), Status_Freq_dist(:,2), 'magenta')
xticklabels({'Active', 'Non-Active'})
xlabel('Customer Status')
ylabel('Frequency')
title('Status Distribution')
% Churn
subplot(3,2,5)
bar(Churn_Freq_dist(:,1), Churn_Freq_dist(:,2), 'cyan')
xticklabels({'Not Churned', 'Churned'})
xlabel('Churn Status')
ylabel('Frequency')
title('Churn Distribution')
```



Step 2: Clustering analysis

```
% Extract the required variables for analysis part
CallFailure = churn_data.CallFailure;
Complains = churn_data.Complains;
SubscriptionLength = churn_data.SubscriptionLength;
ChargeAmount = churn_data.ChargeAmount;
SecondsOfUse = churn_data.SecondsOfUse;
FrequencyOfUse = churn_data.FrequencyOfUse;
FrequencyOfSMS = churn_data.FrequencyOfSMS;
DistinctCalledNumbers = churn_data.DistinctCalledNumbers;
AgeGroup = churn_data.AgeGroup;
TariffPlan = churn_data.TariffPlan;
Status = churn_data.Status;
Churn = churn_data.Churn;
CustomerValue = churn_data.CustomerValue;
```

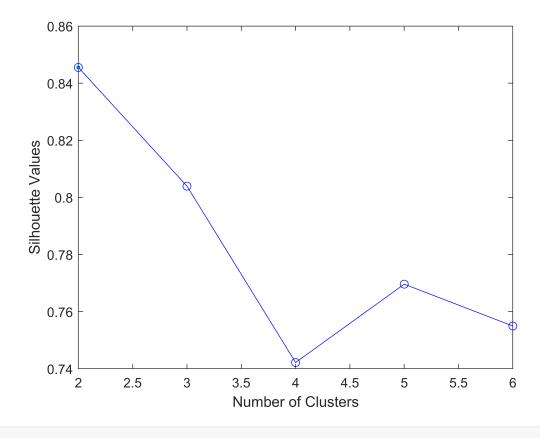
Now, we do the clustering part,

```
% Select the variables for clustering the dataset
clustering_vars = [CallFailure, SubscriptionLength, ChargeAmount, SecondsOfUse, FrequencyOfUse
```

```
% Normalize the variables before doing clustering
normalized_vars = zscore(clustering_vars);
```

kbest = 2

figure;
plot(E)



