LEAD SCORING CASESTUDY

By Arjun Singh Baghel

AIM

• To build a Logistic Regression Model to predict whether a lead for online courses for an education company named X Education would be successfully converted or not

OBJECTIVE:

- To Help X Education system to select most promising leads (Hot Leads), leads which are most likely to convert into paying customers
- To build a logistic regression model to assign a lead score value between 0 to 100 to each of the leads which can be used by the company to target potential leads

BUSINESS OBJECTIVE

Business Objective can be classified into 3 main sub-goals

Multiply the Lead conversion probability to arrive at the lead score

Create a logistic regression model to predict the leads conversion

Decide a probability threshold value above which a lead will be predicted as converted

PROBLEM SOLVING METHODOLOGY

- The approach adopted to resolve this group case study can be achieved by following the below methods sequentially
 - :- Understanding the dataset & Data preparation
 - :- Applying Recursive feature elimination to identify the best performing subset of features for building the model.
 - :- Building the model with features selected by RFE.
 - :- Eliminating all features with high p-value and VIF values and finalize the model
- :- Performed model evaluation with various metrics like sensitivity, specificity, precision, recall etc.

PROBLEM SOLVING METHODOLOGY CONTD...

- Decide on the probability threshold value based on the optimal cutoff point predicted the dependent variable for the training data
- Using the model for the prediction of the dataset and perform model evaluation for the test set

Followed the below steps:

Removed columns which has one unique value

Deleting the following columns as they have only one unique value and hence cannot be responsible in predicting a successful lead case – 'Magazine', 'Receive More Updates About Our Courses', 'Update me on Supply Chain Content', 'Update me on Supply Chain Content' and 'I agree to pay the amount through cheque'.

Removing rows where a particular column has high missing values

'Lead Source' is an important column for analysis. Hence all the rows that have null values for it were dropped.

Imputing Null values with Median

The columns 'TotalVisits' and 'Page Views Per Visit' are continuous variables with outliers. Hence the null values for these columns were imputed with the column median values..

Imputing Null Values with mode

The columns 'Country' is a categorical variable with some null values. Also majority of the records belong to the Country 'India'. Thus imputed the null values for this with mode(most occuring value). Then binned rest of category into 'Outside India'..

Handling 'Select' values in some columns

- •There are some columns in dataset which have a level/value called 'Select'. This might have happened because these fields in the website might be non mandatory fields with drop downs options for the customer to choose from. Amongst the dropdown values, the default option is probably 'Select' and since these aren't mandatory fields, many customer might have have chosen to leave it as the default value 'Select'.
- •The Select values in columns were converted to Nulls.

Assigning a Unique Category to NULL/SELECT values

- All the nulls in the columns were binned into a separate column 'Other Specialization'.
- •Instead of deleting columns with huge null value percentage(which results in loss of data), this strategy adds more information into the dataset and results in the change of variance.
- Few Select value has been imputed with the present values like NotSure

Outlier Treatment

•The outliers present in the columns 'TotalVisits' & 'Page Views Per Visit' were finally removed based on interquartile range analysis.

Binary Encoding

- Converting the following binary variables (Yes/No) to 0/1:
- •'Search', 'Do Not Email', 'Do Not Call', 'Newspaper Article', 'X Education Forums', 'Newspaper', 'Digital Advertisement', 'Through Recommendations' and 'A free copy of Mastering The Interview'

