# **Assignment on Churn Prediction**

#### DeepQ-AI Assignment 1 – AI Engineer Internship

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#### **Important Links:**

Github: https://github.com/Sayanmaity2003/Churn-Preditor-App

Model Training Link: https://colab.research.google.com/drive/1 dJv4pJAt6B9pR8XI70w1FYGjdygE9rj?usp=sharing

Streamlit App Deployed Link: https://churn-preditor-app.streamlit.app/

Sample Dataset for Testing App: <a href="https://docs.google.com/spreadsheets/d/1itBMEI8YPWBYd2CNm8kLvmh-o0PBPsn7/edit?usp=sharing&ouid=115032625014685945138&rtpof=true&sd=true">https://docs.google.com/spreadsheets/d/1itBMEI8YPWBYd2CNm8kLvmh-o0PBPsn7/edit?usp=sharing&ouid=115032625014685945138&rtpof=true&sd=true</a>

## **Project Objective**

- Develop a classification model to predict the probability of user churn.
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- Handle imbalanced classes and improve model robustness.
- Deploy an interactive web UI for prediction using Streamlit.

### **Dataset Overview**

Our dataset included UID, 215 anonymized features (X0-X215) and the target variable: Target\_ChurnFlag. Sample ScreeShort given below

| ¢            | df.head  | d()              |                   |        |                |                |                |                |                |                |                |           |           |      |           |           |      |          |          |        |          |  |
|--------------|----------|------------------|-------------------|--------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|-----------|-----------|------|-----------|-----------|------|----------|----------|--------|----------|--|
| <del>∑</del> |          | UID              | X0                | X1     | X2             | хз             | Х4             | <b>X</b> 5     | Х6             | х7             | Х8             | X206      | X207      | X208 | X209      | X210      | X211 | X212     | X213     | X214   | X215     |  |
|              | 0        | 1003904-<br>3746 | 14 month<br>lease | 1103.0 | 2015-01-<br>08 | 2016-02-<br>28 | 2015-07-<br>30 | 2015-01-<br>08 | 2015-01-<br>08 | 2015-07-<br>30 | 2015-07-<br>01 | -1.000000 | -1.000000 | -1.0 | -1.000000 | -1.000000 | 1.0  | 1.544818 | 1.000000 | 1.6625 | 0.600000 |  |
|              | 1        | 1003904-<br>3751 | 12 month<br>lease | 1136.0 | 2015-01-<br>24 | 2016-01-<br>17 | NaN            | 2003-09-<br>11 | 2003-09-<br>11 | NaN            | NaN            | 0.013575  | 0.538462  | 0.0  | 1.307692  | 0.076923  | 1.0  | 1.591036 | 1.000000 | 1.6625 | 0.142857 |  |
|              | 2        | 1003904-<br>3756 | 12 month<br>lease | 1382.0 | 2015-02-<br>20 | 2016-02-<br>21 | 2016-02-<br>21 | 2015-02-<br>20 | 2015-02-<br>20 | NaN            | NaN            | -1.000000 | -1.000000 | -1.0 | -1.000000 | -1.000000 | 1.0  | 1.303774 | 0.666667 | 1.6625 | 0.769231 |  |
|              | 3        | 1003904-<br>3759 | 14 month<br>lease | 2417.0 | 2015-02-<br>06 | 2016-04-<br>03 | 2016-04-<br>04 | 2015-02-<br>06 | 2015-02-<br>06 | 2016-04-<br>04 | 2016-03-<br>02 | -1.000000 | -1.000000 | -1.0 | -1.000000 | -1.000000 | 1.0  | 1.589636 | 1.000000 | 1.6625 | 0.750000 |  |
|              | 4        | 1003904-<br>3766 | 12 month<br>lease | 1405.0 | 2015-01-<br>10 | 2016-01-<br>03 | NaN            | 2014-01-<br>10 | 2014-01-<br>10 | NaN            | NaN            | 0.583333  | 3.000000  | 0.0  | 3.000000  | 1.000000  | 1.0  | 1.349664 | 1.000000 | 1.6625 | 0.700000 |  |
| Ę            | 5 rows > | × 217 columns    |                   |        |                |                |                |                |                |                |                |           |           |      |           |           |      |          |          |        |          |  |

## **Data Preprocessing**

- Dropped columns with >50% missing values.
- Converted date columns to year, month, and day parts.
- Label encoded categorical columns.
- Filled remaining nulls using median imputation.
- Split data into Train (80%) and Test (20%) using Stratified Sampling.
- Applied SMOTE to balance training classes.

