# LatentView Case Study - Naved

March 2, 2024

### 0.1 Installation of Requisite Libraries

7

8

9

10

Male

Male

Male

Male

0

0

0

No

No

Yes

No

6

7

8

```
[1]: #pip install openpyxl
     #pip install xgboost
[3]: import pandas as pd
     import numpy as np
     import matplotlib.pyplot as plt
     from sklearn.metrics import mean_squared_error, mean_absolute_percentage_error
     #from prophet import Prophet
     from sklearn.model_selection import GridSearchCV
     from sklearn.model_selection import train_test_split
     import xgboost as xgb
     import seaborn as sns
     from datetime import timedelta
    0.2 Data Import and Preliminary Examination
[4]: pd.set_option('display.float_format', '{:.2f}'.format)
[5]: df = pd.read_excel('/Users/alam_n/Documents/Python/
      ⇔Creators_case_study_sample_data.xlsx')
     df.head(10)
[5]:
        CID
                     Aged Hasaspouse Reliesuponsomeone
                                                         duration Youtube TV
               Male
                        0
                                                                34
                                                                          Yes
     0
          1
                                   No
                                                     No
               Male
                        0
                                                                2
     1
                                   No
                                                     No
                                                                          Yes
                                                                2
     2
             Female
                        0
                                   No
                                                     No
                                                                          Yes
     3
            Female
                        0
                                                                8
                                                                          Yes
                                  No
                                                     No
     4
          5
               Male
                        0
                                  No
                                                    Yes
                                                                22
                                                                          Yes
     5
          6 Female
                        0
                                  No
                                                     No
                                                                10
                                                                           No
```

Yes

No

No

No

62

16

58

49

Yes

Yes

Yes

Yes

```
Multiple Screens Music Service Hasmorethan3Playlists
0
                        Hulu Music
                 No
1
                 No
                        Hulu Music
                                                        Yes
2
                     Yotube Music
                                                         No
3
                Yes
                     Yotube Music
                                                         No
4
                Yes
                      Yotube Music
                                                         No
5
     No Youtube TV
                        Hulu Music
                                                        Yes
6
                 No
                        Hulu Music
                                                        Yes
7
                 Nο
                                Nο
                                         No music service
8
                Yes
                     Yotube Music
                     Yotube Music
9
                Yes
                                                         No
  Haslistenedtomorethan5audiobooks
                                             TechSupport
                                                            Listens Podcast
0
                                  Yes
                                                       No
                                                                          No
1
                                   No
                                                                          No
                                                       No
2
                                   No
                                                       No
                                                                          No
3
                                                                         Yes
                                  Yes
                                                       No
4
                                                                         Yes
                                   No
                                                       No
5
                                                                          No
                                   No
                                                       No
6
                                   No
7
                   No music service
                                       No music service
                                                           No music service
8
                                  Yes
                                                       No
                                                                         Yes
9
                                  Yes
                                                       No
                                                                         Yes
      Listens Music subscription type online invoice monthly invoice
0
                  No
                               One year
                                                       No
                                                                     56.95
                  No
                         Month-to-month
                                                                     53.85
1
                                                     Yes
2
                  No
                         Month-to-month
                                                     Yes
                                                                     70.70
3
                 Yes
                         Month-to-month
                                                     Yes
                                                                     99.65
4
                         Month-to-month
                                                                     89.10
                  No
                                                     Yes
5
                  No
                         Month-to-month
                                                      No
                                                                     29.75
6
                               One year
                                                      No
                                                                     56.15
                  No
7
                               Two year
                                                      No
                                                                     18.95
   No music service
                                                                    100.35
8
                 Yes
                               One year
                                                       No
9
                 Yes
                         Month-to-month
                                                     Yes
                                                                    103.70
                  At risk type of payment
   TotalCharges
0
        1889.50
                        No
                             courier check
                             courier check
1
         108.15
                       Yes
2
         151.65
                       Yes
                                     echeck
3
         820.50
                       Yes
                                     echeck
4
        1949.40
                        No
5
         301.90
                        No
                             courier check
                            online banking
6
        3487.95
                        No
7
         326.80
                        No
                                         СС
8
        5681.10
                        No
9
        5036.30
                       Yes
                            online banking
```

#### [10 rows x 21 columns]

75%

0.00

61.00

```
[6]: #dropping customer id (CID) field as it is just an index field and is not
      →required by the model
     df = df.drop('CID', axis = 1)
[7]: # Check the datatypes
     print(df.dtypes)
    Sex
                                           object
    Aged
                                            int64
    Hasaspouse
                                           object
                                           object
    Reliesuponsomeone
                                            int64
    duration
    Youtube TV
                                           object
    Multiple Screens
                                           object
    Music Service
                                           object
    Hasmorethan3Playlists
                                           object
    Followsmorethan5artists
                                           object
    Haslistenedtomorethan5audiobooks
                                           object
    TechSupport
                                           object
    Listens Podcast
                                           object
    Listens Music
                                           object
    subscription type
                                           object
    online invoice
                                           object
    monthly invoice
                                         float64
    TotalCharges
                                         float64
    At risk
                                          object
    type of payment
                                          object
    dtype: object
[8]: # Descriptive Statistics per class
     pd.set_option('display.expand_frame_repr', False)
     df_desc = pd.DataFrame(round(df.groupby("At risk").describe().stack(),2))
     df_desc
[8]:
                      Aged duration monthly invoice TotalCharges
     At risk
             count 3635.00
                              3635.00
                                               3635.00
                                                              3625.00
     No
                                37.68
                                                 61.33
             mean
                      0.12
                                                              2568.88
                      0.33
                                24.28
                                                 31.15
             std
                                                              2348.40
                      0.00
                                0.00
                                                 18.25
             min
                                                                18.80
             25%
                      0.00
                                15.00
                                                 25.00
                                                               592.65
                      0.00
             50%
                                38.00
                                                 64.85
                                                              1681.60
```

