Ebay Take Home Coding challenge

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Description:

- One of the biggest challenges of an auto dealership purchasing a used car at an auto auction is the risk of that the vehicle might have serious issues that prevent it from being sold to customers. The auto community calls these unfortunate purchases "kicks". Kicked cars often result when there are tampered odometers, mechanical issues the dealer is not able to address, issues with getting the vehicle title from the seller, or some other unforeseen problem. Kick cars can be very costly to dealers after transportation cost, throw-away repair work, and market losses in reselling the vehicle. Modelers who can figure out which cars have a higher risk of being kick can provide real value to dealerships trying to provide the best inventory selection possible to their customers.
- The challenge of this competition is to predict if the car purchased at the Auction is a Kick (bad buy).

- · Data Description:
 - The challenge of this competition is to predict if the car purchased at the Auction is a good / bad buy.
 - All the variables in the data set are defined in the file Carvana_Data_Dictionary.txt
 - The data contains missing values
 - The dependent variable (IsBadBuy) is binary (C2)
 - There are 32 Independent variables (C3-C34)
 - The data set is split to 60% training and 40% testing.

Outline of report

- 1. Load and describe features
- 2. Visualize and Preprocess data
- 3. Train Several Models, report performance
- 4 Analysis of Rost Model

```
In [1]: import pandas as pd
import numpy as np
import matplotlib.pyplot as plt
import seaborn as sns
```

1. Load and describe features

Out[2]:

	Refld	IsBadBuy	PurchDate	Auction	VehYear	VehicleAge	Make	Model	Trim	SubModel		MMRCurrentRetailAver
0	1	0	12/7/2009	ADESA	2006	3	MAZDA	MAZDA3	i	4D SEDAN I		11597
1	2	0	12/7/2009	ADESA	2004	5	DODGE	1500 RAM PICKUP 2WD	ST	QUAD CAB 4.7L SLT	:	11374
2	3	0	12/7/2009	ADESA	2005	4	DODGE	STRATUS V6	SXT	4D SEDAN SXT FFV		7146
3	4	0	12/7/2009	ADESA	2004	5	DODGE	NEON	SXT	4D SEDAN	:	4375
4	5	0	12/7/2009	ADESA	2005	4	FORD	FOCUS	ZX3	2D COUPE ZX3		6739

5 rows × 34 columns

2. Visualize and Preprocess data

Some information about Datatype of features

- · Auction: Categorical, string
- · VehYear: categorical, int (year of vehicle)
- VehicleAge: categorial, int (how many years old since model made)
- Make: Categorical, String (Maker of Car)
- Trim: Categorial, string
- · SubModel: Categorical, string
- MMRCurrentRetailAveragePrice: Continupus: float
- MMRCurrentRetailCleanPrice: contuinuous, float
- PRIMEUNIT: Categorical: string with NaN
- AUCGUART: Categorical: string with NaN
- BYRNO: ?, int
- VNZIP1: Categorial, int (zipcode)
- VNST: Categorical, string (state where vehicle is from?)
- · VehBCost: continuous, float
- IsOnlineSale: categorical, int (binary maybe)
- WarrantyCost: continuous, float

Clean data

- some columns are predominately NaN, some examples
 - PRIMEUNIT has three values{nan, 'NO', 'YES'} but NO or YES occur infrequently
 - AUCGUART has only two values {Nan, 'GREEN', 'RED'}, GREEN and RED occur infrequently

I make a naive decision by setting NaN to a string '0'. Most NaN occur in categorical features, so label encoding will treat NaN as a seperate class

Details of datatype for all features

```
In [4]: a = ['MMRAcquisitionAuctionAveragePrice',
                'MMRAcquisitionAuctionCleanPrice', 'MMRAcquisitionRetailAveragePrice',
                'MMRAcquisitonRetailCleanPrice', 'MMRCurrentAuctionAveragePrice',
                'MMRCurrentAuctionCleanPrice', 'MMRCurrentRetailAveragePrice',
                'MMRCurrentRetailCleanPrice', 'WarrantyCost', 'VehicleAge', ]
        for i in data.columns[3:32]:
            print(i,":",data[i].dtype,i in a)
        Auction : object False
        VehYear: int64 False
        VehicleAge : int64 True
```

