Car Resale Value Prediction

Applied Data Science

Submitted by

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Project ID PNT2022MID21557

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1.Introduction:

1.1 Project Overview:

The ability to anticipate a car's resale value based on characteristics such as miles driven and fuel type is helpful to users.
The sole goal of this general-purpose system for estimating resale value is to estimate the amount that the user can probably acquire.
So that the user can get an estimated value before reselling the car and avoid making a deal at a loss, we attempt to predict the amount of resale with the highest degree of accuracy.

Project Flow:

1. To enter the input features, the user engages with the user interface (UI).
2. The integrated model analyzes the features of the entered input.
3. The prediction is displayed on the UI when the model has processed the input.

1.2 Purpose:

Making a system to forecast car resale value is primarily intended as a way to practice Python using Data Science. The system that forecasts the amount of resale value for cars is based on the user-provided parameters. The car's details are entered into the provided form by the user, and the value at which it will be sold is then predicted.

2.Literature Survey

2.1 Existing Problem

1) Predicting the Price of Used Cars using Machine Learning
2) Used Cars Price Prediction using Supervised Learning Techniques
3) Car Price Prediction Using Machine Learning
4) Used Car Price Prediction using K-Nearest Neighbor Based Model

2.2 References

http://ripublication.com/irph/ijict_spl/ijictv4n7spl_17.pdf

https://www.researchgate.net/publication/343878698_Used_Cars_Price_Prediction_using_Supervised_Learning_Techniques

https://www.jetir.org/view?paper=JETIR2204621

https://www.ijirase.com/assets/paper/issue_1/volume_4/V4-Issue-3-686-689.pdf

2.3 Problem Statement Definition

1. This project deals with the application of supervised machine learning techniques to predict the price of used cars in Mauritius.

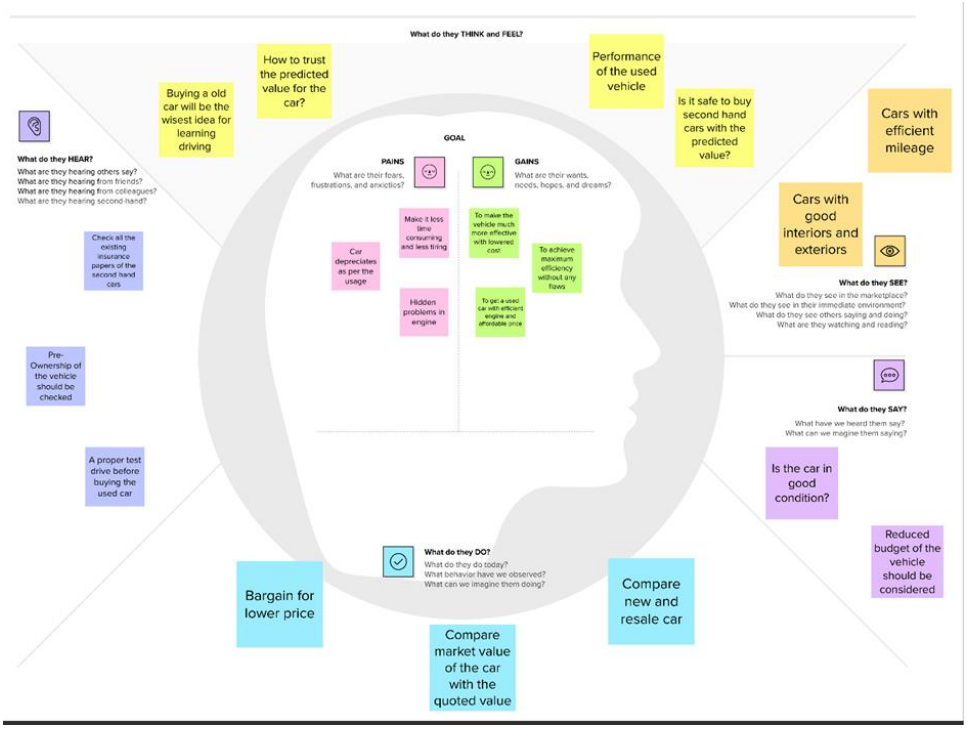
2. Using Multiple Regression and Regression trees, the project tries to develop a statistical model which will be able to predict the price of a used car, based on previous consumer data and a given set of features. This project will also be comparing the prediction accuracy of these models to determine the optimal one

3. This project is going to predict the car cost with the help of machine learning algorithms which are made available by a python environment such as the Gradient Boosting Algorithm. The dataset comprises data related to different car brands with a set of parameters. The primary purpose is to design a model for a given dataset and predict the car price with better accuracy.

4. This paper proposed a supervised machine learning model using KNN (K Nearest Neighbor) regression algorithm to analyze the price of used cars. Through this experiment, the data was examined with different trained and test ratios. As a result, the accuracy of the proposed model is around 85%

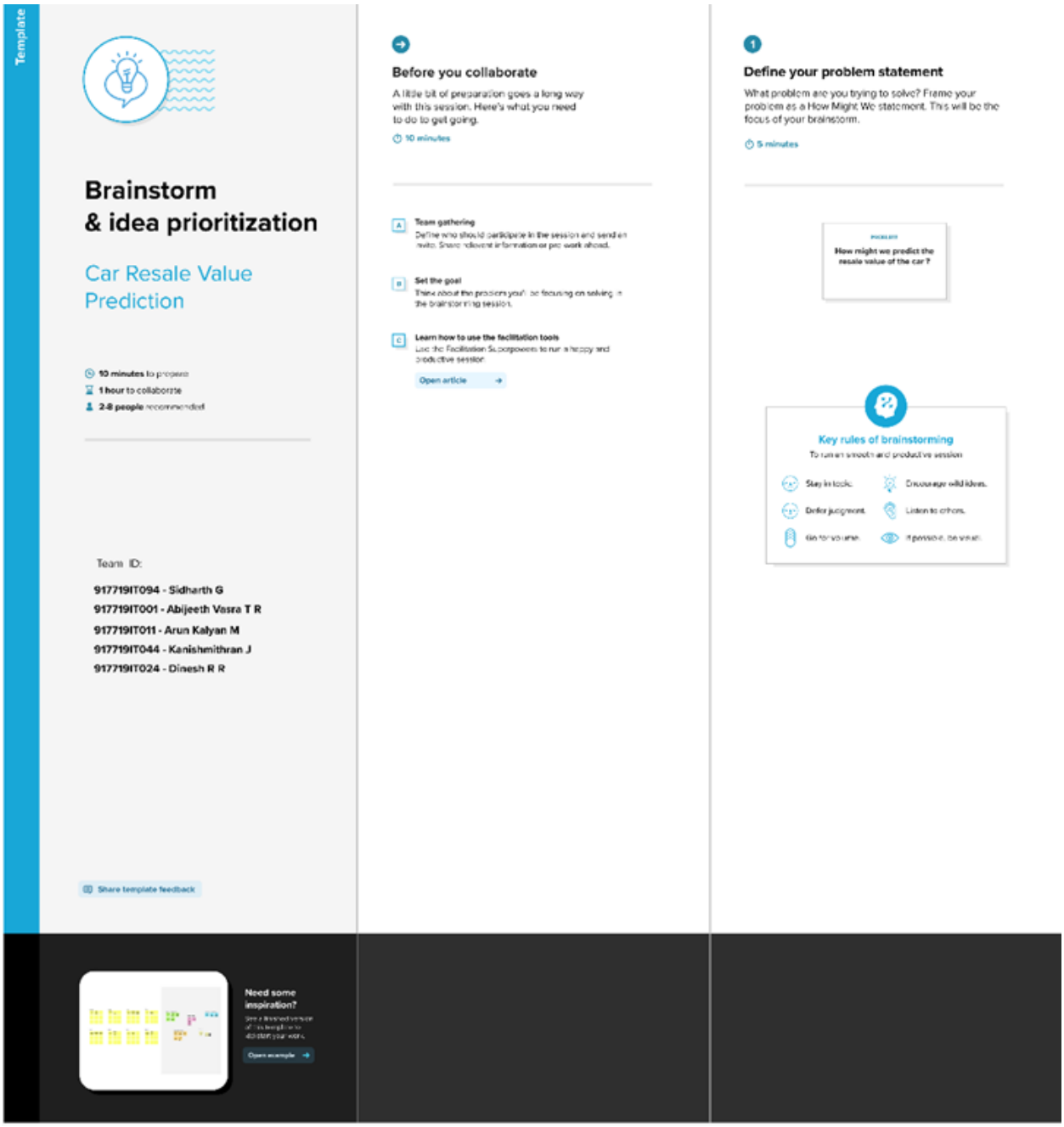
3.Ideation and Proposed Solution:

