A panoramic view of the Seattle skyline under a clear blue sky. The Space Needle is prominent on the left. In the background, the snow-capped Mount Rainier rises above the city. The foreground shows various city buildings and a roller coaster on the right.

# Introduction to Causal Inference with Machine Learning

**Hajime Takeda (Jimmy)**  
Data Scientist at MIKI HOUSE



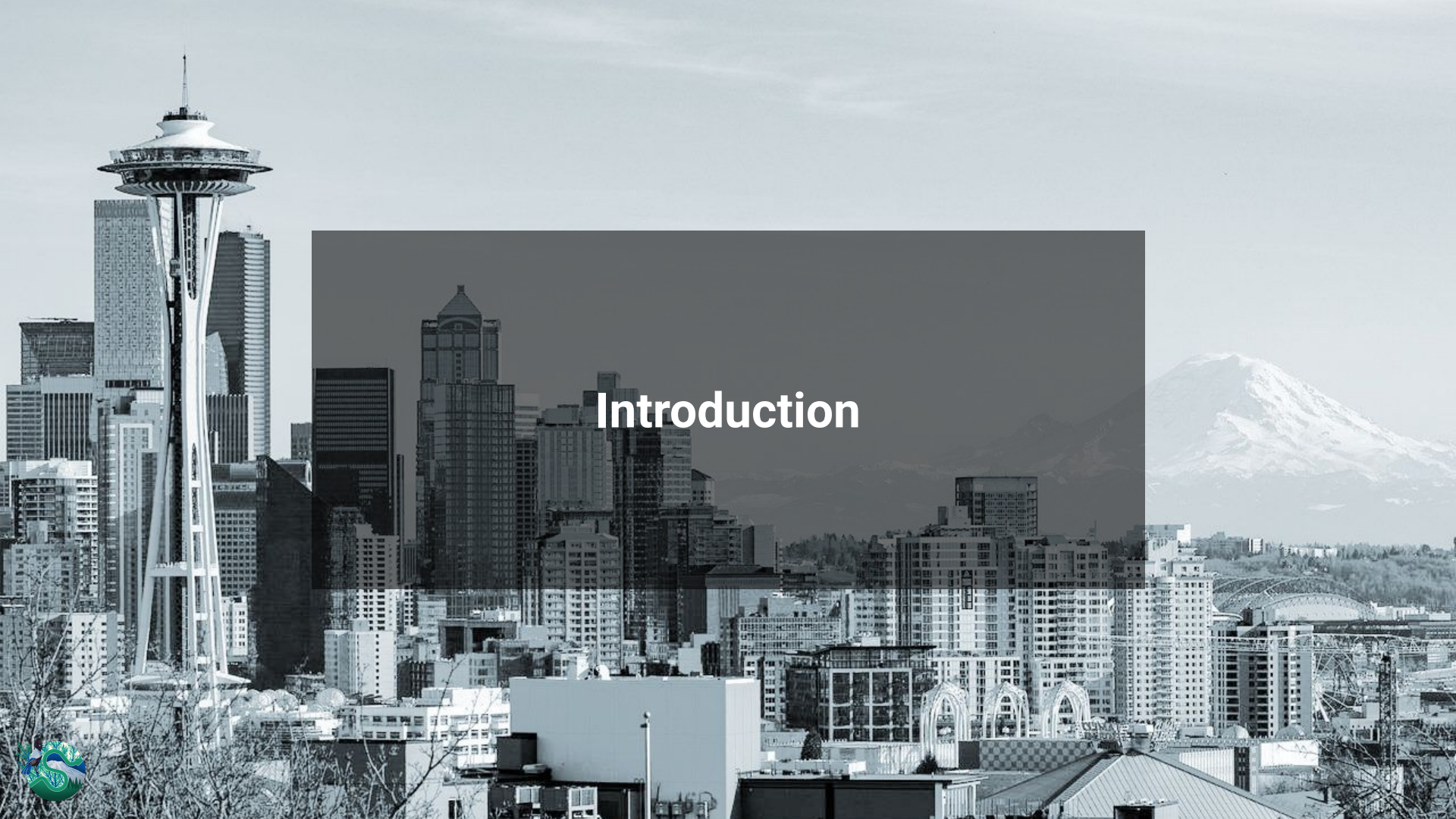
# Agenda

- What is Causal Inference?
- What is Causal Inference with Machine Learning?
- Technique #1 : Meta Learners
  - Case Study in Economics with EconML
- Technique #2 : Uplift Modeling
  - Case Study in Marketing with CausalML
- Summary

**For the sake of time, please save your questions until the end!**







# Introduction



# About Me

## Hajime Takeda (Jimmy)

### Education & Career

- Master's in CS at Kyoto University 🇯🇵
- Data Analyst at Procter & Gamble 🇯🇵
- Data Scientist at MIKI HOUSE 🇺🇸

### Conferences Speaker

- PyData Global (2022) 🌐
- ODSC EAST (2023) 🇺🇸
- PyData NYC (2023) 🇺🇸
- PyData London (2024) 🇬🇧

P&G



MIKI HOUSE



# Expected Takeaways

1

Understand the key concepts and approaches of **Causal Inference with Machine Learning**

2

Learn how to run **Meta Learners and Uplift Modeling** using EconML/CausalML





A black and white photograph of the Seattle skyline. The Space Needle is prominent on the left. In the background, Mount Rainier is visible. A semi-transparent dark rectangle is overlaid on the city skyline, containing the text.

# What is Causal inference?





# Typical Scenario



**Jessy**  
Marketing

“Awesome! We sent **coupons** to **some users** and their **purchase rate** was **twice** as high as others! That means **the coupons must have doubled the purchase rate!**”

	Without Coupon 	With Coupon 
# of Customers	1,000	1,000
# of Purchasers	100	200
Purchase rate (%)	10%	20%



# Typical Scenario



**Jessy**  
Marketing

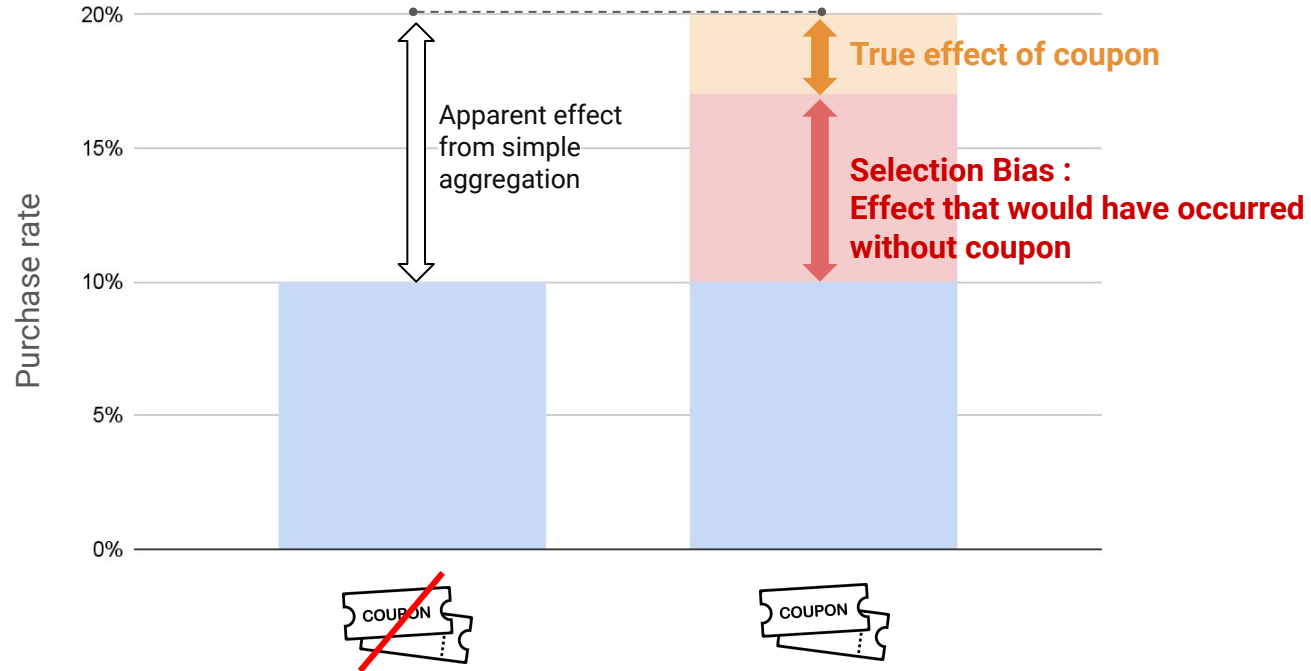
“We sent coupons to **customers who purchased within the last 12 months**”





# Pitfall: Selection Bias

Customers who received coupons might have purchased anyway.