```
% Perform k-means clustering
[idx, centroids] = kmeans(normalized_vars, kbest);
```

% Assign cluster labels to the data to identify the cluster group

clustered_data = 3150×15 table

. . .

	AnonymousCustomerID	CallFailure	Complains	SubscriptionLength
1	1	8	0	38
2	2	0	0	39
3	3	10	0	37
4	4	10	0	38
5	5	3	0	38
6	6	11	0	38
7	7	4	0	38
8	8	13	0	37
9	9	7	0	38
10	10	7	0	38
11	11	6	0	38
12	12	9	0	38
13	13	25	0	38
14	14	4	0	38
15	15	9	0	37
16	16	3	0	37
17	17	0	0	37
18	18	2	0	38
19	19	0	0	37
20	20	3	0	37
21	21	7	0	37
22	22	8	0	37
23	23	23	1	33
24	24	21	1	36
25	25	13	1	36
26	26	1	0	34
27	27	9	0	35
28	28	9	1	36
29	29	0	0	36
30	30	1	0	36
31	31	3	0	33

	AnonymousCustomerID	CallFailure	Complains	SubscriptionLength
32	32	0	1	36
33	33	0	0	36
34	34	25	0	31
35	35	6	0	34
36	36	2	0	36
37	37	3	0	35
38	38	6	0	36
39	39	4	0	27
40	40	4	0	26
41	41	11	0	27
42	42	0	0	26
43	43	10	0	25
44	44	2	0	25
45	45	2	0	18
46	46	16	0	17
47	47	12	0	15
48	48	8	0	16
49	49	2	0	9
50	50	3	0	9
51	51	11	0	40
52	52	3	0	41
53	53	13	0	39
54	54	13	0	40
55	55	6	0	40
56	56	14	0	40
57	57	7	0	40
58	58	16	0	39
59	59	10	0	40
60	60	10	0	40
61	61	9	0	40
62	62	12	0	40
63	63	28	0	40
64	64	7	0	40

	AnonymousCustomerID	CallFailure	Complains	SubscriptionLength
65	65	12	0	39
66	66	6	0	39
67	67	3	0	39
68	68	5	0	40
69	69	3	1	39
70	70	6	0	39
71	71	10	0	39
72	72	11	0	39
73	73	26	1	35
74	74	24	1	38
75	75	16	0	38
76	76	4	0	36
77	77	12	0	37
78	78	12	1	38
79	79	3	0	38
80	80	4	0	38
81	81	6	0	35
82	82	3	0	38
83	83	3	0	38
84	84	28	0	33
85	85	9	1	36
86	86	5	0	38
87	87	6	0	37
88	88	9	0	38
89	89	7	0	29
90	90	7	0	28
91	91	14	0	29
92	92	3	0	28
93	93	13	0	27
94	94	5	0	27
95	95	5	0	20
96	96	19	0	19
97	97	15	0	17

	AnonymousCustomerID	CallFailure	Complains	SubscriptionLength
98	98	11	0	18
99	99	5	0	11
100	100	6	1	11

:

% Display the clustered data result disp(clustered_data);

AnonymousCustomerID	CallFailure	Complains	SubscriptionLength	ChargeAmount	SecondsOfUse	Freque
1	8	0	38	0	4370	
2	0	0	39	0	318	
3	10	0	37	0	2453	
4	10	0	38	0	4198	
5	3	0	38	0	2393	
6	11	0	38	1	3775	
7	4	0	38	0	2360	
8	13	0	37	2	9115	1
9	7	0	38	0	13773	1
10	7	0	38	1	4515	
11	6	0	38	0	5918	
12	9	0	38	0	2238	
13	25	0	38	3	15140	2
14	4	0	38	1	3095	
15	9	0	37	0	15485	1
16	3	0	37	1	6500	
17	0	0	37	0	875	
18	2	0	38	0	710	
19	0	0	37	0	0	
20	3	0	37	0	7508	1
21	7	0	37	1	11465	1
22	8	0	37	1	6718	
23	23	1	33	0	955	
24	21	1	36	8	10435	
25	13	1	36	1	5818	
26	1	0	34	0	2840	
27	9	0	35	0	2990	
28	9	1	36	0	2268	
29	0	0	36	0	133	
30	1	0	36	0	1668	
31	3	0	33	1	6785	
32	0	1	36	0	628	
33	0	0	36	1	338	
34	25	0	31	3	16075	2
35	6	0	34	3	6965	1
36	2	0	36	0	3718	
37	3	0	35	0	1665	
38	6	0	36	0	2780	
39	4	0	27	1	1315	
40	4	0	26	0	1568	
41	11	0	27	0	700	
42	0	0	26	0	825	
43	10	0	25	0	1225	
44	2	0	25	0	3225	
45	2	0	18	0	1695	
46	16	0	17	1	6393	1

47	12	0	15	0	8933
48	8	0	16	3	2853
49	2	0	9	1	4390
50	3	0	9	1	1488
51	11	0	40	1	4430
52	3	0	41	1	378
53	13	0	39	1	2513
54	13	0	40	1	4258
55	6	0	40	1	2453
56	14	0	40	2	3835
57	7	0	40	1	2420
58	16	0	39	3	9175
59	10	0	40	1	13833
60	10	0	40	2	4575
61	9	0	40	1	5978
62	12	0	40	1	2298
63	28	0	40	4	15200
64	7	0	40	2	3155
65	12	0	39	1	15545
66	6	0	39	2	6560
67	3	0	39	1	935
68 69	5	0	40	1	770
70	3 6	1 0	39 39	1 1	60 7568
76 71	10	0	39	2	11525
72	11	0	39	2	6778
