Predicting Coupon Redemption

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28 September 2019

XYZ Credit Card company regularly helps it's merchants understand their data better and take key business decisions accurately by providing machine learning and analytics consulting. ABC is an established Brick & Mortar retailer that frequently conducts marketing campaigns for its diverse product range. As a merchant of XYZ, they have sought XYZ to assist them in their discount marketing process using the power of machine learning.

Discount marketing and coupon usage are very widely used promotional techniques to attract new customers and to retain & reinforce loyalty of existing customers. The measurement of a consumer's propensity towards coupon usage and the prediction of the redemption behaviour are crucial parameters in assessing the effectiveness of a marketing campaign.

ABC's promotions are shared across various channels including email, notifications, etc. A number of these campaigns include coupon discounts that are offered for a specific product/range of products. The retailer would like the ability to predict whether customers redeem the coupons received across channels, which will enable the retailer's marketing team to accurately design coupon construct, and develop more precise and targeted marketing strategies.

Datasets

The data available in this problem contains the following information, including the details of a sample of campaigns and coupons used in previous campaigns -

- User Demographic Details
- Campaign and coupon Details
- Product details
- Previous transactions

Problem Statement

Based on previous transaction & performance data from the last 18 campaigns, predict the probability for the next 10 campaigns in the test set for each coupon and customer combination, whether the customer will redeem the coupon or not?

Data Exploration

List of all given datasets-

Analyse all datasets-

##		[,1]	[,2]	[,3]	[,4]	[,5]	[,6]	[,7]
##	rows	28	92663	760	1324566	74066	50226	78369
##	columns	4	2	7	7	4	4	5
##	discrete_columns	3	0	4	1	2	0	0
##	continuous_columns	1	2	3	6	2	4	5

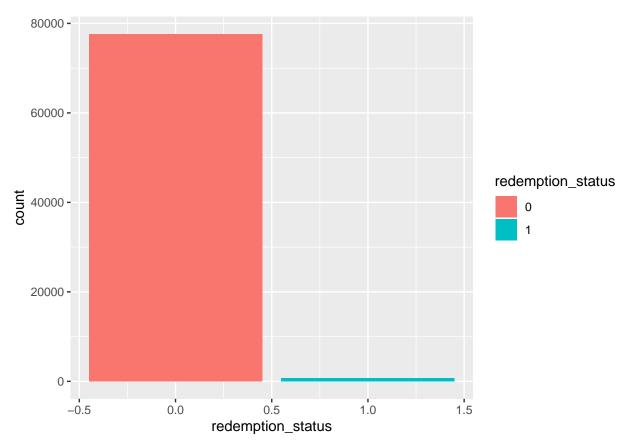
```
0
## all_missing_columns 0
                            0
                                   0
                                                   0
## total_missing_values 0
                             0
                                   0
                                          0
                                                   0
                                                           0
                                                                  0
## complete rows
                        28
                             92663 760
                                          1324566
                                                  74066
                                                           50226 78369
## total_observations
                        112 185326 5320 9271962
                                                  296264 200904 391845
## memory_usage
                        5944 742664 36824 58318400 1780664 805368 1569408
```

Observe all the data

Lets see the observations of the data.

```
## [1] "campaign_data.csv"
                                        "coupon_item_mapping.csv"
## [3] "customer_demographics.csv"
                                        "customer_transaction_data.csv"
## [5] "item_data.csv"
                                        "test_QyjYwdj.csv"
## [7] "train.csv"
## [[1]]
      campaign_id campaign_type start_date end_date
               24
                               Y
                                   21/10/13 20/12/13
## 1:
## 2:
               25
                                   21/10/13 22/11/13
                               Y
##
## [[2]]
##
      coupon_id item_id
## 1:
            105
## 2:
            107
                     75
##
## [[3]]
##
      customer_id age_range marital_status rented family_size no_of_children
                1
                         70+
                                    Married
                                                  0
                                                              2
                       46-55
## 2:
                6
                                    Married
                                                  0
                                                              2
##
      income_bracket
## 1:
                    4
## 2:
                    5
##
## [[4]]
            date customer_id item_id quantity selling_price other_discount
## 1: 2012-01-02
                         1501
                                26830
                                              1
                                                        35.26
                                                                       -10.69
                                54253
                                                        53.43
## 2: 2012-01-02
                         1501
                                              1
                                                                       -13.89
##
      coupon_discount
## 1:
                    0
## 2:
                    0
##
## [[5]]
      item_id brand brand_type
                                      category
          1
                  1 Established
## 1:
                                       Grocery
## 2:
                  1 Established Miscellaneous
##
## [[6]]
      id campaign_id coupon_id customer_id
                  22
                            869
                                        967
## 1:
      3
                  20
                            389
## 2: 4
                                       1566
##
## [[7]]
      id campaign_id coupon_id customer_id redemption_status
## 1: 1
                                       1053
                  13
                             27
                                                             0
## 2: 2
                  13
                            116
                                         48
                                                             0
```

Examine the Redemption Status



The Proportion of redemption status is unbalaced so we need to balance the status before creating any prediction model.

