I. Dataset Preprocessing $_$ Harriet Onoriode Otomiewor (23103939)

2023-08-19

Read data

```
setwd('C:/Users/tinhl/OneDrive/Documents')
data <- read.csv(file ='WA_Fn-UseC_-Marketing-Customer-Value-Analysis.csv')
head(data)</pre>
```

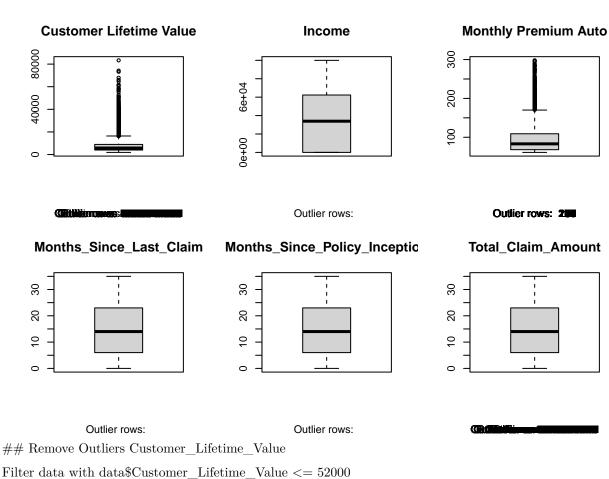
##		Customer Stat	e Customer_Lifet	ime Valu	ie Resno	onse C	overage l	Education
##	1	BU79786 Washingto	_	2763.51	-	No No	Basic	Bachelor
	2	QZ44356 Arizon		6979.53			xtended	Bachelor
##	3	AI49188 Nevad		12887.43			Premium	Bachelor
##	_	WW63253 Californi		7645.86		No	Basic	Bachelor
	5	HB64268 Washingto		2813.69		No	Basic	Bachelor
##		OC83172 Orego		8256.29		Yes	Basic	Bachelor
##		Effective_To_Date				Locat	ion Code	Marital Status
##	1	2/24/2011	Employed		56274		- Suburban	- Married
##	2	1/31/2011	Unemployed		0		Suburban	Single
##	3	2/19/2011	Employed		48767		Suburban	Married
##	4	1/20/2011	Unemployed	. M	0		Suburban	Married
##	5	2/3/2011	Employed	. M	43836		Rural	Single
##	6	1/25/2011	Employed	F	62902		Rural	Married
##		Monthly_Premium_Au	to Months_Since_	Last_Cla	aim Mont	ths_Si	nce_Poli	cy_Inception
##	1		69		32			5
##	2		94		13			42
##	3	1	08		18			38
##	4	1	06		18			65
##	5		73		12			44
##	6		69		14			94
##		Number_of_Open_Com	plaints Number_o	f_Polici		Policy		Policy
##	_		0		-			rporate L3
##	_		0			rsonal		ersonal L3
##	_		0			rsonal		ersonal L3
##	-		0		_			rporate L2
##	-		0			rsonal		ersonal L1
##	6		0					ersonal L3
##	,	Renew_Offer_Type S	_	_	_		_	_
##	_	Offer1	Agent		384.811		-Door Car	
##		Offer3	Agent				-Door Car	
## ##	_	Offer1	Agent		566.4722 529.8813		Door Ca. SU	
##	-	Offer1 Offer1	Call Center				Suv Door Cat-	
	_		Agent					
##	О	Offer2	Web	1	.59.3830) IWO	-Door Car	r Medsize

summary(data)

```
##
      Customer
                          State
                                           Customer_Lifetime_Value
##
   Length:9134
                       Length:9134
                                                  : 1898
                                           Min.
   Class : character
                       Class :character
                                           1st Qu.: 3994
   Mode :character
                                           Median: 5780
##
                       Mode :character
##
                                           Mean
                                                 : 8005
##
                                           3rd Qu.: 8962
##
                                           Max.
                                                  :83325
##
                         Coverage
                                                              Effective_To_Date
      Response
                                            Education
   Length:9134
                       Length:9134
                                           Length:9134
                                                              Length:9134
##
   Class : character
                       Class : character
                                           Class : character
                                                              Class : character
##
                                                              Mode : character
   Mode :character
                       Mode :character
                                           Mode :character
##
##
##
   EmploymentStatus
                          Gender
                                                           Location_Code
##
                                               Income
##
   Length:9134
                       Length:9134
                                           Min.
                                                  :
                                                       0
                                                           Length:9134
##
   Class :character
                       Class :character
                                           1st Qu.:
                                                       0
                                                           Class : character
   Mode :character
                                                           Mode : character
##
                       Mode :character
                                           Median :33890
##
                                           Mean
                                                  :37657
##
                                           3rd Qu.:62320
##
                                           Max.
                                                  :99981
   Marital_Status
                       Monthly_Premium_Auto Months_Since_Last_Claim
   Length:9134
                             : 61.00
##
                       Min.
                                             Min.
                                                    : 0.0
                       1st Qu.: 68.00
##
   Class : character
                                             1st Qu.: 6.0
   Mode :character
                       Median: 83.00
                                             Median:14.0
##
##
                       Mean : 93.22
                                             Mean :15.1
                       3rd Qu.:109.00
##
                                             3rd Qu.:23.0
##
                       Max.
                              :298.00
                                             Max.
                                                    :35.0
##
   Months_Since_Policy_Inception Number_of_Open_Complaints Number_of_Policies
##
   Min.
          : 0.00
                                   Min.
                                          :0.0000
                                                             Min.
                                                                    :1.000
   1st Qu.:24.00
                                   1st Qu.:0.0000
                                                              1st Qu.:1.000
##
                                   Median :0.0000
   Median :48.00
                                                             Median :2.000
##
##
   Mean
           :48.06
                                                             Mean
                                                                     :2.966
                                   Mean
                                          :0.3844
##
   3rd Qu.:71.00
                                   3rd Qu.:0.0000
                                                              3rd Qu.:4.000
##
   Max.
           :99.00
                                   Max.
                                          :5.0000
                                                              Max.
                                                                     :9.000
##
   Policy_Type
                                                              Sales_Channel
                          Policy
                                           Renew_Offer_Type
   Length:9134
                       Length:9134
                                           Length:9134
                                                              Length:9134
##
   Class : character
                       Class : character
                                           Class :character
                                                               Class : character
##
   Mode :character
                       Mode :character
                                           Mode :character
                                                              Mode :character
##
##
##
##
   Total Claim Amount Vehicle Class
                                           Vehicle Size
   Min. :
               0.099
                       Length:9134
                                           Length:9134
##
   1st Qu.: 272.258
                       Class :character
                                           Class : character
  Median: 383.945
                       Mode :character
                                           Mode :character
##
  Mean
           : 434.089
## 3rd Qu.: 547.515
## Max.
           :2893.240
```

