

Telecom Customer Churn Analysis

1. Domain Exploration
 - Understand the business process
 - Identify common challenges, business beliefs, losses, solutions, data flow
2. Data Collection and Data Exploration
 - Collect data from multiple verticals in business, prepare a dataset
 - perform general data exploration to understand data quality, identify common issues
3. Data Cleaning
 - Handle missing values
 - Handle duplicate entries
 - Handle unwanted columns - identifiers
 - Handle outliers
4. Analysis on data
 - Descriptive Analysis - analyse each variable individually
 - Exploratory Analysis - Analyse each variable with respect to the target KPI (churn)
 - Statistics methods
 - Data visualization
5. Prepare reports to communicate the results

```
In [2]: import numpy as np
import pandas as pd
import seaborn as sns
import matplotlib.pyplot as plt
```

Data Exploration

```
In [10]: # Load data
df = pd.read_excel(r"E:\MLIoT\ML\dataset\telecom\telecom_churn_modelling.xlsx",
                  na_values=['#', 'NA', '--', 'Not Available', '?'])
df.shape
```

Out[10]: (3333, 20)

```
In [4]: df.head()
```

Out[4]:

	State	Account length	Area code	International plan	Voice mail plan	Number vmail messages	Total day minutes	Total day calls	Total day charge	Total eve minutes	Total eve calls	Total eve charge	Total night minutes	Total night calls	Total night charge	Total intl minutes	Total intl calls
0	KS	128	415	No	Yes	25	265.1	110	45.07	197.4	99	16.78	244.7	91	11.01	10.0	3
1	OH	107	415	No	Yes	26	161.6	123	27.47	195.5	103	16.62	254.4	103	11.45	13.7	3
2	NJ	137	415	No	No	0	243.4	114	41.38	121.2	110	10.30	162.6	104	7.32	12.2	5
3	OH	84	408	Yes	No	0	299.4	71	50.90	61.9	88	5.26	196.9	89	8.86	6.6	7
4	OK	75	415	Yes	No	0	166.7	113	28.34	148.3	122	12.61	186.9	121	8.41	10.1	3

```
In [5]: len(df.State.unique())
```

Out[5]: 51

Observations -

- State is a categorical attribute with 51 unique value - high cardinality
- Voice mail plan and Number vmail messages represent relative information
- Total xxx charge should be related/multiplier of total xxx minutes or total xxx calls

In [6]: `df.info()`

```
<class 'pandas.core.frame.DataFrame'>
RangeIndex: 3333 entries, 0 to 3332
Data columns (total 20 columns):
#   Column                Non-Null Count  Dtype
---  -
0   State                  3333 non-null   object
1   Account length        3333 non-null   int64
2   Area code             3333 non-null   int64
3   International plan     3333 non-null   object
4   Voice mail plan       3333 non-null   object
5   Number vmail messages 3333 non-null   int64
6   Total day minutes     3333 non-null   float64
7   Total day calls       3333 non-null   int64
8   Total day charge      3333 non-null   float64
9   Total eve minutes     3333 non-null   float64
10  Total eve calls       3333 non-null   int64
11  Total eve charge      3333 non-null   float64
12  Total night minutes   3333 non-null   float64
13  Total night calls     3333 non-null   int64
14  Total night charge    3333 non-null   float64
15  Total intl minutes    3333 non-null   float64
16  Total intl calls      3333 non-null   int64
17  Total intl charge     3333 non-null   float64
18  Customer service calls 3333 non-null   int64
19  Churn                 3333 non-null   bool
dtypes: bool(1), float64(8), int64(8), object(3)
memory usage: 498.1+ KB
```

In [7]: `df['State'].unique()`

```
Out[7]: array(['KS', 'OH', 'NJ', 'OK', 'AL', 'MA', 'MO', 'LA', 'WV', 'IN', 'RI',
              'IA', 'MT', 'NY', 'ID', 'VT', 'VA', 'TX', 'FL', 'CO', 'AZ', 'SC',
              'NE', 'WY', 'HI', 'IL', 'NH', 'GA', 'AK', 'MD', 'AR', 'WI', 'OR',
              'MI', 'DE', 'UT', 'CA', 'MN', 'SD', 'NC', 'WA', 'NM', 'NV', 'DC',
              'KY', 'ME', 'MS', 'TN', 'PA', 'CT', 'ND'], dtype=object)
```

In [8]: `df['International plan'].unique()`

```
Out[8]: array(['No', 'Yes'], dtype=object)
```

In [9]: `df['Voice mail plan'].unique()`

```
Out[9]: array(['Yes', 'No'], dtype=object)
```

Data Cleaning

In [11]: *# check for duplicate entries*
`df.duplicated().sum()`

```
Out[11]: 0
```

In [12]: *#check for missing values*
`df.isnull().sum()`

```
Out[12]: State                  0
Account length                0
Area code                    0
International plan            0
Voice mail plan               0
Number vmail messages         0
Total day minutes             0
Total day calls               0
Total day charge              0
Total eve minutes             0
Total eve calls               0
Total eve charge              0
Total night minutes           0
Total night calls             0
Total night charge            0
Total intl minutes            0
Total intl calls              0
Total intl charge             0
Customer service calls        0
Churn                        0
dtype: int64
```

In [13]: *# check for unwanted columns - identifiers*
need to analyse - State

```
In [14]: # check for outliers
df.skew()
```

Out[14]: Account length 0.096606
Area code 1.126823
Number vmail messages 1.264824
Total day minutes -0.029077
Total day calls -0.111787
Total day charge -0.029083
Total eve minutes -0.023877
Total eve calls -0.055563
Total eve charge -0.023858
Total night minutes 0.008921
Total night calls 0.032500
Total night charge 0.008886
Total intl minutes -0.245136
Total intl calls 1.321478
Total intl charge -0.245287
Customer service calls 1.091359
Churn 2.018356
dtype: float64

Descriptive Analysis

```
In [15]: df.head()
```

Out[15]:

	State	Account length	Area code	International plan	Voice mail plan	Number vmail messages	Total day minutes	Total day calls	Total day charge	Total eve minutes	Total eve calls	Total eve charge	Total night minutes	Total night calls	Total night charge	Total intl minutes	Total intl calls
0	KS	128	415	No	Yes	25	265.1	110	45.07	197.4	99	16.78	244.7	91	11.01	10.0	3
1	OH	107	415	No	Yes	26	161.6	123	27.47	195.5	103	16.62	254.4	103	11.45	13.7	3
2	NJ	137	415	No	No	0	243.4	114	41.38	121.2	110	10.30	162.6	104	7.32	12.2	5
3	OH	84	408	Yes	No	0	299.4	71	50.90	61.9	88	5.26	196.9	89	8.86	6.6	7
4	OK	75	415	Yes	No	0	166.7	113	28.34	148.3	122	12.61	186.9	121	8.41	10.1	3

```
In [19]: df.describe()
```

Out[19]:

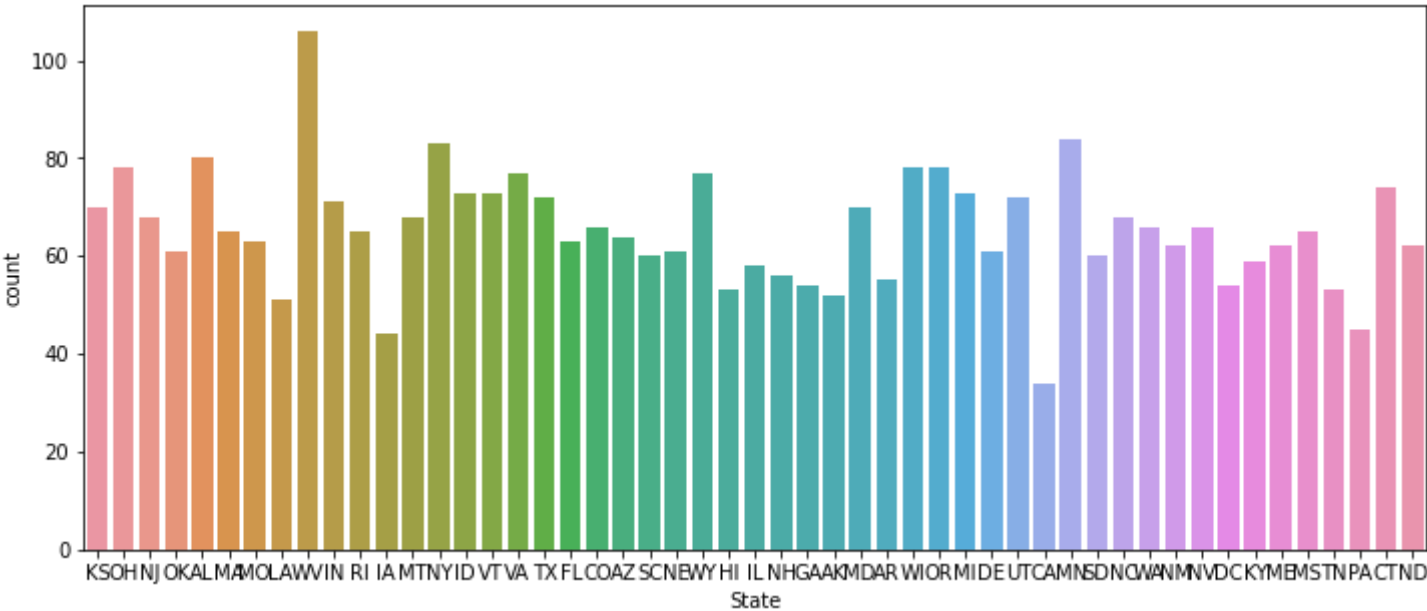
	Account length	Area code	Number vmail messages	Total day minutes	Total day calls	Total day charge	Total eve minutes	Total eve calls	Total eve charge	Total night minutes	Tot:
count	3333.000000	3333.000000	3333.000000	3333.000000	3333.000000	3333.000000	3333.000000	3333.000000	3333.000000	3333.000000	3333.
mean	101.064806	437.182418	8.099010	179.775098	100.435644	30.562307	200.980348	100.114311	17.083540	200.872037	100
std	39.822106	42.371290	13.688365	54.467389	20.069084	9.259435	50.713844	19.922625	4.310668	50.573847	19.
min	1.000000	408.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	23.200000	33.
25%	74.000000	408.000000	0.000000	143.700000	87.000000	24.430000	166.600000	87.000000	14.160000	167.000000	87.
50%	101.000000	415.000000	0.000000	179.400000	101.000000	30.500000	201.400000	100.000000	17.120000	201.200000	100.
75%	127.000000	510.000000	20.000000	216.400000	114.000000	36.790000	235.300000	114.000000	20.000000	235.300000	113.
max	243.000000	510.000000	51.000000	350.800000	165.000000	59.640000	363.700000	170.000000	30.910000	395.000000	175.

State

```
In [16]: df['State'].value_counts()
```

```
Out[16]: WV      106
MN       84
NY       83
AL       80
OR       78
OH       78
WI       78
VA       77
WY       77
CT       74
VT       73
ID       73
MI       73
TX       72
UT       72
IN       71
MD       70
KS       70
MT       68
NJ       68
NC       68
NV       66
WA       66
CO       66
RI       65
MS       65
MA       65
AZ       64
FL       63
MO       63
NM       62
ME       62
ND       62
OK       61
DE       61
NE       61
SC       60
SD       60
KY       59
IL       58
NH       56
AR       55
GA       54
DC       54
TN       53
HI       53
AK       52
LA       51
PA       45
IA       44
CA       34
Name: State, dtype: int64
```

```
In [17]: plt.figure(figsize=(12,5))
sns.countplot(df['State'])
plt.show()
```



- Observation -
- On a whole, states have some variation present in the number of customers from each state