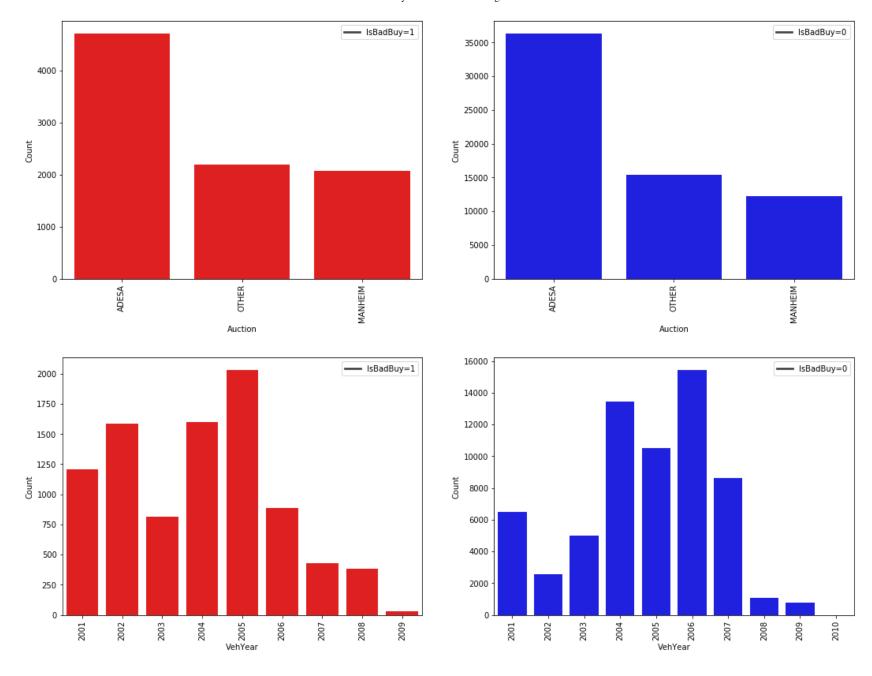
Make : object False Model: object False Trim : object False SubModel: object False Color: object False Transmission: object False WheelTypeID: object False WheelType : object False VehOdo: int64 False Nationality: object False Size : object False TopThreeAmericanName : object False MMRAcquisitionAuctionAveragePrice : object True MMRAcquisitionAuctionCleanPrice : object True MMRAcquisitionRetailAveragePrice : object True MMRAcquisitonRetailCleanPrice : object True MMRCurrentAuctionAveragePrice : object True MMRCurrentAuctionCleanPrice : object True MMRCurrentRetailAveragePrice : object True MMRCurrentRetailCleanPrice : object True PRIMEUNIT: object False AUCGUART : object False BYRNO: int64 False VNZIP1 : int64 False VNST : object False

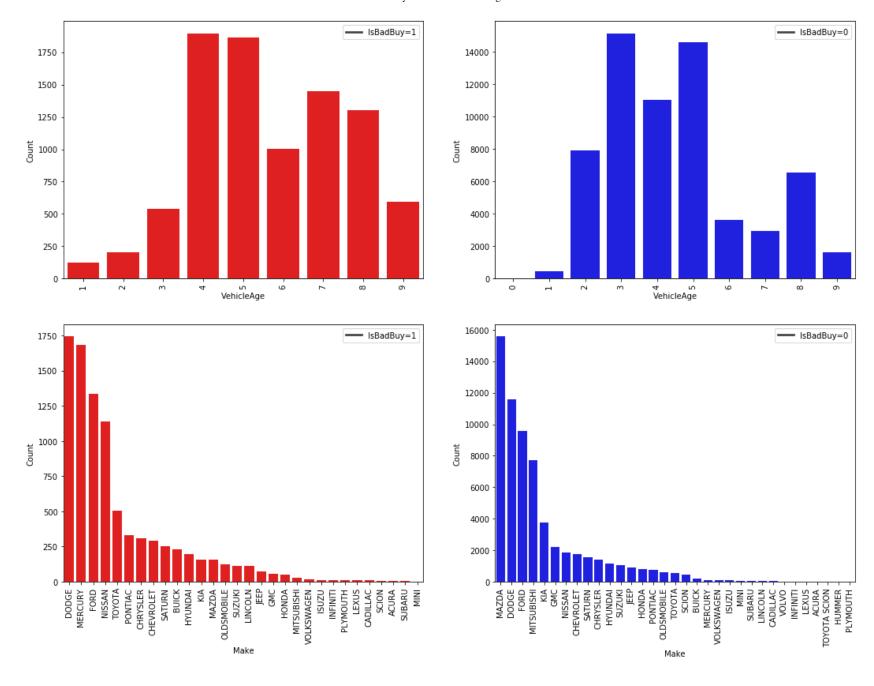
VehBCost: float64 False

Visualizing some categorocal features

• Here are some plots on categorocal features, comparing the counts of feature when example is a bad buy, or feature counts when sample is not bad buy

