

ETC3250 - Project 2018

Analytics in Banking

Task

The data set used in this project is related to direct marketing campaigns of a banking institution which was based on multiple phone calls to prospective clients. The purpose of this project is to produce the best model to predict the probability that a client will subscribe to a bank term deposit on the basis of various predictors. The competition is hosted on the Kaggle website (<https://www.kaggle.com/t/a1fbd8ffd42b4a3c9a35ad5d66eacc8b>).

The data has been splitted into training and test sets. The full training set is available to you. But only the predictors are provided for the test set. You can evaluate your predictions by submitting them to the Kaggle website. Note that only 50% of the test set is used to compute your *public score*. Your final score using the full test set will be provided at the end of the competition.

Here is a list of the predictors:

1. age
2. job: type of job
3. marital: marital status
4. edu: education
5. default: has credit in default?
6. housing: has housing loan?
7. loan: has personal loan?

Variables related to the last contact of the current campaign:

8. contact: communication type of the last contact
9. month: month of the year of the last contact
10. day_of_week: day of the week of the last contact

Important: You are not allowed to use any other external information/data to build your model and produce your predictions.

The evaluation metric for this competition is the log loss:

$$LogLoss = -\frac{1}{n} \sum_{i=1}^n [y_i \log(\hat{p}_i) + (1 - y_i) \log(1 - \hat{p}_i)],$$

where

- n is the number of data points in the test set
- \hat{p}_i is the predicted probability
- $y_i \in \{0, 1\}$
- $\log()$ is the natural (base e) logarithm

Note: the actual submitted predicted probabilities are replaced with $\max(\min(p, 1 - 10^{-15}), 10^{-15})$. A smaller log loss is better.

1. Your first task is to form a team with five people.
2. Each team member should create a Kaggle account (using your Monash email address)
3. Form a team on Kaggle.
4. Do some basic exploration of the dataset
5. Build your first model. Predict the test set, and upload your predictions to Kaggle.
6. Try, and try again to improve your model. You can submit one prediction per day.

Project report and presentation

The data analysis report can be a maximum of 5 pages, and must abide by the section structure described below.

- Section 1: Introduction

The introduction will describe the data set and motivate the problem. It should be brief.

- Section 2: Methodology

This section describes the models and methods you have used, including a justification of your choices. You should also present your model fitting, diagnostics, etc.

- Section 3: Results and Discussion

This includes for example graphs and tables, as well as a discussion of the results.

- Section 4: Conclusion

This includes summary of the findings.

You should clearly explain what you have done, using figures to supplement your explanation. Your figures must be of proper size with labeled, readable axes. In general, you should take pride in making your report readable and clear. You will be graded both on *statistical content* and *quality of presentation*.

Finally, each team will make a presentation of their work for the class (max 8 slides, in PDF format). Each team will have 8 minutes (6 minutes for presentation, and 2 minutes for Q & A). A minimum of three members of the team must participate by speaking in the presentation. Score will be given by other members of the class. All students must be present to evaluate the presentations, and if not points will be deducted from the absent individual's score.

Grading

- Total points: 20
- Accuracy of classifier on Kaggle: 6
- Report: 7
- Presentation: 7

Deadlines

Do not wait until the last minute. Late submissions will not be allowed.

- April 18, 11:55pm: Form and choose a name for your team. Submit the names of each member of the team on Moodle.
- April 25, 11:55pm: At least one Kaggle submission needs to have been made.
- May 13, 11:55pm: The Kaggle competition closes.
- May. 20, 11:55pm: Upload to Moodle (i) your project report, one per group, and (ii) the slides for your presentation.
- May 22 and 23: Present your slides in the lecture period.