3.1 Empathy Map Canvas

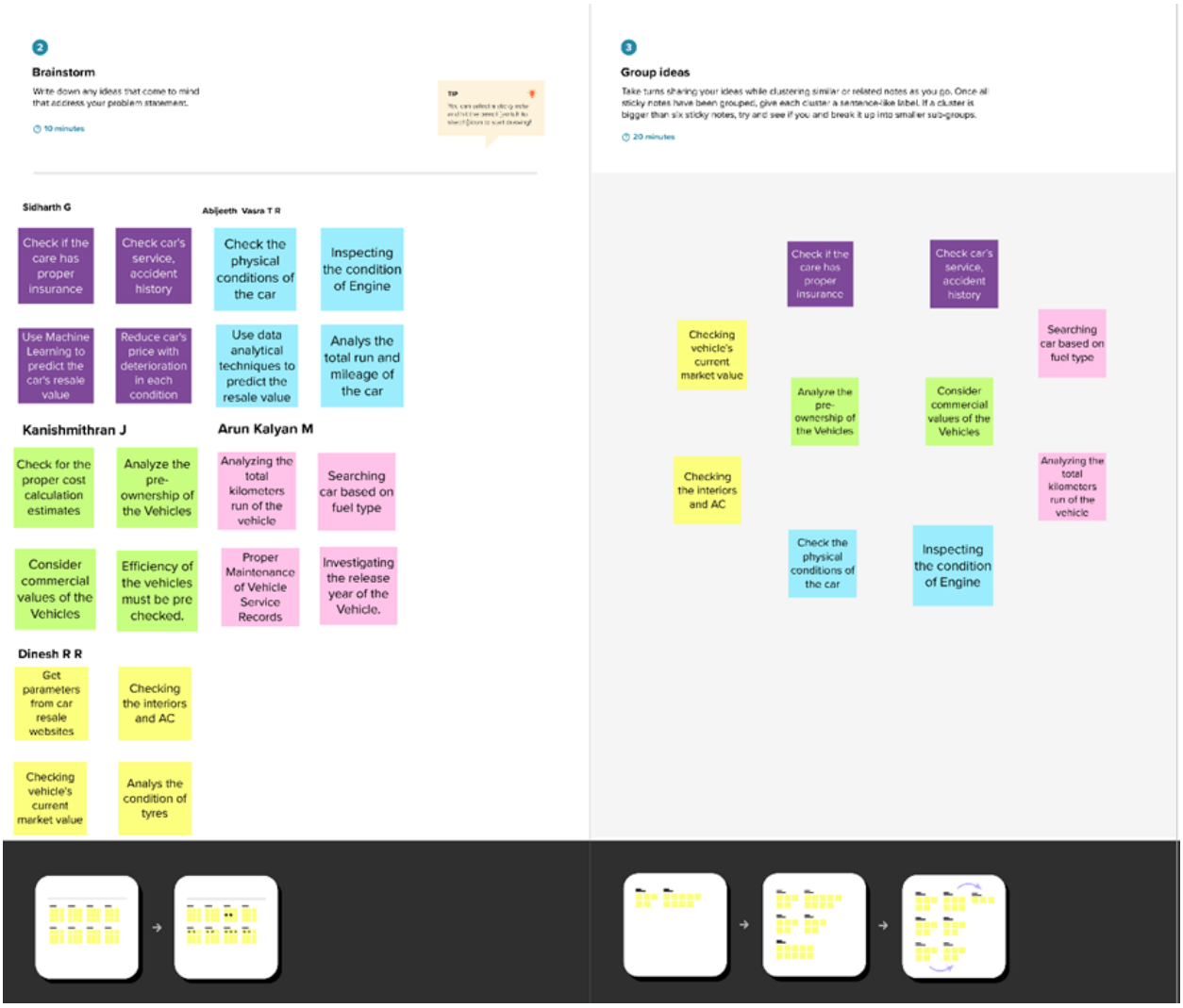


3.2 Ideation and Brainstorming

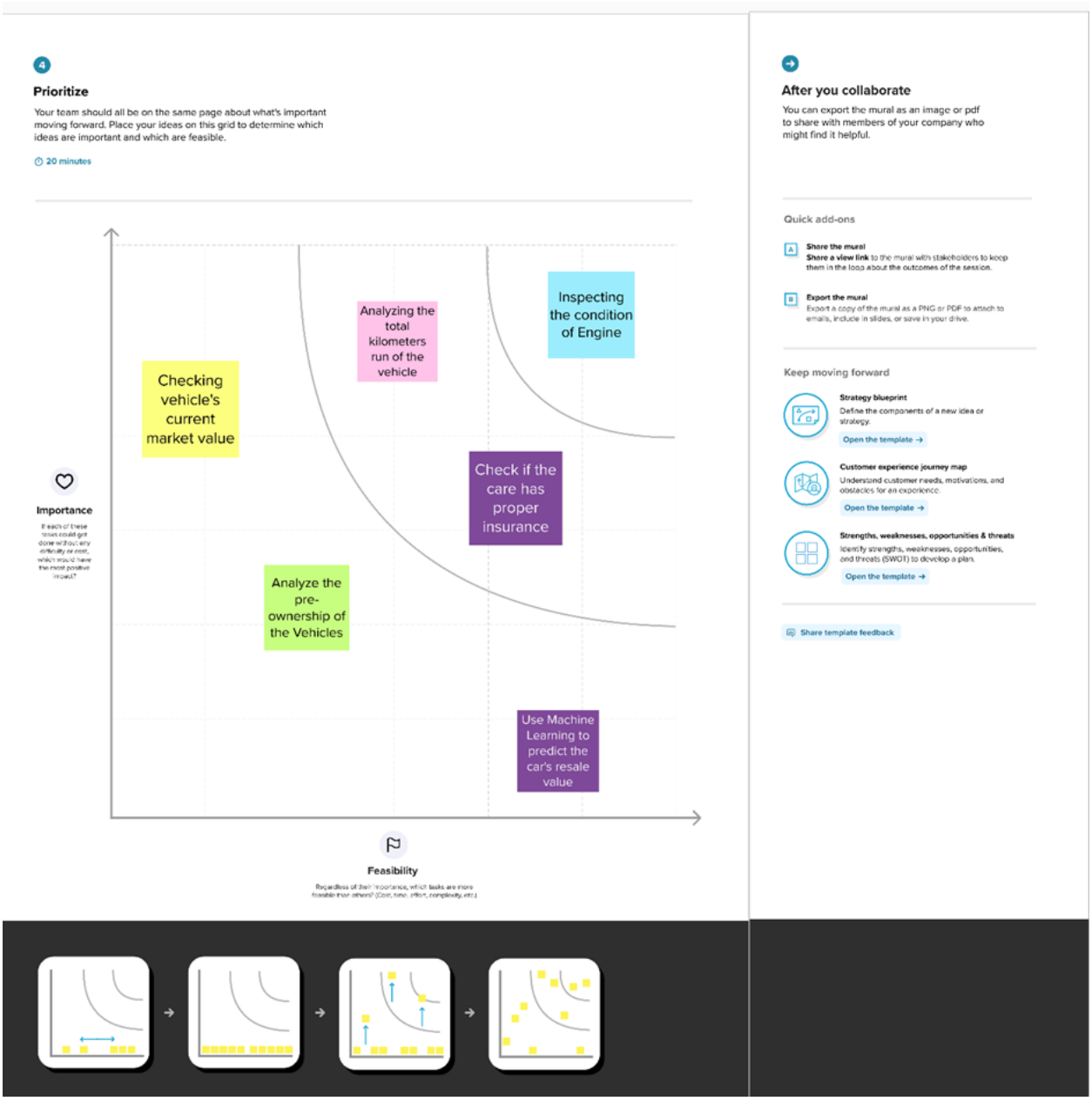
Step-1: Team Gathering, Collaboration and Select the Problem Statement