73	26	1	35	1	1015
74	24	1	38	9	10495
75	16	0	38	2	5878
76	4	0	36	1	2900
77	12	0	37	1	3050
78	12	1	38	1	2328
79	3	0	38	1	193
80	4	0	38	1	1728
81	6	0	35	2	6845
82	3	0	38	1	688
83	3	0	38	2	398
84	28	0	33	4	16135
85	9	1	36	4	7025
86	5	0	38	1	3778
87	6	0	37	1	1725
88	9	0	38	1	2840
89	7	0	29	2	1375
90	7	0	28	1	1628
91	14	0	29	1	760
92	3	0	28	1	885
93	13	0	27	1	1285
94	5 5	0	27	1	3285
95 96	19	0	20 19	1	1755
96	15	0 0	19 17	2 1	6453 8993
98	11	0	18	4	2913
99	5	0	11	2	4450
100	6	1	11	2	1548
101	5	0	36	0	4310
102	0	0	37	0	258
103	7	0	35	0	2393
104	7	0	36	0	4138
105	0	0	36	0	2333
106	8	0	36	0	3715
107	1	0	36	0	2300
108	10	0	35	1	9055
109	4	0	36	0	13713
110	4	0	36	0	4455

111	3	0	36	0	5858
112	6	1	36	0	2178
113	22	0	36	2	15080
114	1	0	36	0	3035
115	6	0	35	0	15425
116	0	0	35	0	6440
117	0	0	35	0	815
118			36		650
	0	0		0	
119	0	0	35	0	0
120	0	0	35	0	7448
121	4	0	35	0	11405
122	5	0	35	0	6658
123	20	0	31	0	895
124	18	0	34	7	10375
125	10	0	34	0	5758
126	0	0	32	0	2780
127	6	0	33	0	2930
128	6	1	34	0	2208
129	0	1	34	0	0
130	0	0	34	0	1608
131			31	0	6725
	0	0			
132	0	0	34	0	568
133	0	0	34	0	0
134	22	0	29	2	16015
135	3	0	32	2	6905
136	0	0	34	0	3658
137		0	33	0	1605
	0				
138	3	0	34	0	2720
139	1	0	25	0	1255
140	1	0	24	0	1508
141	8	0	25	0	640
142	0	1	24	0	765
143	7	0	23	0	1165
144	0	0	23	0	3165
145	0	0	16	0	1635
146	13	0	15	0	6333
147	9	0	13	0	8873
148	5	0	14	2	2793
149	0	0	7	0	4330
150	0	0	7	0	1428
151	9	0	42	1	4450
152	1	1	43	0	398
153	11	0	41	1	2533
154	11	0	42	1	4278
155	4	0	42	1	2473
156	12	0	42	2	3855
157	5		42	1	2440
		0			
158	14	0	41	3	9195
159	8	0	42	1	13853
160	8	0	42	2	4595
161	7	0	42	1	5998
162	10	0	42	0	2318
163	26	0	42	4	15220
164	5	0	42	2	3175
165	10	0	41	1	15565
166	4	0	41	2	6580
167	1	0	41	0	955
168	3	0	42	0	790
169	1	0	41	0	80
170	4		41		
		0		1	7588
171	8	0	41	2	11545
172	9	0	41	2	6798
173	24	1	37	0	1035
174	22	1	40	9	10515
					

175	14	0	40	2	5898
176	2	0	38	1	2920
177	10	0	39	0	3070
178	10	1	40	0	2348
179	1	0	40	0	213
180			40		1748
	2	0		1	
181	4	0	37	2	6865
182	1	1	40	0	708
183	1	0	40	2	418
184	26	0	35	4	16155
185	7	1	38	4	7045
186	3	0	40	1	3798
187	4	0	39	0	1745
188	7	0	40	1	2860
189	5	0	31	2	1395
190	5	0	30	1	1648
191	12	0	31	0	780
192	1	0	30	0	905
193	11	0	29	1	1305
194	3	0	29	1	3305
195	3	0	22	1	1775
196	17	0	21	2	6473
197	13	0	19	1	9013
198	9	0	20	4	2933
199	3	0	13	2	4470
200	4	0	13	2	1568
201	7	0	34	0	4290
202	0	0	35	0	0
203	9	0	33	0	2373
204	9	0	34	0	4118
205	2	0	34	0	2313
206	10	0	34	0	3695
207	3	0	34	0	2280
208	12	0	33	1	9035
209	6	0	34	0	13693
210	6	0	34	0	4435
211	5	0	34	0	5838
212	8	0	34	0	2158
213	24	0	34	2	15060
214	3	0	34	0	3015
215	8	0	33	0	15405
216	2	0	33	0	6420
217	0	0	33	0	795
218	1	0	34	0	630
219	0	0	33	0	0
220	2	0	33	0	7428
221	6	0	33	0	11385
222	7	0	33	0	6638
223	22	0	29	0	875
224	20	0	32	7	10355
225	12	1	32	0	5738
226	0	0	30	0	2760
227	8	1	31	0	2910
228	8	0	32	0	2188
229	0	1	32	0	0
230	0	0	32	0	1588
231	2	0	29	0	6705
232	0	0	32	0	0
233	0	0	32	0	0
234	24	0	27	2	15995
235	5	0	30	2	6885
236	1	0	32	0	3638
237	2	0	31	0	1585
238	5	0	32	0	2700
	_	•		-	=. 50

239	3	0	23	0	1235	
240	3	0	22	0	1488	
241	10	0	23	0	620	
242	0	0	22	0	0	
243	9	0	21	0	1145	
244	1	0	21	0	3145	
245	1	0	14	0	1615	
246	15	0	13	0	6313	1

Now the reporting part here,

848

