

DSA5101 Project

Bank Marketing Analysis and Prediction

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Introduction and Problem Statement

- **Topic:** Bank Customers Deposit Prediction
- **Objective:** Predict whether a bank customer will choose to make a deposit or not.
- **Dataset:**
 - Focuses on bank customers and their deposit behaviors.
 - # of Feature Fields: 16
 - Target Variable (y): Boolean (Deposit or Not)
- **Task Nature:**
 - Binary Classification Prediction
 - Categorical Prediction based on customer dimensions and behaviors.
- **Similarity:**
 - Comparable to Click Through Rate (CTR) Prediction task.

- **Models Used:**

- DeepFM
- Random Forest
- **Model Ensembling**
- Other relevant algorithms...

- **Overview**

- **Exploratory Analysis & Preprocessing**

- Overview and preparation of the dataset
- Identification of patterns, anomalies, and trends

- **Model Selection & Performance**

- Analysis of different models post feature engineering
- Selection of the ensembling model as our final model based on performance metrics

- **Future Directions & Conclusion**

- Possible improvements and methods

- **Summary**

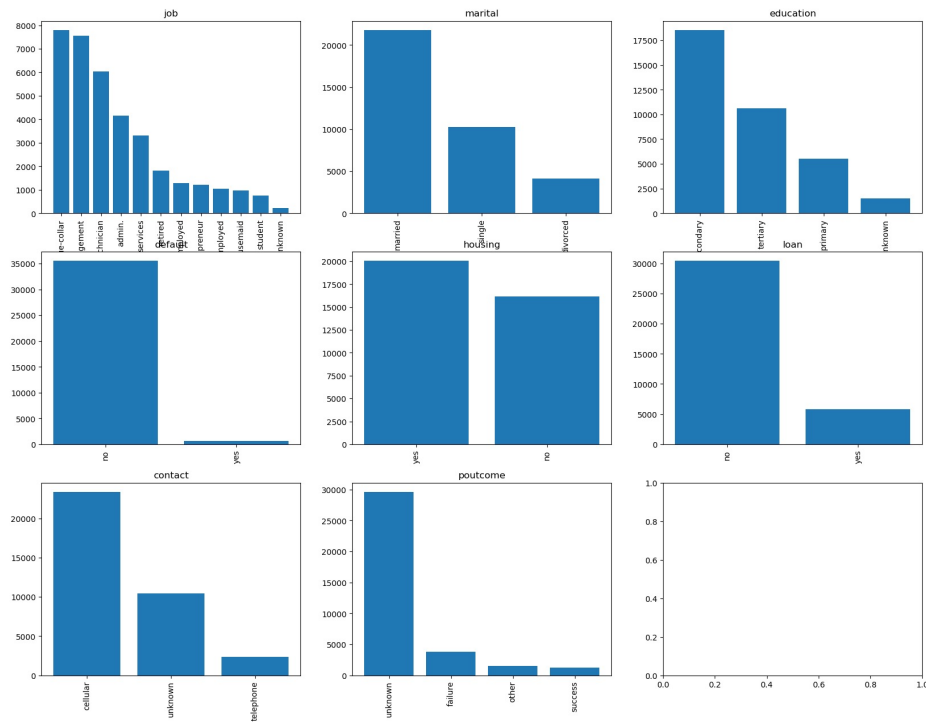
- **Dataset Imbalance:** 31937 : 4231 \approx 7.5 : 1
- **Model Evaluation Metrics Considered:**
 - Precision, Recall
 - F1 Score, Macro F, Micro F
 - AUC (Area Under the Curve)
 - Logloss
 - Accuracy
- **Selected Primary Metric:**
 - **AUC (Area Under the Curve)**
 - Chosen due to its reliability in the presence of class imbalance.
 - Avoids biases introduced by converting model prediction probabilities into classification thresholds.
 - Maximizing AUC ensures the positive sample score is as high as possible, aligning with the objective of accurately identifying users likely to make a deposit.

Dataset Pre-processing

Numerical attributes

	age	balance	day	duration	campaign	pdays	previous
mean	40.94	1365.06	15.78	258.36	2.77	39.75	0.58
std	10.62	3098.19	8.31	257.19	3.12	99.55	2.38
min	18	-8019	1	0	1	-1	0
max	95	102127	31	4918	63	871	275

Non-numerical(categorical) attributes



Non-numerical(categorical) attributes

- **Discretization of Continuous Data:**
 - Some algorithms are more suitable for discrete data.
 - Continuous data need to be converted to discrete to use these algorithms.
 - Benefits:
 - Overcomes hidden defects like outliers.
 - Makes model results more robust and stable.