• Reading & Visualizing the dataset

	Prospect ID	Lead Number	Lead Origin	Lead Source	Do Not Email	Do Not Call	Converted	TotalVisits	Total Time Spent on Website	Page Views Per Visit	 Get updates on DM Content	Lead Profile	City	Asymmetrique Activity Index	Asymmetriqu Profile Inde
0	7927b2df- 8bba-4d29- b9a2- b6e0beafe620	660737	API	Olark Chat	No	No	0	0.0	0	0.0	 No	Select	Select	02.Medium	02.Mediu
1	2a272436- 5132-4136- 86fa- dcc88c88f482	660728	API	Organic Search	No	No	0	5.0	674	2.5	 No	Select	Select	02.Medium	02.Mediu
2	8cc8c611- a219-4f35- ad23- fdfd2656bd8a	660727	Landing Page Submission	Direct Traffic	No	No	1	2.0	1532	2.0	 No	Potential Lead	Mumbai	02.Medium	01.Hiç
3	0cc2df48-7cf4- 4e39-9de9- 19797f9b38cc	660719	Landing Page Submission	Direct Traffic	No	No	0	1.0	305	1.0	 No	Select	Mumbai	02.Medium	01.Hi <u>c</u>
4	3256f628- e534-4826- 9d63- 4a8b88782852	660681	Landing Page Submission	Google	No	No	1	2.0	1428	1.0	 No	Select	Mumbai	02.Medium	01.Hi <u>c</u>

Shape of the dataset

- 1 #looking at the shape of data
- 2 lead_df.shape

(9240, 37)

Total number of rows: 9240

Total number of columns: 37

Information of Dataset(Colum types & Rows)

```
<class 'pandas.core.frame.DataFrame'>
RangeIndex: 9240 entries, 0 to 9239
Data columns (total 37 columns):
Prospect ID
Lead Number
Lead Origin
Lead Source
Do Not Email
Do Not Call
Converted
TotalVisits
                                                                                                               9240 non-null object
9240 non-null int64
                                                                                                                9240 non-null object
                                                                                                                9204 non-null object
9240 non-null object
                                                                                                               9240 non-null object
9240 non-null object
9240 non-null int64
9103 non-null float64
9240 non-null int64
TotalVisits
Total Time Spent on Website
Page Views Per Visit
Country
Specialization
How did you hear about X Education
What is your current occupation
What matters most to you in choosing a course
What matters most to you in choosing a course
                                                                                                                9103 non-null float64
                                                                                                                9137 non-null object
                                                                                                                6779 non-null object
                                                                                                                7802 non-null object
7033 non-null object
                                                                                                               6550 non-null object
6531 non-null object
 Search
Magazine
                                                                                                                9240 non-null object
9240 non-null object
 Newspaper Article
X Education Forums
                                                                                                                9240 non-null object
9240 non-null object
 Newspaper
                                                                                                                9240 non-null object
 Digital Advertisement
                                                                                                                9240 non-null object
 Through Recommendations
Receive More Updates About Our Courses
                                                                                                                9240 non-null object
9240 non-null object
5887 non-null object
Tags
Lead Quality
                                                                                                                4473 non-null object
```

• Describing the dataset

1 # looking at teh mean and deviation of the in each coulumns and rows
2 leads describe()

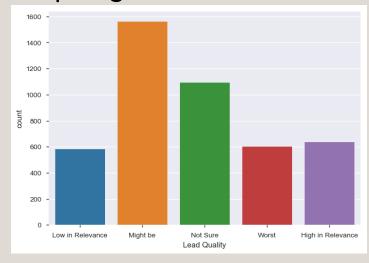
2 1	leads.describe()										
	Lead Number	Converted	TotalVisits	Total Time Spent on Website	Page Views Per Visit	Asymmetrique Activity Score	Asymmetrique Profile Score				
count	9240.000000	<u>9240.000000</u>	9103.000000	9240.000000	9103.000000	5022.000000	5022.000000				
mean	617188.435606	0.385390	3.445238	487.698268	2.362820	14.306252	16.344883				
std	23405.995698	0.486714	4.854853	548.021466	2.161418	1.386694	1.811395				
min	579533.000000	0.000000	0.000000	0.000000	0.000000	7.000000	11.000000				
25%	596484.500000	0.000000	1.000000	12.000000	1.000000	14.000000	15.000000				
50%	615479.000000	0.000000	3.000000	248.000000	2.000000	14.000000	16.000000				
75%	637387.250000	1.000000	5.000000	936.000000	3.000000	15.000000	18.000000				
max	660737.000000	1.000000	251.000000	2272.000000	55.000000	18.000000	20.000000				

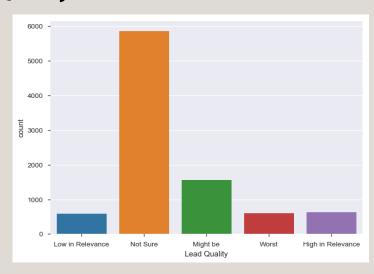
• Imputing Select/Null values from the dataset

