

LEAD SCORING CASE STUDY

Building a Logistic Regression Model for X Education, an online education company using Python libraries.

GROUP

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Approach

- ▣ Datasets were imported and Python libraries – Pandas, Numpy, Matplotlib.pyplot, Seaborn, Statsmodels and sklearn were used for analysis.
- ▣ Data was observed, cleaned and analysed using imputations, deletion, outlier treatments, data imbalance, Univariate and Multivariate analysis.
- ▣ Model was built using MultiClass Logistic Regression

Data Understanding

1. There were 9240 rows and 37 columns initially.
2. 30 of the columns contained string/object type data, rest were numerical.
3. 'Converted' column as Target column
4. Initial conversion rate at 38%.

Data Cleaning

- ▣ 5 columns, eg. Magazine with no variance were deleted.
- ▣ Columns with more than 30% values either missing or having 'Select' as value were deleted. Eg. How did you hear about X Education
- ▣ Columns having 2% to 30% missing values were imputed with 'Other' or 'Unknown' for categorical columns.
- ▣ Rows of variables such as TotalVisits with less than 2% missing values were deleted.

Data Cleaning

- ▣ Categorical variables such as 'Country' having large number of unique value but having less than 8% contribution were merged as Other.

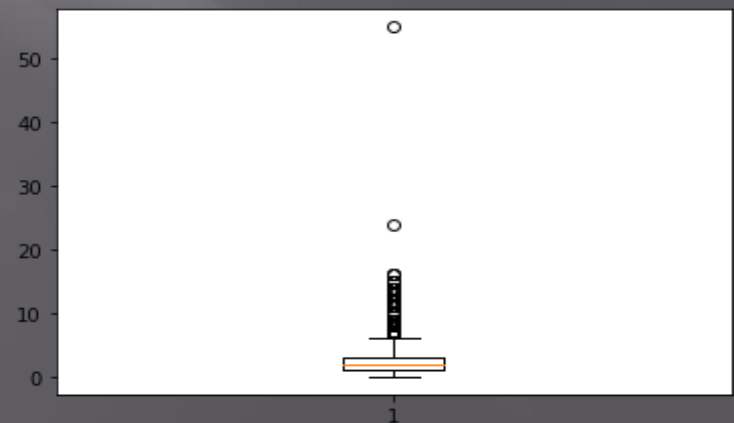
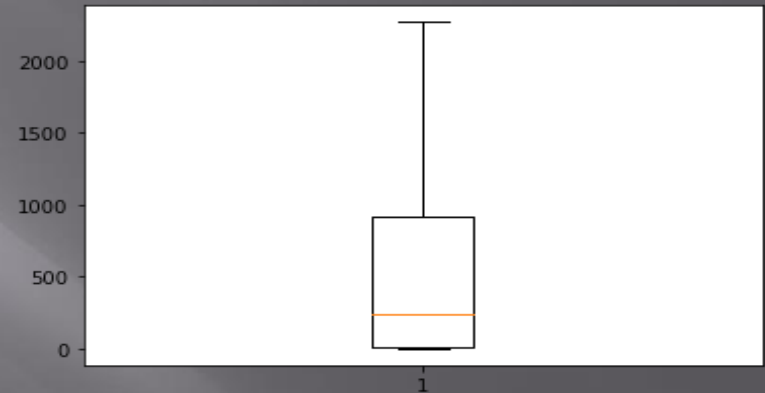
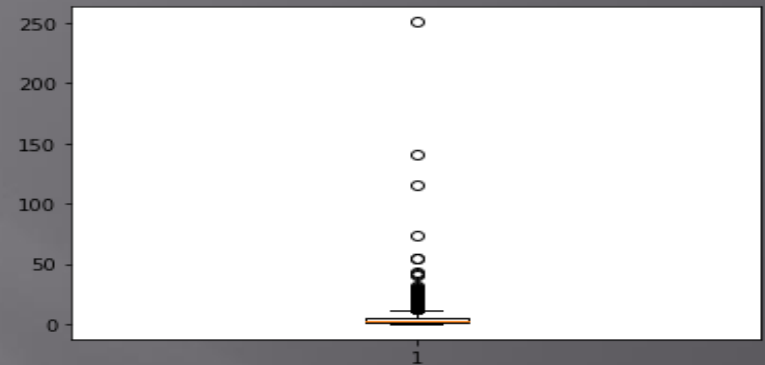
Outliers

For numerical columns ,
Boxplot were made and
outliers were analysed.

For, TotalVisits column, 25
was set as cutoff.

For, Total Time Spent on
Website , no outlier
treatment was required.