Analysing numeric attributes

In [20]: df.columns

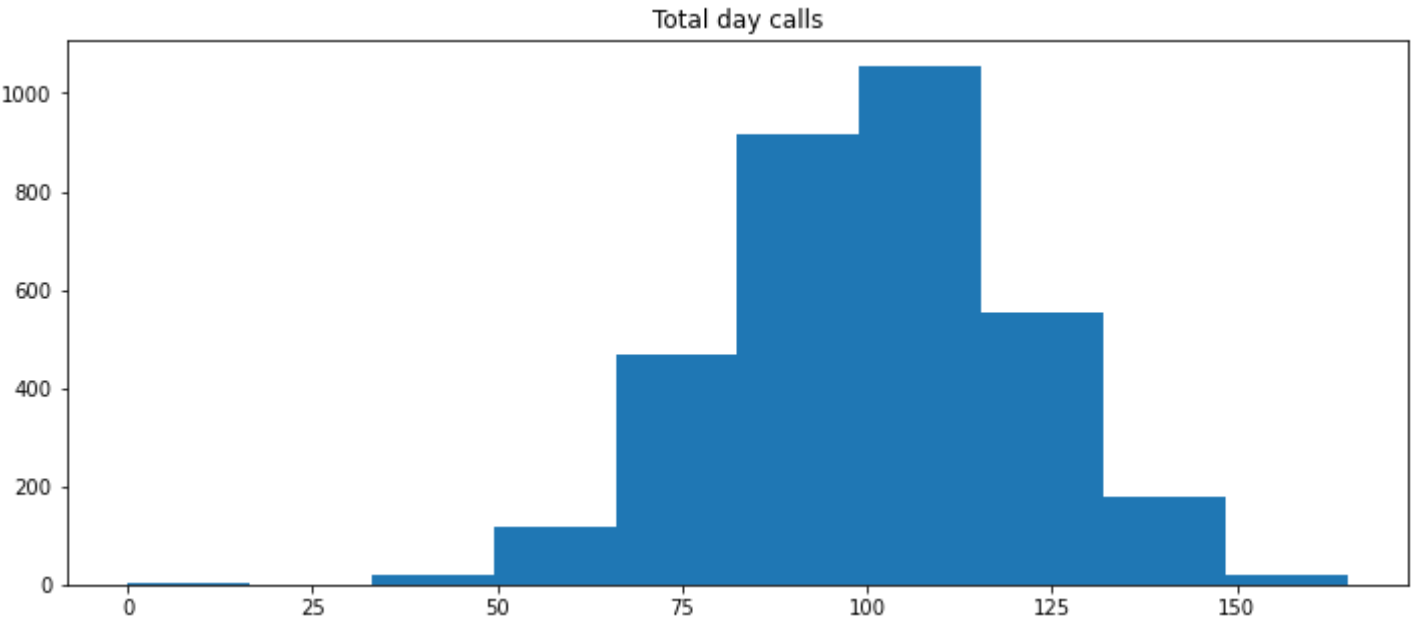
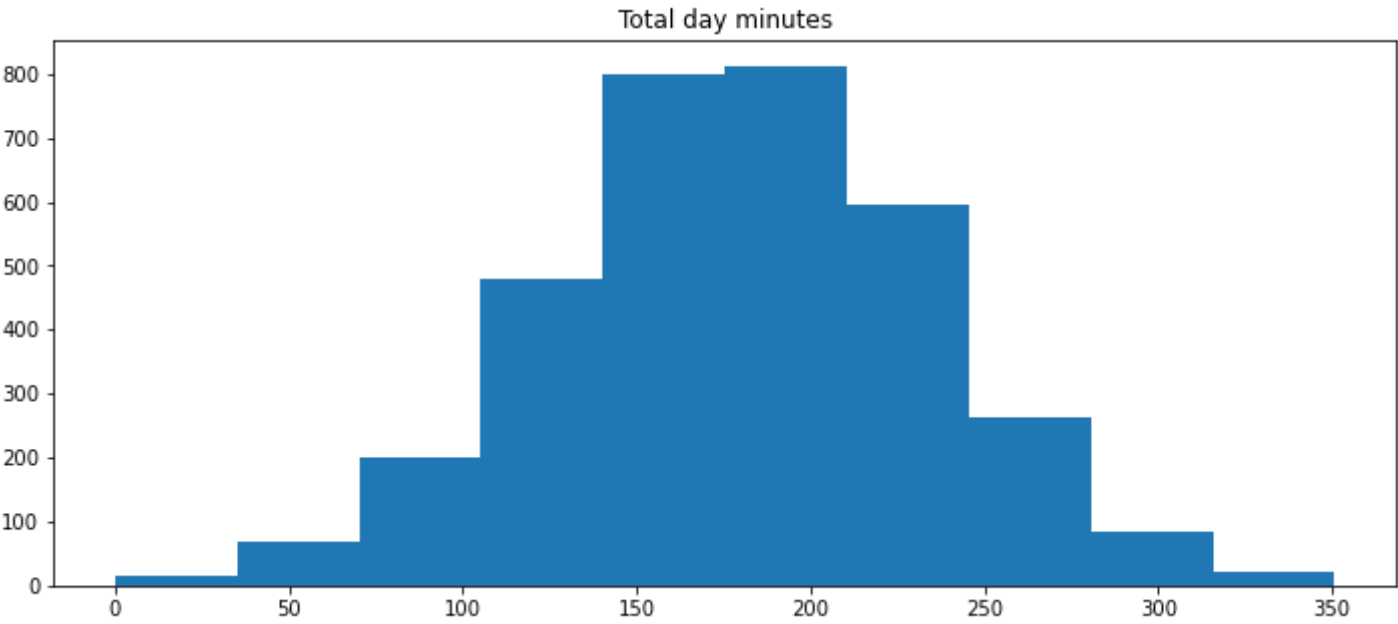
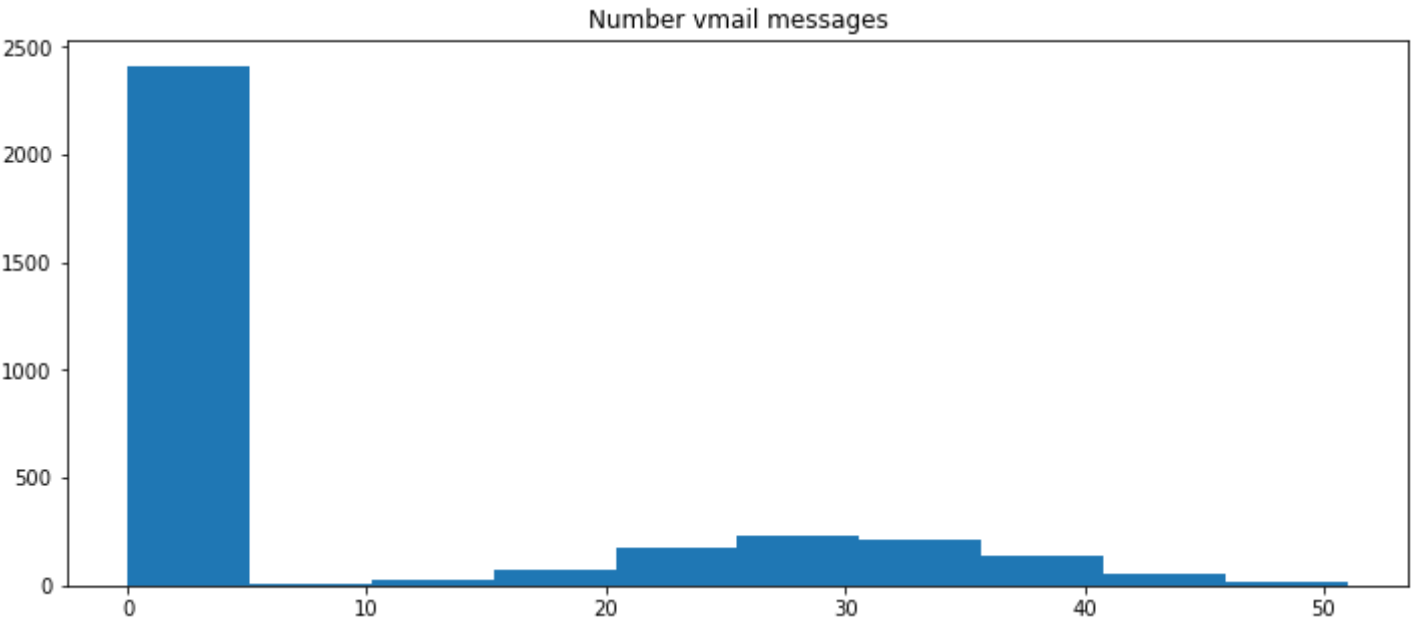
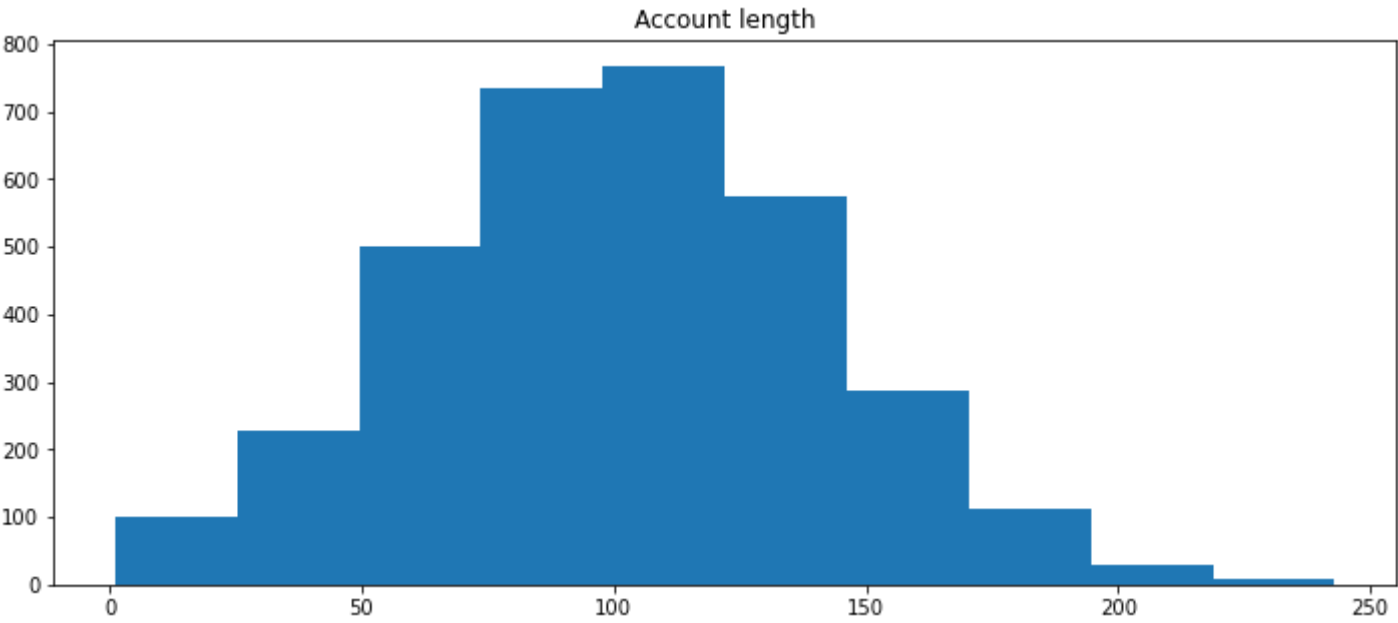
Out[20]: Index(['State', 'Account length', 'Area code', 'International plan', 'Voice mail plan', 'Number vmail messages', 'Total day minutes', 'Total day calls', 'Total day charge', 'Total eve minutes', 'Total eve calls', 'Total eve charge', 'Total night minutes', 'Total night calls', 'Total night charge', 'Total intl minutes', 'Total intl calls', 'Total intl charge', 'Customer service calls', 'Churn'], dtype='object')

