Telco Data Analysis

Group 20 Project 1

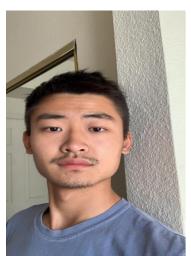
Meet the Team



Matthew Hodde



Katie Maurer



Song Gao



Madeline Frasca



Cherie Anderson

Agenda

- Executive Summary
- Data Cleaning
- Exploratory Data Analysis
- Splitting & Standardization of the Data
- Technical Analysis of Data Classification Models
- Best Model & Conclusion

Executive Summary

• Description:

As Telco is trying to keep their old customers while gaining new ones, they want to look at the churn rates (cancellation rates) and identify factors causing customers to leave to fix it.

Goals:

Ability to predict when a customer might leave to go the extra mile to ensure they change their minds

Data Cleaning Process

<u>Purpose:</u> Transform Data to remove errors, inconsistencies, and be usable

Data Cleaning Summarized

- Missing values
- Outlier detection & removal
- Categorical value to numerical
- Eliminated customer ID column (Irrelevant to outcome)
- Created dummy variables



Data Cleaning Code

	customerID	gender	SeniorCitizen	Partner	Dependents	tenure	PhoneService	MultipleLines	InternetService	OnlineSecurity		DeviceProtection	TechSupport	StreamingTV	StreamingMovies	Contract
)	7590- VHVEG	Female	0	Yes	No	1	No	No phone service	DSL	No		No	No	No	No	Month-to- month
	5575- GNVDE	Male	0	No	No	34	Yes	No	DSL	Yes		Yes	No	No	No	One year
	3668- QPYBK	Male	0	No	No	2	Yes	No	DSL	Yes		No	No	No	No	Month-to month
	7795- CFOCW	Male	0	No	No	45	No	No phone service	DSL	Yes	1250	Yes	Yes	No	No	One yea
	9237-HQITU	Female	0	No	No	2	Yes	No	Fiber optic	No	***	No	No	No	No	Month-to-

5 rows x 21 columns

Found:

- Shape
- Columns
- Dtypes
- Any Missing Values

#Determine the types of data data.dtypes

customerID	object
gender	object
SeniorCitizen	int64
Partner	object
Dependents	object
tenure	int64
PhoneService	object
MultipleLines	object
InternetService	object
OnlineSecurity	object
OnlineBackup	object
DeviceProtection	object
TechSupport	object
StreamingTV	object
StreamingMovies	object
Contract	object
PaperlessBilling	object
PaymentMethod	object
MonthlyCharges	float64
TotalCharges	object
Churn	object
dtype: object	

Cont.

All "object" types were changed to 1s (Yes) and 0s (No)

```
#Replace every 'Yes' in data with a '1' and every 'No' with a '0'
datal.Partner.replace(('Yes', 'No'), (1,0), inplace=True)
datal.Dependents.replace(('Yes', 'No'), (1,0), inplace=True)
datal.PhoneService.replace(('Yes', 'No'), (1,0), inplace=True)
datal.MultipleLines.replace(('Yes', 'No'), (1,0), inplace=True)
datal.OnlineSecurity.replace(('Yes', 'No', 'No internet service'), (1,0,0), inplace=True)
datal.OnlineBackup.replace(('Yes', 'No', (1,0), inplace=True)
datal.DeviceProtection.replace(('Yes', 'No', 'No internet service'), (1,0,0), inplace=True)
datal.TechSupport.replace(('Yes', 'No', 'No internet service'), (1,0,0), inplace=True)
datal.StreamingTV.replace(('Yes', 'No', 'No internet service'), (1,0,0), inplace=True)
datal.StreamingMovies.replace(('Yes', 'No', 'No internet service'), (1,0,0), inplace=True)
datal.PaperlessBilling.replace(('Yes', 'No', 'No internet service'), (1,0,0), inplace=True)
datal.Churn.replace(('Yes', 'No'), (1,0), inplace=True)
```

