Lead Scoring Case Study

Solutions to all the problems

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

Answer:

In our model the top three variables that contribute most towards lead conversion, according to the logistic regression model and feature importance, are total Time Spent on Website, Last Activity_SMS Sent and Lead Origin_Landing Page Submission. when the leads spend more time on the website are more likely to convert. Leads who have received an SMS are more likely to convert, highlighting the importance of SMS communication in the conversion process and also leads coming straight from landing page submissions are quite likely to convert as they have shown clear interest. These variables were identified as major contributors through feature selection techniques such as Recursive feature elimination (RFE) which we implemented in the model.

2. *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 focus on for increasing lead conversion probability from logistic regression model and feature selection process are

- Lead Source_Olark Chat: leads from Olark Chat have shown a strong correlation withconversion,stating that real-time interactions threw chats play a vital role.
- Lead Origin_Landing Page Submission: This variable is quite important because leads that come directly from landing page submissions are typically more interested, especially when they submit their details.
- Last Activity_SMS Sent: Leads that have received an SMS are more engaged and naturally show higher conversion rates, suggesting that SMS communication is an effective follow-up strategy for positive conversions.

Engagement channels, demographic, lead intent and activity, occupation Insights should be prioritized for targeted improvements and tailoring communication strategies accordingly should increase lead conversion rates effectively.

3. *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 many such people as possible. Suggest a good strategy they should employ at this stage?*

Answer:

To maximize lead conversions during the intern phase by assigning Interns for high volume outreach to contact and follow up with a broader range of leads, to reach them by making as many calls as possible. Lower the Prediction Cutoff Threshold for predicting conversion, thereby increasing the pool of leads classified as likely to convert. Segment and prioritize calls, focusing on the highest scores first but still attempting to reach those just below the traditional cutoff. This strategy allows the sales team to aggressively pursue a wider range of leads, leveraging interns to cover more ground and potentially increase conversions.

4. *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:

When targets are met early, the strategy should be to minimize unnecessary calls,

- Automate Low-Priority Follow-ups: Using automated emails or SMS for low-priority leads, keeping them engaged without the need for direct calls.
- Increase the Prediction Cutoff Threshold: Raising the cutoff threshold (e.g., to 0.7 or higher) to focus only on leads with the highest probability of conversion.
- Focus on Leads with High Lead Scores: Direct efforts towards leads that scored very high on the lead scoring model, ensuring calls are made only to those most likely to convert.

This strategy helps in conserving sales resources by reducing the focus on less promising leads and makes sure that only the most necessary calls are made, aligning with the company's goal during this period.