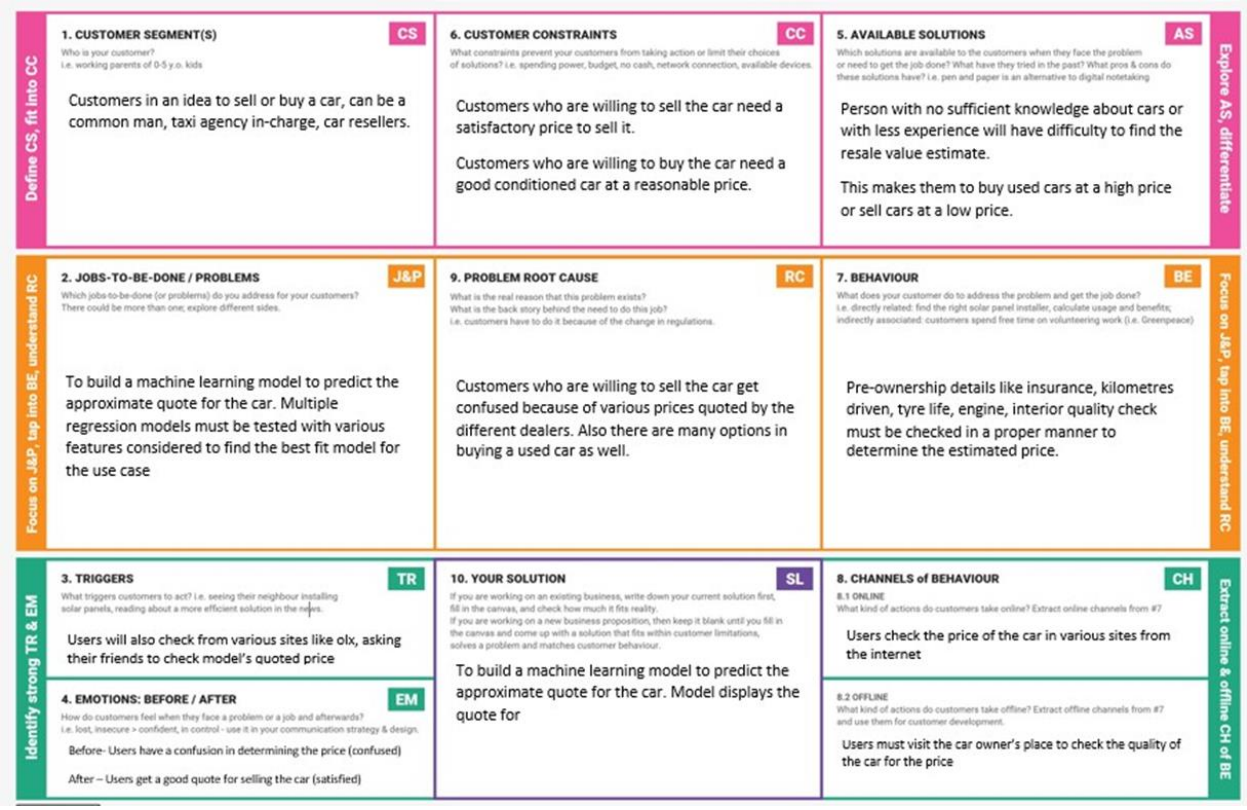
Step-2: Brainstorm, Idea Listing and Grouping



Step-3: Idea Prioritization



3.3 Proposed Solution



3.4 Problem Solution Fit

S. No	Parameter	Description
1.	Problem Statement (Problem to be solved)	There are a lot of ambiguities in predicting the precise resale value of the car. Since it involves only manual calculation with human assumed factors.
2.	Idea / Solution description	The way a machine predicts a value based on certain factors is way better than arbitrary manual prediction, thus machine learning can be used to predict the value of a resalable car by including certain factors as attributes(Dependent variables) to the model.

3.	Novelty / Uniqueness	The factors included are cumulative in nature, various factors affecting a car value is grouped into a single factor based on similarity (Insurance documents, RC book maintenance are grouped to a factor credibility) those factors are used for prediction
4.	Social Impact / Customer Satisfaction	Enables the customer to get a good idea about the used car prices and the features offered hence it motivates them to buy it.
5.	Business Model (Revenue Model)	Almost 5 million used cars are being sold every year in india, thus the market of car resales is huge and thousands of car resale dealers who are in need of such digital and efficient solution to predict the resale value of a car
6.	Scalability of the Solution	Since it involves generalized attributes and not attributes associated with a particular type of car model or car manufacturer, this can be applied to predict the resale value of any car, even any vehicle with few limitations.

4. Requirement Analysis

4.1 Function Requirement

Following are the functional requirements of the proposed solution.

FR No.	Functional Requirement (Epic)	Sub Requirement (Story / Sub-Task)
FR-1	User Registration	Registration through Form Registration through Gmail Registration through Linkedin

FR-2	User Confirmation	Confirmation via Email Confirmation via OTP
FR-3	User Profile	View User's Personal details Add a car to their favorites list
FR-4	Car Registration	User can input information like car's date of purchase, price, damages incurred etc.
FR - 5	Viewing Past Predictions	Users are able to view past predictions for the price of the car. (Graph displaying the price of the car for a month)

4.2 Non-function Requirement

Following are the non-functional requirements of the proposed solution.

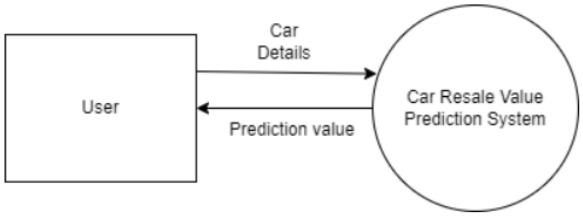
FR No.	**Non-Functional Requirement**	**Description**
NFR-1	**Usability**	A Simple and effective User Interface with proper layout and good usage of icons ensures each user finds it easy to access and interact with the system.
NFR-2	**Security**	Ensures all the user credentials should be protected and there should be a mandatory password strength check while creating password. Two factor Authentication methods can also be used.

NFR-3	**Reliability**	The ML model which is responsible for predicting the price of the car should be reliable. Model should be accurate enough to predict prices. Error rate should be as minimum as possible.
NFR-4	**Performance**	The system must provide a web page rendering images and texts upon receiving a request within a time of 8 seconds over a standard internet connection.
NFR-5	**Availability**	The website should be available to users 24x7. Any issues or errors will be addressed within the next 24 hours.
NFR-6	**Scalability**	The system must be scalable enough to support 1,00,000 requests at the same time without crashing.