Note, I was planning on doing detailed statistical analysis, but for sake of time constraints, I did not want to go down the rabbit hole



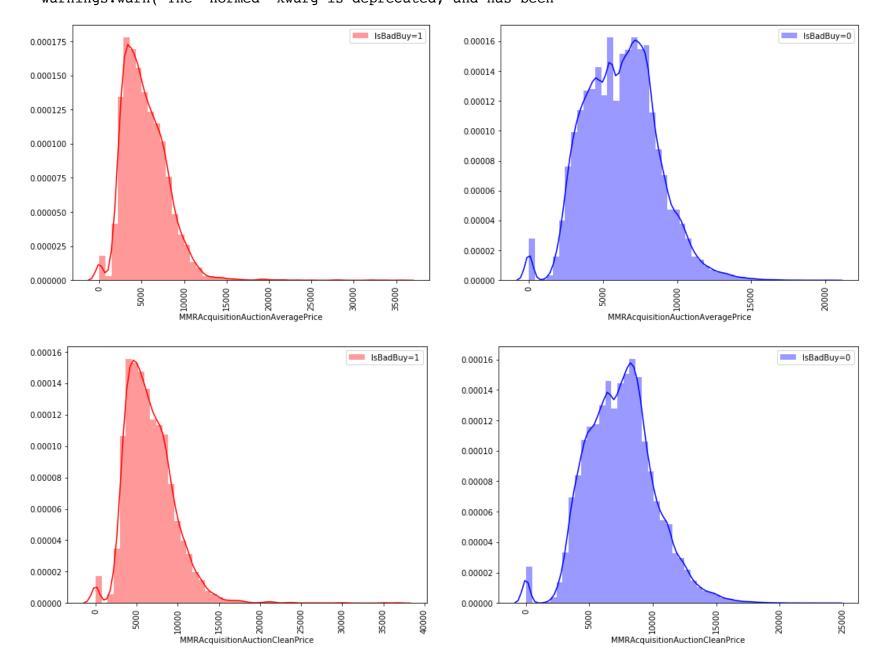


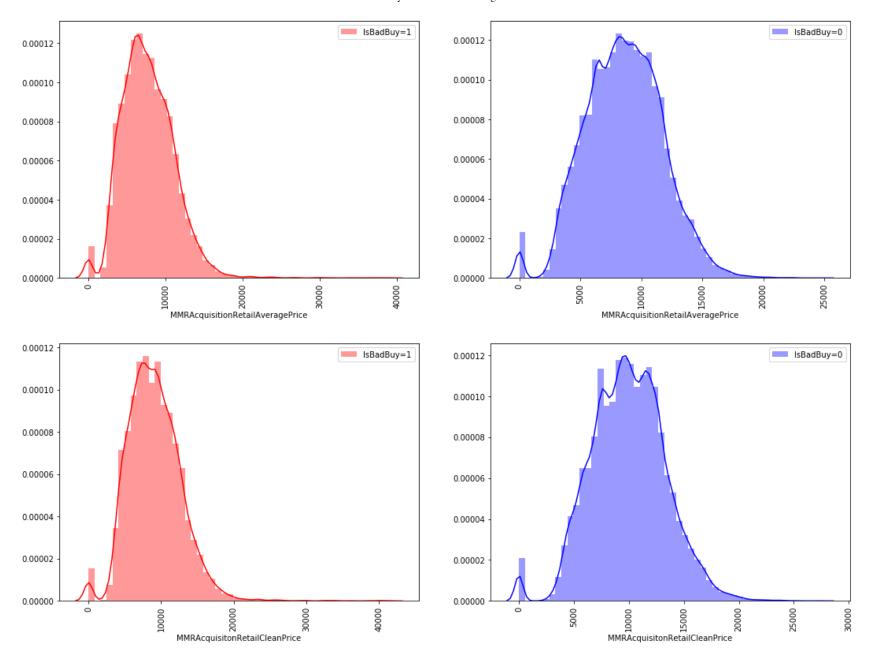
Visualizing some continuous features

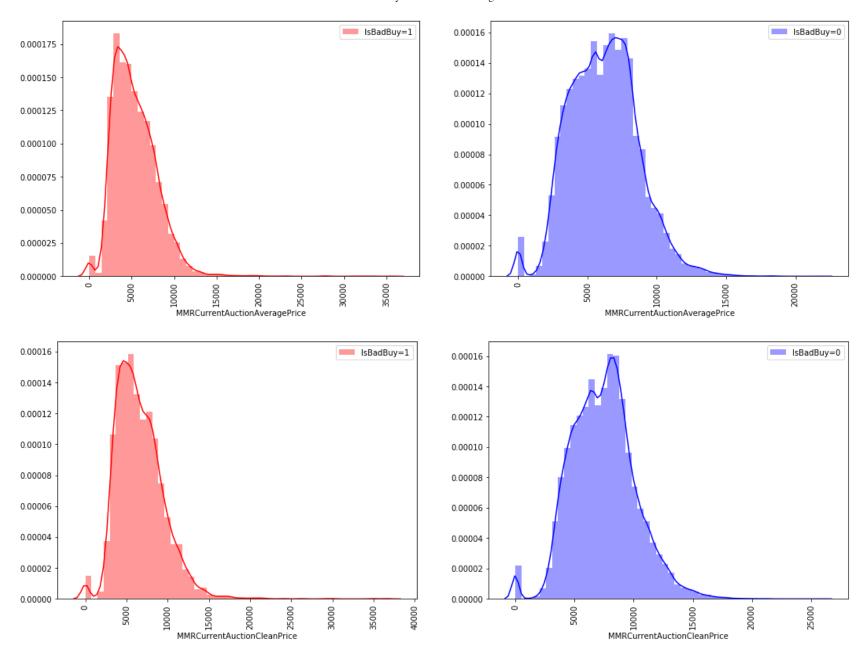
```
In [20]: # plotHist(data,Col='VehYear')
         continuous cols = [
         'MMRAcquisitionAuctionAveragePrice',
          'MMRAcquisitionAuctionCleanPrice',
          'MMRAcquisitionRetailAveragePrice',
          'MMRAcquisitonRetailCleanPrice',
          'MMRCurrentAuctionAveragePrice',
          'MMRCurrentAuctionCleanPrice',
          'MMRCurrentRetailAveragePrice',
          'MMRCurrentRetailCleanPrice']
         def plotHist cont(df,col=None):
             if col!=None:
                 fig, (axis1,axis2) = plt.subplots(1,2,figsize=(18,6))
