

USED CAR PRICE PREDICTION



Submitted by:

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ACKNOWLEDGMENT

This project is completed using knowledge/information available on internet.

Following are the websites & YouTube Channels, which were used to scape data & understand concepts related to ML, AI & Data Visualization.

Websites:

- 1. towardsdatascience.com
- 2. medium.com
- 3. analyticsvidya.com
- 4. DataTrained LMS Platform
- 5. Carwale.com
- 6. Official documentation of ScikitLearn, Matplot library, AutoViz, Sweet Viz, Pandas Library & Seaborn library.
- 7. Kaggle.com
- 8. UCI ML Repository
- 9. Stackoverflow.com
- 10. YouTube Channels:
 - a. Krish Naik
 - b. Sidhdhardan
 - c. Keith Galli

I would like to thank FlipRobo Technologies, for giving an opportunity to work as an intern during this project period. And also like to thank mentor Ms. Gulshana Chaudhary for assigning the project.

INTRODUCTION

Business Problem Framing

With the covid 19 impact in the market, we have seen lot of changes in the car market. Now some cars are in demand hence making them costly and some are not in demand hence cheaper. One of FlipRobo Technologies' clients works with small traders, who sell used cars. With the change in market due to covid 19 impact, FlipRobo Technologies' client is facing problems with their previous car price valuation machine learning models. So, they are looking for new machine learning models from new data. We have to make car price valuation model.

Conceptual Background of the Domain Problem

Determining whether the listed price of a used car is a challenging task, due to the many factors that drive a used vehicle's price on the market. The focus of this project is developing machine learning models that can accurately predict the price of a used car based on its features, in order to make informed purchases.is considerable risk of default involved, because the loan is being provided to low-income populations.

Accurate car price prediction involves expert knowledge, because price usually depends on many distinctive features and factors. Typically, most significant ones are brand and model, age, power and mileage. The fuel type used in the car, different features like colour, type of transmission, dimensions, & other features influence the car price. In this project, we applied different methods and techniques in order to achieve higher precision of the used car price prediction.

Regression Algorithms are used because they provide us with continuous value as an output and not a categorized value because of which it will be possible to predict the actual price a car rather than the price range of a car.

Review of Literature

Data was collected from 'Carwale.com'. This data was cleaned and analysed. It showed the impact that various factors had on the price of the car. Model is then created using the data by splitting into dependent and independent variable, followed by train test split to train the regression models.

The algorithm having the lease difference between r2 score of test-set and cross validation score will be used for hyperparameter tuning. The best parameters are used to tune the model. This model is given to the client in further using to visualise data for car price prediction. We have used machine learning model to predict the above.

We will look at all the features with following goals in mind:

- Relevance of the feature
- Distribution of the feature
- Cleaning the feature
- Visualization of the feature
- Visualization of the feature as per loan default status for data analysis

After having gone through all the features and cleaning the dataset, we will move on to machine learning regression modelling:

- Pre-processing the dataset for models
- Testing multiple algorithms with multiple evaluation metrics
- Select evaluation metric as per our specific business application
- Hyper-parameter tuning using GridSearchCV for the best model parameter
- And finally saving the best model

Motivation for the Problem Undertaken

Car has become a significant part of most of the households, specially where the public transport is not advanced. Hence Used car plays the pivotal role among cars as it expands the market of cars to a wider population. This is an opportunity to grab to make a profitable business. Providing best service/product at affordable price will attract more customer & thereby increasing the profit & business growth.

ANALYTICAL PROBLEM FRAMING

Mathematical/ Analytical Modeling of the Problem

(Describe the mathematical, statistical and analytics modelling done during this project along with the proper justification.)

	count	unique	top	freq	mean	std	min	25%	50%	75%	max
Unnamed: 0	4060.0	NaN	NaN	NaN	2029.5	1172.165375	0.0	1014.75	2029.5	3044.25	4059.0
brand	4059	33	Maruti	1126	NaN	NaN	NaN	NaN	NaN	NaN	NaN
model	4059	200	Suzuki	1126	NaN	NaN	NaN	NaN	NaN	NaN	NaN
variant	4059	1361	Alto 800 Lxi	93	NaN	NaN	NaN	NaN	NaN	NaN	NaN
registration_year	4060	178	Jun 2018	517	NaN	NaN	NaN	NaN	NaN	NaN	NaN
km_driven	4059	2272	32,000	25	NaN	NaN	NaN	NaN	NaN	NaN	NaN
primary_fuel	4060	16	Petrol	2478	NaN	NaN	NaN	NaN	NaN	NaN	NaN
transmission	4059	2	Manual	2718	NaN	NaN	NaN	NaN	NaN	NaN	NaN
registration_city	4060	29	Hyderabad	374	NaN	NaN	NaN	NaN	NaN	NaN	NaN
owner_comment	3381	1237	"Owner's comments for CT: - MRL Certified car \dots	666	NaN	NaN	NaN	NaN	NaN	NaN	NaN
car_price	4060	1062	6.5	54	NaN	NaN	NaN	NaN	NaN	NaN	NaN
price_unit	4053	2	Lakh	4022	NaN	NaN	NaN	NaN	NaN	NaN	NaN
color	4060	101	White	1381	NaN	NaN	NaN	NaN	NaN	NaN	NaN
owner_type	4060	6	First	3257	NaN	NaN	NaN	NaN	NaN	NaN	NaN
insurance_type	4060	492	Comprehensive	993	NaN	NaN	NaN	NaN	NaN	NaN	NaN
reg_type	4060	4	Individual	3846	NaN	NaN	NaN	NaN	NaN	NaN	NaN
engine_cap	3934.0	NaN	NaN	NaN	1488.557702	573.306959	624.0	1197.0	1248.0	1799.0	5998.0
cylinders	3930.0	NaN	NaN	NaN	3.864631	0.715601	2.0	4.0	4.0	4.0	12.0
engine_type	3537	385	K10B	262	NaN	NaN	NaN	NaN	NaN	NaN	NaN
max_power	3722.0	NaN	NaN	NaN	112.50896	59.675065	19.85	75.0	89.0	138.0	616.0
max_p_rpm	3713.0	NaN	NaN	NaN	5148.21923	1050.582921	2910.0	4000.0	5500.0	6000.0	8250.0
max_torque	3722.0	NaN	NaN	NaN	201.886603	131.044602	51.0	112.7619	145.0	260.0	800.0
max_t_rpm	3722.0	NaN	NaN	NaN	2945.240731	1198.381831	1200.0	1750.0	3500.0	4000.0	6500.0
mileage	3702.0	NaN	NaN	NaN	19.009968	3.794078	5.88	16.5	19.0	21.4	33.54
drive_type	3811	4	FWD	3088	NaN	NaN	NaN	NaN	NaN	NaN	NaN
turbocharger	3367	6	No	1875	NaN	NaN	NaN	NaN	NaN	NaN	NaN
car_length	3959.0	NaN	NaN	NaN	4125.023238	452.02915	3099.0	3765.0	3995.0	4454.0	5453.0
car_segment	3959	6	A2	2137	NaN	NaN	NaN	NaN	NaN	NaN	NaN
ground_clear	3258.0	NaN	NaN	NaN	175.255187	17.320439	110.0	165.0	170.0	184.0	295.5

