

LEAD SCORING CASE STUDY SUBJECTIVE QUESTIONS

Ques 1. Which are the top three variables in your model which contribute most towards the probability of a lead getting converted?

Answer:-

The top variables that contribute to the result are:-

- Total Time Spent on Website
- Total Visits
- Lead Source with elements Google

Ques2. What are the top 3 categorical/dummy variables in the model which should be focused the most on in order to increase the probability of lead conversion?

Answer:-

The top three Categorical/Dummy variables to increase probability are:

- Lead Source with elements Google.
- Lead Source with elements direct traffic.
- Lead Source with elements Olark Chat.

Ques3. X Education has a period of 2 months every year during which they hire some interns. The sales team, in particular, has around 10 interns allotted to them. So during this phase, they wish to make the lead conversion more aggressive. So they want almost all of the potential leads (i.e. the customers

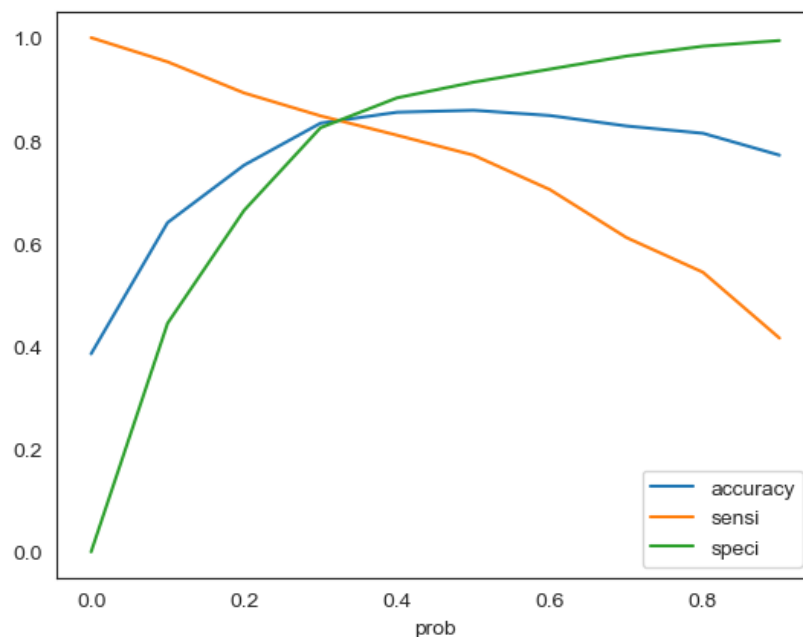
who have been predicted as 1 by the model) to be converted and hence, want to make phone calls to as much of such people as possible. Suggest a good strategy they should employ at this stage.

Answer:-

Here, the concept of sensitivity is required.

$$\text{Sensitivity} = \text{True Positives} / (\text{True Positives} + \text{False Negatives})$$

With respect to our model, sensitivity can be defined as the number of actual conversions predicted correctly out of the total number of actual conversions. Different values of sensitivity can be achieved for the model by changing the cut-off threshold for the probability of lead conversion. For our model, below is the graph showing changes in Sensitivity, Specificity, and Accuracy with changes in the threshold:



As we can see, sensitivity decreases as the threshold increases. In the given situation, we'll need a high sensitivity because high sensitivity will mean that our model will correctly predict almost all leads who are likely to convert. At the same time, it may overestimate and misclassify some of the non-conversions as conversions.

But as the company has extra manpower for two months and wants to make the lead conversion more aggressive by making phone calls to as many potential leads as possible, it is a good strategy to go for high sensitivity. To achieve high sensitivity, we need to choose a low threshold value for Conversion Probability.

This will ensure the Sensitivity rating is very high which in turn will make sure almost all leads who are likely to convert are identified correctly and the agents can make phone calls as much as possible.

In the case of Working professionals and students if the model classifies as converted, then there is a high probability of getting Converted, so in the case of the Unemployed, misclassification could happen, therefore threshold has to be reduced. This will help in classifying the probability of Unemployed getting converted correctly.

Ques4. Similarly, at times, the company reaches its target for a quarter before the deadline. During this time, the company wants the sales team to focus on some new work as well. So during this time, the company's aim is to not make phone calls unless it's extremely necessary, i.e. they want to minimize the rate of useless phone calls. Suggest a strategy they should employ at this stage.

Answer:-

The approach to answering this question is similar to the last one. Here, the concept of specificity is required.

Specificity = True Negatives / (True Negatives + False Positives).

With respect to our model, specificity can be defined as the number of actual non-conversions predicted correctly out of the total number of actual non-conversions. From the above graph, we can see that the specificity increases as the threshold increases. In the given situation, we'll need a high specificity because high specificity will mean that our model will correctly predict almost all leads who are not likely to convert.

At the same time, it may misclassify some of the conversions as non-conversions. But as the company has already reached its target for a quarter and doesn't want to make phone calls unless it's extremely necessary, it is a good strategy to go for high specificity. It will ensure that the phone calls are only made to customers who have a very high probability of conversion. To achieve high specificity, we need to choose a high threshold value.

If it's very necessary for the agent to contact to lead, he can use options like SMS or Email to prevent making unnecessary calls to the lead, if they are reverting back to the email and SMS the probability of Lead Conversion is high.