

Department of Industrial and Systems Engineering

ISE 560, Stochastic Models in Industrial Engineering

Course Project Proposal under the Guidance of Professor Dr. Julie Ivy



Using Sentiment & Telemetry Data to Predict Customer Satisfaction

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EXECUTIVE SUMMARY

Lenovo is a US\$43 billion global Fortune 500 company and a leader in providing innovative consumer, commercial, and data center technology. Presently, it is accelerating its transformation to become a world leader across every part of the business spectrum. Essential to this motive is the need to grasp public expectation and keep its customer base satisfied by providing them with new and exciting products. This has been made possible by gathering their feedback through surveys and acting upon it accordingly. Their latest attempt has been to gauge this public opinion early on in the product life cycle which would give them an edge by making the necessary changes faster and boosting subsequent sales. So, as an alternative to the official NPS, it is looking at the customer reviews available across other online platforms which are available readily.

The methodology of this project involves developing a multiple linear regression model to predict the NPS of given 5 products from the sentiment and NPS data and studying the influence of telemetry data (Battery Life, Driver Health and Wi-fi connectivity) on customer sentiment and NPS.

A Markov decision model was developed to look at the evolution of sentiment over time and to suggest any intervention that would be beneficial. The five components of the MDP (State Space, Action space, Epoch, Transition probabilities and Reward matrix) were defined as per standard assumptions and an optimal policy was derived. As some of the parameters were assumed, they were varied to check the validity of the result. The optimal policy for each state remained the same. Finally, the results are summarized, and further recommendations and improvements are suggested.

INTRODUCTION

The Lenovo Group is one of the largest technology companies in the world. For a technology company like Lenovo, early and efficient pNPS of its products plays a key role in providing best quality Products and thus, driving customer satisfaction. Net Promoter Score, or NPS, is a measure of customer experience and ultimately predicts business growth. A Net Promoter Score provides companies with a simple and straightforward metric that can be shared with their front-line employees.

Customers are surveyed and asked to rate on a scale of 0-10, the likelihood of recommending the company or brand. Based on their rating, the respondents are grouped as follows:

- **Promoters** (score 9-10): They love the company's products and are loyal enthusiasts who will keep buying and refer others, fueling growth.
- **Passives** (score 7-8): They are satisfied but unenthusiastic customers who are vulnerable to competitive offerings.
- **Detractors** (score 0-6): They are unhappy customer who can damage company's brand and impede growth through negative word-of-mouth.

Net Promoter Score = % Promoter Customers - % Detractor Customers

Even though, NPS is the correct measure of customer satisfaction but these surveys are returned very late and hinder the possibility of Lenovo to intervene and repair the possible software issues which if fixed at right time could have increased the NPS score, and therefore the overall sales of the product.

Unlike survey data, sentiment data is available just after the product launch. This sentiment data contains the star ratings and customer sentiment as analysed by the database. The project aims at using the sentiment score available in form of sentiments and stars rating, and thus predict the NPS score of different Lenovo products using this data. NPS score, if predicted correctly, can enable Lenovo to intervene at any time period and resolve the common issues faced by the customers. This can not only increase the final survey score but also increase the sale indirectly. This way individual and overall pNPS can be improved by analyzing just the sentiment data.

OBJECTIVE OF THE PROJECT

The objective of the Project is to perform the following tasks given below –

- To devise an analytical model using CID sentiment/stars data and predict pNPS Survey scores.
- To find how the Telemetry data influence pNPS Survey Scores and sentiment/star data.
- To predict the pNPS by testing the predictive analytical model on 5 products.
- Lenovo's intervention to improve pNPS for bottom 3 consumer & commercial products.
- To find what impact do the products stars and sentiments have on the analysis.

METHODOLGY

The Project is divided into four broad phases –

- 1. Data Preparation and Analysis
- 2. Predictive Analytical Modeling
- 3. Stochastic Optimization using Markov Decision Process.
- 4. Telemetry Data Analysis

1. DATA PREPARATION & ANALYSIS

Lenovo provided us with 3 files containing Web Sentiment Data from Customers across the globe, Telemetry data from Microsoft and actual NPS scores from their customers.

