

The background of the slide is a collage of financial and business-related items. In the top left, a portion of a black calculator is visible, showing keys for '3', '6', '+', and '='. Below the calculator, there are several charts: a bar chart at the top with months from May to December on the x-axis, a pie chart in the center, and a line graph at the bottom left with data points connected by lines. To the right of the pie chart, there is a legend with colored squares corresponding to months from January to July. In the top right corner, a stack of Euro banknotes is fanned out. Below the banknotes, a silver compass is shown with its needle pointing towards the top right. At the bottom of the slide, a black pen lies diagonally across a table with numerical data. The table has several columns of numbers, including 125,058, 125,487, 124,000, 154,568, 56,845, 110,000, 150,000, 35,000, 95,054, 97,511, 99,011, 99,216, 101,090, 101,684, 101,962, 124,500, 125,000, 154,000, 95,000, 154,200, 110,000, 89,000, 50,000, and 700.

# Bank Marketing Success Classification problem Rui Yuan

# Clients and Problem

- Bank wants to implement a telemarketing campaign.
- And they want to know about the campaign performance: success rate; what their target clients are (that are likely to subscribe bank term deposit or other financial products).

# Data

- The data is related with direct marketing campaigns of a Portuguese banking institution dated from May 2008 to November 2010.
- The marketing campaigns were based on phone calls.
- 45,211 rows and 16 columns.
- Target: Whether client subscribe bank term deposit (1 = yes, 0 = no )

## 15 Features

### bank clients' data:

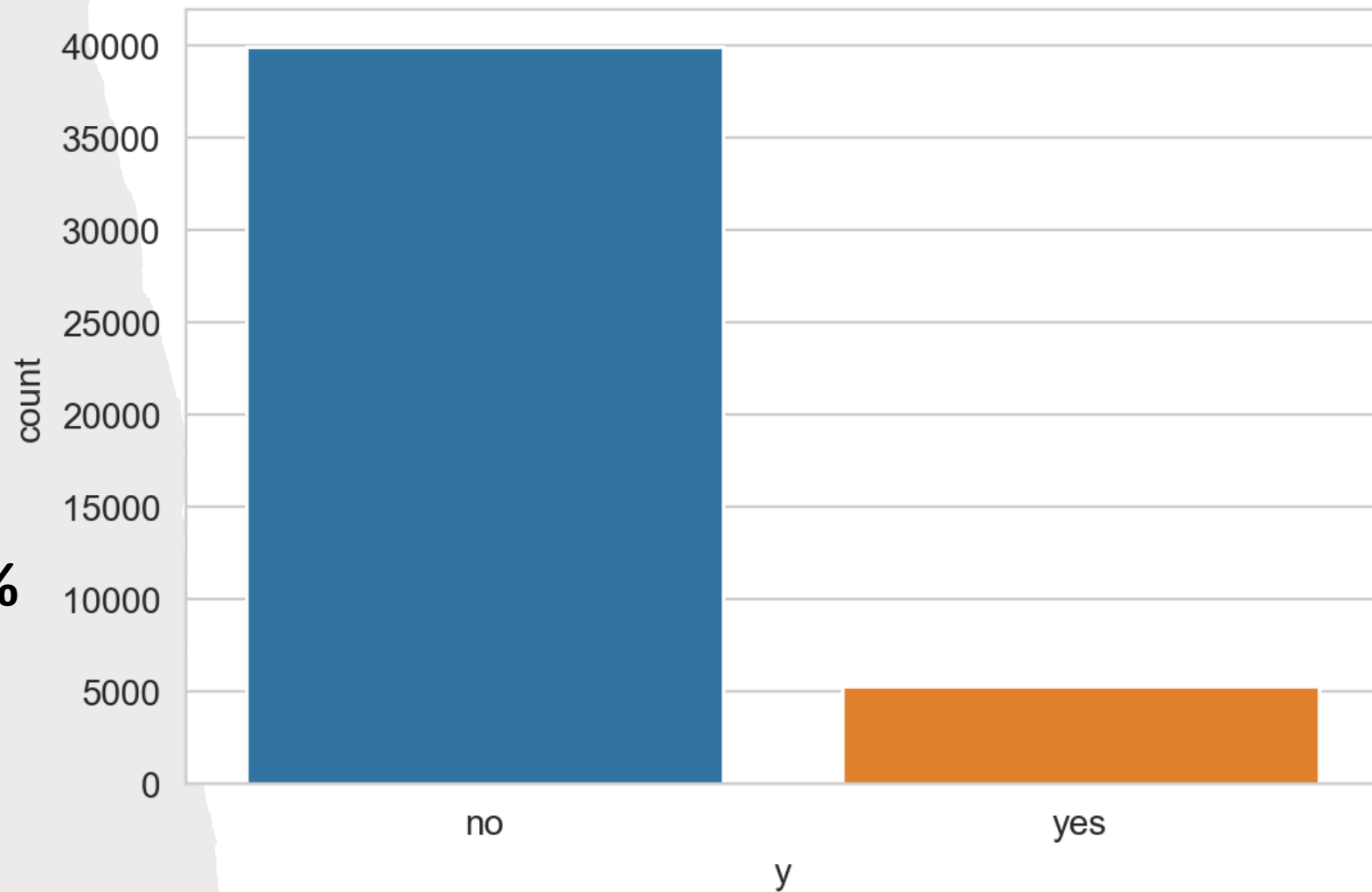
- 1 - **age**: numeric, 18 to 95.
- 2 - **job** : type of job (categorical: "admin.", "unknown", "unemployed", "management", "housemaid", "entrepreneur", "student", "blue-collar", "self-employed", "retired", "technician", "services")
- 3 - **marital status** (categorical: "married", "divorced", "single"; note: "divorced" means divorced or widowed)
- 4 - **education** (categorical: "unknown", "secondary", "primary", "tertiary")
- 5 - **default**: has credit in default? (binary: "yes", "no")
- 6 - **balance**: average yearly balance, in euros (numeric)
- 7 - **housing**: has housing loan? (binary: "yes", "no")
- 8 - **loan**: has personal loan? (binary: "yes", "no")