Boxplot to check for outliers

```
par(mfrow=c(2,3))
boxplot(data$Customer_Lifetime_Value, main="Customer Lifetime Value",
        sub=paste("Outlier rows: ", boxplot.stats(data$Customer_Lifetime_Value)$out))
boxplot(data$Income, main="Income",
        sub=paste("Outlier rows: ", boxplot.stats(data$Income)$out))
boxplot(data$Monthly_Premium_Auto, main="Monthly Premium Auto",
        sub=paste("Outlier rows: ", boxplot.stats(data$Monthly_Premium_Auto)$out))
boxplot(data$Months_Since_Last_Claim, main="Months_Since_Last_Claim",
        sub=paste("Outlier rows: ", boxplot.stats(data$Months_Since_Last_Claim)$out))
boxplot(data$Months_Since_Last_Claim, main="Months_Since_Policy_Inception",
        sub=paste("Outlier rows: ", boxplot.stats(data$Months_Since_Policy_Inception)$out))
boxplot(data$Months_Since_Last_Claim, main="Total_Claim_Amount",
        sub=paste("Outlier rows: ", boxplot.stats(data$Total_Claim_Amount)$out))
```



```
data <- data[data$Customer_Lifetime_Value <= 52000,]</pre>
head(data[order(-data$Customer_Lifetime_Value),], 10)
```