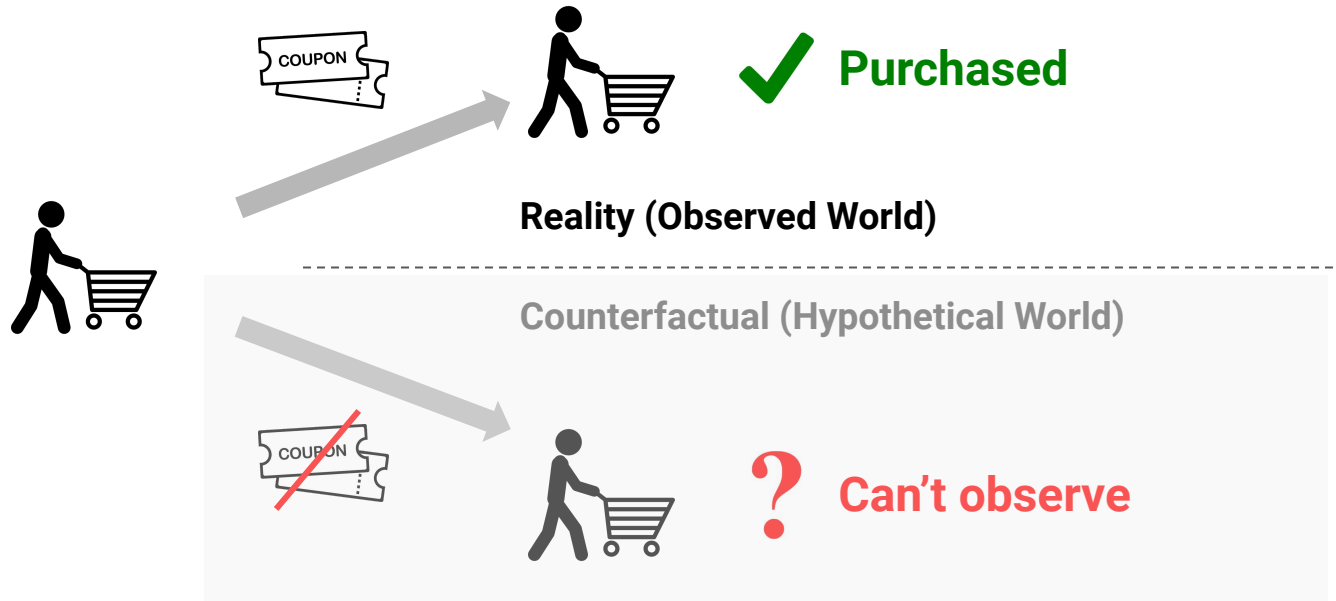
# What is Causal Inference?

Causal Inference is the process of determining whether a cause-and-effect relationship exists between **Treatment** and **Outcome**.



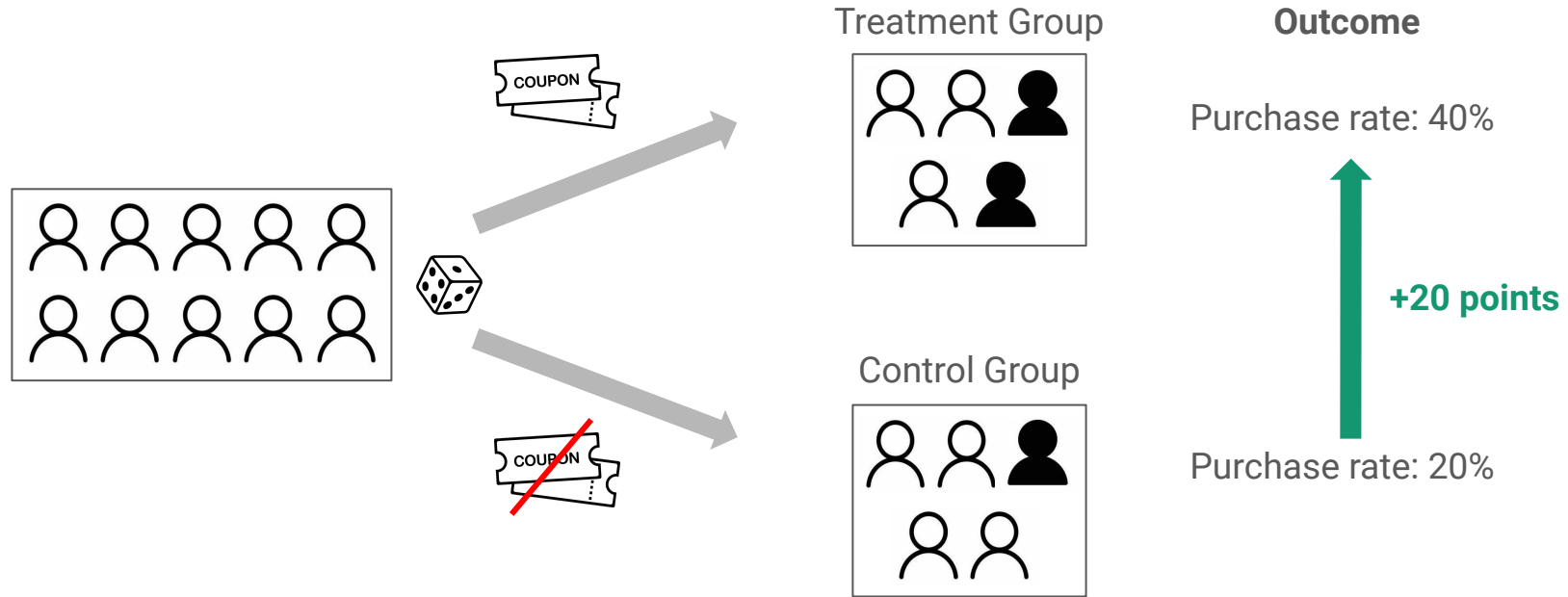
# What is the challenge?

**Counterfactual** : We can only observe one outcome from the same individual.



# Randomized Controlled Trial (RCT)

Participants are randomly assigned to either a treatment group or a control group.  
RCT = A/B Testing





# Limitations of RCT

## Business

- RCTs take a lot of time.
- RCTs result in Opportunity losses in sales.



## Social and Economic Program

- Assigning citizens randomly to control groups is infeasible.
- Many policies are one-time and irreversible.



## Healthcare

- It is ethically problematic to randomly assign people with life-threatening conditions to control groups.