Dummies were created

Split all Categorical Columns into Multiples

data5

```
data2=data1.drop(['gender'],axis=1)
 #Make a new column showing Female Gender and Male Gender
 #Remove Original "Gender" column
 dummy=pd.get dummies(datal['gender'],prefix="Gender")
 data2=pd.concat([data2,dummy], axis=1)
 #Make a new column showing the different internet services as columns starting with "InternetService"
 #Remove original column named "InternetService"
 data3=data2.drop(['InternetService'],axis=1)
 dummy=pd.qet dummies(data2["InternetService"],prefix="InternetService")
 data3=pd.concat([data3,dummy],axis=1)
 #Make a new column showing different contract types starting with "Contract"
 #Remove original column named "Contract"
 data4=data3.drop(['Contract'],axis=1)
 dummy=pd.get dummies(data3["Contract"],prefix="Contract")
 dummy
 data4=pd.concat([data4, dummy],axis=1)
#Do the same thing with "PaymentMethod" as we did for "Gender", "InternetServices", and "Contracts"
data5=data4.drop(['PaymentMethod'],axis=1)
dummy=pd.get dummies(data4["PaymentMethod"],prefix="PaymentMethod")
data5=pd.concat([data5.dummv].axis=1)
[22] #create dummies for the following columns:
    data5=pd.get_dummies(data5,columns=['MultipleLines'])
    data5=pd.get dummies(data5,columns=['OnlineSecurity'])
    data5=pd.get dummies(data5,columns=['OnlineBackup'])
    data5=pd.get dummies(data5,columns=['DeviceProtection'])
```

Cont.

Dropped the CustomerID Column

```
#remove the column labeled "customerID"
data6=data5.drop(['customerID'], axis =1)
data6
```



Adjusted Types

```
#change "MonthlyCharges" to an integer type
data6['MonthlyCharges'] = data6.MonthlyCharges.astype(int)

#change "TotalCharges" to an integer type
data6['TotalCharges'] = data6.MonthlyCharges.astype(int)
```

New DTypes

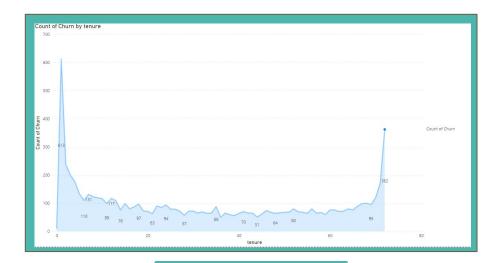
#list all datatypes within data6 dataset data6.dtypes

SeniorCitizen	int64
Partner	int64
Dependents	int64
tenure	int64
PhoneService	int64
TechSupport	int64
StreamingTV	int64
StreamingMovies	int64
PaperlessBilling	int64
MonthlyCharges	int64
TotalCharges	int64
Churn	int64
Gender_Female	uint8
Gender_Male	uint8
InternetService DSL	uint8
InternetService_Fiber optic	uint8
InternetService_No	uint8
Contract Month-to-month	uint8
Contract_One year	uint8
Contract_Two year	uint8
PaymentMethod Bank transfer (automatic)	uint8
PaymentMethod_Credit card (automatic)	uint8
PaymentMethod_Electronic check	uint8
PaymentMethod Mailed check	uint8
MultipleLines 0	uint8
MultipleLines 1	uint8
OnlineSecurity 0	uint8
OnlineSecurity 1	uint8
OnlineBackup 0	uint8
OnlineBackup 1	uint8
OnlineBackup No internet service	uint8
DeviceProtection 0	uint8
DeviceProtection 1	uint8
dtype: object	

Exploratory Data Analysis (EDA)

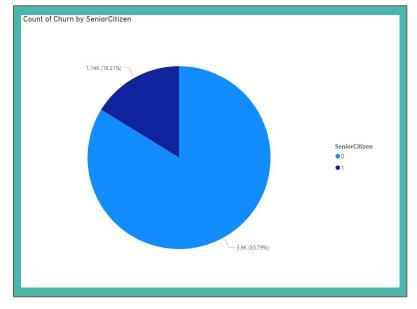
Purpose: Use Power BI for Data Visualization