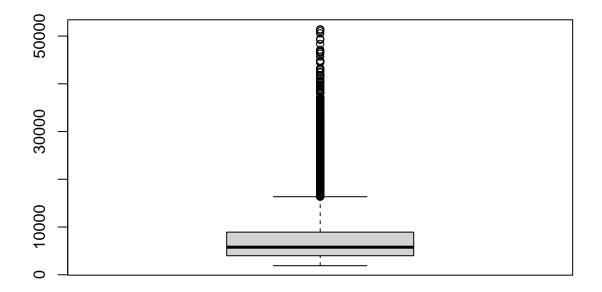
State Customer_Lifetime_Value Response Coverage Customer ## 6555 AH58807 51426.25 Basic Arizona

```
## 2191 KI58952 California
                                              51337.91
                                                              No Premium
## 6570
         LW64678 California
                                              51016.07
                                                              No Premium
                      Oregon
                                                              No Extended
## 7836
         QT84069
                                              50568.26
## 6978
         BR50492
                                              49423.80
                                                              No Extended
                     Arizona
## 1559
         RP30093
                      Oregon
                                              49221.43
                                                              No Premium
## 1813
         LU42720
                      Nevada
                                              48356.96
                                                              No Extended
## 3458
         MJ77630
                      Oregon
                                              47155.63
                                                              No Extended
                                              46805.22
                                                              No Extended
## 1859
         CP92616
                      Nevada
## 3211
         KB44286
                      Oregon
                                              46770.95
                                                              No
                                                                    Basic
##
                    Education Effective_To_Date EmploymentStatus Gender Income
                                         1/9/2011
## 6555
                      College
                                                           Employed
                                                                             84650
## 2191
                                                                          F
                                                                             72794
                                       2/24/2011
                                                           Employed
                      College
## 6570
                       Master
                                       2/19/2011
                                                           Employed
                                                                          F
                                                                             25167
## 7836
                       Master
                                                           Employed
                                                                          М
                                                                             82081
                                       2/28/2011
## 6978
                     Bachelor
                                         1/4/2011
                                                           Employed
                                                                          М
                                                                             85058
## 1559
                     Bachelor
                                       1/23/2011
                                                           Employed
                                                                          F
                                                                             63035
## 1813
                                                                          М
                                                                             52499
                      College
                                       2/20/2011
                                                           Employed
## 3458 High School or Below
                                       2/10/2011
                                                           Employed
                                                                             39891
## 1859 High School or Below
                                       2/25/2011
                                                           Employed
                                                                             83006
                                                                          M
   3211 High School or Below
                                        2/1/2011
                                                           Employed
                                                                          F
                                                                             64403
##
        Location_Code Marital_Status Monthly_Premium_Auto Months_Since_Last_Claim
## 6555
                 Urban
                               Married
                                                          185
## 2191
                 Rural
                                                                                      3
                                Single
                                                          164
## 6570
                 Urban
                               Married
                                                          140
                                                                                      3
## 7836
                 Urban
                               Married
                                                          249
                                                                                      1
## 6978
                 Urban
                               Married
                                                          137
                                                                                     34
## 1559
             Suburban
                               Married
                                                          153
                                                                                     20
## 1813
             Suburban
                              Divorced
                                                          138
                                                                                      0
## 3458
                                                                                     12
                 Urban
                               Married
                                                          133
## 1859
                 Urban
                               Married
                                                          235
                                                                                      8
## 3211
                 Rural
                                Single
                                                          198
                                                                                     11
##
        Months_Since_Policy_Inception Number_of_Open_Complaints Number_of_Policies
## 6555
                                     39
                                                                  3
## 2191
                                     47
                                                                  1
                                                                                       2
                                                                                       2
## 6570
                                     76
                                                                  0
## 7836
                                     62
                                                                  0
                                                                                       2
## 6978
                                     82
                                                                  0
                                                                                       2
## 1559
                                     97
                                                                  0
                                                                                       2
                                                                                       2
## 1813
                                     61
                                                                  0
## 3458
                                                                  0
                                                                                       2
                                     31
## 1859
                                     61
                                                                  1
                                                                                       2
## 3211
                                                                                       2
                               Policy Renew_Offer_Type Sales_Channel
           Policy_Type
## 6555
                                                 Offer1
         Personal Auto
                         Personal L2
                                                                 Agent
## 2191
         Personal Auto
                                                 Offer1
                         Personal L2
                                                                    Web
## 6570
         Personal Auto
                         Personal L3
                                                 Offer2
                                                                 Agent
## 7836
         Personal Auto
                         Personal L1
                                                 Offer2
                                                                Branch
## 6978
         Personal Auto
                         Personal L1
                                                 Offer1
                                                           Call Center
## 1559
         Personal Auto
                         Personal L3
                                                 Offer1
                                                                 Agent
## 1813
         Personal Auto
                         Personal L2
                                                 Offer3
                                                           Call Center
## 3458
         Personal Auto
                         Personal L3
                                                 Offer1
                                                                 Agent
## 1859
         Personal Auto Personal L1
                                                 Offer3
                                                                 Agent
## 3211 Corporate Auto Corporate L1
                                                 Offer1
                                                                 Agent
        Total Claim Amount Vehicle Class Vehicle Size
##
```

##	6555	660.47427	Luxury	Car	Medsize
##	2191	50.45446		SUV	Large
##	6570	422.49429		SUV	Small
##	7836	753.76010	Luxury	SUV	Small
##	6978	595.36978		SUV	Medsize
##	1559	734.40000		SUV	Medsize
##	1813	1171.53759		SUV	Medsize
##	3458	630.88866		SUV	Medsize
##	1859	1065.04989	Luxury	SUV	Small
##	3211	111.17302	Luxury	SUV	Small

Box plot for "Customer Lifetime Value"

Customer Lifetime Value



Identify character features

```
character_cols <- sapply(data, is.character)
head(data[, character_cols])</pre>
```

```
State Response Coverage Education Effective_To_Date
    Customer
## 1 BU79786 Washington
                              No
                                    Basic Bachelor
                                                           2/24/2011
                              No Extended Bachelor
                                                           1/31/2011
## 2 QZ44356
                Arizona
## 3 AI49188
                 Nevada
                              No Premium Bachelor
                                                           2/19/2011
                                                           1/20/2011
## 4 WW63253 California
                                    Basic Bachelor
                              No
```

```
## 5 HB64268 Washington
                              No
                                    Basic Bachelor
                                                             2/3/2011
## 6 OC83172
                             Yes
                                    Basic Bachelor
                                                            1/25/2011
                 Oregon
    EmploymentStatus Gender Location Code Marital Status
                                                            Policy_Type
## 1
            Employed
                          F
                                 Suburban
                                                 Married Corporate Auto
## 2
          Unemployed
                          F
                                 Suburban
                                                  Single Personal Auto
## 3
            Employed
                          F
                                 Suburban
                                                 Married Personal Auto
## 4
          Unemployed
                                 Suburban
                                                 Married Corporate Auto
                          M
## 5
            Employed
                          Μ
                                    Rural
                                                  Single Personal Auto
## 6
            Employed
                          F
                                    Rural
                                                 Married Personal Auto
##
          Policy Renew_Offer_Type Sales_Channel Vehicle_Class Vehicle_Size
## 1 Corporate L3
                           Offer1
                                          Agent Two-Door Car
                                                                   Medsize
## 2 Personal L3
                           Offer3
                                          Agent Four-Door Car
                                                                   Medsize
                                                                   Medsize
## 3 Personal L3
                           Offer1
                                          Agent Two-Door Car
## 4 Corporate L2
                                    Call Center
                                                          SUV
                                                                   Medsize
                           Offer1
## 5 Personal L1
                           Offer1
                                          Agent Four-Door Car
                                                                   Medsize
## 6 Personal L3
                           Offer2
                                            Web Two-Door Car
                                                                   Medsize
```

