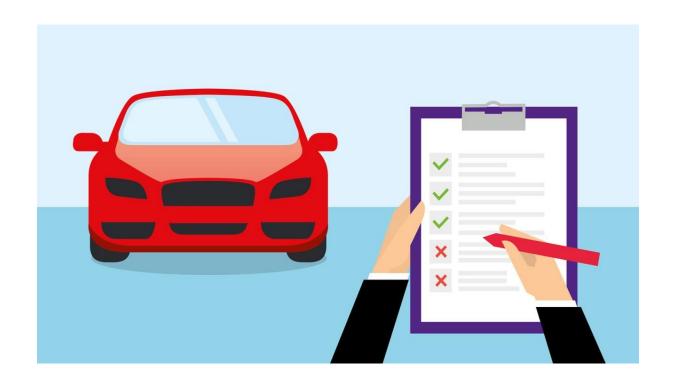
# Analysing the Impact of Car Features on Price and Profitability



- Samruddhi Pawar

# **Project Description:**

The automotive industry has been rapidly evolving over the past few decades, with a growing focus on fuel efficiency, environmental sustainability, and technological innovation. With increasing competition among manufacturers and a changing consumer landscape, it has become more important than ever to understand the factors that drive consumer demand for cars.

In recent years, there has been a growing trend towards electric and hybrid vehicles and increased interest in alternative fuel sources such as hydrogen and natural gas. At the same time, traditional gasoline-powered cars remain dominant in the market, with varying fuel types and grades available to consumers.

In this Project, the client has asked How can a car manufacturer optimize pricing and product development decisions to maximize profitability while meeting consumer demand? As a Data Analyst, our work is about analyzing patterns in the various Car features to understand the factors that drive consumer demands for Cars. These insights will be helpful for Car manufacturers, dealers, and other stakeholders to determine the important factors to boost sales of Cars.

# Approach:

The goal of this project is to help a car manufacturer optimize pricing and product development decisions to maximize profitability while meeting consumer demand. The project involves analysing the relationship between car features, market categories, and pricing to identify the most popular and profitable features and categories among consumers. Different approaches have been used to analyse the given dataset for the present project. Results based on the analysis have been listed along with the respective questions to make the inferences. The dataset provided with the project mainly deals with the different features like vehicle type, drive type, and different parameters like Highway MPG and car's HP for different Make.

In this project, I have used Python and Tableau. After reading the data, I did some cleaning and replaced certain values. I chose Tableau because it allows me to build attractive dashboards with a variety of charts to see trends, patterns, and analyses. The modeling techniques I have used are pivot tables and data visualization.

# **Tech Stack Used:**

- Python The programming language used for Data Pre-processing.
- **Google Colab** Interactive platform to write and execute codes in various programming languages (in this case Python).
- **Microsoft Excel** A spreadsheet editor software used mainly by professionals to enter data in table format, perform computations, plot graphs, etc.

 Tableau - A visualization tool to represent data in graphs and plots. Mainly used to create a Dashboard

### **Dataset Overview:**

### Source of Data:

https://docs.google.com/spreadsheets/d/1SNoedxnbWsQHBCSzUgYU35WKam3lzQvy1kzku U52H4Y/edit?usp=sharing

The dataset provides details about the various car features like the Company, Year of Manufacture, Engine Type and Power, etc.

The Dataset details are:

- Number of Data Points: 11,914

- Number of Features: 16

- Column Details:

Make: Manufacturer of the Car
 Model: Model name of the Car

3. Year: Year of launch of the Car

4. Engine Fuel Type: The type of Fuel that the Car uses

5. Engine HP: Horsepower of the Car

6. Engine Cylinders: Number of cylinders in the Car's engine

7. Transmission Type: Transmission type of the Car

8. Driven Wheels: Which wheels does the engine transfer power to

9. Number of Doors: Number of doors in the Car

10. Market Category: Market categories the Car can be classified into

11. Vehicle Size: Size category of the Car

12. Vehicle Style: Style category of the Car

13. Highway MPG: Mileage of the Car in highways

14. City mpg: Mileage of the Car in cities

15. Popularity: Popularity score of the Car

16. MSRP: Price of the Car

# **Data Pre-Processing**

# **Handling Duplicate Values**

Found duplicate rows on analysis. Except for the first instance, dropped all other duplicate rows.

