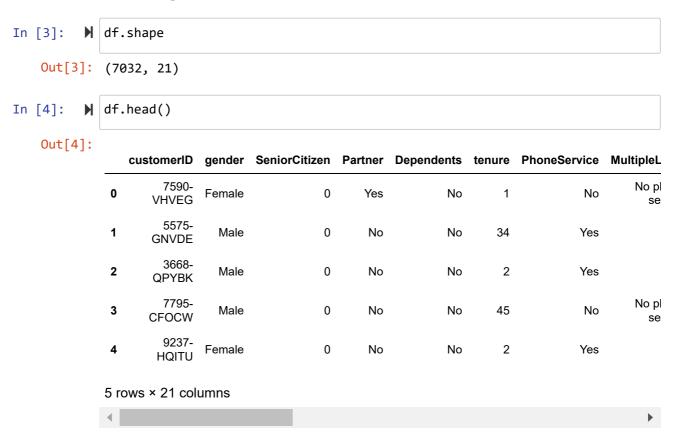
Goal: Create a model to predict whether or not a customer will Churn.

Data Exploration



In [5]: M df.tail()

df.tail() In [5]: Out[5]: customerID gender SeniorCitizen Partner Dependents tenure PhoneService Multip 6840-0 7027 Male Yes Yes 24 Yes **RESVB** 2234-7028 0 Female Yes Yes 72 Yes **XADUH** Ν 7029 4801-JZAZL Female 0 Yes No Yes 11 8361-7030 Male 1 Yes No Yes **LTMKD 7031** 3186-AJIEK 0 66 Yes Male No No 5 rows × 21 columns df.sample(5) In [6]: Out[6]: customerID gender SeniorCitizen Partner Dependents tenure PhoneService Multip 3551-Ν 811 Male 0 Yes Yes 34 No **GAEGL** 4298-4923 Male 0 Yes No 15 Yes **OYIFC** 3078-6947 Female 0 Yes Yes 13 Yes **ZKNTS** 4659-2664 Female 0 No No 19 Yes **NZRUF** 5982-0 5183 23 Yes Female Yes Yes **PSMKW** 5 rows × 21 columns

Quick Data Check

In [7]: ► df.info()

```
<class 'pandas.core.frame.DataFrame'>
RangeIndex: 7032 entries, 0 to 7031
Data columns (total 21 columns):
    Column
                     Non-Null Count Dtype
                     _____
    _____
0
    customerID
                     7032 non-null
                                     object
1
                     7032 non-null
    gender
                                     object
2
    SeniorCitizen
                     7032 non-null
                                    int64
                     7032 non-null
3
    Partner
                                    object
4
    Dependents
                     7032 non-null
                                    object
5
    tenure
                     7032 non-null
                                    int64
    PhoneService
                     7032 non-null
                                    object
    MultipleLines
7
                     7032 non-null
                                    object
8
    InternetService
                     7032 non-null
                                    object
    OnlineSecurity
                     7032 non-null
9
                                     object
10 OnlineBackup
                     7032 non-null
                                     object
11 DeviceProtection 7032 non-null
                                     object
12 TechSupport
                     7032 non-null
                                    object
13 StreamingTV
                     7032 non-null
                                    object
14 StreamingMovies 7032 non-null
                                    object
15 Contract
                     7032 non-null
                                    object
16 PaperlessBilling 7032 non-null
                                    object
17
    PaymentMethod
                     7032 non-null
                                     object
18 MonthlyCharges
                     7032 non-null
                                     float64
19 TotalCharges
                     7032 non-null
                                     float64
                     7032 non-null
                                     object
dtypes: float64(2), int64(2), object(17)
memory usage: 1.1+ MB
```

Statistical summary

In [8]: ► df.describe()

Out[8]:

	SeniorCitizen	tenure	MonthlyCharges	TotalCharges
count	7032.000000	7032.000000	7032.000000	7032.000000
mean	0.162400	32.421786	64.798208	2283.300441
std	0.368844	24.545260	30.085974	2266.771362
min	0.000000	1.000000	18.250000	18.800000
25%	0.000000	9.000000	35.587500	401.450000
50%	0.000000	29.000000	70.350000	1397.475000
75%	0.000000	55.000000	89.862500	3794.737500
max	1.000000	72.000000	118.750000	8684.800000

```
In [9]: ► df.nunique()
   Out[9]: customerID
                              7032
                                 2
           gender
                                 2
           SeniorCitizen
           Partner
                                 2
                                 2
           Dependents
                                72
           tenure
                                 2
           PhoneService
           MultipleLines
                                 3
           InternetService
                                 3
                                3
           OnlineSecurity
           OnlineBackup
                                 3
                                3
           DeviceProtection
                                 3
           TechSupport
           StreamingTV
                                 3
           StreamingMovies
           Contract
                                 3
           PaperlessBilling
                                 2
           PaymentMethod
                                 4
           MonthlyCharges
                              1584
           TotalCharges
                              6530
                                 2
           Churn
           dtype: int64
```