87.57

4308.25

```
72.00
                       1.00
                                                 118.65
                                                              8670.10
             max
     Yes
                                                1260.00
                                                               1260.00
             count 1260.00
                              1260.00
             mean
                      0.27
                                17.98
                                                  74.09
                                                               1532.40
                                                  25.03
             std
                      0.44
                                19.87
                                                               1916.79
                      0.00
                                 1.00
                                                  19.00
                                                                 19.10
             min
                      0.00
                                 2.00
             25%
                                                  55.35
                                                                115.00
             50%
                      0.00
                                 9.00
                                                  79.50
                                                                658.38
                       1.00
                                29.25
             75%
                                                  94.25
                                                              2337.02
                       1.00
                                72.00
                                                 118.35
                                                              8684.80
             max
[9]: #missing value check
     print(df.isnull().sum())
     missing_cols = pd.DataFrame(df.isnull().sum(), columns=[ 'NA_count'])
     #counting number of fields with NAs
     print('Number of fields with missing values:',len(missing_cols[missing_cols.
      →NA count>0]))
    Sex
                                           0
                                           0
    Aged
    Hasaspouse
                                           0
    Reliesuponsomeone
                                           0
    duration
                                           0
    Youtube TV
                                           0
    Multiple Screens
                                           0
    Music Service
                                           0
    Hasmorethan3Playlists
                                           0
    Followsmorethan5artists
                                           0
    Haslistenedtomorethan5audiobooks
                                           0
    TechSupport
                                           0
    Listens Podcast
                                           0
    Listens Music
                                           0
    subscription type
                                           0
    online invoice
                                           0
    monthly invoice
                                           0
    TotalCharges
                                          10
    At risk
                                           0
    type of payment
                                           0
    dtype: int64
    Number of fields with missing values: 1
```

```
[10]: df.shape
```

[10]: (4895, 20)

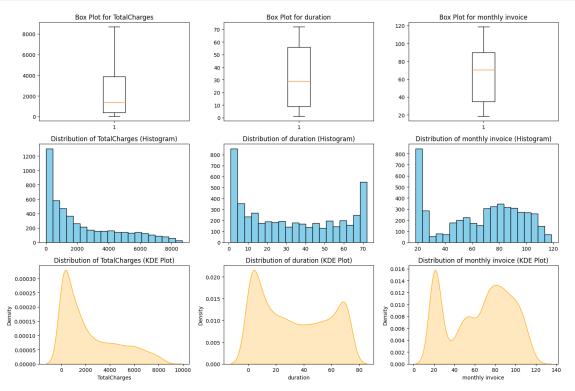
[11]: #Since we have 4895 rows, and only 10 rows have missing values for 1 field → (TotalCharges), we will drop those rows

```
df = df.dropna(subset = ['TotalCharges'])
```

#### 0.3 Distribution of Numerical Fields

```
[12]: import pandas as pd
      import matplotlib.pyplot as plt
      import seaborn as sns
      # Convert 'TotalCharges' to numeric from float
      df['TotalCharges'] = pd.to_numeric(df['TotalCharges'], errors='coerce')
      # Create a 3 by 3 grid of subplots
      fig, axs = plt.subplots(3, 3, figsize=(15, 10))
      axs = axs.flatten()
      # Plot box plots
      axs[0].boxplot(df['TotalCharges'].dropna())
      axs[1].boxplot(df['duration'])
      axs[2].boxplot(df['monthly invoice'])
      # Plot histograms
      axs[3].hist(df['TotalCharges'].dropna(), bins=20, color='skyblue', __
       ⇔edgecolor='black')
      axs[4].hist(df['duration'], bins=20, color='skyblue', edgecolor='black')
      axs[5].hist(df['monthly invoice'], bins=20, color='skyblue', edgecolor='black')
      # Plot KDE plots
      sns.kdeplot(df['TotalCharges'].dropna(), ax=axs[6], color='orange', fill=True)
      sns.kdeplot(df['duration'], ax=axs[7], color='orange', fill=True)
      sns.kdeplot(df['monthly invoice'], ax=axs[8], color='orange', fill=True)
      # Set titles for each subplot
      axs[0].set_title('Box Plot for TotalCharges')
      axs[1].set_title('Box Plot for duration')
      axs[2].set_title('Box Plot for monthly invoice')
      axs[3].set_title('Distribution of TotalCharges (Histogram)')
      axs[4].set_title('Distribution of duration (Histogram)')
      axs[5].set_title('Distribution of monthly invoice (Histogram)')
      axs[6].set_title('Distribution of TotalCharges (KDE Plot)')
      axs[7].set title('Distribution of duration (KDE Plot)')
      axs[8].set title('Distribution of monthly invoice (KDE Plot)')
      # Adjust to prevent clipping of titles
      plt.tight_layout()
```

# # Show the plots plt.show()



#### 0.3.1 Observations:

- 1. None of these numerical continuous fields follow a normal distribution.
- 2. TotalCharges follows an approximate log-normal pattern, whereas the others are normally distributed.
- 3. Let us observe the distributions for customers who are at risk.

#### 0.4 Risk vs Non Risk - Class Wise Distributions of Numerical Fields

```
[13]: #Separating all at risk and non risk customers so that we can check class wise_

distributions

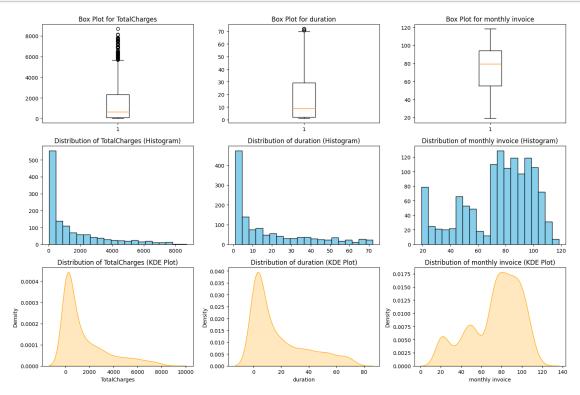
df_risk = df.loc[df['At risk'] == 'Yes']

df_norisk = df.loc[df['At risk'] == 'No']
```

#### 0.4.1 Distribution for At Risk customers

```
[14]: import warnings
      # Suppress all warnings
      warnings.filterwarnings("ignore")
      df_risk['TotalCharges'] = pd.to_numeric(df_risk['TotalCharges'],__
       ⇔errors='coerce')
      #3 by 3 grid of subplots
      fig, axs = plt.subplots(3, 3, figsize=(15, 10))
      axs = axs.flatten()
      # Plot box plots
      axs[0].boxplot(df_risk['TotalCharges'].dropna())
      axs[1].boxplot(df risk['duration'])
      axs[2].boxplot(df_risk['monthly invoice'])
      # Plot histograms
      axs[3].hist(df_risk['TotalCharges'].dropna(), bins=20, color='skyblue',__
       ⇔edgecolor='black')
      axs[4].hist(df_risk['duration'], bins=20, color='skyblue', edgecolor='black')
      axs[5].hist(df_risk['monthly invoice'], bins=20, color='skyblue', __
       ⇔edgecolor='black')
      # Plot KDE plots
      sns.kdeplot(df_risk['TotalCharges'].dropna(), ax=axs[6], color='orange', __
       ⇔fill=True)
      sns.kdeplot(df_risk['duration'], ax=axs[7], color='orange', fill=True)
      sns.kdeplot(df_risk['monthly invoice'], ax=axs[8], color='orange', fill=True)
      # titles for each subplot
      axs[0].set_title('Box Plot for TotalCharges')
      axs[1].set_title('Box Plot for duration')
      axs[2].set_title('Box Plot for monthly invoice')
      axs[3].set_title('Distribution of TotalCharges (Histogram)')
      axs[4].set_title('Distribution of duration (Histogram)')
      axs[5].set_title('Distribution of monthly invoice (Histogram)')
      axs[6].set_title('Distribution of TotalCharges (KDE Plot)')
      axs[7].set_title('Distribution of duration (KDE Plot)')
      axs[8].set_title('Distribution of monthly invoice (KDE Plot)')
      # Adjust to prevent clipping of titles
      plt.tight_layout()
```

# # Show the plots plt.show()



#### 0.4.2 Observations

- 1. When isolating at risk customers, the distributions change significantly.
- 2. Customers with total charges within the range 0-2000, duration within 0-20, and monthly invoice within 70-110 pose the maximum risk.
- 3. We observe that most at risk customers have total charges < 6000, even though we have some outliers above the 8000 band.