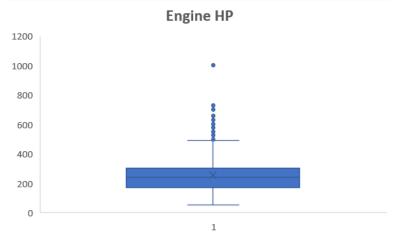
# **Handling Null Values**

• For Null values in the Engine HP column, we searched the value of Engine HP by searching for rows with the same Make, Model, and Year. If found then replace the null value with the mode of Engine HP value of all the matching rows.

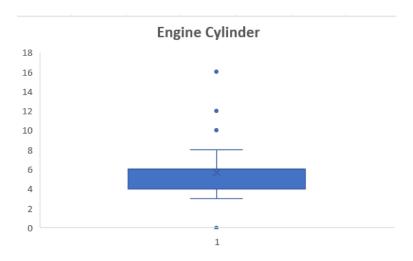
- For Null values in the Engine Cylinders column where the Engine Fuel Type is electric, we replaced them with 0 as on analysis we found that electric Cars have 0 Engine Cylinders which is logical.
- For Null values in the Market Category column,
  - Separated the Categories into different columns.
  - Searched for Market Categories of all rows of the same Car Make and Model in a non-null values data frame.
  - Found the mode of the Market Categories and replaced the null value with the mode.

# **Handling Outliers**

• For the Outliers in the Engine HP column, we checked the Market Category column for all rows with values higher than the 4th quartile mark of Engine HP. All cars are either Exotic or High-Performance or Luxury vehicles. So didn't change anything.

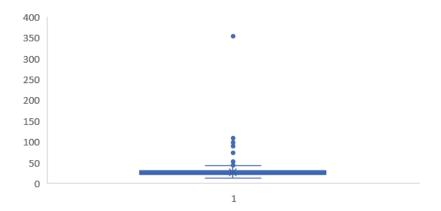


 For the Outliers in the Engine Cylinders column, we checked Engine Fuel Type for rows with 0 Engine Cylinders which are all electric which is logical. For Engine Cylinders greater than 8, we checked the Market Category and all cars were either Exotic, High-Performance, or Luxury. So didn't change anything.

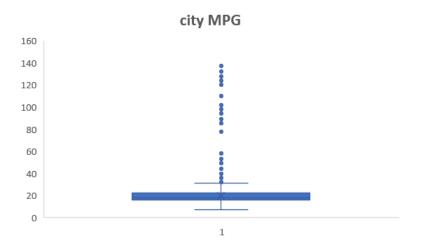


• For the Outliers in the highway MPG column, we plotted a box plot. Considering 42 as the threshold, we observed that a large percentage of vehicles with very high mileage are electric vehicles which is very logical. So didn't change anything.

highway MPG

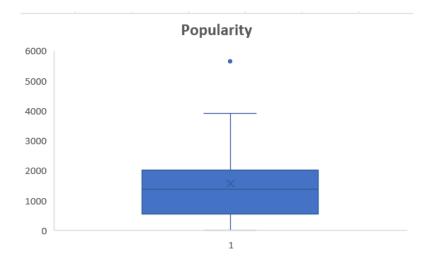


• For the Outliers in the city mpg column, we plotted the box plot. Considering 31 as the threshold, we observed that a large percentage of vehicles with very high mileage are electric vehicles which is very logical. So didn't change anything.

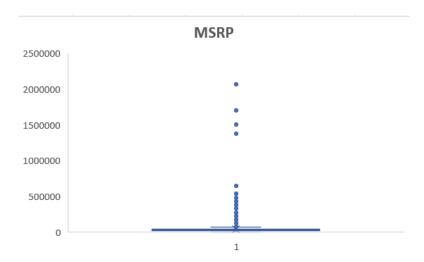


For the Outliers in Popularity column, we plotted a box plot. Considering 3960 as the
threshold, we observed that the distribution of the ratio of MSRP (Car Price) and
Engine HP for cars whose popularity was above and below 3960 is almost the same.
Also with 3960 as a threshold value, we observed that the distribution of MSRP (Car
Price) and Engine Cylinders for cars whose popularity was above and below 3960
was almost the same.

Also, the cars whose popularity was above 3960 are all from Ford which implies that Ford cars are very popular in the region. So didn't change anything.



• For the Outliers in the MSRP column, we plotted the box plot. Considering 100000 as the threshold, we observed that the cars with prices above 100000 are all Exotic or Performance or Luxury cars. So didn't change anything.