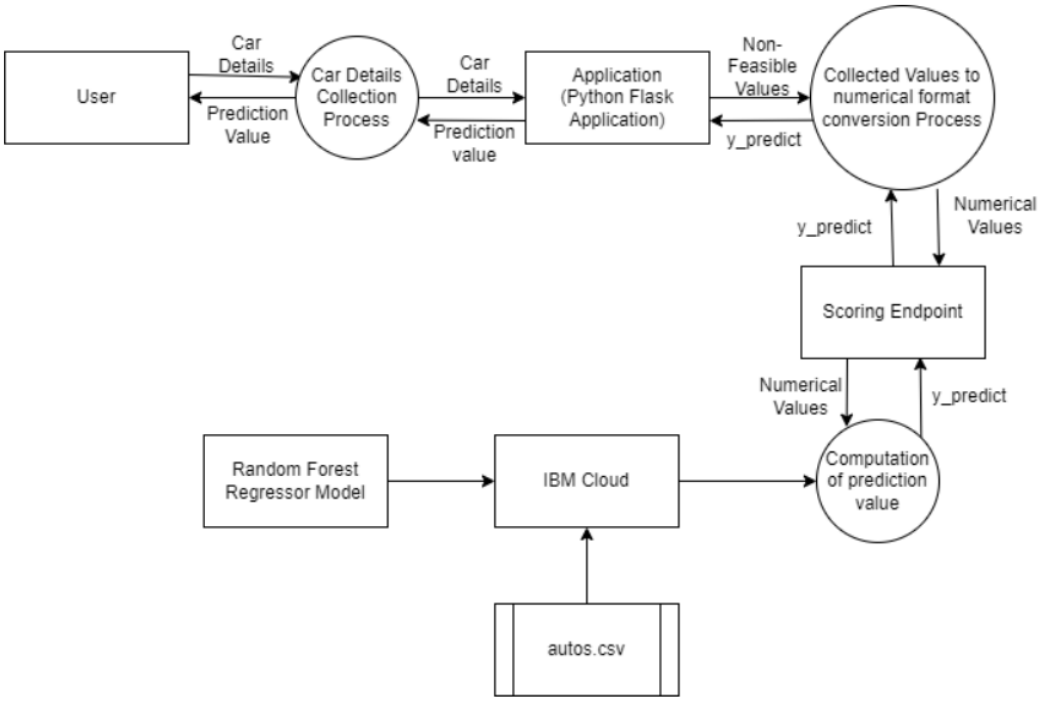
5.Project Design

5.1 Data Flow diagrams

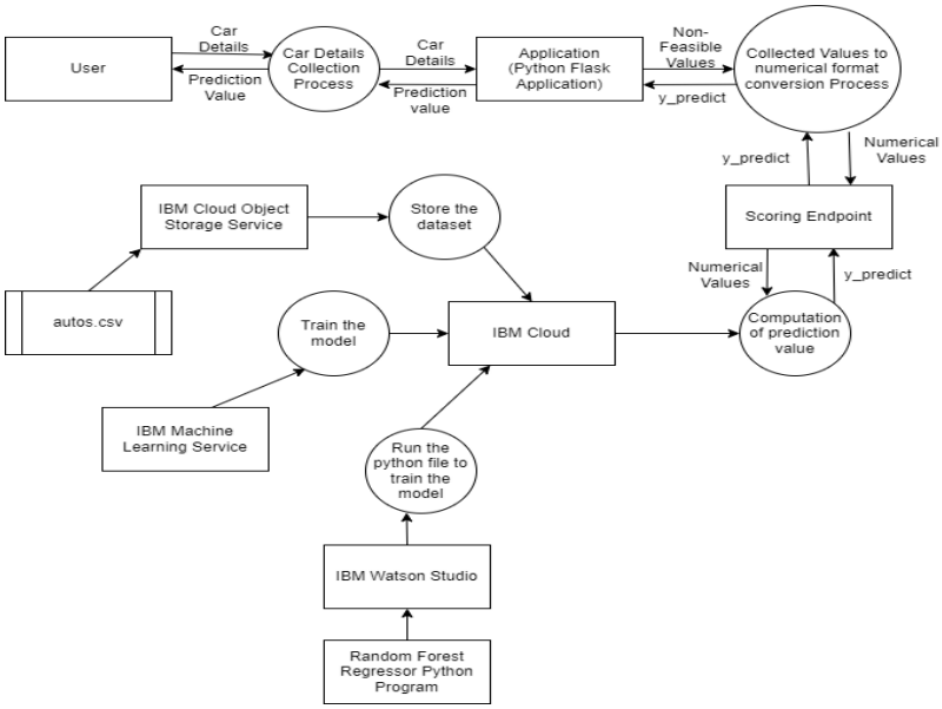
Level - 0



Level - 1

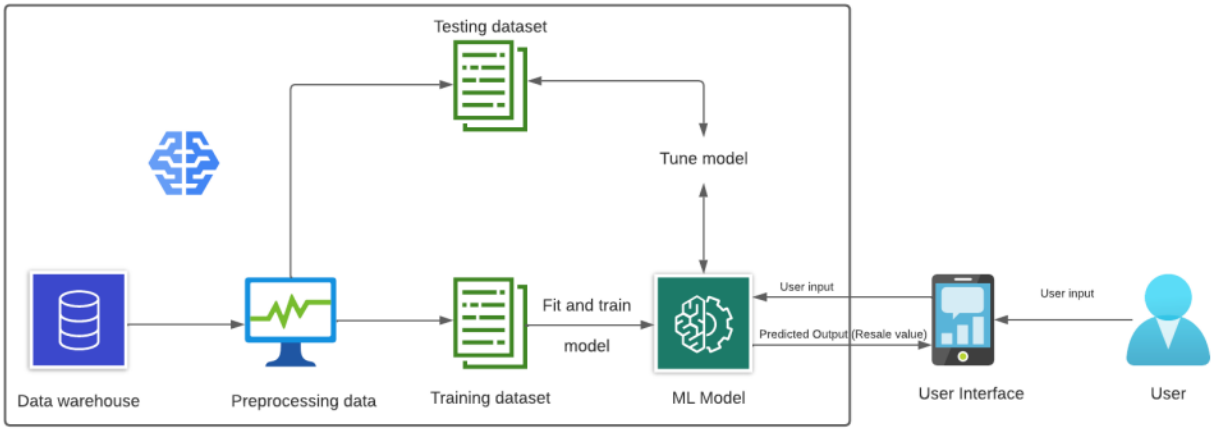


Level - 2



5.2 Solution and Technical Architecture

Solution Architecture



Technical Interface

Table-1: Components & Technologies:

S. No	Component	Description	Technology
1.	User Interface	The user interacts with application using Web UI	HTML, CSS, JavaScript etc.
2.	Application Logic-1	Logic for a process in the application	Python
3.	Database	The dataset containing car details is used for training the model to predict the rate	NoSQL.
4.	Cloud Database	The dataset is stored in the IBM cloud	IBM DB2.

5.	File Storage	File storage requirements	IBM Block Storage.
6.	Machine Learning Model	It is responsible for predicting the resale value of the cars.	Regression Model
7.	Infrastructure (Server / Cloud)	Application will be deployed in cloud.	Local, Cloud Foundry, Kubernetes, etc.

Table-2: Application Characteristics:

S. No	Characteristics	Description	Technology
1.	Open-Source Frameworks	Open-source frameworks used	Flask, Python, IBM Cloud
2.	Security Implementations	Security / access controls implemented, use of firewalls etc.	Encryptions
3.	Scalable Architecture	Scalability of architecture consists of 3 tiers	Web Server - HTML, CSS, JavaScript Application Server - Python Flask Database Server - IBM Cloud
4.	Availability	User can access our application through cloud all the time	IBM Cloud Hosting.

5.	Performance	Multiple users can access the web application and can perform actions simultaneously	IBM Load Balance

5.3 User Stories

User Type	Functional Requirement (Epic)	User Story Number	User Story / Task	Acceptance criteria	Priority	Release
User	Home Page	USN-1	As a user, I can view the home page of the application.	I can view the home page of the application.	Low	Sprint-1
User	Main Page	USN-2	As a user, I can view the main page of the application where I can post my car details.	I can view the main page and can successfully post my car details.	High	Sprint-2
User	Car Resale Value Prediction	USN-3	As a user, I expect the application to predict the resale value for the car details given through the main page.	I can get the car resale value.	High	Sprint-3
User	View car resale value	USN-4	As a user, I can view the predicted resale value of the car.	I can view the predicted car resale value.	Medium	Sprint-4

6.Project Planning and Scheduling

6.1 Sprint Planning and Estimation

TITLE	DESCRIPTION	DATE
Literature Survey & Information Gathering	Literature survey on the selected project and collecting other information	28 SEPTEMBER 2022
Prepare Empathy Map	Prepare Empathy Map Canvas to capture the user Pains & Gains, Prepare list of problem statements	19 SEPTEMBER2022