# 0.5 EDA of Categorical Fields

```
[16]: #separating categorical fields
cat_feat = ['Sex', 'Hasaspouse', 'Reliesuponsomeone', 'Youtube TV', 'Multiple

Screens',

'Music Service', 'Hasmorethan3Playlists',

'Followsmorethan5artists', 'Haslistenedtomorethan5audiobooks',

'TechSupport', 'Listens Podcast', 'Listens Music', 'subscription

stype', 'online invoice',

'type of payment']
```

```
import seaborn as sns
import matplotlib.pyplot as plt

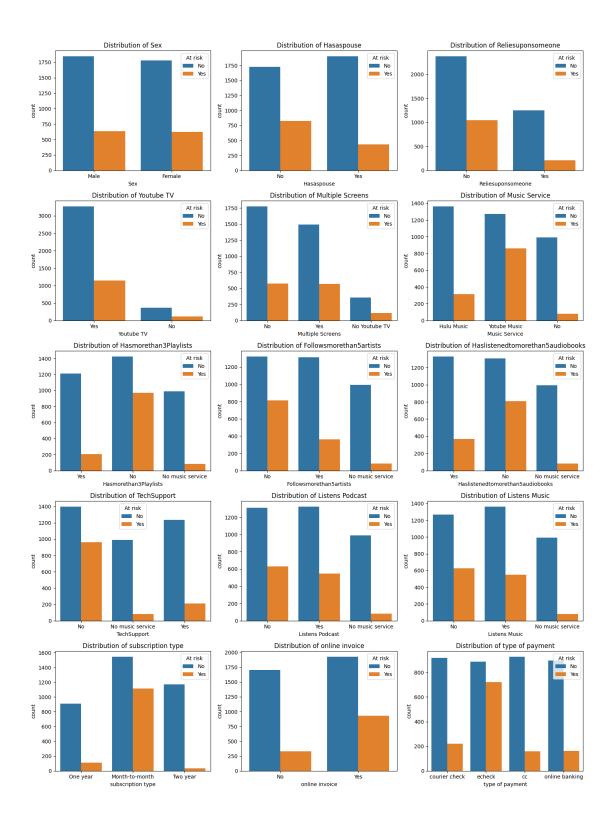
fig, axs = plt.subplots(5, 3, figsize=(15, 20))

# Flatten the axs array to simplify indexing
axs = axs.flatten()

for i, feature in enumerate(cat_feat):
    sns.countplot(x=feature, hue='At risk', data=df, ax=axs[i])
    axs[i].set_title(f'Distribution of {feature}')

plt.tight_layout()

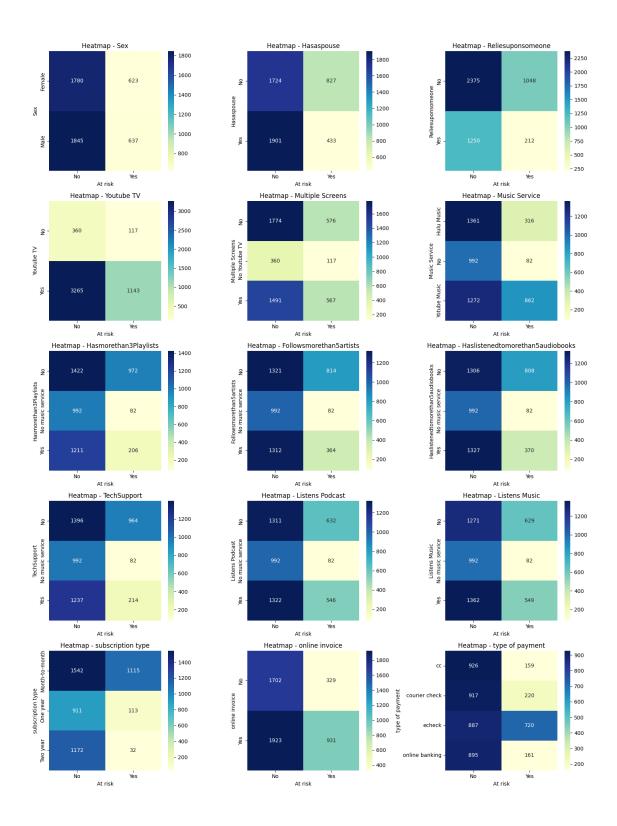
plt.show()
```



#### 0.5.1 Observations

1. No observed differentiation in terms of sex.

- 2. For music service, a stark difference is observed for YouTube Music, as availers of this service demonstrate a significantly higher level of risk.
- 3. Customers with less than 3 playlists, and customers who have listened to less than 5 podcasts also demonstrate a very similar pattern as they demonstrate a significantly higher level of risk.
- 4. Customers who don't opt for tech support are at a high risk level.
- 5. Customers who opt for month to month subscription types are at a high risk level.
- 6. Customers who opt for 'echeck' as their preferred mode of payment are at a high risk level.



#### 0.5.2 Observations

The heat maps mirror the observations from our bar charts, but where the bar charts give us a a visual measure, the heat maps provide a more quantitative view.