- There was total **4060** rows of observation.
- 4 features namely, 'Unnamed: 0', 'owner_comment', 'variant, 'price_unit', were removed as they carry no value for predicting price of the car.
- Statistical techniques used:
 - Skewness check using '.skew()' method & removing using power transformation method,
 - Outliers' removal using 'Z-Score' method (3 Std deviation method),
 - Correlation check using '.corr()' & heatmap method,
 - o Minimizing Multi collinearity using 'Variance Inflation Factor(VIF)',
 - Scaling input data using 'StandardScaler()' method,
 - o Graphical modelling done through seaborn, matplotlib.
- After Pre processing we used '.describe()' method to check description of the data.

- Machine Learning algorithms used:

```
#For Regression model
from sklearn.linear_model import LinearRegression, Ridge, Lasso, LassoCV
from sklearn.ensemble import RandomForestRegressor, AdaBoostRegressor, GradientBoostingRegressor
from sklearn.neighbors import KNeighborsRegressor
from sklearn.tree import DecisionTreeRegressor
from sklearn.svm import SVR
from xgboost import XGBRegressor
```

Model Evaluation metrics used:

```
#For Evaluation metrics for regression
from sklearn.metrics import mean_squared_error, mean_absolute_error, r2_score
```

 The final model was tuned using Hyper parameter tuning & validated using Cross validation score.

Data Sources and their formats

- The data was scraped using selenium library & saved in **CSV** format.
- There were 28 attributes (27 features and 1 target).
- The target variable is continuous numeric data.
- Following are the relevant features in the data;

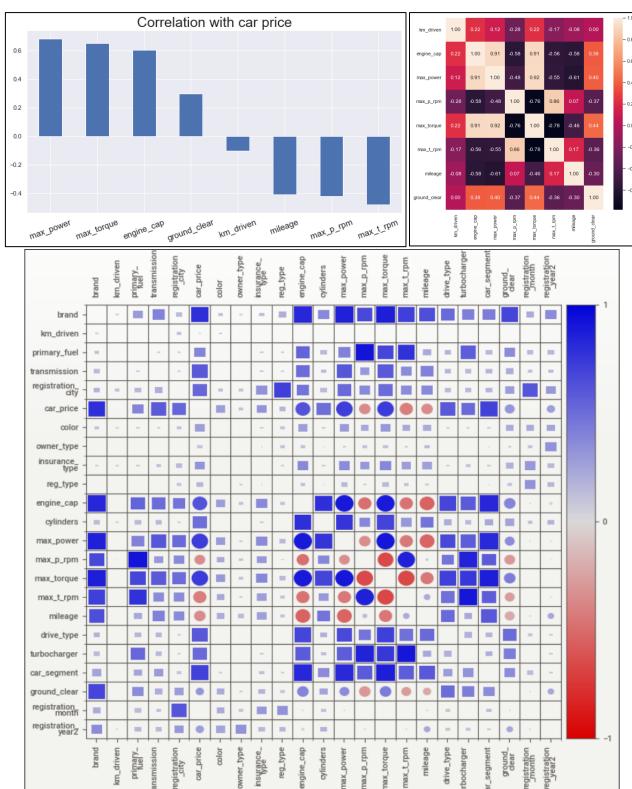
```
Brand - brand name of the car
Model - model name of the car
km_driven – total kilometers driven by the car
primary_fuel - primary fuel feeded to the car
transmission – type of transmission/gear train mechanism
registration_city - name of the city where the car registration was done
car_price - price of the car in Lakhs of rupees (Target variable)
color - color of the car
owner type – level of Ownership transfer
insurance_type - is car insured as on the day of listing it on the website
reg_type - type of registration of car (individual/commercial/taxi/corporate etc)
engine cap - volumetric capacity of the engine
cylinders - no. of cylinders in engine
max_power - max power of the engine
max_p_rpm - rpm at max power
max torque - max torque of the engine
max_t_rpm - rpm at the max torque
mileage - average kilometers drive per 1 liter of fuel
drive_type - rear wheel drive/ front wheel drive/ all-wheel drive
turbocharger – is the car has turbocharger
car_segment - car segment based on the car length
ground_clear – ground clearance
registration month – month of the registration
registration year2 - year of the registration
```

Data Pre-processing Done

- 1. Data Imported using Pandas '.read_csv()' method,
- 2. Dropping unnecessary columns/features
- 3. Dropping Duplicate entries,
- 4. Checking for data consistency & unusual data entries,
- 5. Checking for unique entries, null values,
- 6. Checking for datatype count,
- 7. Skewness is removed using Yeo-Johnson Power Transformer.
- 8. Outliers are removed using Z-score method. Data loss observed was 1.13%.
- 9. Some features are removed as based on Correlation using seaborn heatmap & Multicollinearity check using VIF value:
- 10. Standard scaling is applied on the entire train & test data.
- 11. We used train_test_split to split data for machine learning.