### campaign data and other attributes:


- 9 - **contact**: contact communication type (categorical: "cellular", "telephone", "unknown")
- 10 - **day**: last contact day of the month
- 11 - **month**: last contact month of year (categorical: "jan", "feb", "mar", ..., "nov", "dec")
- 12 - **campaign**: number of contacts performed during this campaign and for this client (numeric, includes last contact)
- 13 - **pdays**: number of days that passed by after the client was last contacted from a previous campaign (numeric; 999 means client was not previously contacted)
- 14 - **previous**: number of contacts performed before this campaign and for this client (numeric)
- 15 - **poutcome**: outcome of the previous marketing campaign (categorical: "failure", "nonexistent", "success")

# Class Distribution

Success rate=  $\text{yes}/\text{all}$  = **12%**



# Classification Modeling Goal


- Goal:  precision score on positive class & number of true positives (subscribe)
- In Business Sense: Model being able to target clients upon changing needs.
  - Business capability can vary depending on the amount of sources, such as number of employees, phone plan fees, etc.
  - So how many clients bank can reach to or how many phone calls bank can do in a given period (week/month/year) may vary, and we want the model being able to target potential clients upon business capability.

# Modeling & Performance Metric Report

## Phase 1: Model Testing

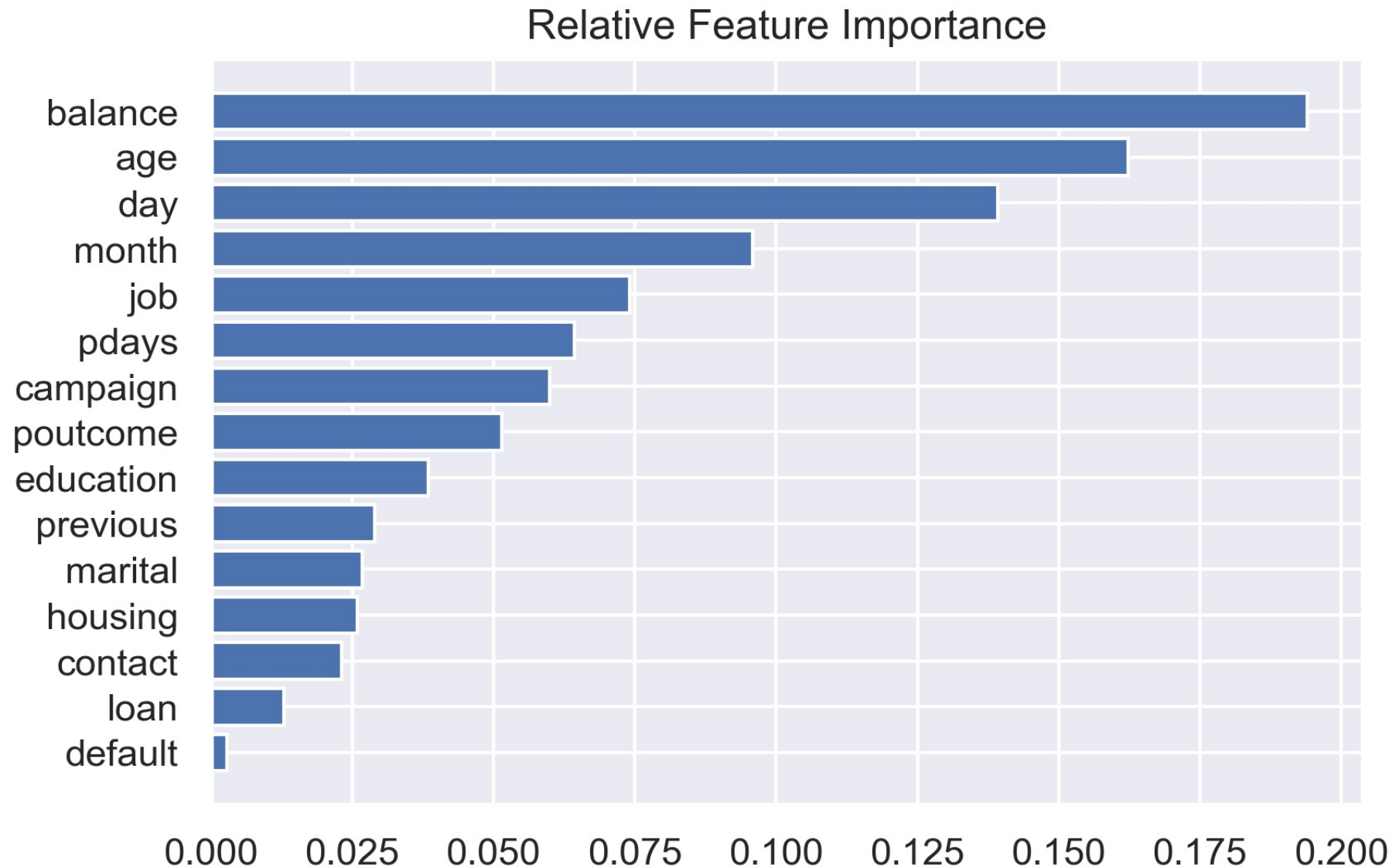
Model	Precision	Recall	F-1	Accuracy
1. K-Nearest Neighbor Baseline	0.43	0.12	0.18	0.88
2. K-Nearest Neighbor Optimized with Grid Search	0.48	0.04	0.07	0.88
3. Logistic Regression Baseline	0.50	0.00	0.00	0.88
4. Logistic Regression Regularized	0.48	0.04	0.07	0.88
5. Random Forest Baseline	0.69	0.21	0.32	0.89
6. Random Forest Optimized with Random Search	<b>0.71</b>	0.19	0.30	0.89