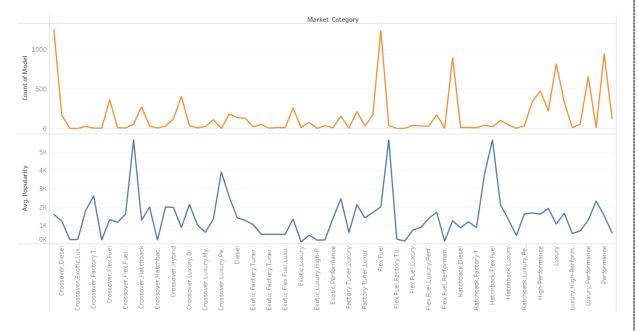
# **Insights:**

- 1. How does the popularity of a car model vary across different market categories?

  Task 1. A: Create a pivot table that shows the number of car models in each market category and their corresponding popularity scores.
  - **Task 1. B:** Create a combo chart that visualizes the relationship between market category and popularity.

		2 2 2	Diesel	137	1413.963504
	Model	Popularity	Diesel,Luxury	131	1278.969466
Market \nCategory			Exotic, Factory Tuner, High-Performance	21	1046.380952
Crossover	1256	1603.590764	Exotic, Factory Tuner, Luxury, High-Performance	51	523.019608
Crossover, Diesel	166	1236.054217	Exotic, Factory Tuner, Luxury, Performance Exotic, Flex Fuel, Factory Tuner, Luxury, High-Perf	3 13	520.000000 520.000000
Crossover, Exotic, Luxury, High-Performance	1	238.000000	Exotic, Flex Fuel, Luxury, High-Performance	11	520.000000
, ,, ,,	1		Exotic, High-Performance	258	1347.906977
Crossover, Exotic, Luxury, Performance	1	238.000000	Exotic, Luxury	12	112.666667
Crossover, Factory Tuner, Luxury, High-Performance	26	1823.461538	Exotic, Luxury, High-Performance	77	473.025974
Crossover, Factory Tuner, Luxury, Performance	5	2607.400000	Exotic, Luxury, High-Performance, Hybrid	1	204.000000
Crossover, Factory Tuner, Performance	4	210.000000	Exotic,Luxury,Performance	36	217.027778
Crossover, Flex Fuel	362	1317.986188	Exotic, Performance	10	1391.000000
Crossover,Flex Fuel,Luxury	10	1173,200000	Factory Tuner,High-Performance Factory Tuner,Luxury	157	2455.617834 617.000000
			Factory Tuner, Luxury, High-Performance	215	2133.367442
Crossover,Flex Fuel,Luxury,Performance	6	1624.000000	Factory Tuner, Luxury, Performance	31	1413.419355
Crossover,Flex Fuel,Performance	56	5657.000000	Factory Tuner, Performance	171	1715.046784
Crossover, Hatchback	276	1283.126812	Flex Fuel	1244	2004.615756
Crossover, Hatchback, Factory Tuner, Performance	30	2009,0000000	Flex Fuel,Diesel	37	5657.000000
Crossover, Hatchback, Luxury	7	204.000000	Flex Fuel,Factory Tuner,Luxury,High-Performance Flex Fuel,Hybrid	1	258.000000
Crossover, Hatchback, Performance	29	2009.000000	Flex Fuel, Luxurv	39	155.000000 746.538462
			Flex Fuel, Luxury, High-Performance	32	898.312500
Crossover,Hybrid	122	1982.565574	Flex Fuel, Luxury, Performance	28	1380.071429
Crossover, Luxury	406	889.214286	Flex Fuel, Performance	174	1729.149425
Crossover,Luxury,Diesel	34	2149.411765	Flex Fuel, Performance, Hybrid	2	155.000000
Crossover, Luxury, High-Performance	9	1037.222222	Hatchback	896	1259.378348
Crossover, Luxury, Hybrid	24	630.916667	Hatchback, Diesel	14	873.000000
Crossover, Luxury, Performance	112	1349.089286	Hatchback,Factory Tuner,High-Performance Hatchback,Factory Tuner,Luxury,Performance	13	1205.153846 886.888889
* **	112		Hatchback, Factory Tuner, Performance	42	3800.166667
Crossover,Luxury,Performance,Hybrid	2	3916.000000	Hatchback, Flex Fuel	21	5657.000000
Crossover, Performance	185	2546.145946	Hatchback, Hybrid	102	2123.205882