Data Inputs- Logic- Output Relationships

Following plot shows the relation between numerical features and target variable



- Squares are categorical associations (uncertainty coefficient & correlation ratio) from 0 to 1. The uncertainty coefficient is asymmetrical, (i.e. ROW LABEL values indicate how much they PROVIDE INFORMATION to each LABEL at the TOP).
- Circles are the symmetrical numerical correlations (Pearson's) from -1 to 1. The trivial diagonal is intentionally left blank for clarity.

Hardware and Software Requirements and Tools Used

a. Software

- i. → Jupyter Notebook (Python 3.9)
- ii. → Microsoft Office

b. Hardware

- i. → Processor AMD Ryzen 5
- ii. → RAM 8 GB
- iii. → Graphic Memory 4Gb, Nvidia GEFORCE RTX1650

c. Python Libraries

- i. → Pandas
- ii. → Numpy
- iii. → Selenium
- iv. → Matplotlib
- v. → Seaborn
- vi. → Scipy
- vii. → Sklearn
- viii. → AutoViz & SweetViz

MODEL/S DEVELOPMENT AND EVALUATION

Identification of possible problem-solving approaches (methods)

The data set was was analysed both statistically and graphically. The statistical analysis showed that,

- 1. data has outliers, skewness, null values & zero values
- 2. independent variables were continuous & discrete numerical, nominal & categorical type data.
- 3. Data was cleaned missing values were treated using groupby function. Unrealistic data was removed.
- 4. Outliers were removed using z-score method, about 1.74% of data removed.
- 5. Skewness of numerical columns were transformed using yeo-Johnson method to have within allowed limits of +/-0.5.
- 6. Some features were dropped as the entries were did not have any meaning with respect to target variable.
- 7. Total data loss in pre-processing was 2.38%.

Testing of Identified Approaches (Algorithms)

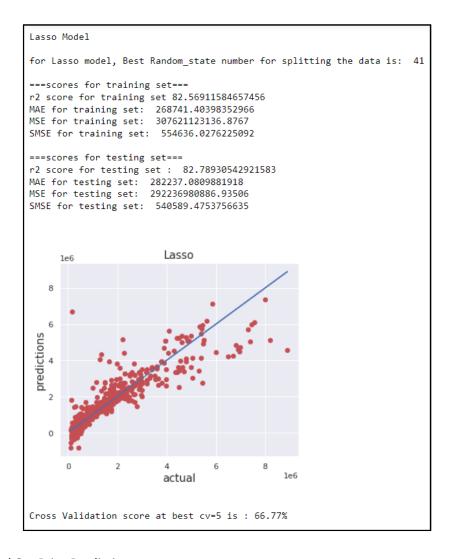
```
#For Regression model
from sklearn.linear_model import LinearRegression, Ridge, Lasso, LassoCV
from sklearn.ensemble import RandomForestRegressor, AdaBoostRegressor, GradientBoostingRegressor
from sklearn.neighbors import KNeighborsRegressor
from sklearn.tree import DecisionTreeRegressor
from sklearn.svm import SVR
from xgboost import XGBRegressor

#For Evaluation metrics for regression
from sklearn.metrics import mean_squared_error, mean_absolute_error, r2_score
```

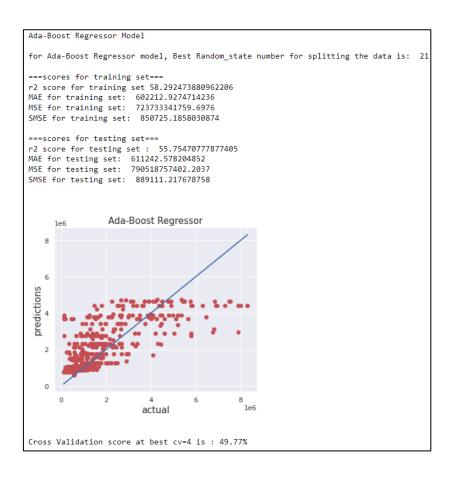
```
lr2 = LinearRegression()
ls2 = Lasso()
rd2 = Ridge()
rfr2 = RandomForestRegressor()
abr2 = AdaBoostRegressor()
gbr2 = GradientBoostingRegressor()
dtr2 = DecisionTreeRegressor()
svr2 = SVR()
knr2 = KNeighborsRegressor()
xgb2 = XGBRegressor()
```