## Phase 2: Handle Class Imbalance

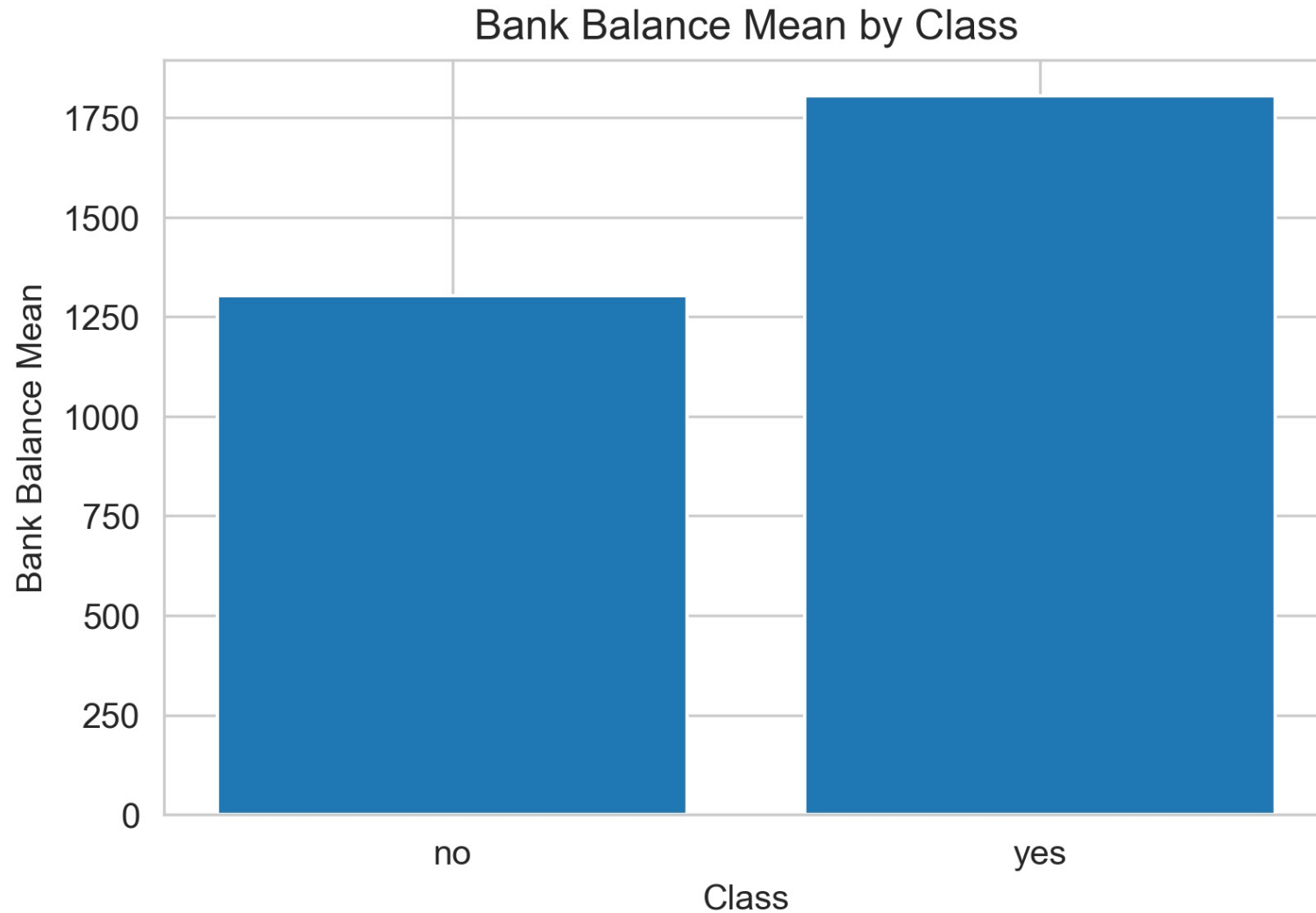
Model	Precision	Recall	F-1	Accuracy
7. Random Forest with Sampling method	0.55	0.29	0.38	0.89
8. Random Forest with Adjusted Class Weight	0.69	0.19	0.30	0.89
9. Random Forest with Probability Threshold Adjustment 	Adjustable	Adjustable	Adjustable	Adjustable