Check unique value

Print the unique values State

```
unique(data$State)
```

```
## [1] "Washington" "Arizona" "Nevada" "California" "Oregon"
```

Print the unique values Response

```
unique(data$Response)
```

```
## [1] "No" "Yes"
```

Print the unique values Coverage

```
unique(data$Coverage)
```

```
## [1] "Basic" "Extended" "Premium"
```

Print the unique values Education

```
unique(data$Education)
```

```
## [1] "Bachelor" "College" "Master"
## [4] "High School or Below" "Doctor"
```

Print the unique values EmploymentStatus

```
unique(data$EmploymentStatus)
```

```
## [1] "Employed" "Unemployed" "Medical Leave" "Disabled"
## [5] "Retired"
```

Print the unique values Gender

```
unique(data$Gender)
## [1] "F" "M"
Print the unique values Location_Code
unique(data$Location_Code)
## [1] "Suburban" "Rural"
                              "Urban"
Print the unique values Marital_Status
unique(data$Marital_Status)
## [1] "Married" "Single"
                              "Divorced"
Print the unique values Policy_Type
unique(data$Policy_Type)
## [1] "Corporate Auto" "Personal Auto" "Special Auto"
Print the unique values Policy
unique(data$Policy)
## [1] "Corporate L3" "Personal L3" "Corporate L2" "Personal L1"
                                                                      "Special L2"
## [6] "Corporate L1" "Personal L2" "Special L1"
                                                      "Special L3"
Print the unique values Renew_Offer_Type
unique(data$Renew_Offer_Type)
## [1] "Offer1" "Offer3" "Offer2" "Offer4"
Print the unique values Sales_Channel
unique(data$Sales_Channel)
```

Print the unique values Vehicle_Class

"Call Center" "Web"

[1] "Agent"