## **Model Building & Selection**

Model Chosen: Random Forest Classifier

Why Random Forest?

It's a powerful ensemble algorithm that works well with large datasets and mixed feature types. It also naturally handles overfitting better than a single decision tree.

#### Advantages:

- Can handle both numeric and categorical variables.
- Provides feature importance out-of-the-box.
- Robust to noisy data and outliers.

## **Evaluation Metrics**

```
→ Classification Report:
                 precision recall f1-score support
                     0.87
                                         0.92
                                                  1214
                                         0.92
                                                  2851
        accuracy
                     0.92
                               0.93
                                        0.92
                                                  2851
      macro avg
                     0.93
                               0.92
    weighted avg
                                                  2851
    ROC-AUC Score: 0.965
    Model training and evaluation complete.
```

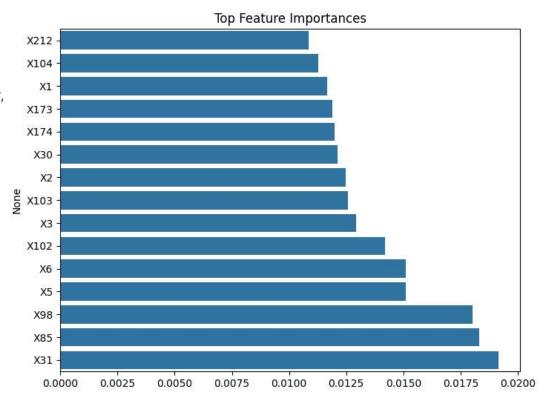
### Explanation of Metrics:

- The model performs reliably for non-churned customers, with high recall (0.90) and F1-score (0.93).
- Churned customers are harder to classify, with lower recall (0.49), but we improved results using SMOTE and class weighting.
- Overall, the model achieves a ROC-AUC of 0.965, showing decent class separation a good baseline for further tuning.

## **Key Model Insights**

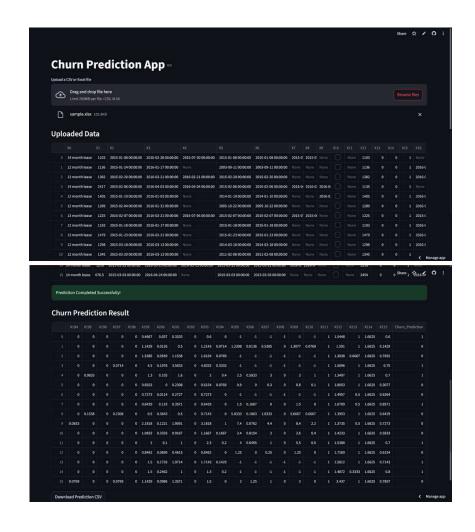
- Cleaned & Engineered Data Enabled Better Learning: Dropped irrelevant and sparse columns (e.g., UID, X16). Transformed date columns into year, month, day components, enriching the feature set.
- Model Performance Improved with SMOTE: Imbalanced classes (0 vs 1)

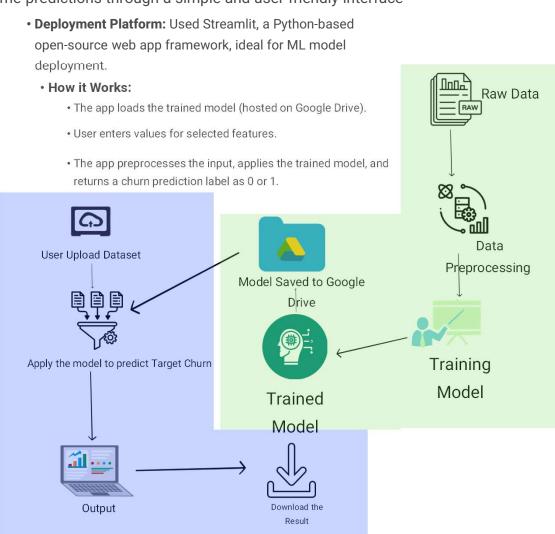
  addressed using SMOTE, creating synthetic churned examples. Helped to improve recall and F1-score for minority class.
- **Feature Importance:** Dropped irrelevant and sparse columns (e.g., UID, X16). Transformed date columns into year, month, day components, enriching the feature set.Top features: X31, X85, X98, X5, X6, and X102.



### **Model Deployment with Streamlit**

The churn prediction model was deployed using Streamlit, enabling real-time predictions through a simple and user-friendly interface





Thank You!