# Feature Importance from RF model



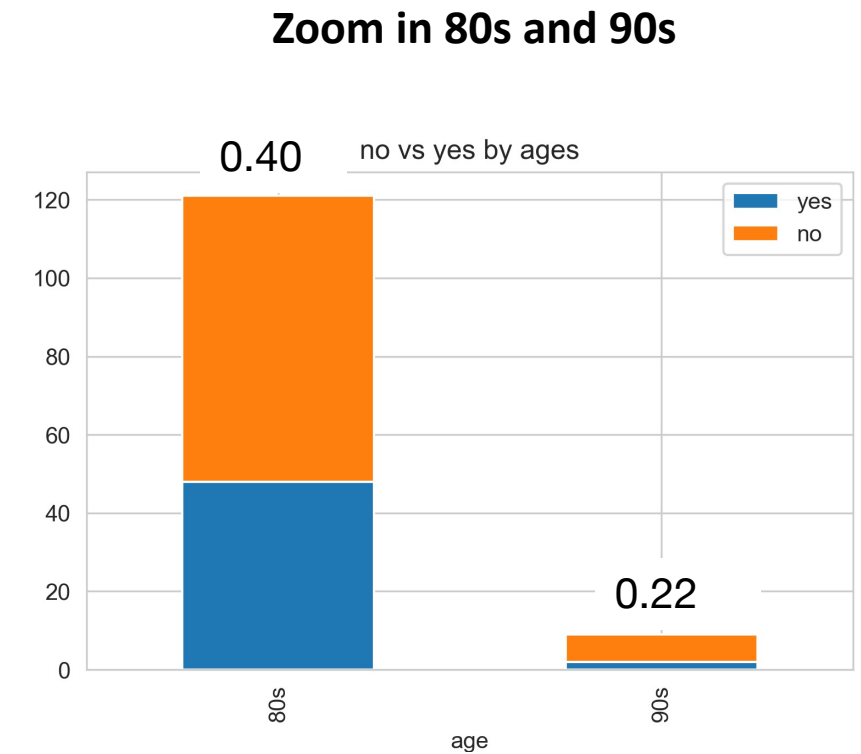
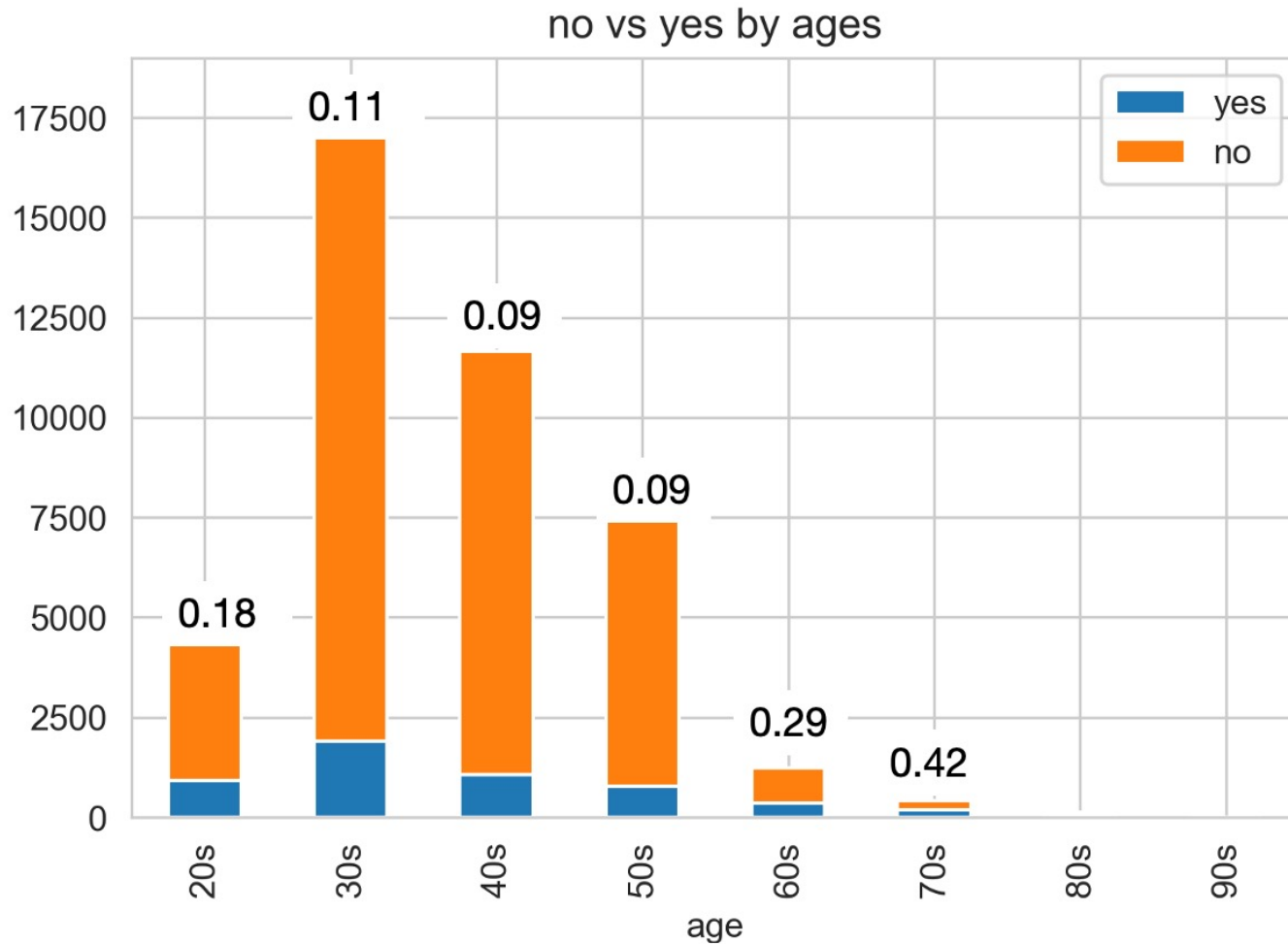
# Closer look at important features: balance