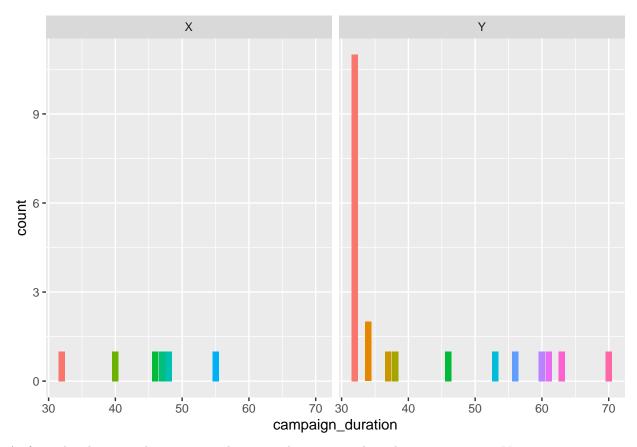
Campaign Data

Calculate the duration of campaign

##		campaign_id	campaign_type	campaign_dura	ation
##	1:	24	Y	60	days
##	2:	25	Y	32	days
##	3:	20	Y	70	days
##	4:	23	Y	38	days
##	5:	21	Y	32	days
##	6:	22	Х	32	davs

Analyse campaign type

Don't know how to automatically pick scale for object of type difftime. Defaulting to continuous.



As from the above graph we can see that more duraion spend on the campaign type Y

Combine train data and campaign data

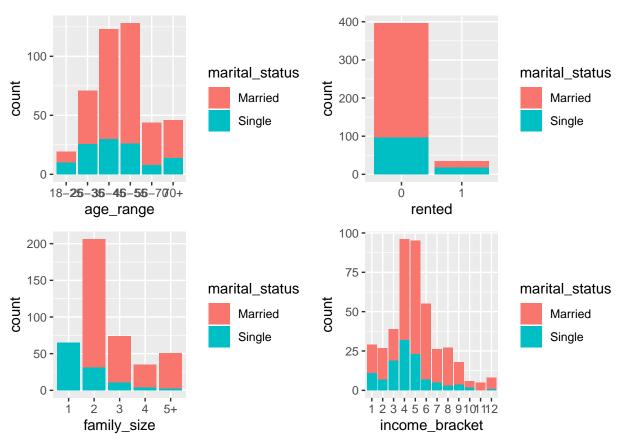
In the train data we merged the campaign data by "campaign_id"

Customer demographics data

##		customer_id	age_range	marital_status	rented	<pre>family_size</pre>	no_of_children
##	1	1	70+	Married	0	2	<na></na>
##	2	6	46-55	Married	0	2	<na></na>
##	3	7	26-35	<na></na>	0	3	1
##	4	8	26-35	<na></na>	0	4	2
##	5	10	46-55	Single	0	1	<na></na>
##	6	11	70+	Single	0	2	<na></na>
##		income_brack	et				
##	1		4				
##	2		5				
##	3		3				
##	4		6				
##	5		5				
##	6		1				
##		customer_id	age_	_range marital_s	status	rente	ed family_size
##		0		0	329		0 0
##	no	o_of_children	income_bi	racket			
##		538		0			

As we can see that some customer demographics data as $marital_status$ and $no_of_children$ is not available so we need to fill the missing values.

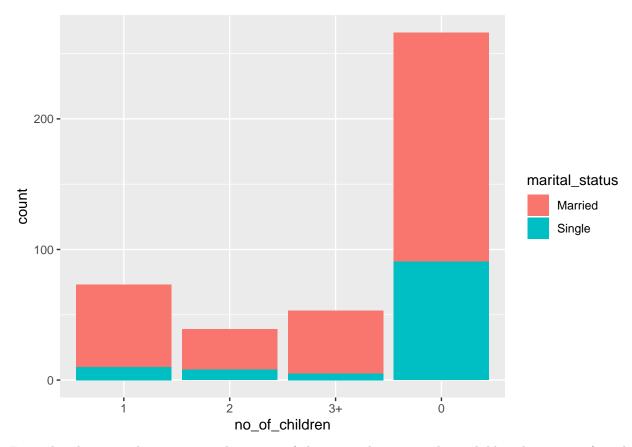
Visualise Customer demographics



From the above graph we can see that most of the customers are married and having age range 46-55,36-45, family size of 2 with income bracket of 4,5 and not rented.

• Impute $no_of_children$

There are 3 levels in the no_of_children 1,2, and 3+ so we will fill the missing value with "0"



From the above graph we can see that most of the married customer have children but most of single customer not having children.