• Imputing Select/Null values from the dataset

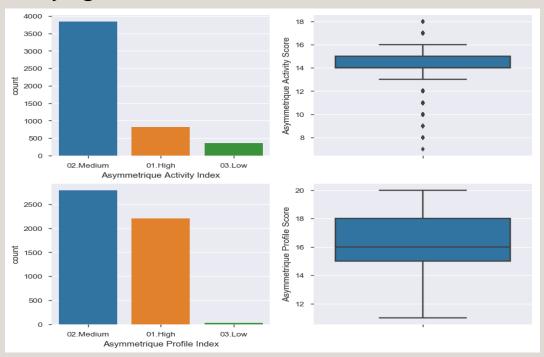
```
'What is your current occupation' : Column
In [464]: 1 lead_df['What is your current occupation'].describe()
Out[464]: count
          unique
          top
                   Unemployed
          freq
          Name: What is your current occupation, dtype: object
          'Unemployed' is the top used value.
In [465]: 1 # Imputing NaN to 'Unemployed'.
            2 lead_df['What is your current occupation'] = lead_df['What is your current occupation'].replace(np.nan, 'Unemploy's
          Country: Column
          1 lead_df.Country.describe()
Out[466]: count
          unique
                   India
          Name: Country, dtype: object
```

• Imputing Nulls: with Not Sure for Lead Quality

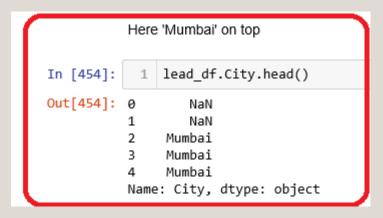


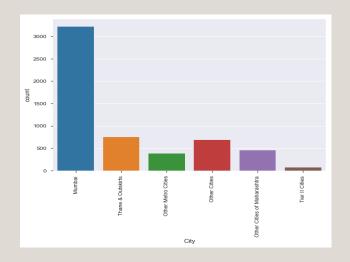


• Identifying outlier:



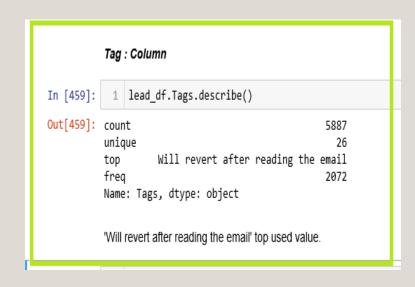
• Imputing Nulls in City:

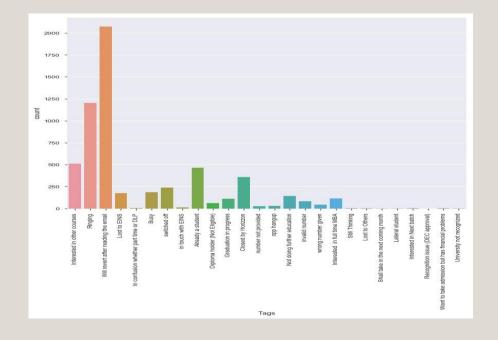




• Created a new column "Other Specialization" to impute the value of Specialization

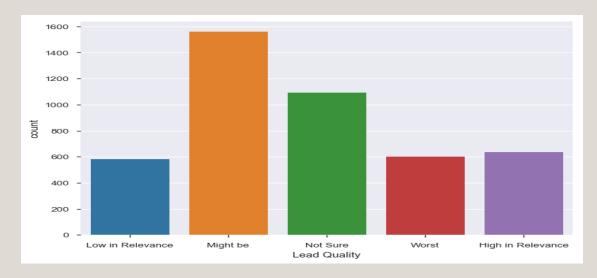
Imputed NAN with most frequent option" Will revert after reading the email)



