

Choice: 1 = purchase  
0 = no purchase

```
{r}
table(BBBC_Test$Choice)
```

```
0 1
2096 204
```

	Campaign market	Campaign Response Rate	Purchased	Model Response Rate	Total mailers	Mailing cost (0.65)	Book cost (\$15)	Overhead (45% of cost)
No model	50,000	9.03%	4,515	-	50,000	32,500.00	67,725.00	30,476.25
RBF_SVM	50,000	9.03%	4,515	15.39%	7,696	5,002.17	67,725.00	30,476.25
Linear SVM	50,000	9.03%	4,515	17.39%	8,696	5,652.17	67,725.00	30,476.25
Poly SVM	50,000	9.03%	2,624	6.00%	3,000	1,950.00	39,355.43	17,709.95
Log Reg	50,000	9.03%	2,928	8.87%	4,435	2,882.61	43,920.65	19,764.29

	Total Expenses	Total Sales (31.95/book)	Margin (Profit)	
No model	130,701.25	144,254.25	13,553.00	
RBF_SVM	103,203.42	144,254.25	41,050.83	3.028910654
Linear SVM	103,853.42	144,254.25	40,400.83	2.980950792
Poly SVM	59,015.38	83,827.08	24,811.70	1.830716126
Log Reg	66,567.55	93,550.99	26,983.43	1.990956599

RBF\_SVM

204 Purchased from test data set (actual # of customers that did purchase)

2096 Did not purchase from test data set (actual # of customers that did not purchase)

150 False positive from test data set (overpredicted, predicted did purchase when actually did not)

0 False negative from test data set (under predicted, predicted did not purchase when they actually did)

204 True positive from test data set (got right)

1946 True negative from test dat set (got right)

2300 Total observations

93.48% Accuracy rate

6.52% Error rate

#### Lin\_SVM

204 Purchased from test data set (actual # of customers that did purchase)  
2096 Did not purchase from test data set (actual # of customers that did not purchase)  
196 False positive from test data set (overpredicted, predicted did purchase when actually did not)  
0 False negative from test data set (under predicted, predicted did not purchase when they actually did)  
204 True positive from test data set (got right)  
1900 True negative from test dat set (got right)  
2300 Total observations  
91.48% Accuracy rate  
8.52% Error rate

#### Poly\_SVM

204 Purchased from test data set (actual # of customers that did purchase)  
2096 Did not purchase from test data set (actual # of customers that did not purchase)  
21 False positive from test data set (overpredicted, predicted did purchase when actually did not)  
87 False negative from test data set (under predicted, predicted did not purchase when they actually did)  
117 True positive from test data set (got right)  
2075 True negative from test dat set (got right)  
2300 Total observations  
95.30% Accuracy rate  
4.70% Error rate

#### Log\_Reg

204 Purchased from test data set (actual # of customers that did purchase)  
2096 Did not purchase from test data set (actual # of customers that did not purchase)  
145 False positive from test data set (overpredicted, predicted did purchase when actually did not)  
73 False negative from test data set (under predicted, predicted did not purchase when they actually did)  
59 True positive from test data set (got right)  
2023 True negative from test dat set (got right)  
2300 Total observations  
90.52% Accuracy rate  
9.48% Error rate

Type	RBF	Linear	Poly	Log Reg
True Positive	8.87%	8.87%	5.09%	2.57%
False Positive	6.52%	8.52%	0.91%	6.30%
True Negative	84.61%	82.61%	90.22%	87.96%
False Negative	0.00%	0.00%	3.78%	3.17%

Dataset	Purchase	Not Purchase	Total	Response Rate
Test	204	2096	2300	8.87%
East campaign	1806	18194	20000	9.03%

	RBF	Linear	Poly	Log Reg
Total observations	2300	2300	2300	2300
Predicted purchases	204	204	117	59
Over predicted	150	196	21	145
Under predicted	0	0	87	73
Total to mail	354	400	138	204
Model response	15.39%	17.39%	6.00%	8.87%

	Lost Sales 87 out of 2300	Lost sales rate 3.78%	Lost customers 87
Poly			
	Lost Sales 73 out of 2300	Lost sales rate 3.17%	Lost customers 73
Log Reg			

Note: RBF and Linear predicted for all customers that purchased in the test data set, both models overfit the data. Polynomial underfit the data, 87 false negative were predicted, that means 87 customers that did purchase the book were labeled as not purchasing the book. These customers would be left out of the mailing list and lead to potential lost sales. Logit underfit the data, 73 false negatives, 73 customers that did purchase the book but were labeled as not purchasing the book. These customers would be left out of the mailing

## RBF\_SVM

### Confusion Matrix and Statistics

	Reference	
Prediction	0	1
0	1946	150
1	0	204

Accuracy : 0.9348  
95% CI : (0.9239, 0.9445)  
No Information Rate : 0.8461  
P-Value [Acc > NIR] : < 2.2e-16

Kappa : 0.6971

McNemar's Test P-value : < 2.2e-16

Sensitivity : 1.0000  
Specificity : 0.5763  
Pos Pred Value : 0.9284  
Neg Pred Value : 1.0000  
Prevalence : 0.8461  
Detection Rate : 0.8461  
Detection Prevalence : 0.9113  
Balanced Accuracy : 0.7881

'Positive' Class : 0

## Lin\_SVM

### Confusion Matrix and Statistics

	Reference	
Prediction	0	1
0	1900	196
1	0	204

Accuracy : 0.9148  
95% CI : (0.9026, 0.9259)  
No Information Rate : 0.8261  
P-Value [Acc > NIR] : < 2.2e-16

Kappa : 0.6323

McNemar's Test P-value : < 2.2e-16

Sensitivity : 1.0000  
Specificity : 0.5100  
Pos Pred Value : 0.9065  
Neg Pred Value : 1.0000  
Prevalence : 0.8261  
Detection Rate : 0.8261  
Detection Prevalence : 0.9113  
Balanced Accuracy : 0.7550

'Positive' Class : 0

Poly\_SVM

### Confusion Matrix and Statistics

	Reference	
Prediction	0	1
0	2075	21
1	87	117

Accuracy : 0.953  
95% CI : (0.9436, 0.9613)  
No Information Rate : 0.94  
P-Value [Acc > NIR] : 0.003771

Kappa : 0.6599

McNemar's Test P-Value : 3.985e-10

Sensitivity : 0.9598  
Specificity : 0.8478  
Pos Pred Value : 0.9900  
Neg Pred Value : 0.5735  
Prevalence : 0.9400  
Detection Rate : 0.9022  
Detection Prevalence : 0.9113  
Balanced Accuracy : 0.9038

'Positive' Class : 0

Logit

### Confusion Matrix and Statistics

	Reference	
Prediction	0	1
0	2023	145
1	73	59

Accuracy : 0.9052  
95% CI : (0.8925, 0.9169)  
No Information Rate : 0.9113  
P-Value [Acc > NIR] : 0.856

Kappa : 0.3026

McNemar's Test P-Value : 1.519e-06

Sensitivity : 0.28922  
Specificity : 0.96517  
Pos Pred Value : 0.44697  
Neg Pred Value : 0.93312  
Prevalence : 0.08870  
Detection Rate : 0.02565  
Detection Prevalence : 0.05739  
Balanced Accuracy : 0.62719

'Positive' Class : 1