$\bullet \ \ \text{Impute} \ \textit{marital_status}$

To impute $marital_status$ we need to focus on family_size and no_of_children. most of the single customers have $family\ size-1$ and $0\ -no_of_children$

##		customer_id	age_range	marital_status	rented	family_size
##	[1,]	1	6	1	1	2
##	[2,]	6	4	1	1	2
##	[3,]	7	2	1	1	3
##	[4,]	8	2	1	1	4
##	[5,]	10	4	2	1	1
##	[6,]	11	6	2	1	2
##		no_of_child	ren income	_bracket		
##	[1,]		4	4		
##	[2,]		4	5		
##	[3,]		1	3		
##	[4,]		2	6		
##	[5,]		4	5		
##	[6,]		4	1		

Item data

##		item_id	brand	brand_type	category
##	1	1	1	Established	Grocery
##	2	2	1	Established	Miscellaneous

## 3	3	56	Local	Bakery
## 4	4	56	Local	Grocery
## 5	5	56	Local	Grocery
## 6	6	56	Local	Grocery

Coupon Item mapping data

```
coupon_id item_id
## 1
            105
                     37
## 2
                     75
            107
## 3
           494
                     76
## 4
           522
                     77
           518
                     77
## 5
## 6
           520
                     77
     item_id coupon_id brand brand_type
                                                   category
## 1
           1
                     22
                             1 Established
                                                    Grocery
## 2
           1
                     31
                             1 Established
                                                    Grocery
## 3
           4
                    327
                                      Local
                            56
                                                    Grocery
## 4
           4
                     82
                            56
                                      Local
                                                    Grocery
## 5
           4
                    166
                            56
                                      Local
                                                    Grocery
## 6
           7
                     23
                            56
                                      Local Pharmaceutical
```

In the coupon_item_mapping data we added the information of items by item_id

brand type

Established Local ## 78759 13904

Count of brand type by coupon id

coupon_id Established Local ## 1 1 39 0 ## 2 2 2 0 ## 3 3 0 17 ## 4 4 24 0 ## 5 5 7 0 ## 6 6 3075 638 ## coupon_id Established Local ## 623286 78759 13904

Count of Category by coupon id

##		coupon	_id	Bakery	Dairy,	Juices	& S	nacks	Flowe	ers &	Plants	Garden	Grocery
##	1		1	0				0			0	0	9
##	2		2	0				0			0	0	2
##	3		3	0				0			0	0	17
##	4		4	0		0					0	0	24
##	5		5	0				0			0	0	0
##	6		6	0				259			0	0	3082
##		Meat M	lisce	ellaneou	ıs Natu	ral Pro	duct	s Pacl	kaged	Meat	Pharma	ceutical	L
##	1	0			0		3	0		0		()
##	2	0			0			0		0		()

	3	0		0			0		0		0	
##	4	0		0			0		0		0	
##	5	0		0			0		0		7	
##	6	2		0			0		242		0	
##		Prepared	Food	Restaua	rant	Salads	Seafood	Skin	& Hair	Care	Travel	
##	1		0		0	0	0			0	0	
##	2		0		0	0	0			0	0	
##	3		0		0	0	0			0	0	
##	4		0		0	0	0			0	0	
##	5		0		0	0	0			0	0	
##	6		0		0	0	128			0	0	
##		Vegetable	es (ci	ıt)								
##	1			0								
##	2			0								
##	3			0								
##	4			0								
##	5			0								
##	6			0								
##			601	non id			Pol	oru De	oimu Ti	11.000	& Cnack	
##			COL	ipon_id 623286				.erу Da 100	airy, Ji	irces	& Snack 186	
##		Elorr	- Ma Or	Plants				den				
##		LIOME	ers «	1963				286			Grocer 3646	-
						M			Mad			
##				Meat 6218		MIS	scellane		Nat	turai	Product 681	
##		ъ.	1			D1		184		D		_
##		Pa	ackage	ed Meat		Phai	rmaceuti			Prepa	ared Foo	
##			ъ.	6144				061			24	-
##			кеsta	uarant			Sal				Seafoo	
##		a 1 ·		1				100			222	
##		Skin	& Hai	ir Care			Tra		Veg	getab]	Les (cut	
##				4924				44			1	9

Customer Transaction data

```
date customer_id item_id quantity selling_price other_discount
## 1 2012-01-02
                        1501
                               26830
                                            1
                                                       35.26
                                                                     -10.69
## 2 2012-01-02
                        1501
                               54253
                                            1
                                                       53.43
                                                                     -13.89
## 3 2012-01-02
                        1501
                               31962
                                            1
                                                      106.50
                                                                     -14.25
## 4 2012-01-02
                        1501
                               33647
                                            1
                                                       67.32
                                                                       0.00
                                                       71.24
## 5 2012-01-02
                        1501
                               48199
                                            1
                                                                     -28.14
## 6 2012-01-02
                        1501
                               57397
                                            1
                                                       71.24
                                                                     -28.14
     coupon_discount
##
## 1
## 2
                   0
## 3
                   0
## 4
                   0
## 5
                   0
```

From the above data we will analyse customers purchasing pattern by RFM analysis then will calculate Final price after discount.