Data Validation and Cleaning was done on the 142223 rows in the Web Sentiment and 48921 rows in the NPS dataset & the data was divided based on product type (Consumer & Commercial Products) to get 142 unique products. For each category, the unique products were filtered out to match with the web sentiment & the NPS Survey data. There were 74 consumer & 68 commercial products identified after initial filtering process. The unique products are shown in <u>Appendix A.</u>

The unique products were defined based on their Star-Sentiment evolution. There were 15 states defined for the analysis with 5 Star ratings (ranging from 1 to 5) and 3 Sentiment evolutions (positive, neutral and negative). The evolution of the star-rating and sentiment for each product was observed on a weekly basis. The figure below explains the evolution of the star-sentiment for the 5 products (these are the same 5 products whose NPS was supposed to be calculated).

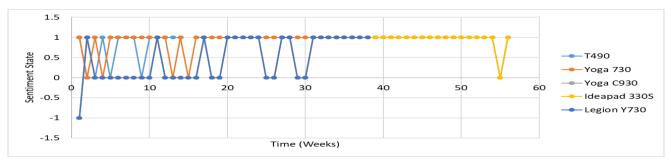


Figure 1: Sentiment Analysis of products based on weekly epochs

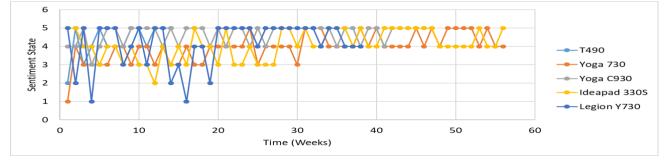


Figure 2: Star Analysis of products based on weekly epochs

2. PREDICTIVE ANALYTICAL MODELING

NPS survey and Web Sentiment for each product category was obtained after data filtration & data cleaning and exported to R Studio software for analysis. Analytical Code was developed to match each product in both the datasets (Web Sentiment & NPS Survey). Moreover, calculations of the product sentiment through PSI (Product Sentiment Index) and overall Star Rating for each Product in each category was done and were used as significant factors to formulate the NPS Score. Two Multiple Linear regression models with PSI and Star Rating (Consumer and Commercial Models) were selected among the Liner Regression Model with separate PSI and Star Ratings, Multiple Regression Model with PSI and Star Ratings and Multiple Regression Model with Interactions to predict the pNPS of the required five products. Likewise, the pNPS were predicted for the required five products.

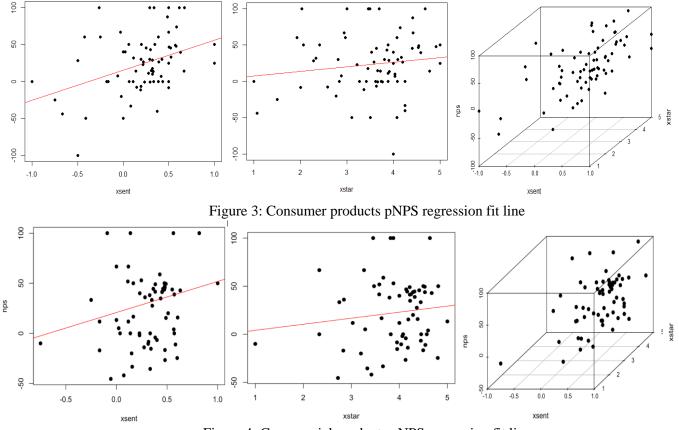


Figure 4: Commercial products pNPS regression fit line

The models gave us the regression fit line with R² value of 24.25% for consumer products and 4.5% for the commercial products. More information on the model is given in <u>Appendix B</u>. The models were finally used to predict the product NPS values of the required 5 products.

3. STOCHASTIC OPTIMIZATION USING MARKOV DECISION PROCESS

The objective of formulating a Markov Decision Model was to understand the evolution of customer sentiment & the appropriate action to improve the NPS Score of the five products. Markov Decision process is a mathematical framework for modeling decisions where outcomes are probabilistic rather than deterministic but can be influenced by the decision maker. This process also suggested best actions to take based on the optimal policy defined.