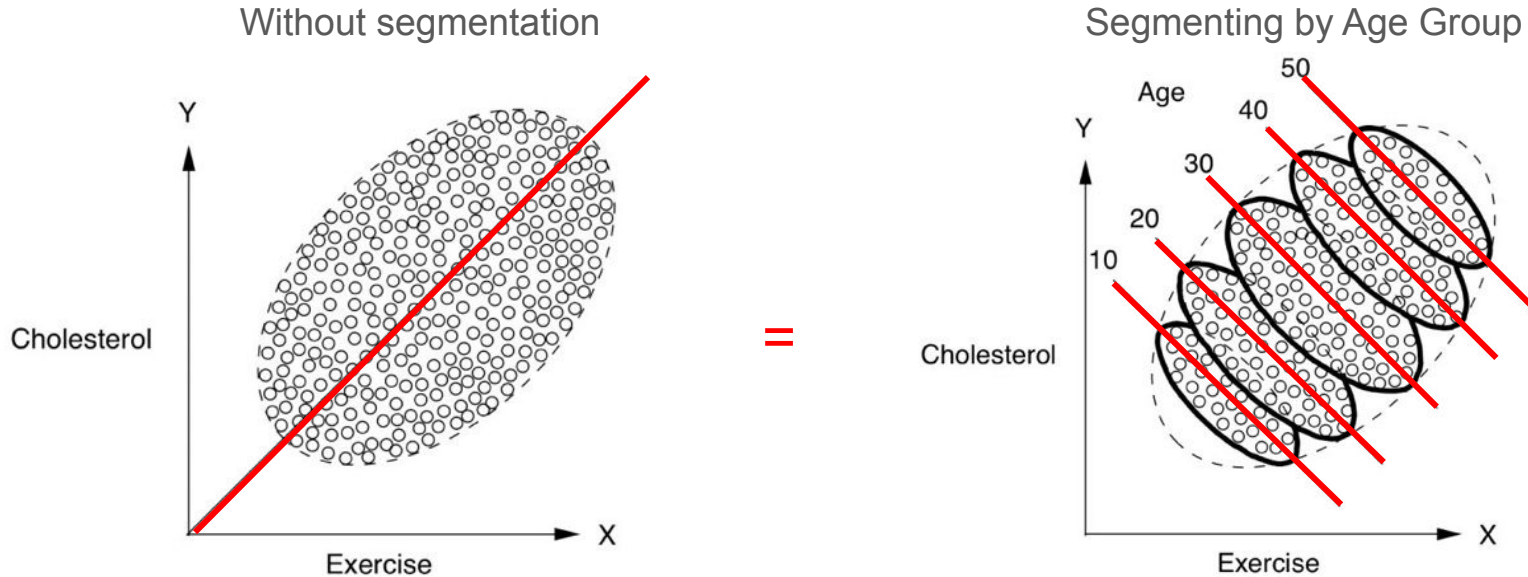


**That's why we use Causal Inference.**



# Simpson's Paradox - Challenges of Observed Data

**Questions:** What's the effect of exercise on cholesterol?

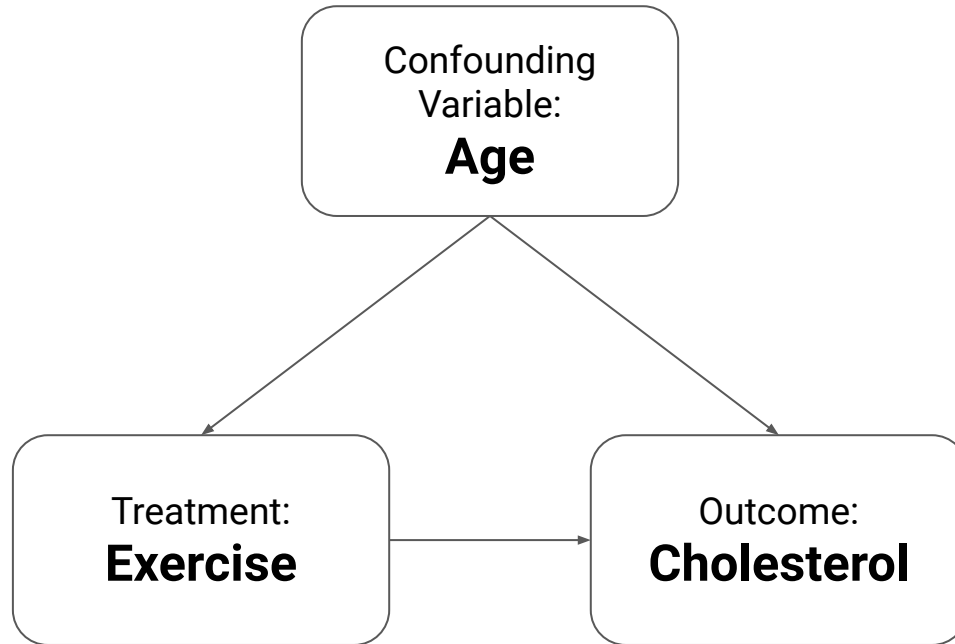


**Simpson's Paradox : Overall and subgroup trends differ.**



# Confounding Variable

**Confounding variable** affects both treatment and outcome.



A black and white photograph of the Seattle skyline. The Space Needle is prominent on the left. In the background, Mount Rainier is visible. A semi-transparent dark rectangle is overlaid in the center, containing the text.

# What is Causal Machine Learning?





# History of Causal Machine Learning



Judea Pearl



Donald Rubin

## Establishment of Traditional Causal Inference

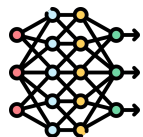
(e.g., causal diagrams, Potential Outcomes Framework)

1970s - 1990s

2000s



Big Data



Neural Networks

Machine learning technology evolved rapidly with the increase in data volume.



## Fusion of Causal Inference and Machine Learning:

- New methods such as Causal Forest
- **CausalML** and **EconML** (2019)

2010s

2020s

# Machine Learning vs. Causal ML

Supervised Machine Learning focuses on “**Prediction**”, while Causal Machine Learning focuses on “**Causality**”.

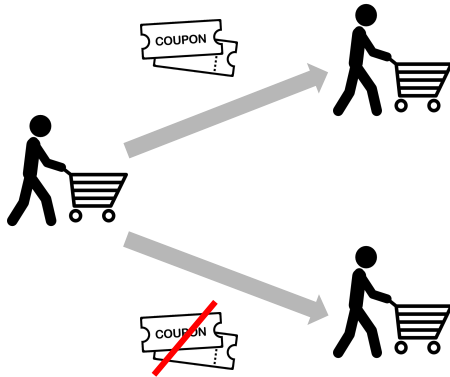
	Supervised Machine Learning	Causal Machine Learning / Causal Inference
<b>Purpose</b>	Prediction based on correlation	Estimating the treatment effect
<b>Questions</b>	<u>What will the customer buy next?</u> What is the probability?	<u>Did the coupon increase sales?</u> How much was its impact?
<b>Variables</b>	X (Features): Age, gender, <u>coupon availability</u> Y (Target Variable): Sales	X (Control Variables): Age, gender <b>Z (Treatment Variable): <u>Coupon availability</u></b> Y (Outcome Variable): Sales uplift



# Two Techniques





## 1. Meta Learners

- The goal is to measure the treatment effect
- i.e. S-learner, T-learner, DML etc.



## 2. Uplift Modeling

- The goal is to select the right users for targeting
- i.e. uplift tree / uplift random forest

Persuadables	Sure Things
	
Lost Cause	Sleeping Dogs
	



A black and white photograph of the Seattle skyline. The Space Needle is prominent on the left. In the background, Mount Rainier is visible. A semi-transparent dark rectangle is overlaid on the center of the image, containing the text "#1 Meta Learners".

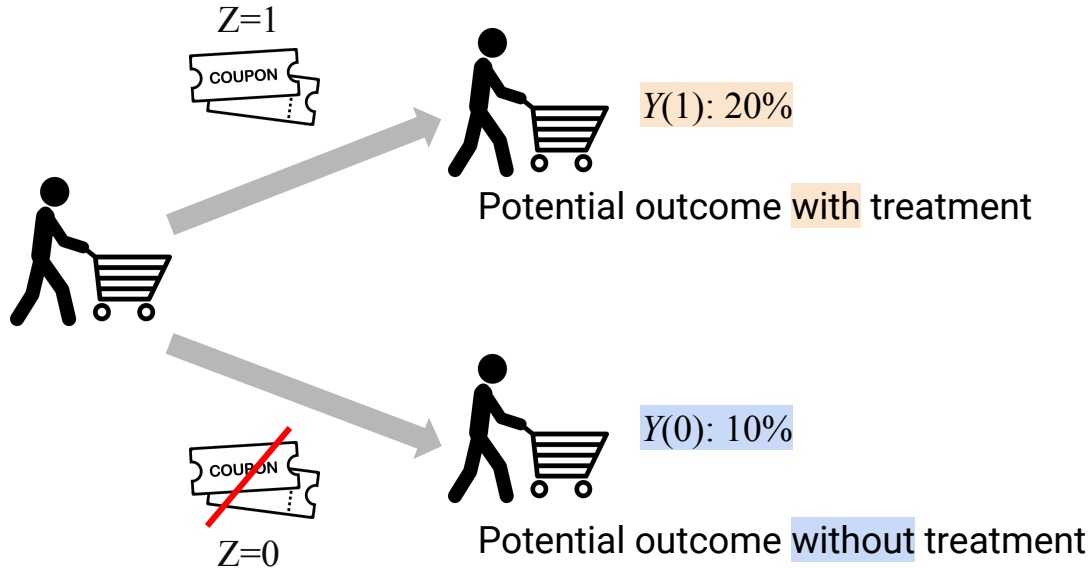
# #1 Meta Learners





# What is Treatment Effect?

Potential Outcomes Framework, also known as Rubin causal model (RCM)



$$\text{Treatment Effect } \tau = Y(1) - Y(0)$$
$$20\% - 10\%$$

$\tau$  (Tau) : Treatment effect

$Y$  (Outcome): Sales, Purchase rate, etc.

$Z$  (Treatment): Campaign, Coupon, etc.

$X$  (Confounders): Age, Gender, Living location, Preference, Past purchase history, etc.

# Types of Treatment Effect

There are mainly 3 types of treatment effects

Term	Abbreviation	Formula	Definition
Average Treatment Effect	ATE	$\tau_{ATE} = E[Y(1) - Y(0)]$	Across the entire customers
Conditional Average Treatment Effect	CATE	$\tau_{CATE}(X) = E[Y(1) - Y(0)   X]$	Segment level (i.e. gender, age groups)
Individual Treatment Effect	ITE	$\tau_i = Y_i(1) - Y_i(0)$	Individual Level



# How to Calculate Treatment Effect

Question: Did a coupon increase sales?



$X$				$Z$	$Y$	$Y(1)$	$Y(0)$	$Y(1) - Y(0)$
Name	Age	Gender	Location	Treatment	Outcome	Outcome with treatment	Outcome without treatment	ITE : Individual Treatment Effect
Anne	30	Male	Urban	0	0	NA	0	?
Ben	40	Female	Urban	0	0	NA	0	?
Chris	45	Female	Rural	0	1	NA	1	?
Diana	58	Female	Rural	0	0	NA	0	?
Ethan	25	Female	Urban	1	1	1	NA	?
Faye	38	Male	Rural	1	0	0	NA	?
Gary	42	Male	Urban	1	1	1	NA	?
Helen	60	Male	Urban	1	1	1	NA	?