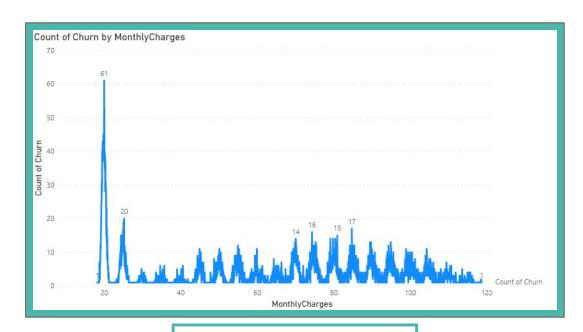


Tenure Analysis

Senior Citizen Analysis

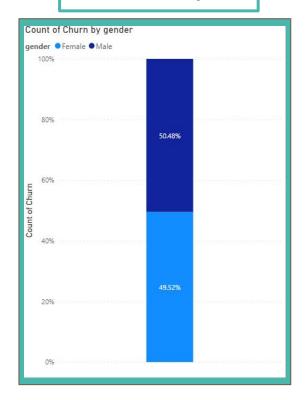






Monthly Charge Analysis

Gender Analysis



Splitting & Standardization of the Data

Purpose: Use Training & Validation Data Sets to Evaluate the Models

Splitting & Standardization of Data

Create Training & Test Data

```
#split data
#identify x as all columns except Churn
x = data6.loc[:,['SeniorCitizen', 'Partner', 'Dependents', 'tenure', 'PhoneService',
       'TechSupport', 'StreamingTV', 'StreamingMovies', 'PaperlessBilling',
       'MonthlyCharges', 'TotalCharges', 'Gender Female',
       'Gender Male', 'InternetService DSL', 'InternetService Fiber optic',
       'InternetService No', 'Contract Month-to-month', 'Contract One year',
       'Contract Two year', 'PaymentMethod Bank transfer (automatic)',
       'PaymentMethod Credit card (automatic)',
       'PaymentMethod Electronic check', 'PaymentMethod Mailed check',
       'MultipleLines 0', 'MultipleLines 1', 'OnlineSecurity 0',
       'OnlineSecurity 1', 'OnlineBackup 0', 'OnlineBackup 1',
       'OnlineBackup No internet service', 'DeviceProtection 0',
       'DeviceProtection 1']]
#identify y as "Churn" columns
y = data6.loc[:, ["Churn"]]
from sklearn.model selection import train test split
X train, X test, y train, y test = train test split(x, y, test size = 0.2, random state=0)
```

Standardization of Data

```
from sklearn.preprocessing import StandardScaler
standard_X=StandardScaler()

#transform the data for X_train to be reidentified
X_train = standard_X.fit_transform(X_train)

#transform data for X_test to be reidentified
X_test = standard_X.fit_transform(X_test)
```

Create X & Y

```
#Save the depedent feature "Churn_1" in a variable called "Y" and independent features in "X"
Y = data6["Churn"]
X = data6.drop("Churn",axis=1)
```

Technical Analysis Data Classification Models

Purpose: Test Various Models to Determine Best Option

3 Models

- 1. Support Vector Machines (SVM)
- 2. K-Nearest Neighbor (KNN)
- 3. Logistic Regression