Part 2: Exploratory Data Analysis

General Feature Exploration

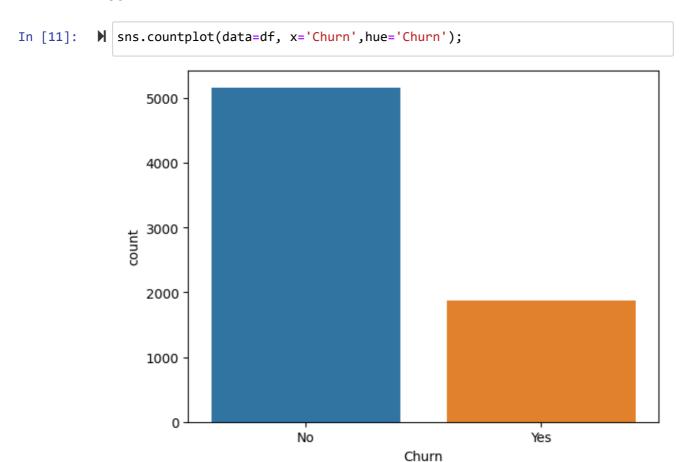
Confirming that there are no NaN cells by displaying NaN values per feature column.

```
In [10]:

    df.isna().sum()

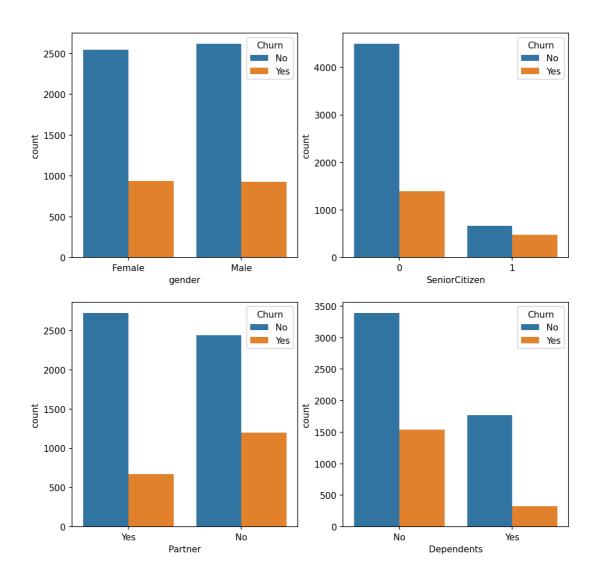
   Out[10]: customerID
                                 0
             gender
                                 0
                                0
             SeniorCitizen
             Partner
                                0
                                0
             Dependents
             tenure
             PhoneService
             MultipleLines
             InternetService
             OnlineSecurity
             OnlineBackup
             DeviceProtection
             TechSupport
             StreamingTV
             StreamingMovies
             Contract
             PaperlessBilling
             PaymentMethod
                                0
             MonthlyCharges
             TotalCharges
                                 0
             Churn
             dtype: int64
```

Checking the balance of the class labels (Churn) with a Count Plot.



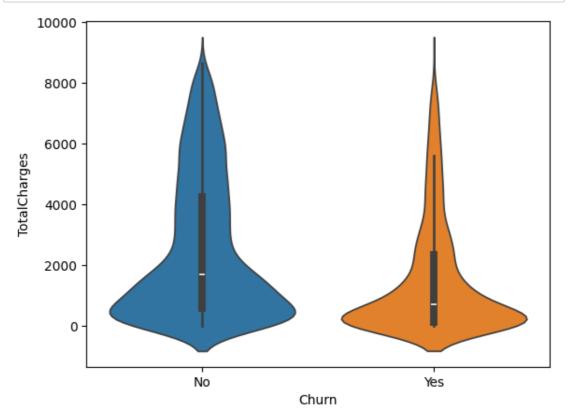
• The churn rate is 28%. This is a significant percentage of customers, and it is important to understand why these customers are churning.

Countplot for Data

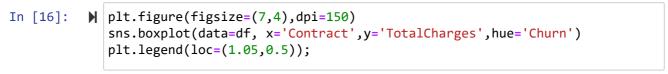


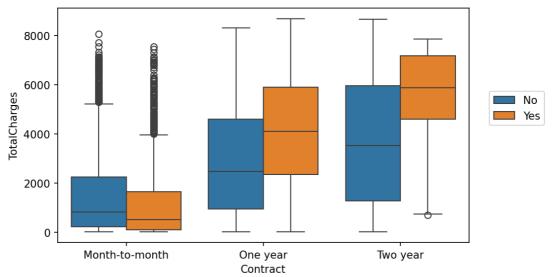
Exploring the distribution of TotalCharges between Churn categories with a Box Plot or Violin Plot.**





Creating a boxplot to display the distribution of TotalCharges per Contract type,





 time c.W. wanelyze are paying stig two wear contracts, people are more likely to churn if they are having more total charge.