Ideation	List the by organizing the brainstorming session and prioritize the top 3 ideas based on the feasibility & importance.	19 SEPTEMBER2022
Proposed Solution	Prepare the proposed solution document, which includes the novelty, feasibility of idea, business model, social impact, scalability of solution, etc.	23 SEPTEMBER 2022
Problem Solution Fit	Prepare problem - solution fit document.	30 SEPTEMBER 2022

Solution Architecture	Prepare a solution architecture document.	28 SEPTEMBER 2022
Customer Journey	Prepare the customer journey maps to understand the user interactions & experiences with the application (entry to exit).	20 OCTOBER 2022
Functional Requirement	Prepare the functional requirement document.	8 OCTOBER 2022
Data Flow Diagrams	Draw the data flow diagrams and submit for review.	9 OCTOBER2022

Technology Architecture	Prepare the technology architecture diagram.	10 OCTOBER 2022
Prepare Milestone & Activity List	Prepare the milestones & activity list of the project.	22 OCTOBER 2022
Project Development - Delivery of Sprint-1, 2, 3 & 4	Develop & submit the developed code by testing it.	IN PROGRESS

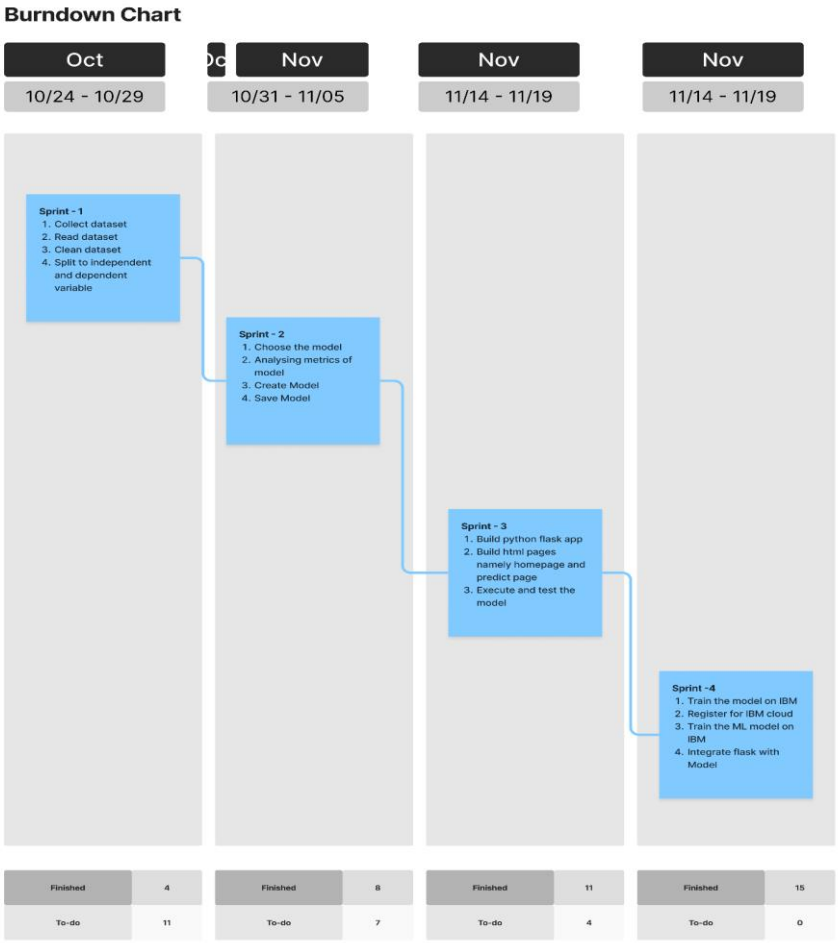
6.2 Sprint Delivery Schedule

Sprint	Functional Requirement (Epic)	User Story Number	User Story / Task	Story points	Priority	Team Members
Sprint-1	Collection and preprocessing the dataset		1. Collect dataset 2. Read dataset 3. Clean dataset 4. Split to independent and dependent variable	20	Low	Sidharth Abijeeth Vasra Arun Kalyan Kanishmithran Dinesh
Sprint-2	Model Building		1. Choose the model 2. Analyzing metrics of model 3. Create Model 4. Save Model	20	Medium	Sidharth Abijeeth Vasra Arun Kalyan Kanishmithran Dinesh
Sprint-3	Application Building	USN-1 USN-2 USN-3	1. Build python flask app 2. Build html pages namely homepage and predict page 3. Execute and test the model	20	High	Sidharth Abijeeth Vasra Arun Kalyan Kanishmithran Dinesh
Sprint-4	Training and Deployment	USN-4	1. Train the model on IBM 2. Register for IBM cloud 3. Train the ML model on IBM 4. Integrate flask with Model	20	Medium	Sidharth Abijeeth Vasra Arun Kalyan Kanishmithran Dinesh

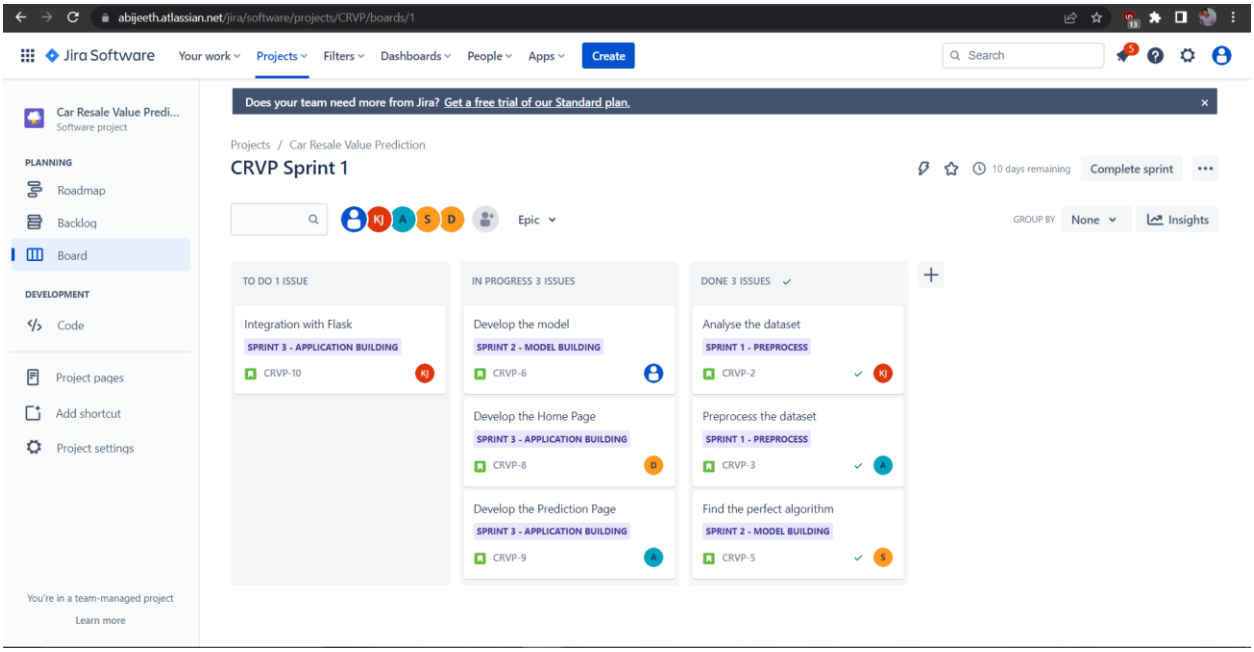
Project Tracker, Velocity & Burndown Chart: (4 Marks)