Other Models: Linear Regression, Decision Trees, Random Forest

Support Vector Machines (SVM)

```
[75] # SVM
       xTrain, xValid, yTrain, yValid = train test split(X, Y, test size = 0.2, random state = 1)
  [76] SVModel = SVC(kernel = 'linear', C=10, gamma = 'auto')
       SVModel.fit(xTrain, yTrain)
       SVC(C=10, gamma='auto', kernel='linear')
[77] confusion matrix(yTrain, SVModel.predict(xTrain))
       array([[3689, 424],
              [ 692, 829]])
  [78] #accuracy score SVM for Y train
        accuracy score(yTrain, SVModel.predict(xTrain))
       0.8019169329073482
[79] confusion matrix(yValid, SVModel.predict(xValid))
       array([[936, 125],
              [151, 197]])
  [80] #accuracy score SVM for y test
       accuracy score(yValid, SVModel.predict(xValid))
       0.8041163946061036
```

```
[81] krn = ['linear', 'poly', 'rbf', 'sigmoid']
     rng C = np.arange(1, 15, 5)
     rng_deg = np.arange(2, 5)
[82] param = {'kernel' :krn,
               'C' :rng C.
             'degree' :rng deg}
[83] SVModel = SVC()
     GridS = GridSearchCV(SVModel,param, cv=5)
     GridS.fit(xTrain, yTrain)
     GridSearchCV(cv=5, estimator=SVC(),
                  param_grid={'C': array([ 1, 6, 11]), 'degree': array([2, 3, 4]),
                               'kernel': ['linear', 'poly', 'rbf', 'sigmoid']})
[84] GridS.best params
     {'C': 1, 'degree': 2, 'kernel': 'linear'}
[85] SVModel = SVC(kernel='linear', C=1, degree=2)
     SVModel.fit(xTrain,yTrain)
     accuracy_score(yValid, SVModel.predict(xValid))
     0.8048261178140526
```

SVM Code, accuracy score, best_params_

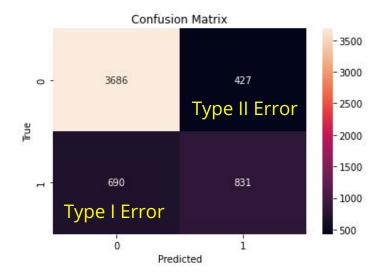
SVM: Confusion Matrix

SVM Plot

```
[86] y_pred_test = SVModel.predict(xValid)
    matrix = confusion_matrix(yTrain, SVModel.predict(xTrain))
    sns.heatmap(matrix, annot = True, fmt='d')
    plt.title('Confusion Matrix')
    plt.xlabel('Predicted')
    plt.ylabel('True')
    print(classification_report(yValid, y_pred_test))
```

Confusion Matrix

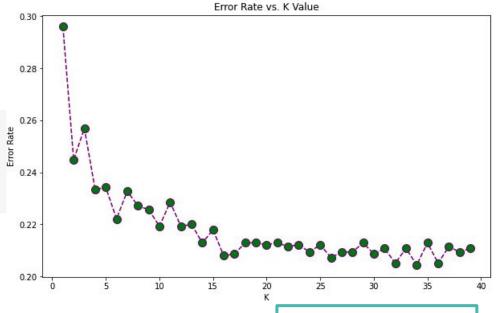
	precision	recall	f1-score	support
0	0.86	0.88	0.87	1061
1	0.61	0.57	0.59	348
accuracy			0.80	1409
macro avg	0.74	0.73	0.73	1409
veighted avg	0.80	0.80	0.80	1409



K-Nearest Neighbor (KNN)

KNN Train & Predict

```
from sklearn.neighbors import KNeighborsClassifier
from sklearn import metrics
#Train Model and Predict
k = 4
neigh = KNeighborsClassifier(n_neighbors = k).fit(xTrain,yTrain)
Pred_y = neigh.predict(xTest)
print("Accuracy of model at k = 4 is", metrics.accuracy_score(yTest, Pred_y))
Accuracy of model at k = 4 is 0.7665010645848119
```



KNN Output Graph

KNN Plot Error Rate

```
error_rate = []
for i in range (1,40):
    knn = KNeighborsClassifier(n_neighbors=i)
    knn.fit(xTrain, yTrain)
    pred_i = knn.predict(xTest)
    error_rate.append(np.mean(pred_i !=yTest))

plt.figure(figsize=(10,6))
    plt.plot(range(1,40),error_rate,color='purple', linestyle='dashed', marker='o',
    plt.title('Error Rate vs. K Value')
    plt.xlabel('K')
    plt.ylabel('Error Rate')
    print("Minimum error:-",min(error_rate),"at K =",error_rate.index(min(error_rate)))
```

K-Nearest Neighbor (KNN)

print("Maximum Accuracy:-",max(acc),"at K =",acc.index(max(acc)))