                 g =sns.distplot(df[df["IsBadBuy"]==1][col].astype(float),color='red',ax=axis1)
                 g.legend(["IsBadBuy=1"])
         #
                   print(data[data["IsBadBuy"]==1][col].describe())
                 for item in q.get xticklabels():
                     item.set rotation(90)
                 h = sns.distplot(df[df["IsBadBuy"]==0][col].astype(float),color='blue',ax=axis2)
                 h.legend(["IsBadBuy=0"])
         #
                   print(data[data["IsBadBuy"]==0][col].describe())
                 for item in h.get xticklabels():
                     item.set_rotation(90)
```

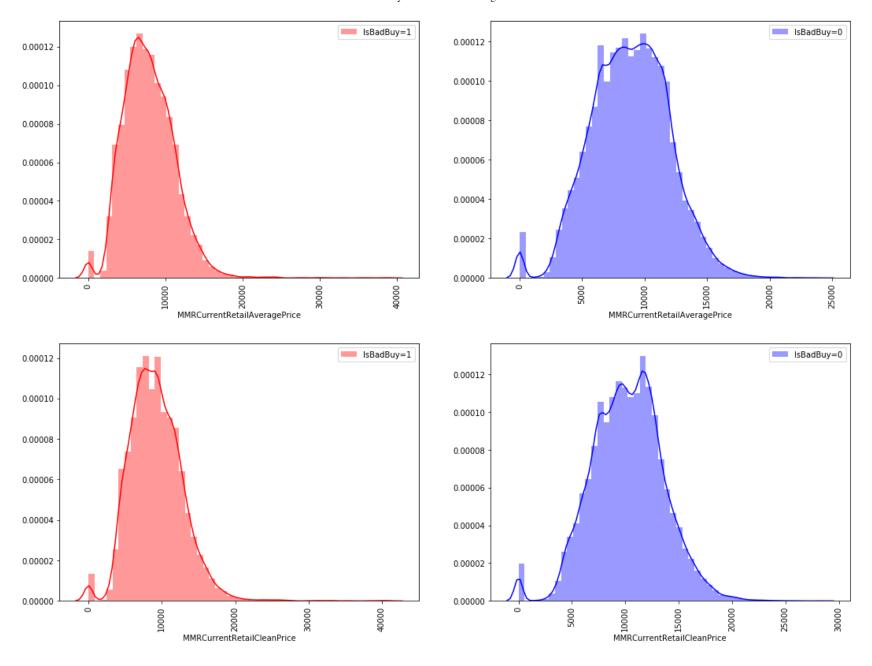
/usr/local/lib/python3.6/site-packages/matplotlib/axes/_axes.py:6462: UserWarning: The 'normed' kwarg is deprecated, and has been replaced by the 'density' kwarg.