```
% Count the number of customers in each cluster
[cluster_ids, ~, cluster_counts] = unique(idx);
cluster_counts = accumarray(cluster_counts, 1);
disp(cluster_counts);
```

```
% Calculate mean and standard deviation for each cluster
data = clustered_data(:, 2:end-1);
data = table2array(data);
cluster = clustered_data.Cluster;

% Calculate descriptive statistics for each cluster
[mean_Data, std_Data] = grpstats(data, cluster, {'mean', 'std'});

% Display the statistics
for i = 1:size(mean_Data, 1)
    fprintf('Cluster %d:\n', i);
    for j = 1:size(data, 2)
        fprintf('Variable %d:\n', j);
        fprintf('Mean: %.2f\n', mean_Data(i, j));
        fprintf('Standard Deviation: %.2f\n\n', std_Data(i, j));
    end
end
```

```
Cluster 1:
Variable 1:
Mean: 5.51
Standard Deviation: 5.60
Variable 2:
Mean: 0.09
Standard Deviation: 0.29
Variable 3:
Mean: 32.07
Standard Deviation: 8.61
Variable 4:
Mean: 0.50
Standard Deviation: 0.87
Variable 5:
Mean: 2411.23
Standard Deviation: 1769.13
Variable 6:
Mean: 41.64
Standard Deviation: 27.80
```

Variable 7: Mean: 60.57 Standard Deviation: 108.78 Variable 8: Mean: 16.81 Standard Deviation: 13.04 Variable 9: Mean: 2.83 Standard Deviation: 0.85 Variable 10: Mean: 1.03 Standard Deviation: 0.18 Variable 11: Mean: 1.34 Standard Deviation: 0.47 Variable 12: Mean: 0.21 Standard Deviation: 0.41 Variable 13: Mean: 98.08 Standard Deviation: 79.15 Cluster 2: Variable 1: Mean: 13.38 Standard Deviation: 8.10 Variable 2: Mean: 0.03 Standard Deviation: 0.17 Variable 3: Mean: 33.83 Standard Deviation: 8.35 Variable 4: Mean: 2.14 Standard Deviation: 2.14 Variable 5: Mean: 10067.92 Standard Deviation: 3757.83 Variable 6: Mean: 144.99 Standard Deviation: 48.38 Variable 7: Mean: 107.40 Standard Deviation: 114.38 Variable 8: Mean: 41.70 Standard Deviation: 13.67 Variable 9: Mean: 2.82 Standard Deviation: 0.99 Variable 10: Mean: 1.20 Standard Deviation: 0.40 Variable 11: Mean: 1.00 Standard Deviation: 0.00 Variable 12:

Mean: 0.01

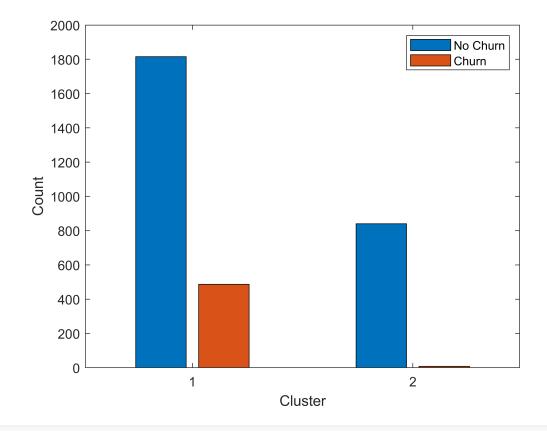
Standard Deviation: 0.10

Variable 13: Mean: 368.76

Standard Deviation: 200.41

figure(12)

```
churn = clustered data.Churn;
cluster = clustered_data.Cluster;
% Count occurrences of churn within each cluster
unique_Clusters = unique(cluster);
unique_Clusters = 2×1
    1
    2
unique_Churn = unique(churn);
unique_Churn = 2 \times 1
    1
churnCounts = zeros(numel(unique_Clusters), numel(unique_Churn));
for i = 1:numel(unique_Clusters)
    for j = 1:numel(unique_Churn)
        churnCounts(i, j) = sum(cluster == unique_Clusters(i) & churn == unique_Churn(j));
    end
end
% Bar plot
bar(churnCounts, 'grouped');
xlabel('Cluster');
ylabel('Count');
legend("No Churn", "Churn")
```



Step 3: Model Development

- Normalizing the dataset
- Splitting data into Training, Testing and Validation data
- Creating Lasso Logistic Regression and SVM and Classification tree.
- Evaluation of the classification model.

```
% Set the random number generator to its default state
rng('default');
% Creating Vectors for target Variable
Y = churn data.Churn;
'SecondsOfUse', 'SubscriptionLength', 'Status', 'TariffPlan'}};
% Normalize the features using z-score normalization
X_{norm} = zscore(X);
% Splitting the dataset in Training and Testing Data
n = length(Y);
c = cvpartition(n,"holdout",0.3);
Xtrain = X_norm(training(c),:);
Xtest = X_norm(test(c),:);
Ytrain = Y(training(c),:);
Ytest = Y(test(c),:);
% Splitting the training data into training and validation data using cross validation
n2 = length(Ytrain);
cv2 = cvpartition(n2, 'KFold', 4);
```