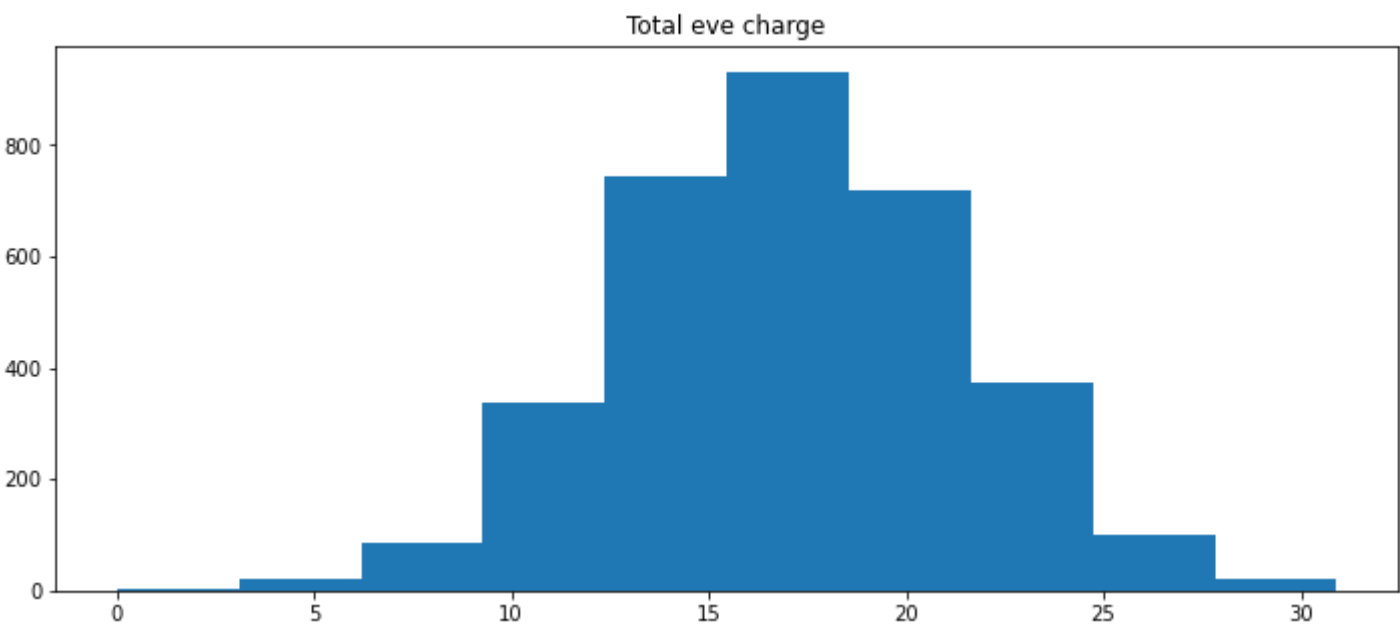
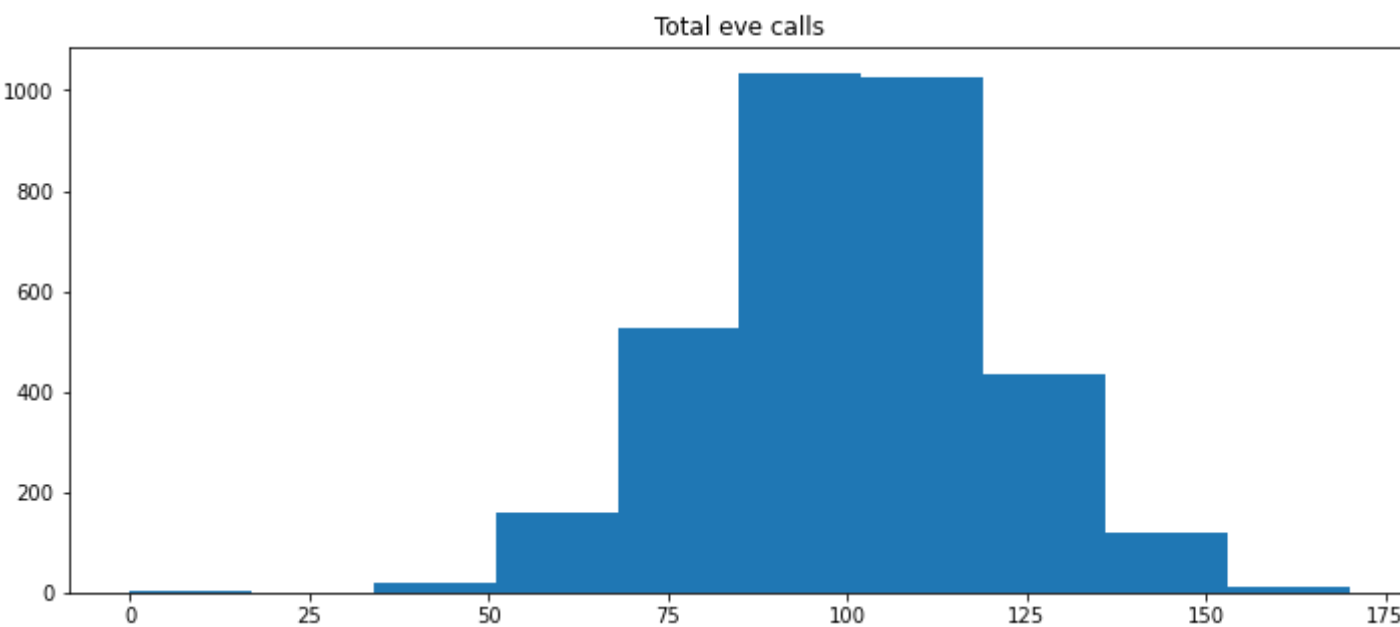
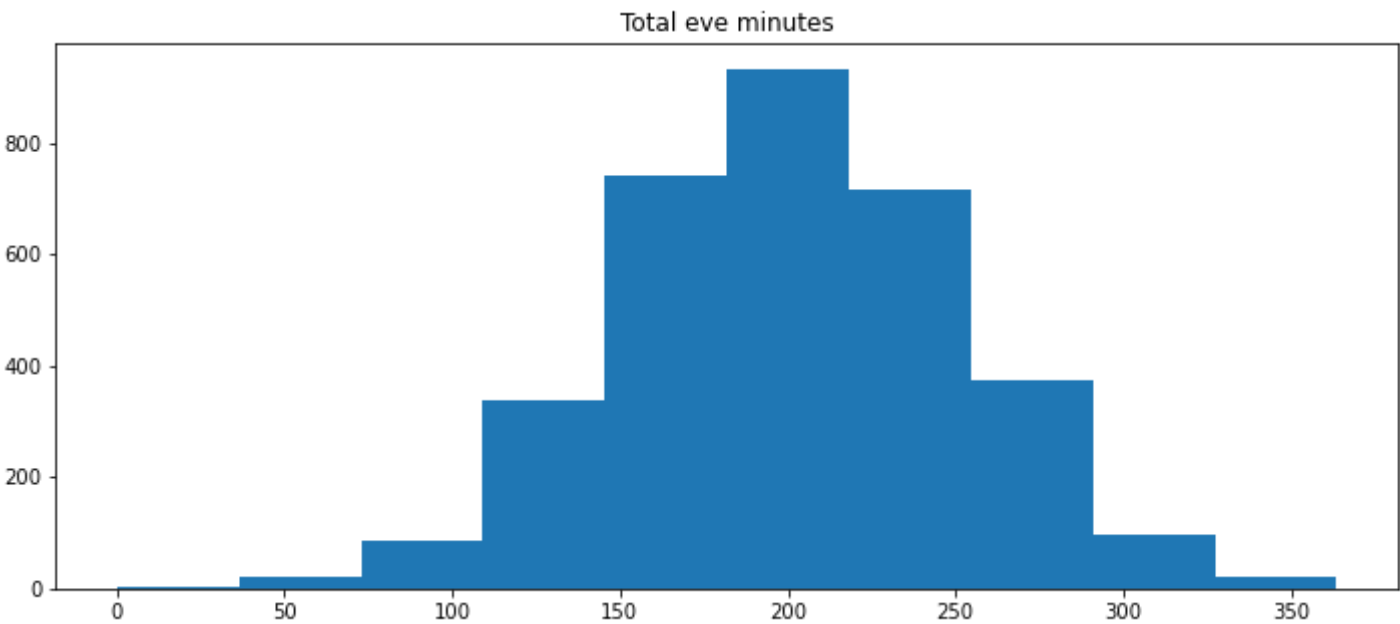
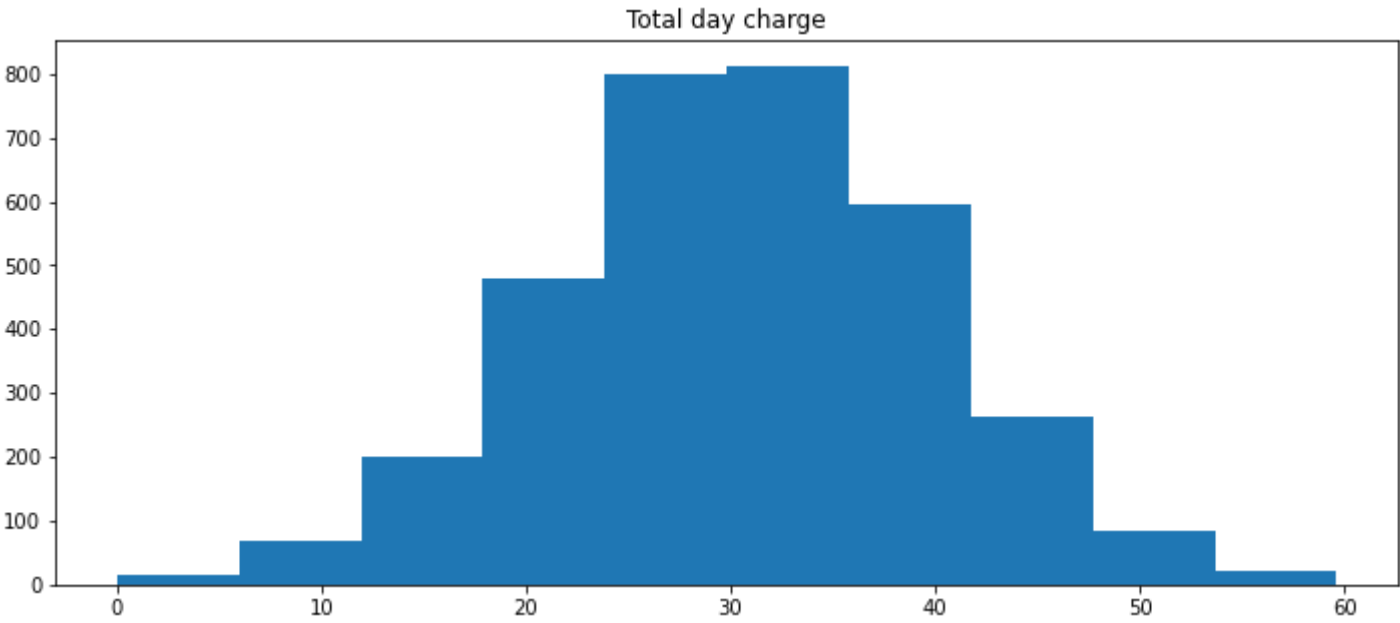
In [21]: df.describe()