The components of Markov Decision Process we used for our project are –

- State Space (S): The objective was to assess the evolution of sentiment over time and hence the state space comprised of 3 customer sentiments states- Negative(1), Neutral(2) and Positive(3).
- Action Space (A): This includes the set of possible actions Lenovo could take to impact its NPS score. There are 2 possible actions 'Do Nothing' and 'Intervene'
- **Decision Epoch (T):** The epoch refers to the time interval over which decision is made. Since, the data was available for more than a year, we divided our epochs on a **weekly** basis.
- **Transition Probability (P):** This represents the probability of each possible state of the model in the next time period.
- **Rewards** (**R**): This considers the immediate value of taking an action at each of the given state.

Assumptions:

- 1. The probabilities for the 'Do Nothing' and 'Intervene' actions are kept same for the analysis.
- 2. The discount factor is assumed to be 0.9 which is used for analysis in Microsoft Excel.
- 3. Any intervene action by Lenovo invoked the same cost irrespective of state, the system is in.

The Markovian transition probabilities were built by observing the change in sentiments for the given 5 products on weekly epochs. The transition probabilities for each product is shown in Appendix C. This transition probability was assigned random rewards as and when Lenovo intervenes based on the analysis and assumptions from Telemetry Data. The objective function is formulated based on the transition and reward matrix and solved on Excel to predict the improved pNPS. Thus, this Markovian Decision Process helped improve the pNPS of the 5 given products by allocating rewards for each intervention and associating a probability of change in state for these interventions. This helped in analyzing how timely intervention of Lenovo would help improve the NPS score of their products.

4. TELEMETRY DATA ANALYSIS

Telemetry Data Analysis is done considering Battery Life and Driver Health Data.

1. Battery Life: Data Filtration on both Screen on Battery Life (SOBL) and Hours on Battery Life (HOBL) was done to find the unique products to make the comparisons. Percentage Difference Calculations for 25th,50th and 75th percentile battery hours from the average of Average HOBL is obtained. This made analyzing the battery performance per model easier. To calculate the effect of battery performance on NPS for each product, calculations for the 25th,50th, and 75th percentile NPS for each product was carried out as shown in table 1. A Linear Regression Model was built to predict NPS percentile for required products.

Table 1: Battery Health Data

			%ile NPS		% difference	e of SOBL da	ata from ave	rage HOB
Models	Average of Average Hours of Battery Life (HOBL)	25th	50th	75th	25th	50th	75th	
100S	5.943392799	7	9	10	-55.9322	-3.33333	5.084746	
720S	5.603203148	7	9	10	-32.1429	-8.92857	21.42857	
Miix 320	6.844745527	5	8	10	-41.1765	-4.41176	58.82353	
ThinkPad X1 Carbon 6th Gen	7.77405897	8	9	10	-32.4675	-6.49351	19.48052	
Unknown	7.758732547							
X1 Tablet (2nd Gen)	4.815421135	6.75	8	9.25	-39.5833	-18.75	12.5	
X1 Yoga (3rd Gen)	6.609767135	7.75	9	10	-56.0606	-45.4545	-31.8182	
YB1_X91L	7.323352846	7	8	9	-39.726	-19.1781	6.849315	
Yoga C930	7.321491485	no nps dat	ta		-33.0601	-9.83607		

2. Driver Health: NPS data filtration into consumer and commercial product categories and data classification of driver class from the driver health data for both commercial and consumer categories is carried out. Driver comments on NPS data for both categories, mentioning issues associated with driver classes is analyzed and their respective pNPS are noted. NPS scores given by customers from the analysis is categorized into Promoters, Neutrals & Detractors. The calculation of the probabilities of Promoters, Neutrals and Detractors from NPS Score is done given that the customer has something to say about a particular driver class. Results are derived from these probabilities for each driver class.