```
% Logistic regression Model
glm1 = fitglm(Xtrain,Ytrain)
```

```
glm1 = Generalized linear regression model: y \sim 1 + x1 + x2 + x3 + x4 + x5 + x6 + x7 + x8 + x9 + x10 + x11 + x12 Distribution = Normal
```

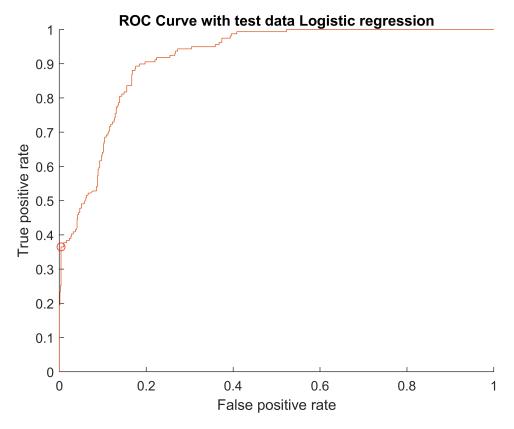
Estimated Coefficients:

	Estimate	SE	tStat	pValue
(Intercept)	0.15405	0.0056833	27.106	8.6573e-140
x1	-0.011495	0.0088655	-1.2966	0.19492
x2	0.048868	0.0096141	5.083	4.0302e-07
x3	-0.025992	0.010177	-2.5541	0.010713
x4	0.14898	0.0060053	24.809	5.8568e-120
x5	0.013646	0.018828	0.72475	0.46868
х6	-0.023194	0.0088612	-2.6175	0.0089189

```
x7
                -0.022262
                             0.0073993
                                          -3.0086
                                                       0.0026543
x8
                -0.097201
                              0.024355
                                           -3.991
                                                      6.7966e-05
х9
                 0.046727
                              0.027728
                                           1.6852
                                                        0.092096
x10
                -0.022814
                              0.006141
                                          -3.7151
                                                      0.00020824
x11
                  0.10279
                              0.007753
                                           13.258
                                                      1.1985e-38
x12
               -0.0073154
                             0.0069583
                                          -1.0513
                                                          0.29322
```

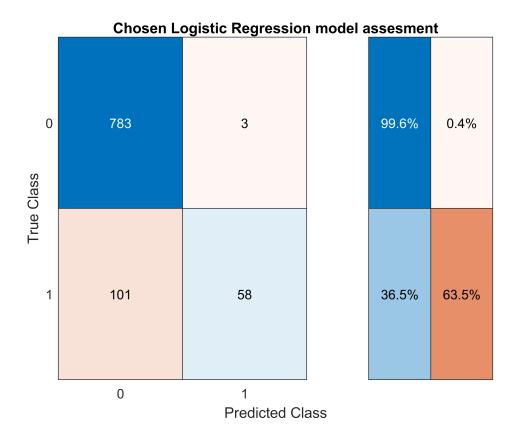
2205 observations, 2192 error degrees of freedom Estimated Dispersion: 0.071 F-statistic vs. constant model: 152, p-value = 8.14e-277

```
ptest1 =predict(glm1,Xtest);
[xxLR,yyLR,Tresholds_LR,auctest_LR, OPTROCPT1] = perfcurve(Ytest,ptest1,'1');
figure;
hold on
plot(OPTROCPT1(1),OPTROCPT1(2),'ro')
plot(xxLR,yyLR)
xlabel('False positive rate'); ylabel('True positive rate');
title('ROC Curve with test data Logistic regression')
hold off
```



```
ThresholdForLR = Tresholds_LR((xxLR==OPTROCPT1(1))&(yyLR==OPTROCPT1(2)));
ptest1Binom = double(ptest1>=ThresholdForLR);

% Logistic Regression
confusion_matrix_LR = confusionchart(Ytest, ptest1Binom,'RowSummary','row-normalized');
title("Chosen Logistic Regression model assesment")
```



TN_LR = 783; FP_LR = 3; TP_LR = 58; FN_LR = 101; Total = 945;

```
%Compute accuracy
accuracy_LR= (TP_LR + TN_LR)/Total
```

 $accuracy_LR = 0.8899$

```
% Compute precision, recall, and F1 score
precision_LR = TP_LR / (TP_LR + FP_LR)
```

 $precision_LR = 0.9508$

```
recall_LR = TP_LR / (TP_LR + FN_LR)
```

 $recall_LR = 0.3648$

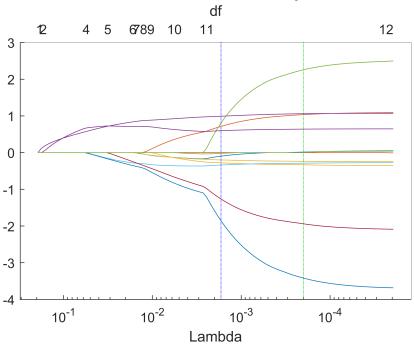
```
F1score_LR = 2 * precision_LR * recall_LR / (precision_LR + recall_LR)
```

 $F1score_LR = 0.5273$

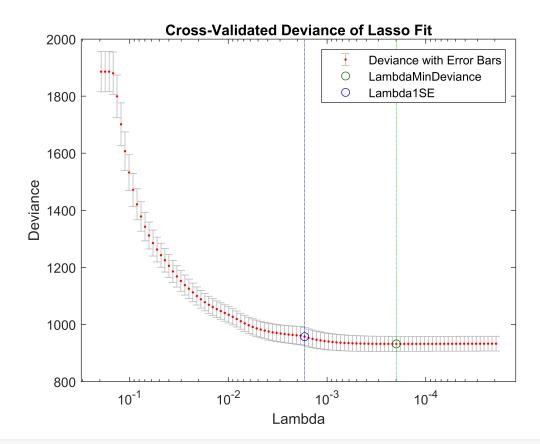
```
% Training lasso logistic regression models
[B4,FitInfo4] = lassoglm(Xtrain,Ytrain,'binomial','CV',cv2);
```