# Meta Learners

**Meta learners** are meta-algorithms designed to estimate treatment effects by using ML models to handle unobserved outcomes



$X$				$Z$	$Y$	$Y(1)$	$Y(0)$	$Y(1) - Y(0)$
Name	Age	Gender	Location	Treatment	Outcome	Outcome with treatment	Outcome without treatment	ITE : Individual Treatment Effect
Anne	30	Male	Urban	0	0	0.9	0	+0.9
Ben	40	Female	Urban	0	0	0.8	0	+0.8
Chris	45	Female	Rural	0	1	0.9	1	-0.1
Diana	58	Female	Rural	0	0	0.6	0	+0.6
Ethan	25	Female	Urban	1	1	1	0.2	+0.8
Faye	38	Male	Rural	1	0	0	0.1	-0.1
Gary	42	Male	Urban	1	1	1	0.5	+0.5
Helen	60	Male	Urban	1	1	1	0.4	+0.6



# Types of Meta Learners

Learner	Approach	Reference	Training Speed (relative to S learner)
<b>S Learner</b>	<u>S</u> ingle Model Approach	Künzel et al. 2019	1x
<b>T Learner</b>	<u>T</u> wo-Model Approach	Künzel et al. 2019	2x
<b>X Learner</b>	<u>Cross</u> -Fitting Approach	Künzel et al. 2019	5x
<b>DR Learner</b>	<u>D</u> oubly <u>R</u> obust	Kennedy et al.2020	13x
<b>DML</b>	<u>D</u> ouble <u>M</u> achine <u>L</u> earning	Chernozhukov, Victor, et al. 2018	27x

Simple



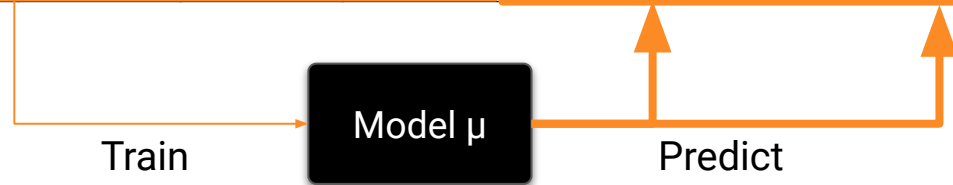
Complex & Robust



# S Learner - Single Model Approach

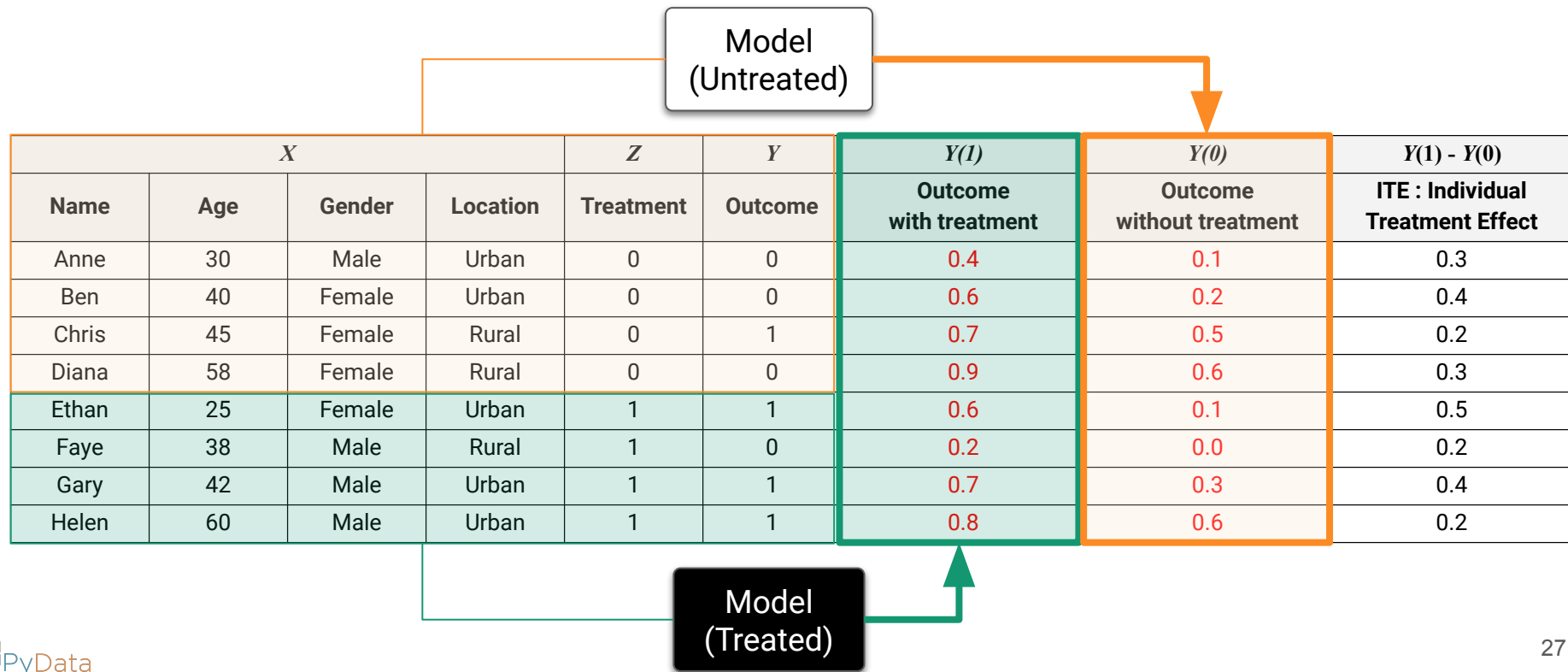
S Learner uses a single model for training and prediction

$X$				$Z$	$Y$	$Y(1)$	$Y(0)$	$Y(1) - Y(0)$
Name	Age	Gender	Location	Treatment	Outcome	Outcome with treatment	Outcome without treatment	ITE : Individual Treatment Effect
Anne	30	Male	Urban	0	0	0.4	0.1	0.3
Ben	40	Female	Urban	0	0	0.6	0.2	0.4
Chris	45	Female	Rural	0	1	0.7	0.5	0.2
Diana	58	Female	Rural	0	0	0.9	0.6	0.3
Ethan	25	Female	Urban	1	1	0.6	0.1	0.5
Faye	38	Male	Rural	1	0	0.2	0.0	0.2
Gary	42	Male	Urban	1	1	0.7	0.3	0.4
Helen	60	Male	Urban	1	1	0.8	0.6	0.2



# T Learner - Two Model Approach

Uses separate models for treatment and control groups



# How to Select the Appropriate Meta Learner

Step 1: Start with simple methods to get a baseline

Step 2: Compare other methods by measuring accuracy such as MAPE or RMSE, and performing refutation for robustness.

Learner	Approach	Training Speed (relative to S learner)
<b>S</b> Learner	<u>S</u> ingle Model Approach	1x
<b>T</b> Learner	<u>T</u> wo-Model Approach	2x
<b>X</b> Learner	<u>Cross</u> -Fitting Approach	5x
<b>DR</b> Learner	<u>D</u> oubly <u>R</u> obust	13x
<b>DML</b>	<u>D</u> ouble <u>M</u> achine <u>L</u> earning	27x

Simple



Complex & Robust





A black and white photograph of the Seattle skyline. The Space Needle is prominent on the left. In the background, Mount Rainier is visible. A semi-transparent dark grey rectangle is overlaid in the center, containing the title text.

# Case Study in Economics Using EconML



# Useful Libraries

I will use EconML for the case study of meta learners  
, and CausalML for the case study of uplift modeling.

Library	Features	GitHub
 EconML	<ul style="list-style-type: none"><li>• Covers a wide range of algorithms, strong in economics</li><li>• Part of a bigger DoWhy ecosystem</li><li>• Developed by Microsoft Research</li></ul>	py-why/EconML (3.6k star)
 CausalML	<ul style="list-style-type: none"><li>• Focus on Uplift modeling and Meta Learners</li><li>• Designed as a standalone tool</li><li>• Developed by Uber</li></ul>	uber/causalml (4.8k star)



# Get the Full Code Here!



<https://bit.ly/causalml>



Or

<https://github.com/takechanman1228/Effective-Uplif-Modeling>

# Lalonde Dataset : National Supported Work Demonstration

- An employment program led by Lalonde in the 1970s.

```
# Load the data
data = dowhy.datasets.lalonde_dataset()
data.head()
```

	treat	age	educ	black	hisp	married	nodegr	re74	re75	re78	u74	u75
0	False	23.0	10.0	1.0	0.0	0.0	1.0	0.0	0.0	0.00	1.0	1.0
1	False	26.0	12.0	0.0	0.0	0.0	0.0	0.0	0.0	12383.68	1.0	1.0
2	False	22.0	9.0	1.0	0.0	0.0	1.0	0.0	0.0	0.00	1.0	1.0
3	False	18.0	9.0	1.0	0.0	0.0	1.0	0.0	0.0	10740.08	1.0	1.0
4	False	45.0	11.0	1.0	0.0	0.0	1.0	0.0	0.0	11796.47	1.0	1.0

Treatment or  
control label

Demographics

Salary before  
the program

Salary in the  
following year



# Define the Causal Model

```
# Set features and target
features = ['age', 'educ', 'black', 'hisp', 'married', 'nodegr', 're74', 're75']
X = data[features]
y = data['re78']
T = data['treat']

# Scale the features
scaler = StandardScaler()
X_scaled = scaler.fit_transform(X)

# Define the causal model using DoWhy
model = CausalModel(
    data=data,
    treatment='treat',
    outcome='re78',
    common_causes=features
)

# Identify the causal effect
estimand = model.identify_effect(proceed_when_unidentifiable=True)
```