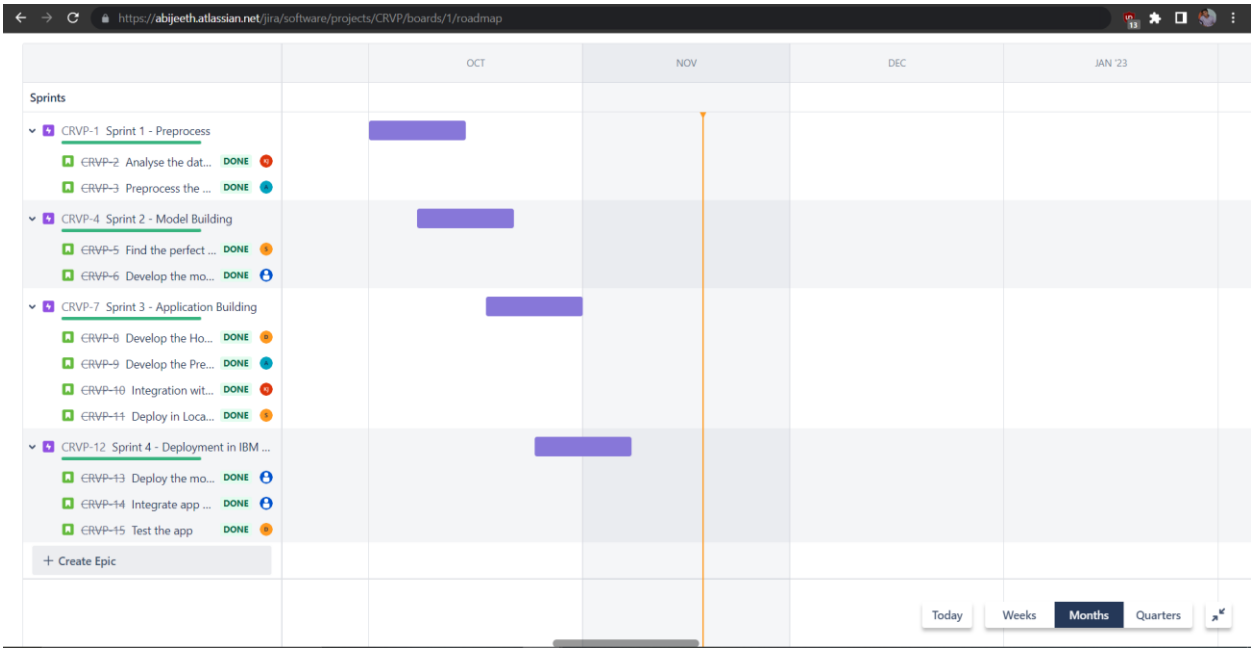
Sprint	Total Story Points	Duration	Sprint Start Date	Sprint End Date (Planned)	Story Points Completed (as on Planned End Date)	Sprint Release Date (Actual)
Sprint-1	20	6 Days	24 Oct 2022	29 Oct 2022	20	29 Oct 2022
Sprint-2	20	6 Days	31 Oct 2022	05 Nov 2022	20	05 Nov 2022
Sprint-3	20	6 Days	07 Nov 2022	12 Nov 2022	20	12 Nov 2022
Sprint-4	20	6 Days	14 Nov 2022	19 Nov 2022	20	19 Nov 2022

