

# ML Challenge 2025: Smart Product Pricing Solution

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## Executive Summary

We developed an advanced machine learning solution for product price prediction using comprehensive text feature extraction and ensemble modeling. Our approach leverages sophisticated NLP techniques with multiple gradient boosting algorithms, achieving 56.88% SMAPE through robust feature engineering and model optimization.

## Methodology

Problem Analysis

Price prediction using textual product descriptions requires extracting semantic patterns, structural characteristics, and implicit quality indicators from unstructured data.

## Key Innovations

Multi-layered feature engineering pipeline (148 features)

Three-model ensemble capturing complementary patterns

GPU-accelerated training with early stopping

5-fold cross-validation for robust evaluation

## Technical Approach

Feature Engineering Pipeline

Text Processing: TF-IDF vectorization with n-grams (unigrams to trigrams)

Semantic Features: Premium indicators, luxury terminology, quality markers

Structural Features: Text complexity, length metrics, readability scores

Domain Features: Product categories, quantitative attributes, condition status

Ensemble Architecture

XGBoost (GPU): n\_estimators=500, max\_depth=8, learning\_rate=0.05

LightGBM (CPU): n\_estimators=500, max\_depth=10, learning\_rate=0.05

CatBoost (GPU): n\_estimators=500, depth=8, learning\_rate=0.05

Training Strategy: 5-fold CV, early stopping (50 rounds), log-transformed target

## Performance Results

Validation Metrics

Cross-validation SMAPE: 56.88% ( $\pm 0.54\%$ )

Fold Consistency: 55.96% - 57.53% across folds

Performance Gain: 16.16 percentage points improvement over baseline

## **Model Interpretation**

The ensemble approach demonstrates strong capability in price range estimation using only textual descriptions. Low standard deviation indicates robust generalization across different product segments.

Technical Implementation

## **Computational Profile**

Total Runtime: ~18 minutes

Feature Engineering: ~3 minutes

Model Training: ~15 minutes (GPU-accelerated)

Memory Efficiency: Optimized for large-scale deployment

## **Key Advantages**

Comprehensive Features: 148 engineered features capturing diverse text characteristics

Model Diversity: Complementary algorithms for improved generalization

Optimization: Early stopping prevents overfitting, GPU acceleration reduces training time

Validation: Robust 5-fold cross-validation framework

## **Conclusion**

Our solution demonstrates that sophisticated feature engineering combined with ensemble modeling significantly improves price prediction accuracy using only product descriptions. The 56.88% SMAPE represents a substantial advancement over basic approaches and provides a strong foundation for practical pricing applications.

## **Enhancement Opportunities**

Transformer-based embeddings for semantic understanding

Advanced feature selection and importance analysis

Category-specific hierarchical modeling

Transfer learning from related e-commerce domains

## **Appendix**

Code Repository: [Maintained from original submission]

Production Ready: Efficient batch processing, GPU support, scalable architecture