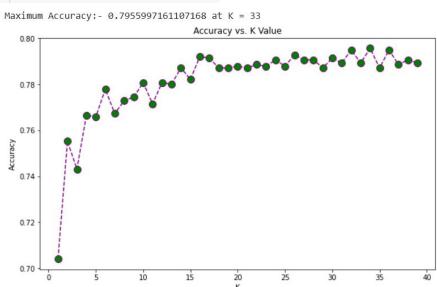
```
[45] acc = []
#Will take some time
from sklearn import metrics
for i in range (1,40):
    neigh = KNeighborsClassifier(n_neighbors = i).fit(xTrain,yTrain)
    yhat = neigh.predict(xTest)
    acc.append(metrics.accuracy_score(yTest,yhat))

plt.figure(figsize=(10,6))
plt.plot(range(1,40),acc,color='purple', linestyle='dashed', marker='o', markerfacecolor='green', markersize=10)
plt.title('Accuracy vs. K Value')
plt.xlabel('K')
    plt.ylabel('Accuracy')

Maximum Accuracy:- 0.7955997161107168
Accuracy
```

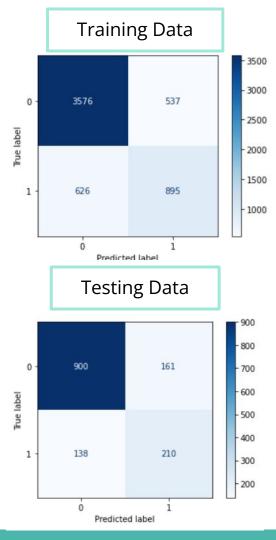
KNN Plot: Accuracy

KNN Output: Accuracy vs. K Value



K-Nearest Neighbor (KNN)

```
#Scaling
scaler = StandardScaler()
scaler.fit(xTrain)
xTrain = scaler.transform(xTrain)
xTest = scaler.transform(xTest)
#Setting up to find the best parameters
n neighbors = np.arange(1,40)
grid params = {'n neighbors' : n neighbors,
              'leaf size': [30, 35],
              'algorithm' : ['ball tree', 'kd tree']}
gridSearch = GridSearchCV(KNeighborsClassifier(), grid params, verbose = 1, cv = 3, n jobs = -1)
gridSearchresults = gridSearch.fit(xTrain, yTrain)
Fitting 3 folds for each of 156 candidates, totalling 468 fits
#finding the best parameters
gridSearchresults.best params
{'algorithm': 'ball tree', 'leaf size': 30, 'n neighbors': 37}
#making confusion matrix
Classifier = KNeighborsClassifier(n neighbors=37, leaf size=30, algorithm = 'ball tree')
Classifier.fit(xTrain,yTrain)
y pred train= Classifier.predict(xTrain)
y pred test = Classifier.predict(xTest)
plot confusion matrix(Classifier,xTrain,yTrain, cmap= plt.cm.Blues)
plot confusion matrix(Classifier, xTest, yTest, cmap = plt.cm.Blues)
```