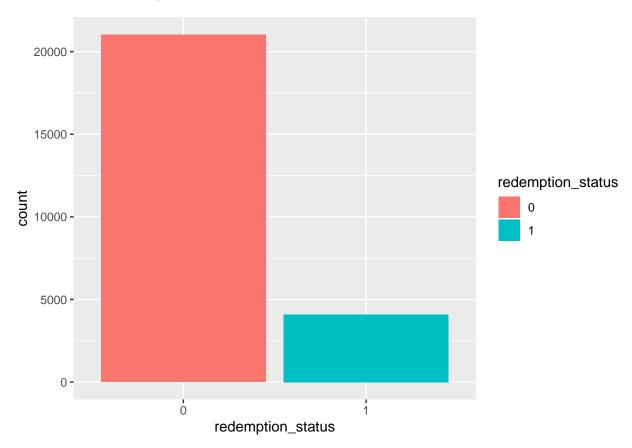
Summarize Final traindata

```
## redemption_status campaign_duration X
Y
```

```
0:77640
                     Min. :32.00
                                       Min. :0.0000
                                                         Min.
                                                               :0.0000
##
   1: 729
                     1st Qu.:46.00
                                       1st Qu.:0.0000
                                                         1st Qu.:0.0000
##
                     Median :47.00
                                       Median :1.0000
                                                         Median : 0.0000
##
                     Mean
                           :44.77
                                       Mean
                                             :0.7361
                                                        Mean
                                                                :0.2639
##
                      3rd Qu.:48.00
                                       3rd Qu.:1.0000
                                                         3rd Qu.:1.0000
##
                     Max. :63.00
                                       Max.
                                             :1.0000
                                                        Max.
                                                               :1.0000
##
##
   age range
                 marital status rented
                                            family_size no_of_children
##
   18-25: 2456
                 Married:61992
                                  0:75864
                                            1:13612
                                                        1:6540
##
   26-35: 8024
                 Single :16377
                                            2:51596
                                                        2: 3547
                                 1: 2505
   36-45:11210
                                            3:6267
                                                        3+: 3969
   46-55:49862
                                            4 : 3139
                                                        0 :64313
##
   56-70: 3723
                                            5+: 3755
##
##
   70+ : 3094
##
##
    income_bracket
                    Established
                                       Local
                                                          Bakery
##
   5
           :45745
                                              0.00
                                                           : 0.00000
                   Min. :
                               0
                                   Min. :
                                                      Min.
           : 8753
                                              0.00
##
   4
                   1st Qu.:
                                2
                                    1st Qu.:
                                                      1st Qu.: 0.00000
##
           : 4855
                   Median:
                               8
                                   Median:
                                              0.00
                                                     Median: 0.00000
   6
##
   2
          : 3892
                   Mean
                               70
                                   Mean
                                         :
                                             11.93
                                                      Mean
                                                           : 0.09081
                                   3rd Qu.:
                                              0.00
##
   3
           : 3882
                   3rd Qu.:
                               27
                                                      3rd Qu.: 0.00000
##
           : 3456
                   Max.
                           :10744
                                   Max.
                                           :1171.00
                                                      Max.
                                                           :16.00000
    (Other): 7786
##
   Dairy, Juices & Snacks Flowers & Plants
                                                 Garden
##
##
   Min.
         : 0.000
                          Min. : 0.000
                                            Min.
                                                   : 0.0000
                           1st Qu.: 0.000
   1st Qu.: 0.000
                                            1st Qu.: 0.0000
##
   Median : 0.000
                          Median : 0.000
                                            Median : 0.0000
   Mean : 1.868
                                 : 1.708
                                            Mean : 0.2483
                           Mean
    3rd Qu.: 0.000
                           3rd Qu.: 0.000
                                             3rd Qu.: 0.0000
##
                                 :652.000
##
   Max.
         :260.000
                           Max.
                                            Max.
                                                    :95.0000
##
##
       Grocery
                          Meat
                                        Miscellaneous
                                                           Natural Products
              0.00
                                        Min. : 0.0000
##
   Min.
         :
                     Min.
                            :
                                0.000
                                                          Min.
                                                                :
                                                                      0.000
                      1st Qu.:
   1st Qu.:
              0.00
                                0.000
                                         1st Qu.: 0.0000
                                                           1st Qu.:
                                                                      0.000
##
##
   Median :
              6.00
                     Median:
                                 0.000
                                        Median : 0.0000
                                                           Median:
                                                                      0.000
          : 34.38
##
   Mean
                     Mean
                                 5.869
                                        Mean
                                               : 0.1612
                                                          Mean
                                                                      5.602
                                                           3rd Qu.:
##
    3rd Qu.: 18.00
                     3rd Qu.:
                                 0.000
                                         3rd Qu.: 0.0000
                                                                      0.000
##
   Max.
          :4127.00
                     Max.
                            :2074.000
                                        Max.
                                               :37.0000
                                                          Max.
                                                                 :2261.000
##
##
   Packaged Meat
                      Pharmaceutical
                                        Prepared Food
                                                               Salads
   Min. :
              0.000
                      Min. :
                                 0.00
                                        Min. : 0.0000
                                                          Min. : 0.00000
##
   1st Qu.:
              0.000
                      1st Qu.:
                                 0.00
                                        1st Qu.: 0.0000
                                                           1st Qu.: 0.00000
   Median:
              0.000
                      Median :
                                 0.00
                                        Median: 0.0000
                                                           Median: 0.00000
##
   Mean
              5.904
                                20.38
                                        Mean : 0.2327
                                                           Mean : 0.07648
                      Mean
    3rd Qu.:
              0.000
                       3rd Qu.:
                                  0.00
                                         3rd Qu.: 0.0000
                                                           3rd Qu.: 0.00000
   Max. :1676.000
                              :9616.00
                                                :60.0000
##
                      Max.
                                        Max.
                                                           Max. :40.00000
##
##
                      Skin & Hair Care
                                                            Vegetables (cut)
       Seafood
                                            Travel
   Min. : 0.000
                     Min. :
                                0.000
                                        Min. : 0.00000
                                                            Min.
                                                                  :0.00000
   1st Qu.: 0.000
                                0.000
##
                      1st Qu.:
                                         1st Qu.: 0.00000
                                                            1st Qu.:0.00000
##
   Median : 0.000
                     Median :
                                0.000
                                        Median : 0.00000
                                                            Median :0.00000
##
                                 3.431
                                                            Mean
   Mean : 1.924
                     Mean
                                        Mean : 0.03513
                                                                  :0.01714
                                                            3rd Qu.:0.00000
##
   3rd Qu.: 0.000
                     3rd Qu.:
                                 0.000
                                         3rd Qu.: 0.00000
   Max. :590.000
                                        Max. :17.00000
##
                     Max. :2170.000
                                                           Max.
                                                                  :7.00000
```

```
##
##
                                         Freqcust
      totquant
                     totmonetory
                                                        recency
         :
                            : 3466
                                           : 10.0
                                                           : 0.000
##
                88
                     Min.
                                      Min.
                                                     Min.
   1st Qu.:
              1593
                     1st Qu.: 48244
                                      1st Qu.: 66.0
                                                     1st Qu.: 1.000
##
   Median : 31641
                     Median : 80766
                                      Median: 91.0
                                                               3.000
##
                                                     Median :
##
   Mean
          : 141279
                     Mean
                           :100069
                                      Mean
                                            :105.9
                                                     Mean
                                                            : 8.572
   3rd Qu.: 184709
                     3rd Qu.:130575
                                      3rd Qu.:135.0
                                                     3rd Qu.: 7.000
          :2617544
                            :529971
                                             :386.0
                                                            :429.000
##
   Max.
                     Max.
                                      Max.
                                                     Max.
##
```

