Summary

X Education gets a lot of leads, its lead conversion rate is very poor at around 30%. The company requires us to build a model wherein we need to assign a lead score to each of the leads such that the customers with a higher lead score have higher conversion chance. CEO's target for lead conversion rate is around 80%.

Data Cleaning:

- Columns with >40% nulls were dropped. Value counts within categorical columns were checked to decide appropriate action: if imputation causes skew, then column was dropped, created new category (others), impute high frequency value, drop columns that don't add any value.
- Numerical categorical data were imputed with mode and columns with only one unique response from customer were dropped.
- Other activities like outliers' treatment, fixing invalid data, grouping low frequency values, mapping binary categorical values were carried out.

EDA:

- Data imbalance checked.
- Performed univariate and bivariate analysis for categorical and numerical variables. 'Lead Origin', 'Current occupation', 'Lead Source', etc. provide valuable insight on effect on target variable.
- Time spend on website shows positive impact on lead conversion.
- Dropped a few columns.

Data Preparation:

- Created dummy features (one-hot encoded) for categorical variables.
- Splitting Train & Test Sets: 70:30 ratio.
- Feature Scaling using Standardization.

Model Building:

- Used RFE to reduce variables from 48 to 15. This will make data frame more manageable.
- Manual Feature Reduction process was used to build models by dropping variables with p – value > 0.05.
- Total 2 models were built before reaching final Model 3 which was stable with (p-values < 0.05). No sign of multicollinearity with VIF < 5.
- Logm2 was selected as final model with 14 variables, we used it for making prediction on train and test set.

Model Evaluation:

- Confusion matrix was made based on accuracy, sensitivity and specificity plot. This cut off gave accuracy, specificity and precision all around 80%. Whereas precision was 91% and recall gave performance metrics around 73%.

- As to solve business problem CEO asked to boost conversion rate to 80%, but metrics dropped when we took precision-recall view. So, we will choose sensitivity-specificity view for our optimal cut-off for final predictions.

Making Predictions on Test Data:

- Making Predictions on Test: Scaling and predicting using final model.
- Evaluation metrics for train & test are very close to around 85%.

Recommendations:

- More budget/spend can be done on Welingak Website in terms of advertising, etc.
- Incentives/discounts for providing reference that convert to lead, encourage to provide more references.
- Working professionals to be aggressively targeted as they have high conversion rate and will have better financial situation to pay higher fees too.