- **Addressing Class Imbalance:**

- **Oversampling:**

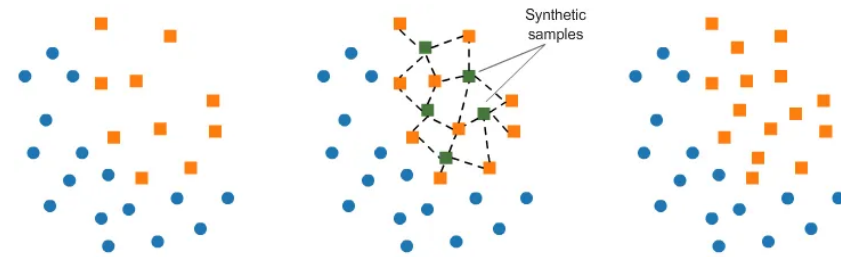
- Used to address class imbalance issues.
 - Enables better predictions on underrepresented instances.
 - Prevents model bias towards the majority class.
 - Crucial when the minority class contains critical instances.

- **Types of Oversampling:**

- **Random Oversampling**

- **SMOTE_NC:**

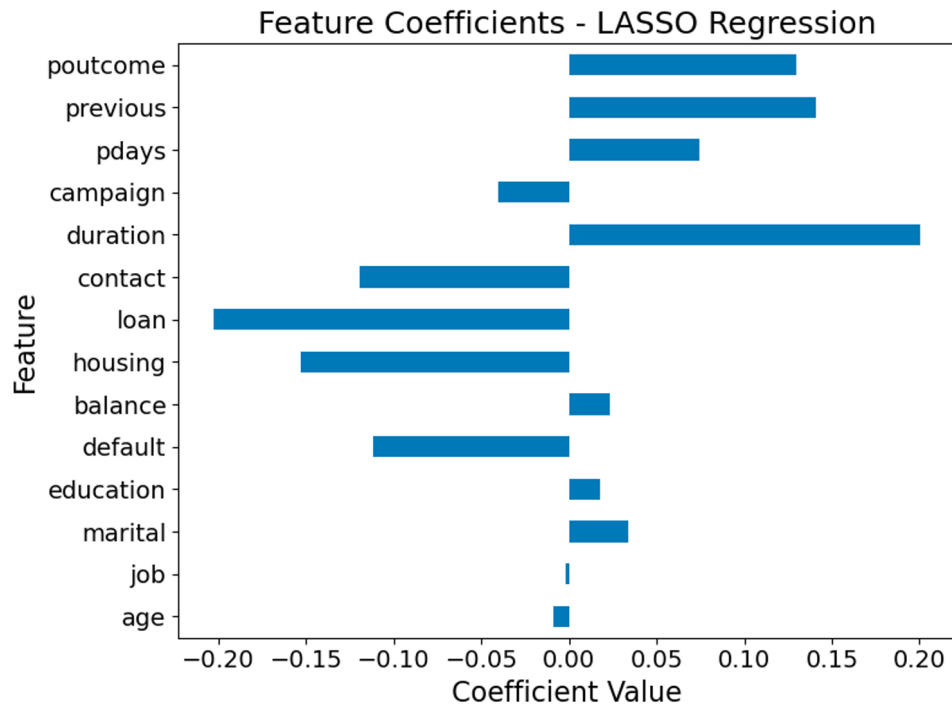
- Generates synthetic samples by interpolating feature values between minority class instances.