Balance the redemption status



Encode the categorical features of the data

##		redemption_status	campaign_du	ration	Х	Y	age_range	marital_	_status	rented
##	1:	0		48	1	0	4		0	0
##	2:	0		32	0	1	3		0	0
##	3:	0		48	1	0	3		0	0
##	4:	0		32	0	1	1		0	0
##	5:	0		48	1	0	2		1	1
##	6:	0		61	0	1	3		0	0
##		<pre>family_size no_of_</pre>	children in	come_br	ac	ke	t Establis	hed Loca	al Baker	СУ
##	1:	1	3				4	25	0	0
##	2:	1	3				4	18	0	0
##	3:	1	3				4	10	0	0
##	4:	2	0				2	12	0	0

```
## 5:
                  0
                                                     3
                                                                 146
                                                                                  0
## 6:
                  1
                                   3
                                                     4
                                                                   9
                                                                          0
                                                                                  0
      Dairy, Juices & Snacks Flowers & Plants Garden Grocery Meat
## 1:
                               0
                                                   0
                                                                          0
## 2:
                               0
                                                   0
                                                           0
                                                                   18
                                                                          0
## 3:
                               0
                                                   0
                                                           0
                                                                    0
                                                                          0
## 4:
                                                   0
                                                           0
                                                                    0
                                                                          0
                               0
## 5:
                               0
                                                   0
                                                           0
                                                                  144
                                                                          0
## 6:
                               0
                                                   0
                                                           0
                                                                          0
      Miscellaneous Natural Products Packaged Meat Pharmaceutical
##
## 1:
                    0
                                        0
                                                        0
                                                                          0
## 2:
                    0
                                        0
                                                        0
                    0
                                                                         10
## 3:
                                        0
                                                        0
## 4:
                    0
                                                                         12
                                        0
                                                        0
## 5:
                    0
                                        0
                                                        0
                                                                          2
## 6:
                    0
                                        0
                                                        0
                                                                          2
##
      Prepared Food Salads Seafood Skin & Hair Care Travel Vegetables (cut)
                    0
                            0
                                      0
                                                          0
                                                                  0
## 2:
                    0
                            0
                                      0
                                                         0
                                                                  0
                                                                                     0
## 3:
                    0
                            0
                                      0
                                                         0
                                                                  0
                                                                                     0
## 4:
                    0
                            0
                                      0
                                                         0
                                                                  0
                                                                                     0
## 5:
                    0
                            0
                                      0
                                                          0
                                                                  0
                                                                                      0
                    0
## 6:
                            0
                                      0
                                                         Ω
                                                                  0
                                                                                      0
##
       totquant totmonetory Frequest recency
## 1:
                                     234
         136261
                    109056.7
                                                1
## 2:
           1732
                    111192.9
                                      96
                                               12
## 3:
         131204
                    119432.9
                                     198
                                                2
                                                5
## 4:
          12346
                    210969.8
                                      47
                                                4
## 5:
          60494
                    164673.1
                                      60
## 6:
           9720
                    140800.3
                                      70
                                              129
```