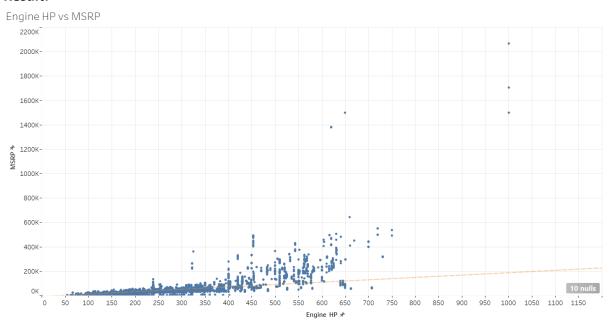
Hatchback, Luxury	45	1323.133333
Hatchback,Luxury,Hybrid	3	454.000000
Hatchback, Luxury, Performance	36	1632.250000
Hatchback, Performance	342	1684.763158
High-Performance	475	1613.143158
Hybrid	223	1930.062780
Luxury	819	1079.214896
Luxury, High-Performance	334	1668.017964
Luxury,High-Performance,Hybrid	12	568.833333
Luxury,Hybrid	54	699.981481
Luxury, Performance	659	1293.062215
Luxury,Performance,Hybrid	11	2333.181818
Performance	943	1537.537646
Performance, Hybrid	121	596.702479



- We can observe that the average popularity of cars based on their Market Category mainly ranges from 1200 to 1800 with the exception of Exotic cars being the lowest popular and Flex Fuel cars being the most popular.
- The dataset has a comparatively higher number of Performance and Luxury cars followed by Crossovers and Flex Fuel cars.

2. What is the relationship between a car's engine power and its price?

Task 2: Create a scatter chart that plots engine power on the x-axis and price on the y-axis. Add a trendline to the chart to visualize the relationship between these variables.

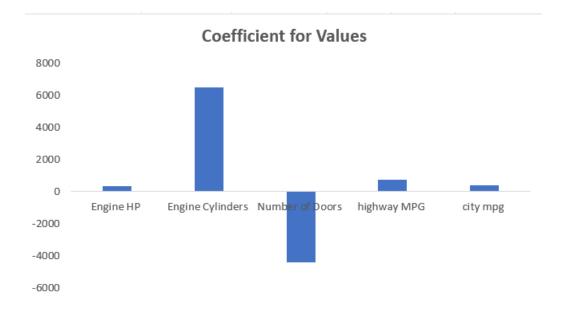


- We can observe that the relationship is positive as the trendline has a positive slope. This is logical as higher Engine HP requires a more complex level of design and engineering and more expensive sub-parts. Also, cars with higher Engine HP are mostly Performance cars.
- **3.** Which car features are most important in determining a car's price? *Task 3:* Use regression analysis to identify the variables that have the strongest relationship with a car's price. Then create a bar chart that shows the coefficient values for each variable to visualize their relative importance.

Regression S	tatistics				
Multiple R	0.674464809				
R Square	0.454902778				
Adjusted R Square	0.454659279				
Standard Error	45441.90259				
Observations	11199				
ANOVA					
	df	SS	MS	F	Significance F
Regression	5	1.92888E+13	3.86E+12	1868.19	0
Residual	11193	2.31132E+13	2.06E+09		
Total	11198	4.24019E+13			

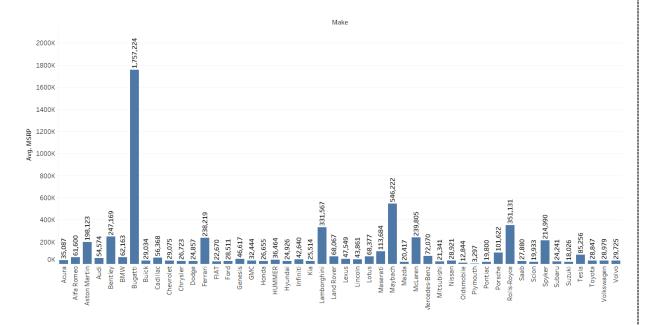
	Coefficients	Standard Error	t Stat	P-value	Lower 95%	Upper 95%	Lower 95.0%	Upper 95.0%
Intercept	-86836.97989	3537.319813	-24.5488	1.2E-129	-93770.74912	-79903.2	-93770.74912	-79903.21067
Engine HP	315.5444981	6.293354862	50.13931	0	303.2084153	327.8806	303.2084153	327.880581
Engine Cylinders	6500.107179	447.8196167	14.51501	2.62E-47	5622.301937	7377.912	5622.301937	7377.912422
Number of Doors	-4400.346468	498.3331605	-8.83013	1.2E-18	-5377.167144	-3423.53	-5377.167144	-3423.525792
highway MPG	749.0100565	107.5953928	6.961358	3.56E-12	538.1041553	959.916	538.1041553	959.9159578
city mpg	368.4066424	101.5244739	3.628747	0.000286	169.4008103	567.4125	169.4008103	567.4124745

- Using regression analysis, we found the top columns.
- We can observe that the R-squared score is 0.45 which can be counted as a good score.