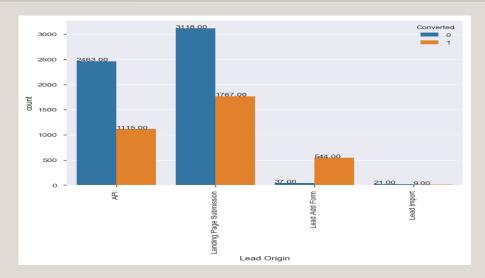


• Dropped the variable having 2% missing values

Lead Quality

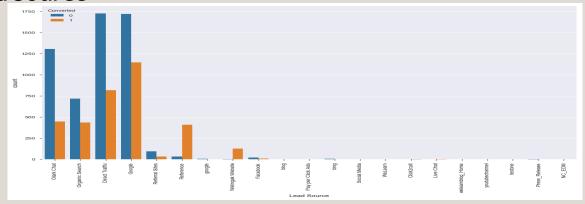


Lead Origin



[{"metadata":{},"cell_type":"markdown","source":"Inference:\n\n - 'Landing Page Submission' is the top conversion count, than second is 'API' variable.\n - 'Lead Add From' aprox 90% conversion rate but count of lead are not very high.\n - 'Lead Import' having only 9 count of conversion rate.\n \n- So according to the above visualization and Inferences we say that, we need to target 'Landing Page Submission' and 'API' variables to improve the overall lead conversion rate."}

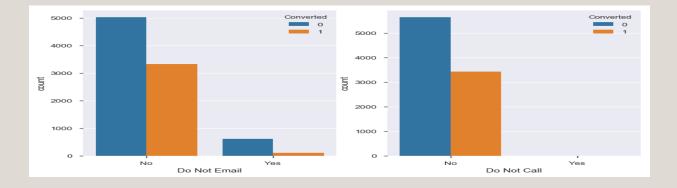
Lead Source



Inference:

- In Lead Source 'Google' having top most conversion count of leads. Second highest conversation count of 'Direct Traffic' Lead Source.
- •So according to the above visualization and Inferences we say that, we need to target Google, Direct, Organic Search, and Olark Chat variables to improve the overall lead conversion rate and generate more leads from reference and welingak website.

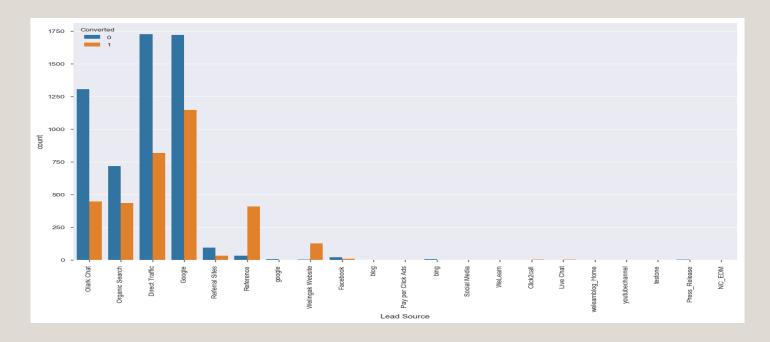
• Do Not Call & Do not Email



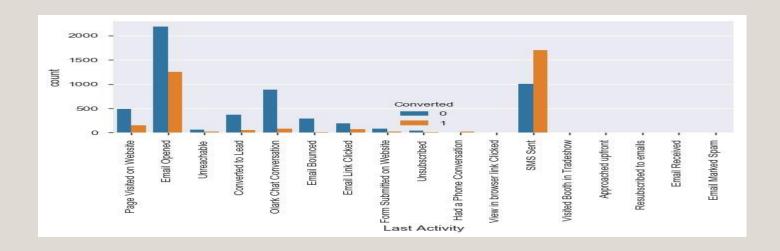
Inference:

- In 'Do Not Email' if lead sending email than converstion count is high. - In 'Do Not Call' if lead called than converstion count is high.