Creating a bar plot to showcase the correlation of the following features

```
In [17]:
                              corr_df = pd.get_dummies(df[['gender', 'SeniorCitizen', 'Partner', 'Depend')
                                 'OnlineSecurity', 'OnlineBackup', 'DeviceProtection', 'TechSupport', 'Int
                                                                       'StreamingMovies', 'Contract', 'PaperlessBilling',
                              corr_yes_churn = corr_df['Churn_Yes'].sort_values().iloc[1:-1]
In [18]:
In [19]:
                              plt.figure(figsize=(10,4),dpi=150)
                              plt.title('Feature correlation with Yes Churn')
                              plt.xlabel('Features')
                              plt.ylabel('Correlation Percentage')
                              sns.barplot(x=corr_yes_churn.index,y=corr_yes_churn.values,hue=corr_yes_ch
                              plt.xticks(rotation=90);
                                                                                            Feature correlation with Yes Churn
                                      0.4
                                               Churn_Yes
                                                      -0.30
                                      0.3
                                                      -0.15
                                                      0.00
                               Correlation Percentage
                                      0.2
                                                      0.15
                                      0.1
                                      0.0
                                     -0.1
                                    -0.2
                                    -0.3
                                                                  OnlineBackup_No internet service
                                                DeviceProtection No internet service
                                                   StreamingMovies_No internet service
                                                       StreamingTV No internet service
                                                              TechSupport_No internet service
                                                                     No internet service
                                                                                OnlineSecurity_Yes
TechSupport_Yes
                                                                                                                    MultipleLines No
                                                                                                                        No phone service
                                                                                                                            PhoneService No
                                                                                                                                                 StreamingTV_Yes
                                                                                                                                                            Partner No
                                                                                                                                                                                               Contract_Month-to-month
                                                                         PaperlessBilling_No
                                                                             Contract One year
                                                                                        Dependents_Yes
                                                                                                     PaymentMethod_Bank transfer (automatic)
                                                                                                             OnlineBackup Yes
                                                                                                                 DeviceProtection Yes
                                                                                                                                  gender Female
                                                                                                                                      PhoneService Yes
                                                                                                                                          MultipleLines Yes
                                                                                                                                             StreamingMovies_Yes
                                                                                                                                                    StreamingTV No
                                                                                                                                                        StreamingMovies No
                                                                                                                                                               SeniorCitizen
                                                                                                                                                                   Dependents_No
                                                                                                                                                                       PaperlessBilling_Yes
                                                                                                                                                                          DeviceProtection No
                                                                                                                                                                              OnlineBackup No
                                                                                              PaymentMethod Credit card (automatic
                                                                                                  InternetService DSL
                                                                                                         PaymentMethod Mailed check
                                                                                                                                                                                 PaymentMethod_Electronic check
                                                                                                                                                                                     InternetService Fiber optic
                                                                                                                        MultipleLines
```

Part 3: Churn Analysis

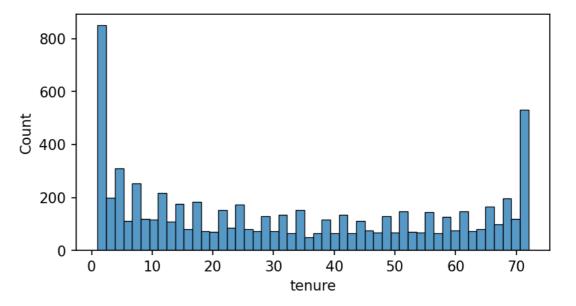
This section focuses on segementing customers based on their tenure, creating "cohorts", allowing us to examine differences between customer cohort segments.

Features

Checking available contract types

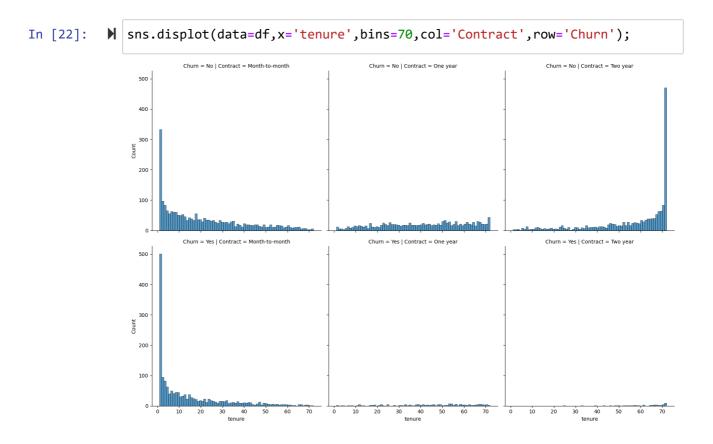
Creating a histogram for displaying the distribution of 'tenure' column, which is the amount of months a customer was or has been on a customer.

```
In [21]: plt.figure(figsize=(6,3),dpi=150)
sns.histplot(data=df,x='tenure',bins=50);
```



- Many customers have short tenures, such as one or two months.
- · Many customers are short-term customers.
- There are spikes in customer tenure at regular intervals, such as 12, 24, 36, and 48 months, which suggests that these are annual plans.