## 0.6 Feature Engineering

#### 0.6.1 Encoding target variable

```
[19]: #Encoding target variable 'At risk' with 0 or 1

df['At risk'] = df['At risk'].replace({'Yes':1, 'No':0})
```

```
[20]: # Find index of 'At risk' column
idx=df.columns.get_loc('At risk')

# Move the 'At risk' column to the end of the DataFrame
cols = list(df.columns)
cols.append(cols.pop(idx))
df = df[cols]

df.head()
```

[20]: Sex Aged Hasaspouse Reliesuponsomeone duration Youtube TV Multiple Screens Music Service Hasmorethan3Playlists Followsmorethan5artists
Haslistenedtomorethan5audiobooks TechSupport Listens Podcast Listens Music subscription type online invoice monthly invoice TotalCharges type of payment At risk

0 Male	0	No	No	34	Yes	
No Hulu	Music	Y	es		No	
Yes	No	No	No	On	e year	No
56.95	1889.50	courier check	0			
1 Male	0	No	No	2	Yes	
No Hulu	Music	Y	es		Yes	
No	No	No	No	Month-to-	month	Yes
53.85	108.15	courier check	1			
2 Female	0	No	No	2	Yes	
No Yotube	Music		No		No	
No	No	No	No	Month-to-	month	Yes
70.70	151.65	echeck	1			
3 Female	0	No	No	8	Yes	
Yes Yotub	e Music		No		No	
Yes	No	Yes	Yes	Month-to	-month	Yes
99.65	820.50	echeck	1			
4 Male	0	No	Yes	22	Yes	
Yes Yotub	e Music		No		Yes	
No	No	Yes	No	Month-to-	month	Yes
89.10	1949.40	СС	0			

#### [21]: df.head()

89.10

1949.40

[21]: Sex Aged Hasaspouse Reliesuponsomeone duration Youtube TV Multiple Screens Music Service Hasmorethan3Playlists Followsmorethan5artists Haslistenedtomorethan5audiobooks TechSupport Listens Podcast Listens Music subscription type online invoice monthly invoice TotalCharges type of payment At risk 0 Male 0 No 34 Yes No No Hulu Music Yes No Yes No No One year No 56.95 1889.50 courier check 0 1 Male No No 2 Yes Hulu Music Yes Yes Nο Month-to-month No No No No Yes 53.85 108.15 courier check 1 2 2 Female 0 No No Yes No Yotube Music No No No No No Month-to-month Yes 70.70 151.65 echeck 1 3 Female 8 Yes No No Yes Yotube Music Nο No Yes Nο Yes Yes Month-to-month Yes 99.65 820.50 echeck 1 22 Male No Yes Yes Yes Yotube Music No Yes No Yes No Month-to-month Yes

[22]: #creating a duplicate master df

df\_master = df

СС

0

#### 0.6.2 Train-Test Split before Encoding and Normalization to prevent Leakage

```
print("Train set size: ", len(df_train))
print("Test set size: ", len(df_test))
print("Validation set size: ", len(df_valid))
```

Train set size: 3419
Test set size: 733

Validation set size: 733

#### 0.6.3 Encoding nominal categorial variables

We will perform target encoding of the nominal categorical variables based on the value of target variable. For this, we will define a function first.

```
[25]: #Train set

#target encoding of all categorical fields
for col in cat_feat:
    df_train = target_encoding(df_train, col, 'At risk')

df_train = df_train.drop('At risk', axis = 1)
    df_train.head()
```

[25]: Sex Aged Hasaspouse Reliesuponsomeone duration Youtube TV Multiple Screens Music Service Hasmorethan3Playlists Followsmorethan5artists Haslistenedtomorethan5audiobooks TechSupport Listens Podcast Listens Music subscription type online invoice monthly invoice TotalCharges type of payment

2668 0.25	1	0.19	0.30	25	0.26
0.28	0.41		0.15		0.38
0.37	0.40	0.31	0.29		0.11
0.32	89.05	2177.45	0.4	5	
2542 0.25	0	0.19	0.14	71	0.26
0.28	0.08		0.08		0.08
0.08	0.08	0.08	0.08		0.03
0.16	25.35	1847.55	0.1	5	
4313 0.25	0	0.32	0.30	29	0.24
0.24	0.18		0.40		0.38
0.37	0.40	0.31	0.33		0.11

```
0.32
                24.85
                             788.05
                                                 0.18
1076 0.25
              0
                       0.32
                                           0.30
                                                       30
                                                                  0.26
0.23
                                       0.40
                                                                 0.38
               0.41
0.37
                                                                  0.41
             0.40
                               0.30
                                              0.29
0.32
                90.25
                             2755.35
                                                 0.45
2748 0.26
              0
                       0.32
                                           0.30
                                                        9
                                                                  0.24
0.24
                                                                 0.38
               0.18
                                       0.15
0.22
             0.16
                               0.30
                                              0.29
                                                                  0.41
0.16
                             539.85
                58.50
                                                 0.18
```

```
#Test set

#target encoding of all categorical fields
for col in cat_feat:
    df_test = target_encoding(df_test, col, 'At risk')

df_test = df_test.drop('At risk', axis = 1)
    df_test.head()
```

[26]: Sex Aged Hasaspouse Reliesuponsomeone duration Youtube TV Multiple Screens Music Service Hasmorethan3Playlists Followsmorethan5artists Haslistenedtomorethan5audiobooks TechSupport Listens Podcast Listens Music subscription type online invoice monthly invoice TotalCharges type of payment

1 0						
2957 0.27	0	0.16	0.11	68	0.26	
0.27	0.38		0.14		0.21	
0.15			0.29		0.01	
0.34	110.20	7467.50	0.46			
1962 0.26	0	0.36	0.33	66	0.26	
0.25	0.21		0.14		0.21	
0.15	0.43	0.35	0.33		0.01	
0.34	61.15	4017.45	0.16			
1188 0.27	0	0.16	0.11	35	0.26	
0.27	0.38		0.40		0.21	
0.42	0.43	0.27	0.33		0.44	
0.34	89.65	3161.60	0.16			
3228 0.27	0	0.36	0.33	2	0.26	
0.25	0.38		0.40		0.40	
0.42	0.43	0.35	0.33		0.44	
0.34	70.30	144.00	0.46			
596 0.26	0	0.16	0.33	56	0.26	
0.25	0.38		0.14		0.21	
0.15	0.43	0.27	0.29		0.10	
0.34	105.60	6068.65	0.13			

[27]: #Validation set

```
#target encoding of all categorical fields
for col in cat_feat:
   df_valid = target_encoding(df_valid, col, 'At risk')

df_valid = df_valid.drop('At risk', axis = 1)
   df_valid.head()
```

[27]: Sex Aged Hasaspouse Reliesuponsomeone duration Youtube TV Multiple Screens Music Service Hasmorethan3Playlists Followsmorethan5artists Haslistenedtomorethan5audiobooks TechSupport Listens Podcast Listens Music subscription type online invoice monthly invoice TotalCharges type of payment

1 3						
156 0.24	0	0.33	0.31	72	0.27	
0.29	0.08		0.08		0.08	
0.08	0.08	0.08	0.08		0.03	
0.17	20.25	1566.90	0.15			
2623 0.29	0	0.20	0.31	72	0.27	
0.25	0.41		0.14		0.38	
0.26	0.14	0.27	0.28		0.03	
			0.15			
748 0.24	0	0.33	0.31	50	0.27	
0.25	0.20		0.14		0.38	
			0.28		0.11	
0.33	82.50	4179.10	0.15			
499 0.24	0	0.20	0.18	72	0.27	
0.25	0.41		0.14		0.24	
0.37	0.14	0.36	0.35		0.03	
			0.15			
4214 0.24	0	0.33	0.18	12	0.27	
0.29	0.20		0.42		0.38	
0.37	0.43	0.36	0.35		0.43	
0.33	44.55	480.60	0.44			