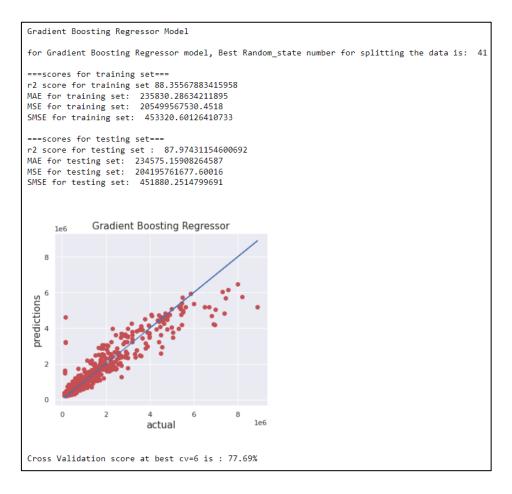
Run and evaluate selected models

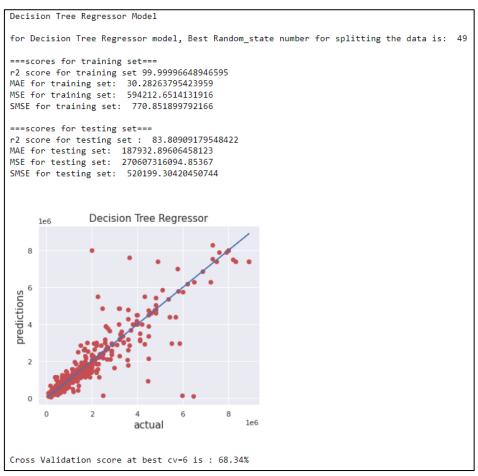
```
Linear Regression Model
 for Linear Regression model, Best Random_state number for splitting the data is: 23
 ===scores for training set===
r2 score for training set 82.77270819724068
MAE for training set: 268173.41588156123
MSE for training set: 296526112012.4899
SMSE for training set: 544542.1122488966
===scores for testing set===
r2 score for testing set: -1.5929994232684135e+28
MAE for testing set: 1.6975819165566536e+18
MSE for testing set: 2.9104906706931315e+38
SMSE for testing set: 1.7060160229883924e+19
                                      Linear Regression
               1e20
         2.5
         2.0
         1.5
   predictions
         1.0
        0.5
         0.0
       -0.5
       -1.0
                                                actual
Cross Validation score at best cv=4 is : -147360467222566238713385320448.00%
```



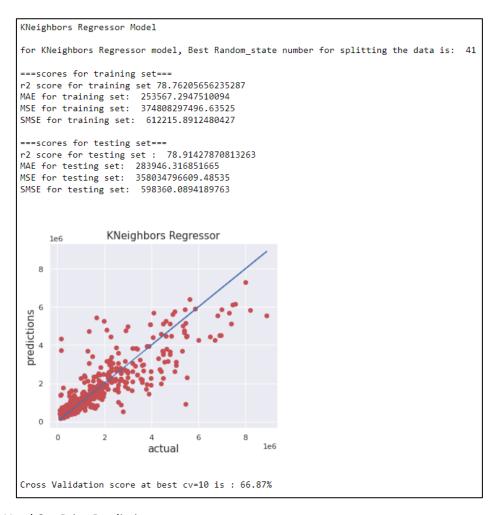
```
Ridge Model
for Ridge model, Best Random_state number for splitting the data is: 12
===scores for training set===
r2 score for training set 82.08708601236874
MAE for training set: 275777.85852652
MSE for training set: 323292977368.8072
SMSE for training set: 568588.5835723465
===scores for testing set===
r2 score for testing set : 82.33464932722339
MAE for testing set: 295787.21239287365
MSE for testing set: 278693423088.3928
SMSE for testing set: 527914.2194413717
                          Ridge
      1e6
   8
   6
predictions
                 2
                          actual
Cross Validation score at best cv=5 is : 66.33%
```



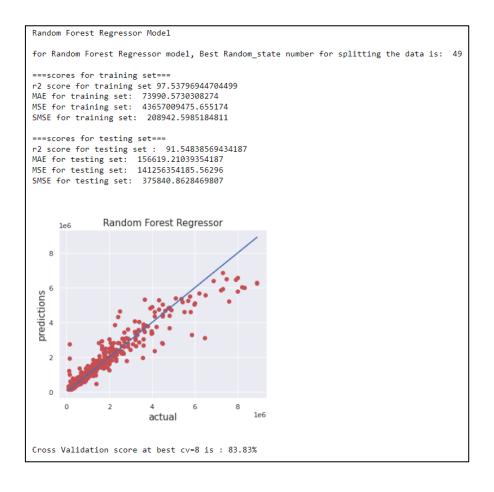




```
Support Vector Machine Model
for Support Vector Machine model, Best Random_state number for splitting the data is: 46
===scores for training set===
r2 score for training set -14.189385656201958
MAE for training set: 720520.0978146691
MSE for training set: 1993957488487.7341
SMSE for training set: 1412075.5958827892
===scores for testing set==
r2 score for testing set: -14.197444884309164
MAE for testing set: 717492.263594514
MSE for testing set: 2003067804088.5312
SMSE for testing set: 1415297.7792989472
                     Support Vector Machine
        1e6
     8
     6
 predictions
•
     0
                                 actual
Cross Validation score at best cv=4 is : -15.30%
```



```
XGB Regressor Model
for XGB Regressor model, Best Random_state number for splitting the data is: 41
===scores for training set===
r2 score for training set 99.01298585274289
MAE for training set: 78648.05620557495
MSE for training set: 17418875477.498596
SMSE for training set: 131980.5875024755
===scores for testing set===
r2 score for testing set : 93.12998632527541
MAE for testing set: 150430.38363237891
MSE for testing set: 116652587534.82108
SMSE for testing set: 341544.41517146945
                       XGB Regressor
       1e6
    8
 predictions
                             actual
                                                       1e6
Cross Validation score at best cv=10 is : 82.38%
```



