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Customer Churn Prediction Using Artificial Neural Network

Dhanush N[1], Dr. M N Veena[2]

PG Scholar, Dept. Of MCA, P.E.S College of Engineering, Mandya, Karnataka, India[1]

Professor, Dept. Of MCA, P.E.S College of Engineering, Mandya, Karnataka, India[2]

Abstract: Churn research had been used for years to acquire possibility and to set up a sustainable patron-organization relationship. Deep learning knowledge of is one of the cutting-edge techniques utilized in churn evaluation because of its capacity to technique massive quantities of patron data. In this study, a deep learning knowledge of version is proposed to expect whether or not clients withinside the retail enterprise will churn withinside the future. The version advanced is synthetic neural community version, that are additionally regularly used withinside the churn prediction research. You can be acquainted with deep learning knowledge of, a sort of system learning knowledge of that employs a multilayer structure called neural networks, from which the word neural community derives. In the shape of a pc community, we create a community of synthetic neurons this is much like mind neurons. The synthetic neural community is primarily based totally on the gathering nodes we can name the synthetic neurons, which similarly version the neurons in a organic mind. The outcomes of the fashions had been in comparison with accuracy type tools, that are precision, keep in mind etc. The outcomes confirmed that the deep learning knowledge of version finished higher type and prediction achievement than different in comparison fashions.

Keywords: Deep Learning, ARM, Churn Prediction, Confusion Matrix, Machine Learning, Neural Network, ARM.

I. INTRODUCTION

For years, businesses have employed churn research to increase profitability and build enduring client-business enterprise relationships. Due to its capacity for processing enormous amounts of client data, deep learning knowledge is one of the current churn evaluation methodologies being used. Deep learning was used in this study to understanding of version is offered to foretell if future consumer turnover in the retail industry will occur. The models were contrasted. to artificial neural networks and logistic regression models, which were also frequently utilized inside study on churn prediction. The outcomes of the models were evaluated in comparison to accuracy-type tools, such as precision, memory, and AUC. The outcomes proved that deep learning knowledge.

II. EXISTING SYSTEM

Alboukaey et al. presented daily behaviours as a multivariate period to predict churn in their daily-based churn prediction model.A mobile telecom dataset was subjected to the use of a statistical technique, an RFM model, an LSTM model, an LSTM model, and a Convolutional Neural Network (CNN) model. They discovered that in terms of performance, daily-based churn predictions performed better than monthly-based ones. The feature selection of the churn prediction models is highlighted by Umayaparvathi and Iyakutti. They said that deep learning approaches were just as successful as traditional ones without choosing or extracting attributes from datasets as the other methods did.

III. PROPOSED SYSTEM

It's crucial to identify any clients who might quickly become apprehensive about doing business with you. called churn prediction In this study, a banking dataset was used to create and apply an artificial neural network model structure to the churn analysis. According to empirical findings, deep learning-based models produce results that are just as excellent as those produced by conventional models without the need for human feature extraction. This study's objective is to examine customer churns in the retail industry using a deep learning algorithm and evaluate how it performs in comparison to other established churn modelling techniques. Based on the performance indicators, the usefulness of the proposed prediction model is examined using the Churn in Banking dataset.

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IV. LITERATURE SURVEY

One of the most difficult issues affecting mobile telecom carriers' income and client base is customer turnover. The efficacy of retention initiatives depends on the timing of the prediction as much as it does on the precision with which possible churners are identified. Even research that took into account the dynamic behaviour of the customer primarily focused on the monthly level behaviour in previous works linked to churn prediction, which presented algorithms to forecast churn monthly with a focus on the static behaviour of consumers. Customers' behaviour can vary over the course of a month, though, and they start acting differently in the days before they decide to churn. Thus, taking into account monthly behavioural variables has a negative impact on the accuracy of prediction.As a response to the switching behaviors of clients, customer relationship management (CRM) is receiving more and more attention. A higher retention rate can be extremely valuable because lost income from (partially) defected clients might be significant. Handling of a business's most valuable steadfastly dependable customers outside of a contractual context is the main topic of this essay. Using three classification methods— Automatic Relevance Determination (ARD) neural networks, random forests, and logistic regression —we construct a model to forecast incomplete defection by behaviorally loyal customers. The difficulty of identifying entire defection in non-contractual circumstances may be solved by concentrating on the partial attrition of frequent visitors and high-frequency purchasers. Classifier evaluation is done using the PCC and AUC, or area under the receiver operating characteristic curve.All company processes, transactions, and other activities that take place electronically are included in electronic commerce. Companies' relationships with and interactions with their clients and partners have evolved as a result of the growth of electronic commerce on the Internet. Businesses can now serve clients electronically and intelligently by overcoming time and space constraints. Due of the low entry barrier and intense competition, it is a significant challenge to draw in and keep clients online. When used in a market where there is market fragmentation, personalization, a special form of differentiation, can turn a conventional good or service into a tailored answer for a person. This study suggests an online tailored sales promotion decision help system. There are three modules in the suggested system.

V. IMPLEMENTATION

Artificial intelligence uses neural networks, which are constructed from linked nodes and are based on the human body's neural network. To acquire information, artificial neural networks function similarly to the brain. Three layers make up an artificial neural network: the input layer, the hidden layer, and the output layer. It must first be taught in an artificial neural network in general. Based on the data, it will learn, and after it has learned, it will anticipate future data. More training data will result in more accurately predicted values. Artificial neural networks use techniques like:

- Back-propagation is supervised training that modifies the weight of each node in each hidden layer iteration.
- The model known as Bidirectional Associate Memory (BAM) only uses the input and output layers and has hetero associative memory.
- A model with two training steps is called Radial Based Function (RBF). The first stage involves unsupervised training, while the last step involves linearly bringing the training results to the output layer.
- The common model known as the multi-layered perceptron has many layers. Weight optimization and evolutionary programming are used in training.

