

Lead Scoring Case Study Assignment Subjective Questions & Answers

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

Ans: The top three variables in the model that contribute most towards the probability of a lead getting converted, based on their coefficients from the logistic regression model, are:

- i. **TotalVisits:** This variable has a coefficient of approximately 11.34, indicating a strong positive relationship with the likelihood of conversion.
- ii. **Total Time Spent on Website:** This variable has a coefficient of approximately 4.43, also indicating a strong positive relationship with the likelihood of conversion.
- iii. **Lead Origin_Lead Add Form:** This variable has a coefficient of approximately 2.95, suggesting that leads originating from the lead add form are more likely to convert.

These coefficients suggest that as the values of these variables increase, the probability of a lead being converted also increases significantly.

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

Ans: The top three categorical/dummy variables in the model that should be focused on the most to increase the probability of lead conversion are:

- i. **Lead Origin_Lead Add Form:** This variable has a significant positive coefficient (approximately 4.21), indicating that leads originating from the lead add form are highly likely to convert.
- ii. **Lead Source_Olark Chat:** This variable also has a strong positive coefficient (approximately 1.45), suggesting that leads coming from the Olark Chat source have a higher probability of conversion.
- iii. **Lead Source_Welingak Website:** This variable has a positive coefficient (approximately 2.15), indicating that leads from the Welingak Website are more likely to convert compared to other sources.

Focusing on these variables can help the sales team prioritize their efforts on leads that are more likely to convert, thereby improving the overall conversion rate.

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.**

Ans: To maximize lead conversion during the two-month internship period, X Education can employ the following strategy:

- i. **Prioritize High-Scoring Leads:** Use the logistic regression model's predictions to identify leads with the highest conversion probabilities. Focus on those leads predicted as 1 (potentially converted) and prioritize them for outreach.
- ii. **Segment Leads:** Further segment the leads based on key characteristics such as:
 - a) Source of the lead (e.g., Lead Origin, Lead Source)
 - b) Engagement metrics (e.g., Total Visits, Total Time Spent on Website)
 - c) Demographics (e.g., occupation, specialization) This segmentation will help tailor the communication strategy for different groups.
- iii. **Personalized Communication:** Train interns to personalize their outreach efforts. Provide them with insights from the model, such as the lead's source and engagement history, to create tailored messages that resonate with the leads' interests and needs.
- iv. **Utilize Multiple Channels:** In addition to phone calls, consider using emails, SMS, and social media to reach out to leads. A multi-channel approach can increase the chances of engagement.
- v. **Set Clear Goals and Metrics:** Establish specific conversion goals for the interns and track their performance. Use metrics such as the number of calls made, follow-up actions taken, and conversion rates to evaluate effectiveness.
- vi. **Feedback Loop:** Implement a feedback mechanism where interns can report back on the responses they receive. This information can be used to refine the outreach strategy and improve future interactions.
- vii. **Incentivize Performance:** Consider offering incentives for interns based on their performance in converting leads. This can motivate them to be more proactive and engaged in their outreach efforts.

By employing this strategy, X Education can effectively leverage the interns' efforts to convert as many potential leads as possible during the aggressive outreach phase.

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.

Ans: To minimize the rate of useless phone calls and focus on more strategic efforts during periods when the company has already reached its quarterly targets, X Education can implement the following strategy:

- i. **Refine Lead Scoring:** Utilize the existing logistic regression model to continuously update and refine the lead scoring system. Focus on leads with lower conversion probabilities (predicted as 0) and avoid contacting them unless there are compelling reasons to do so.
- ii. **Set a High Threshold for Outreach:** Establish a higher threshold for making phone calls. For example, only reach out to leads with a predicted conversion probability above a certain percentage (e.g., 0.7 or 0.8). This ensures that only the most promising leads are contacted.
- iii. **Automated Communication:** Implement automated email campaigns or drip marketing strategies for leads that are not prioritized for phone calls. This allows the company to maintain engagement without the need for direct outreach, providing valuable information and nurturing leads over time.
- iv. **Focus on High-Value Leads:** Identify and prioritize high-value leads based on their potential lifetime value or strategic importance to the company. This can include leads from specific industries, regions, or those with a history of high engagement.
- v. **Utilize Data Analytics:** Analyze past interactions and conversion data to identify patterns that indicate which leads are more likely to convert. Use this data to inform decisions about which leads to contact and which to deprioritize.
- vi. **Train Sales Team on Efficient Outreach:** Provide training to the sales team on how to effectively assess leads before making calls. Encourage them to use data-driven insights to determine the necessity of outreach.
- vii. **Monitor and Evaluate:** Continuously monitor the effectiveness of the outreach strategy. Track metrics such as conversion rates, call outcomes, and lead engagement to evaluate whether the strategy is successful in minimizing unnecessary calls.
- viii. **Feedback Mechanism:** Establish a feedback loop where the sales team can report on the quality of leads and the effectiveness of the outreach strategy. Use this feedback to make adjustments as needed.

By implementing this strategy, X Education can ensure that their sales efforts are focused on high-potential leads while minimizing unnecessary phone calls, allowing the team to allocate their time and resources more effectively.