**Positive class has higher average bank balance**

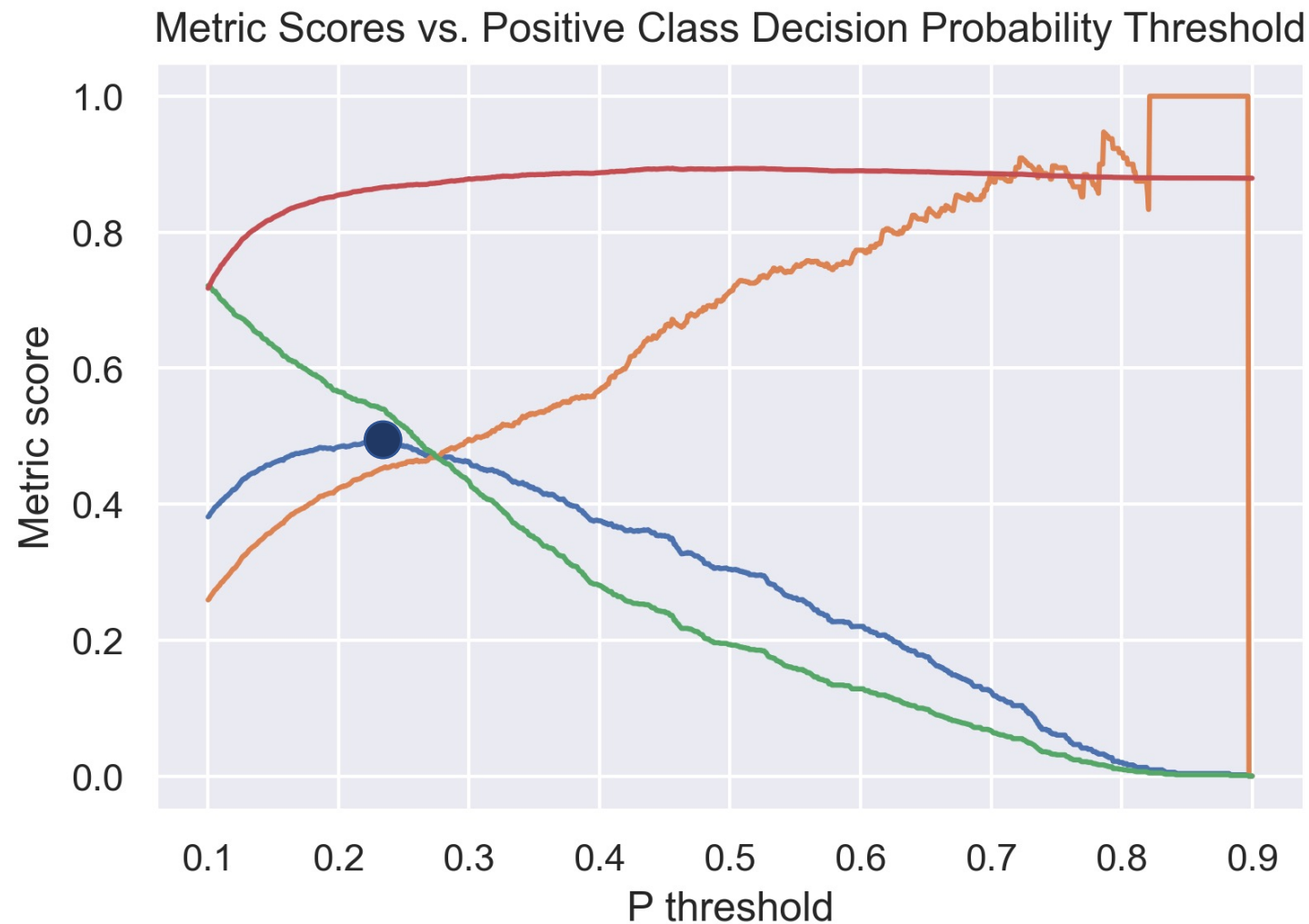


# Closer look at important features: age



**Elderly groups