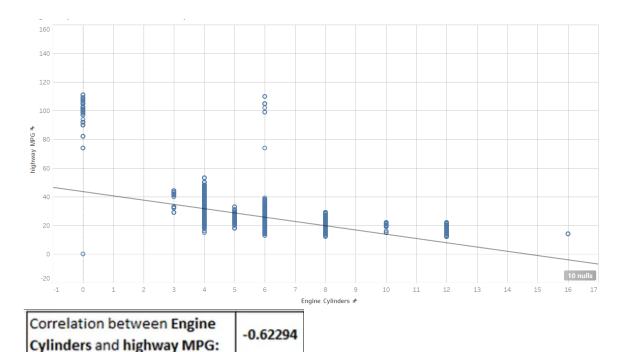


- We can observe that the highest coefficient value is that of Engine Cylinders
- This shows that the Engine Cylinders have a very important relationship with Engine HP.
- **4.** How does the average price of a car vary across different manufacturers? **Task 4. A:** Create a pivot table that shows the average price of cars for each manufacturer.
  - **Task 4. B:** Create a bar chart or a horizontal stacked bar chart that visualizes the relationship between the manufacturer and the average price.

		Kia	25513.76
Make		Lamborghini	331567.31
Acura	35087.49	Land Rover	68067.09
Alfa Romeo	61600.00	Lexus	47549.07
Aston Martin	198123.46	Lincoln	43860.82
Audi	54574.12	Lotus	68377.14
BMW	62162.56	Maserati Maybach	113684.49 546221.88
Bentley	247169.32	Mazda	20416.62
Bugatti	1757223.67	McLaren	239805.00
Buick	29034.19	Mercedes-Benz	72069.53
Cadillac	56368.27	Mitsubishi	21340.56
Chevrolet	29074.73	Nissan Oldsmobile	28921.15 12843.80
Chrysler	26722.96	Plymouth	3296.87
Dodge	24857.05	Pontiac	19800.04
•		Porsche	101622.40
FIAT	22670.24	Rolls-Royce	351130.65
Ferrari	238218.84	Saab	27879.81
Ford	28511.31	Scion	19932.50
GMC	32444.09	Spyker	214990.00
Genesis	46616.67	Subaru	24240.67
HUMMER	36464.41	Suzuki	18026.42
Honda	26655,15	Tesla Toyota	85255.56 28846.56
Hyundai	24926.26	Volkswagen	28978.52
		Volkswagen	29724.68
Infiniti	42640.27	*01*0	23,24.00

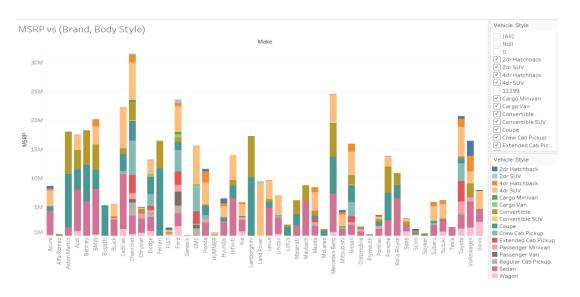


- We can observe that the most expensive cars are that of the Bugatti brand followed by Maybach, Rolls-Royce, Lamborghini etc. All these cars' brands are High-Performance and Luxury brands.
- **5.** What is the relationship between fuel efficiency and the number of cylinders in a car's engine?
  - **Task 5. A:** Create a scatter plot with the number of cylinders on the x-axis and highway MPG on the y-axis. Then create a trendline on the scatter plot to visually estimate the slope of the relationship and assess its significance.
  - **Task 5. B:** Calculate the correlation coefficient between the number of cylinders and highway MPG to quantify the strength and direction of the relationship. **Result:**

