Lead Score Assignment Subjective Question and Answers

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

Answer:

The following are the top three variables in our model which contribute most towards the probability of a lead getting converted:

1. What is your occupation
2. Lead Origin
3. Last Activity

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?

Answer:

1. Lead Origin_Lead Add Form
2. LastActivity : Had a phone conversation
3. What is your current occupation_Working Professional

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.

Answer:

To make the lead conversion more aggressive, we can build the model in such a way that we do not miss out on any potential lead. This can be done by reducing cut-off probability, i.e, the threshold of it. In this way we can predict more customers as 'HOT LEADS'. If we take the cut off as 0.15, we can achieve a True Positive Rate of around 93%.

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.

Answer:

To reduce the rate of phone calls dialled, we can build the model in such a way that we predict only those customers as hot leads which have a very high probability of conversion. This can be achieved by increasing cut-off probability, i.e., the threshold. This way we can predict less customers as 'HOT LEADS'. If we take the threshold probability as 0.8, we have Positive Predicted Value of around 90%, and False Positive Rate is only 3%