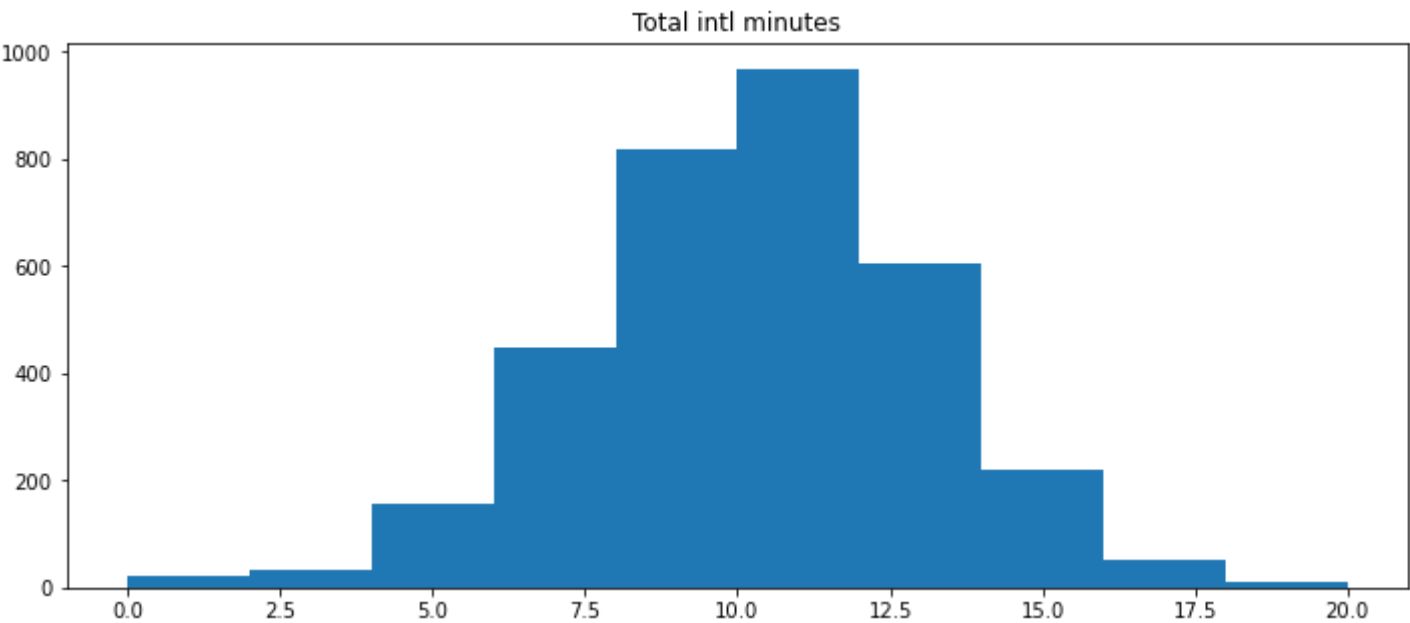
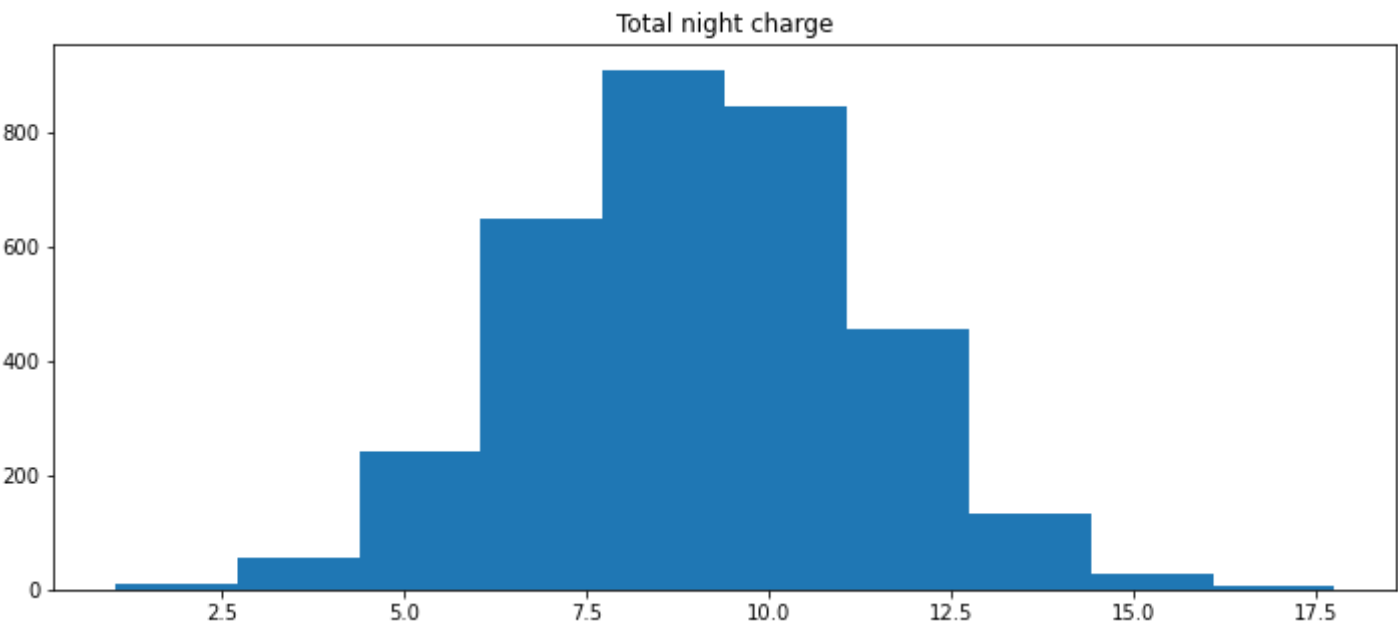
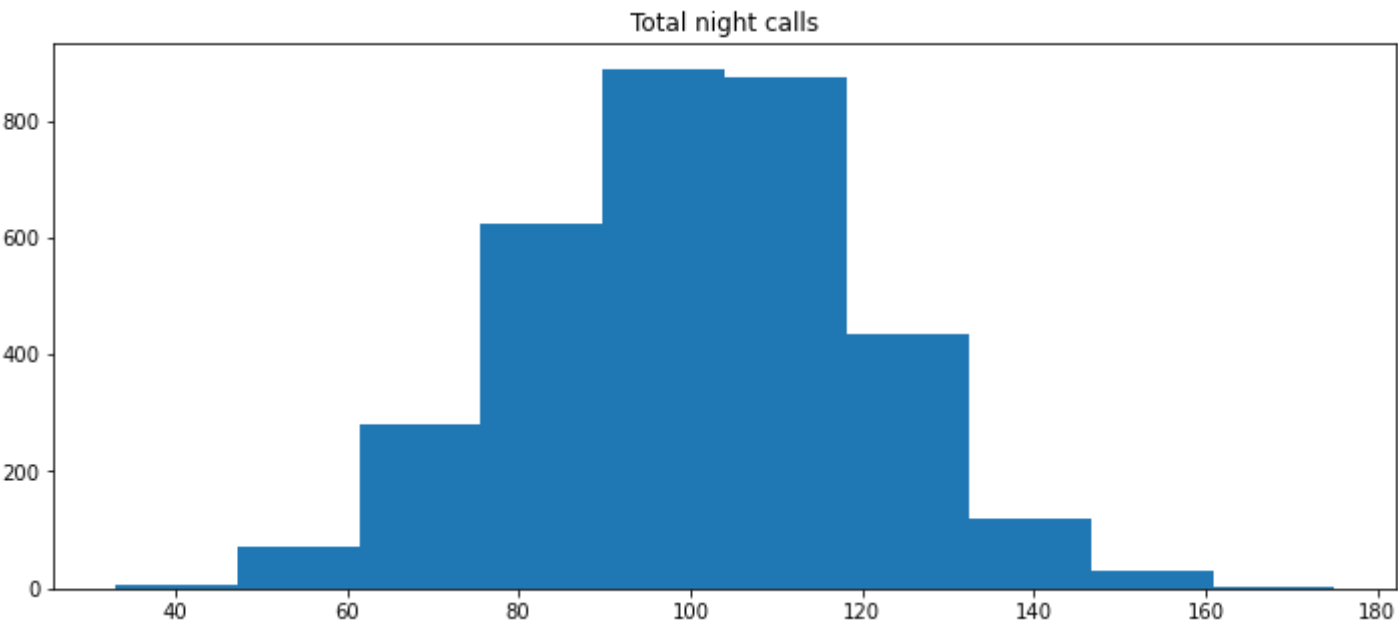
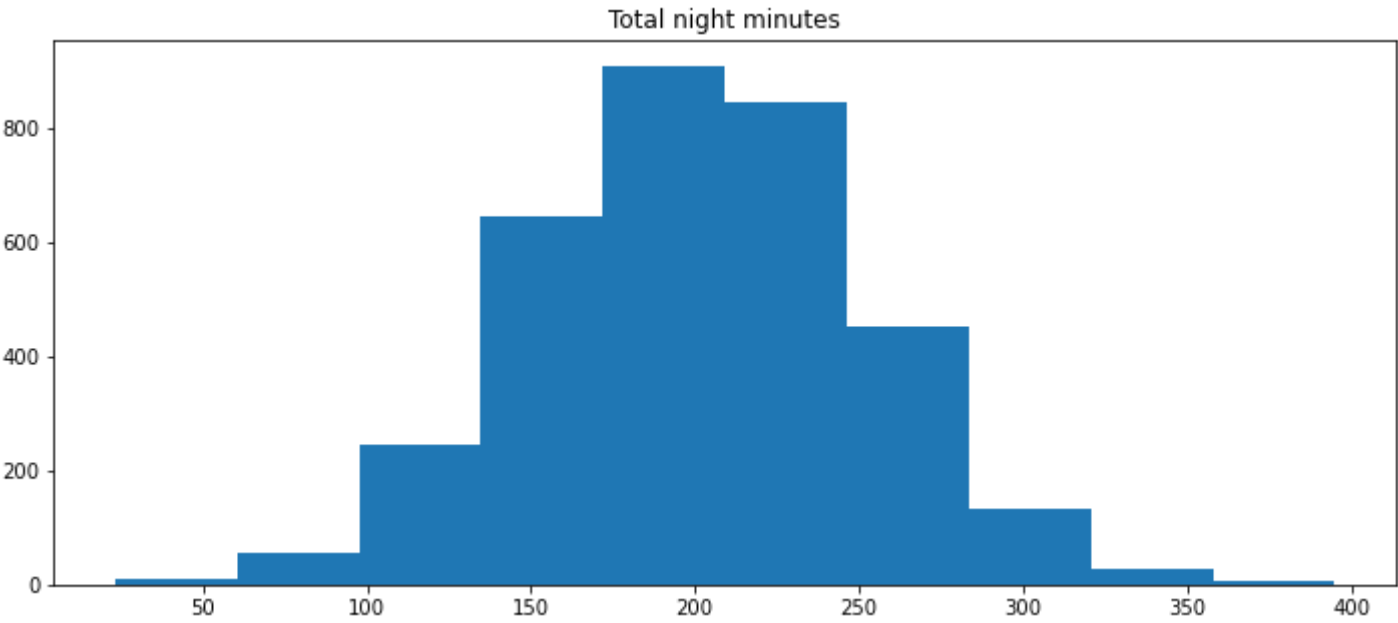
Out[21]:

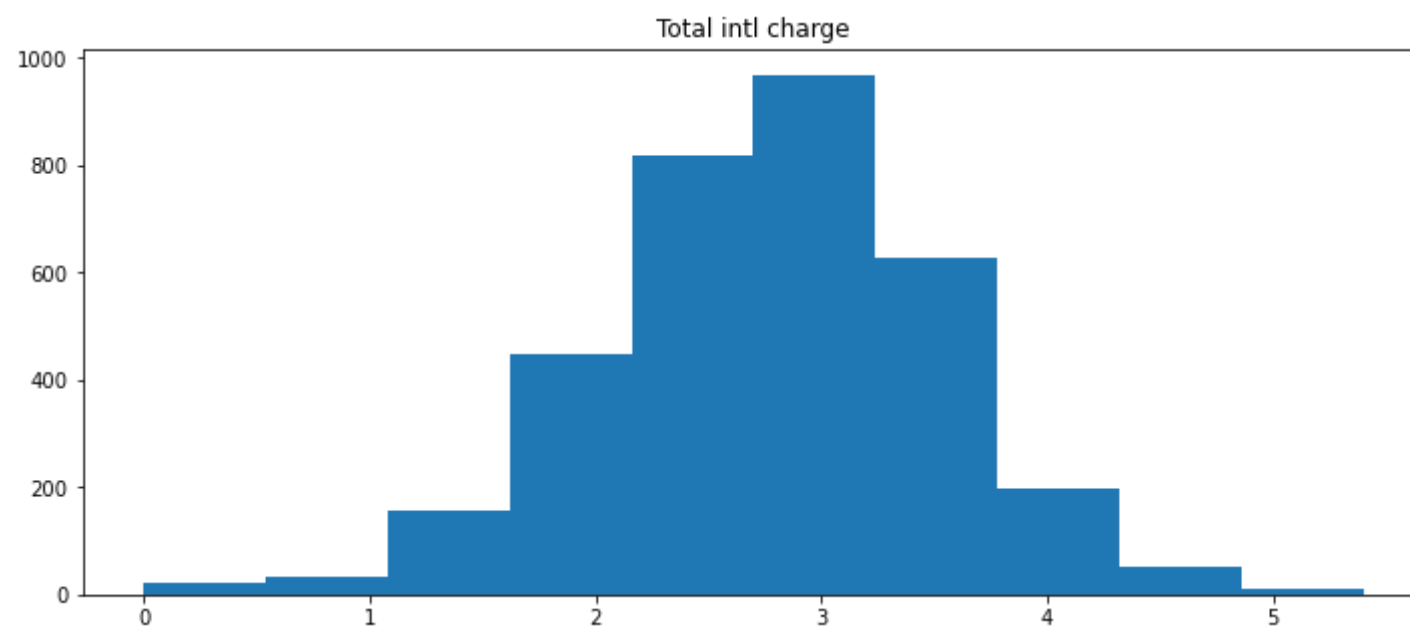
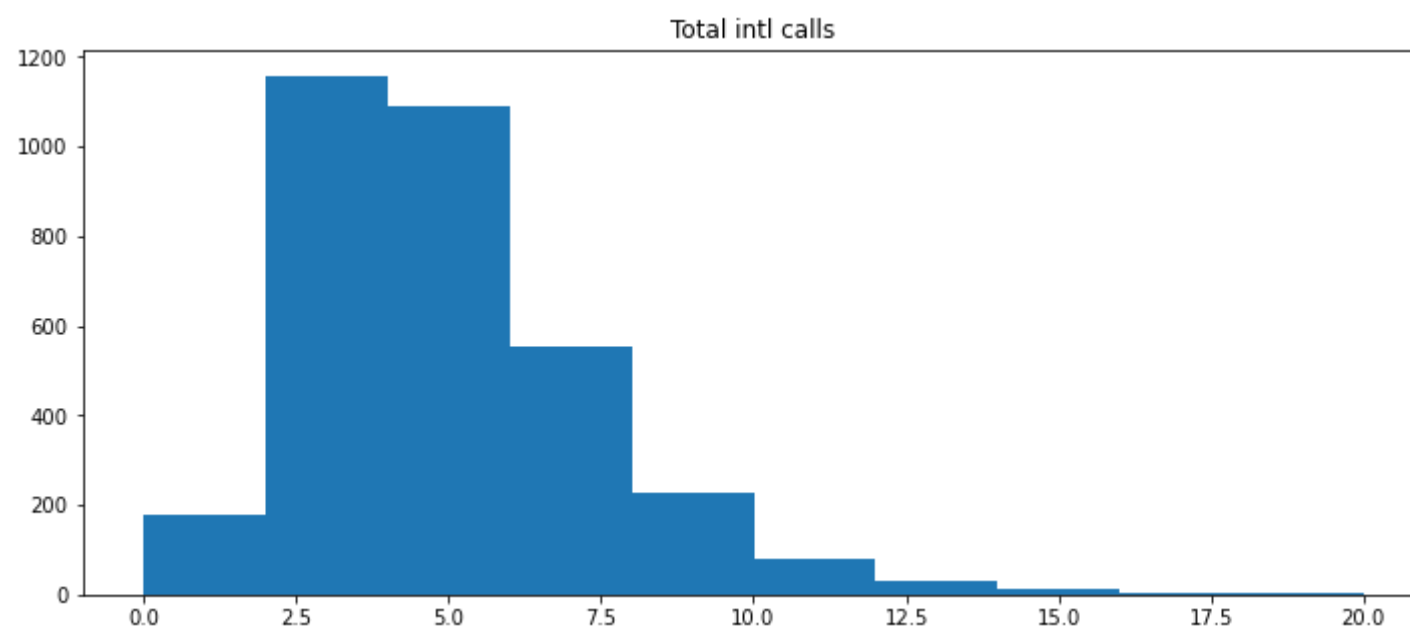
	Account length	Area code	Number vmail messages	Total day minutes	Total day calls	Total day charge	Total eve minutes	Total eve calls	Total eve charge	Total night minutes	Total night calls
count	3333.000000	3333.000000	3333.000000	3333.000000	3333.000000	3333.000000	3333.000000	3333.000000	3333.000000	3333.000000	3333.000000
mean	101.064806	437.182418	8.099010	179.775098	100.435644	30.562307	200.980348	100.114311	17.083540	200.872037	100.435644
std	39.822106	42.371290	13.688365	54.467389	20.069084	9.259435	50.713844	19.922625	4.310668	50.573847	19.922625
min	1.000000	408.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	23.200000	33.000000
25%	74.000000	408.000000	0.000000	143.700000	87.000000	24.430000	166.600000	87.000000	14.160000	167.000000	87.000000
50%	101.000000	415.000000	0.000000	179.400000	101.000000	30.500000	201.400000	100.000000	17.120000	201.200000	100.000000
75%	127.000000	510.000000	20.000000	216.400000	114.000000	36.790000	235.300000	114.000000	20.000000	235.300000	113.000000
max	243.000000	510.000000	51.000000	350.800000	165.000000	59.640000	363.700000	170.000000	30.910000	395.000000	175.000000

```
In [22]: nums = ['Account length', 'Number vmail messages', 'Total day minutes',  
                'Total day calls', 'Total day charge', 'Total eve minutes',  
                'Total eve calls', 'Total eve charge', 'Total night minutes',  
                'Total night calls', 'Total night charge', 'Total intl minutes',  
                'Total intl calls', 'Total intl charge', 'Customer service calls']  
  
for col in nums:  
    plt.figure(figsize=(12,5))  
    plt.hist(df[col])  
    plt.title(col)  
    plt.show()
```









