Data science

PROJECT-Churn customer prediction

A training report

Submitted in partial fulfillment of the requirements for the award of degree of

B.TECH-CSE

LOVELY PROFESSIONAL UNIVERSITY

.....PHAGWARA, PUNJAB.....



SUBMITTED BY

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INTRODUCTION

In the current market, there is fierce competition for E-commerce companies and DTH providers (you can select any of these two areas). As a result, it has become difficult to hold onto current clients. As a result, the business is trying to create a model that will allow them to predict account churn and send targeted offers to those who might consider canceling. Because a single account can have several customers, account churn is a big concern for this organization. Therefore, the business may lose more than one customer as a result of losing one account.

ABOUT: DATASET

The main columns that are commonly present in PG churn prediction datasets are listed below, along with an explanation of their importance:

Each client record in the dataset is uniquely identified by its customer ID (unique identifier).

Details on the demographics:

Age: Can reveal a customer's changing wants and preferences as they get older.

Gender: May have an impact on how a product is used or how responsive it is to promotions.

Location (nation, area, or city): The behavior of customers and pricing policies can be influenced by geographic considerations.

Details of the Subscription:

Start Date of Subscription: The amount of time since the start of the subscription can indicate trends in churn risk.

Subscription Plan (basic, premium, free trial, etc.): The likelihood of cancellation may differ throughout plans.

Payment Method (debit, credit, etc.): The ease of use or complexity of the payment method may have an impact on customer attrition.

Length of Contract (monthly, yearly, etc.): Durations of contracts have an impact on exit points and churn probability.

How to import data set

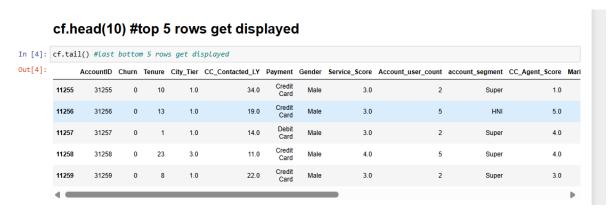
3. Data Ingestion

Importing necessary libraries

```
In [1]: import numpy as np
   import pandas as pd
   import matplotlib.pyplot as plt
   import seaborn as sns
   import warningsS
   warnings.filterwarnings("ignore")
In [2]: cf=pd.read_excel('Customer Churn Data.xlsx',sheet_name='data') # reading the data set
```

HOW TO FETCH TOP AND LAST ROWS

By the use of head() and tail() function



Data cleaning

- Common Data Quality Issues
- Missing Values: Instances where data points are absent.
- Duplicate Entries: Repeated data entries that can skew analysis.
- Inconsistent Data: Data that is not uniform, such as different formats for dates.
- Outliers: Data points that deviate significantly from the rest of the dataset.
- Incorrect Data: Errors in data entry that lead to invalid data points.
- Irrelevant Data: Data that does not contribute to the analysis or model.

4. Data Cleaning

Checking for null values and duplicate values

```
In [5]: cf.dtypes # data types of each individual column get printed
Out[5]: AccountID
                                                  int64
                                                  int64
           Churn
           Tenure
City_Tier
                                              object
float64
                                         float64
float64
           CC_Contacted_LY
Payment
                                               object
           Gender
Service_Score
                                            object
float64
           Account_user_count account_segment
                                                object
object
           CC_Agent_Score
Marital_Status
                                              float64
object
           rev_per_month
Complain_ly
                                               object
float64
           rev_growth_yoy
coupon
Day_Since_CC_connect
                                                 object
                                                 object
                                                 object
                                                 object
           Login_device
dtype: object
                                                 object
```