Normalize the data

```
redemption_status
                        campaign_duration
    Min.
         :0.000000
                       Min.
                              :0.0000
                                                  :0.000
                                                                  :0.000
                                          Min.
                                                           Min.
    1st Qu.:0.000000
##
                        1st Qu.:0.4516
                                           1st Qu.:0.000
                                                           1st Qu.:0.000
##
    Median :0.000000
                       Median :0.4839
                                          Median :1.000
                                                           Median : 0.000
##
    Mean
           :0.009252
                        Mean
                               :0.4132
                                          Mean
                                                 :0.733
                                                           Mean :0.267
    3rd Qu.:0.000000
                        3rd Qu.:0.5161
##
                                           3rd Qu.:1.000
                                                           3rd Qu.:1.000
##
    Max.
           :1.000000
                        Max.
                               :1.0000
                                           Max.
                                                  :1.000
                                                           Max.
                                                                   :1.000
##
                                            rented
      age_range
                     marital_status
                                                           family_size
           :0.0000
                             :0.0000
                                               :0.00000
                                                                 :0.0000
                     Min.
                                       Min.
                                                          Min.
                      1st Qu.:0.0000
                                       1st Qu.:0.00000
##
    1st Qu.:0.4000
                                                          1st Qu.:0.2500
##
    Median :0.6000
                     Median :0.0000
                                       Median :0.00000
                                                          Median :0.2500
##
    Mean
           :0.5349
                     Mean
                             :0.2117
                                       Mean
                                               :0.03248
                                                          Mean
                                                                  :0.2839
    3rd Qu.:0.6000
                                        3rd Qu.:0.00000
                                                          3rd Qu.:0.2500
                      3rd Qu.:0.0000
##
           :1.0000
                                       Max.
                                               :1.00000
                                                                  :1.0000
    Max.
                     Max.
                             :1.0000
                                                          Max.
##
    no_of_children
                    income_bracket
                                       Established
                                                               Local
##
    Min.
          :0.000
                    Min.
                            :0.0000
                                      Min.
                                              :0.0000000
                                                           Min.
                                                                   :0.000000
##
    1st Qu.:1.000
                    1st Qu.:0.2727
                                      1st Qu.:0.0001862
                                                           1st Qu.:0.000000
##
    Median :1.000
                                                           Median :0.000000
                    Median : 0.3636
                                      Median: 0.0007446
           :0.867
##
    Mean
                    Mean
                            :0.3536
                                      Mean
                                              :0.0064617
                                                           Mean
                                                                   :0.009991
                                      3rd Qu.:0.0025130
##
    3rd Qu.:1.000
                    3rd Qu.:0.3636
                                                           3rd Qu.:0.000000
##
    Max.
           :1.000
                    Max.
                            :1.0000
                                      Max.
                                              :1.0000000
                                                           Max.
                                                                   :1.000000
```

```
##
                        Dairy...Juices....Snacks Flowers....Plants
        Bakery
##
    Min.
            :0.000000
                                :0.000000
                                                 Min.
                                                         :0.000000
                        Min.
                        1st Qu.:0.000000
##
    1st Qu.:0.000000
                                                 1st Qu.:0.000000
                                                 Median :0.000000
##
    Median :0.000000
                         Median :0.000000
##
    Mean
            :0.005635
                         Mean
                                :0.006822
                                                 Mean
                                                         :0.002349
##
    3rd Qu.:0.000000
                         3rd Qu.:0.000000
                                                 3rd Qu.:0.000000
           :1.000000
                                :1.000000
                                                         :1.000000
##
    Max.
                        Max.
                                                 Max.
##
        Garden
                            Grocery
                                                  Meat
##
    Min.
            :0.000000
                        Min.
                                :0.00000
                                             Min.
                                                     :0.000000
    1st Qu.:0.000000
##
                         1st Qu.:0.000000
                                             1st Qu.:0.000000
    Median : 0.000000
                         Median: 0.001454
                                             Median :0.000000
    Mean
            :0.002347
                         Mean
                                :0.007962
                                             Mean
                                                     :0.003551
##
##
    3rd Qu.:0.000000
                         3rd Qu.: 0.004361
                                             3rd Qu.:0.000000
##
            :1.000000
                                :1.000000
    Max.
                         Max.
                                             Max.
                                                     :1.000000
##
    Miscellaneous
                        Natural.Products
                                             Packaged.Meat
##
    Min.
            :0.000000
                         Min.
                                :0.000000
                                             Min.
                                                     :0.000000
##
    1st Qu.:0.000000
                         1st Qu.:0.000000
                                             1st Qu.:0.000000
##
    Median :0.000000
                         Median :0.000000
                                             Median :0.000000
    Mean
           :0.004384
                         Mean
                                :0.002216
                                             Mean
                                                     :0.004229
##
##
    3rd Qu.:0.000000
                         3rd Qu.:0.000000
                                             3rd Qu.:0.000000
##
    Max.
            :1.000000
                        Max.
                                :1.000000
                                             Max
                                                     :1.000000
##
    Pharmaceutical
                         Prepared.Food
                                                 Salads
##
    Min.
            :0.000000
                        Min.
                                :0.000000
                                                     :0.00000
                                             Min.
    1st Qu.:0.000000
                         1st Qu.:0.000000
                                             1st Qu.:0.00000
##
    Median :0.000000
                        Median :0.000000
                                             Median :0.00000
##
    Mean
           :0.002008
                         Mean
                                :0.004214
                                             Mean
                                                     :0.00167
##
    3rd Qu.:0.000000
                         3rd Qu.:0.000000
                                             3rd Qu.:0.00000
            :1.000000
                                :1.000000
##
    Max.
                        Max.
                                             Max.
                                                     :1.00000
##
       Seafood
                         Skin...Hair.Care
                                                 Travel
##
    Min.
            :0.000000
                        Min.
                                :0.000000
                                                     :0.000000
                                             Min.
##
    1st Qu.:0.000000
                         1st Qu.:0.000000
                                             1st Qu.:0.000000
##
    Median :0.000000
                         Median :0.000000
                                             Median :0.000000
##
    Mean
           :0.003621
                        Mean
                                :0.001479
                                             Mean
                                                     :0.001809
    3rd Qu.:0.000000
                         3rd Qu.:0.000000
                                             3rd Qu.:0.000000
##
##
    Max.
           :1.000000
                         Max.
                                :1.000000
                                             Max.
                                                     :1.000000
##
    Vegetables..cut.
                            totquant
                                               totmonetory
                                                                     Freqcust
##
    Min.
            :0.000000
                        Min.
                                :0.0000000
                                              Min.
                                                      :0.00000
                                                                         :0.0000
##
    1st Qu.:0.000000
                         1st Qu.:0.0005765
                                              1st Qu.:0.08547
                                                                  1st Qu.:0.1489
##
    Median :0.000000
                         Median: 0.0123058
                                              Median :0.14791
                                                                  Median :0.2181
##
    Mean
            :0.002215
                         Mean
                                                      :0.18389
                                                                  Mean
                                                                         :0.2557
                                :0.0530307
                                              Mean
    3rd Qu.:0.000000
                         3rd Qu.:0.0701849
                                                                  3rd Qu.:0.3351
                                              3rd Qu.:0.24488
##
    Max.
           :1.000000
                        Max.
                                :1.0000000
                                              Max.
                                                     :1.00000
                                                                  Max.
                                                                         :1.0000
##
       recency
##
            :0.000000
    Min.
    1st Qu.:0.002331
    Median :0.006993
##
##
    Mean
           :0.020056
##
    3rd Qu.:0.016317
##
    Max.
           :1.000000
```