Observations -

- total xxx minutes seems to be correlated to total xxx charge
- customer service calls, total intl calls, total day calls, total eve calls, seems to have outliers
- Number of vmail messages seems to have multimodal distribution

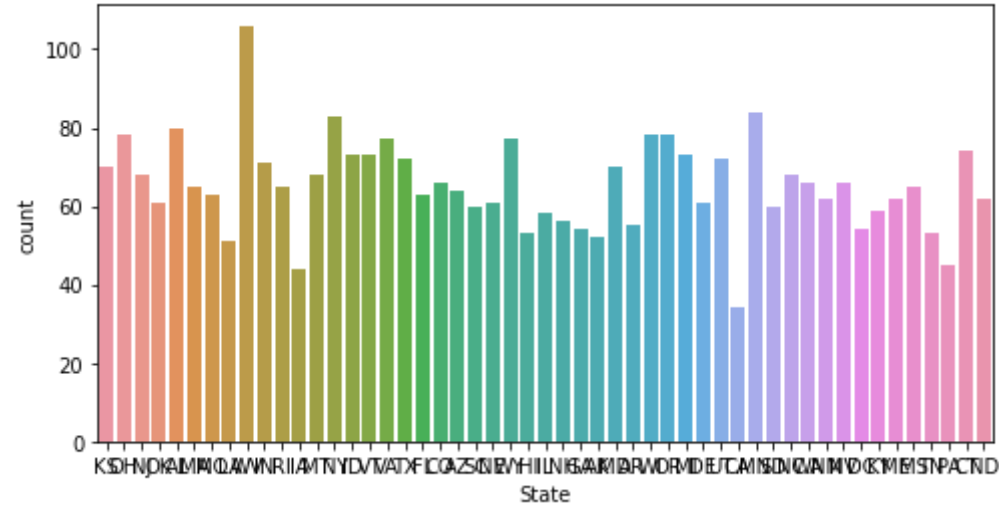
```
In [24]: cats = ['State', 'Area code', 'International plan',  
               'Voice mail plan', 'Churn']
```

```
In [25]: for col in cats:
          print(df[col].value_counts())

          plt.figure(figsize=(8,4))
          sns.countplot(df[col])
          plt.show()
```

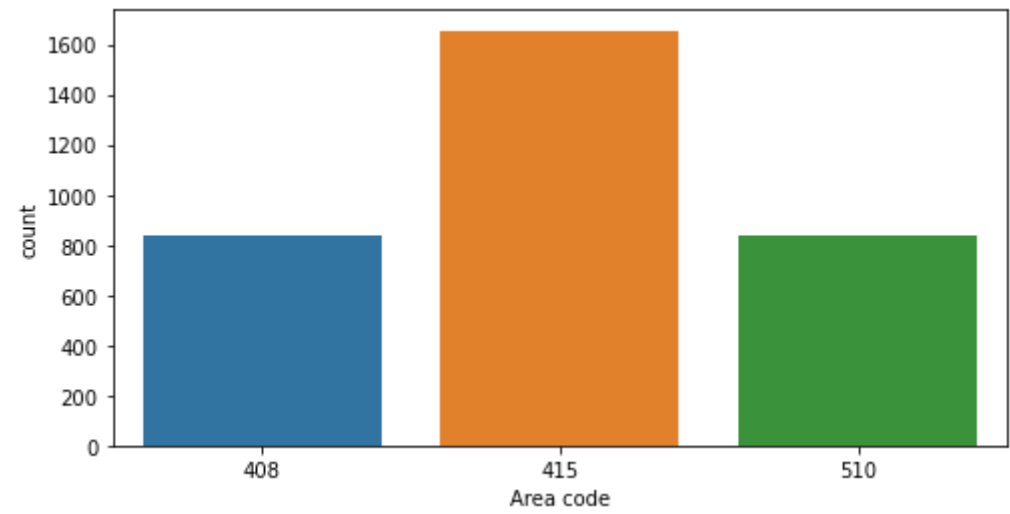
WV	106
MN	84
NY	83
AL	80
OR	78
OH	78
WI	78
VA	77
WY	77
CT	74
VT	73
ID	73
MI	73
TX	72
UT	72
IN	71
MD	70
KS	70
MT	68
NJ	68
NC	68
NV	66
WA	66
CO	66
RI	65
MS	65
MA	65
AZ	64
FL	63
MO	63
NM	62
ME	62
ND	62
OK	61
DE	61
NE	61
SC	60
SD	60
KY	59
IL	58
NH	56
AR	55
GA	54
DC	54
TN	53
HI	53
AK	52
LA	51
PA	45
IA	44
CA	34

Name: State, dtype: int64

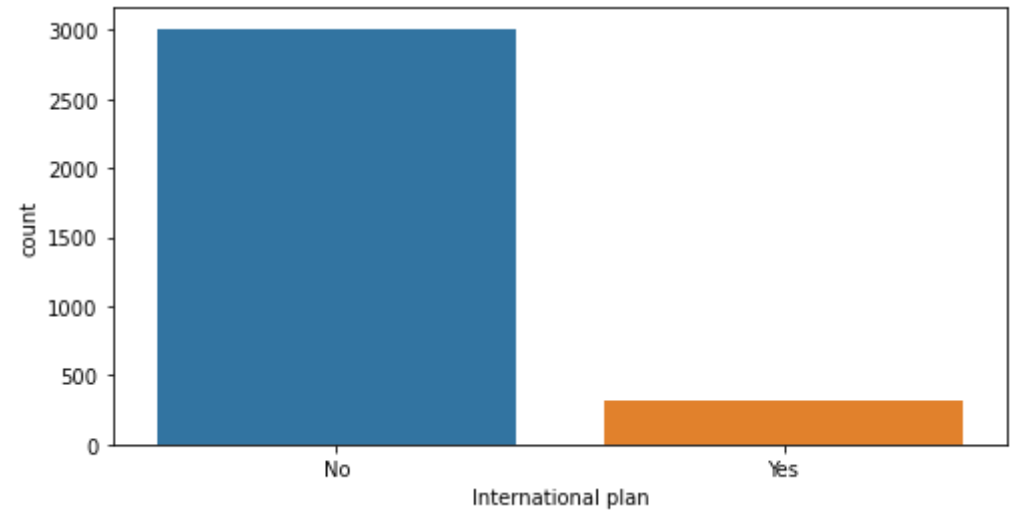


415	1655
510	840
408	838

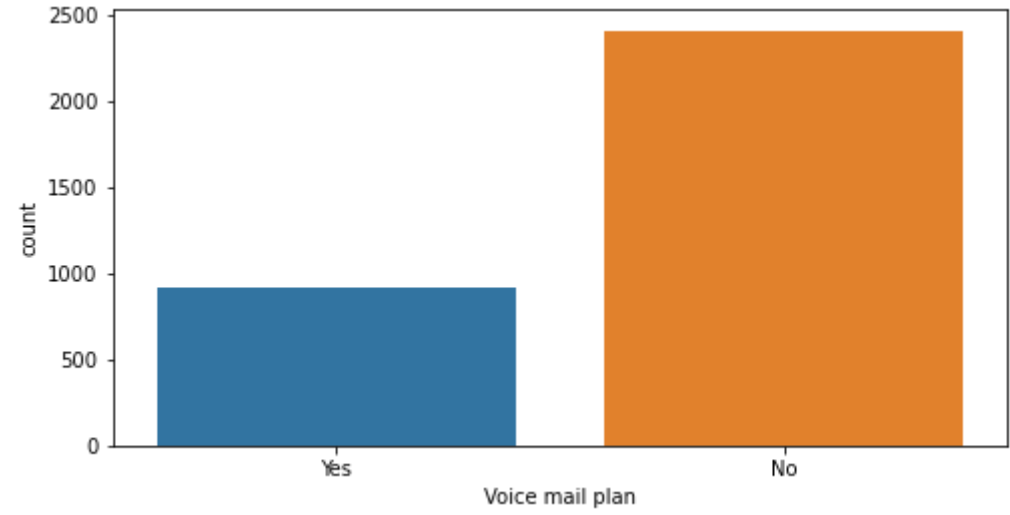
Name: Area code, dtype: int64



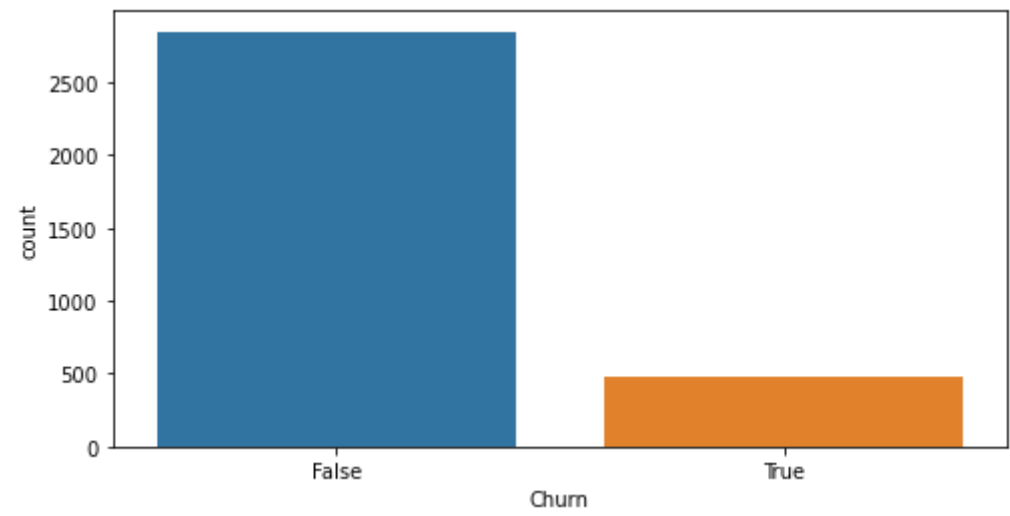
No 3010
Yes 323
Name: International plan, dtype: int64



No 2411
Yes 922
Name: Voice mail plan, dtype: int64



False 2850
True 483
Name: Churn, dtype: int64



Observation -

- Area Code - Almost half of customers are from area code 415, rest 1/4 from each area code
- International Plan - almost 90% of customers do not have international plans
- Approx 30% of customers have opted for voice mail plan
- Churn - almost 14% of customers have left the telecom company