VI. MODULES

Data Collection: This marks the beginning of the actual process of building a machine learning model and data collection. This is a crucial phase since how well the model performs will be influenced by how much more and better data we can collect. Data collection methods include web scraping, manual interventions, and others.
Splitting the dataset: Create train and test datasets. 20% of the test data and 80% of the train data.
Churn: utilised as the intended destination. 1 if the client has left the bank at any point in time, 0 otherwise.
Neural network: Selecting a the classification function will be represented by a neural network. is the second stage. A scaling layer is what it consists of for classification issues.
a layer of perceptron's.
a layer of probability.
The minimum and maximum scaling techniques are set for the scaling layer.
As a starting point, we chose one perceptron layer with three neurons and the logistic activation function.
Training strategy:
To get the optimum performance from the neural network, the training strategy is used. There are two components to it: a loss metric.an algorithm for optimization.

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The selected loss index is the weighted squared error with L2 regularization. The weighted When the targets are not equal, squared error is helpful. It assigns a weight of 3.91 to customers who churn and a weight of 1 to those that are loyal.

Model selection:

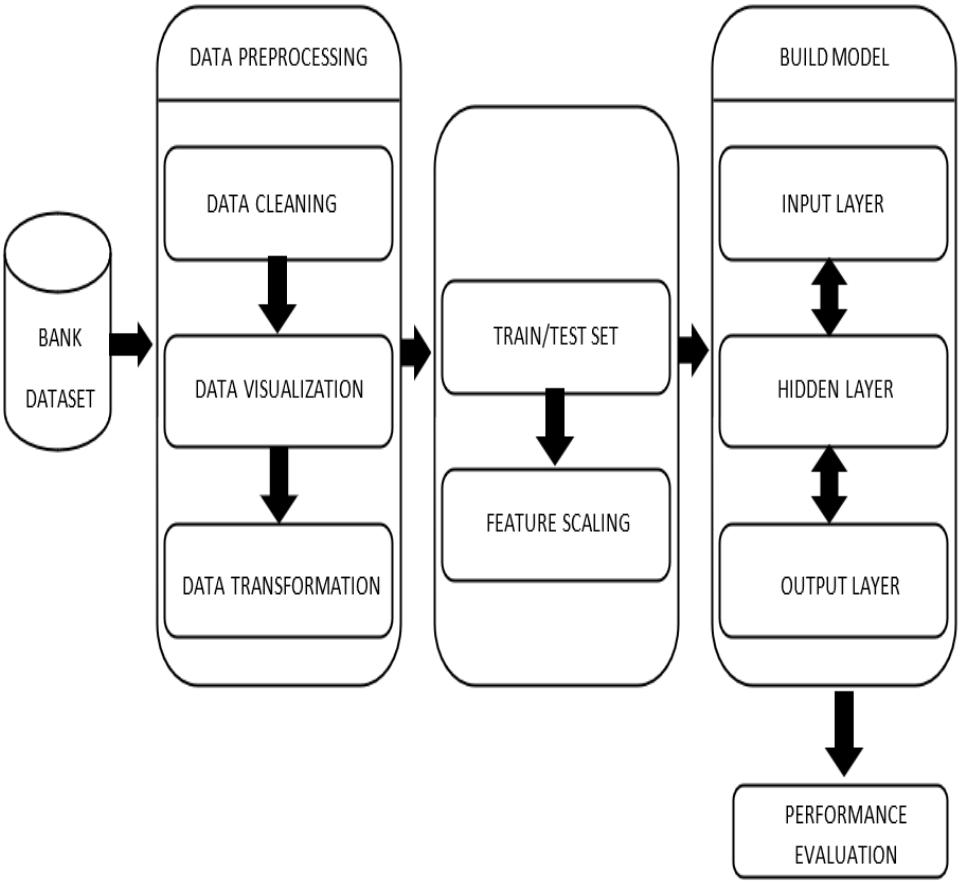
The neural network's level of complexity that maximises generalisation performance is found through order selection. That many neurons are needed to reduce the inaccuracy in the selection cases.

The process of choosing the collection of inputs that results in the best generalization is known as input selection (or feature selection). Although the genetic approach was used in this case, the selection error value was not decreased, hence all input variables were left alone.

Use the model, then create graphs showing accuracy and loss:

The model will be built, and the fit function will be used to apply it. There will be 25 in the batch. The graphs for accuracy and loss will then be plotted. Average training accuracy was 85%, while average validation accuracy was 86 percent.

SYSTEM ARCHITECTURE



VII. CONCLUSION

Customer attrition forecasting has traditionally been done in the context of relationship marketing to identify which customers are most likely to quit the business. There are several models and prediction techniques employed. Churn studies can make advantage used in image processing and image definition, of artificial neural networks. A deep learning model for forecasting client attrition was provided in the study. The banking dataset from Kaggle was used to generate the data.

Results from the confusion matrix, including accuracy, recall, and precision, were employed to evaluate the model's performance. These performance metrics showed that the DL model performed well. that included advertising data performed better than other models at predicting churn.

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