RESULTS

1. Prediction Analysis Results:

The Multiple linear regression model built on the Sentiment and Star-rating gave us the R2 value of 24.25% for consumer products and 4.5% for the commercial products.

```
-59.876 -27.273
                                                                                                           4.445 19.649
Residuals:
Min 1Q Median 3Q Max
-87.476 -23.959 -5.159 20.615 82.152
                                                                                     Coefficients:
                                                                                                     Estimate Std. Error t value Pr(>|t|)
coefficients:
                                                                                     (Intercept)
                                                                                                       20.812
                                                                                                                     29.786 0.699
                                                                                                                                            0.487
                                                                                                       31.035
                                                                                                                     22.556
                                                                                                                                1.376
                                                                                                                                             0.174
                                                                                     xsent
                                                                                                                               -0.234
                                                                                                       -2.029
                                                                                                                      8.674
Signif. codes: 0 '***' 0.001 '**' 0.01 '*' 0.05 '.' 0.1
                                                                                     Residual standard error: 34.97 on 61 degrees of freedom
Residual standard error: 35.7 on 69 degrees of freedom
(2 observations deleted due to missingness)
Multiple R-squared: 0.2425, Adjusted R-squared: 0.2205
F-statistic: 11.04 on 2 and 69 DF, p-value: 6.902e-05
                                                                                       (3 observations deleted due to missingness)
                                                                                                                            Adjusted R-squared:
                                                                                     Multiple R-squared: 0.04569,
                                                                                     F-statistic: 1.46 on 2 and 61 DF, p-value: 0.2402
```

Figure 5: Regression model summary for consumer and commercial products

This trained model was used to predict the pNPS and the equation built to calculate this pNPS is mentioned below –

pNPS consumer = 81.008 + 79.598 (average of sentiment) + -20.832 (average of star ratings)

pNPS commercial = 20.812 + 31.035 (average of sentiment) -2.029 (average of star ratings)

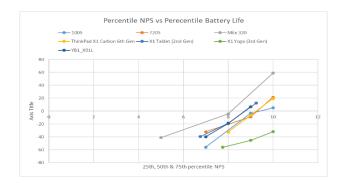
The above formula was used to predict the pNPS of the 5 products which are shown in Table 2.

PRODUCTS	AVERAGE	AVERAGE STAR	PREDICTED NPS		
	SENTIMENT	RATING	SCORE		
YOGA C930	0.5379606	4.539674	29.30		
IDEAPAD 330s	0.5023374	4.302658	31.30		
LEGION Y730	0.3221649	3.770619	28.11		
YOGA 730	0.4638525	4.225651	29.90		
T490	0.3850267	4.144385	25.42		

Table 2: Predicted NPS Score of given 5 products

2. Telemetry Regression and Analysis Results:

We plotted the Battery Life data from Table 1 and analysed the percentile NPS against the battery life. The figure 6 shows the results of the analysis. The analysis proved that the NPS and the battery telemetry are closely related with a R-Square value of 49.35% of which regression summary is shown in <u>Appendix D</u>. We estimated the 25th, 50th, and 75th percentile NPS for all the NPS ratings for YOGA C930 as shown in Figure 7.

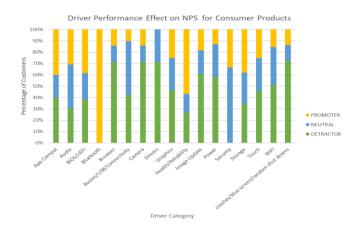


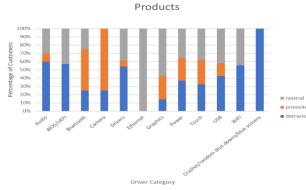
25th %ile of all NPS	8
50th %ile of all NPS	8.8
75th %ile of all NPS	9

Figure 6: Percentile NPS against Percentile Battery Life

Figure 7: NPS Prediction for Yoga C930

Driver health data was also analysed to calculate the probability of customer being a promoter, detractor or neutral, given that they have issues associated with the any of the drivers in the driver class. The figure 8 and 9 shows the results of the analysis.





Driver Reliability Effect on NPS for Commercial

Figure 8: Driver Performance Effect on NPS consumer products

Figure 9: Driver Performance Effect on NPS commercial products

3. Markov Decision Analysis Results:

The Markov Decision process helped in analyzing the pNPS after the intervention is made. The 'Do Nothing' transition probability matrix is computed here based on the evolution of sentiment over time. The 'Intervene' probability matrix has been associated with some rewards to develop an improved NPS policy.