Tn [22]: Sns.displot(data=df.x='tenure'.hins=70.col='Contract'.row='Churn'): Page 9 of 30



- Customers with one-year and two-year contracts are not churning.
- Customers with one-month contracts are churning at a high rate.

Creating a scatter plot of Total Charges versus Monthly Charges, and color hue by Churn.

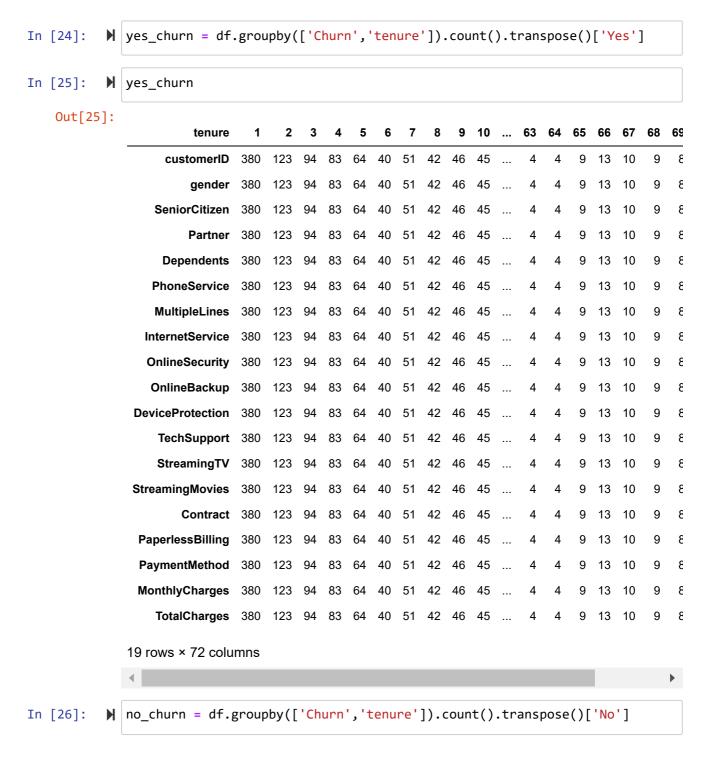
```
In [23]:
            M
               plt.figure(figsize=(10,4),dpi=150)
               sns.scatterplot(data=df,x='MonthlyCharges', y='TotalCharges', hue='Churn',
    Out[23]: <Axes: xlabel='MonthlyCharges', ylabel='TotalCharges'>
                         Churn
                  8000
                           No
                  6000
                TotalCharges
                  4000
                  2000
                    0
                          20
                                        40
                                                                                 100
                                                                                               120
                                                      60
                                                                    80
                                                       MonthlyCharges
```

 Many customers are more likely to cancel their subscriptions when their monthly charges are higher.

Creating Cohorts based on Tenure

Let's begin by treating each unique tenure length, 1 month, 2 month, 3 month...N months as its own cohort.

Calculating the Churn rate (percentage that had Yes Churn) per cohort.



no_churn In [27]: Out[27]: tenure 10 ... 63 64 customerID gender SeniorCitizen Partner **Dependents PhoneService** MultipleLines InternetService OnlineSecurity 73 71 OnlineBackup DeviceProtection TechSupport 233 StreamingTV **StreamingMovies** Contract 233 **PaperlessBilling** PaymentMethod 233 **MonthlyCharges** TotalCharges 233 115 106 93 69 81 73 71 ... 68 76 67 19 rows × 72 columns

churn_rate = 100 * yes_churn / (no_churn + yes_churn)

In [28]:

In [29]: churn_rate.transpose() Out[29]: customerID gender SeniorCitizen Partner Dependents PhoneService Multipl tenure 1 61.990212 61.990212 61.990212 61.990212 61.990212 61.990212 61.9 2 51.6 51.680672 51.680672 51.680672 51.680672 51.680672 51.680672 3 47.000000 47.000000 47.000000 47.000000 47.000000 47.000000 47.0 4 47.159091 47.159091 47.159091 47.159091 47.159091 47.159091 47. 5 48.120301 48.120301 48.120301 48.120301 48.120301 48.120301 48. ... 9.000000 9.000000 9.000000 9.000000 9.000000 9.000000 9.0 68 69 8.421053 8.421053 8.421053 8.421053 8.421053 8.421053 8.4 70 9.243697 9.243697 9.243697 9.243697 9.243697 9.243697 9.2 71 3.529412 3.529412 3.529412 3.529412 3.529412 3.529412 3. 72 1.657459 1.657459 1.657459 1.657459 1.657459 1.657459 1.6 72 rows × 19 columns In [30]: churn_rate.transpose()['customerID'].plot(); 60 50 40 30 20 10 0 0 10 20 30 40 50 60 70 tenure

• Customer churn rate decreases as tenure increases.