"Branch"

```
unique(data$Vehicle_Class)
## [1] "Two-Door Car" "Four-Door Car" "SUV"
                                                            "Luxury SUV"
## [5] "Sports Car"
                         "Luxury Car"
Print the unique values Vehicle Size
unique(data$Vehicle_Size)
## [1] "Medsize" "Small"
                             "Large"
Convert Character to Numeric
Response: No- 0, Yes- 1
data$Response <- ifelse(data$Response == "No", 0, 1)</pre>
State
data$State <- as.numeric(factor(data$State))</pre>
EmploymentStatus
data$EmploymentStatus <- as.numeric(factor(data$EmploymentStatus))</pre>
Gender
data$Gender <- as.numeric(factor(data$Gender))</pre>
Marital Status
data$Marital_Status <- as.numeric(factor(data$Marital_Status))</pre>
Sales Channel
data$Sales_Channel <- as.numeric(factor(data$Sales_Channel))</pre>
Vehicle\_Class
data$Vehicle_Class <- as.numeric(factor(data$Vehicle_Class))</pre>
Coverage ("Premium", "Extended", "Basic")
data$Coverage <- as.numeric(factor(data$Coverage, levels = c("Premium", "Extended", "Basic")))</pre>
Education ("Doctor", "Master", "Bachelor", "College", "High School or Below")
```

```
data$Education <- as.numeric(factor(data$Education, levels = c("Doctor", "Master", "Bachelor", "College", "
Location_Code ("Urban", "Suburban", "Rural")
data$Location_Code <- as.numeric(factor(data$Location_Code, levels = c("Urban", "Suburban", "Rural")))</pre>
Policy_Type ("Special Auto", "Corporate Auto", "Personal Auto")
data$Policy_Type <- as.numeric(factor(data$Policy_Type, levels = c("Special Auto", "Corporate Auto", "P
Policy ("Special L1", "Special L2", "Special L3", "Corporate L1", "Corporate L2", "Corporate L3", "Personal
L1", "Personal L2", "Personal L3")
data$Policy <- as.numeric(factor(data$Policy, levels = c("Special L1", "Special L2", "Special L3", "Cor
Renew_Offer_Type ("Offer1", "Offer2", "Offer3", "Offer4")
data$Renew_Offer_Type <- as.numeric(factor(data$Renew_Offer_Type, levels = c("Offer1", "Offer2", "Offer
Vehicle_Size ("Small", "Medsize", "Large")
data$Vehicle_Size <- as.numeric(factor(data$Vehicle_Size, levels = c("Small", "Medsize", "Large")))</pre>
summary(data)
##
      Customer
                          State
                                      Customer_Lifetime_Value
                                                                 Response
                                            : 1898
## Length:9118
                      Min.
                             :1.000
                                      Min.
                                                              Min.
                                                                     :0.0000
                                      1st Qu.: 3985
## Class :character
                      1st Qu.:2.000
                                                              1st Qu.:0.0000
## Mode :character Median :2.000 Median : 5774
                                                              Median :0.0000
##
                      Mean :2.741
                                      Mean : 7908
                                                              Mean :0.1435
##
                      3rd Qu.:4.000
                                      3rd Qu.: 8930
                                                              3rd Qu.:0.0000
##
                      Max.
                             :5.000
                                      Max.
                                             :51426
                                                              Max.
                                                                     :1.0000
##
                                  Effective_To_Date EmploymentStatus
       Coverage
                    Education
## Min.
         :1.00
                 Min. :1.000 Length:9118
                                                     Min. :1.000
##
  1st Qu.:2.00
                 1st Qu.:3.000 Class:character 1st Qu.:2.000
## Median :3.00
                 Median: 4.000 Mode: character Median: 2.000
## Mean
         :2.52
                  Mean
                        :3.711
                                                     Mean :2.825
## 3rd Qu.:3.00
                  3rd Qu.:5.000
                                                     3rd Qu.:5.000
## Max.
         :3.00
                          :5.000
                                                     Max.
                                                             :5.000
##
       Gender
                      Income
                                  Location_Code
                                                  Marital_Status
## Min.
          :1.00
                  Min.
                              O Min.
                                         :1.000
                                                        :1.00
                         :
                                                  Min.
## 1st Qu.:1.00
                  1st Qu.:
                              0
                                  1st Qu.:2.000
                                                  1st Qu.:2.00
## Median :1.00
                  Median :33899
                                  Median :2.000
                                                  Median:2.00
## Mean
                          :37669
                                                        :2.12
         :1.49
                  Mean
                                  Mean
                                         :2.021
                                                  Mean
                                                  3rd Qu.:3.00
## 3rd Qu.:2.00
                  3rd Qu.:62358
                                  3rd Qu.:2.000
## Max.
          :2.00
                  Max.
                         :99981
                                  Max.
                                         :3.000
                                                  {\tt Max.}
                                                         :3.00
## Monthly_Premium_Auto Months_Since_Last_Claim Months_Since_Policy_Inception
## Min. : 61.00
                        Min. : 0.00
                                                Min. : 0.00
## 1st Qu.: 68.00
                        1st Qu.: 6.00
                                                1st Qu.:24.00
## Median : 83.00
                        Median :14.00
                                                Median :48.00
```

```
Mean : 93.02
                        Mean
                               :15.09
                                                       :48.06
                                                Mean
##
   3rd Qu.:109.00
                        3rd Qu.:23.00
                                                3rd Qu.:71.00
          :298.00
                        Max.
                               :35.00
                                                {\tt Max.}
                                                       :99.00
  Number_of_Open_Complaints Number_of_Policies Policy_Type
                                                                    Policy
##
   Min.
          :0.0000
                             Min.
                                    :1.000
                                                Min.
                                                       :1.000
                                                                Min.
                                                                       :1.000
   1st Qu.:0.0000
                             1st Qu.:1.000
                                                                1st Qu.:6.000
##
                                                1st Qu.:2.000
                                                Median :3.000
  Median :0.0000
                             Median :2.000
                                                                Median :8.000
## Mean
          :0.3847
                             Mean
                                    :2.968
                                                Mean :2.701
                                                                Mean
                                                                       :7.424
##
   3rd Qu.:0.0000
                             3rd Qu.:4.000
                                                3rd Qu.:3.000
                                                                3rd Qu.:9.000
## Max.
          :5.0000
                             Max.
                                    :9.000
                                                Max.
                                                       :3.000
                                                                Max.
                                                                       :9.000
  Renew_Offer_Type Sales_Channel
                                    Total_Claim_Amount Vehicle_Class
##
  \mathtt{Min}.
         :1.000
                    Min.
                           :1.000
                                    Min.
                                          : 0.099
                                                       Min.
                                                              :1.000
##
  1st Qu.:1.000
                    1st Qu.:1.000
                                    1st Qu.: 271.983
                                                       1st Qu.:1.000
## Median :2.000
                    Median :2.000
                                    Median: 383.296
                                                       Median :1.000
## Mean
         :1.971
                                          : 432.906
                    Mean
                          :2.103
                                    Mean
                                                       Mean
                                                              :3.036
##
   3rd Qu.:3.000
                    3rd Qu.:3.000
                                    3rd Qu.: 547.200
                                                       3rd Qu.:5.000
## Max.
          :4.000
                    Max. :4.000
                                    Max. :2893.240
                                                              :6.000
                                                       Max.
##
   Vehicle Size
## Min. :1.00
## 1st Qu.:2.00
## Median :2.00
## Mean :1.91
## 3rd Qu.:2.00
## Max.
         :3.00
```

