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## **BUSINESS OBJECTIVES**







#### **SUPPLIER**

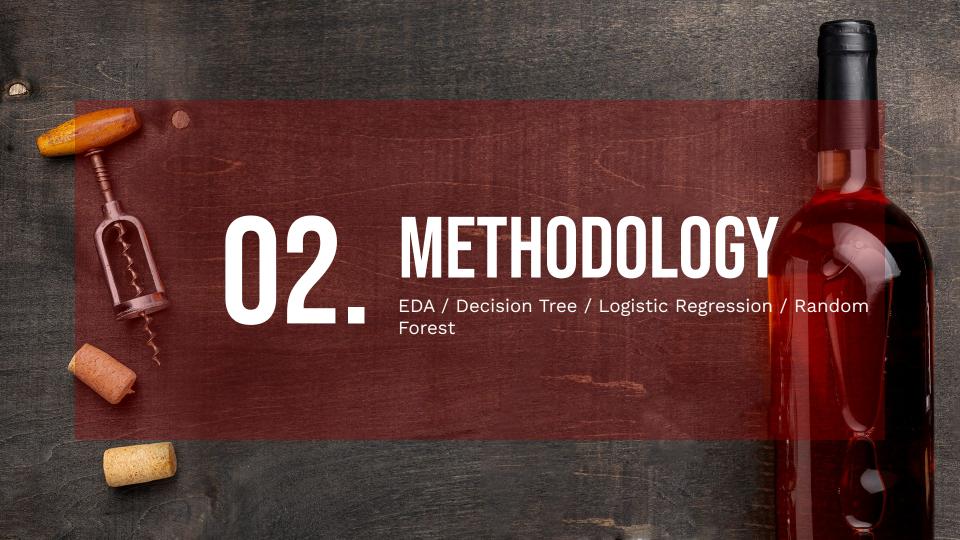
Ensure a certain wine quality; enhance the supplier's reputation and product value

### **CUSTOMER**

Make informed purchasing decisions

#### RETAILER

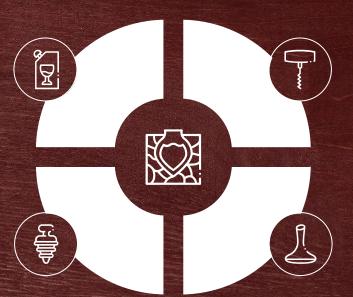
Optimize stock levels and reduce the risk of unsold inventory



## METHODOLOGY

#### EDA

Descriptive Status & Plots



### **LOGISTIC REGRESSION**

Accuracy:0.747

## **DECISION TREE**

Accuracy:0.756

### **RANDOM FOREST**

Accuracy:0.822



## DATA SET

- North Portugal Red Wine sample data based on physicochemical tests
- 13 Variables with no missing value
- Consider this dataset as classification tasks, given that the wines were being subjectively rated on a scale from 1 to 10

#### Input

Fixed acidity
Volatile acidity
Citric acid
Residual sugar
Chlorides
Free sulfur
Total sulfur
Density
PH
Sulphates
Alcohol

## ML Model

(Random Forest)