# Estimate ATE

```
# Estimate the causal effect using DML
estimate = model.estimate_effect(
    identified_estimand=estimand,
    method_name='backdoor.econml.dml.LinearDML',
    target_units='ate',
    method_params={
        'init_params': {
            'model_y': LGBMRegressor(n_estimators=100, max_depth=3, verbose=-1),
            'model_t': LogisticRegression(max_iter=1000),
            'discrete_treatment': True,
        },
        'fit_params': {}
    })

# Display the estimated causal effect
print(f"Estimated Average Treatment Effect (ATE): {estimate.value}")
```

← Select Meta Learner method

← Select Base Learner algorithm

Estimated Average Treatment Effect (ATE): 1684.7821381418985



# Evaluation : Refutation

```
refutation_methods = [  
    "random_common_cause",  
    "placebo_treatment_refuter"  
]  
  
for method in refutation_methods:  
    result = model.refute_estimate(estimand, estimate, method_name=method)  
    print(result)
```

Refute: Add a random common cause

Estimated effect:1684.7821381418985

New effect:1714.3310110163663

p value:0.9199999999999999

← OK if the new effect remains similar to the original and the p-value exceeds 0.05

Refute: Use a Placebo Treatment

Estimated effect:1684.7821381418985

New effect:13.757303277165368

p value:1.0

← OK if the new effect is close to zero



A black and white photograph of the Seattle skyline. The Space Needle is prominent on the left. In the background, Mount Rainier is visible. A semi-transparent dark grey rectangle is overlaid on the center of the image, containing the text "2 Uplift Modeling".

## 2 Uplift Modeling





# What is Uplift Modeling?





Uplift modeling identifies customers who are influenced positively by marketing offers.

*Treatment effect*  
 $\tau = Y(1) - Y(0)$



# Segmentation of Customers

Focus marketing efforts on the **Persuadables**

<p><b>Persuadables</b> Will buy if receives an incentive</p> 	<p><b>Sure Things</b> Will buy no matter what</p> 
<p><b>Lost Cause</b> Won't buy regardless of the campaign</p> 	<p><b>Sleeping Dogs</b> Won't buy if receives an incentive</p> 

If treated



Buy



Won't Buy

Won't Buy



Buy



if NOT treated



# Two Methods for Uplift Modeling

While uplift modeling can also be implemented with Meta Learners, **decision-tree based method** is a common approach

## Meta Learners

- Predict the outcome with treatment and the outcome without treatment separately, and then calculate the uplift
- i.e. T Learner (Two model approach)

## Decision Tree Based Method

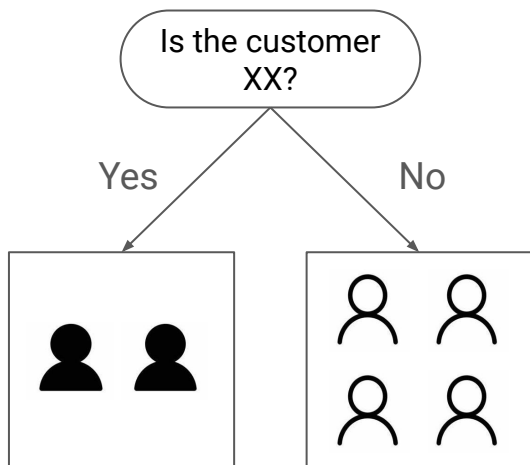
- Directly estimate the uplift
- i.e. Uplift Trees, Uplift Random Forest
- Some algorithms support multiple treatment groups (5% coupon vs 10% coupon, 15% coupon)
- Feature importance



# Traditional Decision Tree to Uplift Tree

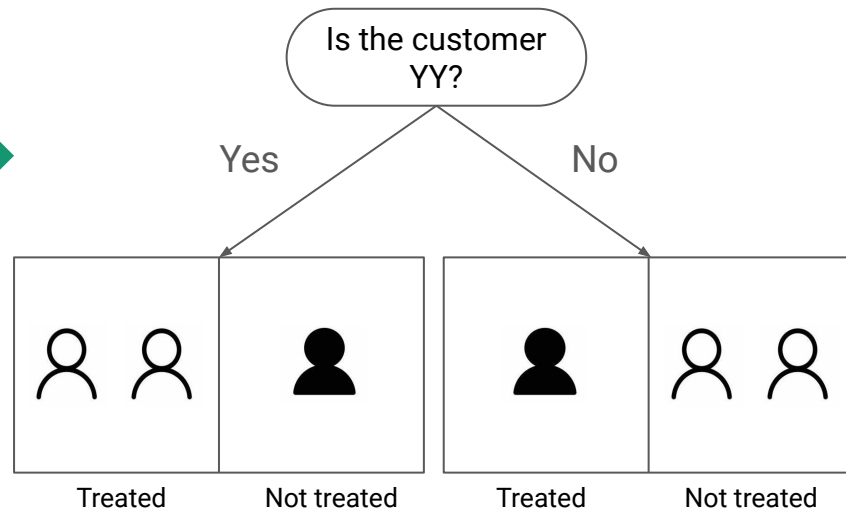
## Traditional Decision Tree

Will the customer make a purchase?  
(**Prediction**)



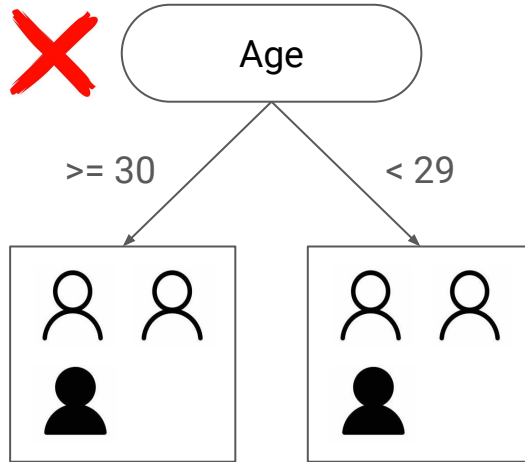
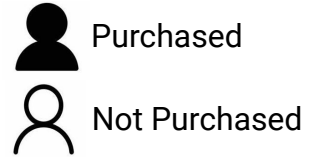
## Uplift Tree

Who should we give coupons to?  
(**Causality**)

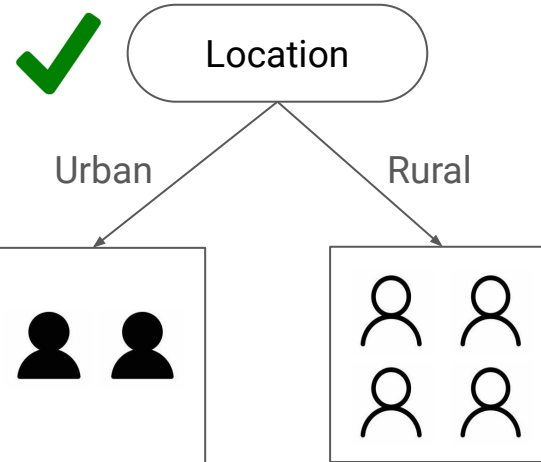


# Traditional Decision Tree

These tree tries to identify: “Will the customer make a purchase?”  
How can we construct a better decision tree?



Purchasers are mixed between the two clusters



Purchasers are grouped into one cluster

# For split criteria, “Gini Impurity” is used

$$\text{Gini impurity} = 1 - (p_1^2 + p_0^2)$$

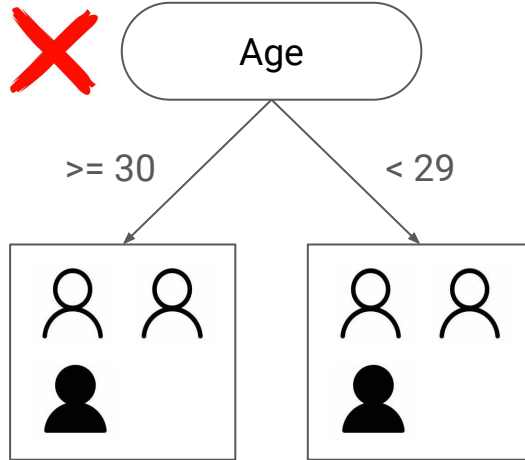
Here,  $p_1$  is the probability of purchase and  $p_0$  is the probability of no purchase.