Broader Cohort Groups

Based on the tenure column values, creating a new column called Tenure Cohort that creates 4 separate categories:

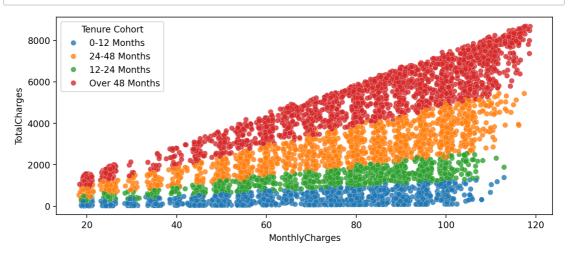
- '0-12 Months'
- '12-24 Months'
- '24-48 Months'
- 'Over 48 Months'

Out[33]:

	tenure	Tenure Cohort
0	1	0-12 Months
1	34	24-48 Months
2	2	0-12 Months
3	45	24-48 Months
4	2	0-12 Months
7027	24	12-24 Months
7028	72	Over 48 Months
7029	11	0-12 Months
7030	4	0-12 Months
7031	66	Over 48 Months

7032 rows × 2 columns

Scatterplot of Total Charges versus Monthly Charts,

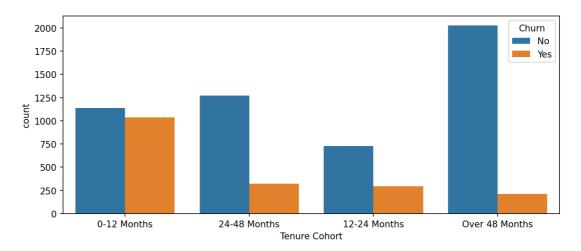


- Cohorts with longer tenures have the highest total charges.
- We can also see that there is a drop in total charges for some cohorts immediately after their monthly charges increase.

Count plot showing the churn count per cohort.

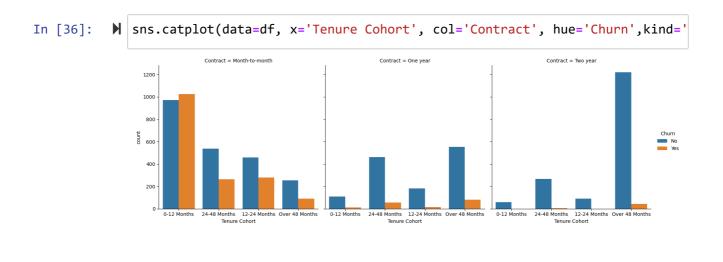
In [35]: plt.figure(figsize=(10,4),dpi=150)
sns.countplot(data=df,x='Tenure Cohort',hue='Churn')

Out[35]: <Axes: xlabel='Tenure Cohort', ylabel='count'>



- Customers who stay for more than 48 months are less likely to churn.
- Customers with only 0-48 months of service are most likely to churn.

Create a grid of Count Plots showing counts per Tenure Cohort, separated out by contract type and colored by the Churn hue.



Part 4: Predictive Modeling

**Let's explore 4 different tree based methods: A Single Decision Tree, Random Forest, AdaBoost, Gradient Boosting.

Data Splitting

```
X = df.drop(['Churn','customerID'],axis=1)
In [37]:
             X = pd.get_dummies(X,dtype=int,drop_first=True)
             y = df['Churn']
In [38]:
          ▶ from sklearn.model selection import train test split
In [39]:

► X_train, X_test, y_train, y_test = train_test_split(X, y, test_size=0.1, r

In [40]:
          ▶ print("Shape of X_train: ",X_train.shape)
             print("Shape of X_test: ", X_test.shape)
             print("Shape of y_train: ",y_train.shape)
             print("Shape of y_test:",y_test.shape)
             Shape of X_train: (6328, 33)
             Shape of X_test: (704, 33)
             Shape of y_train: (6328,)
             Shape of y_test: (704,)
```

Model Selection : Single Decision Tree

```
Model Evaluation
         ▶ from sklearn.metrics import accuracy_score, confusion_matrix, ConfusionMat
In [44]:
In [45]:
         preds = dt.predict(X_test)
         accuracy_score(y_test,preds)
In [46]:
   Out[46]: 0.8082386363636364
         In [47]:
   Out[47]: array([[497, 60],
                  [ 75, 72]], dtype=int64)
         ▶ ConfusionMatrixDisplay(confusion_matrix(y_test,preds), display_labels=dt.c
In [48]:
                                                                     - 450
                                                                      400
                             497
                                                    60
                No
                                                                      350
                                                                     - 300
                                                                     250
                                                                     - 200
                             75
                                                    72
               Yes
                                                                     - 150
                                                                     - 100
                             No
                                                   Yes
                                   Predicted label
```