Here it is observed that there are 12 feature that are categorical, five are float type and remaining are of integer type only.

```
In [6]: cf.isnull().sum() # checking each individual column that there are Null values or not/
Out[6]: AccountID
          Tenure
                                            192
          City_Tier
          CC_Contacted_LY
                                            102
          Payment
Gender
                                            108
          Account_user_count
account_segment
                                            112
                                            116
          CC_Agent_Score
Marital_Status
                                            212
          rev per month
                                            102
          Complain_ly
rev_growth_yoy
                                            357
          coupon_used_for_payment
Day_Since_CC_connect
                                            357
          cashback
                                            471
          Login_device
dtype: int64
```

Here the column which are null values we are going to replace with median and mode ,i.e categorical by mode and numerical by mean

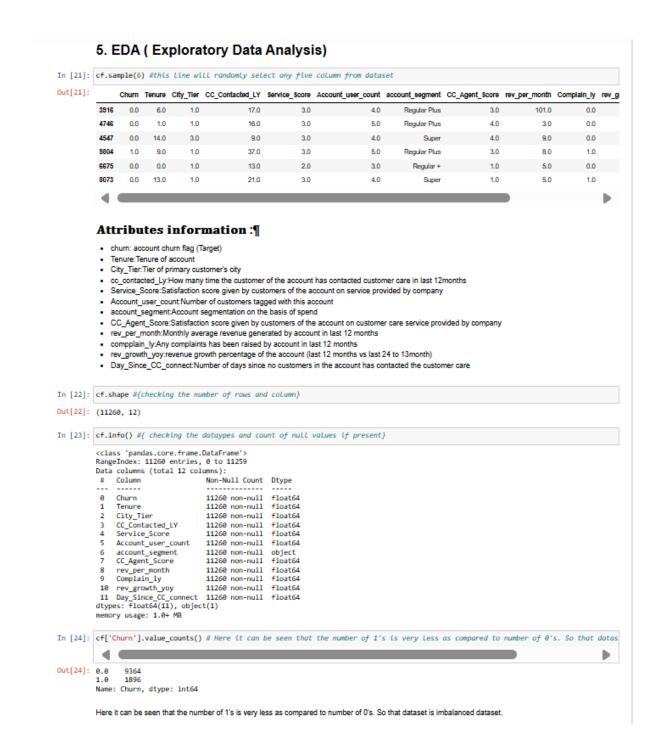
```
In [7]: cf.duplicated().sum() #there no duplicated rows
Out[7]: 0
```

```
In [18]: #now Lets fill object column null values with mode
    object_columns = cf.select_dtypes(include=['object']).columns
               cf[object_columns] = cf[object_columns].fillna(cf[object_columns].mode().iloc[0])
In [19]: #now Lets check again that there is null counts or not
               cf.isnull().sum()
Out[19]: Churn
               Tenure
               City_Tier
              CC_Contacted_LY
Service_Score
              Account_user_count
account_segment
              CC_Agent_Score
rev_per_month
               Complain_ly
              rev_growth_yoy
Day_Since_CC_connect
              dtype: int64
In [20]: # Check unique values in each column
               for column in cf.columns:
                 unique_values = cf[column].unique()
print(f"Unique values in {column}: {unique_values}")
               Unique values in Churn: [1. 0.]
              Unique values in Tenure: [ 4. 0. 2. 13. 11. 9. 99. 19. 20. 14. 8. 26. 18. 5. 30. 7. 1. 23. 3. 29. 6. 28. 24. 25. 16. 10. 15. 22. 27. 12. 21. 17. 50. 60. 31. 51.
              Unique values in City_Tier: [3. 1. 2.]
Unique values in CC_Contacted_LY: [ 6. 8. 30. 15. 12. 22. 11.
26. 14. 10. 25. 27. 17. 23. 33. 19. 35. 24. 16. 32. 21.
34. 5. 4. 126. 7. 36. 127. 42. 38. 37. 39. 40. 41. 132.
                                                                             8. 30. 15. 12. 22. 11. 9. 31. 18. 13. 20. 29. 28.
                 43. 129.1
              Unique values in Service_Score: [3. 2. 1. 0. 4. 5.]
Unique values in Account_user_count: [3. 4. 5. 2. 1. 6.]
Unique values in account_segment: ['Super' 'Regular Plus' 'Regular' 'HNI' 'Regular +' 'Super Plus' 'Super +']
              Unique values in CC_Agent_Score: [2. 3. 5. 4. 1.]
Unique values in rev_per_month: [ 9. 7. 6. 8. 3. 2. 4. 18
120. 138. 127. 123. 124. 116. 21. 126. 134. 113. 114. 108. 140. 133. 129. 167. 118. 11. 105. 26. 119. 121. 137. 110. 22. 161. 136. 125. 14. 13. 12. 115. 23. 122. 117. 131. 104. 15. 25. 135. 111. 109.
                                                                                                                  4. 10. 1. 5. 130. 19. 139. 102.
                100. 103.1
               Unique values in Complain_ly: [1. 0.]
              Unique values in rev_growth_yoy: [11. 15. 14. 23. 22. 16. 12. 13. 17. 18. 24. 19. 20. 21. 25. 26. 4. 27.
              Unique values in Day_Since_CC_connect: [ 5. 0. 3. 7. 2. 1. 8. 6. 4. 15. 11. 10. 9. 13. 12. 17. 16. 14. 30. 46. 18. 31. 47.]
```