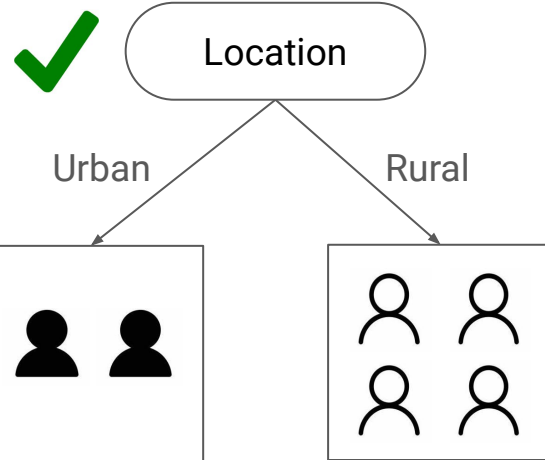
Purchased



Not Purchased



Gini impurity = 0.44  
High Impurity



Gini impurity = 0  
Low Impurity



## Reference: Calculation of Gini Impurity for the Left Tree

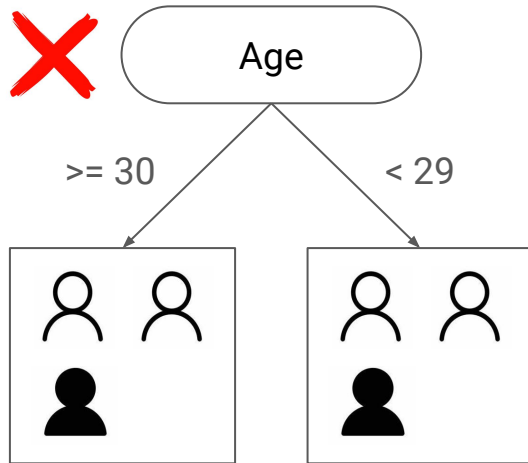
$$\text{Gini impurity} = 1 - (p_1^2 + p_0^2)$$



Purchased



Not Purchased



Gini impurity = 0.44  
High Impurity

Weighted Gini Impurity for the split:

$$\begin{aligned} &= \frac{3}{6} \cdot \text{Gini}_{\text{left}} + \frac{3}{6} \cdot \text{Gini}_{\text{right}} \\ &= \frac{3}{6} \cdot \left( 1 - \left( \left( \frac{2}{3} \right)^2 + \left( \frac{1}{3} \right)^2 \right) \right) + \frac{3}{6} \cdot \left( 1 - \left( \left( \frac{2}{3} \right)^2 + \left( \frac{1}{3} \right)^2 \right) \right) \\ &= \frac{4}{9} \\ &\approx 0.44 \end{aligned}$$





# Reference: Calculation of Gini Impurity for the Right Tree

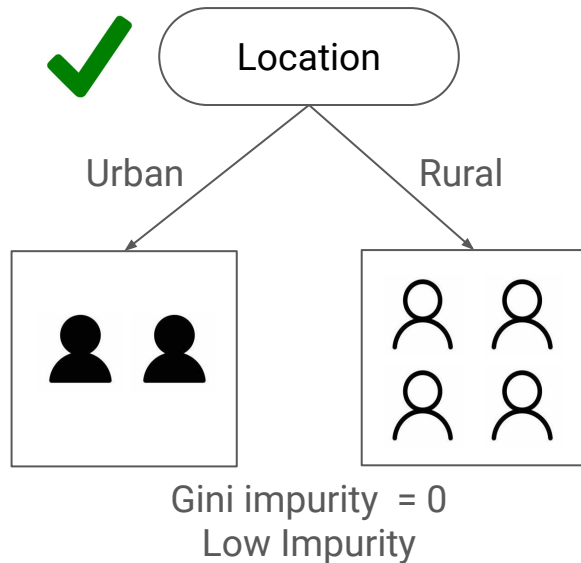
$$\text{Gini impurity} = 1 - (p_1^2 + p_0^2)$$



Purchased



Not Purchased

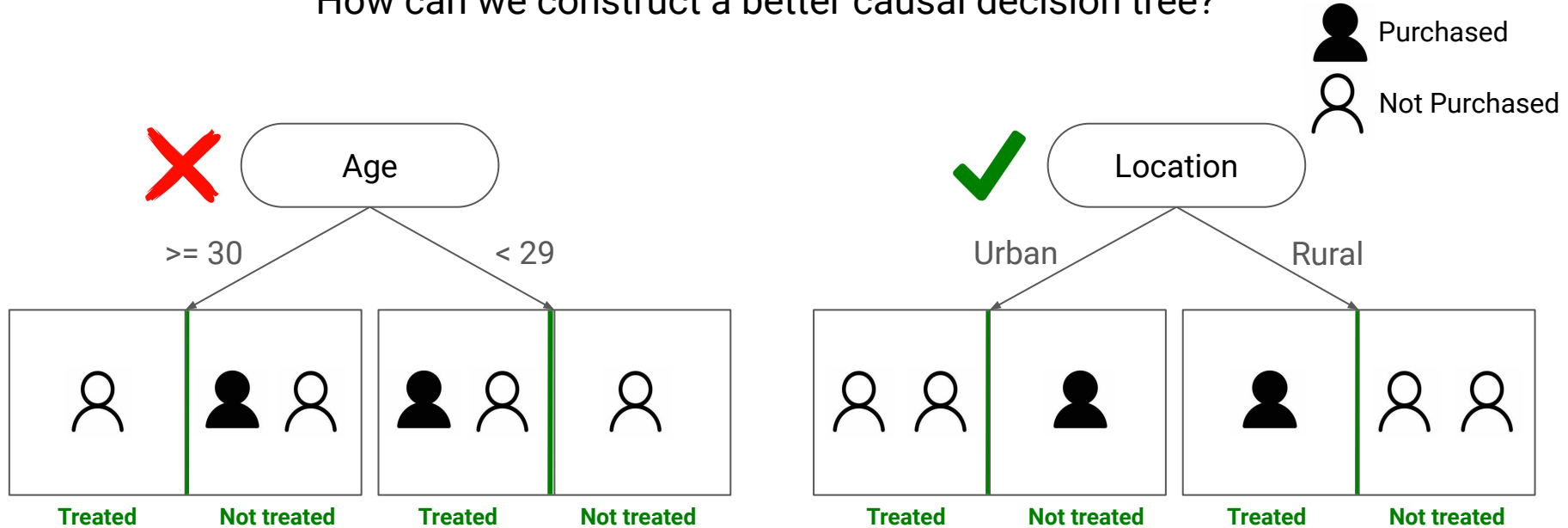


Weighted Gini Impurity for the split:

$$\begin{aligned} &= \frac{2}{6} \cdot \text{Gini}_{\text{left}} + \frac{4}{6} \cdot \text{Gini}_{\text{right}} \\ &= \frac{2}{6} \cdot \left( 1 - \left( \left( \frac{2}{2} \right)^2 + \left( \frac{0}{2} \right)^2 \right) \right) + \frac{4}{6} \cdot \left( 1 - \left( \left( \frac{0}{4} \right)^2 + \left( \frac{4}{4} \right)^2 \right) \right) \\ &= \frac{2}{6} \cdot 0 + \frac{4}{6} \cdot 0 \\ &= 0 \end{aligned}$$

# Uplift Tree

This uplift tree tries to identify: “Who should we give coupons to?”  
How can we construct a better causal decision tree?



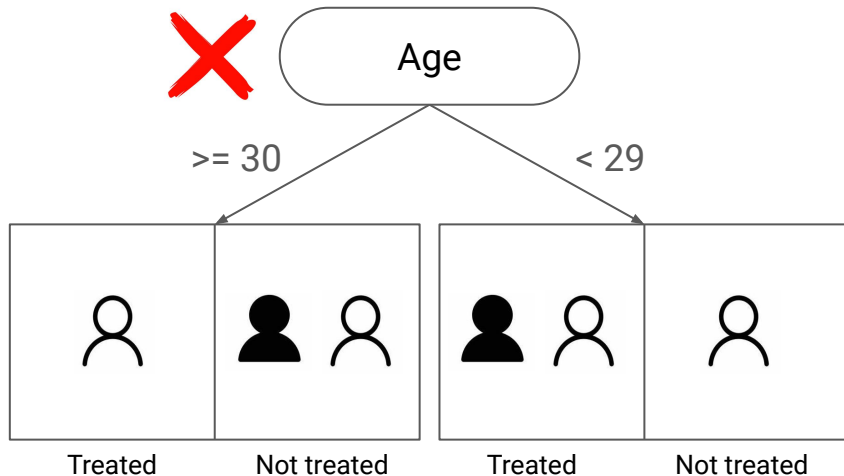
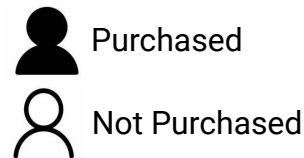
Purchasers and non-purchasers are mixed together  
within the same clusters

Purchasers and non-purchasers are cleanly separated

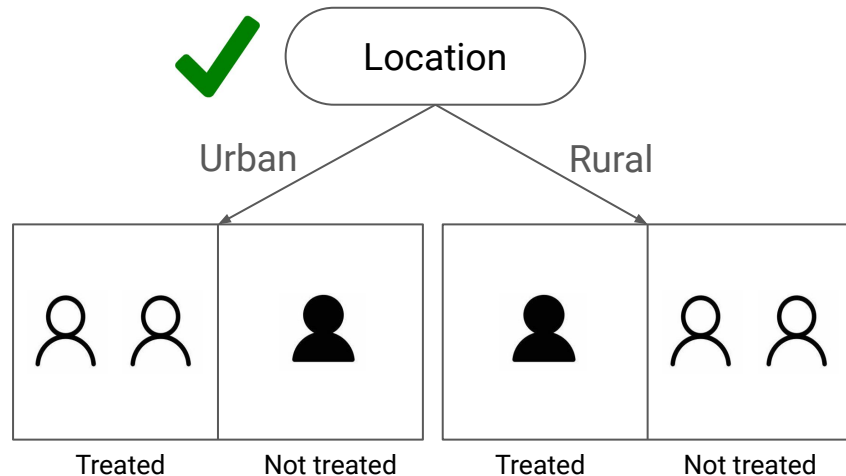
# For split criteria, “Squared Euclidean Distance” is used

$$\text{Squared Euclidean Distance} = (P(0) - Q(0))^2 + (P(1) - Q(1))^2$$

- $P(1) / P(0)$  is the probability of purchase / no purchase in the treatment group.
- $Q(1) / Q(0)$  is the probability of purchase / no purchase in the control group.