In [49]: print(classification_report(y_test,preds))

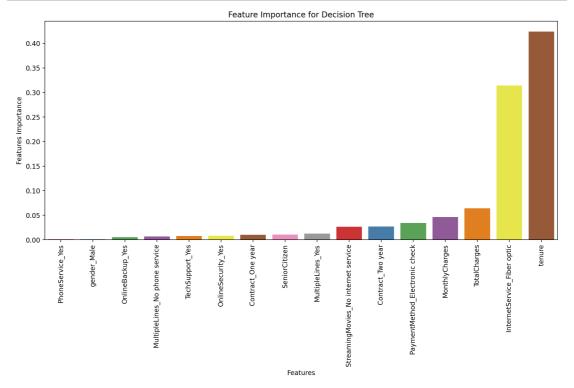
	precision	recall	f1-score	support
No	0.87	0.89	0.88	557
Yes	0.55	0.49	0.52	147
accuracy			0.81	704
macro avg	0.71	0.69	0.70	704
weighted avg	0.80	0.81	0.80	704

- The overall accuracy of the tree model is 81%, which is good.
- The precision for the "No" class is 87%, which means that 87% of the customers that the model predicted would not churn actually did not churn.
- The recall for the "No" class is 89%, which means that the model identified 89% of all customers who did not churn.
- The precision for the "Yes" class is 55%, which means that 55% of the customers that the model predicted would churn actually did churn.
- The recall for the "Yes" class is 49%, which means that the model identified 49% of all customers who did churn.

In [51]: ► imp_feats

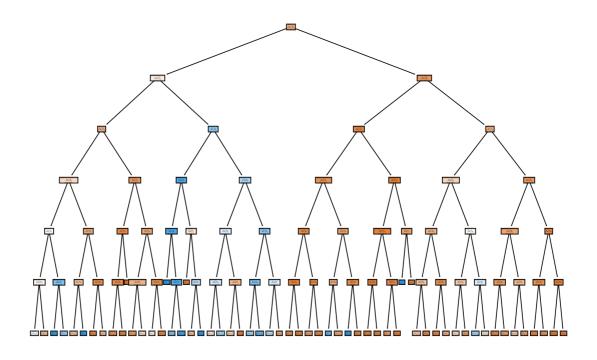
Out[51]:

	Feature Importance
DeviceProtection_No internet service	0.000000
Tenure Cohort_12-24 Months	0.000000
PaymentMethod_Mailed check	0.000000
PaymentMethod_Credit card (automatic)	0.000000
PaperlessBilling_Yes	0.000000
StreamingMovies_Yes	0.000000
StreamingTV_Yes	0.000000
StreamingTV_No internet service	0.000000
TechSupport_No internet service	0.000000
DeviceProtection_Yes	0.000000
Tenure Cohort_24-48 Months	0.000000
OnlineBackup_No internet service	0.000000
Tenure Cohort_Over 48 Months	0.000000
InternetService_No	0.000000
Dependents_Yes	0.000000
OnlineSecurity_No internet service	0.000000
Partner_Yes	0.000000
PhoneService_Yes	0.000890
gender_Male	0.001237
OnlineBackup_Yes	0.005341
MultipleLines_No phone service	0.006962
TechSupport_Yes	0.007868
OnlineSecurity_Yes	0.008376
Contract_One year	0.010021
SeniorCitizen	0.010825
MultipleLines_Yes	0.012432
StreamingMovies_No internet service	0.026290
Contract_Two year	0.027065
PaymentMethod_Electronic check	0.034436
MonthlyCharges	0.046115
TotalCharges	0.064168
InternetService_Fiber optic	0.314060
tenure	0.423914



- Tenure is the most important feature for predicting customer churn. Customers who have been with the company for a longer period of time are less likely to churn.
- Customers with fiber optic internet service are less likely to churn than customers with other types of internet service. This suggests that fiber optic internet service is a valuable service that customers are willing to pay for.
- Customers with higher total and monthly charges are more likely to churn. This suggests that customers are price-sensitive and are looking for the best possible value.
- Customers who pay their bills with electronic checks are more likely to churn than customers who pay with other methods. This suggests that electronic check payments may be associated with financial problems, which can lead to churn.
- Customers who need tech support and customers who have contracts that are two years long are more likely to churn. This suggests that these customers may be having problems with the company's products or services.

```
In [54]:
      plt.figure(figsize=(12,8),dpi=200)
         plot_tree(dt,filled=True,feature_names=X.columns);
```