	Model	Best_Random_State	Train_r2_Score	Test_r2_Score	Train_MAE	Train_MSE	Train_SMSE	Test_MAE	Test_MSE	Test_SMSE	Best_CV_Fold	Cross_Val_Score
Sr. No.												
9	XGB Regressor	41	99.01	9.313000e+01	78648.06	1.741888e+10	131980.59	1.504304e+05	1.166526e+11	3.415444e+05	10	8.200000e+01
10	Random Forest Regressor	49	97.54	9.155000e+01	73990.57	4.365701e+10	208942.60	1.566192e+05	1.412564e+11	3.758409e+05	8	8.400000e+01
6	Decision Tree Regressor	49	100.00	8.381000e+01	30.28	5.942127e+05	770.85	1.879329e+05	2.706073e+11	5.201993e+05	6	6.800000e+01
5	Gradient Boosting Regressor	41	88.36	8.797000e+01	235830.29	2.054996e+11	453320.60	2.345752e+05	2.041958e+11	4.518802e+05	6	7.800000e+01
2	Lasso	41	82.57	8.279000e+01	268741.40	3.076211e+11	554636.03	2.822371e+05	2.922370e+11	5.405895e+05	5	6.700000e+01
8	KNeighbors Regressor	41	78.76	7.891000e+01	253567.29	3.748083e+11	612215.89	2.839463e+05	3.580348e+11	5.983601e+05	10	6.700000e+01
3	Ridge	12	82.09	8.233000e+01	275777.86	3.232930e+11	568588.58	2.957872e+05	2.786934e+11	5.279142e+05	5	6.600000e+01
4	Ada-Boost Regressor	21	58.29	5.575000e+01	602212.93	7.237333e+11	850725.19	6.112426e+05	7.905188e+11	8.891112e+05	4	5.000000e+01
7	Support Vector Machine	46	-14.19	-1.420000e+01	720520.10	1.993957e+12	1412075.60	7.174923e+05	2.003068e+12	1.415298e+06	4	-1.500000e+01
1	Linear Regression	23	82.77	-1.592999e+28	268173.42	2.965261e+11	544542.11	1.697582e+18	2.910491e+38	1.706016e+19	4	-1.473605e+29

We selected **Random Forest Regressor** for the following reasons:

- minimum MAE value on test set & highest cross val score.
- minimum difference between Cross val score & test score.
- train score & test score are almost similar.

Key Metrics for success in solving problem under consideration

Following metrics used for evaluation:

- 1. Mean absolute error which gives magnitude of difference between the prediction of an observation and the true value of that observation.
- 2. Root mean square error is one of the most commonly used measures for evaluating the quality of predictions.
- 3. R2 score which tells us how accurate our model predict result, is going to important evaluation criteria along with Cross validation score.

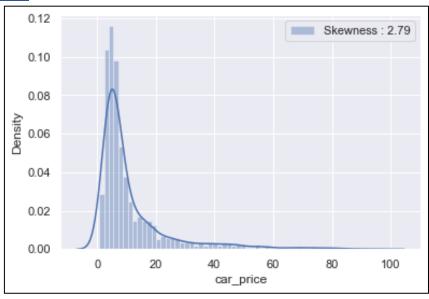
Hyperparameter Tuning:

Saving & predictions of the model on Test data provided

```
1 filename='used_car_price_prediction2.pkl'
 pickle.dump(rfr_tune_final2,open(filename,'wb'))
 1 model =pickle.load(open('used_car_price_prediction2.pkl','rb'))
 pred =model.predict(x_test)
pred = pd.DataFrame(list(zip(y_test, pred)), columns = ['Actual', 'Predicted'])
 4 result
       Actual
               Predicted
0 1399000.0 4.871230e+05
  1 575000.0 5.845045e+05
2 699000.0 7.400257e+05
  3 365000.0 4.804555e+05
4 680000.0 6.676663e+05
986 459000.0 4.565913e+05
987 1120000.0 9.557202e+05
988 525000.0 5.530595e+05
989 3580000.0 3.590954e+06
990 2000000.0 1.783793e+06
991 rows × 2 columns
```

VISUALIZATIONS & EDA

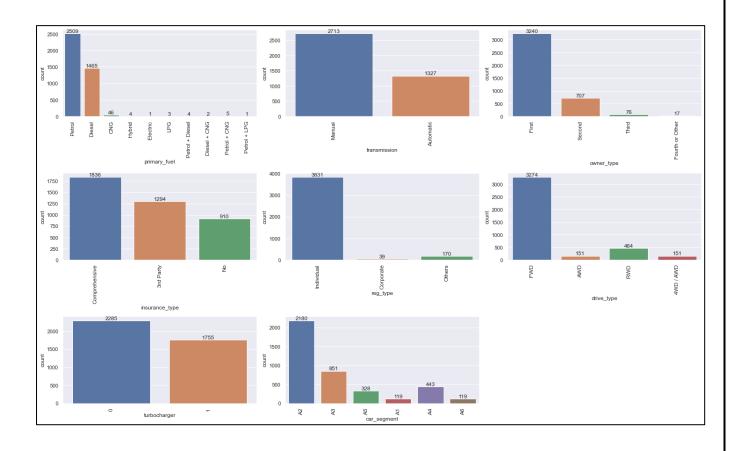
Target Variable:

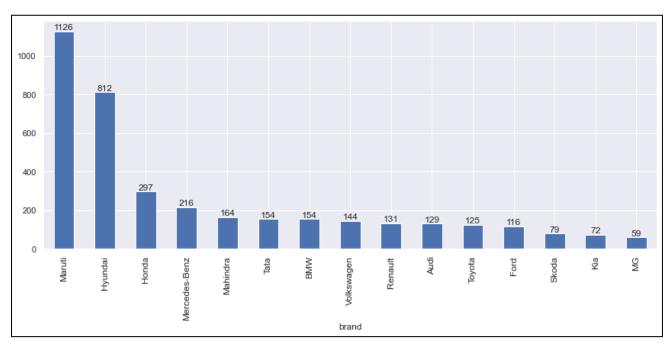


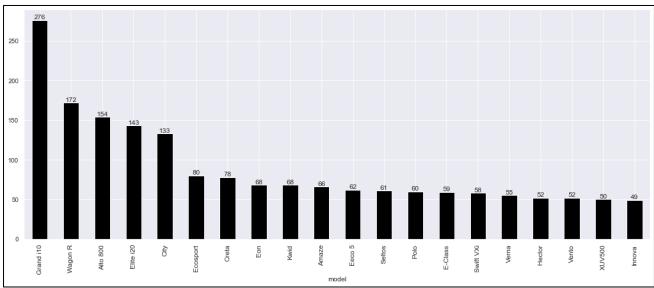
Observation:

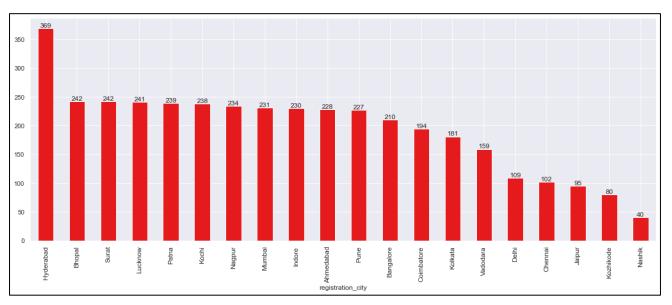
We see that input data was highly imbalanced and more than 89% of the observations were non-defaulters. The data was balanced before feeding it to ML models using SMOTE.

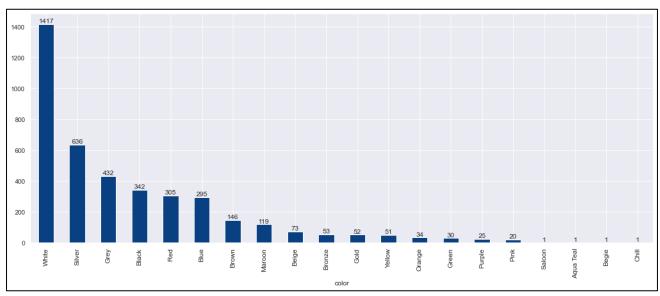
Independent Variables:

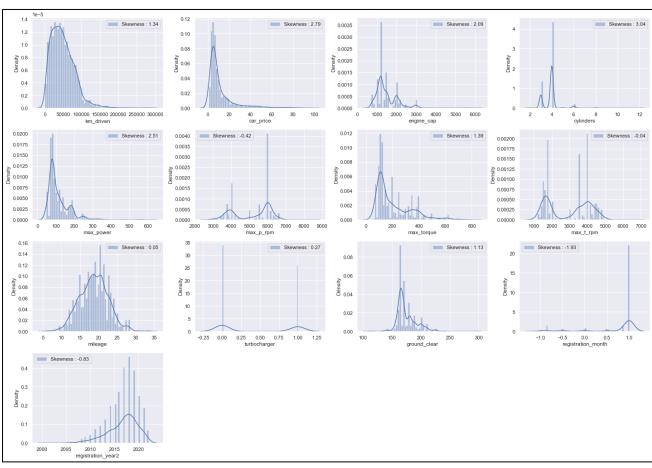




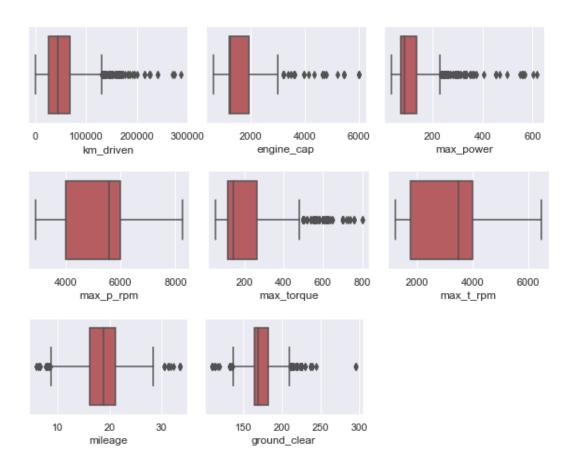




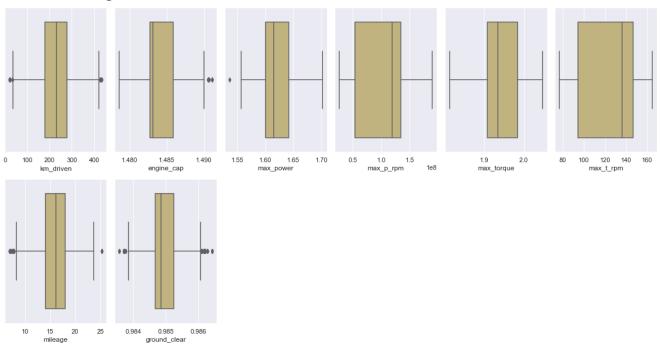




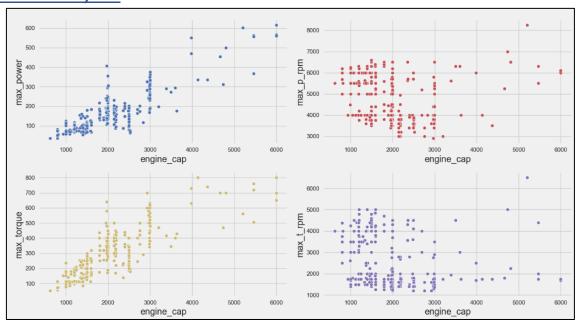
Outliers in Given data:

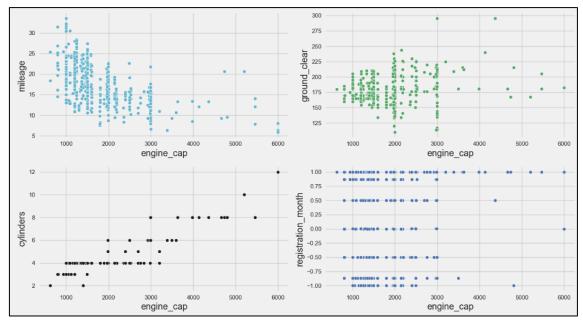


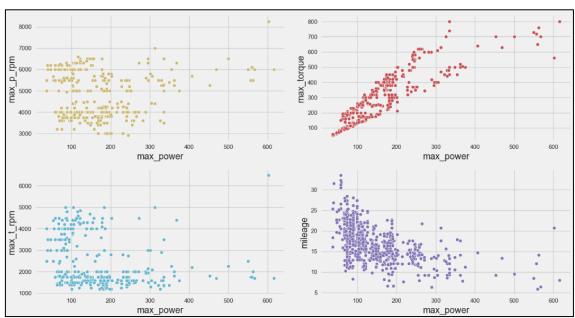
After removing outliers;

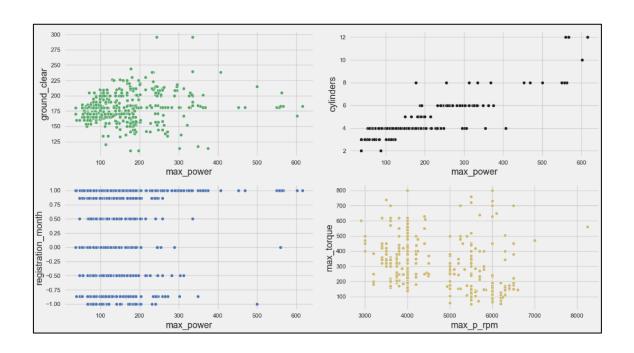


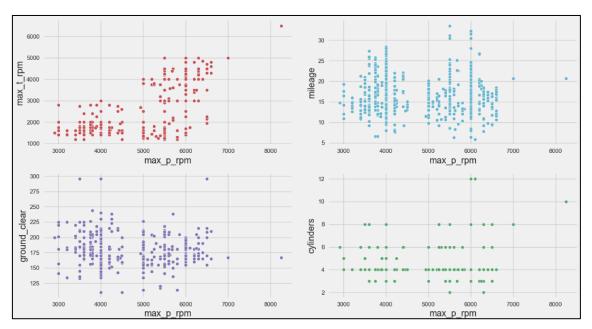
Bivariate Analysis:

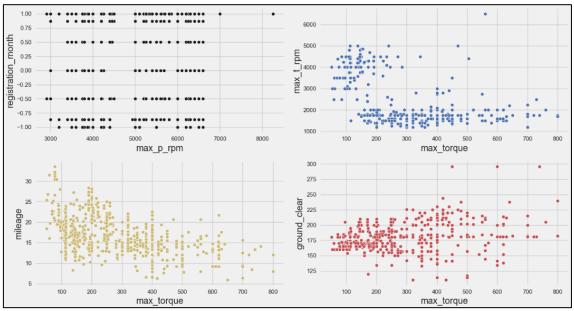


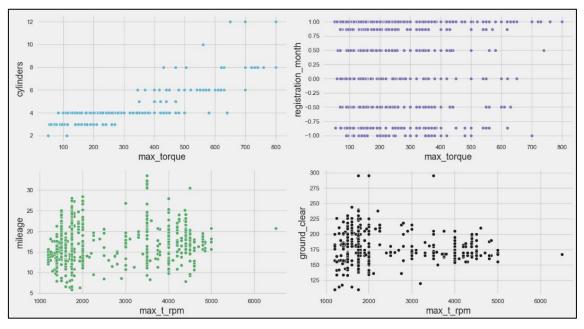


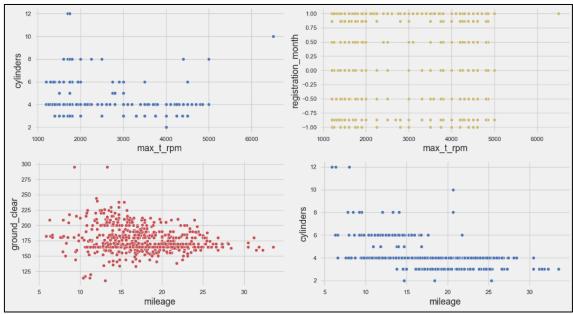


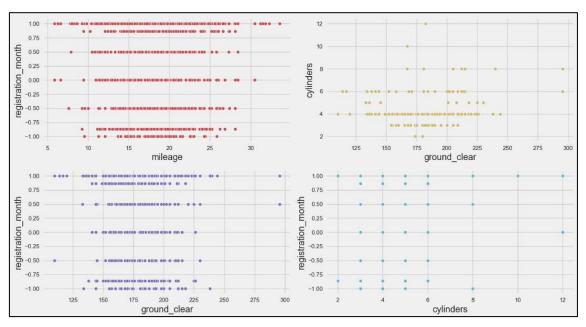


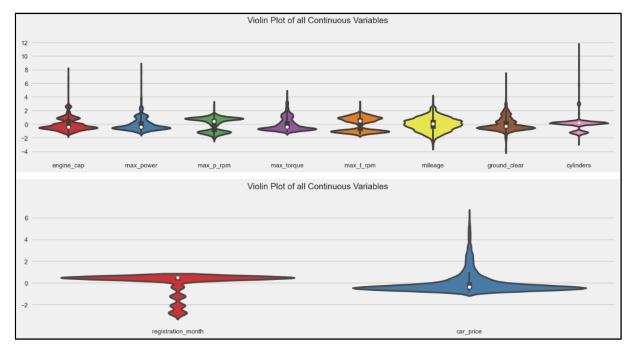


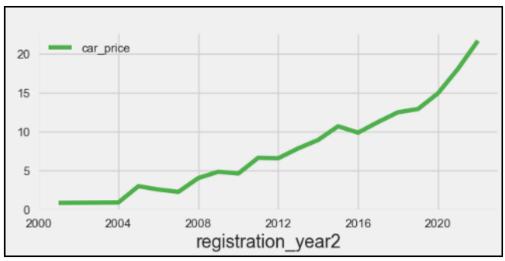


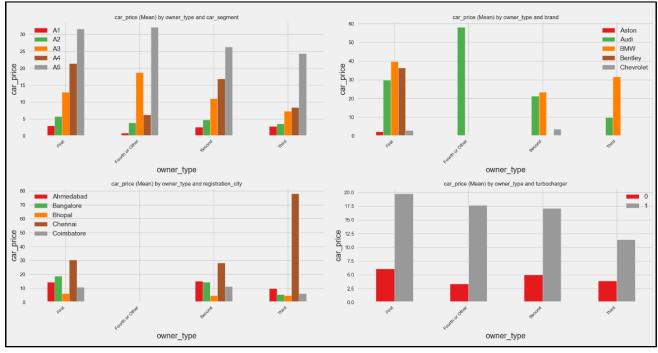


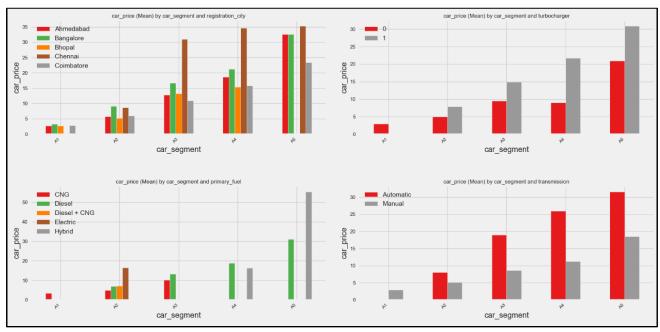


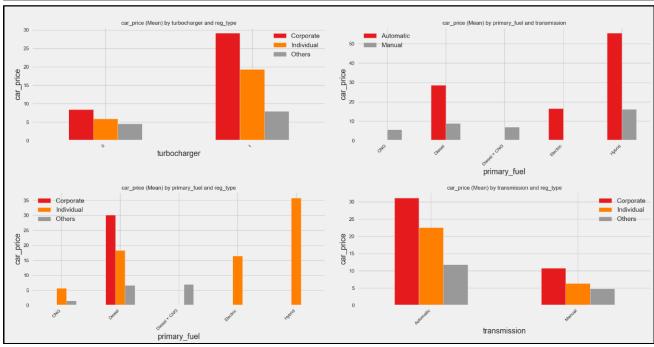




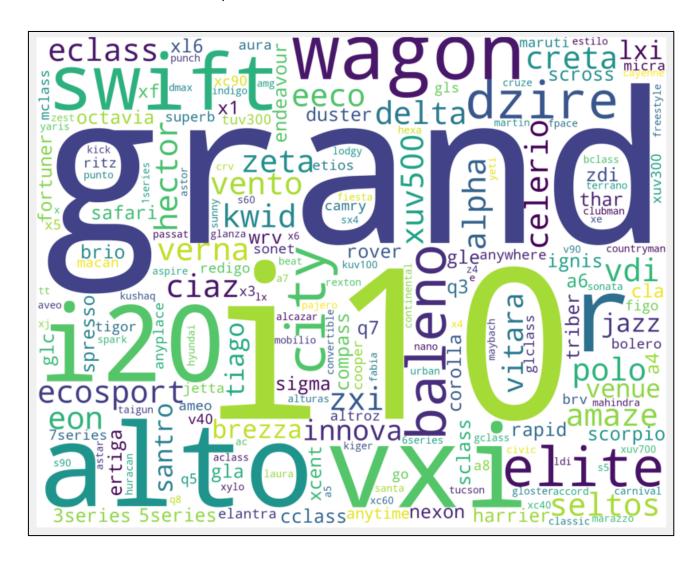








Word cloud of car models;



Observations from Univariate & Bivariate Analysis:

- 1. Petrol & diesel were the most commonly used primary fuel for cars.
- 2. Most of the cars were having manual transmission system as compared to Automatic transmission system.
- 3. Of all the cars listed on the website almost 70% of the cars were being sold for the first time from respective owners.
- 4. 25% of the cars were not insured.
- 5. More than 90% of the cars were having Individual type of registrations.
- 6. More than 65% of the cars were front wheel driven.
- 7. Almost half of the listed cars were having turbocharger device.
- 8. Most of the cars were of A2 Class.
- 9. Maruti & Hyundai were the most common brands of the cars listed for selling.
- 10. Grand i10 & WagonR were common type of models sold online on carwale.com.
- 11. Hyderabad city had the greatest number of used car sellers.
- 12. White was the most common color of the cars listed on carwale.com
- 13. Engine volumetric capacity is positively correlated to cylinders, max power & max torque.
- 14. max power & max torque are positively correlated.
- 15. Latest the registration year of the car higher the price of the car listed on carwale.com
- 16. A3, A4 & A5 class of cars are costlier.
- 17. Cars with automatic transmission & turbocharger devices are usually costlier as seen from the graphs.

CONCLUSION

Key Findings and Conclusions of the Study

- Cars from Maruti & Hyundai brands with white color, latest registration year, turbocharger device, automatic transmission is more likely to be sold on the carwale.com
- Random Forest Regressor was best performing model, with accuracy above 90%.

Learning Outcomes of the Study in respect of Data Science

- Identifying best possible techniques to scrape data from specific websites.
- Dealing with huge amount of data scraping
- Data cleaning & preprocessing is vey much easy if you know what data was scraped & how it was scraped.

<u>Limitations of this work and Scope for Future Work</u>

- Some important data was not listed by the seller. This makes data scraping consume more time & electricity.
- Some cars were used to sell immediately & were unlisted ASAP, this creates issues while data scraping.
- Sometimes page takes too much time to load & scraping fails.
- high computational setup is required for scraping large data.