warnings.warn("The 'normed' kwarg is deprecated, and has been "





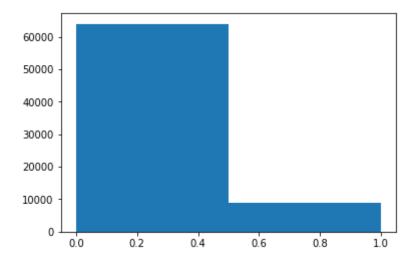




Frequency of Bad cars vs Good Cars

Graph shows below that 64k cars are good cars, an only 8.9k cars are good, may have imbalanced dataset

```
In [23]: plt.hist(data["IsBadBuy"].tolist(),bins=2)
Out[23]: (array([64007., 8976.]), array([0., 0.5, 1.]), <a list of 2 Patch objects>)
```



Preprocess Data

I did simple preprocessing that given a list of labels that were most likely categorical values, I do label encoding on those features

```
In [26]: data = preprocess_data(data,a)
```

In [27]: data.describe()

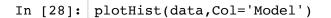
Out[27]:

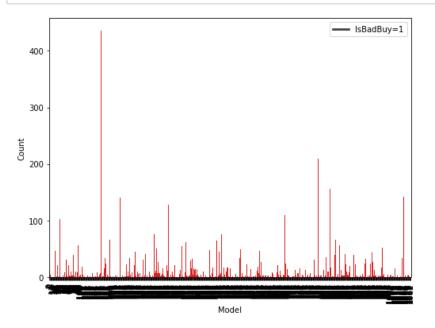
				ı			ı	
	Refld	IsBadBuy	PurchDate	Auction	VehYear	V ehicle A ge	Make	Model
count	72983.000000	72983.000000	72983.000000	72983.000000	72983.000000	72983.000000	72983.000000	72983.000000
mean	36511.428497	0.122988	255.902238	1.041955	4.343052	4.176644	8.859378	516.715783
std	21077.241302	0.328425	149.456787	0.660214	1.731252	1.712210	7.839395	285.628708
min	1.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
25%	18257.500000	0.000000	123.000000	1.000000	3.000000	3.000000	4.000000	309.000000
50%	36514.000000	0.000000	249.000000	1.000000	4.000000	4.000000	5.000000	487.000000
75%	54764.500000	0.000000	386.000000	1.000000	6.000000	5.000000	13.000000	763.000000
max	73014.000000	1.000000	516.000000	2.000000	9.000000	9.000000	32.000000	1062.000000

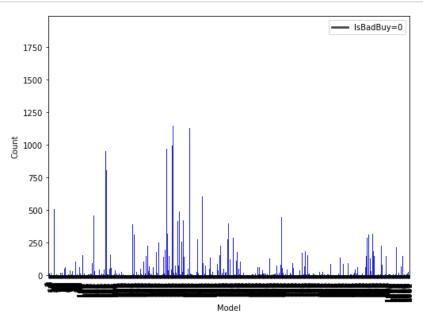
8 rows × 26 columns

Potential Issue: Categorical Features with High Cardinality

Here we vizualize the distribution of some features that underwent with label encoding







This graph shows that some features, such as the Model of the car, after label encoding has high cardinality

It turns out several categorical features have high cardinality after label encoding:

• SubModel: 863 categories

Trim: 134 categoriesBYRNO: 73 categoriesVNZIP1: 152 categoriesModel: 1062 categories

This may cause an issue as higher dimensions make classification harder

```
In [55]: #making simple data structures to make accessing feature names easier
l =data[data.columns[2:32]].columns.tolist()
name_to_index = {l[i]:i for i in range(len(l))}
index_to_name = {k:v for v,k in name_to_index.items()}
```

Converting dataframe to matrices

```
In [30]: X = data[data.columns[2:32]].as_matrix().astype(float)
y = data['IsBadBuy'].as_matrix()
```