Exploratory Data Analysis

- The significance of EDA
- Data Understanding: Offers a thorough understanding of the dataset, covering its relationships, primary features, and structure.
- Finding trends, patterns, and outliers that might not be immediately obvious is made easier with the aid of insight generation.
- Assumption Validation: Verifies the validity of the underlying assumptions in statistical models.
- Selecting features: Assists in determining the most pertinent variables to include in a model.

 Data cleaning: Makes it easier to find errors and abnormalities that should be fixed before doing more analysis.



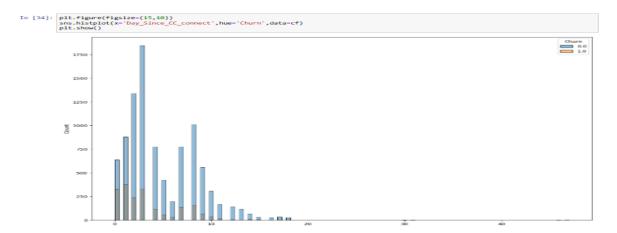
Separating numerical and categorical features In [25]: num_feature= [fea for fea in cf.columns if cf[fea].dtype !=object] cat_feature= [fea for fea in cf.columns if cf[fea].dtype==object] In [26]: print("We have {} Numerical features : {}".format(len(num_feature),num_feature)) print() print("We have {} Categorical features : {}".format(len(cat_feature),cat_feature)) We have 11 Numerical features: ['Churn', 'Tenure', 'City_Tier', 'CC_Contacted_LY', 'Service_Score', 'Account_user_count', 'CC_Agent_Score', 'rev_per_month', 'Complain_ly', 'rev_growth_yoy', 'Day_Since_CC_connect'] We have 1 Categorical features : ['account_segment'] Statistical Description In [27]: cf.describe().T Out[27]: count mean atd min 25% 50% 75% max Chum 11260.0 0.168384 0.374223 0.0 0.0 0.0 0.0 Tenure 11260.0 10.985879 12.757534 0.0 2.0 9.0 16.0 City_Tier 11260.0 1.647425 0.912763 1.0 1.0 1.0 3.0 3.0 CC Contacted LY 11260.0 17.850178 8.814851 4.0 11.0 16.0 23.0 132.0 Service_Score 11260.0 2.903375 0.722476 0.0 2.0 3.0 3.0 5.0 Account user count 11260.0 3.704973 1.004383 1.0 3.0 4.0 4.0 6.0 CC_Agent_Score 11260.0 3.065808 1.372663 1.0 2.0 3.0 4.0 5.0 rev_per_month 11260.0 6.266874 11.488990 1.0 3.0 5.0 Complain_ly 11260.0 0.276288 0.447181 0.0 0.0 0.0 1.0 1.0 rev_growth_yoy 11260.0 16.193073 3.757271 4.0 13.0 15.0 19.0 28.0

ANALYSIS with the help of graph

Day Since CC connect 11260.0 4.581261 3.649643 0.0 2.0 3.0 7.0 47.0

• Histograms:

A single numerical variable's frequency distribution should be displayed.helpful in comprehending the distribution and central tendency of the data.