Distance = 1  
Low divergence

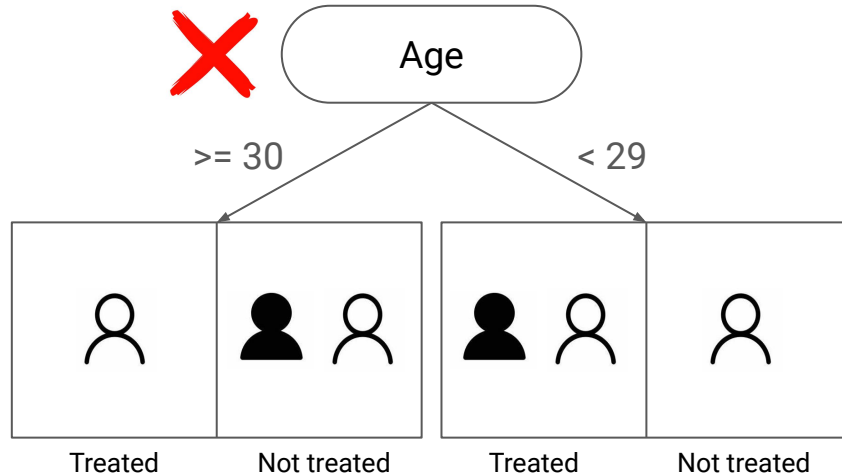


Distance = 4  
High divergence

# Reference: Euclidean Distance Calculation for the Left Tree

$$\text{Squared Euclidean Distance} = (P(0) - Q(0))^2 + (P(1) - Q(1))^2$$

 Purchased  
 Not Purchased



$$\begin{aligned} \text{Squared Euclidean distance of split} &= \text{Distance of left} + \text{Distance of right} \\ &= (P_{\text{left}}(1) - Q_{\text{left}}(1))^2 + (P_{\text{left}}(0) - Q_{\text{left}}(0))^2 \\ &\quad + (P_{\text{right}}(1) - Q_{\text{right}}(1))^2 + (P_{\text{right}}(0) - Q_{\text{right}}(0))^2 \\ &= \left(0 - \frac{1}{2}\right)^2 + \left(1 - \frac{1}{2}\right)^2 \\ &\quad + \left(\frac{1}{2} - 0\right)^2 + \left(\frac{1}{2} - 1\right)^2 \\ &= 1 \end{aligned}$$

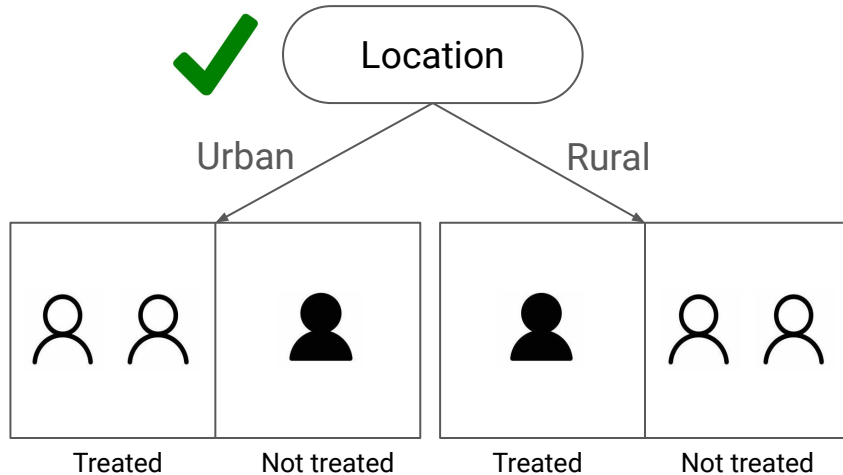
# Reference: Euclidean Distance Calculation for the Right Tree

$$\text{Squared Euclidean Distance} = (P(0) - Q(0))^2 + (P(1) - Q(1))^2$$



Purchased

Not Purchased



Squared Euclidean distance of split

= Distance of left + Distance of right

$$\begin{aligned} &= (P_{\text{left}}(1) - Q_{\text{left}}(1))^2 + (P_{\text{left}}(0) - Q_{\text{left}}(0))^2 \\ &\quad + (P_{\text{right}}(1) - Q_{\text{right}}(1))^2 + (P_{\text{right}}(0) - Q_{\text{right}}(0))^2 \\ &= (0 - 1)^2 + (1 - 0)^2 \\ &\quad + (1 - 0)^2 + (0 - 1)^2 \\ &= 4 \end{aligned}$$



A black and white photograph of the Seattle skyline. The Space Needle is prominent on the left. In the background, Mount Rainier is visible. A semi-transparent dark grey rectangle is overlaid on the center of the image, containing the title text.

# Case Study in Marketing Using CausalML



# Useful Libraries

I will use EconML for the case study #1 (meta learners) and CausalML for the case study #2 (uplift modeling).

Library	Features	GitHub
 EconML	<ul style="list-style-type: none"><li>• Covers a wide range of algorithms, strong in economics</li><li>• Part of a bigger DoWhy ecosystem</li><li>• Developed by Microsoft Research</li></ul>	py-why/EconML (3.6k star)
 CausalML	<ul style="list-style-type: none"><li>• Focus on Uplift modeling and Meta Learners</li><li>• Designed as a standalone tool</li><li>• Developed by Uber</li></ul>	uber/causalml (4.8k star)



# Criteo Uplift Prediction Dataset

- Fetch Criteo Data via sklft library
- Data : <https://ailab.criteo.com/criteo-uplift-prediction-dataset>



```
from sklft.datasets import fetch_criteo

X, y, treatment = fetch_criteo(target_col='conversion', treatment_col='treatment', return_X_y_t=True)

data = X.copy()
data['conversion'] = y.astype('int64')
data['treatment'] = treatment.replace({0: 'control', 1: 'treatment'})

data.head()
```

	f0	f1	f2	f3	f4	f5	f6	f7	f8	f9	f10	f11	conversion	treatment
0	12.616365	10.059654	8.976429	4.679882	10.280525	4.115453	0.294443	4.833815	3.955396	13.190056	5.300375	-0.168679	0	treatment
1	12.616365	10.059654	9.002689	4.679882	10.280525	4.115453	0.294443	4.833815	3.955396	13.190056	5.300375	-0.168679	0	treatment
2	12.616365	10.059654	8.964775	4.679882	10.280525	4.115453	0.294443	4.833815	3.955396	13.190056	5.300375	-0.168679	0	treatment
3	12.616365	10.059654	9.002801	4.679882	10.280525	4.115453	0.294443	4.833815	3.955396	13.190056	5.300375	-0.168679	0	treatment
4	12.616365	10.059654	9.037999	4.679882	10.280525	4.115453	0.294443	4.833815	3.955396	13.190056	5.300375	-0.168679	0	treatment

Features

conversion  
Treatment  
/ control



# Uplift modeling

- Train the Uplift Random Forest model (uplift\_rf) and predict the uplift (y\_pred)

```
# Split data into training and testing sets
X_train, X_test, y_train, y_test, treatment_train, treatment_test = train_test_split(
    df.drop(columns = ['conversion', 'treatment']), df['conversion'], df['treatment'],
    test_size=0.3, random_state=42)

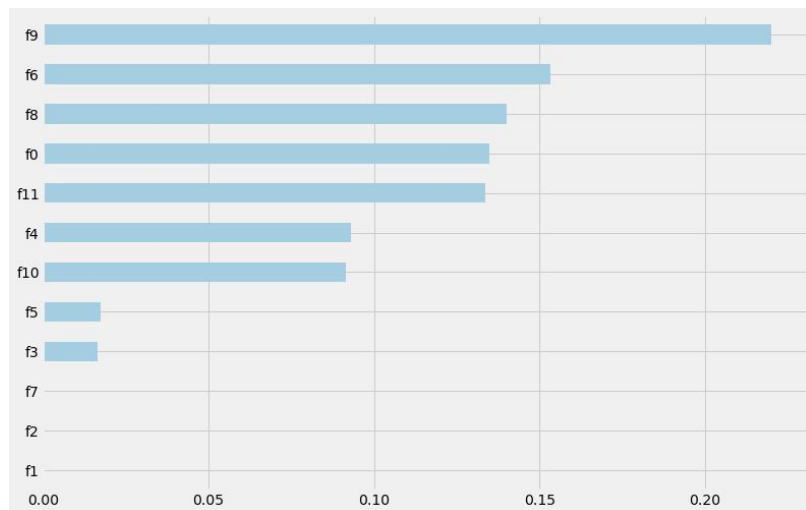
# Train Uplift Random Forest model
uplift_rf = UpliftRandomForestClassifier(control_name='control')
uplift_rf.fit(X_train.values, treatment=treatment_train.values, y=y_train.values)

# Predict using the trained model
y_pred = uplift_rf.predict(X_test)
```