Predictive Model and Evaluation

XGBoost Model

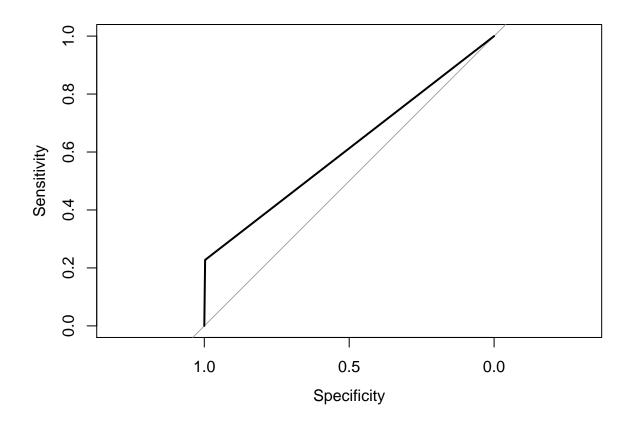
Confusion Matrix

```
## Confusion Matrix and Statistics
##
##
             Reference
## Prediction
                  0
            0 15485
                       43
##
                112
##
            1
                       33
##
                  Accuracy : 0.9901
##
##
                    95% CI: (0.9884, 0.9916)
##
       No Information Rate: 0.9952
##
       P-Value [Acc > NIR] : 1
##
##
                     Kappa: 0.2942
##
    Mcnemar's Test P-Value: 4.711e-08
##
##
               Sensitivity: 0.434211
##
##
               Specificity: 0.992819
            Pos Pred Value: 0.227586
##
            Neg Pred Value: 0.997231
##
                 Precision: 0.227586
##
                    Recall : 0.434211
##
##
                        F1: 0.298643
##
                Prevalence: 0.004849
            Detection Rate: 0.002106
##
##
      Detection Prevalence: 0.009252
##
         Balanced Accuracy: 0.713515
##
##
          'Positive' Class : 1
##
```