#### 0.6.4 Normalization (min-max scaling) of continuous numerical fields

Observing the distribution of the 3 continuous numerical fields - TotalCharges, duration and monthly invoice, we find none of them resemble a Gaussian distribution. In such cases, normalisation does a better job than standardisation, so we will normalise these fields. Also, normalisation is more sensitive to outliers and preserves the shape of the original distribution.

```
[28]: from sklearn.preprocessing import MinMaxScaler

# Initialize the MinMaxScaler
scaler = MinMaxScaler()

# List of columns to be scaled
columns_to_scale = ['TotalCharges', 'duration', 'monthly invoice']
```

```
# Fit and transform the training dataset

df_train[columns_to_scale] = scaler.fit_transform(df_train[columns_to_scale])

# Transform the test dataset using the scaler fitted on the training dataset

df_test[columns_to_scale] = scaler.transform(df_test[columns_to_scale])

# Transform the validation dataset using the scaler fitted on the training_u
dataset

df_valid[columns_to_scale] = scaler.transform(df_valid[columns_to_scale])
```

df\_valid.head()

#### 0.7 Building the Models

We will use two approaches. We will first use a random forest classifier, as the dataset is not very large and RF classifiers work better with smaller sets. As an alternative approach, we will use a deep learning model (using neural networks) and compare the performance. These models work better with larget datasets as the model gets to learn more, so it will be interesting to see how it performs for a smaller dataset.

#### 0.7.1 First Approach - Random Forest Classifier

```
[71]: from sklearn.model selection import train test split
      from sklearn.ensemble import RandomForestClassifier
      from sklearn.metrics import accuracy_score
      # Create a Random Forest Classifier
      rf_classifier = RandomForestClassifier(n_estimators=100, random_state=42)
      # Train the classifier on the training data
      rf_classifier.fit(df_train, df_train_target)
      # Make predictions on the testing data
      y_pred = rf_classifier.predict(df_test)
      # Calculate the accuracy of the classifier
      accuracy = accuracy_score(df_test_target, y_pred)
      print("Accuracy:", accuracy)
      # Calculate F1 score
      f1 = f1_score(df_test_target, y_pred, average='weighted')
      print("F1 Score:", f1)
      # Calculate precision
      precision = precision_score(df_test_target, y_pred, average='weighted')
      print("Precision:", precision)
      # Calculate recall
```

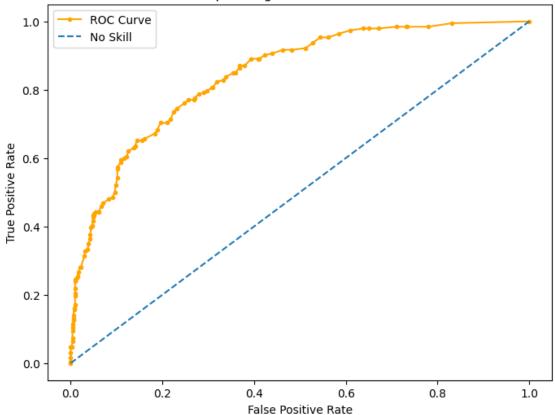
```
recall = recall_score(df_test_target, y_pred, average='weighted')
print("Recall:", recall)

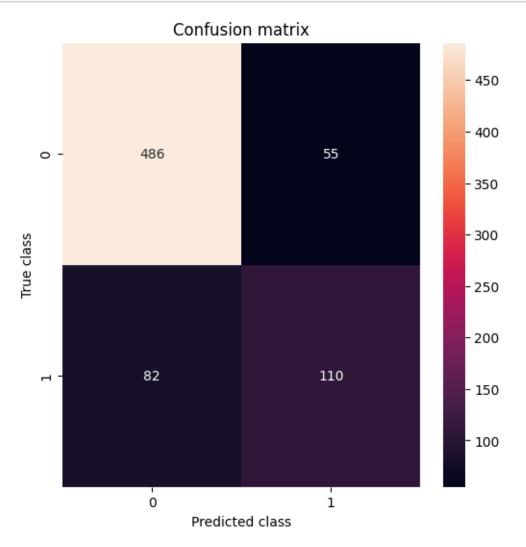
# Calculate ROC curve
y_probs = rf_classifier.predict_proba(df_test)
fpr, tpr, thresholds = roc_curve(df_test_target, y_probs[:, 1])

# Plot ROC curve
plt.figure(figsize=(8, 6))
plt.plot(fpr, tpr, marker='.', label='ROC Curve', color = 'orange')
plt.plot([0,1], [0,1], linestyle='--', label='No Skill')
plt.xlabel('False Positive Rate')
plt.ylabel('True Positive Rate')
plt.title('Receiver Operating Characteristic (ROC) Curve')
plt.legend()
plt.show()
```

Accuracy: 0.8130968622100955 F1 Score: 0.8083042924918922 Precision: 0.8061362719289819 Recall: 0.8130968622100955

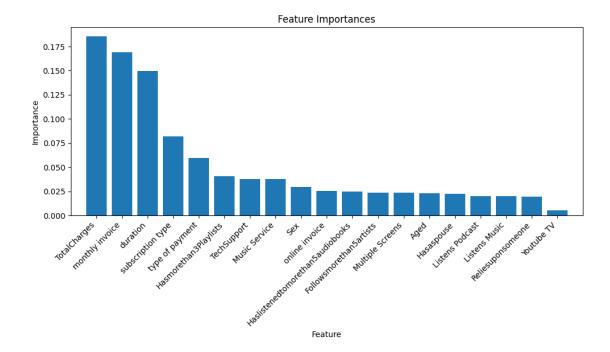
# Receiver Operating Characteristic (ROC) Curve





### 0.7.2 Feature Importance - Random Forest Model

```
[55]: # Import necessary libraries
      import numpy as np
      import matplotlib.pyplot as plt
      # Extract feature importances
      importances = rf_classifier.feature_importances_
      # Get the indices of features sorted by importance
      indices = np.argsort(importances)[::-1]
      # Rearrange feature names based on importance
      feature_names = df_train.columns
      # Plot the feature importances
      plt.figure(figsize=(10, 6))
      plt.title("Feature Importances")
      plt.bar(range(df_train.shape[1]), importances[indices], align="center")
      plt.xticks(range(df_train.shape[1]), [feature_names[i] for i in indices],__
       ⇔rotation=45, ha='right')
      plt.xlim([-1, df_train.shape[1]])
      plt.xlabel("Feature")
      plt.ylabel("Importance")
      plt.tight_layout()
      plt.show()
```



Analysis of the features reveals that in terms of importance - TotalCharges, monthly invoice and duration are the 3 most important features. This is in line with our EDA effort where we observed that distributions for these 3 variables differed significantly for the At Risk vs Non risk classes.