The detailed MDP matrices and calculations are mentioned in <u>Appendix C</u>. The results we got after minimizing the objective function to maximize the product NPS are shown in Table 3 below –

Table 3: Improved NPS of given 5 products devised from Markov Decision Process

PRODUCTS	YOGA C930	IDEAPAD 330s	LEGION Y730	YOGA 730	T490
MDP Predicted NPS Score	90.21	40.17	36.56	58.5	40.6

RECOMMENDATIONS

After extensively working on the Project, team would like to give the following recommendations:

- The team suggests that the initial actions for NPS prediction should be made on Multiple Linear Regression Model because of high correlation between sentiment & star rating (96%), thus more weightage to Sentiment should be given. This ensures best prediction for pNPS score through Customer Sentiment and Battery Life data from Telemetry.
- Secondly, the team recommends on using NPS Score prediction through Markov Decision
 Process for products through Lenovo's intervention, analyzing Telemetry Data using Linear
 Programming. Each intervention will help increase NPS and hence taking intervention would be
 the optimal decision for the company.
- 3. An exploratory data analysis focusing on each product with unique regression model should be done after collecting proper NPS survey data & sentiment to get accurate results.

- 4. Lenovo should start a compulsory membership for its customers & should send surveys with a feedback time of one to three months along with offers associated with this time duration to get early feedbacks. It will help to track the customers and take area specific decisions, shorten the time of data collection & thus help to figure out and narrow down problem with each product.
- 5. The team recommends Lenovo to track the user experience more closely to make decisions on driver intervention because a driver having a huge number of crashes does not necessarily translate to bad user experience. Moreover, third party driver vendors must be communicated accordingly.
- 6. It must be ensured that the battery performs as close as possible to the battery specifications as it is found directly affects the NPS through battery performance.

All these Recommendations will help Lenovo improve their product's NPS by solving the problems using optimal policy which will help them improve their products pNPS Score.

CONCLUSIONS

Based on the Web Sentiment data and NPS Survey Data for all Geographical regions and for unique products (74 consumer products and 68 commercial products), the team was able to pick out several findings for the objectives of the projects defined and underlying trends from the data. Some of these key findings for the project objectives are as follows:

- Two Multiple Liner Regression Models one for 74 unique consumer products and one for 68
 unique commercial products were formulated with R² values of 24.25% and 4.57 % to predict pNPS
 score for each product.
- 2. A Multiple Linear Regression Model for percentile NPS on Battery Average HOBL and percentile category is done to predict percentile NPS from which NPS score can be predicted.
- 3. The pNPS of the five products Yoga C930, Ideapad 330s, Legion Y730, Yoga 730 and T490 are predicted using our Predicted Analytical Model and also predicted using MDP. Also, the predictions were made on NPS Score of Yoga C930 using Battery Life Telemetry data.
- 4. The bottom three consumer products are Flex 3 14", Yoga 2 Pro and Yoga 3 14" whereas the bottom three commercial products are E560, V110 15" and V130 14". The actions that Lenovo can take to improve NPS are stated under Recommendations.
- 5. Product Star rating and Sentiment have high correlation values and also it was observed that the Customer Sentiments have high weightage on NPS rather than Star Rating.

APPENDIX

References -

- 1. Regression Analysis for predictions https://home.ubalt.edu
- 2. Wikipedia
- 3. Introduction to Statistical Learning (Authors Gareth James, Daniel Witten, Trevor Hastie, Robert Tbshrinani)
- 4. Applied Statistics & Probability for engineers (Authors Douglas C. Montgomery, Geroge C. Runger)

A) Unique Products matching Sentiment & Survey data

Matching Products	X280	P300
M910 TOWER	N23 CHROME	A285
M710 SFF	M910 TINY	E580
P51	T470	V110 15
M83	X1 TABLET GENERAL	E470
T480	L470	E550
P52S	P52	E590
M73	THINKPAD 25	E480
P51S	P1	V720 14
	P920	E575
T580	T470S	E570
THINKPAD 13 GENERAL	T470P	E585
M93P	L480	E485
N22 CHROME	X270	V130 15
P71	T570	E560
L580	P72	V330 15
TP YOGA 370	M715 SFF	E460
X380 YOGA	TP YOGA 14	E475
ONELINK DOCK	P50S	E450
P50	THINKPAD TABLET 8	E490
M710 TOWER	TP YOGA 12	V130 14
M910Z	P70	
	P40 YOGA	V330 14
T480S	L390	V530S