Logistic Regression

Results: All Columns

	ession Results							
Dep. Variable: Churr				286				
Model: OLS	Adj. R-squar	red:	0.	283				
Method: Least Squares Date: Mon, 02 May 2022	F-statistic:		10	1.9				
Date: Mon, 02 May 2022	Prob (F-stat	istic):	0	.00				
Time: 00:48:41	Log-Likeliho	ood:	-247	7.9				
Time: 00:48:41 No. Observations: 5634	AIC:		5.0	002.				
Df Residuals: 5611	BIC:		51	55.				
Df Model: 22	2							
Covariance Type: nonrobust								
	coef			P> t	[0.025	0.975]		
SeniorCitizen	0.0360	0.015	2 465	0.014	0.007	0.065		
Partner	-0.0115	0.012	-0.950	0.342	-0.035	0.012		
Dependents	-0.0105	0.013	-0.813	0.416	-0.036	0.015		
tenure	-0.0044	0.000	-12.870 -0.141	0.000	-0.005			
PhoneService	-0.0136	0.096	-0.141	0.888	-0.202	0.175		
TechSupport	-0.0609	0.027	-2.231	0.026	-0.114	-0.007		
StreamingTV	0.0308			0.526	-0.064	0.126		
StreamingMovies	0.0503	0.049	1.032	0.302	-0.045	0.146		
PaperlessBilling	0.0520	0.049			0.030	0.074		
MonthlyCharges	-0.0008	0.002	-0.354	0.723	-0.005	0.004		
TotalCharges	-0.0008		-0.354	0.723	-0.005	0.004		
Gender_Female		0.025	2.566	0.010	0.015	0.114		
Gender_Male	0.0616	0.025	2.446	0.014	0.012	0.111		
InternetService_DSL	-0.0051	0.013	-0.389	0.697	-0.031	0.021		
InternetService_Fiber optic		0.107	1.673	0.094	-0.031	0.387		
InternetService_No	-0.0471		-1.002	0.316	-0.139	0.045		
Contract Month-to-month	0.0942	0.019	4.974	0.000	0.057	0.131		
Contract_One year	-0.0073	0.019	-0.389	0.697	-0.044	0.030		
Contract_Two year	0.0393	0.020	2.000	0.046	0.001	0.078		
PaymentMethod_Bank transfer (automatic PaymentMethod_Credit card (automatic)	(c) 0.0197	0.016			-0.011	0.050		
PaymentMethod_Credit card (automatic)	0.0099	0.016			-0.021	0.041		
PaymentMethod_Electronic check	0.0991	0.015	6.491		0.069	0.129		
PaymentMethod_Mailed check	-0.0026		-0.163		-0.034	0.028		
MultipleLines_0	0.0419				0.015			
MultipleLines_1			2.269		0.011	0.157		
OnlineSecurity_0	0.0952				0.067	0.124		
OnlineSecurity_1	0.0309							
OnlineBackup_0	0.1035	0.036		0.005	0.032			
OnlineBackup_1	0.0697	0.060	1.164	0.244	-0.048	0.187		
OnlineBackup_No internet service		0.047	-1.002	0.316	-0.139	0.045		
DeviceProtection_0	0.0702	0.014	-1.002 4.894 1.510	0.000	0.042			
DeviceProtection_1		0.037	1.510	0.131	-0.017	0.128		
Omnibus: 303.151			2.	.006				
	Jarque-Bera		287.					
	Prob(JB):		3.18e					
Kurtosis: 2.527	Cond. No.				1.12e+16			
		v of the ex			e i na			

Results: P<0.05 Columns Only

	Least Squares Mon, 02 May 2022 00:48:41	Adj. R-squared: F-statistic: Prob (F-statistic): Log-Likelihood: AIC:			0.25 0.24 208. 0.0 -2614. 5249 5316	9 3 0 6	
		oef	std err	t	P> t	[0.025	
const				6.272			
tenure	-0.0	034	0.000	-10.820	0.000	-0.004	-0.003
PaperlessBilling	0.0	969	0.011	8.769	0.000	0.075	0.119
Gender_Female	0.0	047	0.010	8.769 0.457	0.647	-0.015	0.025
Contract_Month-to-mon	th 0.1	557	0.015	10.651	0.000	0.127	0.184
PaymentMethod_Electro						0.120	0.167
MultipleLines_0				-7.144		-0.104	
OnlineSecurity_0	0.0	655		5.291			
OnlineBackup_0		951		8.316	0.000		
DeviceProtection_0	-0.0	246	0.012	-2.052	0.040	-0.048	-0.001
Omnibus:			oin-Watson:		1.99		
Prob(Omnibus):				B):			
Skew:	0.556				5.83e-8		
Kurtosis:	2.435	Cone	d. No.		223		

Logistic Regression

data6.corr()

Accuracy Scores

Out[147]: 0.8031593894213702

In []: #find accuracy for the actual values of y train vs the predicted values of y train
ac = pd.DataFrame({'Actual Value': Y_train, 'Predicted Value': Y_Pred_Train})
ac.head()