#### 0.7.3 Second Approach - Neural Network Classifier

We will build a sequential neural network classifier, where layers can be added one by one in a linear stack.

Points to note: 1. Input layer - Dense (fully connected) layer with 100 units, using the ReLU (Rectified Linear Unit) activation function. The input\_shape parameter is set to (input\_dim), where input\_dim is the number of features in the input data. 2. First dropout layer - Dropout rate of 0.2. Dropout is a regularization technique that helps prevent overfitting by randomly setting a fraction of input units to 0 at each update during training. 3. Hidden layer - Another dense layer with 20 units and ReLU activation. 4. Second dropout layer - Another dropout layer with a dropout rate of 0.2. 5. Output layer - Single unit with sigmoid activation function. This is suitable for binary classification tasks, where the output represents the probability of the positive (At risk = Yes) class. 6. We will employ the 'adam' optimizer function, and for the loss function we will use 'binary\_crossentropy'.

```
[30]: #pip install tensorflow
import tensorflow as tf

[73]: nb_epoch = 80
batch_size = 256
input_dim = df_train.shape[1] #num of predictor variables
learning_rate = 0.0001
```

```
#Initialising Model
model = tf.keras.models.Sequential()
model.add(tf.keras.layers.Dense(100, input_shape=(input_dim,),_
 ⇔activation='relu'))
model.add(tf.keras.layers.Dropout(0.2))
model.add(tf.keras.layers.Dense(units=20,activation="relu"))
model.add(tf.keras.layers.Dropout(0.2))
#Adding Output Layer
model.add(tf.keras.layers.Dense(units=1,activation="sigmoid"))
#Compiling Model
model.compile(optimizer=tf.keras.optimizers.
 Adam(learning_rate=learning_rate), loss="binary_crossentropy", metrics=[tf.
 ⇔keras.metrics.Recall()])
# model.compile(optimizer=keras.optimizers.
 →Adam(learning_rate=learning_rate), loss=weighted_binary_crossentropy, metrics_
 ⇒= ['accuracy'])
class_weight = {0:1.,1:5.}
#Fitting Model
model.fit(df_train, df_train_target,
                    epochs=nb_epoch,
                    batch_size=batch_size,
                    shuffle=True,
                    class_weight = class_weight,
                    validation_data=(df_valid, df_valid_target)
          )
```

WARNING:absl:At this time, the v2.11+ optimizer `tf.keras.optimizers.Adam` runs slowly on M1/M2 Macs, please use the legacy Keras optimizer instead, located at `tf.keras.optimizers.legacy.Adam`.

```
0.9954 - val_loss: 0.7898 - val_recall_3: 1.0000
Epoch 6/80
1.0000 - val_loss: 0.7929 - val_recall_3: 1.0000
Epoch 7/80
0.9966 - val_loss: 0.7953 - val_recall_3: 1.0000
Epoch 8/80
0.9920 - val_loss: 0.7964 - val_recall_3: 1.0000
Epoch 9/80
0.9931 - val_loss: 0.7954 - val_recall_3: 1.0000
Epoch 10/80
0.9977 - val_loss: 0.7936 - val_recall_3: 1.0000
Epoch 11/80
0.9966 - val_loss: 0.7913 - val_recall_3: 1.0000
Epoch 12/80
0.9908 - val_loss: 0.7840 - val_recall_3: 0.9898
Epoch 13/80
0.9931 - val_loss: 0.7815 - val_recall_3: 0.9847
Epoch 14/80
0.9862 - val_loss: 0.7752 - val_recall_3: 0.9847
Epoch 15/80
0.9828 - val_loss: 0.7660 - val_recall_3: 0.9847
Epoch 16/80
0.9771 - val_loss: 0.7622 - val_recall_3: 0.9745
Epoch 17/80
0.9736 - val_loss: 0.7561 - val_recall_3: 0.9745
Epoch 18/80
0.9667 - val_loss: 0.7515 - val_recall_3: 0.9694
Epoch 19/80
0.9587 - val_loss: 0.7467 - val_recall_3: 0.9694
Epoch 20/80
0.9576 - val_loss: 0.7425 - val_recall_3: 0.9592
Epoch 21/80
```

```
0.9599 - val_loss: 0.7349 - val_recall_3: 0.9541
Epoch 22/80
0.9461 - val_loss: 0.7271 - val_recall_3: 0.9541
Epoch 23/80
0.9404 - val_loss: 0.7241 - val_recall_3: 0.9490
Epoch 24/80
0.9381 - val_loss: 0.7205 - val_recall_3: 0.9490
Epoch 25/80
0.9404 - val_loss: 0.7138 - val_recall_3: 0.9439
Epoch 26/80
0.9323 - val_loss: 0.7042 - val_recall_3: 0.9439
Epoch 27/80
0.9128 - val_loss: 0.7052 - val_recall_3: 0.9439
Epoch 28/80
0.9312 - val_loss: 0.7048 - val_recall_3: 0.9388
Epoch 29/80
0.9048 - val_loss: 0.6980 - val_recall_3: 0.9388
Epoch 30/80
0.9151 - val_loss: 0.7012 - val_recall_3: 0.9388
Epoch 31/80
0.9151 - val_loss: 0.6942 - val_recall_3: 0.9388
Epoch 32/80
0.9060 - val_loss: 0.6846 - val_recall_3: 0.9286
Epoch 33/80
0.9106 - val_loss: 0.6886 - val_recall_3: 0.9337
Epoch 34/80
0.9025 - val_loss: 0.6815 - val_recall_3: 0.9286
Epoch 35/80
0.8945 - val_loss: 0.6831 - val_recall_3: 0.9286
Epoch 36/80
0.9083 - val_loss: 0.6817 - val_recall_3: 0.9235
Epoch 37/80
```

```
0.8956 - val_loss: 0.6824 - val_recall_3: 0.9235
Epoch 38/80
0.9025 - val_loss: 0.6714 - val_recall_3: 0.9184
Epoch 39/80
0.9025 - val_loss: 0.6780 - val_recall_3: 0.9184
Epoch 40/80
0.9002 - val_loss: 0.6726 - val_recall_3: 0.9133
Epoch 41/80
0.8945 - val_loss: 0.6695 - val_recall_3: 0.9133
Epoch 42/80
0.8876 - val_loss: 0.6667 - val_recall_3: 0.9133
Epoch 43/80
0.8922 - val_loss: 0.6653 - val_recall_3: 0.9133
Epoch 44/80
0.8933 - val_loss: 0.6611 - val_recall_3: 0.9133
Epoch 45/80
0.8876 - val_loss: 0.6608 - val_recall_3: 0.9133
Epoch 46/80
0.8853 - val_loss: 0.6681 - val_recall_3: 0.9133
0.8842 - val_loss: 0.6639 - val_recall_3: 0.9133
Epoch 48/80
0.8819 - val_loss: 0.6647 - val_recall_3: 0.9133
Epoch 49/80
0.8761 - val_loss: 0.6608 - val_recall_3: 0.9133
Epoch 50/80
0.8773 - val_loss: 0.6663 - val_recall_3: 0.9133
Epoch 51/80
0.8888 - val_loss: 0.6578 - val_recall_3: 0.9133
Epoch 52/80
0.8773 - val_loss: 0.6572 - val_recall_3: 0.9082
Epoch 53/80
```

```
0.8853 - val_loss: 0.6543 - val_recall_3: 0.9082
Epoch 54/80
0.8761 - val_loss: 0.6515 - val_recall_3: 0.9082
Epoch 55/80
0.8888 - val_loss: 0.6532 - val_recall_3: 0.9082
Epoch 56/80
0.8784 - val_loss: 0.6496 - val_recall_3: 0.9082
Epoch 57/80
0.8761 - val_loss: 0.6540 - val_recall_3: 0.9082
Epoch 58/80
0.8819 - val_loss: 0.6524 - val_recall_3: 0.9082
Epoch 59/80
0.8876 - val_loss: 0.6537 - val_recall_3: 0.9082
Epoch 60/80
0.8681 - val_loss: 0.6548 - val_recall_3: 0.9082
Epoch 61/80
0.8830 - val_loss: 0.6482 - val_recall_3: 0.9082
Epoch 62/80
0.8681 - val_loss: 0.6453 - val_recall_3: 0.9082
0.8773 - val_loss: 0.6431 - val_recall_3: 0.9031
Epoch 64/80
0.8681 - val_loss: 0.6481 - val_recall_3: 0.9082
Epoch 65/80
0.8727 - val_loss: 0.6493 - val_recall_3: 0.9082
Epoch 66/80
0.8876 - val_loss: 0.6454 - val_recall_3: 0.9031
Epoch 67/80
0.8658 - val_loss: 0.6408 - val_recall_3: 0.9031
Epoch 68/80
0.8819 - val_loss: 0.6414 - val_recall_3: 0.9031
Epoch 69/80
```

```
0.8739 - val_loss: 0.6400 - val_recall_3: 0.8980
Epoch 70/80
0.8761 - val_loss: 0.6487 - val_recall_3: 0.9031
Epoch 71/80
0.8784 - val_loss: 0.6480 - val_recall_3: 0.9031
Epoch 72/80
0.8716 - val_loss: 0.6504 - val_recall_3: 0.9082
Epoch 73/80
0.8750 - val_loss: 0.6368 - val_recall_3: 0.8980
Epoch 74/80
0.8750 - val_loss: 0.6373 - val_recall_3: 0.8980
Epoch 75/80
0.8693 - val_loss: 0.6372 - val_recall_3: 0.8980
Epoch 76/80
0.8761 - val_loss: 0.6404 - val_recall_3: 0.8980
Epoch 77/80
0.8796 - val_loss: 0.6428 - val_recall_3: 0.8980
Epoch 78/80
0.8899 - val_loss: 0.6374 - val_recall_3: 0.8980
0.8716 - val_loss: 0.6400 - val_recall_3: 0.8980
Epoch 80/80
0.8624 - val_loss: 0.6354 - val_recall_3: 0.8980
```