# Feature Importance

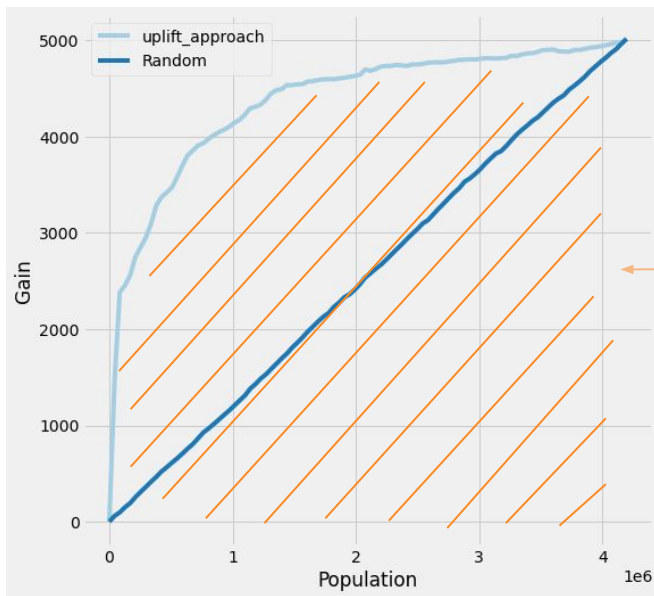
```
# Plotting the feature importance of the uplift tree  
pd.Series(uplift_tree.feature_importances_, index=X.columns).sort_values().plot(kind='barh', figsize=(12,8))
```



# Uplift Curve : Total Cumulative Gain

- Targeting just 20% of the total users can achieve 80% of the results as if we targeted everyone

```
plot_gain(auuc_metrics, outcome_col='conversion', treatment_col='is_treated')  
plt.show()
```



AUUC  
(Area Under the Uplift  
Curve)

# AUUC (Area Under the Uplift Curve)

- Evaluate the modeling using AUUC score.
- The concept is similar to AUC (Area Under the ROC Curve).
- The closer the AUUC is to 1, the better.

```
from causalmml.metrics import auuc_score
score = auuc_score(auuc_metrics, outcome_col='conversion', treatment_col='is_treated')
print(score)
```

---

```
uplift      0.844375
Random      0.506221
dtype: float64
```



# Extract User ID to Be Targeted

- Extract the customer IDs who should be targeted.

```
# Calculate Rank and Decile Label
uplift_results_sorted['rank'] = uplift_results_sorted['uplift'].rank(method='first', ascending=False)
uplift_results_sorted['decile'] = pd.qcut(uplift_results_sorted['rank'], 10, labels=False)

decile_labels = [
    "top 10%", "top 10%-20%", "top 20%-30%", "top 30%-40%", "top 40%-50%",
    "top 50%-60%", "top 60%-70%", "top 70%-80%", "top 80%-90%", "bottom 10%"
]

uplift_results_sorted['decile_label'] = uplift_results_sorted['decile'].map(lambda x: decile_labels[x])
display(uplift_results_sorted.head(10))
```

	user_id	uplift	rank	decile	decile_label
0	4202557	0.132893	1.0	0	top 10%
1	3076434	0.132893	2.0	0	top 10%
2	5407785	0.132893	3.0	0	top 10%
3	1102088	0.132893	4.0	0	top 10%





A black and white photograph of the Seattle skyline. The Space Needle is prominent on the left. In the background, Mount Rainier is visible. A semi-transparent dark rectangle is overlaid on the center of the image, containing the word "Summary".

# Summary





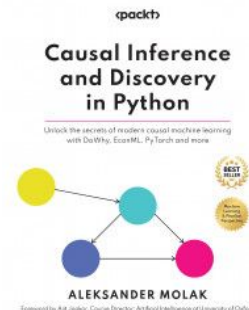
# Summary

1. When measuring the treatment effect of marketing activities, it is important to be mindful of **selection bias** and to control for **confounding variables**.
2. **Meta learners** are techniques designed to estimate treatment effects by using ML models to handle unobserved outcomes
3. **Uplift Modeling** enables the identification of customers who are most likely to respond positively to treatments, thereby improving the marketing ROI.
4. **EconML or CausalML** is a good first step.



# Reference

- **CausalML** : <https://github.com/uber/causalml>
- **Criteo Dataset** : <https://ailab.criteo.com/criteo-uplift-prediction-dataset>
- **Demo Code** : <https://github.com/takechanman1228/Effective-Uplif-Modeling>
- **You tube** : “Decision Trees are more powerful than you think” by “CodeEmporium”
- **Book** : Causal Inference and Discovery in Python



# Questions/Collaboration

Feel free to contact me!

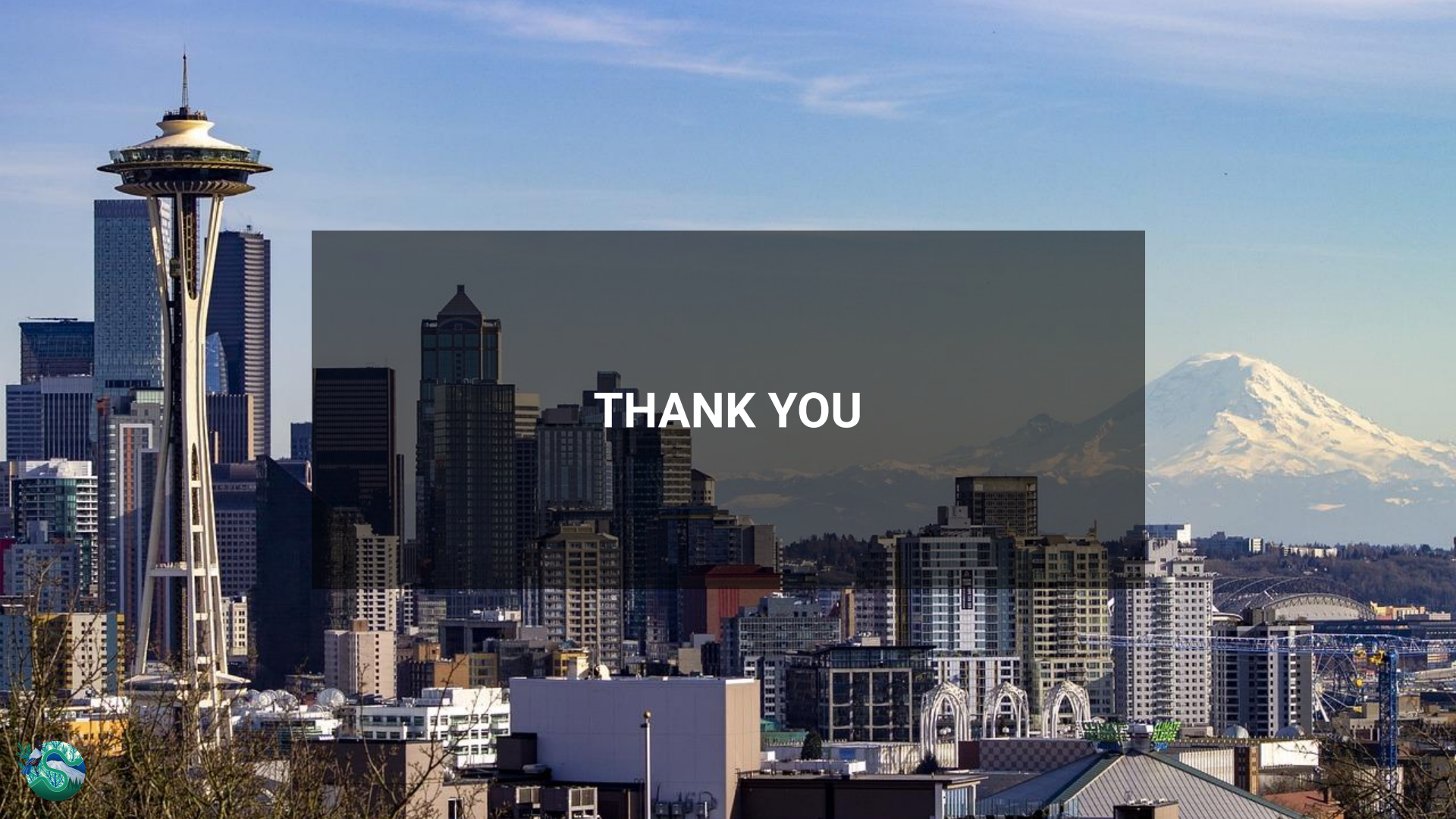


takeda.hajime.ja@gmail.com



linkedin.com/in/hajime-takeda





THANK YOU