Exploratory Analysis

- Correlation Analysis
- ANOVA
- Chi Square analysis

Correlation Analysis

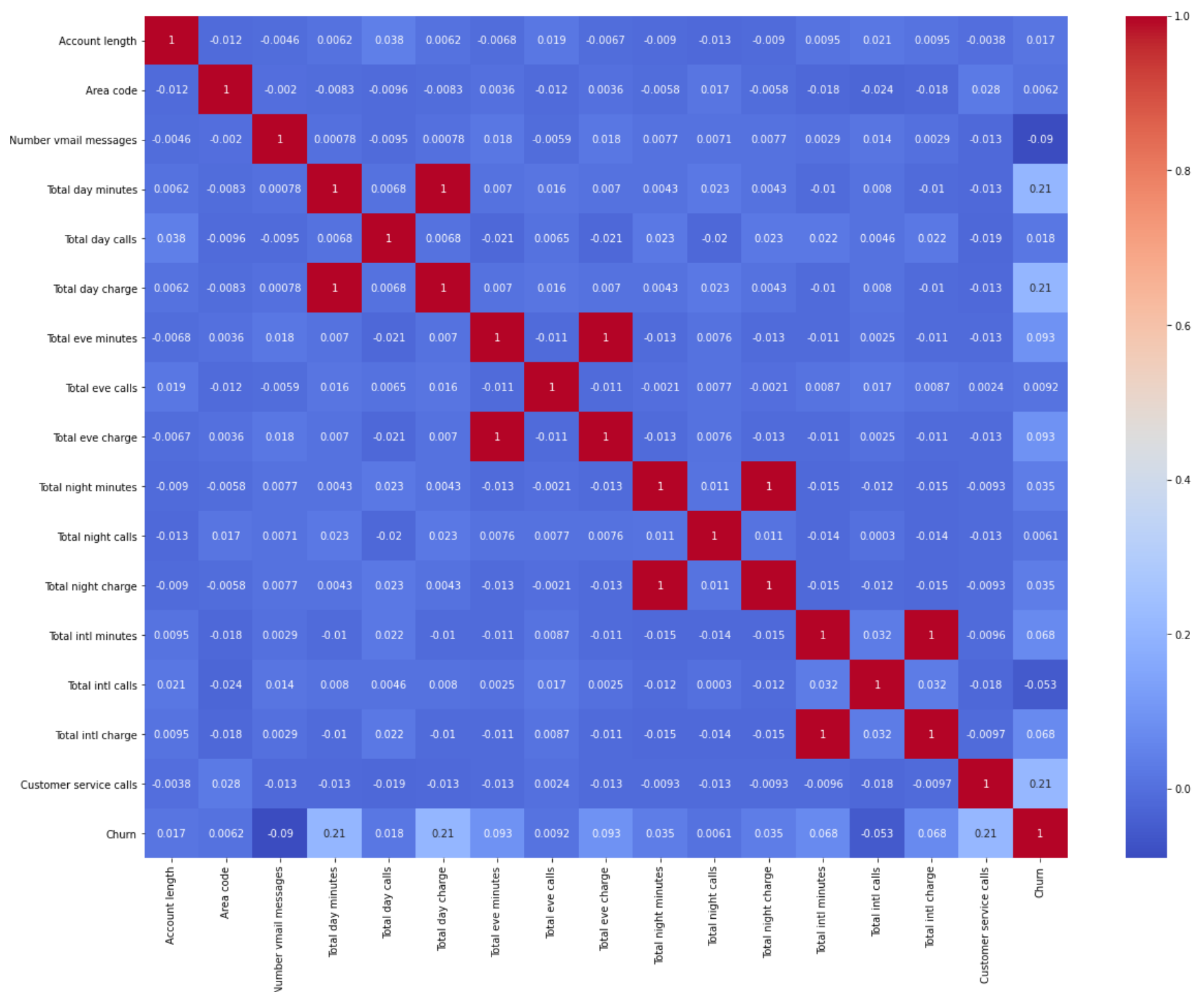
In [26]:

```
corr = df.corr()  
corr
```

Out[26]:

	Account length	Area code	Number vmail messages	Total day minutes	Total day calls	Total day charge	Total eve minutes	Total eve calls	Total eve charge	Total night minutes	Total night calls	Total night charge	Total intl minutes	Total intl calls	Total intl charge	Customer service calls	Churn
Account length	1.000000	-0.012463	-0.004628	0.006216	0.038470	0.006214	-0.006757	0.019260	-0.006745	-0.008955	-0.013176	-0.008960	0.009514	0.020661	0.009546	-0.003796	0.016541
Area code	-0.012463	1.000000	-0.001994	-0.008264	-0.009646	-0.008264	0.003580	-0.011886	0.003607	-0.005825	0.016522	-0.005845	-0.018288	-0.024179	-0.018395	0.027572	0.006174
Number vmail messages	-0.004628	-0.001994	1.000000	0.000778	-0.009548	0.000776	0.017562	-0.005864	0.017578	0.007681	0.007123	0.007663	0.002856	0.013957	0.002884	-0.013263	-0.089728
Total day minutes	0.006216	-0.008264	0.000778	1.000000	0.006750	1.000000	0.007043	0.015769	0.007029	0.004323	0.022972	0.004300	-0.010155	0.008033	0.021666	-0.013423	0.205151
Total day calls	0.038470	-0.009646	-0.009548	0.006750	1.000000	0.006753	-0.021451	0.006462	-0.021449	0.022938	-0.019557	0.022927	0.021565	0.004574	0.021666	-0.018942	0.018459
Total day charge	0.006214	-0.008264	0.000776	1.000000	0.006753	1.000000	0.007050	0.015769	0.007036	0.004324	0.022972	0.004301	-0.010157	0.008032	-0.010094	-0.013427	0.205151
Total eve minutes	-0.006757	0.003580	0.017562	0.007043	-0.021451	0.007050	1.000000	-0.011430	1.000000	-0.012584	0.007586	-0.012593	-0.011035	0.002541	-0.011067	0.002423	0.092796
Total eve calls	0.019260	-0.011886	-0.005864	0.015769	0.006462	0.015769	-0.011430	1.000000	-0.011423	-0.002093	0.007710	-0.002056	0.008703	0.017434	0.008674	0.002423	0.009233
Total eve charge	-0.006745	0.003607	0.017578	0.007029	-0.021449	0.007036	1.000000	-0.011423	1.000000	-0.012592	0.007596	-0.012601	-0.011043	0.002541	-0.011074	-0.012987	0.092786
Total night minutes	-0.008955	-0.005825	0.007681	0.004323	0.022938	0.004324	-0.012584	-0.002093	-0.012592	1.000000	0.011204	0.999999	-0.015207	-0.012353	-0.015180	-0.009288	0.035493
Total night calls	-0.013176	0.016522	0.007123	0.022972	-0.019557	0.022972	0.007586	0.007710	0.007596	0.011204	1.000000	0.011188	-0.013605	0.000305	-0.013630	-0.012802	0.006141
Total night charge	-0.008960	-0.005845	0.007663	0.004300	0.022927	0.004301	-0.012593	-0.002056	-0.012601	0.999999	0.011188	1.000000	-0.015214	-0.012329	-0.015186	-0.009277	0.035496
Total intl minutes	0.009514	-0.018288	0.002856	-0.010155	0.021565	-0.010157	-0.011035	0.008703	-0.011043	-0.015207	-0.013605	-0.015214	1.000000	0.000305	0.000305	0.000305	0.000305
Total intl calls	0.020661	-0.024179	0.013957	0.008033	0.004574	0.008032	0.002541	0.017434	0.002541	-0.012353	0.000305	-0.012329	0.000305	0.000305	0.000305	0.000305	0.000305
Total intl charge	0.009546	-0.018395	0.002884	-0.010092	0.021666	-0.010094	-0.011067	0.008674	-0.011074	-0.015180	-0.013630	-0.015186	0.999999	0.000305	0.000305	0.000305	0.000305
Customer service calls	-0.003796	0.027572	-0.013263	-0.013423	-0.018942	-0.013427	-0.012985	0.002423	-0.012987	-0.009288	-0.012802	-0.009277	-0.012802	-0.012329	-0.012329	-0.009277	-0.009277
Churn	0.016541	0.006174	-0.089728	0.205151	0.018459	0.205151	0.092796	0.009233	0.092786	0.035493	0.006141	0.035496	0.000305	0.000305	0.000305	0.000305	0.000305

```
In [27]: # heatmap for correlation matrix
plt.figure(figsize=(20,15))
sns.heatmap(corr,annot=True,cmap="coolwarm")
plt.show()
```



Observations -

- total xx minutes are correlated to total xx charge, total xx charge is a multiplier of total xx minutes
- Total day charge has slightly good correlation with churn - customers paying higher charges are more likely to leave
- Customer service calls, seems to have high correlation with churn - customers making more calls, have higher chances to leave the telecom service provider.

ANOVA - Analysis of variance - f test

```
In [28]: nums
```

```
Out[28]: ['Account length',
'Number vmail messages',
'Total day minutes',
'Total day calls',
'Total day charge',
'Total eve minutes',
'Total eve calls',
'Total eve charge',
'Total night minutes',
'Total night calls',
'Total night charge',
'Total intl minutes',
'Total intl calls',
'Total intl charge',
'Customer service calls']
```

```
In [29]: xnum = df[nums]
y = df['Churn']

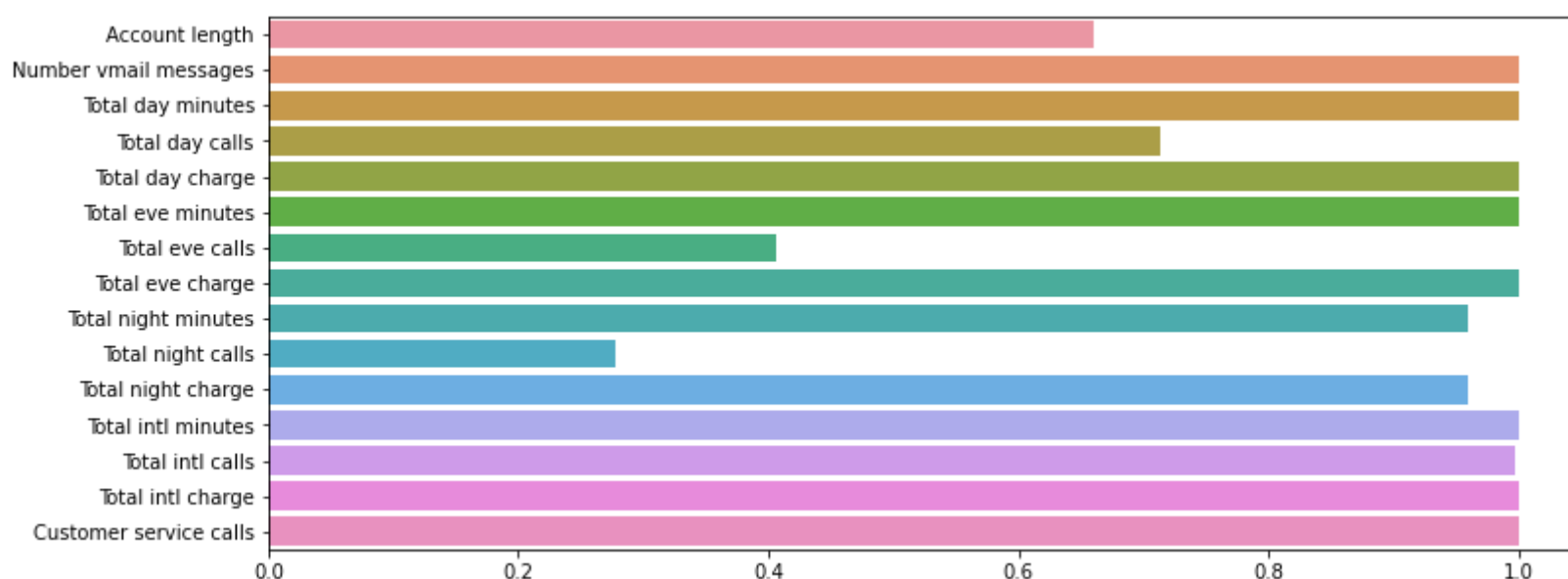
from sklearn.feature_selection import f_classif
fvalue, pvalue = f_classif(xnum,y)
```

```
In [30]: for i in range(len(nums)):
print(nums[i],pvalue[i])
```

```
Account length 0.33976000705720666
Number vmail messages 2.1175218402696038e-07
Total day minutes 5.300278227509361e-33
Total day calls 0.28670102402211844
Total day charge 5.30060595239102e-33
Total eve minutes 8.011338561256927e-08
Total eve calls 0.5941305829720491
Total eve charge 8.036524227754477e-08
Total night minutes 0.04046648463758881
Total night calls 0.7230277872081609
Total night charge 0.040451218769160205
Total intl minutes 8.05731126549437e-05
Total intl calls 0.002274701409850077
Total intl charge 8.018753583047257e-05
Customer service calls 3.900360240185746e-34
```

```
In [49]: pvalue2 = 1-pvalue

plt.figure(figsize=(12,5))
sns.barplot(x=pvalue2,y=nums)
#plt.yticks(ticks=np.arange(len(nums)),labels=nums,rotation=90)
plt.show()
```



Observation -

- important features - Number vmail messages, total day minutes, total eve mins, total int mins, customer service calls, total intl calls

Chi Square test

```
In [51]: cats
```

```
Out[51]: ['State', 'Area code', 'International plan', 'Voice mail plan', 'Churn']
```

```
In [52]: cats = ['State', 'Area code', 'International plan', 'Voice mail plan']
xcat = df[cats]
y = df['Churn']
```