3. Train Several Models, report performance

```
In [31]: from sklearn.linear_model import LogisticRegression
from sklearn.naive_bayes import BernoulliNB,MultinomialNB
from sklearn.model_selection import StratifiedKFold
from sklearn.svm import LinearSVC ,SVC
from sklearn.cross_validation import train_test_split
from sklearn.metrics import accuracy_score
from sklearn.ensemble import RandomForestClassifier
from sklearn.metrics import confusion_matrix, fl_score, roc_curve,auc
```

/usr/local/lib/python3.6/site-packages/sklearn/cross_validation.py:41: DeprecationWarning: This module was deprecated in version 0.18 in favor of the model_selection module into which all the refactor ed classes and functions are moved. Also note that the interface of the new CV iterators are different from that of this module. This module will be removed in 0.20.

"This module will be removed in 0.20.", DeprecationWarning)

Note: The test set (Test.csv) does not have IsBadBuy column, so have no labels to compare accuracy. Will split the training.csv into train and dev to get better understanding of accuracy

Here we are doing a 77%, 33% training, dev split on the training data

```
In [33]: X_tr, X_dev, y_tr, y_dev = train_test_split( X, y, test_size=0.33, random_state=42)
```

Models

Baseline: Logistic Regression

What does this algorithm do? Algorithm that finds the best parameters to fit a non-linear function What are some pros and consi

Note: To prevent underfitting when training, I run 5-fold cross validation to see if there are any issues with underfitting

```
In [34]: def get_logreg_results(X_train, X_test, y_train, y_test):
             print("Training Logistic Regression")
             clf = LogisticRegression()
             skf = StratifiedKFold(n splits=5)
             scores = []
             f = 0
             for train index, test index in skf.split(X train, y train):
                 X_tr, X_t = X_train[train_index], X_train[test_index]
                 y_tr, y_t = y_train[train_index], y_train[test_index]
                 clf.fit(X tr, y tr)
                 scores.append(clf.score(X t, y t))
                 print("Fold {}: {}".format(f+1, scores[-1]))
             print("Logistic cross-validation accuracy: {}".format(np.mean(scores)))
             clf.fit(X train, y train)
             print("Logistic accuracy on the dev set: {}".format(accuracy score(y test, clf.predict(X test))))
             return [accuracy score(y test, clf.predict(X test)), f1 score(y test,clf.predict(X test))]
In [35]: acc,f1 = get_logreg_results(X_tr,X_dev, y_tr, y_dev)
         print("Acc: ",acc,"F1: ",f1)
         Training Logistic Regression
         Fold 1: 0.8902862985685072
         Fold 2: 0.8962167689161554
         Fold 3: 0.8924335378323108
         Fold 4: 0.8936605316973415
         Fold 5: 0.8766618940478625
         Logistic cross-validation accuracy: 0.8898518062124354
         Logistic accuracy on the dev set: 0.8902221299564044
         Acc: 0.8902221299564044 F1: 0.2454337899543379
```

Naive Bayes

The challenge gives us the clue that many columns are independent of eachother, Naive Bayes does well when features are independent of eachother

FIX: [Rather than comparing correlation done in logistic regression, we can compute the probability of each class, and compare them]

```
In [36]: def get nb results(X train, X test, y train, y test):
             print("Training Bernoulli Naive Bayes")
             clf = BernoulliNB()
             skf = StratifiedKFold(n splits=5)
             scores = []
             f = 0
             for train index, test index in skf.split(X train, y train):
                 X_tr, X_t = X_train[train_index], X_train[test_index]
                 y tr, y t = y train[train index], y train[test index]
                 clf.fit(X tr, y tr)
                 scores.append(clf.score(X t, y t))
                 print("Fold {}: {}".format(f+1, scores[-1]))
                 f+=1
             print("NB cross-validation accuracy: {}".format(np.mean(scores)))
             clf.fit(X train, y train)
             print("NB accuracy on the dev set: {}".format(accuracy score(y test, clf.predict(X test))))
             return [accuracy score(y test, clf.predict(X test)), f1 score(y test,clf.predict(X test))]
In [37]: acc,f1 = get nb results(X tr, X dev, y tr, y dev)
         print("Acc: ",acc,"F1: ",f1)
         Training Bernoulli Naive Bayes
         Fold 1: 0.8967280163599182
         Fold 2: 0.8958077709611452
         Fold 3: 0.8923312883435582
         Fold 4: 0.895398773006135
         Fold 5: 0.8945592145633053
         NB cross-validation accuracy: 0.8949650126468123
         NB accuracy on the dev set: 0.8952460037367657
         Acc: 0.8952460037367657 F1: 0.36877658243682765
```