```
% Plotting the lasso plots
lassoPlot(B4,FitInfo4,'PlotType','Lambda','XScale','log');
```

Trace Plot of Coefficients Fit by Lasso



```
lassoPlot(B4,FitInfo4,'plottype','CV');
legend('show')
```



```
% Retraining the Model
optimal_lambda = FitInfo4.Lambda1SE;
[Bfinal_Lamnda1SE, fitInfofinal_Lamnda1SE] = lassoglm(Xtrain, Ytrain, 'binomial', 'Lambda', optimal
B0_final1SE= fitInfofinal_Lamnda1SE.Intercept;
coef_final_Lamnda1SE = [B0_final1SE; Bfinal_Lamnda1SE];
test_predictions_lasso_Lamnda1SE = glmval(coef_final_Lamnda1SE,Xtest,'logit');
% Training SVM model
svm1 = fitcsvm(Xtrain, Ytrain, 'KernelFunction', 'RBF', 'KernelScale', 'auto', 'CVPartition', cv2);
svm2 = fitcsvm(Xtrain, Ytrain, 'KernelFunction', 'polynomial', 'CVPartition', cv2);
svm3 = fitcsvm(Xtrain, Ytrain, 'KernelFunction', 'linear', 'CVPartition', cv2);
% Accuracy of models
cross_validation_error_svm1 = kfoldLoss(svm1);
cross_validation_accuracy_svm1 = 1 - cross_validation_error_svm1
cross_validation_accuracy_svm1 = 0.9451
cross_validation_error_svm2 = kfoldLoss(svm2);
cross_validation_accuracy_svm2 = 1- cross_validation_error_svm2
cross validation accuracy svm2 = 0.9587
```

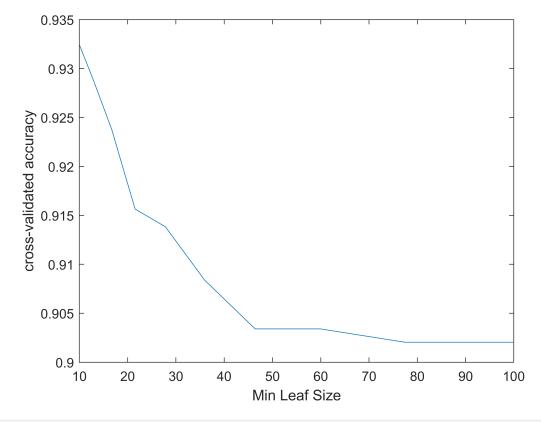
cross_validation_error_svm3 = kfoldLoss(svm3);

cross_validation_accuracy_svm3 = 1- cross_validation_error_svm3

The cross-validation accuracy in model 2 is higher so the final model is created using Polynomial Kernel Function

```
svm_final = fitcsvm(Xtrain, Ytrain, 'KernelFunction', 'Polynomial');
```

```
% Training Classification tree model
leafs = logspace(1,2,10);
N = numel(leafs);
accuracy_mdl = zeros(N,1);
for n=1:N
    t = fitctree(Xtrain, Ytrain, 'CVPartition', cv2, 'MinLeafSize', leafs(n));
    accuracy_mdl(n) = 1 - kfoldLoss(t);
end
plot(leafs,accuracy_mdl);
xlabel('Min Leaf Size');
ylabel('cross-validated accuracy');
```



```
[max_acc, idx] = max(accuracy_mdl);
```

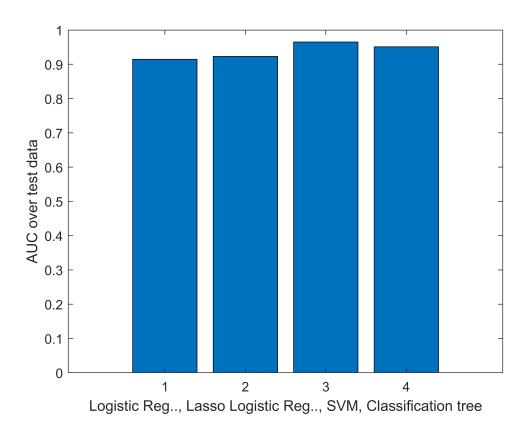
```
optimal_min_leaf_size = leafs(idx);
fprintf('Optimal minimum leaf size = %f, with cross-validated accuracy = %f\n', optimal_min_leaf
Optimal minimum leaf size = 10.000000, with cross-validated accuracy = 0.932426
```

final model tree =fitctree(Xtrain, Ytrain, 'MinLeafSize', optimal_min_leaf_size);