In [53]: `from sklearn.preprocessing import LabelEncoder`

```
xcat['State'] = LabelEncoder().fit_transform(xcat['State'])
xcat['International plan'] = LabelEncoder().fit_transform(xcat['International plan'])
xcat['Voice mail plan'] = LabelEncoder().fit_transform(xcat['Voice mail plan'])
```

C:\ProgramData\Anaconda3\lib\site-packages\ipykernel_launcher.py:3: SettingWithCopyWarning:
A value is trying to be set on a copy of a slice from a DataFrame.
Try using .loc[row_indexer,col_indexer] = value instead

See the caveats in the documentation: https://pandas.pydata.org/pandas-docs/stable/user_guide/indexing.html#returning-a-view-versus-a-copy

This is separate from the ipykernel package so we can avoid doing imports until
C:\ProgramData\Anaconda3\lib\site-packages\ipykernel_launcher.py:4: SettingWithCopyWarning:
A value is trying to be set on a copy of a slice from a DataFrame.
Try using .loc[row_indexer,col_indexer] = value instead

See the caveats in the documentation: https://pandas.pydata.org/pandas-docs/stable/user_guide/indexing.html#returning-a-view-versus-a-copy

after removing the cwd from sys.path.
C:\ProgramData\Anaconda3\lib\site-packages\ipykernel_launcher.py:5: SettingWithCopyWarning:
A value is trying to be set on a copy of a slice from a DataFrame.
Try using .loc[row_indexer,col_indexer] = value instead

See the caveats in the documentation: https://pandas.pydata.org/pandas-docs/stable/user_guide/indexing.html#returning-a-view-versus-a-copy
"""

In [54]: `from sklearn.feature_selection import chi2`
`chival, pvalue = chi2(xcat,y)`

In [55]: `for i in range(len(cats)):`
`print(cats[i],pvalue[i])`

```
State 0.19214978695607624
Area code 0.4701527286099566
International plan 4.091734729415479e-46
Voice mail plan 5.28486023170551e-07
```

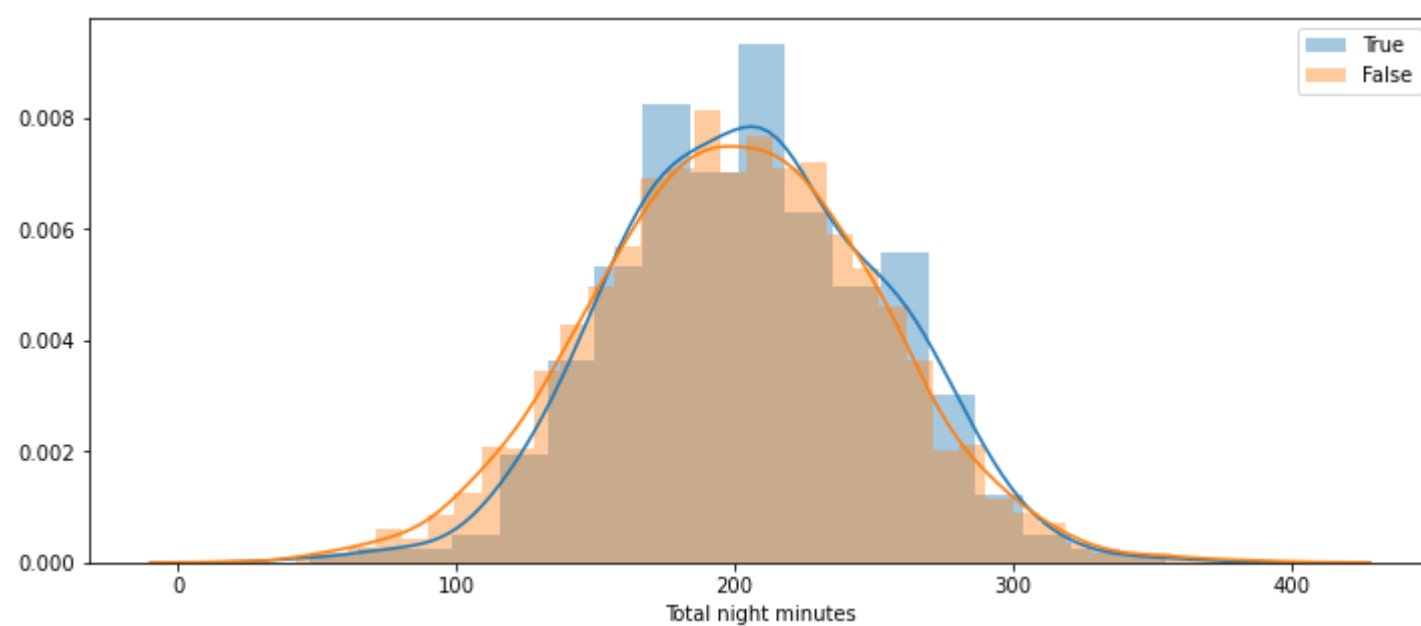
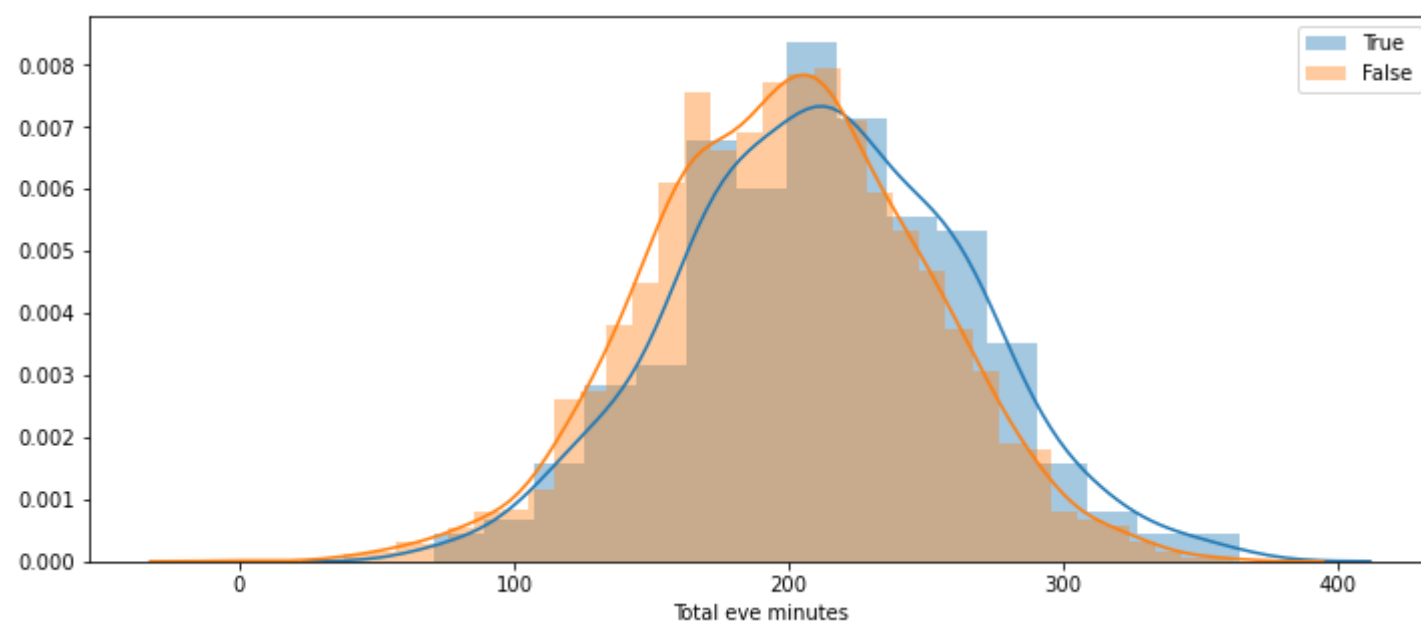
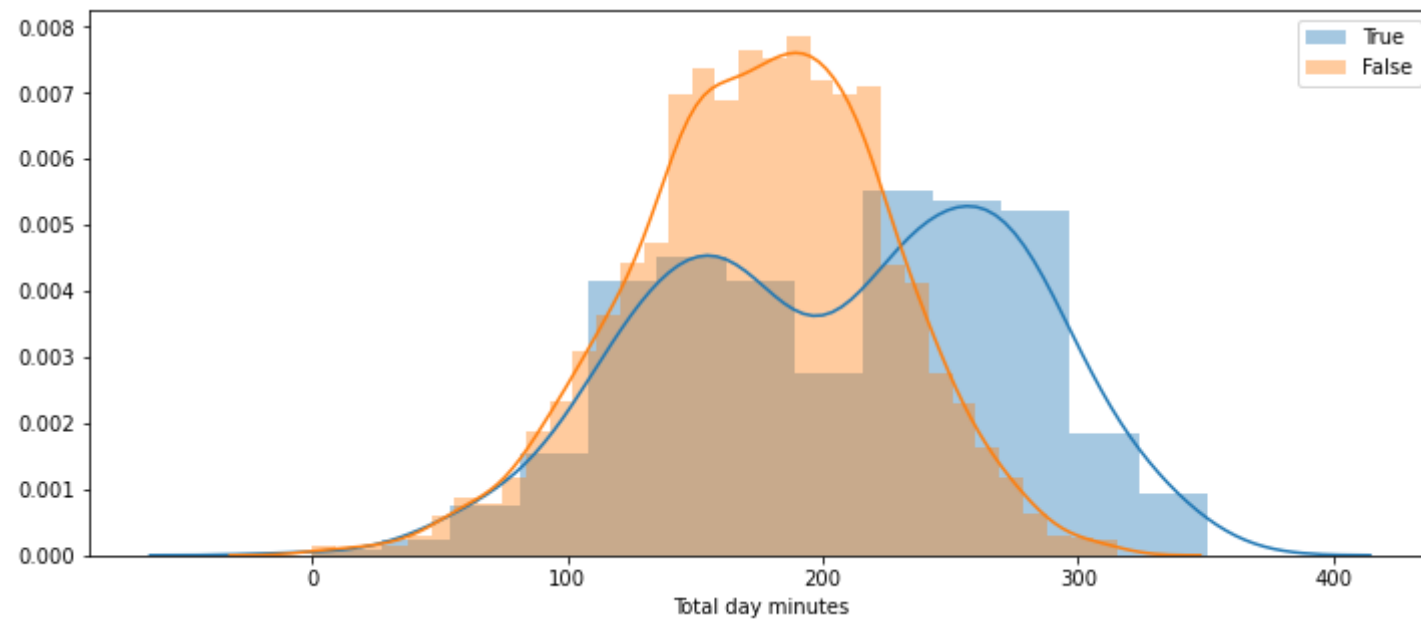
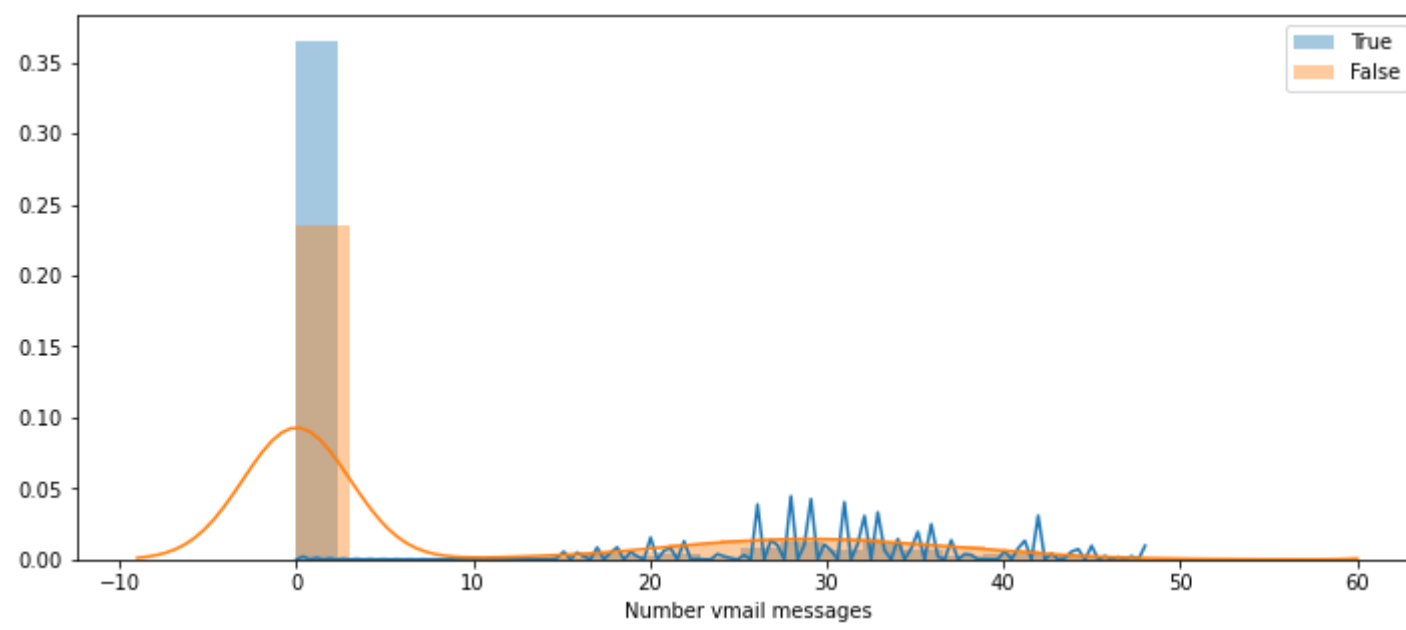
Observation -