 Out [148]:
 Actual Value
 Predicted Value

 1182
 0
 0

 4328
 0
 0

 6091
 1
 1

 4870
 0
 0

Out[149]: 0.8055358410220014

	SeniorCitizen	Partner	Dependents	tenure	Phone Service	Tech Support	StreamingTV	StreamingMovies	PaperlessBilling	Mon
SeniorCitizen	1.000000	0.016479	-0.211185	0.016567	0.008576	-0.060625	0.105378	0.120176	0.156530	
Partner	0.016479	1.000000	0.452676	0.379697	0.017706	0.119999	0.124666	0.117412	-0.014877	
Dependents	-0.211185	0.452676	1.000000	0.159712	-0.001762	0.063268	-0.016558	-0.039741	-0.111377	
tenure	0.016567	0.379697	0.159712	1.000000	0.008448	0.324221	0.279756	0.286111	0.006152	
PhoneService	0.008576	0.017706	-0.001762	0.008448	1.000000	-0.096340	-0.022574	-0.032959	0.016505	
Tech Support	-0.060625	0.119999	0.063268	0.324221	-0.096340	1.000000	0.278070	0.279358	0.037880	
Streaming TV	0.105378	0.124666	-0.016558	0.279756	-0.022574	0.278070	1.000000	0.533094	0.223841	
StreamingMovies	0.120176	0.117412	-0.039741	0.286111	-0.032959	0.279358	0.533094	1.000000	0.211716	
PaperlessBilling	0.156530	-0.014877	-0.111377	0.006152	0.016505	0.037880	0.223841	0.211716	1.000000	
MonthlyCharges	0.220129	0.096913	-0.113910	0.247917	0.247277	0.338325	0.629562	0.627421	0.352138	
TotalCharges	0.220129	0.096913	-0.113910	0.247917	0.247277	0.338325	0.629562	0.627421	0.352138	
Churn	0.150889	-0.150448	-0.164221	-0.352229	0.011942	-0.164674	0.063228	0.061382	0.191825	
Gender_Female	0.001874	0.001808	-0.010517	-0.005106	0.006488	0.009212	0.008393	0.010487	0.011754	
Gender_Male	-0.001874	-0.001808	0.010517	0.005106	-0.006488	-0.009212	-0.008393	-0.010487	-0.011754	
InternetService_DSL	-0.108322	-0.000851	0.052010	0.013274	-0.452425	0.313118	0.016274	0.025698	-0.063121	
InternetService_Fiber optic	0.255338	0.000304	-0.165818	0.019720	0.289999	-0.020492	0.329349	0.322923	0.326853	
InternetService_No	-0.182742	0.000615	0.139812	-0.039062	0.172209	-0.336298	-0.415552	-0.418675	-0.321013	
Contract_Month-to-month	0.138360	-0.280865	-0.231720	-0.645561	-0.000742	-0.285241	-0.112282	-0.116633	0.169096	
Contract_One year	-0.046262	0.082783	0.068368	0.202570	-0.002791	0.095775	0.061612	0.064926	-0.051391	
Contract_Two year	-0.117000	0.248091	0.204613	0.558533	0.003519	0.240824	0.072049	0.073960	-0.147889	
PaymentMethod_Bank transfer (automatic)	-0.016159	0.110706	0.052021	0.243510	0.007556	0.101252	0.046252	0.048652	-0.016332	

Correlation for All Columns

Conclusion

- Recap:

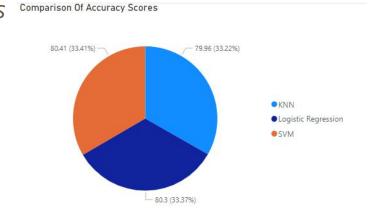
 Telco finding churn rate base on variables such as gender, age, average monthly charge, etc.

- 3 Classification Models:

Support Vector Machine (SVM), K-Nearest
 Neighbor (KNN), and Logistic Regression

- BEST model:

Support Vector Machine (SVM)



Thank You, Questions?