```
% AUC curve
% SVM model
ScoreSVMModel = fitPosterior(svm_final);
[predictions_svm,score_svm] = predict(ScoreSVMModel,Xtest);
[Xsvm,Ysvm,Tsvm,AUCsvm] = perfcurve(Ytest,score_svm(:,2),'1');

% Tree model
[predictions_tree,score_tree] = predict(final_model_tree,Xtest);
[Xtree,Ytree,Tree,AUCtree] = perfcurve(Ytest,score_tree(:,2),'1');

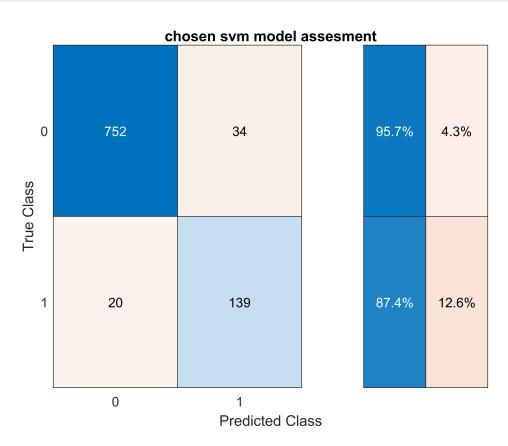
% Lasso logistic regression
[xxtest_lasso_Lamnda1SE,yytest_lasso_Lamnda1SE,Tresholds_lasso_Lamnda1SE,auctest_lasso_Lamnda1SE,
AUC for all model
auctest_all=[auctest_LR; auctest_lasso_Lamnda1SE; AUCsvm; AUCtree];
bar (auctest_all)
xlabel('Logistic Reg.., Lasso Logistic Reg.., SVM, Classification tree'); ylabel('AUC over test)
```



```
% Evaluation of model
```

The AUC of Lasso Logistic Regression, SVM, Classification tree are 0.9145, 0.9230 and 0.9652 respectively Classification tree and SVM performs better than Lasso Logistic Regression. SVM performs slightly better than Classification tree.

```
% Confusion matrix and F1 score
% SVM
predicitions_over_test_data_svm = predict(svm_final,Xtest);
confusion_matrix_svm = confusionchart(Ytest,predicitions_over_test_data_svm,'RowSummary','row-title("chosen svm model assesment")
```



```
TN_svm = 752; FP_svm = 34; TP_svm = 139; FN_svm = 20; Total = 945;
accuracy_svm = (TP_svm + TN_svm)/Total
```

 $accuracy_svm = 0.9429$

```
precision_svm = TP_svm/ (TP_svm + FP_svm)
```

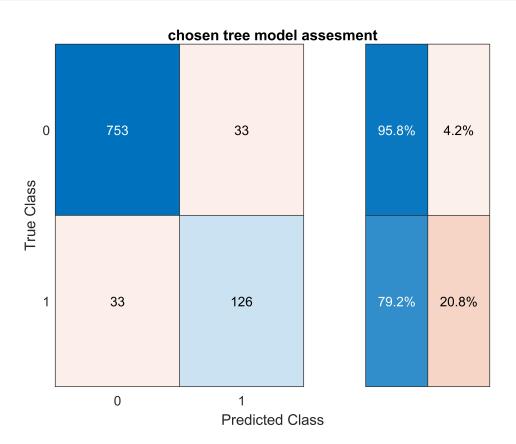
 $precision_svm = 0.8035$

```
recall_svm = TP_svm / (TP_svm + FN_svm)
```

 $recall_svm = 0.8742$

```
F1score_svm = 2 * precision_svm * recall_svm / (precision_svm + recall_svm)
```

% Tree classification
predicitions_over_test_data_tree= predict(final_model_tree, Xtest);
confusion_matrix_tree = confusionchart(Ytest, predicitions_over_test_data_tree, 'RowSummary', 'routitle("chosen tree model assesment")



```
TN_tree = 753; FP_tree = 33; TP_tree = 126; FN_tree = 33; Total = 945;
% Compute accuracy
accuracy_tree= (TP_tree + TN_tree)/Total
```

accuracy_tree = 0.9302

```
% Compute precision, recall, and F1 score
precision_tree = TP_tree / (TP_tree + FP_tree)
```

precision_tree = 0.7925

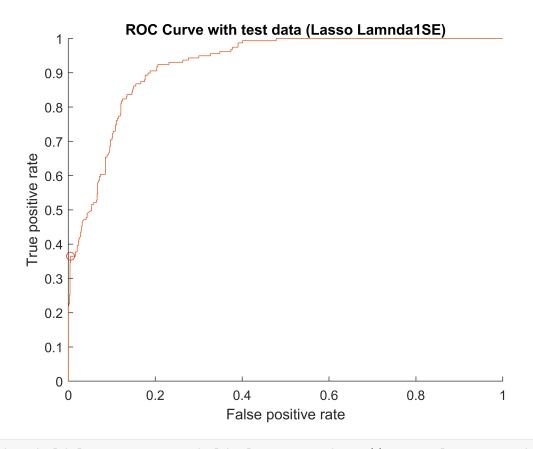
```
recall_tree = TP_tree / (TP_tree + FN_tree)
```

recall_tree = 0.7925

