# Phase 2 Project Submission

# **Customer Churn Prediction**



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# **Project Name:** Telco Customer Churn Focused customer retention programs.

# **Project Introduction**

Welcome to the Telco Customer Churn Focused Customer Retention Programs Project! In today's dynamic telecommunications landscape, retaining customers is a paramount concern for businesses. To address this critical challenge, we present an innovative approach that leverages cutting-edge machine learning techniques to predict customer churn and unlock the secrets behind customer retention. Our project is fueled by the fusion of advanced machine learning, feature engineering, and ensemble models, creating a robust solution that offers deep insights and precise predictions.

# **Project Definition:**

The project involves using IBM Cognos to predict customer churn and identify factors influencing customer retention. The goal is to help businesses reduce customer attrition by understanding the patterns and reasons behind customers leaving. This project includes defining analysis objectives, collecting customer data, designing relevant visualizations in IBM Cognos, and building a predictive model.

# **Project Source Code and Data**

**Source Code:** The heart of this project resides in our meticulously crafted source code, which encompasses a sophisticated blend of Python libraries and machine learning algorithms. The source code is available in our code repository, allowing for transparency, collaboration, and adaptation.

**Data:** Data is the lifeblood of our analysis. We've harnessed a comprehensive dataset that encapsulates customer demographics, usage behavior, historical interactions, and more. This dataset has been carefully curated to ensure its quality and relevance.

#### **Innovation: Customer Churn Prediction**

Our project is characterized by its innovative approach, setting it apart as a groundbreaking solution in the domain of customer retention. The hallmarks of our innovation include:

#### **Ensemble Models:**

Ensemble models combine the predictions from multiple machine learning algorithms to improve accuracy and reduce overfitting. You can consider using techniques like Random Forests, Gradient Boosting, or AdaBoost. Here's how you can integrate them into your project:

- ➤ Model Selection: Research and select the ensemble models that are most suitable for your problem. These models work well for classification problems like predicting customer churn.
- ➤ Feature Engineering: Before applying ensemble models, perform feature engineering to create new relevant features from the collected data. This can improve the predictive power of your models.
- ➤ **Hyperparameter Tuning:** Optimize the hyperparameters of the ensemble models to achieve the best performance. Grid search or random search can be used for this purpose.
- ➤ Model Evaluation: Assess the performance of ensemble models using metrics such as accuracy, precision, recall, F1 score, and ROC AUC to ensure the best predictive accuracy.

### **Feature Engineering:**

Feature engineering involves creating new features from the existing data, which can help capture underlying patterns and improve model performance. Consider the following:

- ➤ **Domain Knowledge:** Leverage your domain knowledge to create features that are likely to influence customer churn. For example, you can engineer features related to customer tenure, usage patterns, and customer service interactions.
- ➤ **Dimensionality Reduction**: Use techniques like Principal Component Analysis (PCA) to reduce the dimensionality of the data while preserving important information.
- ➤ Feature Importance: After building your models, assess feature importance to identify which variables have the most impact on customer churn.

## **Data-Driven Insights:**

By marrying the power of advanced machine learning with our innovative features, we empower businesses to make data-driven decisions that are more precise, timely, and customer-centric. Understanding the why and how of customer churn is at the core of our innovation.

## **Conclusion:**

In conclusion, the Telco Customer Churn Focused Customer Retention Programs Project stands as a testament to the power of innovative data-driven solutions in the telecommunications industry. Throughout this project, we've embarked on a journey to predict customer churn and understand the crucial factors influencing customer retention. The insights and tools developed within this project have the potential to revolutionize the way businesses approach customer management and retention.