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Dec 130- HW1: Churn Prediction

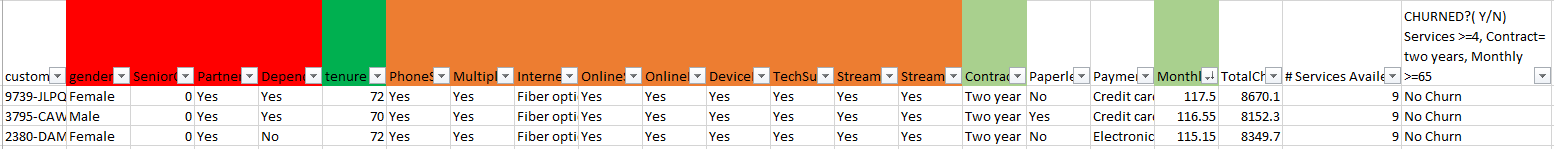
From the data provided, I predicted whether customers would churn or not based on the following criteria:

* Number of Services Availed (whether they subscribed to at least four (4) out of nine (9) available services)
* The Length of the Contract (whether the contract is two years)
* Monthly Expenditures (if their monthly expenditures is P65 or higher)

All these criteria were the key in determining whether customers would churn or not, as these factors can indicate the levels of commitment, trust and loyalty consumers have for that telco company. Applying to four services implies a relatively high loyalty, a two year contract suggests good commitment, and monthly expenditures exceeding P65 also denotes trust and confidence.

The data was arranged in an excel file. The number of services availed was determined using the COUNTIF function- for example, =COUNTIF(G3:O3, "Yes") + COUNTIF(G3:O3, "DSL") +COUNTIF(G3:O3, "Fiber optic"). Out of the nine options, the function adds up the number of services availed and displays it in the column “# Services Availed”. Whether customers would churn or not was determined using three IF functions, for instance: =IF(U3>=4,"No Churn",IF(P3="Two year","No Churn",IF(S3>=65,"No Churn","Churn"))). If a customer does not meet the first criterion (Number of Services Applied), but meets the second one (Length of Contract), they most likely will NOT CHURN. Likewise if they do not meet the first two criterion but meet the last one, they will most probably NOT CHURN.

Below is a snippet of the study conducted:



Overall, based on three factors, namely Number of Services Availed, Length of the Contract, and Monthly Expenditures, a total of 391 (78%) customers out of 500 are expected NOT TO CHURN, while 109 (22%) are expected to CHURN.