have higher success rate but lower number of success**

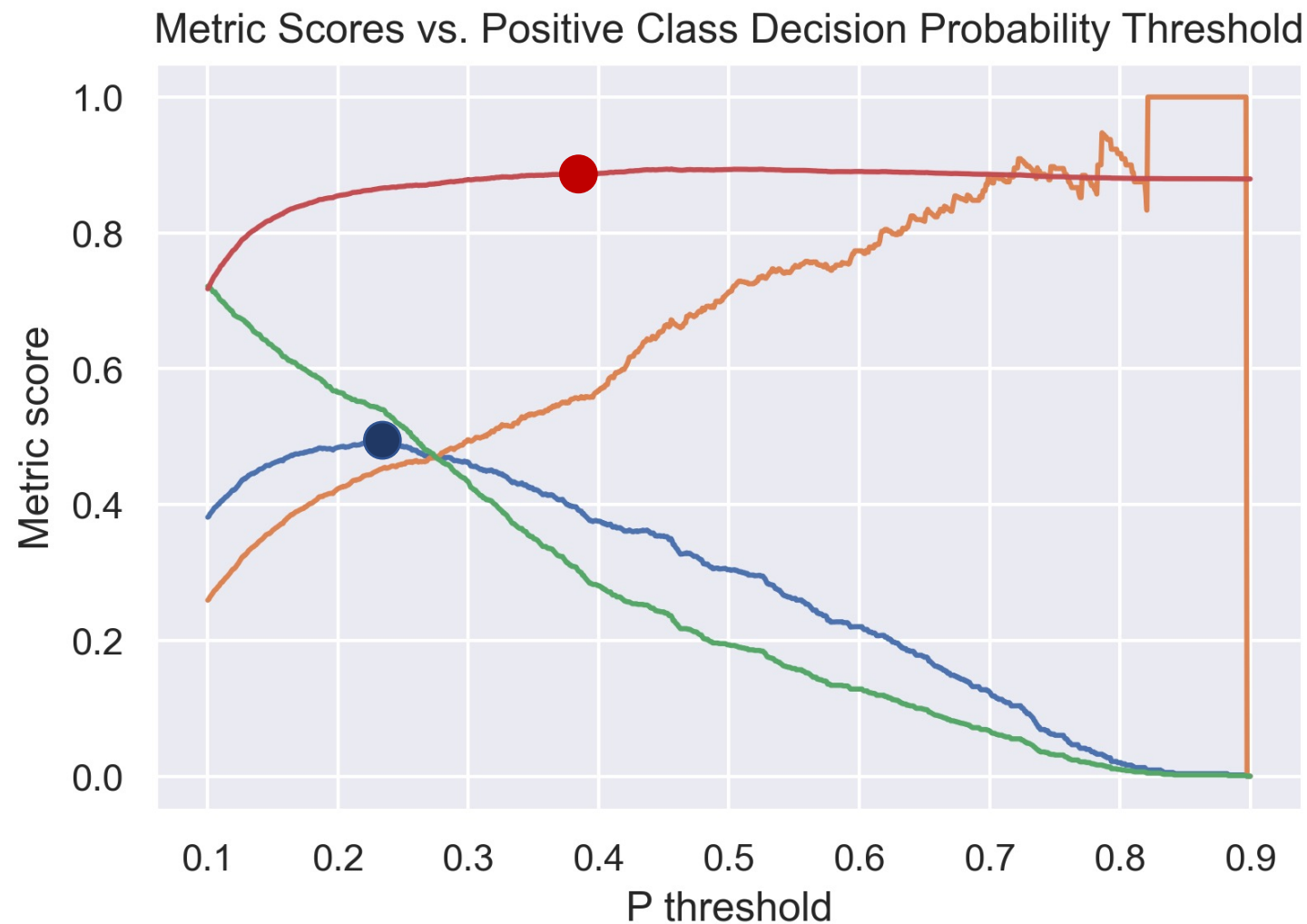
# Solution: RF model w/ Probability Threshold Controlling