Burn-down Chart



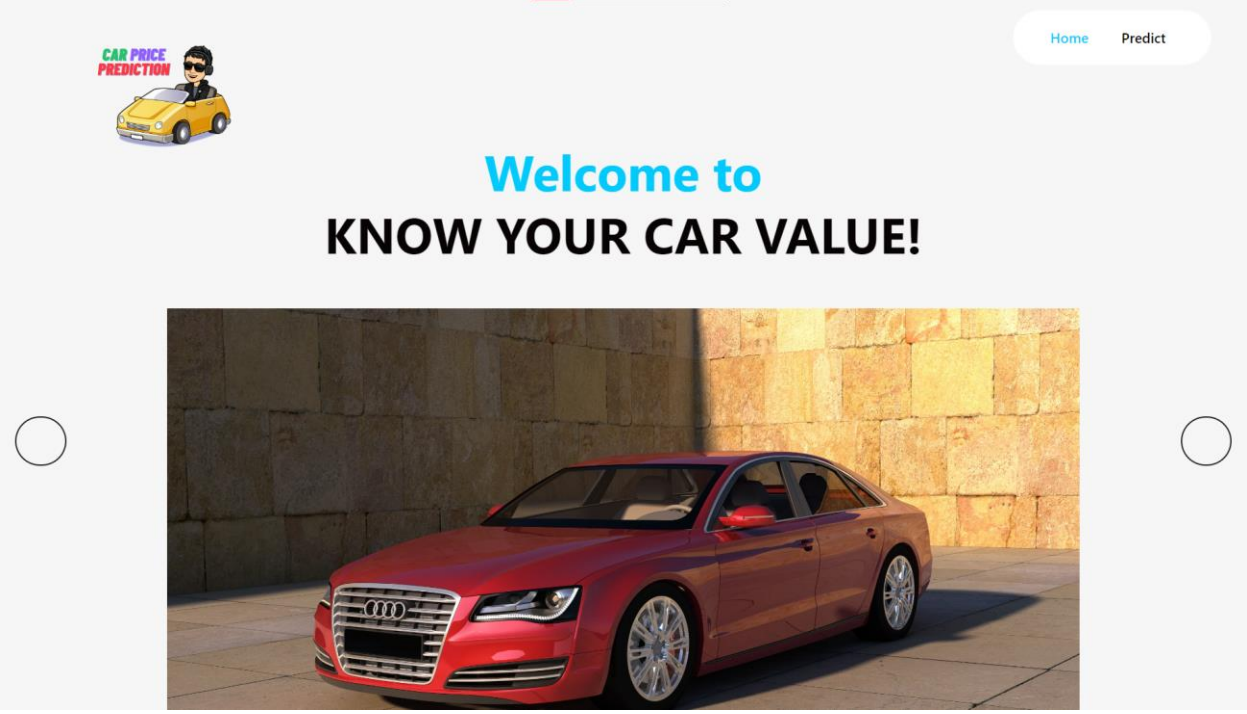
6.3 Reports from JIRA



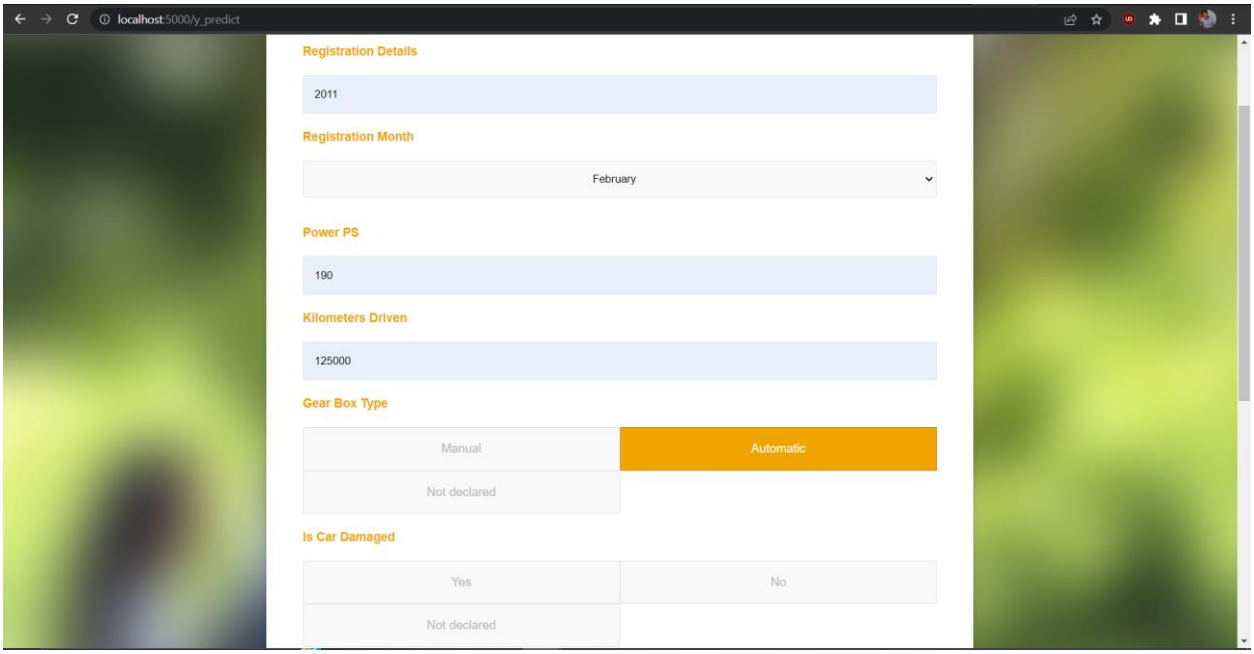


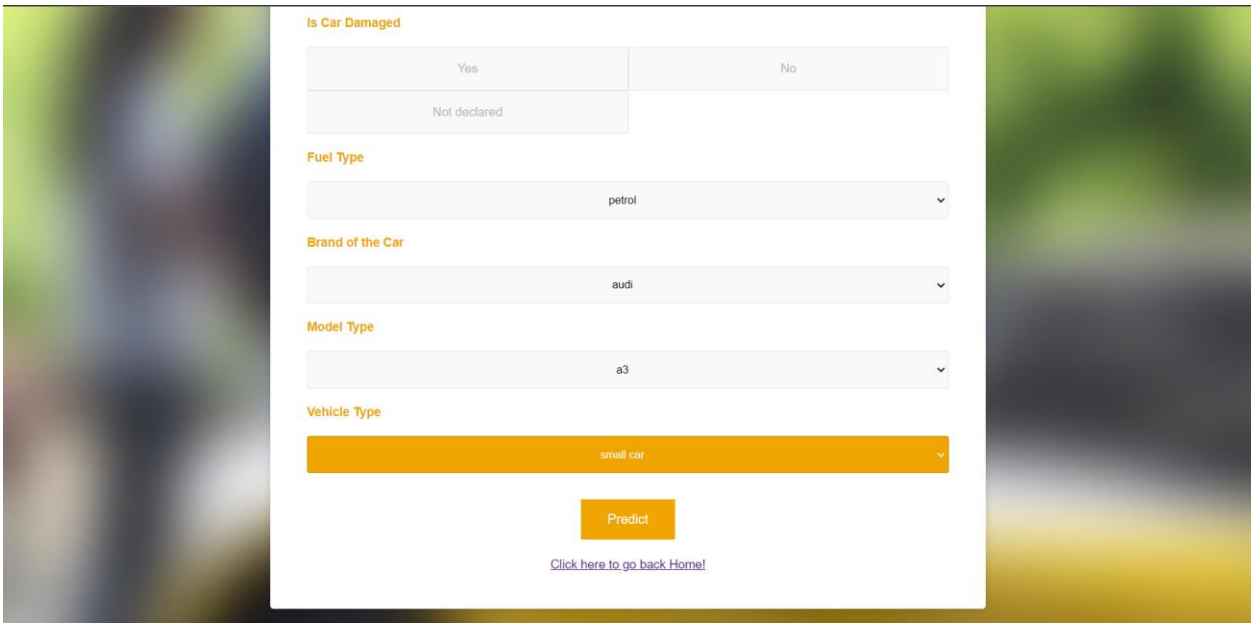
7.Coding and Solutioning

7.1 Home Page:



7.2 Prediction Page





Predict the Price!

The resale value predicted is $ 19699.965761073345

- The user upon visiting the site will be displayed with a summary of what the project is all about, the user can get to know about the project and then go to the actual page.
- The page contains various fields of various types such as dropdown for categories, text fields for data, all the fields are made necessary.
- Once the user fills all the data and the predict button is selected, the data is transferred and the result is fetched, the result is converted in to Indian rupees for easy understanding.

```
def y_predict():
    regyear = int(request.form['regyear'])
    powerps = float(request.form['powerps'])
    kms = float(request.form['kms'])
    regmonth = int(request.form.get('regmonth'))
    gearbox = request.form['gearbox']
    damage = request.form['damaged']
    model  = request.form.get('model_type')
    brand = request.form.get('brand')
    fuelType = request.form.get('fuel')
    vehicletype= request.form.get('vehicletype')
    new_row =
{'yearOfRegistration':regyear,'powerPS':powerps,'kilometer':kms,'monthOfRegistration':regmonth,'gearbox':gearbox,'notRepairedDamage':damage,
'model':model,'brand':brand,'fuelType':fuelType,'vehicleType':vehicletype}

    print(new_row)
    new_df = pd.DataFrame(columns=
['vehicleType','yearOfRegistration','gearbox','powerPS','model','kilometer','monthOfRegistration','fuelType','brand','notRepairedDamage'])
    new_df = new_df.append(new_row,ignore_index=True)
    labels = ['gearbox','notRepairedDamage','model','brand','fuelType','vehicleType']
    mapper = {}
    for i in labels:
        mapper[i] = LabelEncoder()
        mapper[i].classes_ = np.load(str('classes'+i+'.npy'),allow_pickle=True)
        tr = mapper[i].fit_transform(new_df[i])
        new_df.loc[:,i+'_Labels'] = pd.Series(tr,index=new_df.index)
    labeled = new_df[ ['yearOfRegistration','powerPS','kilometer','monthOfRegistration'] + [x+"_Labels" for x in labels]]
    X = labeled.values
    print(X)
```

- From the above code snippet the user input is fetched from the user via request.form() method.
- A new data frame is created to send the values to the model to predict the price .
- The data is sent to the model in the IBM cloud to predict the value for the car

```
    payload_scoring = {"input_data": [{"fields": ['f0','f1','f2','f3','f4','f5','f6','f7','f8','f9'], "values":X.tolist()}]}
    response_scoring = requests.post('https://us-south.ml.cloud.ibm.com/ml/v4/deployments/21e4b8df-05d1-4dc8-bbcd-b79874021e08/predictions?
version=2022-11-06', json=payload_scoring,headers={'Authorization': 'Bearer ' + mltoken})
    print("Scoring response")
    predictions = response_scoring.json()
    output =  predictions['predictions'][0]['values'][0][0]
    print(output)
    return render_template('booking.html',ypred="The resale value predicted is $  "+str(output))
```

- The above code snippet is used to send the user inputs and fetch the output from the ML model present in IBM watson Studio.

- Payload Scoring sets the user inputs in the respective fields from f0 - f9
- Response Scoring is used to send the inputs to the IBM watson studio and fetch the output from the model

- Thus a render template is used to print the predicted value in the Page

8.Testing

8.1 Test Cases

Missing Values:

The trained ML model requires 4 feature inputs for predicting the output. Failing which, the model throws invalid Input error. All the fields in the html form have been marked required using CSS and thus the user must input all fields.

Output: User must input all the fields, failing which, form shows warning message "this field needs to be filled". Thus, there can be no errors in model prediction.

Invalid Input:

The trained ML model requires only numerical input for all 4 features. Thus, if the user uses symbols such as a comma while input, the model may throw an error. To overcome the same, preprocessing script is deployed in the backend which removes all unwanted characters like comma, whitespaces etc. so that model gets required input.

Output: Due to python preprocessing script, model will get the desired input and thus will give accurate prediction.

