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### **Problem description:**

Data cleansing and transformation done on the data.

### **Data understanding:**

Input variables:

# bank client data:

- 1 age (numeric)
- 2 job : type of job (categorical: 'admin.','blue-

collar', 'entrepreneur', 'housemaid', 'management', 'retired', 'self-

employed', 'services', 'student', 'technician', 'unemployed', 'unknown')

- 3 marital : marital status (categorical: 'divorced', 'married', 'single', 'unknown'; note: 'divorced' means divorced or widowed)
- 4 education (categorical:

'basic.4y', 'basic.6y', 'basic.9y', 'high.school', 'illiterate', 'professional.course', 'university.degree', 'unknown')

- 5 default: has credit in default? (categorical: 'no', 'yes', 'unknown')
- 6 housing: has housing loan? (categorical: 'no','yes','unknown')
- 7 loan: has personal loan? (categorical: 'no','yes','unknown')

# related with the last contact of the current campaign:

- 8 contact: contact communication type (categorical: 'cellular', 'telephone')
- 9 month: last contact month of year (categorical: 'jan', 'feb', 'mar', ..., 'nov', 'dec')
- 10 day\_of\_week: last contact day of the week (categorical: 'mon', 'tue', 'wed', 'thu', 'fri')
- 11 duration: last contact duration, in seconds (numeric). Important note: this attribute highly affects the output target (e.g., if duration=0 then y='no'). Yet, the duration is not known before a call is performed. Also, after the end of the call y is obviously known. Thus, this input should only be included for benchmark purposes and should be discarded if the intention is to have a realistic predictive model.

# other attributes:

- 12 campaign: number of contacts performed during this campaign and for this client (numeric, includes last contact)
- 13 pdays: number of days that passed by after the client was last contacted from a previous campaign (numeric; 999 means client was not previously contacted)
- 14 previous: number of contacts performed before this campaign and for this client (numeric)
- 15 poutcome: outcome of the previous marketing campaign (categorical:

'failure', 'nonexistent', 'success')

# social and economic context attributes

- 16 emp.var.rate: employment variation rate quarterly indicator (numeric)
- 17 cons.price.idx: consumer price index monthly indicator (numeric)
- 18 cons.conf.idx: consumer confidence index monthly indicator (numeric)
- 19 euribor3m: euribor 3 month rate daily indicator (numeric)
- 20 nr.employed: number of employees quarterly indicator (numeric)

## Output variable (desired target):

21 - y - has the client subscribed a term deposit? (binary: 'yes','no')

# Type of data:

.csv file with 5 float, 5 int and 11 object data type features

### **Problem hypotheses:**

- 1. There are duplicate data
- 2. There are NA values
- 3. 'y' feature is skewed
- 4. Some outliers are in the feature
- 5. Some features have multicollinearity

#### **Approaches:**

- 1. Using pandas drop\_duplicates()
- 2. There is no NA or Null values in the data set after checking by is.null().sum() and is.na.sum()
- 3. Using under-sampling technique since the oversampling will create several duplicate data
- 4. Drawing boxplot and get the interquartile
- 5.
- 1) Using Variable Inflation Factor (VIF), setting it with a default threshold of 5.0. Those features that are greater than 5.0 would be considered high multicollinearity and will be removed.
- 2) Drawing heatmap picture and using VIF function to remove those high multicollinearity features.

3)	Running a random forest model and then getting the most important features