

# Summary

X Education gets a lot of leads, its lead conversion rate is very poor at around 30%. The company requires us to build a model wherein we need to assign a lead score to each of the leads such that the customers with a higher lead score have higher conversion chance. CEO's target for lead conversion rate is around 80%.

## **Data Cleaning:**

- Columns with >40% nulls were dropped. Value counts within categorical columns were checked to decide appropriate action: if imputation causes skew, then column was dropped, created new category (others), impute high frequency value, drop columns that don't add any value.
- Numerical categorical data were imputed with mode and columns with only one unique response from customer were dropped.
- Other activities like outliers' treatment, fixing invalid data, grouping low frequency values, mapping binary categorical values were carried out.

## **EDA:**

- Data imbalance checked- only 38.5% leads converted.
- Performed univariate and bivariate analysis for categorical and numerical variables. 'Lead Origin', 'Current occupation', 'Lead Source', etc. provide valuable insight on effect on target variable.
- Time spend on website shows positive impact on lead conversion.

## **Data Preparation:**

- Created dummy features (one-hot encoded) for categorical variables
- Splitting Train & Test Sets: 70:30 ratio
- Feature Scaling using Standardization
- Dropped few columns, they were highly correlated with each other

## **Model Building:**

- Used RFE to reduce variables from 48 to 15. This will make dataframe more manageable.
- Manual Feature Reduction process was used to build models by dropping variables with  $p$  - value  $> 0.05$ .
- Total 3 models were built before reaching final Model 4 which was stable with ( $p$ -values  $< 0.05$ ). No sign of multicollinearity with  $VIF < 5$ .
- logm4 was selected as final model with 12 variables, we used it for making prediction on train and test set.

## **Model Evaluation:**

- Confusion matrix was made and cut off point of 0.354 was selected based on accuracy, sensitivity and specificity plot. This cut off gave accuracy, specificity and precision all around 80%. Whereas precision recall view gave less performance metrics around 72%.
- As to solve business problem CEO asked to boost conversion rate to 80%, but metrics dropped when we took precision-recall view. So, we will choose sensitivity-specificity view for our optimal cut-off for final predictions
- Lead score was assigned to train data using 0.354 as cut off.

## **Making Predictions on Test Data:**

- Making Predictions on Test: Scaling and predicting using final model.
- Evaluation metrics for train & test are very close to around 80%.

- Lead score was assigned.
- Top 3 features are:
  - Lead Source\_Welingak Website
  - Time Spent on Website
  - Current\_occupation\_Working Professional

### **Recommendations:**

- More budget/spend can be done on Welingak Website in terms of advertising, etc.
  - Maximize the Website Engagement and sales team should also prioritize calling leads who have spent a significant amount of time on the website
  - Incentives/discounts for providing reference that convert to lead, encourage to provide more references.
  - Working professionals to be aggressively targeted as they have high conversion rate and will have better financial situation to pay higher fees too.
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