• Plots in boxes:

Show a dataset's variability, central value, and distribution. efficient in comparing distributions between groups and identifying outliers.

```
In [37]: plt.figure(figsize=(15,30))
plt.suptitle('BOX PLOT for all numerical feature',fontsize=20,fontweight='bold',y=1)
             for i in range(0,len(num_feature)):
                  plt.subplot(8,2,i+1)
                  sns.boxplot(data=ef[num_feature],orient='h') # checking the outliers are present or not plt.tight_layout()
                                                                  BOX PLOT for all numerical feature
                           Chum
                         City_Tier
                                                                                                            City_Tier
                  CC_Contacted_LY
                                                                                                      CC_Contacted_LY
                     Service_Score
                                                                                                        Service_Score -
                Account_user_count
                                                                                                      count_user_count :
                   CC_Agent_Score
                                                                                                       CC_Agent_Score
                    rev_per_month
                                                                                                        rev_per_month -
                                                                                                          Complain_ly -
                    rev_growth_yay
                                                                                                       mv_growth_yoy
              Day_Since_CC_connect
                           Chum
                           Tenure
                                                                                                              Tenure -
                         City_Tier
                                                                                                            City_Tier -
                                                                                                      CC_Contacted_LY -
                  CC_Contacted_LY
                     Service_Score
                                                                                                        Service_Score -
```

count_user_count

CC_Agent_Score

rev_per_month Complain_ly rev_growth_yoy

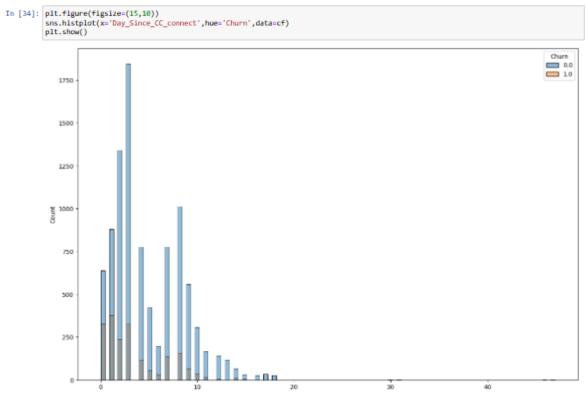
• Bar Diagrams:

Account_user_count

CC_Agent_Score

rev_per_month

Use rectangular bars to show categorical data. helpful in comparing the number or frequency of groups.



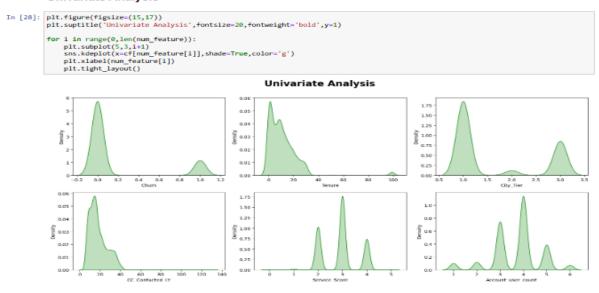
• Heat maps:

Make use of color gradients to visualize the variables' correlation matrix. Excellent for identifying robust correlations and patterns among several variables.