Scale Data

```
columns_to_scale <- c(
    "Customer_Lifetime_Value", "Income", "Monthly_Premium_Auto",
    "Months_Since_Last_Claim", "Months_Since_Policy_Inception",
    "Number_of_Open_Complaints", "Number_of_Policies", "Total_Claim_Amount"
)
scale_data <- scale(data[columns_to_scale])
head(scale_data)</pre>
```

```
##
     Customer_Lifetime_Value
                                  Income Monthly_Premium_Auto
## 1
                 -0.79535661 0.6123357
                                                   -0.7047628
## 2
                 -0.14356772 -1.2398258
                                                    0.0288120
## 3
                  0.76978278 0.3652558
                                                    0.4396139
## 4
                 -0.04055488 -1.2398258
                                                    0.3809279
## 5
                 -0.78759991 0.2029605
                                                   -0.5873909
## 6
                  0.05381747
                              0.8304849
                                                   -0.7047628
     Months_Since_Last_Claim Months_Since_Policy_Inception
##
## 1
                                                 -1.5425994
                   1.6791513
## 2
                  -0.2079686
                                                 -0.2171227
## 3
                   0.2886419
                                                 -0.3604175
## 4
                   0.2886419
                                                  0.6068223
## 5
                  -0.3072907
                                                 -0.1454753
## 6
                  -0.1086465
                                                  1.6457094
     Number of Open Complaints Number of Policies Total Claim Amount
## 1
                    -0.4223209
                                       -0.8227086
                                                           -0.1666108
```

```
-0.4223209
                                          2.1037920
## 2
                                                              2.4199345
## 3
                     -0.4223209
                                         -0.4046371
                                                              0.4626965
## 4
                     -0.4223209
                                          1.6857205
                                                              0.3359389
## 5
                     -0.4223209
                                         -0.8227086
                                                              -1.0211564
## 6
                     -0.4223209
                                         -0.4046371
                                                              -0.9475350
data <- data[, !(names(data) %in% columns_to_scale)]</pre>
head(data)
     Customer State Response Coverage Education Effective_To_Date EmploymentStatus
##
## 1 BU79786
                   5
                            0
                                      3
                                                3
                                                           2/24/2011
                                      2
                                                                                      5
## 2
      QZ44356
                   1
                            0
                                                3
                                                           1/31/2011
## 3 AI49188
                   3
                            0
                                      1
                                                3
                                                           2/19/2011
                                                                                      2
                   2
                                      3
                                                                                      5
## 4 WW63253
                            0
                                                3
                                                           1/20/2011
                  5
                                      3
                                                3
                                                                                      2
## 5
      HB64268
                            0
                                                            2/3/2011
                                      3
## 6
      OC83172
                   4
                            1
                                                3
                                                           1/25/2011
##
     Gender Location_Code Marital_Status Policy_Type Policy Renew_Offer_Type
                         2
                                         2
                                                      2
                                                              6
                                         3
                                                      3
                                                             9
## 2
                         2
                                                                                3
          1
                                                      3
## 3
          1
                         2
                                         2
                                                             9
                                                                               1
                                         2
                                                      2
                                                             5
## 4
          2
                         2
                                                                               1
          2
                         3
                                         3
                                                      3
                                                             7
## 5
                                                                               1
## 6
          1
                         3
                                         2
                                                      3
                                                             9
                                                                                2
     Sales_Channel Vehicle_Class Vehicle_Size
##
## 1
                  1
                                               2
## 2
                  1
                                 1
                                               2
## 3
                  1
                                 6
                  3
                                 5
                                              2
## 4
## 5
                                              2
                  1
                                 1
## 6
                  4
                                 6
                                               2
```

Combine Data & Scale Data

```
df <- cbind(data, scale_data)
head(df)</pre>
```

```
Customer State Response Coverage Education Effective_To_Date EmploymentStatus
##
## 1 BU79786
                  5
                            0
                                     3
                                                3
                                                           2/24/2011
## 2 QZ44356
                  1
                            0
                                     2
                                                3
                                                           1/31/2011
                                                                                     5
## 3
      AI49188
                  3
                            0
                                     1
                                                3
                                                          2/19/2011
                                                                                     2
## 4 WW63253
                  2
                                     3
                                                3
                                                                                     5
                            0
                                                           1/20/2011
## 5 HB64268
                  5
                            0
                                     3
                                                3
                                                                                     2
                                                           2/3/2011
                                     3
                                                3
                                                                                     2
## 6 OC83172
                  4
                            1
                                                           1/25/2011
##
     Gender Location_Code Marital_Status Policy_Type Policy Renew_Offer_Type
                                                     2
## 1
                                        2
                                                             6
          1
                         2
## 2
                                        3
                                                     3
                                                            9
          1
                         2
                                                                              3
                         2
                                        2
                                                     3
## 3
          1
                                                            9
                                                                              1
                         2
                                        2
                                                     2
                                                            5
## 4
          2
                                                                              1
                                                     3
                                                            7
## 5
          2
                         3
                                        3
                                                                              1
## 6
                         3
                                        2
                                                     3
                                                            9
                                                                              2
          1
```

```
Sales_Channel Vehicle_Class Vehicle_Size Customer_Lifetime_Value
## 1
                                6
                                              2
                                                             -0.79535661 0.6123357
                  1
                                              2
                                                             -0.14356772 -1.2398258
## 2
                  1
                                1
## 3
                                6
                                              2
                  1
                                                              0.76978278 0.3652558
                                              2
## 4
                  3
                                5
                                                             -0.04055488 -1.2398258
## 5
                                              2
                  1
                                1
                                                             -0.78759991 0.2029605
                  4
                                6
                                              2
                                                              0.05381747 0.8304849
##
     Monthly_Premium_Auto Months_Since_Last_Claim Months_Since_Policy_Inception
## 1
               -0.7047628
                                          1.6791513
                                                                        -1.5425994
## 2
                0.0288120
                                         -0.2079686
                                                                        -0.2171227
## 3
                0.4396139
                                          0.2886419
                                                                        -0.3604175
## 4
                0.3809279
                                          0.2886419
                                                                         0.6068223
## 5
               -0.5873909
                                         -0.3072907
                                                                        -0.1454753
                                         -0.1086465
## 6
               -0.7047628
                                                                          1.6457094
     Number_of_Open_Complaints Number_of_Policies Total_Claim_Amount
## 1
                     -0.4223209
                                         -0.8227086
                                                             -0.1666108
## 2
                     -0.4223209
                                          2.1037920
                                                              2.4199345
## 3
                     -0.4223209
                                         -0.4046371
                                                              0.4626965
## 4
                     -0.4223209
                                         1.6857205
                                                              0.3359389
## 5
                     -0.4223209
                                         -0.8227086
                                                             -1.0211564
## 6
                     -0.4223209
                                         -0.4046371
                                                             -0.9475350
```