AUC

Area under the curve: 0.6124

Plot ROC curve



Neural Network model

AUC

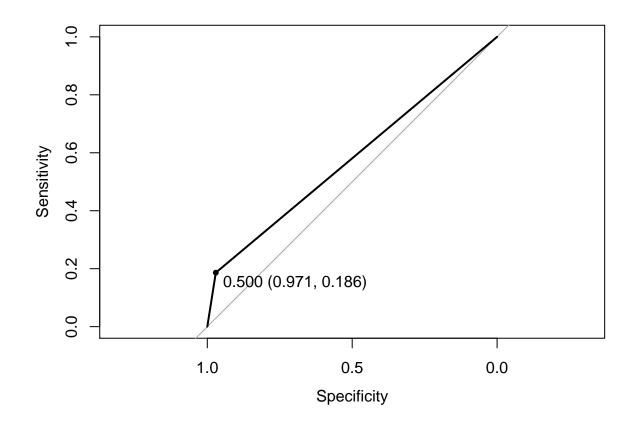
Area under the curve: 0.5785

Confusion Matrix

```
## Confusion Matrix and Statistics
##
##
             Reference
## Prediction
                  0
##
            0 15073
                       455
##
                118
                       27
##
##
                  Accuracy : 0.9634
##
                    95% CI : (0.9604, 0.9663)
       No Information Rate : 0.9692
##
##
       P-Value [Acc > NIR] : 1
##
##
                     Kappa: 0.0729
##
    Mcnemar's Test P-Value : <2e-16
##
##
##
               Sensitivity: 0.056017
```

```
Specificity: 0.992232
##
            Pos Pred Value: 0.186207
##
            Neg Pred Value: 0.970698
##
##
                 Precision: 0.186207
                    Recall: 0.056017
##
##
                        F1: 0.086124
##
                Prevalence: 0.030754
            Detection Rate: 0.001723
##
##
      Detection Prevalence : 0.009252
##
         Balanced Accuracy: 0.524124
##
##
          'Positive' Class : 1
##
```

ROC curve



Random Forest Model

AUC

Area under the curve: 0.9304

Confusion Matrix

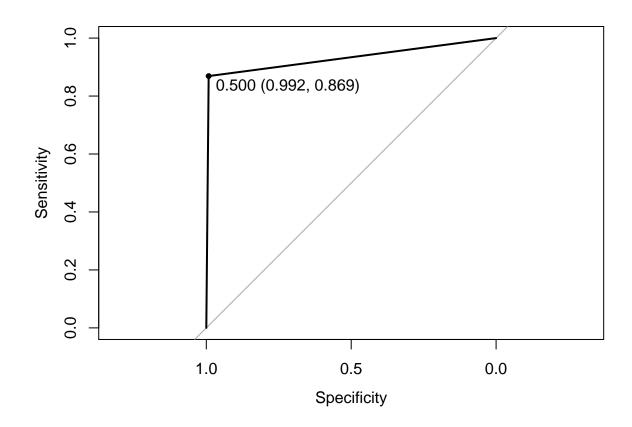
Confusion Matrix and Statistics

##

Reference

```
## Prediction
                0
##
            0 15402
                      126
##
            1
                19
                      126
##
                  Accuracy : 0.9907
##
                    95% CI : (0.9891, 0.9922)
##
      No Information Rate: 0.9839
##
      P-Value [Acc > NIR] : 1.146e-13
##
##
##
                     Kappa: 0.6304
##
##
    Mcnemar's Test P-Value : < 2.2e-16
##
##
               Sensitivity: 0.500000
##
               Specificity: 0.998768
            Pos Pred Value: 0.868966
##
##
            Neg Pred Value: 0.991886
##
                Precision: 0.868966
##
                    Recall: 0.500000
                        F1: 0.634761
##
##
                Prevalence: 0.016079
##
            Detection Rate: 0.008039
##
     Detection Prevalence : 0.009252
        Balanced Accuracy: 0.749384
##
##
          'Positive' Class : 1
##
##
```

ROC curve



XGBoost Model

Train the Model without normalization

Confusion Matrix

```
## Confusion Matrix and Statistics
##
             Reference
## Prediction
                  0
                        1
##
            0 15481
                       47
            1
                118
                       27
##
##
                  Accuracy : 0.9895
##
##
                    95% CI : (0.9877, 0.991)
##
       No Information Rate: 0.9953
       P-Value [Acc > NIR] : 1
##
##
##
                     Kappa: 0.2418
##
    Mcnemar's Test P-Value : 5.051e-08
##
##
##
               Sensitivity: 0.364865
##
               Specificity: 0.992435
##
            Pos Pred Value: 0.186207
```

```
##
            Neg Pred Value : 0.996973
##
                 Precision: 0.186207
                    Recall: 0.364865
##
##
                        F1: 0.246575
                Prevalence: 0.004721
##
            Detection Rate: 0.001723
##
      Detection Prevalence : 0.009252
##
##
         Balanced Accuracy: 0.678650
##
          'Positive' Class : 1
##
##
```

AUC

Area under the curve: 0.9304

ROC curve