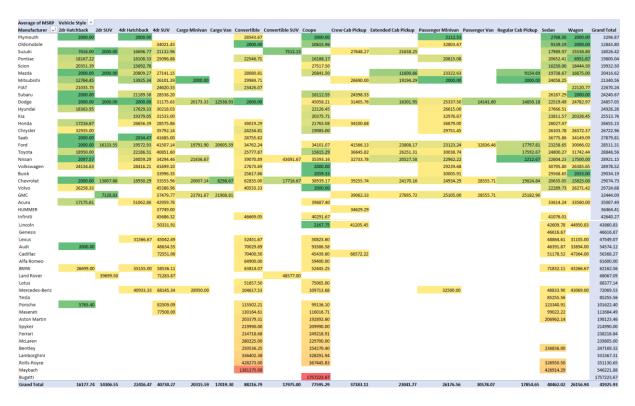


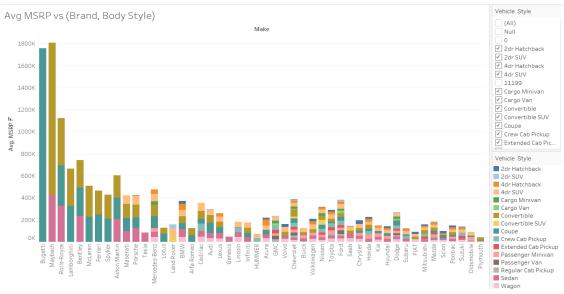
- We can observe that the plot between highway MPG and Engine Cylinders has a negative slope.
- The correlation coefficient is also Negative with a value of -0.62294.
- This is logical because as the number of Engine Cylinders increases, the amount of fuel to be burnt also increases, thus decreasing the mileage (highway MPG).
- **6.** How does the distribution of car prices vary by brand and body style? *Result:*

Sum of MSRP	Column Labels *																
		2dr SUV	4dr Hatchback	Adr SHV	Cargo Minivan	Cargo Van	Convertible	Convertible SUV	Coune	Crow Cah Dickun	Extended Cab Pickup	Passenger Minivan	Dassonger Van	Regular Cah Pickun	Sedan	Wagon	Grand Total
Acura	480917	201 30 V	357440	2663505	Caigo ivillivali	caigo vaii	Convertible	CONVENIENCE SO V	793748	CIEW Cab Fickup	Extended Cab Fickup	rassenger willivan	rassenger van	negulai Cab Fickup	4134552		
Alfa Romeo	400317		557440	2003303			129800		178200						4254552	202300	308000
Aston Martin							7321655		9258845						1448735		18029235
Audi	4000			2674900			3291405		3556290						7144348	847350	
Bentley	1000			207 1300			6012870		6356760						5920900	017000	18290530
BMW	80097		1103100	3160950			4403171		3304051						7829700	259600	
Bugatti			2200200	0200300					5271671						1025100	207000	5271671
Buick				2141770			179325		18534			33006	5		2838590	8212	
Cadillac				7182555			985607		2953574						9416847	1184100	
Chevrolet	8000	193310	1287260	6509468	420150	74688	2953245					1047240	599670	2260032		300675	
Chrysler	98805			250545			630105		114510			922295			2479859	501075	4997194
Dodge	38000	12000	16000	2462875	60520	338497	6000		2973842		684682			653408		793055	
Ferrari							4723811		11713289								16437100
FIAT	420715			369305			327965									287570	1405555
Ford	24000		3 567615	4482771	415630	556351	730007		1398144	3782518	2285584	117928	5 2429898	1299240	2279348		
Genesis															139850		139850
GMC		128319	9	6633919	142750	460085				4062482	2175866	150630	599670	1284328	3		15638049
Honda	413200		1919260	3800589			252135		1588705	750215		553185	5		2264390		11541679
HUMMER				377490						242405							619895
Hyundai	789650		528880	1994390					685920			13307	5		2323987		6455902
Infiniti				4340200			980050		2175750						6490009		13986009
Kia			406960	2049645					142630			494650	)		1976360	772405	5842650
Lamborghini							7064450		10177050								17241500
Land Rover		476394	4	8839200				145731									9461325
Lexus			94700	3152974			472065		1016472						4837596	31105	9604912
Lincoln				3422570					17342	453260					2854855	269705	7017732
Lotus							413260		1501300								1914560
Maserati				155000			2342963		1972284						1782400		6252647
Maybach							2762750								5976800		8739550
Mazda	18000	12000	853180	3175515			870505		541879		580033	443130	)	265486	1618571	33350	8411649
McLaren							280225		918800								1199025
Mercedes-Benz			122800	4974610	28950		5753964		6473107			3250	)		6543743	646035	24575709
Mitsubishi	370169		403835	2009807	2000		209893			240210	134360	2000	)	8000	1058563		4438837
Nissan	14683		1347320	4149630	128620		1406552	131075	2937632	2422300	1026379	413320	)	19914	1763130	175000	15935555
Oldsmobile				238150			2000		276015			49205	5		667161	20000	1695381
Plymouth	40000		14000				85631		8000			31688	3		38759	16000	234078
Pontiac	163505		162975	401550			473481		663715			541192	2		1156535	20855	3583808
Porsche	28827			1815200			4504586		4758533						2713500		13820646
Rolls-Royce							2141365		2204675						6539010		10885050
Saab	12000		34586	541905			632628								1066500		3038899
Scion	366325		282470						330210						32500	184445	
Spyker							219990		209990								429980
Subaru	12000		678060	2539900					354476						1833110	10000	
Suzuki	44496	12000	584387	2303493				120194		304131	259659	•			1852967	683707	6165034
Tesla															1534600		1534600
Toyota	473750		1397750	5106450			386668		811995		3491424			369446			
Volkswagen	2606540		2699540	2084955			2296916		6000			906430	)		4434595	1424825	16459801
Volvo	157550			3131700			121600		6000						2072945		7906766
Grand Total	6665229	1301896	5 14862118	99137486	1198620	1429621	65368643	503300	91174463	24354938	13755938	1018268	3699946	6159854	115033523	14700200	469528458