Figure 1: Unique Commercial Products

PRODUCTS	IDEACENTRE Y900	MIIX 700
CHROMEBOOK C330	IDEAPAD 100 14	MIIX2 8
CHROMEBOOK \$330	IDEAPAD 100 15	MIRAGE SOLO
FLEX 2 14	IDEAPAD 100S 14	PHAB 2
FLEX 2 15	IDEAPAD 110 14	PHAB 2 PLUS
FLEX 3 11	IDEAPAD 110 15	PHAB 2 PRO
FLEX 3 14	IDEAPAD 110 17	STAR WARS: JEDI CHALLENG
FLEX 3 15	IDEAPAD 120S 11	TAB 3 A8
H50-50	IDEAPAD 120S 14	TAB 4 8
IDEACENTRE 300	IDEAPAD 300 15	YOGA 2 11
IDEACENTRE 310S	IDEAPAD 310 15	YOGA 2 13
IDEACENTRE 510A	IDEAPAD 320 15	YOGA 2 GENERAL
IDEACENTRE 510S	IDEAPAD 320S 14	YOGA 2 PRO
IDEACENTRE 710	IDEAPAD 320S 15	YOGA 3 11
IDEACENTRE 720	IDEAPAD 500 15	YOGA 3 14
IDEACENTRE AIO 330-20	IDEAPAD 510 15	YOGA 3 PRO
IDEACENTRE AIO 510-22	IDEAPAD 520 15	YOGA 300
IDEACENTRE AIO 510-23	IDEAPAD 700 15	YOGA 500 14
IDEACENTRE AIO 510S	IDEAPAD 700 17	YOGA 700 11
IDEACENTRE AIO 520-22	LEGION Y520	YOGA 710 11
IDEACENTRE AIO 520-24	LEGION Y520 TOWER	YOGA 710 15
IDEACENTRE AIO 520-27	LEGION Y740 15	YOGA 720 13
IDEACENTRE AIO 520S	LENOVO SMART DISPLAY 8	YOGA 720 15
IDEACENTRE Y700	MIIX 300	YOGA 900 GENERAL
IDEACENTRE Y710 CUBE	MIIX 630	YOGA TAB 3 PLUS

Figure 2: Unique Consumer Products

B) NPS Prediction Regression Model

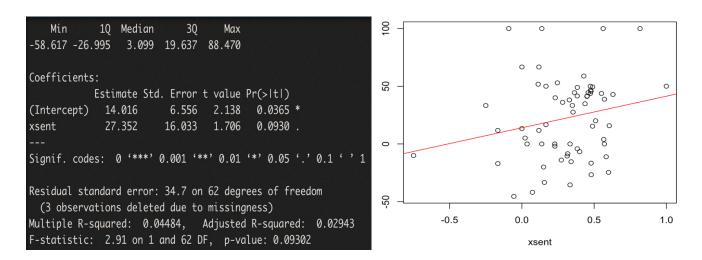


Figure 3: Regression model NPS vs Sentiment Rating for commercial products

```
8
                                                                                                        \infty
                                                                                                                  0
Residuals:
    Min
             1Q Median
                             30
                                    Max
-61.273 -26.954 -0.857 20.592 80.434
                                                                                                        0
                                                                 20
                                                                                                    00
                                                                                           00
Coefficients:
            Estimate Std. Error t value Pr(>|t|)
                                                                                                          0
                                                                                               0
(Intercept)
              -2.191
                         24.828 -0.088
                                           0.930
                                                                                                  0
                                                                                                                08
                                                                                                           8
               6.298
                                                                                                          %
xstar
                          6.258
                                1.006
                                           0.318
                                                                       0
                                                                                            0
                                                                                                 0
                                                                                                            0
                                                                                                  0
                                                                                                      0
Residual standard error: 35.22 on 62 degrees of freedom
                                                                 -50
 (3 observations deleted due to missingness)
Multiple R-squared: 0.01608,
                              Adjusted R-squared: 0.0002054
                                                                                   2
                                                                                              3
                                                                                                          4
                                                                                                                      5
F-statistic: 1.013 on 1 and 62 DF, p-value: 0.3181
                                                                                             xstar
```