Random Forests

fits a number of decision tree classifiers on various sub-samples of the dataset and use averaging to improve the predictive accuracy and control over-fitting.

```
In [42]: def get random forests results(X train, X test, y train, y test):
             print("Training Random Forests")
             clf = RandomForestClassifier(n estimators=100,n jobs=-1,verbose=1)
             skf = StratifiedKFold(n splits=5)
             scores = []
             f = 0
             for train index, test index in skf.split(X train, y train):
                 X tr, X t = X train[train index], X train[test index]
                 y tr, y t = y train[train index], y train[test index]
                 clf.fit(X tr, y tr)
                 scores.append(clf.score(X t, y t))
                 print("Fold {}: {}".format(f+1, scores[-1]))
             print("RF cross-validation accuracy: {}".format(np.mean(scores)))
             clf.fit(X train, y train)
             print("RF accuracy on the dev set: {}".format(accuracy score(y test, clf.predict(X test))))
             return [accuracy score(y test, clf.predict(X test)), f1 score(y test, clf.predict(X test)), clf]
```

In [43]: acc,f1,random_forests = get_random_forests_results(X_tr, X_dev, y_tr, y_dev)
 print("Acc: ",acc,"F1: ",f1)

Training Random Forests

```
[Parallel(n jobs=-1)]: Done 42 tasks
                                             elapsed:
                                                          3.1s
[Parallel(n jobs=-1)]: Done 100 out of 100
                                             elapsed:
                                                          6.7s finished
[Parallel(n jobs=4)]: Done 42 tasks
                                            elapsed:
                                                         0.0s
[Parallel(n jobs=4)]: Done 100 out of 100
                                            elapsed:
                                                         0.1s finished
Fold 1: 0.9019427402862986
[Parallel(n jobs=-1)]: Done 42 tasks
                                             elapsed:
                                                          2.3s
[Parallel(n jobs=-1)]: Done 100 out of 100
                                             elapsed:
                                                          5.4s finished
[Parallel(n jobs=4)]: Done 42 tasks
                                            elapsed:
                                                         0.0s
[Parallel(n jobs=4)]: Done 100 out of 100
                                            elapsed:
                                                         0.1s finished
Fold 2: 0.900715746421268
                                             elapsed:
                                                          2.3s
[Parallel(n jobs=-1)]: Done 42 tasks
[Parallel(n jobs=-1)]: Done 100 out of 100
                                             elapsed:
                                                          5.2s finished
[Parallel(n jobs=4)]: Done 42 tasks
                                            elapsed:
                                                         0.0s
[Parallel(n jobs=4)]: Done 100 out of 100
                                            elapsed:
                                                         0.1s finished
Fold 3: 0.8982617586912065
[Parallel(n jobs=-1)]: Done 42 tasks
                                             elapsed:
                                                          2.2s
[Parallel(n jobs=-1)]: Done 100 out of 100
                                             elapsed:
                                                          5.1s finished
[Parallel(n jobs=4)]: Done 42 tasks
                                            elapsed:
                                                         0.1s
[Parallel(n jobs=4)]: Done 100 out of 100
                                            elapsed:
                                                         0.1s finished
Fold 4: 0.9
[Parallel(n jobs=-1)]: Done 42 tasks
                                             elapsed:
                                                          2.2s
[Parallel(n jobs=-1)]: Done 100 out of 100
                                             elapsed:
                                                          5.1s finished
[Parallel(n jobs=4)]: Done 42 tasks
                                            elapsed:
                                                         0.0s
[Parallel(n jobs=4)]: Done 100 out of 100
                                            elapsed:
                                                         0.1s finished
Fold 5: 0.9000818163223563
RF cross-validation accuracy: 0.9002004123442259
[Parallel(n jobs=-1)]: Done 42 tasks
                                             elapsed:
                                                          3.0s
[Parallel(n jobs=-1)]: Done 100 out of 100
                                             elapsed:
                                                          6.7s finished
[Parallel(n jobs=4)]: Done 42 tasks
                                            elapsed:
                                                         0.1s
[Parallel(n jobs=4)]: Done 100 out of 100
                                            elapsed:
                                                         0.2s finished
[Parallel(n jobs=4)]: Done 42 tasks
                                            elapsed:
                                                         0.1s
RF accuracy on the dev set: 0.9014324268216732
[Parallel(n jobs=4)]: Done 100 out of 100 | elapsed:
                                                         0.2s finished
```