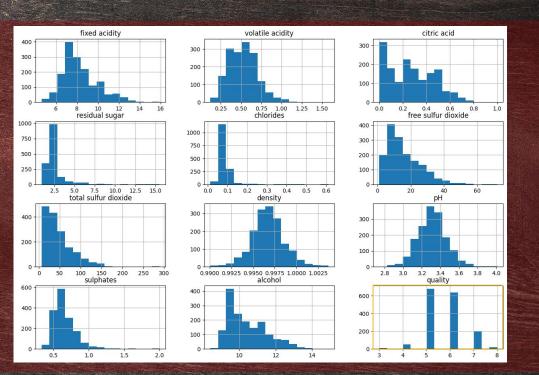
#### Output

#### Quality

High: 6-10 Low: 0-5

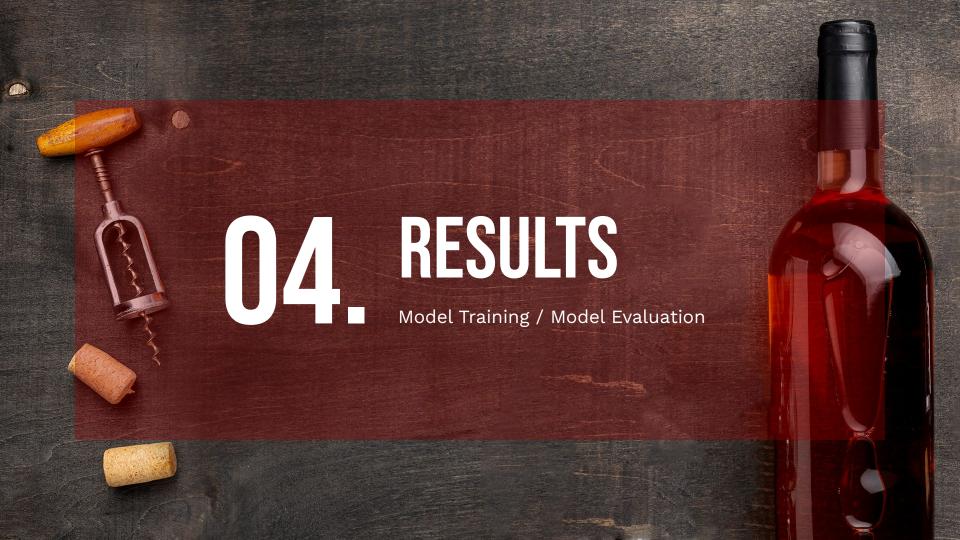


## HISTOGRAM





- Outliers are founded in some features and normalization has been applied
- Quality data are ordered and not balanced, in real life there are many more normal wines than excellent or poor ones
- Quality rating have been classified into either high or low, for retail or consumer recommendations, the distinction is more relevant than exact score



# HYPER-PARAMETER TUNING - GRID SEARCH



#### **DECISION TREE**

- 1. Max. Depth: None
- 2. Min. Samples Split: 2
- 3. Max. Leaf Nodes: 40



#### **LOGISTIC REGRESSION**

1. Max. Iteration: 50



#### **RANDOM FOREST**

- 1. Max. Depth: None
- 2. No. of trees in the forest (n\_estimators): 50

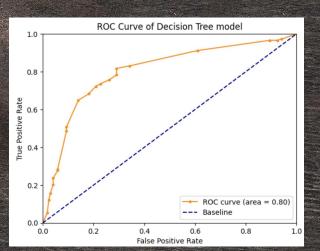
# ML MODEL RESULTS - CLASSIFICATION REPORT

	DECISION TREE	LOGISTIC REGRESSION	RANDOM FOREST
ACCURACY	0.756	0.747	0.822
PRECISION	0.773	0.769	0.836
RECALL	0.773	0.756	0.831
F1 SCORE	0.773	0.762	0.834

# ML MODEL RESULTS - ROC CURVE

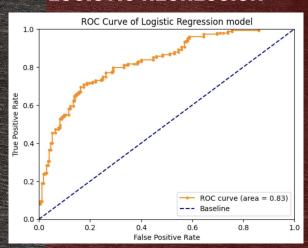
01

#### **DECISION TREE**

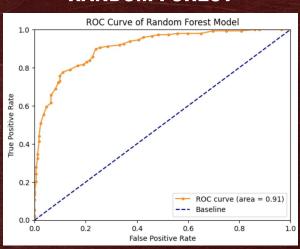


### LOGISTIC REGRESSION

02



#### RANDOM FOREST



AUC: 0.80

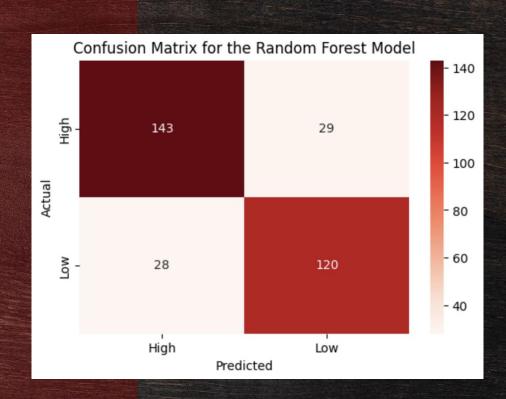
AUC: 0.83

AUC: 0.91

## **BEST ML CLASSIFIER**

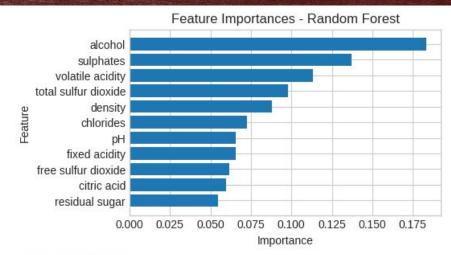
#### **Random Forest**

- Highest accuracy, precision, recall, F1-score, and AUC score
- Low False Positives and False Negatives
- Best predictive model for high-quality wines





## FEATURE IMPORTANCE



#### Feature Importances:

		reacure	Importance
10	alcohol		0.183361
9	sulphates		0.137153
1	volatile acidity		0.113269
6	total sulfur	dioxide	0.098153
7		density	0.088177
4	chlorides		0.072543
8		pH	0.065732
0	fixed	acidity	0.065538
5	free sulfur	dioxide	0.061832
2	citric acid		0.059473
3	residual sugar		0.054770

Egatuna Impontance

Goal: find important features.