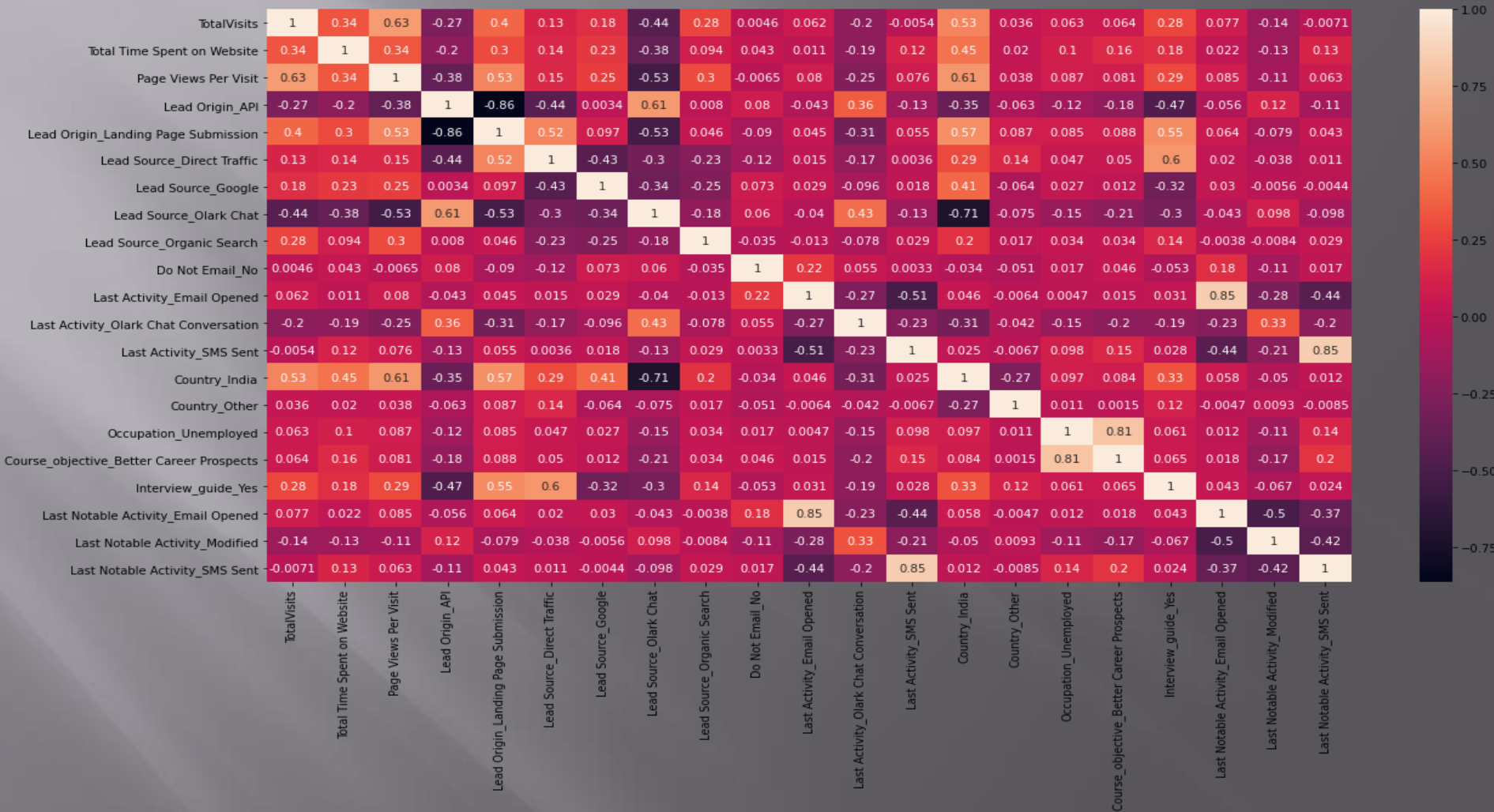
For, Page Views Per Visit
col, 10 was set as cutoff.



Splitting, Dummy Creation and Scaling

- ▣ Test-Train split was done as 70-30%.
- ▣ Train set numerical variables were fit and scaled using Standardisation.
- ▣ Test set numerical variables were only scaled using Standardisation.
- ▣ Dummy variables were created for rest of the categorical columns and one was dropped from each.

Correlations



Columns with correlation $> |0.7|$ were deleted

Statistical limits

- ▣ We were left with 17 columns.
- ▣ RFE was used to keep 12 columns and rest were dropped.
- ▣ P-value < 0.02 and VIF < 5 was used as cutoff to keep remaining variables thus, 3 more were deleted after a few iterations.
- ▣ Total 9 variables were left for model to be trained upon

Model Building

- ▣ Logistic Regression was used to teach the model.
- ▣ Confusion matrix was made on the predicted and actual conversions at cutoff probability of 0.5 initially.
- ▣ Recall, precision and accuracy were calculated for multiple cutoff probability.
- ▣ Final cutoff was set at 0.4 while optimising the model for Recall.
- ▣ Score column was made as 100 times probability.

Model Performance

- ▣ On Train Set: Recall = 75.4%, Accuracy = 77%, Precision = 68% and F1 Score = 71.5%.
- ▣ On Test Set: Recall = 75%, Accuracy = 76%, Precision = 68% and F1 Score = 71.8%.

CONCLUSION

Most important Variables for Model:

1. Do Not Email_No
2. Occupation_Unemployed
3. Lead Source_Google
4. Lead Source_Direct Traffic
5. Last Notable Activity_Modified
6. Last Activity_SMS Sent
7. Lead Source_Organic Search
8. Last Activity_Olark Chat Conversation
9. Total Time Spent on Website

Final F1 score was 0.71 with recall of 0.75, precision of 0.68 and accuracy of 0.76.