Lead Source



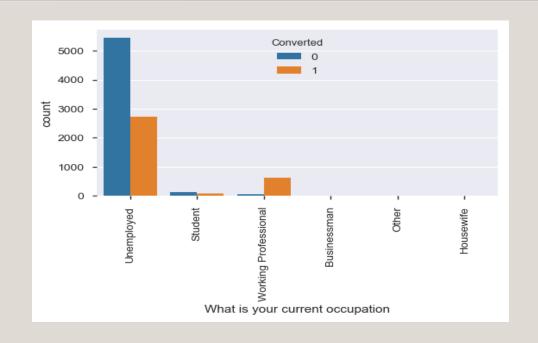
LastActivity



EDA CONTD...

```
City: Column
In [453]: 1 lead_df.City.describe()
Out[453]: count
                     5571
          unique
                   Mumbai
          freq
                     3222
          Name: City, dtype: object
          Here 'Mumbai' on top
In [454]: 1 lead_df.City.head()
Out[454]: 0
                 NaN
              Mumbai
              Mumbai
              Mumbai
          Name: City, dtype: object
In [455]: 1 sns.countplot(lead_df.City)
           2 plt.xticks(rotation = 90)
INTIMEST CONNECTION 1 3 J A ELL Za last of 6 Love verselabol objects)
```

EDA CONTD...



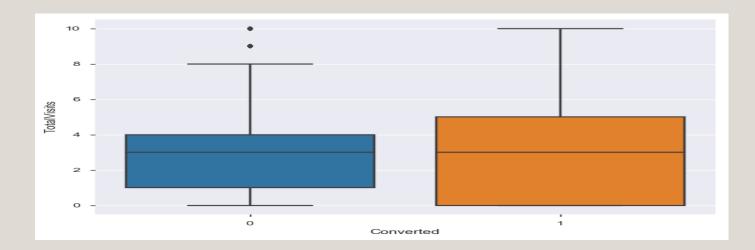
EDA: OUTLIERIDENTIFICATION

Lead Source



```
# 17.00 data is 99%
# So for analysis 5% to 95%
percentiles = lead_df[TotalVisits'].quantile([0.05,0.95]).values
lead_df[TotalVisits'][lead_df[TotalVisits'] <= percentiles[0]] = percentiles[0]
lead_df[TotalVisits'][lead_df[TotalVisits'] >= percentiles[1]] = percentiles[1]
```

EDA CONTD...



Inference

- Median of both converted and not converted are equal.

Dummy Encoding • For the following categorical variables with multiple levels, dummy features (one-hot encoded) were created:

•'Lead Quality','Asymmetrique Profile Index','Asymmetrique Activity Index','Tags','Lead Profile', 'Lead Origin','What is your current occupation', 'Specialization', 'City','Last Activity', 'Country' and 'Lead Source','Last Notable Activity'

Test-Train Split

•The original data frame was split into train and test dataset. The train dataset was used to train the model and test dataset was used to evaluate the model.

Feature Scaling

- Scaling helps in interpretation. It is important to have all variables(specially categorical ones which has values 0 and 1) on the same scale for the model to be easily interpretable.
- 'Standardisation' was used to scale the data for modelling. It basically brings all of the data into a standard normal distribution with mean at zero and standard deviation one.

Dummy Encoding

```
For categorical variables with multiple levels, creating dummy features (one-hot encoded)

In [71]:

1  # Creating a dummy variable for some of the categorical variables and dropping the first one.

2  dummy1 = pd.get_dummies(leads[['Country', 'Lead Source', 'Lead Origin', 'Last Notable Activity']], drop_first=True)

3  # Adding the results to the master dataframe
5  leads = pd.concat([leads, dummy1], axis=1)
6  leads.shape

Out[71]: (8575, 66)
```

Binary Encoding

FEATURE SELECTION USING RFE

• Recursive feature elimination is an optimization technique for finding the best performing subset of features. It is based on the idea of repeatedly constructing a model and choosing either the best (based on coefficients), setting the feature aside and then repeating the process with the rest of the features. This process is applied until all the features in the dataset are exhausted. Features are then ranked according to when they were eliminated.