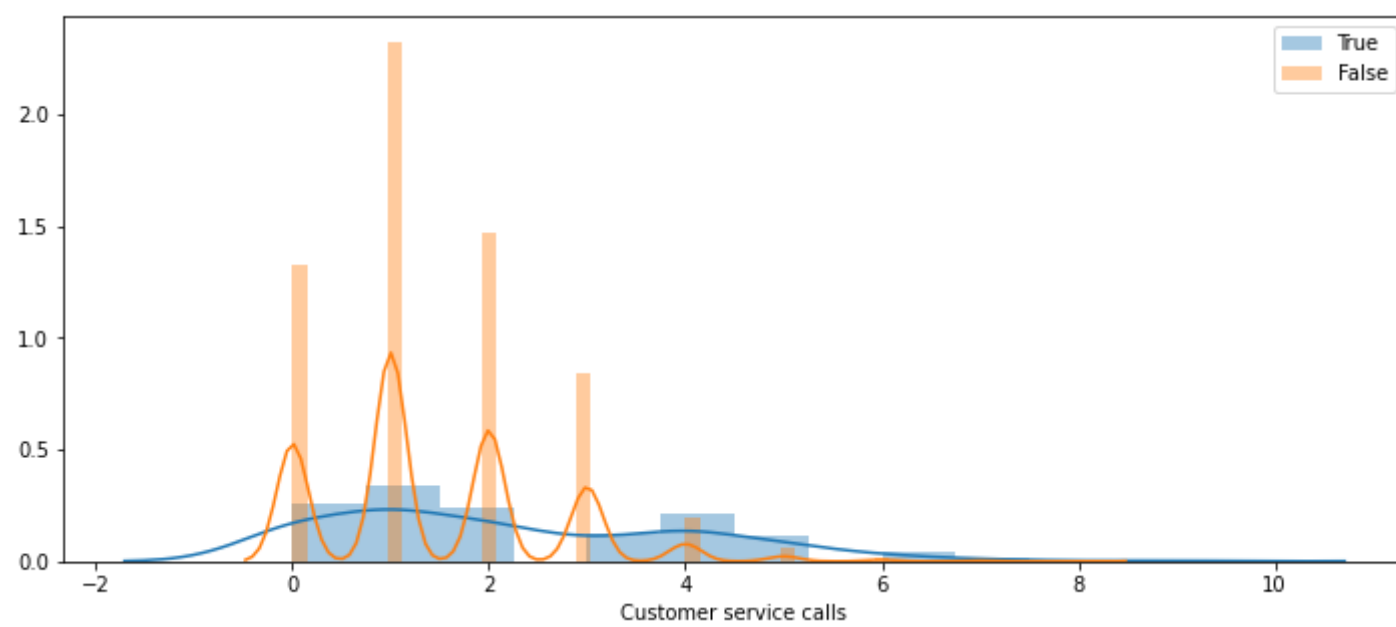
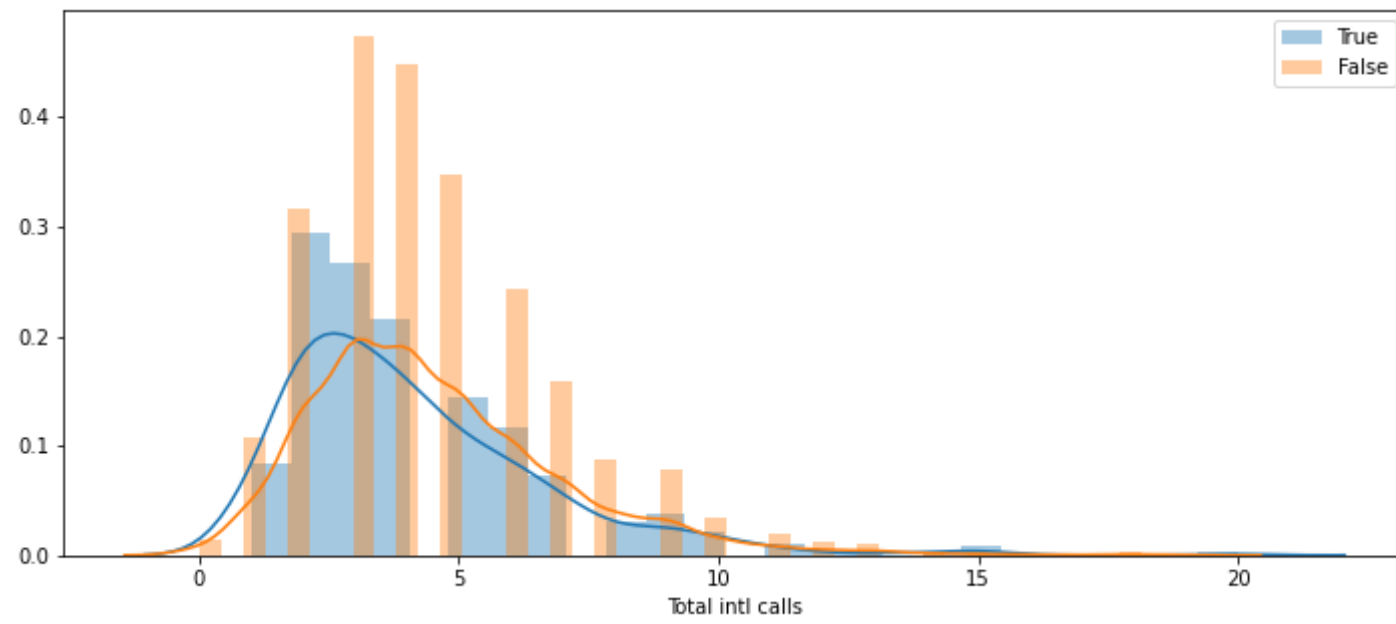
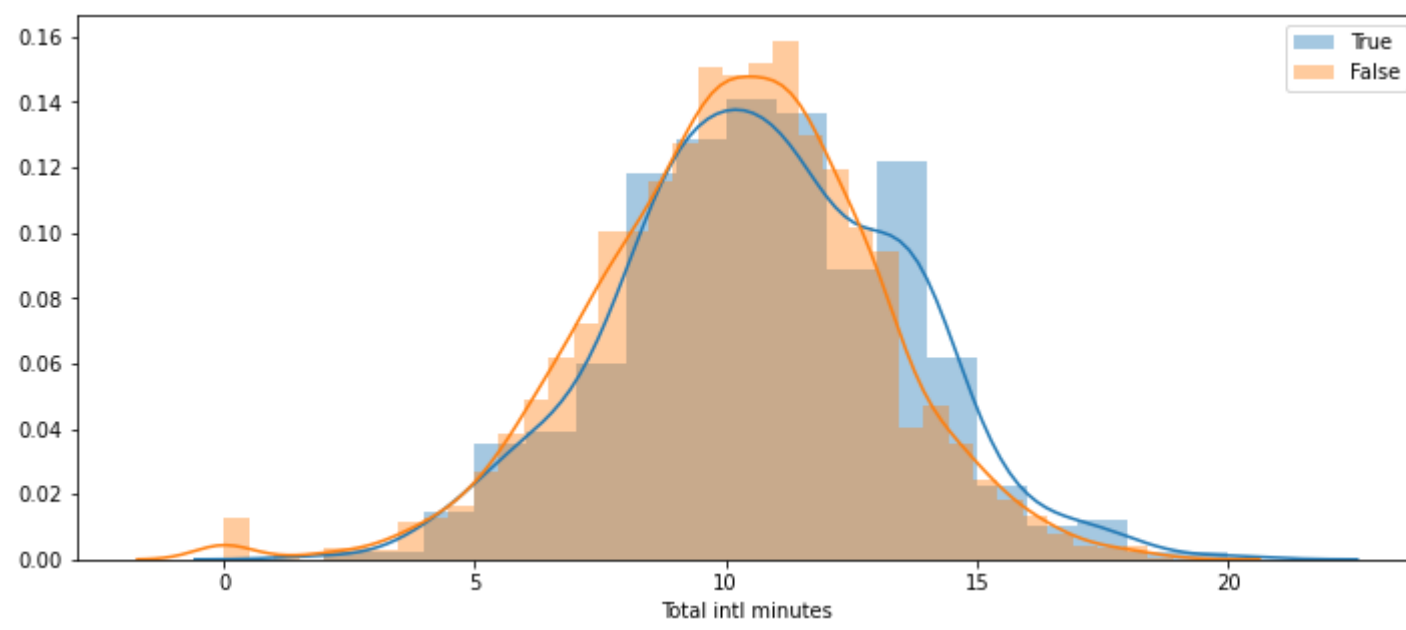
- Important features - International Plan, Voice mail plan"

Data Visualization

In [56]: `nums = ['Number vmail messages', 'Total day minutes', 'Total eve minutes',`
`'Total night minutes', 'Total intl minutes',`
`'Total intl calls', 'Customer service calls']`

```
In [57]: for col in nums:
          plt.figure(figsize=(12,5))
          sns.distplot(df[col][df.Churn==True])
          sns.distplot(df[col][df.Churn==False])
          plt.legend([True,False])
          plt.show()
```

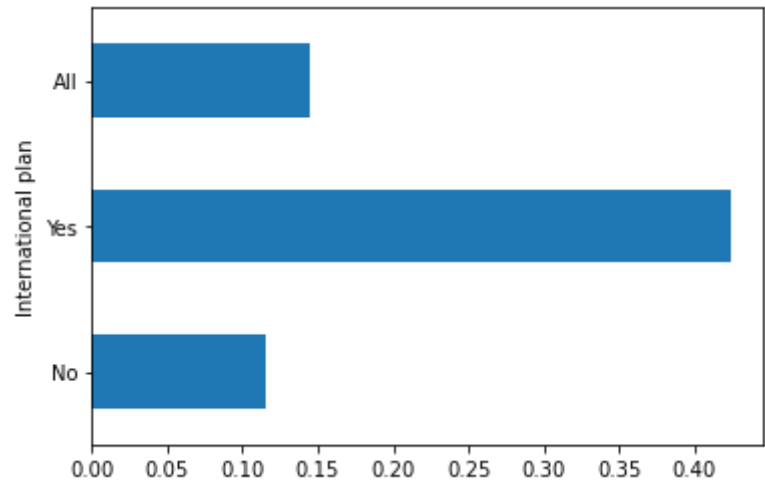




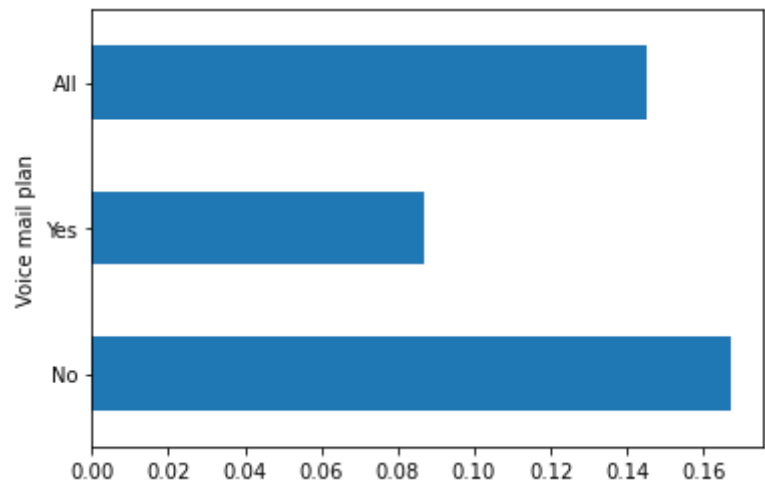
```
In [58]: cats = ['International plan', 'Voice mail plan']
```

```
In [62]: for col in cats:
        pivot = pd.crosstab(df[col],df['Churn'],margins=True)
        print(pivot)
        ratio = pivot[True]/pivot['All']
        print(ratio)
        ratio.plot(kind='barh')
        plt.show()
```

Churn False True All
International plan
No 2664 346 3010
Yes 186 137 323
All 2850 483 3333
International plan
No 0.114950
Yes 0.424149
All 0.144914
dtype: float64



Churn False True All
Voice mail plan
No 2008 403 2411
Yes 842 80 922
All 2850 483 3333
Voice mail plan
No 0.167151
Yes 0.086768
All 0.144914
dtype: float64



```
In [ ]: 
```