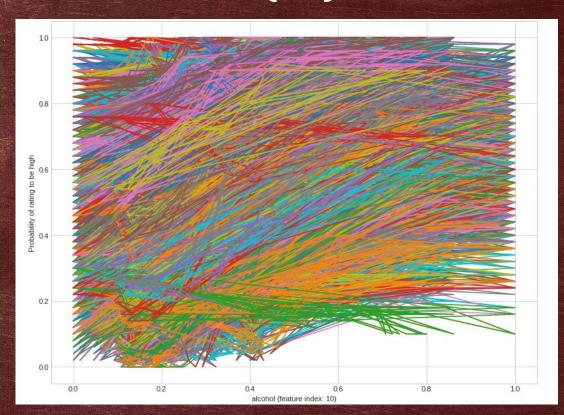
#### Top 3 features

- Alcohol: 0.1834
- Sulphates: 0.1372
- Volatile Acidity: 0.1133

The bigger the number is, the more important it is.

There are no explicit coefficients (like Logistics Regression) in Random Forest, so we cannot know the direction between the feature and the target.

# INDIVIDUAL CONDITIONAL EXPECTATION (ICE)



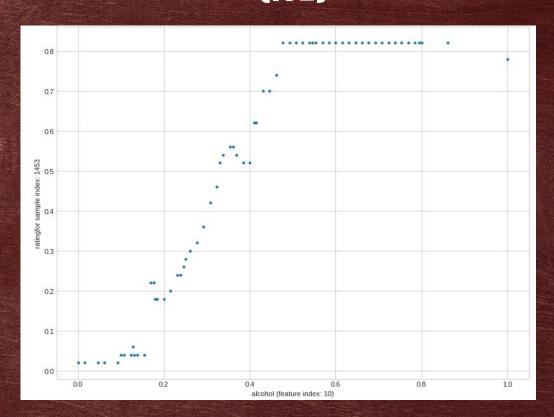
Goal: explore the impact of the selected feature on a specific instance.

Each line is an individual instance with N augmented records.

N is the number of unique values of the selected feature (e.g. alcohol) in all records.

Except for the selected feature, other features' values remain constant.

# INDIVIDUAL CONDITIONAL EXPECTATION (ICE)



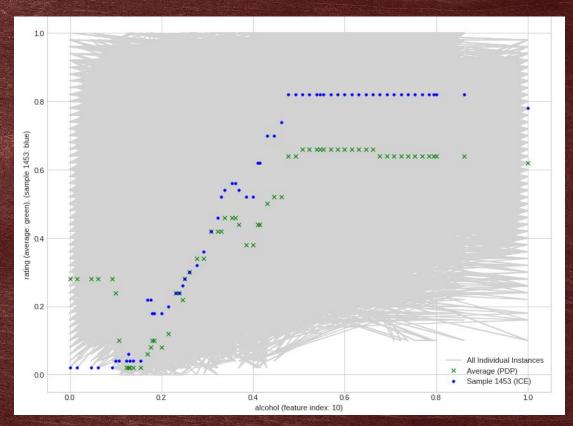
Instance Index: 1453.

As the alcohol increases, the probability of this instance to be rated as high goes up.

After 0.45 (normalized value), the rating keeps stable.

The rating even goes down after 0.8.

# PARTIAL DEPENDENCY PLOTS (PDP)



Goal: explore the overall average impact of the selected feature on all instances.

May be different with a specific instance.



## MODEL USE IN REAL-WORLD

GOAL 1

Automated Preliminary Ratings



GOAL 2

Consistency in Ratings

GOAL 3

Understandable Index for Customers

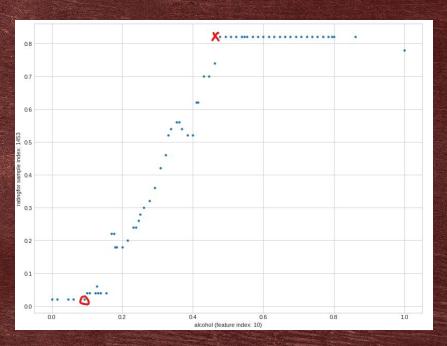


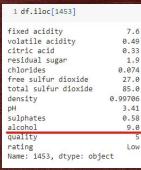


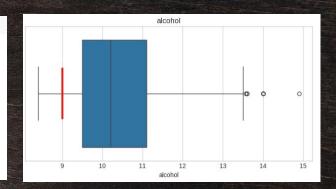
GOAL 4

Product Improvement Consultations

## **IMPROVE RATING BY ALCOHOL**







#### 1 print(X[1453])

[0.26548673 0.25342466 0.33 0.06849315 0.10350584 0.36619718 0.27915194 0.51321586 0.52755906 0.1497006 0.09230769]

#### 1 df.iloc[:,10].describe() 1599,000000 10.422983 mean std 1.065668 min 8.400000 25% 9.500000 50% 10.200000 75% 11.100000 14.988888 Name: alcohol, dtvpe: float64

Increase the alcohol to improve the rating.

Pay attention to the threshold.

 $(14.9-8.4)*0.45+8.4 \approx 11.3$ 

## LIMITATIONS



#### **SUBJECTIVE**

Rating is an artificial variable created by wine experts rather than a physicochemical index.



### **MULTICOLLINEARITY**

It is difficult to hold other features remain constant when change the selected feature.



#### **TOO SIMPLE**

Only rating cannot showcase a kind of wine comprehensively.