dim(df)

[1] 9118 24

summary(df)

```
##
      Customer
                            State
                                            Response
                                                              Coverage
##
    Length:9118
                               :1.000
                                                :0.0000
                                                                  :1.00
                        Min.
                                         Min.
                                                           Min.
    Class : character
                        1st Qu.:2.000
                                         1st Qu.:0.0000
                                                           1st Qu.:2.00
                                         Median :0.0000
##
    Mode :character
                        Median :2.000
                                                           Median:3.00
##
                        Mean
                               :2.741
                                                :0.1435
                                         Mean
                                                           Mean
                                                                  :2.52
##
                        3rd Qu.:4.000
                                         3rd Qu.:0.0000
                                                           3rd Qu.:3.00
##
                        Max.
                               :5.000
                                         Max.
                                                :1.0000
                                                           Max.
                                                                  :3.00
##
                     Effective_To_Date
      Education
                                         EmploymentStatus
                                                               Gender
    Min.
           :1.000
                     Length:9118
                                         Min.
                                                :1.000
                                                           Min.
                                                                  :1.00
                     Class : character
                                         1st Qu.:2.000
##
    1st Qu.:3.000
                                                           1st Qu.:1.00
    Median :4.000
##
                     Mode : character
                                         Median :2.000
                                                           Median:1.00
##
    Mean
           :3.711
                                         Mean
                                                :2.825
                                                           Mean
                                                                  :1.49
##
    3rd Qu.:5.000
                                         3rd Qu.:5.000
                                                           3rd Qu.:2.00
##
    Max.
           :5.000
                                         Max.
                                                :5.000
                                                           Max.
                                                                  :2.00
                     Marital_Status Policy_Type
##
    Location_Code
                                                          Policy
##
    Min.
           :1.000
                            :1.00
                                    Min.
                                            :1.000
                                                     Min.
                                                             :1.000
    1st Qu.:2.000
                     1st Qu.:2.00
##
                                     1st Qu.:2.000
                                                     1st Qu.:6.000
##
    Median :2.000
                     Median:2.00
                                    Median :3.000
                                                     Median :8.000
##
    Mean
           :2.021
                                                             :7.424
                     Mean
                            :2.12
                                    Mean
                                            :2.701
                                                     Mean
##
    3rd Qu.:2.000
                     3rd Qu.:3.00
                                     3rd Qu.:3.000
                                                     3rd Qu.:9.000
##
   Max.
           :3.000
                     Max.
                            :3.00
                                    Max.
                                            :3.000
                                                     Max.
                                                             :9.000
##
    Renew_Offer_Type Sales_Channel
                                       Vehicle Class
                                                        Vehicle Size
##
    Min.
           :1.000
                     Min. :1.000
                                      Min.
                                              :1.000
                                                       Min.
                                                               :1.00
    1st Qu.:1.000
                                       1st Qu.:1.000
                      1st Qu.:1.000
                                                       1st Qu.:2.00
   Median :2.000
                                      Median :1.000
##
                     Median :2.000
                                                       Median:2.00
```

```
:1.971
                    Mean
                           :2.103
                                    Mean
                                           :3.036
                                                           :1.91
   Mean
                                                    Mean
##
   3rd Qu.:3.000
                    3rd Qu.:3.000
                                    3rd Qu.:5.000
                                                    3rd Qu.:2.00
                           :4.000
          :4.000
                    Max.
                                    {\tt Max.}
                                         :6.000
                                                    Max.
                                                           :3.00
   Customer_Lifetime_Value
##
                               Income
                                             Monthly_Premium_Auto
##
   Min.
          :-0.9292
                           Min.
                                  :-1.2398
                                             Min.
                                                    :-0.9395
##
   1st Qu.:-0.6065
                                             1st Qu.:-0.7341
                           1st Qu.:-1.2398
   Median :-0.3300
                           Median :-0.1241
                                             Median :-0.2940
  Mean : 0.0000
                           Mean : 0.0000
##
                                             Mean
                                                    : 0.0000
##
   3rd Qu.: 0.1580
                           3rd Qu.: 0.8126
                                             3rd Qu.: 0.4690
##
  Max. : 6.7278
                           Max. : 2.0509
                                             Max.
                                                   : 6.0148
  Months_Since_Last_Claim Months_Since_Policy_Inception
##
  Min. :-1.4992
                           Min.
                                 :-1.721718
                           1st Qu.:-0.861949
##
   1st Qu.:-0.9032
## Median :-0.1086
                           Median :-0.002181
## Mean
         : 0.0000
                           Mean : 0.000000
##
   3rd Qu.: 0.7853
                           3rd Qu.: 0.821764
## Max. : 1.9771
                           Max. : 1.824828
  Number_of_Open_Complaints Number_of_Policies Total_Claim_Amount
## Min. :-0.4223
                             Min. :-0.8227
                                                Min. :-1.4993
##
  1st Qu.:-0.4223
                             1st Qu.:-0.8227
                                                1st Qu.:-0.5575
## Median :-0.4223
                             Median :-0.4046
                                                Median :-0.1719
## Mean : 0.0000
                             Mean : 0.0000
                                                Mean : 0.0000
## 3rd Qu.:-0.4223
                             3rd Qu.: 0.4315
                                                3rd Qu.: 0.3959
## Max. : 5.0662
                             Max. : 2.5219
                                                Max. : 8.5230
```