[73]: <keras.src.callbacks.History at 0x2c3e925f0>

#### 0.7.4 ROC Curve

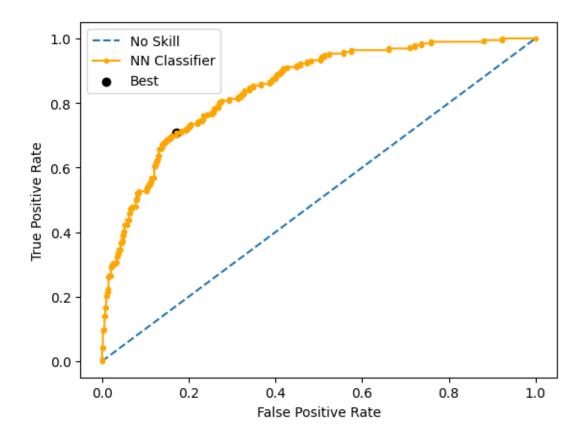
```
[74]: from numpy import argmax
from numpy import sqrt
from sklearn.metrics import roc_curve

test_x_predictions = model.predict(df_test)

# calculate roc curves
fpr, tpr, thresholds = roc_curve(df_test_target, test_x_predictions)
# calculate the g-mean for each threshold
```

```
gmeans = sqrt(tpr * (1-fpr))
# locate the index of the largest g-mean
ix = argmax(gmeans)
print('Best Threshold=%f, G-Mean=%.3f' % (thresholds[ix], gmeans[ix]))
# plot the roc curve for the model
plt.plot([0,1], [0,1], linestyle='--', label='No Skill')
plt.plot(fpr, tpr, marker='.', label='NN Classifier', color = 'orange')
plt.scatter(fpr[ix], tpr[ix], marker='o', color='black', label='Best')
# axis labels
plt.xlabel('False Positive Rate')
plt.ylabel('True Positive Rate')
plt.legend()
# show the plot
plt.show()
```

23/23 [===========] - 0s 433us/step Best Threshold=0.762541, G-Mean=0.766



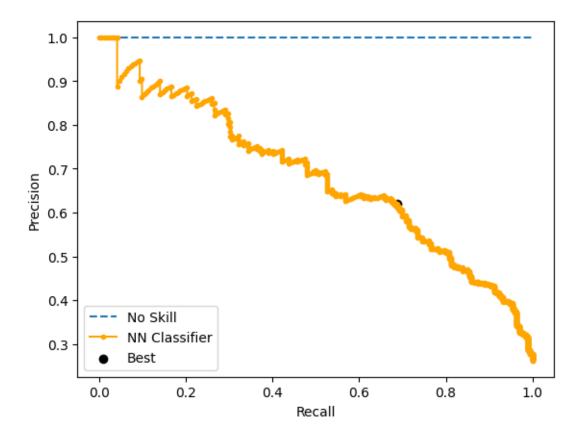
Here we calculate the ROC curve and identify the threshold that maximizes the geometric mean (G-mean) of sensitivity and specificity. Then the ROC curve is plotted, marking the operating point associated with the best G-mean. The black dot on the ROC curve represents the point corresponding to the best threshold.