```
F1score_tree = 2 * precision_tree * recall_tree / (precision_tree + recall_tree)
```

 $F1score_tree = 0.7925$

```
% Lasso Logistic regression
figure;
hold on
plot(OPTROCPT_lasso_Lamnda1SE(1),OPTROCPT_lasso_Lamnda1SE(2),'ro')
plot(xxtest_lasso_Lamnda1SE,yytest_lasso_Lamnda1SE)
xlabel('False positive rate'); ylabel('True positive rate');
title('ROC Curve with test data (Lasso Lamnda1SE)')
hold off
```

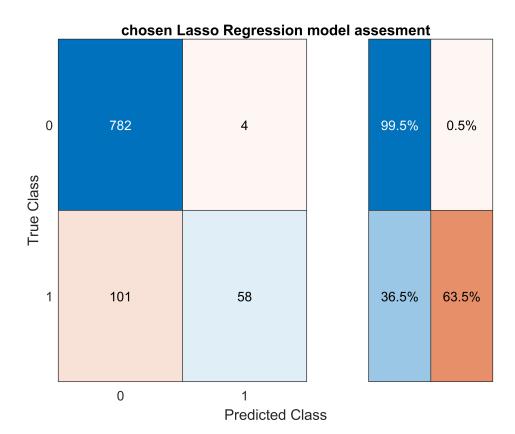


Threshold_lasso_1SE =Tresholds_lasso_Lamnda1SE((xxtest_lasso_Lamnda1SE==OPTROCPT_lasso_Lamnda1SE)

Threshold_lasso_1SE = 0.6050

predictions_lasso_regression = double(test_predictions_lasso_Lamnda1SE >= Threshold_lasso_1SE)

confusion_matrix_lasso = confusionchart(Ytest,predictions_lasso_regression ,'RowSummary','row-little("chosen_Lasso_Regression_model_assesment")



```
TN_lasso = 782; FP_lasso = 4; TP_lasso = 58; FN_lasso = 101; Total = 945;
%Compute accuracy
accuracy_lasso= (TP_lasso + TN_lasso)/Total
```

accuracy_lasso = 0.8889

```
% Compute precision, recall, and F1 score
precision_lasso = TP_lasso / (TP_lasso + FP_lasso)
```

precision_lasso = 0.9355

```
recall_lasso = TP_lasso / (TP_lasso + FN_lasso)
```

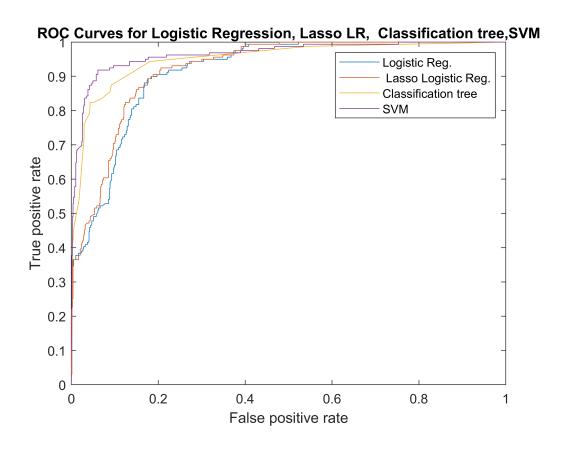
recall_lasso = 0.3648

```
F1score_lasso = 2 * precision_lasso * recall_lasso / (precision_lasso + recall_lasso)
```

 $F1score_lasso = 0.5249$

```
% Visual Evaluation through ROC Plot
plot(xxLR, yyLR)
hold on
plot(xxtest_lasso_Lamnda1SE,yytest_lasso_Lamnda1SE)
hold on
```

```
plot(Xtree,Ytree)
hold on
plot(Xsvm,Ysvm)
legend('Logistic Reg.',' Lasso Logistic Reg.','Classification tree', 'SVM')
xlabel('False positive rate'); ylabel('True positive rate');
title('ROC Curves for Logistic Regression, Lasso LR, Classification tree,SVM')
hold off
```



```
% Evaluation of Models based on F1 score
disp("Based on the F1-scores you provided, the SVM model has the best performance over the test
+ newline + "followed by the Classification Tree and Lasso Logistic Regression model with
```

Based on the F1-scores you provided, the SVM model has the best performance over the test data, followed by the Classification Tree and Lasso Logistic Regression model with Lambda1SE model respectively.