Summary of accuracies

- Log Reg: 5-fold train acc = 0.89, dev acc = 0.89, f1 = 0.24
- Naive Bayes: 5-fold train acc= 0.895, dev acc = 0.895, f1 = 0.362
- Random Forests: 5-fold train acc= 0.901, dev acc = 0.901, f1 = 0.381

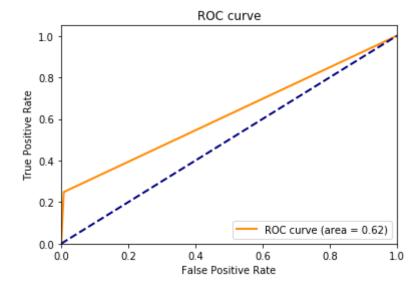
Result:

Looking at the accuracies and f1 score, we can see that Random Forests is the best performing model. Even though all models get high accuracy, accuracy does not reflect overall performance. F1 is a weight average of precision and recall, so we can see that Random Forests has the highest f1 score.

4. Analysis of Best Model

Check for overfitting using ROC curve

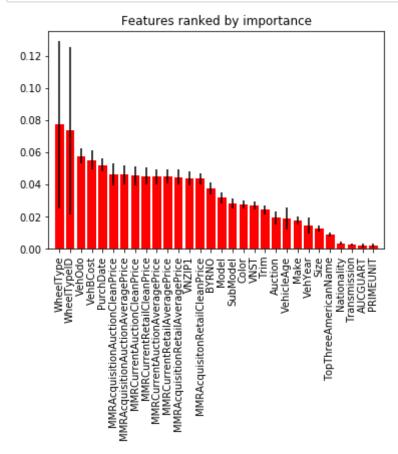
```
In [50]: ### plt.figure()
lw = 2
plt.plot(fpr, tpr, color='darkorange',lw=lw, label='ROC curve (area = %0.2f)' % roc_auc)
plt.plot([0, 1], [0, 1], color='navy', lw=lw, linestyle='--')
plt.xlim([0.0, 1.0])
plt.ylim([0.0, 1.05])
plt.xlabel('False Positive Rate')
plt.ylabel('True Positive Rate')
plt.title('ROC curve')
plt.legend(loc="lower right")
plt.show()
```



Plotting what features are important in Random Forests Classiciation

Gives insight into what features are important in general to determin bad sell or good sell

```
In [53]: importances = random forests.feature importances
         std = np.std([tree.feature importances for tree in random forests.estimators ],
                       axis=0)
         indices = np.argsort(importances)[::-1]
         print("Feature ranking:")
         for f in range(X.shape[1]-2):
             print("%d. feature %d (%f)" % (f + 1, indices[f], importances[indices[f]]))
         Feature ranking:
         1. feature 11 (0.077235)
         2. feature 10 (0.073638)
         3. feature 12 (0.057716)
         4. feature 29 (0.055247)
         5. feature 0 (0.052121)
         6. feature 17 (0.046531)
         7. feature 16 (0.046111)
         8. feature 21 (0.045460)
         9. feature 23 (0.045305)
         10. feature 20 (0.045012)
         11. feature 22 (0.044990)
         12. feature 18 (0.044635)
         13. feature 27 (0.043830)
         14. feature 19 (0.043532)
         15. feature 26 (0.037547)
         16. feature 5 (0.031768)
         17. feature 7 (0.028066)
         18. feature 8 (0.027426)
         19. feature 28 (0.027264)
         20. feature 6 (0.024376)
         21. feature 1 (0.019279)
         22. feature 3 (0.018852)
         23. feature 4 (0.017433)
         24. feature 2 (0.014342)
         25. feature 14 (0.012878)
         26. feature 15 (0.008871)
         27. feature 13 (0.003599)
         28. feature 9 (0.002599)
In [56]: best features = [index to name[i] for i in indices]
```



The feature important makes sense, as a top feature is Vehicle Odometer value, which is a common feature that helps pick out a bad buy kick car

Next Steps if had more time

- Hyperparameter optimization with Random Forests
- Analyze ROC curve to see what issue we are dealing with that we have low f1
- · Reduce cardinality of categorical values when doing label encoding
 - I think high cardinality in label encoding may be the issue our precision/recall is bad, bettr categorization of categorical features can help
- · Go through continuous features and remove outliers
- Analyze top features and gain insights into how they help classification so well