Sensitivity= True Positives/(True Positives + False Negatives) || Specificity= True Negatives/(True Negatives + False Positives)

#### 0.7.5 Precision-Recall Curve

```
[75]: from sklearn.metrics import precision_recall_curve
      test_x_predictions = model.predict(df_test)
      # calculate pr curve
      precision, recall, thresholds = precision_recall_curve(df_test_target,_
       →test_x_predictions)
      # convert to f score
      fscore = (2 * precision * recall) / (precision + recall)
      # locate the index of the largest f score
      ix = argmax(fscore)
      print('Best Threshold=%f, F-Score=%.3f' % (thresholds[ix], fscore[ix]))
      # plot the roc curve for the model
      no_skill = len(df_test_target[df_test_target==1]) / len(df_test_target)
      plt.plot([0,1], [no_skill,no_skill], linestyle='--', label='No Skill')
      plt.plot(recall, precision, marker='.', label='NN Classifier', color = 'orange')
      plt.scatter(recall[ix], precision[ix], marker='o', color='black', label='Best')
      # axis labels
      plt.xlabel('Recall')
      plt.ylabel('Precision')
      plt.legend()
      # show the plot
     plt.show()
```

23/23 [============ ] - Os 608us/step Best Threshold=0.794167, F-Score=0.652



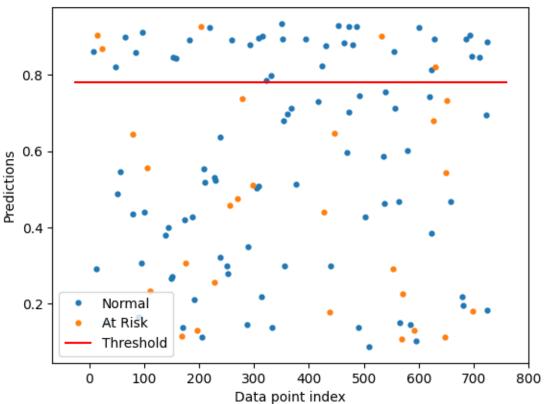
Here we calculate the Precision-Recall curve and identify the threshold that maximizes the F-score. Then we plot the Precision-Recall curve, marking the operating point associated with the best F-score. The black dot on the PR curve represents the point corresponding to the best threshold.

#### 0.7.6 Predictions

```
ax.legend()
plt.title("Scatter Plot of Predictions")
plt.ylabel("Predictions")
plt.xlabel("Data point index")
plt.show();
```

23/23 [========= ] - Os 535us/step

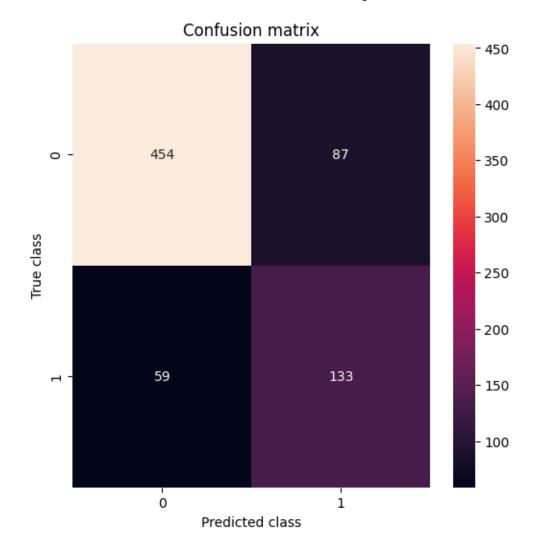
# Scatter Plot of Predictions



```
plt.title("Confusion matrix")
plt.ylabel('True class')
plt.xlabel('Predicted class')
plt.show()

print('F1 score:', f1_score(df_test_target, pred_y))
print('Recall:', recall_score(df_test_target, pred_y))
print('Accuracy:', accuracy_score(df_test_target, pred_y))
print('Precision:', precision_score(df_test_target, pred_y))
```

23/23 [========= ] - Os 546us/step



F1 score: 0.645631067961165 Recall: 0.6927083333333334 Accuracy: 0.800818553888131 Precision: 0.6045454545454545

#### 0.7.7 Observations

As expected, the random forest classifier outperforms the neural network classifier mainly because of the relatively small size of the dataset. With larger datasets, we can expect a different result.

# 0.7.8 Assessing Feature Importance of a Deep Learning Model using LIME (Local Interpretable Model Agnostic Explanation)

```
[36]: #pip install lime
      import lime
      from lime import lime_tabular
[116]: explainer = lime_tabular.LimeTabularExplainer(
          training_data=np.array(df_train),
          feature_names=df_train.columns,
          class_names=['No Risk', 'At Risk'],
          categorical features=list([0,2,3,5,6,7,8,9,10,11,12,13,14,15,18]),
          mode='classification'
[92]: def prob(data):
        preds = model.predict(data)
        preds_p = np.ravel(preds)
        preds n = 1-preds
        preds_n = np.ravel(preds_n)
        return np.array(list(zip(preds_n,preds_p)))
[80]: df_test.head()
[80]:
            Sex Aged Hasaspouse Reliesuponsomeone duration Youtube TV Multiple
      Screens Music Service Hasmorethan3Playlists Followsmorethan5artists
      Haslistenedtomorethan5audiobooks TechSupport Listens Podcast Listens Music
      subscription type online invoice monthly invoice TotalCharges type of
      payment
```

2957 0.27	0	0.16		0.11	0.94	0.26
0.27	0.38			0.14		0.21
0.15	0.43		0.27	0.2	9	0.01
0.34	0.92		0.86		0.46	
1962 0.26	0	0.36		0.33	0.92	0.26
0.25	0.21			0.14		0.21
0.15	0.43		0.35	0.3	3	0.01
0.34	0.43		0.46		0.16	
1188 0.27	0	0.16		0.11	0.48	0.26
0.27	0.38			0.40		0.21
0.42	0.43		0.27	0.3	3	0.44
0.34	0.71		0.36		0.16	
3228 0.27	0	0.36		0.33	0.01	0.26
0.25	0.38			0.40		0.40

```
0.42
             0.43
                               0.35
                                               0.33
                                                                  0.44
0.34
                 0.52
                                0.01
                                                  0.46
596 0.26
                                           0.33
                       0.16
                                                                  0.26
              0
                                                      0.77
0.25
               0.38
                                       0.14
                                                                 0.21
0.15
             0.43
                               0.27
                                               0.29
                                                                  0.10
0.34
                 0.87
                                0.70
                                                  0.13
```

```
[121]: exp = explainer.explain_instance(
    data_row=df_test.iloc[9],
    predict_fn=prob
)

exp.show_in_notebook(show_table=True, show_all=False)
```

157/157 [=========== ] - Os 621us/step

<IPython.core.display.HTML object>

```
[122]: with plt.style.context("ggplot"):
        exp.as_pyplot_figure()
```

