

# **Customer Churn Prediction**

#### Scenario:

You are working as a **Machine Learning Engineer** at a telecom company. Your manager has given you a task:

"Build a prediction model that can help us identify which customers are likely to leave our services."

Churn prediction is critical for businesses to retain customers. You'll use historical data to train a logistic regression model and deploy it as an interactive web app using **Streamlit**, so customer support or management can input a customer's details and instantly see the risk of churn.

### Your Task:

You need to:

- 1. Understand and prepare the customer data
- 2. Train a Logistic Regression model to predict churn
- 3. Build a Streamlit web app for live predictions
- 4. Deploy the app online and share the link

## **Dataset Columns (Features Explained):**

Here is the data you'll use:

- gender: Whether the customer is male or female
- SeniorCitizen: 1 if the customer is a senior citizen, 0 otherwise
- Partner: Does the customer have a partner? (Yes/No)
- Dependents: Does the customer have any dependents? (Yes/No)

- tenure: Number of months the customer has stayed with the company
- PhoneService: Does the customer have a phone service? (Yes/No)
- MultipleLines: Does the customer have multiple phone lines? (Yes/No/No phone service)
- InternetService: Customer's internet service provider (DSL/Fiber optic/No)
- OnlineSecurity: Does the customer have online security add-on? (Yes/No/No internet service)
- OnlineBackup: Does the customer have online backup add-on? (Yes/No/No internet service)
- DeviceProtection: Does the customer have device protection add-on? (Yes/No/No internet service)
- TechSupport: Does the customer have tech support? (Yes/No/No internet service)
- StreamingTV: Does the customer stream TV using the company's service? (Yes/No/No internet service)
- StreamingMovies: Does the customer stream movies using the company's service? (Yes/No/No internet service)
- Contract: Contract type month-to-month, one year, or two year
- PaperlessBilling: Is billing done without paper? (Yes/No)
- PaymentMethod: How the customer pays (Credit card, bank transfer, etc.)
- MonthlyCharges: The amount charged to the customer monthly
- TotalCharges: Total amount charged over the entire tenure

• Churn: The target column – whether the customer left the service (Yes/No)

# **Step-by-Step Guide:**

## 1. Data Loading and Exploration

- Load the dataset (CSV format)
- Explore the number of rows, column types, and any missing values
- Understand the balance of the target variable (Churn)

## 2. Preprocessing

- Convert Churn to binary: Yes  $\rightarrow$  1, No  $\rightarrow$  0
- Handle missing or blank values in TotalCharges
- Encode categorical columns using Label Encoding or One-Hot Encoding
- Normalize or scale MonthlyCharges and TotalCharges if needed
- Split the data into train and test sets (80:20 or 70:30)

#### 3. Model Training

- Use Logistic Regression from scikit-learn
- Train the model on the training set
- Evaluate it on the test set using:
  - Accuracy
  - o Precision, Recall, F1 Score

Confusion Matrix

## 4. Streamlit Web App

Create a app.py file for Streamlit. It should:

- Allow users to input customer details (via dropdowns, sliders, etc.)
- Display prediction: "Customer is likely to churn" or "Customer is likely to stay"
- Optionally display model performance metrics or charts
- Have a clean and simple interface

#### 5. Save & Deploy

- Save your model using pickle or joblib
- Create requirements.txt file
- Deploy on Streamlit Cloud (https://share.streamlit.io)
- Share the app link

# **Expected Deliverables:**

- Trained model (logistic\_model.pkl)
- 2. Streamlit app (app.py)
- 3. GitHub repository with:
  - Code
  - README.md (project overview, how to run, model results)

- o requirements.txt
- 4. Live Streamlit App Link

# **End Result:**

Your app should look something like this:

# Input:

• Gender: Female

• Contract Type: Month-to-month

• Tenure: 2 months

• Monthly Charges: ₹70.5 (...other fields filled in by the user)

# **Output:**

"This customer is likely to churn."