FEATURE SELECTION USING RFE

```
Step 7: Feature Selection Using RFE
      1 from sklearn.linear model import LogisticRegression
      2 logreg = LogisticRegression()
      1 from sklearn.feature_selection import RFE
      2 rfe = RFE(logreg, 20)
                                      # running RFE with 20 variables as output
      3 rfe = rfe.fit(X train, y train)
         rfe.support
[90]: array([False, False, False, False, False, False, False, False, False,
           False, False, False, False, False, False, False, False,
           False, False, False, False, False, False, False, True,
           False, False, False, False, False, False, False, False,
           False, False, False, False, False, False, False, False,
           False, False, False, False, False, False, False, False,
           False, True, False, False, False, False, True, False,
           False, True, False, False, False, False, True, False,
            True, False, False, False, True, False, False, False,
            True, False, True, True, False, True, True, False, False,
           False, False, False, False, False, False, False, False, False,
```

RECURSIVE FEATURE ELIMINATION

```
1 # Using RFE for variables selection
In [558]:
           3 # Importing LogisticRegression
           4 from sklearn.linear model import LogisticRegression
           6 # Creating Object
           7 logreg = LogisticRegression()
           9 # Importing RFE
          10 from sklearn.feature_selection import RFE
          11 rfe = RFE(logreg, 15)
          12 rfe = rfe.fit(X_train, y_train)
In [559]: 1 rfe.support_
Out[559]: array([ True, False, False, False, False, False, True, False, False,
                False, False, False, False, False, True, False, False,
                False, False, False, False, False, False, False, False,
                False, False, False, False, False, False, False, False,
                False, False, False, False, False, False, False, False,
                False, False, False, True, True, False, False, True,
                False, False, True, True, True, True, False, False,
                True, True, False, False, False, False, False, False,
                False, False, False, False, False, False, False, False,
                 True, False, False, False])
```

BUILDING MODEL

- Generalized Linear Models from Stats Models is used to build the Logistic Regression model.
- The model is built initially with the 15 variables selected by RFE.
- Unwanted features are dropped serially after checking p values (<0.5) and VIF (< 5) and model is built multiple times.
- The final model with 16 features, passes both the significance test and the multicollinearity test.

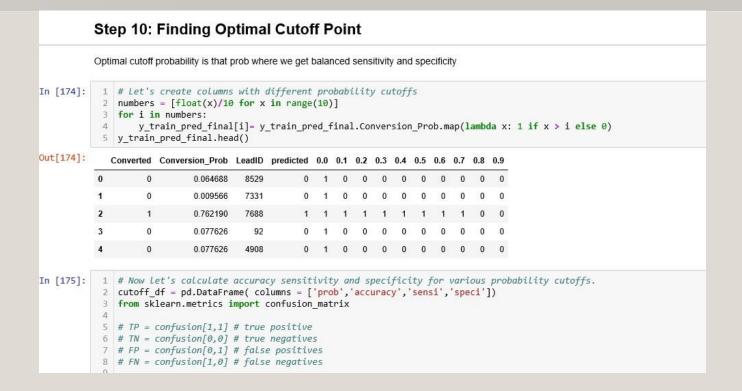
BUILDING MODEL

Dep. Variable:	Converted	No. Observations:	6002					
Model:	GLM	Df Residuals:	5871					
Model Family:	Binomial	Df Model:	130					
Link Function:	logit	Scale:	1.0000					
Method:	IRLS	Log-Likelihood:	nan					
Date:	Mon, 26 Aug 2019	Deviance:	nan					
Time:	13:13:45	Pearson chi2:	3.54e+18					
No. Iterations:	100	Covariance Type:	nonrobust					
			coef	std err	z	P> z	[0.025	0.975]
		cons	t -3.282e+15	1.08e+08	-3.03e+07	0.000	-3.28e+15	-3.28e+15
		Do Not Ema	il -5.112e+14	4.66e+06	-1.1e+08	0.000	-5.11e+14	-5.11e+14

PREDICTING THE CONVERSION PROBABILITY & PREDICTIVE COLUMNS

```
In [95]: 1 # Getting the predicted values on the train set
           2 y train pred = res.predict(X train sm)
           3 y_train_pred[:10]
Out[95]: 8529
         7331
                0.0
               1.0
                 0.0
               0.0
         4945 0.0
         2844 1.0
         4355 0.0
         7251 0.0
         dtype: float64
In [96]: 1 # reshaping the numpy array containing predicted values
           y train_pred = y train_pred.values.reshape(-1)
          3 y train pred[:10]
Out[96]: array([0., 0., 1., 0., 0., 0., 0., 1., 0., 0.])
         Creating a dataframe with the actual churn flag and the predicted probabilities
In [97]: 1 y_train_pred_final = pd.DataFrame({'Converted':y_train.values, 'Conversion_Prob':y_train_pred})
           2 y train pred final['LeadID'] = y train.index
           3 y_train_pred_final.head()
Outfoll:
```