The principle of SMOTE¹

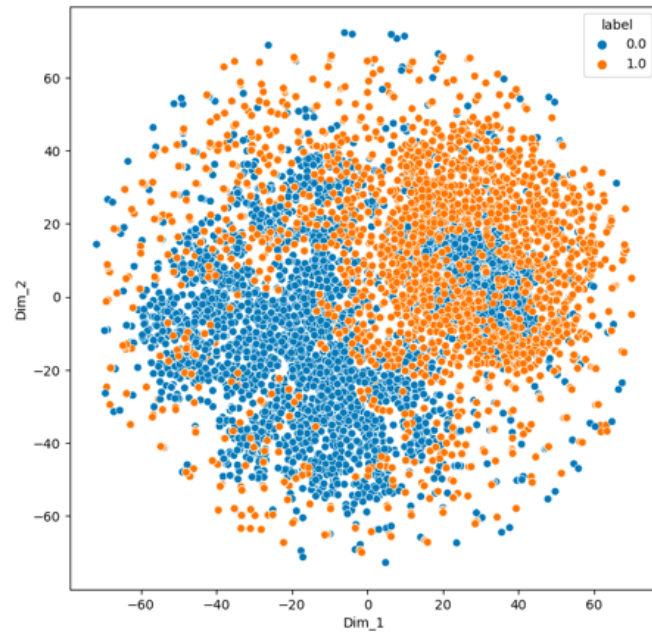
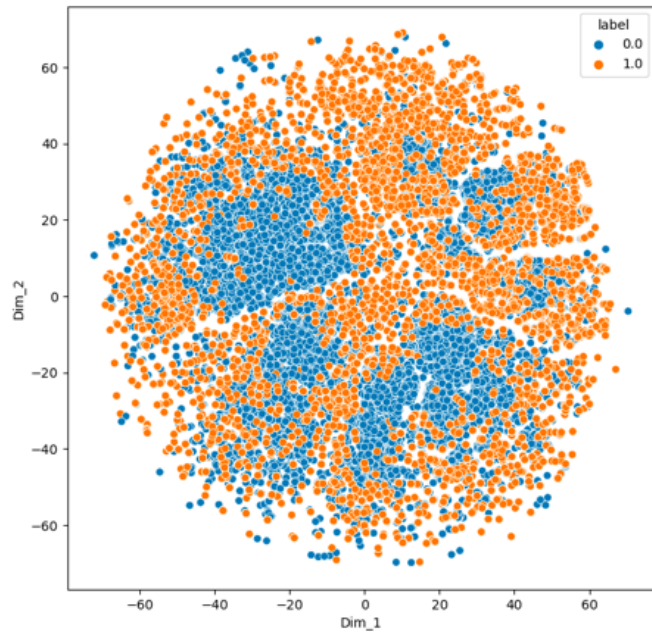
¹Adapted from Oversampling to remove class imbalance using smote

- Logistic Regression with l_1 penalty



Coefficients of Lasso Regression(Logistic Regression with l_1 penalty)

■ T-SNE Visualization



Comparison of the T-SNE visualization results between data without model selection(left) and data with model selection(right)

Experimental Study and Analysis

- **Models Used:**

- Logistic Regression
- Decision Tree
- Random Forest
- **DeepFM**
- XGBoost
- LightGBM
- CatBoost
- **Model Ensembling**

DeepFM

■ DeepFM Overview:

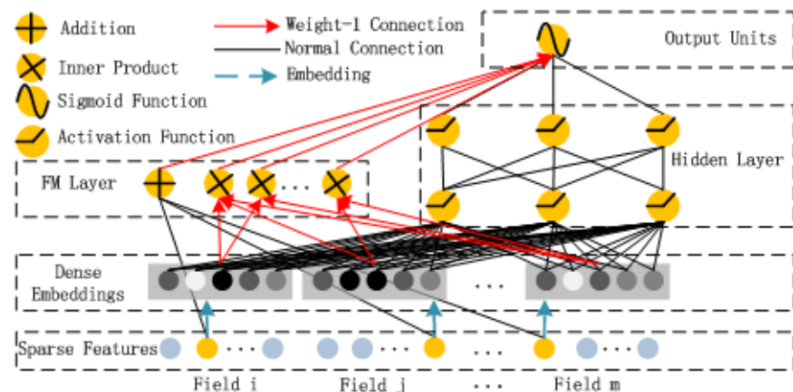
- Combination of Wide&Deep and Factorization Machine (FM).
- Replaces Linear Regression (LR) in Wide&Deep with FM.

■ Advantages over Linear Regression:

- FM considers the intersection between features.
- Improves the model's ability to extract information on the wide side.

■ Deep Model Characteristics:

- Can adaptively learn high-order interactions between features.
- Possesses strong feature extraction and expression capabilities.



Architecture of DeepFM¹

¹Adapted from DeepFM: A Factorization-Machine based Neural Network for CTR Prediction

Overall Performance

Model	AUC	LogLoss	F1	micro F	macro F	Precision	Recall
LR	0.8692	0.2746	0.3200	0.8895	0.6295	0.5700	0.2200
DT	0.8713	0.2764	0.5100	0.8980	0.7253	0.5800	0.4500
RF	0.9101	0.2359	0.2400	0.8951	0.5925	0.7800	0.1400
DeepFM	0.9310	0.2031	0.6259	0.8937	0.7820	0.5300	0.7600
xgb	0.9379	0.2019	0.6302	0.8983	0.7856	0.5500	0.7400
lgb	0.9338	0.2031	0.6199	0.8999	0.7811	0.5600	0.7000
catboost	0.9376	0.1949	0.6275	0.8942	0.7829	0.5300	0.7600

Observations

- **Observation 1: Complex Models vs Simple Models**

- GBDT-based models and DeepFM significantly outperform simpler models.