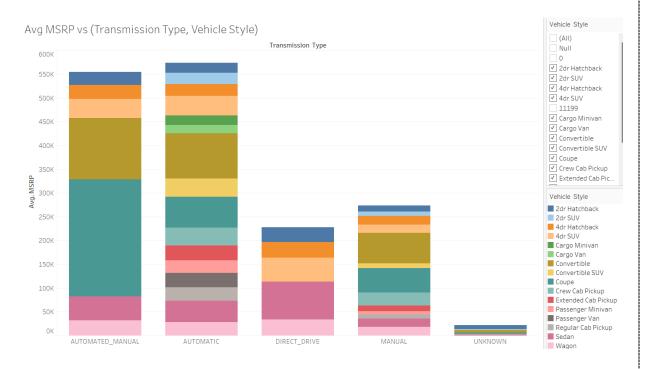
- The sum of the MSRP of the Ferrari Coupe as a vehicle style is the highest of all according to the dataset. This suggests that this is the highest-purchased luxury car.
- The sum of the MSRP of the Audi 2dr Hatchback as a vehicle style is the lowest of all according to the dataset. This model is of the years 1990-1991, during that time prices were comparatively lower than today. Although it's a luxury car due to the time difference it has the lowest sum of MSRP.
- **7.** Which car brands have the highest and lowest average MSRPs, and how does this vary by body style?





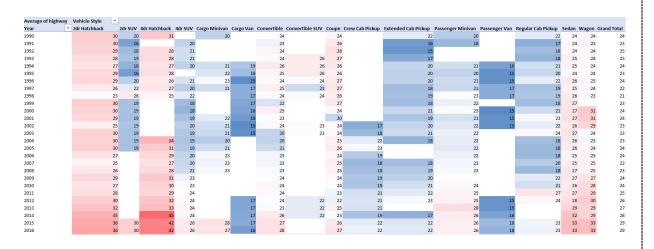
- The first graph is a heatmap. It shows the average MSRP of vehicles according to Manufacturer and Vehicle style. In that, Plymouth, Oldsmobile has the lowest Average MSRP of \$2000.
- The stacked graph also shows that highest average MSRP is of Bugatti Coupe and then followed by Maybach convertible.
- **8.** How do the different features such as transmission type affect the MSRP, and how does this vary by body style?

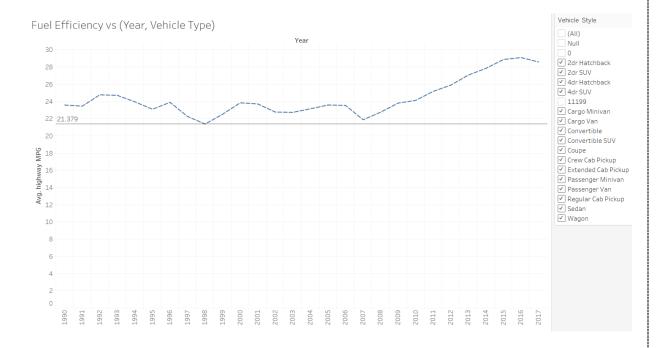
Average of MSRP	Vehicle Style														
Transmission Type	2dr Hatchback	2dr SUV	4dr Hatchback	4dr SUV	Cargo Minivan	Cargo Van	Convertible	Convertible SUV	Coupe	Crew Cab Pickup	Extended Cab Pickup	Passenger Minivan	Passenger Van	Regular Cab Pickup Sedan W	/agon
AUTOMATED_MANUAL	27470		29347	40451			129082		245977					50385 3	31985
AUTOMATIC	20784	24154	23889	41638	20316	17019	95153	38926	64523	37719	30711	26590	30578	28537 44671 2	28219
DIRECT_DRIVE	31800		32800	49800										79512 3	34250
MANUAL	12841	9173	17500	17422			64794	9595	50901	28233	11553	6510		8759 17557 1	18399
UNKNOWN	7362	2371					5784		2000					2000 2000	
Grand Total	16178	14307	22416	40730	20316	17019	88217	17975	77595	37183	23042	26177	30578	17855 40462 2	26157