8.2 User Acceptance Testing

Test case ID	Feature Type	Component	Test Scenario	Prerequisite	Steps To Execute	Test Data	Expected Result	Actual Result	Status	Comments	TC for Automation(Y/N)	BUG ID	Executed By
HomePage_TC_001	UI	Home Page	Verify all the UI elements in Home page rendered properly	Nil	1.Enter URL and click go 2.Verify all the UI elements displayed or not	-	All the UI elements rendered properly	Working as expected	Pass		N		Abijeeth
HomePage_TC_002	Functional	Home Page	Verify the Data Entry page can be reachable.	HTML	1.Enter URL and click go 2. Verify all the UI elements displayed or not. 3.Press the Check Price button.	-	User should navigate to Data Entry Page	Working as expected	Pass		N		Sidharth
DataEntryPage_TC_001	UI	Data Entry Page	Verify all the UI elements in Data Entry page rendered properly	Nil	1.Enter URL and click go 2. Verify all the UI elements displayed or not. 3.Press the Check Price button in the home page 4. Verify all the UI elements displayed or not	-	All the UI elements rendered properly	Working as expected	Pass		N		Arun
DataEntryPage_TC_002	Functional	Data Entry Page	Verify user is able to enter all values	HTML	1.Enter URL and click go 2. Verify all the UI elements displayed or not. 3.Press the Check Price button in the home page 4. Verify all the UI elements displayed or not 5. Verify if all values can be entered	2011 January 190 125000 Automatic No Petrol Audi A4 Small car	User should be able to enter all values in data entry page	Working as expected	Pass		N		Kanishmithran
DataEntryPage_TC_003	Functional	Data Entry Page	Verify the Output Display page can be reachable.	NIL	1.Enter URL and click go 2. Verify all the UI elements displayed or not. 3.Press the Check Price button in the home page 4. Verify all the UI elements displayed or not 5. Verify if all values can be entered 6. Press the submit Button	-	User should navigate to Output Display Page	Working as expected	Pass		N		Dinesh
OutputDisplayPage_TC_001	UI	Output Display Page	Verify all the UI elements in Output Display page rendered properly	HTML	1.Enter URL and click go 2. Verify all the UI elements displayed or not. 3.Press the Check Price button in the home page 4. Verify all the UI elements displayed or not 5. Verify if all values can be entered 6. Press the submit Button 7. Verify all the UI elements displayed or not	-	All the UI elements rendered properly	Working as expected	Pass		N		Abijeeth
OutputDisplayPage_TC_002	Functional	Output Display Page	Verify user is able to get predicted result	ML and HTML	1.Enter URL and click go 2. Verify all the UI elements displayed or not. 3.Press the Check Price button in the home page 4. Verify all the UI elements displayed or not 5. Verify if all values can be entered 6. Press the submit Button 7. Verify all the UI elements displayed or not 8. Verify if the predicted value is displayed or not	-	Predicted Car Resale Value is displayed on the page	Working as expected	Pass		N		Sidharth

9.Results

9.1 Performance Metrics

Mean Squared Error:

```
In [25]: from sklearn.metrics import mean_squared_error,mean_absolute_error
         mse = mean_squared_error(Y_test, y_pred)

         print(mse)

         11837192.971239958
```

Mean Absolute Error and Root Mean Squared Error:

```
In [26]: rmse = np.sqrt(mse)
         print(rmse)

         mae = mean_absolute_error(Y_test, y_pred)
         print(mae)
```

```
3440.5221945570934
1635.1608915188156
```

R2_score:

```
In [17]: y_pred = regressor.predict(X_test)
         print(r2_score(Y_test,y_pred))
```

```
0.834527626497731
```

10.Advantages and Disadvantages

Advantages

- The website makes it simple for users to sell their used cars. Because the model's accuracy is close to 80%, they can obtain the ideal amount for their car.
- With the help of this site, the user can find the resale value of a car to buy or to sell one, without intermediaries, so they need not to spend money.

Disadvantages

- As a result of the smaller number of observations, the dataset was rather limited for drawing significant conclusions. More information gathered may result in more reliable predictions.
- There may be more characteristics that are reliable predictors. Here are some examples of variables that could enhance the model: doors, gas mileage (mpg), color, time spent undergoing mechanical and cosmetic repairs, used-to-new ratio, and appraisal-to-trade ratio.

11.Conclusion

Hence, various factors that affect the resale value of the vehicles were explored and the near accurate resale value of the vehicle is found out. Since, there has been an increase in the trends of buying vehicles, the proposed system will help find the accurate price of vehicles.

The proposed system reduces the time taken to predict the resale value of the vehicle and improves the efficiency of the model. It is made to be easily understood to the customers and highly reliable, hence no feature scaling is required.

12. Future Scope

In the future, we can introduce a login option, allowing us to save user searches and their personal information. Additionally, we can add a chat option that enables users to engage with sellers. So, Whenever a user is interested, they can communicate with the seller and can negotiate the price and take further actions.

A VR model for the car can be added so that the user can get a 360-degree view of the car. In order to increase the performance, real time data shall be provided for price prediction and with historical data of car prices the accuracy of the system can be improved as well.

An android application could be developed in order to predict the resale value of the car as user interface for interacting with the customers who are not remotely available and for higher performance adaptive learning methodologies are taken into consideration and clusters of real time data are to be trained to predict the resale value.

13. Appendix

App.py:

```
import pandas as pd
import numpy as np
from flask import Flask,render_template,Response,request
import pickle
from sklearn.preprocessing import LabelEncoder
import pickle

import requests

# NOTE: you must manually set API_KEY below using information retrieved
from your IBM Cloud account.
API_KEY = "qwgXJFbBRzeK7VrTO9mnmGPjeNJOchWfASyjL-B6LO-U"
token_response = requests.post('https://iam.cloud.ibm.com/identity/token',
data={"apikey":API_KEY, "grant_type": 'urn:ibm:params:oauth:grant-
type:apikey'})
mltoken = token_response.json()["access_token"]

header = {'Content-Type': 'application/json', 'Authorization': 'Bearer ' +
mltoken}


app = Flask(__name__)
filename = 'resale_model.sav'
model_rand = pickle.load(open(filename,'rb'))
```

```
@app.route('/')
def index():
    return render_template('index.html')
@app.route('/home')
def home():
    return render_template('index.html')

@app.route('/predict')
def predict():
    return render_template('booking.html')

@app.route('/y_predict',methods=['GET','POST'])
def y_predict():
    regyear = int(request.form['regyear'])
    powerps = float(request.form['powerps'])
    kms = float(request.form['kms'])
    regmonth = int(request.form.get('regmonth'))
    gearbox = request.form['gearbox']
    damage = request.form['damaged']
    model  = request.form.get('model_type')
    brand = request.form.get('brand')
    fuelType = request.form.get('fuel')
    vehicletype= request.form.get('vehicletype')
    new_row =
{'yearOfRegistration':regyear,'powerPS':powerps,'kilometer':kms,'monthOfRe
gistration':regmonth,'gearbox':gearbox,'notRepairedDamage':damage,'model':
model,'brand':brand,'fuelType':fuelType,'vehicleType':vehicletype}

    print(new_row)
    new_df =
pd.DataFrame(columns=['vehicleType','yearOfRegistration','gearbox','powerP
S','model','kilometer','monthOfRegistration','fuelType','brand','notRepair
edDamage'])
    new_df = new_df.append(new_row,ignore_index=True)
    labels =
['gearbox','notRepairedDamage','model','brand','fuelType','vehicleType']
    mapper = {}
    for i in labels:
        mapper[i] = LabelEncoder()
```

```
        mapper[i].classes_ =
np.load(str('classes'+i+'.npy'),allow_pickle=True)
        tr = mapper[i].fit_transform(new_df[i])
        new_df.loc[:,i+'_Labels'] = pd.Series(tr,index=new_df.index)
    labeled = new_df[
['yearOfRegistration','powerPS','kilometer','monthOfRegistration'] +
[x+"_Labels" for x in labels]]
    X = labeled.values
    print(X)
    #y_prediction = model_rand.predict(X)
    #print(y_prediction)
    # NOTE: manually define and pass the array(s) of values to be scored
in the next line
    payload_scoring = {"input_data": [{"fields":
['f0','f1','f2','f3','f4','f5','f6','f7','f8','f9'],
"values":X.tolist()}]}
    response_scoring = requests.post('https://us-
south.ml.cloud.ibm.com/ml/v4/deployments/21e4b8df-05d1-4dc8-bbcd-
b79874021e08/predictions?version=2022-11-06',
json=payload_scoring,headers={'Authorization': 'Bearer ' + mltoken})
    print("Scoring response")
    predictions = response_scoring.json()
    output =  predictions['predictions'][0]['values'][0][0]
    print(output)
    return render_template('booking.html',ypred="The resale value
predicted is $  "+str(output))

if __name__ == '__main__':
    app.run(host='Localhost',debug=True,threaded=False)
```

Links

GitHub Link	https://github.com/IBM-EPBL/IBM-Project-32310-1660209166
Project Demo Link	www.shorturl.at/ftyNV