Model Selection: Random Forest

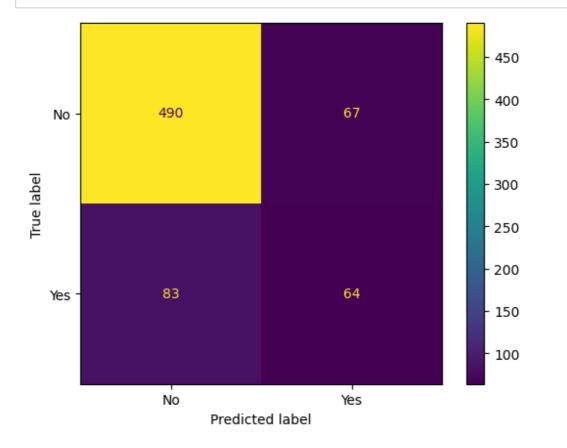
```
from sklearn.ensemble import RandomForestClassifier
In [55]:
In [56]:
             rf = RandomForestClassifier()
In [57]:
             rf.fit(X_train,y_train)
   Out[57]:
              ▼ RandomForestClassifier
              RandomForestClassifier()
```

Model Evaluation

```
preds = rf.predict(X_test)
In [58]:
In [59]:
        accuracy_score(y_test,preds)
   Out[59]: 0.7869318181818182
        In [60]:
   Out[60]: array([[490,
                      64]], dtype=int64)
In [61]:
```

ConfusionMatrixDisplay(confusion matrix(v test.preds). display labels=rf.c Page 21 of 30

In [61]: ► ConfusionMatrixDisplay(confusion_matrix(y_test,preds), display_labels=rf.c



In [62]: print(classification_report(y_test,preds))

	precision	recall	f1-score	support
No	0.86	0.88	0.87	557
Yes	0.49	0.44	0.46	147
accuracy			0.79	704
macro avg	0.67	0.66	0.66	704
weighted avg	0.78	0.79	0.78	704

- The model is performing well overall, with an accuracy of 81%.
- The model is performing better on the "No" class than on the "Yes" class.
- This could be due to a number of factors, such as imbalanced data, insufficient features, or overfitting.
- To improve the performance of the model on the "Yes" class, you can try balancing the dataset, adding more features, using a different machine learning algorithm, or understanding which features are most important for predicting customer churn.

Tune the max depth parameter of the model to see if it improves accuracy.

Model Evaluation

```
preds = rf.predict(X_test)
In [65]:
In [66]: | accuracy_score(y_test,preds)
   Out[66]: 0.82102272727273
In [67]:  ▶ confusion_matrix(y_test,preds)
   Out[67]: array([[512, 45],
                    [ 81, 66]], dtype=int64)
In [68]:
          ▶ ConfusionMatrixDisplay(confusion_matrix(y_test,preds), display_labels=rf.c
                                                                            - 500
                                                                            - 400
                                                         45
                 No
                               512
                                                                           - 300
                                                                           - 200
                                81
                                                        66
                 Yes
                                                                            - 100
                                No
                                                        Yes
                                      Predicted label
```

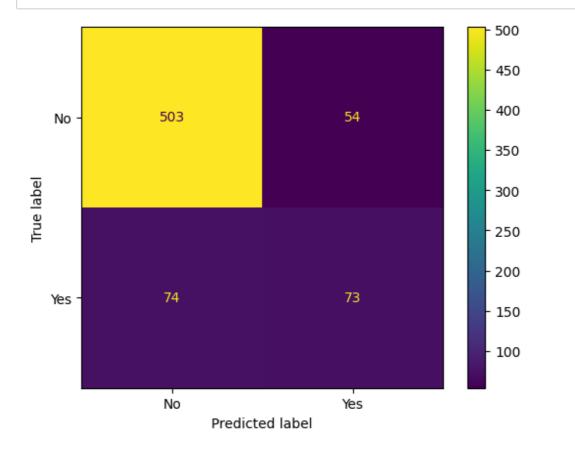
In [69]:	M	print(classif	ication_repo	ort(y_test	,preds))		
			precision	recall	f1-score	support	
		No	0.86	0.92	0.89	557	
		Yes	0.59	0.45	0.51	147	
		accuracy			0.82	704	
		macro avg	0.73	0.68	0.70	704	
		weighted avg	0.81	0.82	0.81	704	

- Overall, the RandomForestClassifier(max_depth=6) model is performing well, with an accuracy of 83%. It is also performing better on the "Yes" class than the previous model with a max_depth of 3. This suggests that increasing the max_depth parameter has helped to improve the model's ability to identify customers who are at risk of churning.
- However, it is important to note that the model is still making more false positives than false negatives. This means that the model is more likely to incorrectly predict that a customer will churn than to incorrectly predict that a customer will not churn.