- The stacked graph shows the average MSRP vary across Transmission type and vehicle style. The lowest MSRP is of Passenger Minivan Manual with price of \$6510. As this is a basic commercial vehicle model, it's pretty significant that the price will be low.
- The highest MSRP is of Convertible Automated Manual with price of \$129082. As
  this is an advanced SUV vehicle model, it's pretty significant that the price will be
  high.

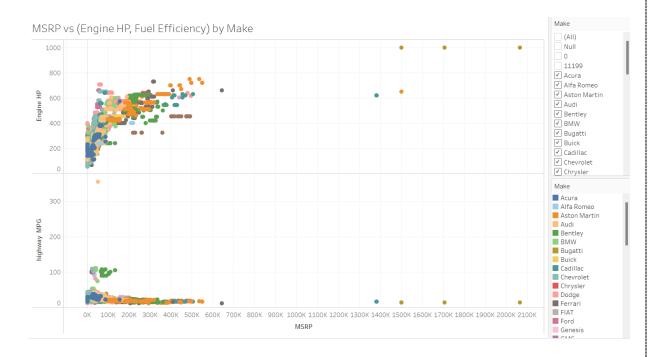
**9.** How does the fuel efficiency of cars vary across different body styles and model years?





- The line graph shows the fuel efficiency varied across Years and Vehicle Styles. Overall, the graph has been steady since the year 2007.
- The fuel efficiency has been in the year 1998 with 21 MPG and highest in 2015 with 29 MPG.

# **10.** How do the car's horsepower, MPG, and price vary across different Brands? *Result:*



- The above scatter plot shows how Engine HP varies across Price and Car brands.
   The second is distribution of Fuel Efficiency varies across Prices and Brands.
- Bugatti has the highest MSRP of \$2,065,902 and Engine of 1001hp but relatively moderate fuel efficiency of 14mpg.
- Audi has the highest fuel efficiency of 354mpg but relatively moderate engine of 252hp and has price range of \$51600.

# Dashboard:



# **Summary:**

- In the crossover market category, a high number of models are built, which means people are liking the crossover category more.
- The F150 model has high popularity amongst customers.
- The Ford manufacturing company has high popularity amongst customers.
- Fewer engine cylinders give more highway MPG, which can attract customers to buy the car.
- Sedan, 4-door SUV, and coupe vehicle styles have high popularity and high MRP, which we can use to make the car profitable.
- Direct drive and automatic manual transmissions are loved by customers and can be priced high. From insights, we can see that people are continuously buying them despite their high price, which can be used to make our cars profitable.
- New models have high MPG due to modifications and improvements made based on customer feedback.
- Sedans and hatchbacks give higher average MPG.
- Engines with 200,250 HP have high popularity, which can help reduce the cost of the car.
- The number of doors has the strongest relationship with the price.

By utilizing the insights and dashboard provided, we can make data- driven decisions to optimize the cost and profitability of our cars, as well as establish our position in the car market. This will help us create more appealing and competitive models that attract customers and increase sales.

# **Conclusion:**

- Through this project, I was able to understand the importance of Data Analytics in Car Feature Analysis as it provides valuable insights that help in making Data-Driven Decisions.
- This project has helped in get hands-on experience with real-life data sets and how we clean, manipulate, visualize, and draw insights from the data The questions asked in the data set have been answered to the best knowledge, and tried to plot the required graphs and chat as per requirement and my understanding.
- In this project I was able to get insights like which features affect Car Price, the relationship between Engine Cylinders and fuel efficiency, etc. I also have experience in Data Preprocessing Data Cleaning, handling Outliers, Feature Engineering, etc. in this project which can be communicated to relevant stakeholders as per the requirements.