- **Observation 2: Best-Performing Model**

- XGBoost (XGB) is the standout performer, especially with smaller datasets.

- **DeepFM and LightGBM**

- Better suited for large-scaled datasets.

- **CatBoost Performance**

- Slightly inferior due to the numerous continuous features.

- **Observation 3: GBDT-based Models vs CTR Models**

- **GBDT-based Models**

- Perform better than CTR models in this dataset.

- **CTR Models Limitations**

- Rely on absent ID-based information, limiting fitting ability.
- Small dataset size hinders the full potential of deep learning techniques.

Comparison of model performance using different preprocessing methods

Dataset	Caption	age/job/day/month removed	Oversampling	Logist + Lasso
0	no smotenc	no	no	no
1	smotenc	no	smotenc	no
2	smotenc and discretization	no	smotenc	no
3	continous features discretization	no	no	no
4	discretization + smotenc + lasso	yes	smotenc	yes

- **Key Observation:**

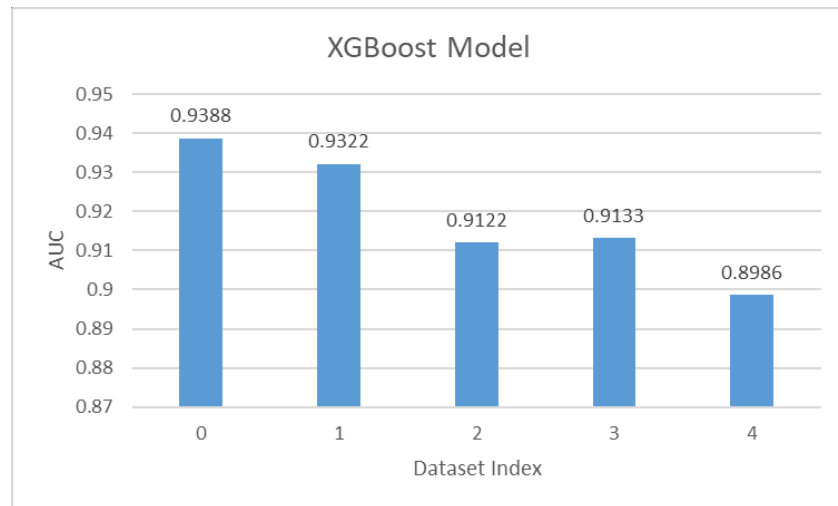
- Best performance consistently achieved on dataset 0 (no preprocessing).

- **Possible Reason:**

- Inherent cleanliness of dataset 0; excessive processing introduced noise.

- **Conclusion & Implication:**

- Minimal preprocessing is optimal for clean datasets to maintain data integrity and avoid performance deterioration.



AUC of XGBoost on Dataset 0-4¹

Project Accomplishments Overview

- **Cost-Benefit Analysis:**
 - Low cost for reaching a customer.
 - Significant benefits from customer deposits.
- **Strategic Priority:**
 - Higher recall value by lowering the model threshold.
- **Model Ensembling:**
 - Employing model ensembling to combine various models.
- **Outcome:**
 - Improved results as depicted in the table.

- Our final model is **optimal** on almost all metrics
- Achieve **balance** between precision and recall

Model	AUC	LogLoss	F1	micro F	macro F	Precision	Recall
DeepFM	0.9310	0.2031	0.6259	0.8937	0.7820	0.5300	0.7600
xgb	0.9379	0.2019	0.6302	0.8983	0.7856	0.5500	0.7400
lgb	0.9338	0.2031	0.6199	0.8999	0.7811	0.5600	0.7000
catboost	0.9376	0.1949	0.6275	0.8942	0.7829	0.5300	0.7600
Ensembling	0.9404	0.1946	0.6374	0.8985	0.7892	0.5500	0.7600

Future Enhancement Possibilities

- **Further Analyses:**

- Conduct analyses related to feature importance.

- **Model Introduction:**

- Consider employing RIM¹, a state-of-the-art model in Recommender Systems CTR Prediction task.

¹Retrieval & Interaction Machine for Tabular Data Prediction

Conclusion

- **Summary of Exploration:**

- Insightful findings in Bank Marketing Analysis and Prediction through the DSA5101 Project.
- Successful implementation and comparison of various models.
- Achieved optimal balance in precision and recall with ensembled model.

- **Key Insights:**

- Superiority of complex models like GBDT-based models and DeepFM, especially XGBoost in smaller datasets.
- Importance of minimal preprocessing in maintaining data integrity.

- **Strategic Impact:**

- Emphasis on substantial benefits from customer deposits and prioritizing higher recall values.
- Aid to financial institutions in refining strategies and informed decision-making.