FINDING OPTIMAL PROBABILITY THRESHOLD



PLOTTING ROC AND CALCULATING AUC

```
Using the probability threshold value 0f 0.33 on the test dataset to predict if a lead will convert
In [213]: 1 y_pred_final['final_predicted'] = y_pred_final.Conversion_Prob.map(lambda x: 1 if x > 0.33 else 0)
In [214]: 1 y_pred_final.head()
Out[214]:
              LeadID Converted Conversion_Prob final_predicted
               6190
                                     0.000591
               7073
                                     0.077626
                                     0.309185
                                     0.999825
                                     0.077626
           1 # Let's check the overall accuracy.
            2 acc_score=metrics.accuracy_score(y_pred_final.Converted, y_pred_final.final_predicted)
            3 acc_score
Out[215]: 0.9055577147298873
In [216]: 1 confusion_test = metrics.confusion_matrix(y_pred_final.Converted, y_pred_final.final_predicted )
            print(confusion test)
           [[1445 132]
            [ 111 885]]
```

PRECISION & RECALL

```
F1 = 2×(Precision*Recall)/(Precision+Recall)
           1 F1 = 2*(Precision*Recall)/(Precision+Recall)
In [227]:
           2 F1
Out[227]: 0.879284649776453
          Classification Report
           1 from sklearn.metrics import classification_report
In [228]:
           print(classification_report(y_pred_final.Converted, y_pred_final.final_predicted))
                       precision
                                   recall f1-score support
                                     0.92
                                               0.92
                                                        1577
                           0.93
                                               0.88
                                                         996
                           0.87
                                     0.89
          avg / total
                           0.91
                                     0.91
                                               0.91
                                                         2573
```

LEAD SCORE CALCULATION

Step 13: Calculating Lead score for the entire dataset Lead Score = 100 * ConversionProbability This needs to be calculated for all the leads from the original dataset (train + test) 1 # Selecting the test dataset along with the Conversion Probability and final predicted value 2 leads_test_pred = y_pred_final.copy() 3 leads_test_pred.head() :[235]: LeadID Converted Conversion_Prob final_predicted 6190 0.000591 7073 0.077626 4519 0.309185 1 0.999825 0.077626 1 # Selecting the train dataset along with the Conversion Probability and final predicted valu [236]: 2 leads train pred = y train pred final.copy() 3 leads_train_pred.head()

DETERMINING FEATURE IMPORTANCE

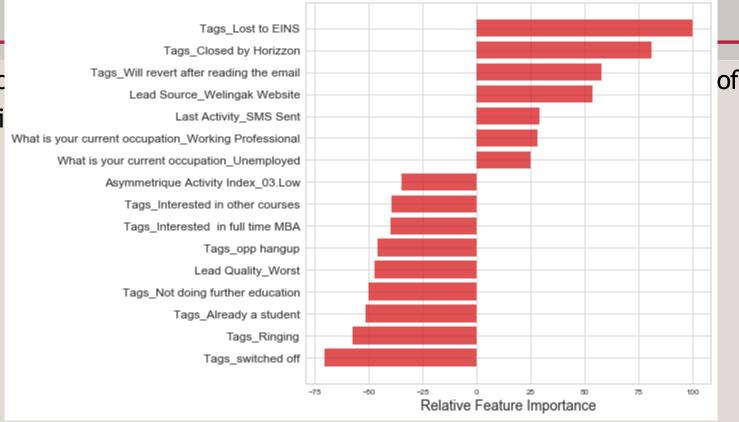
```
Selecting the coefficients of the selected features from our final model excluding the intercept
In [249]:
           1 pd.options.display.float_format = '{:.2f}'.format
            2 new params = res.params[1:]
            3 new_params
Out[249]: Lead Source Welingak Website
                                                                    3.61
           Lead Quality Worst
                                                                    -3.18
          Asymmetrique Activity Index 03.Low
                                                                    -2.34
           Tags_Already a student
                                                                    -3.45
          Tags_Closed by Horizzon
                                                                    5.44
           Tags_Interested in full time MBA
                                                                    -2.66
           Tags Interested in other courses
                                                                    -2.63
           Tags Lost to EINS
                                                                    6.71
          Tags_Not doing further education
                                                                    -3.35
                                                                    -3.84
           Tags Ringing
          Tags Will revert after reading the email
                                                                    3.87
           Tags_opp hangup
                                                                    -3.08
          Tags switched off
                                                                    -4.73
          What is your current occupation_Unemployed
                                                                    1.67
          What is your current occupation Working Professional
                                                                    1.89
          Last Activity SMS Sent
                                                                    1.97
           dtype: float64
           Getting a relative coefficient value for all the features wrt the feature with the highest coefficient
```