• Line Diagrams:

Monitor a variable's changes over time. beneficial for identifying cycles, trends, and seasonal patterns in time-series data Univariate Analysis

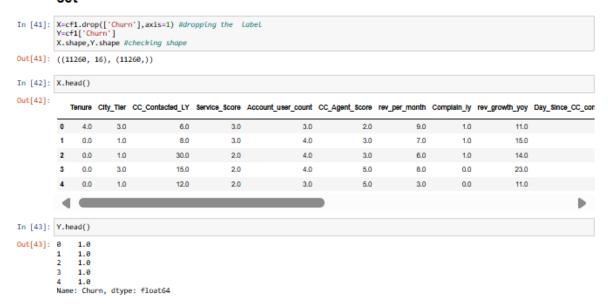


DATA PRE-PROCESSING

- The Value of Preparing Data
- Enhanced Data Quality: Assures that the information is accurate, dependable, and clean.
- Improved Model Performance: Results in improved machine learning model training.
- Effective Analysis: Reduces complexity of the data, facilitating manipulation and examination.
- Decreased Variance and Bias: Aids in dataset balancing and error reduction.



Extracting the target column into separate vectors for training set and test



NOW ABOUT TRAIN AND TEST OF MODEL

- Train-Test Split Model Validation is important because it offers a strong framework for evaluating the model's capacity to generalize to new data.
 - Performance Metrics: Provides the ability to compute metrics on unseen data, including accuracy, precision, recall, and F1-score.
 - Preventing Overfitting: Assesses the model on an independent test set to assist in identifying and reducing overfitting.
- Steps for Data Splitting in Train-Test Split: splitting the dataset, usually in an 80-20 or 70-30 ratio, into training and testing sets.
 - Model Training: Using the training set, which includes most of the data, the model is constructed.
 - Model testing is the process of assessing a model's performance using data from the test set that was not observed by the model during training.

```
Splitting the dataset into train and test data
In [48]: from sklearn.model_selection import train_test_split
X_train,X_test,Y_train,Y_test=train_test_split(X_res,Y_res,test_size=0.2,random_state=0)
              Feature scaling
In [49]: from sklearn.preprocessing import StandardScaler
              sc=StandardScaler()
X_train=sc.fit_transform(X_train)
X_test=sc.transform(X_test)
In [50]: X_train
Out[50]: array([[-0.43895116, -0.78523283, -0.07388762, ..., -0.63665676, -0.04770982, -0.22312806], [ 1.43615636, 1.39689885, -0.38123016, ..., -0.63665676, -0.04770982, 4.48173131], [ 0.27787186, 1.3968985, -1.05993811, ..., 1.57070507, -0.04770982, -0.22312806],
                        ..., e.63665676,

-0.04770982, -0.22312806],

[-0.57153678, 1.39689885, 0.07124181, ..., -0.63665676,

-0.04770982, -0.22312806],

[-0.33987988, -0.78523283, -1.28617409, ..., 1.57070507,

-0.04770982, -0.22312806]])
In [51]: X_test
[-0.64875575, -0.78523283, 1.20642142, ..., 1.57070507,
                        [-0.04770982, -0.22312806],

[-0.57153678, -0.78523283, 1.6418879, ..., -0.63665676,

-0.04770982, -0.22312806],

[0.3559082, 1.39689885, 1.76801168, ..., -0.63665676,

-0.04770982, -0.22312806]])
In [52]: X_train.shape,X_test.shape,Y_train.shape,Y_test.shape
Out[52]: ((14971, 16), (3743, 16), (14971,), (3743,))
In [53]: Y_test.value_counts(normalize=True)*100
Out[53]: 1.0 50.520972
0.0 49.479028
              Name: Churn, dtype: float64
In [54]: Y_train.value_counts(normalize=True)*100
Out[54]: 0.0 50.130252
              1.0 49.869748
Name: Churn, dtype: float64
In [59]: model=LogisticRegression(max iter=1000)
              model.fit(X_train,Y_train)
Y_predict=model.predict(X_test)
type(model)
```

```
Predicting on Training and Test dataset
 In [67]: ytest_predict
              ytest_predict_prob=best_grid.predict_proba(X_test)
ytest_predict_prob
              pd.DataFrame(ytest_predict_prob).head()
Out[67]:
             0 0.877323 0.122677
               1 0.061856 0.938144
              2 0.873786 0.126214
               3 0.219251 0.780749
              4 0.019841 0.980159
              Model Evaluation
              Confusion Matrix for the training data
 In [68]: confusion_matrix(Y_train, ytrain_predict)
Out[68]: array([[6583, 922], [1288, 6178]], dtype=int64)
 In [69]: #Train Data Accuracy
             cart_train_acc=best_grid.score(X_train,Y_train)
cart_train_acc
Out[69]: 0.8523812704562154
 In [70]: print(classification_report(Y_train, ytrain_predict))
                                precision recall f1-score support
                          0.0 0.84 0.88 0.86
1.0 0.87 0.83 0.85
              accuracy 0.85 14971
macro avg 0.85 0.85 0.85 14971
weighted avg 0.85 0.85 0.85 14971
In [71]:
    cart_metrics=classification_report(Y_train, ytrain_predict,output_dict=True)
    cf1=pd.DataFrame(cart_metrics).transpose()
    cart_train_precision=round(cf1.loc["1.0"][0],2)
    cart_train_recall=round(cf1.loc["1.0"][1],2)
    cart_train_frecall=round(cf1.loc["1.0"][2],2)
    print ('cart_train_precision', cart_train_precision)
    print ('cart_train_recall', cart_train_recall)
    print ('cart_train_f1', cart_train_f1)
              cart train precision 0.87
              cart_train_recall 0.83
cart_train_f1 0.85
```

