

Lead Scoring Subjective Questions

1. Which are the top three variables in your model which contribute most towards the probability of a lead getting converted?

Based on the logistic regression model, the top three variables that contribute most towards the probability of a lead getting converted are:

Total Time Spent on Website: This variable has a significant positive impact on the likelihood of conversion. Leads that spend more time on the website are more likely to convert, as they show a higher level of interest in the courses.

Last Activity_Had a Phone Conversation: Having a phone conversation significantly increases the chance of conversion. This suggests that direct interaction with leads can be a powerful tool in moving them further down the funnel.

Lead Origin_Lead Add Form: Leads generated through the lead add form on the website have a higher conversion rate. These leads likely have a clearer intent to engage with the company, which makes them more likely to convert.

2. What are the top 3 categorical/dummy variables in the model which should be focused the most on to increase the probability of lead conversion?

The top three categorical/dummy variables to focus on in order to increase the probability of lead conversion are:

Lead Source_Olark Chat: Leads coming from the Olark chat source have a higher chance of conversion. This suggests that real-time communication with leads through chat is an effective way to nurture them towards conversion.

Last Activity_Had a Phone Conversation: Leads who have had a phone conversation with the sales team have a higher conversion probability. This emphasizes the importance of personal contact in converting leads into customers.

What is your current occupation_Student: Interestingly, leads who are students have a lower probability of conversion. Focusing on reducing this demographic's involvement or adjusting the sales approach for them may increase overall conversion rates.

3. X Education has a period of 2 months every year during which they hire some 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.

X Education should focus on the following strategy:

Prioritize High-Scoring Leads: Use the logistic regression model to assign a lead score to each lead. Prioritize making calls to leads with the highest predicted probability of conversion (i.e., those with scores close to 1). This will ensure that the interns are engaging with the leads who are most likely to convert, optimizing their time and effort.

Automation for Lead Segmentation: Implement an automated system that segments leads into different score ranges (e.g., hot, warm, cold). Interns should focus primarily on the "hot" leads while "warm" and "cold" leads can be handled through automated email campaigns or scheduled follow-ups.

Monitor Lead Interactions: Track interactions with the leads during this period to identify any additional factors that may improve conversion. The interns should engage in follow-ups based on lead behaviors, such as clicking on course offerings or attending webinars.

4. 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.

X Education should aim to minimize the rate of unnecessary phone calls. Here's an effective strategy:

Focus on Leads with Lower Conversion Probabilities: Utilize the logistic regression model to identify leads with low predicted conversion probabilities (i.e., those with scores closer to 0). Avoid making phone calls to these leads unless they show specific behaviors indicating a higher potential for conversion (e.g., a sudden increase in website activity or repeated engagement with course content).

Use Data-Driven Prioritization: Focus phone calls and efforts on leads that exhibit certain characteristics or behavior patterns, such as a high number of website visits or positive interactions on the website, even if they don't have the highest conversion probability. This can help identify hidden opportunities that were not initially apparent from the model.

Optimize Phone Call Hours: During this period, the company can reduce the volume of phone calls by focusing only on leads who are actively engaged and show a clear interest, thereby reducing the number of "cold" calls. This can be achieved by segmenting the leads into "high priority" and "low priority" categories based on both the model's score and recent activity.