# Conversational Used Car Price Predictor CS702 - Computing Lab

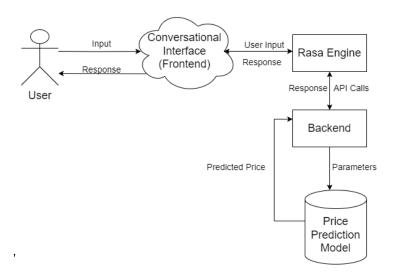
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### Introduction

- This project focuses on developing a Conversational Used Car Price Predictor, integrating a chatbot interface with a machine learning model.
- Goal: To allow users to interact through natural conversation rather than filling out traditional forms to predict used car prices.
- The chatbot will collect necessary car details (brand, model, year, mileage, etc.) step by step through an intuitive and engaging interface.
- A machine learning model will use the gathered data to predict the price of the used car, ensuring accurate and reliable predictions.
- The chatbot also handles additional queries, such as explaining how the price was calculated or what factors affect the car's value.

# System Architecture



# System Flow Explanation

- The user interacts with the system via a chat interface in the frontend, initiating a conversation to predict the price of their used car.
- The user inputs (car details such as make, model, year, mileage, etc.) are processed by the Rasa Engine, which handles NLP and conversation management.
- The Rasa Engine extracts relevant parameters from the conversation and sends them to the backend, where the **Price Prediction Model** calculates the car's estimated price based on the input features.
- **SHAP** (SHapley Additive exPlanations) is applied to explain the contribution of each feature (e.g., mileage, car age, etc.) to the final price prediction, identifying the most impactful factor.
- The backend returns both the predicted price and the explanation of the most significant contributing factor, which are displayed to the user through the chat interface.

# Project Overview: Progress and Next Steps

#### • Milestones Achieved:

- Data collection and preprocessing for the car price prediction model.
- Model development using Random Forest and SHAP calculation for feature contribution analysis.
- Backend API to return the predicted price and the maximum contributing feature.
- Development of a sample chatbot to collect car parameters from the user.

### • Upcoming Work:

- Improve the Rasa chatbot by adding more test data.
- Validation of user input parameters in the Rasa chatbot.
- Handle general questions in Rasa.
- Integration of the backend with Rasa.
- Frontend integration with Rasa for seamless user interaction.

# Data Preprocessing Steps (Part 1)

### • Finding the Dataset:

Dataset sourced from Kaggle: cardekho\_dataset in 2023.

## Dropping Unnecessary Columns:

 Removed columns such as "Unnamed: 0" (irrelevant index) and "car\_name" (redundant feature).

## Converting Vehicle Age to Year of Manufacture:

Calculated year\_of\_manufacture using the formula:

```
{\tt year\_of\_manufacture} = 2023 - {\tt vehicle\_age}
```

Dropped the vehicle\_age column.

## Filtering Popular Car Models:

• Filtered the dataset to retain models with more than 300 entries, ensuring sufficient data for model training.

# Data Preprocessing Steps (Part 2)

# • Feature (X) and Target (y) Definition:

- Defined X (features) by dropping selling\_price and seller\_type.
- Defined y as the selling\_price (target variable).

### • Categorical Columns:

 Identified categorical features like fuel\_type, transmission\_type, brand, and model that need encoding.

## Data Splitting:

 Split the dataset into 80% training and 20% test sets using train\_test\_split(), ensuring reproducibility with random\_state=42.

# Preprocessing Pipeline (One-Hot Encoding):

 Used ColumnTransformer to apply OneHotEncoder to categorical columns, converting them into binary variables for model compatibility.

# Model Training Process (Part 1)

#### Model Selection:

- A Random Forest Regressor was chosen for car price prediction.
- The model is robust, handles non-linear data well, and is less prone to overfitting.

### • Pipeline Setup:

- A pipeline was created to seamlessly combine preprocessing and model training.
- Ensures that the same transformations are applied during both training and testing.

### Hyperparameter Tuning:

- RandomizedSearchCV was employed to efficiently search for the best hyperparameters.
- This method randomly samples a specified number of hyperparameter combinations from the defined parameter grid.

# Model Training Process (Part 2)

### Hyperparameter Tuning (continued):

- Parameters tuned included:
  - n\_estimators: Number of trees in the forest (100, 200, 300).
  - max\_depth: Maximum tree depth (None, 10, 20, 30).
  - min\_samples\_split: Minimum samples to split (2, 5, 10).
  - min\_samples\_leaf: Minimum samples at each leaf (1, 2, 4).
- n\_iter=10: Specifies the number of different combinations to try.

#### • Cross-validation:

- 5-fold cross-validation was used to evaluate model performance.
- This process repeats 5 times, with each fold serving as the test set once.
- Final performance is averaged over the 5 iterations for robust evaluation.

#### Results:

- The best model was selected based on the R<sup>2</sup> Score: 0.925 on the test set.
- The best model was saved for future predictions.

# SHAP Value Calculation

#### SHAP Value Calculation:

- SHAP (SHapley Additive exPlanations) is a method used to explain the output of machine learning models by assigning each feature a contribution value for a particular prediction.
- An Explainer object is created for the trained Random Forest model using SHAP.
- SHAP values are computed for the transformed input data, representing how much each feature pushed the prediction higher or lower than the average model output.

## Analyzing SHAP Values:

- SHAP values are organized into a DataFrame, providing a clear breakdown of each feature's contribution to the predicted price.
- Positive SHAP values indicate features that push the predicted price higher, while negative values indicate features that pull the price lower.

# Identifying Influential Features

### Identifying the Most Influential Feature:

- The feature with the highest SHAP value is identified as the most influential factor in determining the predicted price for that specific car.
- This feature typically has the largest impact on driving the predicted price up or down.

### Percentage Contribution Calculation:

- The SHAP value of the most influential feature is divided by the predicted price to calculate its percentage contribution.
- This provides a more intuitive understanding of how much influence the top feature has on the final predicted price.

#### • Feature Attribution:

- The system outputs both the predicted price and the feature with the highest contribution, along with the percentage of its influence.
- This gives users a clear explanation of why the price is what it is, based on the input features.

# **Backend API Creation**

#### Framework Used: Flask

 A lightweight web framework for Python, used to create web applications.

# • Endpoints:

- /predict\_price:
  - Accepts car attributes as query parameters.
  - Returns the predicted selling price of the car.
- /max\_contribution:
  - Accepts the same car attributes as query parameters.
  - Returns the highest contributing feature to the predicted price and its percentage contribution.

## Input Handling:

• Retrieves input data via query parameters (GET API).

### Response Format:

 Outputs predictions and contributions as JSON, facilitating easy integration with frontend applications.

# **Upcoming Work**

- Improve the Rasa chatbot by adding more test data to enhance its understanding and responsiveness.
- Validate user input parameters to ensure accurate and reliable data collection for predictions.
- Handle general questions within the chatbot to improve user engagement and satisfaction.
- Integrate the backend with Rasa for real-time access to the price prediction model.
- Implement frontend integration with Rasa for a seamless user interaction experience.

# References

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Thank You!