Precision, Recall, and F1 Score in Brief

• Precision:

The ratio of accurately predicted positive observations to the total number of predicted positives is known as precision.

It gauges how accurate positive predictions are, which is crucial when the expense of false positives is substantial.

Recall:

The ratio of accurately predicted positive observations to all actual positive observations is known as recall.

It gauges how well the model can find every pertinent instance—a critical function

when it comes to avoiding costly false positives.

• F1 Points:

The F1 score strikes a balance between recall and precision by taking the harmonic mean of the two.

It offers a solitary statistic for assessing the model in situations where recall and precision are equally significant.

Out[116]:		CART Train	CART Test	Random forest train	Neural Network train	Neural Network test
	Accuracy	0.85	0.85	0.88	0.88	0.87
	Recall	0.83	0.84	0.90	0.90	0.89
	Precision	0.87	0.87	0.86	0.86	0.87
	f1_Score	0.85	0.85	0.88	0.88	0.88

CONCLUSION

Based on the provided output from the dataset, here is an interpretation of the accuracy scores for different models:

1. Decision Tree (CART) Model:

- Train Data Accuracy: The decision tree model achieved a training accuracy of approximately 86.96% (0.8696). This indicates that the model correctly predicted the churn outcome for about 86.96% of the training data.

2. Random Forest Model:

- Train Data Accuracy: The random forest model achieved a training accuracy of around 85.76% (0.8576). This suggests that the model correctly predicted the churn outcome for approximately 85.76% of the training data.

3. Neural Network Model:

- Train Data Accuracy: The neural network model achieved a training accuracy of approximately 87.73% (0.8773). This indicates that the model correctly predicted the churn outcome for around 87.73% of the training data.
- Test Data Accuracy: The neural network model achieved a test accuracy of approximately 87.54% (0.8754). This suggests that the model correctly predicted the churn outcome for approximately 87.54% of the test data.

Based on above observation our data set is good fit and good model

Based on these results, the neural network model seems to have the highest accuracy both on the training and test data, indicating its better performance compared to the decision tree and random forest models. However, it is important to consider other factors such as model complexity, interpretability, and potential overfitting when selecting the best model for your specific churn prediction task.