Figure 4: Regression model NPS vs Star Rating for commercial products

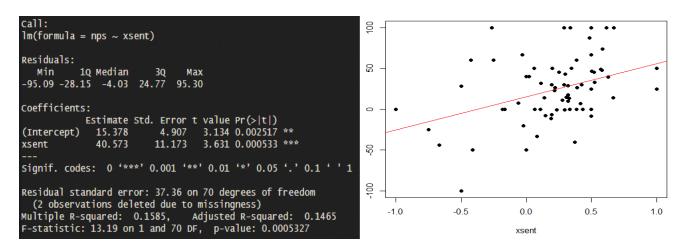


Figure 5: Regression model NPS vs Sentiment for consumer products

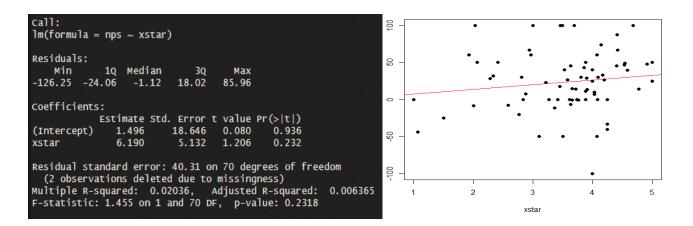


Figure 6: Regression model NPS vs Star Rating for consumer products

C) Markov Decision Process

Transition Matrices

	Negative(-1)	Neutral(0)	Positive(1)
	1	2	3
1	0.006173	0.018519	0.012346
2	0.012346	0.166667	0.160494
3	0.018519	0.15432	0.450616

	Negative(-1)	Neutral(0)	Positive(1)
	1	2	3
1	0	0	0.01204813
2	0	0.10843372	0.12650602
3	0.0060242	0.12650601	0.62048192

Ideapad 330S

		Negative(-1)	Neutral(0)	Positive(1)
I		1	2	3
I	1	0.013158	0.026316	0.078947
I	2	0.013158	0.065789	0.157895
	3	0.092105	0.131579	0.421053

	Negative(-1)	Neutral(0)	Positive(1)
	1	2	3
1	0	0	0
2	0	0	0.06382979
3	0	0.08510638	0.85106383

Legion Y730

Yoga C930

	Negative(-1)	Neutral(0)	Positive(1)
	1	2	3
1	0	0	0
2	0	0.071428572	0.214285714
3	0	0.214285714	0.5

T490

Figure 7: Transition probabilities based on sentiment for given 5 products

Reward Matrices

	Reward Matrix		
	Do not Intervene(1)	Intervene(2)	
1	-100	-50	
2	5	30	
3	70	100	

Figure 8: Reward Matrix used to improve NPS for 5 given products

Objective Function

$$Max\;Z=R_{11}Y_{11}+R_{12}Y_{12}+R_{21}Y_{21}+R_{22}Y_{22}+R_{31}Y_{31}+R_{32}Y_{32}$$

Here R represents the rewards associated with each action and state

Subject to -

$$\begin{split} &(Y_{11}+Y_{12})-(P_{11}Y_{11}+P'_{11}Y_{12}+P_{21}Y_{21}+P'_{21}Y_{22}+P_{31}Y_{31}+P'_{31}Y_{32})\\ &(Y_{21}+Y_{22})-(P_{12}Y_{11}+P'_{12}Y_{12}+P_{22}Y_{21}+P'_{22}Y_{22}+P_{32}Y_{31}+P'_{32}Y_{32})\\ &(Y_{31}+Y_{32})-(P_{13}Y_{11}+P'_{13}Y_{12}+P_{23}Y_{21}+P'_{23}Y_{22}+P_{33}Y_{31}+P'_{33}Y_{32}) \end{split}$$

Here P represents the transition probabilities to each state for 'Do Nothing' action and P' represents the transition probabilities to each state for 'Intervene' action.

D) Telemetry Data

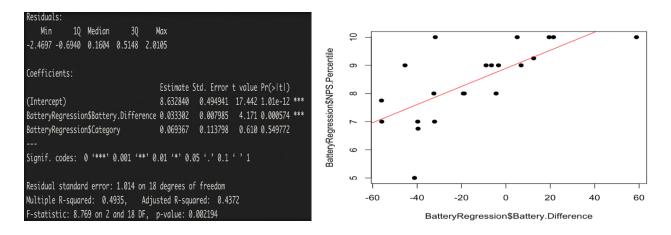


Figure 9: Regression on NPS and Percentile Battery Life