Model Selection: Gradient Boosting

Model Evaluation

In [76]: ► ConfusionMatrixDisplay(confusion_matrix(y_test,gb_preds), display_labels=g



<pre>In [77]: print(classification_report(y_test,gb_pred)</pre>
--

	precision	recall	f1-score	support
No	0.87	0.90	0.89	557
Yes	0.57	0.50	0.53	147
accuracy			0.82	704
macro avg	0.72	0.70	0.71	704
weighted avg	0.81	0.82	0.81	704

- Overall, the GradientBoostingClassifier model is performing well, with an accuracy of 82%.
 It is also performing better on the "Yes" class than the RandomForestClassifier model, with a precision of 0.57 and a recall of 0.50. This suggests that the GradientBoostingClassifier model is better able to identify customers who are at risk of churning.
- However, it is important to note that the model is still making more false positives than false negatives. This means that the model is more likely to incorrectly predict that a customer will churn than to incorrectly predict that a customer will not churn.

Model Selection : Adaptive Boosting

In [78]: ▶ from sklearn.ensemble import AdaBoostClassifier

Model Evaluation

```
In [81]:
         ada_preds = ada_model.predict(X_test)
In [82]:
         accuracy_score(y_test,ada_preds)
   Out[82]: 0.8295454545454546
         In [83]:
   Out[83]: array([[504,
                         53],
                  [ 67, 80]], dtype=int64)
         ▶ ConfusionMatrixDisplay(confusion_matrix(y_test,ada_preds), display_labels=
In [84]:
                                                                       500
                                                                       400
                             504
                                                    53
                No
             True label
                                                                      - 300
                                                                      - 200
                              67
                                                    80
                Yes ·
                                                                      - 100
                             No
                                                    Yes
                                   Predicted label
```

```
print(classification_report(y_test,ada_preds))
In [85]:
                            precision
                                          recall f1-score
                                                              support
                                 0.88
                                            0.90
                        No
                                                      0.89
                                                                  557
                       Yes
                                 0.60
                                            0.54
                                                      0.57
                                                                  147
                                                                  704
                                                      0.83
                  accuracy
                                            0.72
                                                      0.73
                                                                  704
                 macro avg
                                 0.74
             weighted avg
                                 0.82
                                            0.83
                                                      0.83
                                                                  704
```

- Overall, the AdaBoostClassifier model is performing well, with an accuracy of 83%. It is
 also performing better on the "Yes" class than the previous models, with a precision of 0.60
 and a recall of 0.54. This suggests that the AdaBoostClassifier model is better able to
 identify customers who are at risk of churning.
- However, it is important to note that the model is still making more false positives than false negatives. This means that the model is more likely to incorrectly predict that a customer will churn than to incorrectly predict that a customer will not churn.

Tune the parameter of the adaboost to see if it improves accuracy.

```
In [88]: N plt.plot(range(1,34),error_rates) plt.grid()

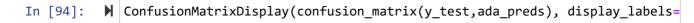
0.21

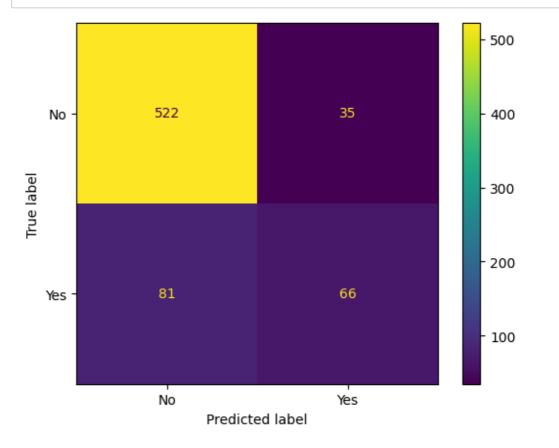
0.20

0.19

0.18
```

Model Evaluation





No 0.87 Yes 0.94 0.90 0.53 0.53 147 accuracy macro avg weighted avg 0.76 0.69 0.72 704 0.82 0.84 0.82 704					
Yes 0.65 0.45 0.53 147 accuracy 0.84 704 macro avg 0.76 0.69 0.72 704		precision	recall	f1-score	support
accuracy 0.84 704 macro avg 0.76 0.69 0.72 704	No	0.87	0.94	0.90	557
macro avg 0.76 0.69 0.72 704	Yes	0.65	0.45	0.53	147
	accuracy			0.84	704
weighted avg 0.82 0.84 0.82 704	macro avg	0.76	0.69	0.72	704
	weighted avg	0.82	0.84	0.82	704

- Overall, the AdaBoostClassifier(n_estimators=11) model is performing well, with an
 accuracy of 84%. It is also performing better on the "Yes" class than the previous models,
 with a precision of 0.65 and a recall of 0.45. This suggests that increasing the number of
 base estimators in the AdaBoost model has helped to improve the model's ability to identify
 customers who are at risk of churning.
- However, it is important to note that the model is still making more false positives than false negatives. This means that the model is more likely to incorrectly predict that a customer will churn than to incorrectly predict that a customer will not churn.

Model Deployment

In [96]: ▶ # from joblib import dump, load