INFERENCE

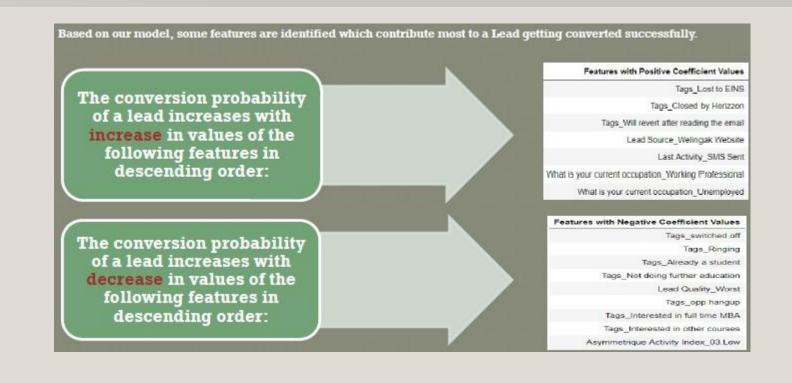
- We tried several models, can conclude below points:
 - All variables have p-value < 0.5
 - All features have very low vif values meaning there is hardly any multicollinearity among the features
 - This is also evident from the heat map
 - The overall accuracy of 0.905 at a probability threshold of 0.33 on test dataset is also acceptable

INFERENCE CONTD....

Using mc
 Conversi



INFERENCE CONTD....



RECOMMENDATIONS

- Top three variable in the model that contribute most towards the probability of lead getting converted
 - Tags_Lost to EINS
 - Tags_Closed by Horizon
 - Tags will revert after reading the email

RECOMMENDATION

- Top three categorical /dummy variables
 - Tags_Lost to EINS
 - Tags_Closed by Horizon
 - Tags will revert after reading the email

RECOMMENDATION CONTD...

- X Education has a period of 2 months every year during which they hire few interns. The sales team, in particular, has around 10 interns allotted to them. So, during this phase, they wish to make the lead conversion more aggressive. So they want almost all of the potential leads (i.e. the customers who have been predicted as 1 by the model) to be converted and hence, want to make phone calls to as much of such people as possible. Suggest a good strategy they should employ at this stage.
 - We will choose a lower threshold value for Conversion Probability. This will ensure the Sensitivity rating is very high which in turn will make sure almost all leads that are likely to Convert are identified correctly and the agents can make phone calls to as much of such people as possible.

RECOMMENDATION CONTD...

- Similarly, at times, the company reaches its target for a quarter before the deadline. During this time, the company wants the sales team to focus on some new work as well. So during this time, the company's aim is to not make phone calls unless it's extremely necessary, i.e. they want to minimize the rate of useless phone calls. Suggest a strategy they should employ at this stage.
 - We will choose a higher threshold value for Conversion Probability. This will ensure the Specificity rating is very high, which in turn will make sure almost all leads that are on the brink of the probability of getting Converted or not are not selected. As a result the agents won't have to make unnecessary phone calls and can focus on some new work.

CONCLUSION