Identify numeric features

```
numeric_cols <- sapply(df, is.numeric)
df <- df[, numeric_cols]
dim(df)</pre>
```

[1] 9118 22

head(df)

```
##
     State Response Coverage Education EmploymentStatus Gender Location_Code
## 1
                             3
                                         3
         5
                   0
                                                            2
                                                                   1
                                                                                   2
                   0
                                         3
                                                                                   2
## 2
         1
                             2
                                                           5
                                                                   1
          3
                   0
                             1
                                         3
                                                           2
                                                                   1
          2
                                         3
                                                                   2
                                                                                   2
## 4
                   0
                                                           5
                             3
## 5
          5
                                         3
                                                            2
                                                                                   3
                   0
                             3
## 6
          4
                             3
                                         3
                                                           2
                   1
     Marital_Status Policy_Type Policy Renew_Offer_Type Sales_Channel
## 1
                   2
                                 2
                                         6
                                                           1
## 2
                   3
                                 3
                                         9
                                                           3
                                                                           1
                   2
                                         9
                                 3
## 3
                                                           1
                                                                           1
## 4
                   2
                                 2
                                         5
                                                                           3
                                                            1
## 5
                   3
                                 3
                                         7
                                                            1
                                                                           1
## 6
                   2
                                 3
                                         9
     Vehicle_Class Vehicle_Size Customer_Lifetime_Value
                                                -0.79535661 0.6123357
## 1
                  6
                                 2
```

```
## 2
                                           -0.14356772 -1.2398258
## 3
                6
                             2
                                            0.76978278 0.3652558
## 4
                5
                             2
                                           -0.04055488 -1.2398258
## 5
                1
                             2
                                           -0.78759991 0.2029605
                             2
## 6
                6
                                            0.05381747 0.8304849
##
    Monthly_Premium_Auto Months_Since_Last_Claim Months_Since_Policy_Inception
## 1
              -0.7047628
                                       1.6791513
                                                                    -1.5425994
## 2
                                      -0.2079686
                                                                    -0.2171227
               0.0288120
## 3
               0.4396139
                                       0.2886419
                                                                    -0.3604175
## 4
               0.3809279
                                       0.2886419
                                                                     0.6068223
## 5
              -0.5873909
                                      -0.3072907
                                                                    -0.1454753
## 6
              -0.7047628
                                      -0.1086465
                                                                     1.6457094
   Number_of_Open_Complaints Number_of_Policies Total_Claim_Amount
##
## 1
                   -0.4223209
                                      -0.8227086
                                                         -0.1666108
## 2
                   -0.4223209
                                       2.1037920
                                                          2.4199345
## 3
                   -0.4223209
                                      -0.4046371
                                                          0.4626965
## 4
                   -0.4223209
                                                          0.3359389
                                      1.6857205
## 5
                   -0.4223209
                                      -0.8227086
                                                         -1.0211564
## 6
                   -0.4223209
                                      -0.4046371
                                                         -0.9475350
```

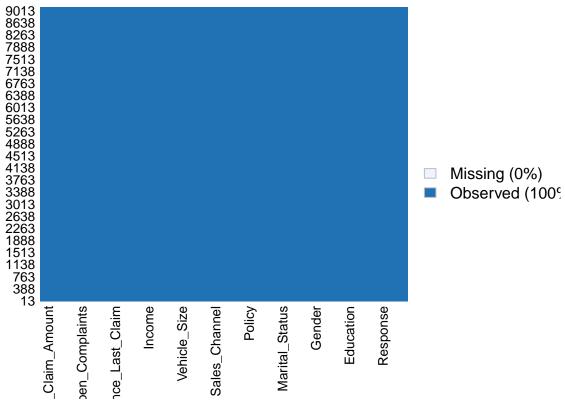
Check Missing Value

```
## Warning: package 'Amelia' was built under R version 4.2.3

## Loading required package: Rcpp

## ##
## ## Amelia II: Multiple Imputation
## ## (Version 1.8.1, built: 2022-11-18)
## ## Copyright (C) 2005-2023 James Honaker, Gary King and Matthew Blackwell
## ## Refer to http://gking.harvard.edu/amelia/ for more information
## ##
missmap(df, main="Missing values")
```

Missing values



Save file

write.csv(df, file = "data_processed.csv", row.names = FALSE)