Metric	Best Score	Probability
F1	0.469	0.240



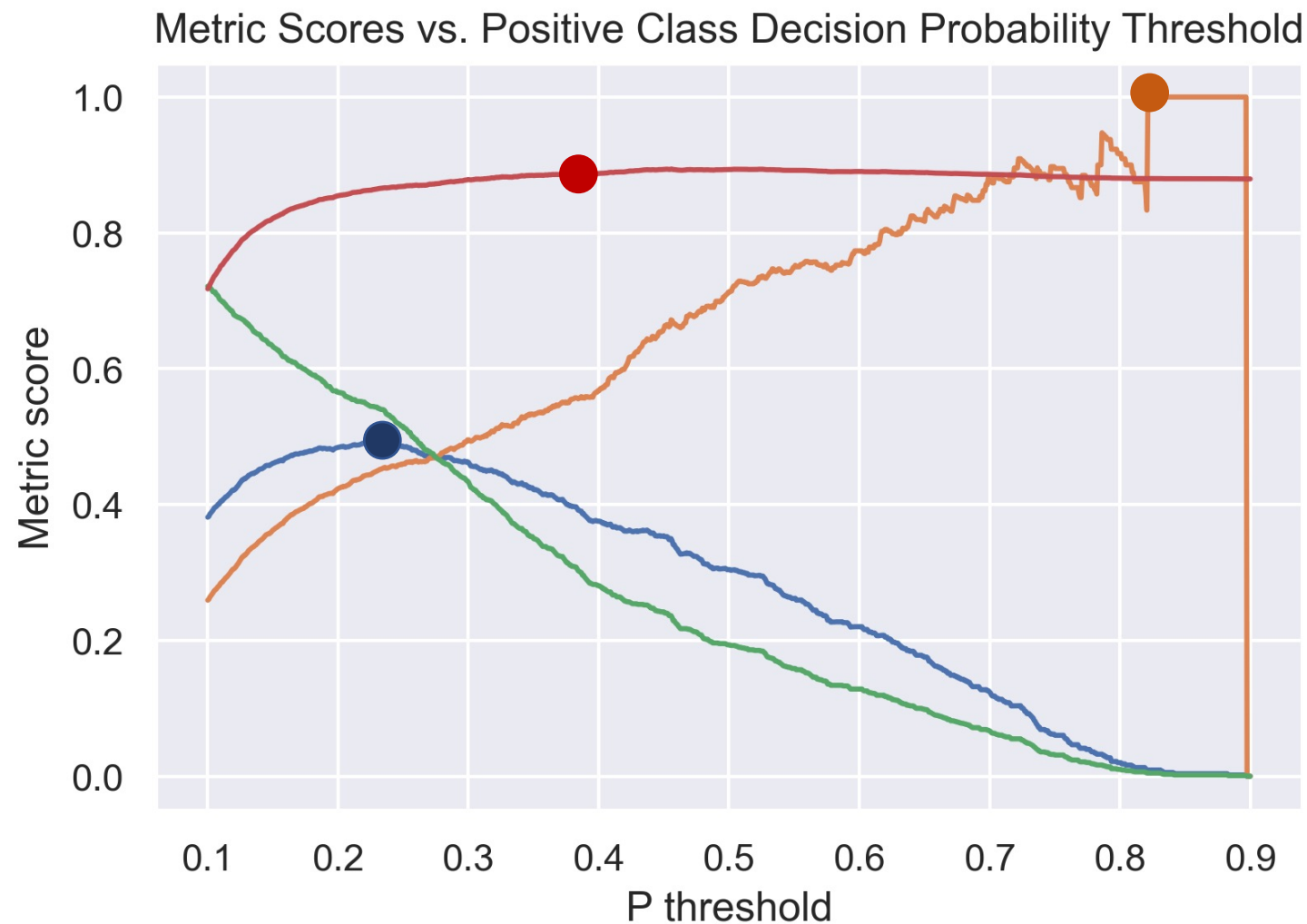
# Solution: RF model w/ Probability Threshold Controlling



Metric	Best Score	Probability
F1	0.469	0.240
Accuracy	0.894	0.458



# Solution: RF model w/ Probability Threshold Controlling

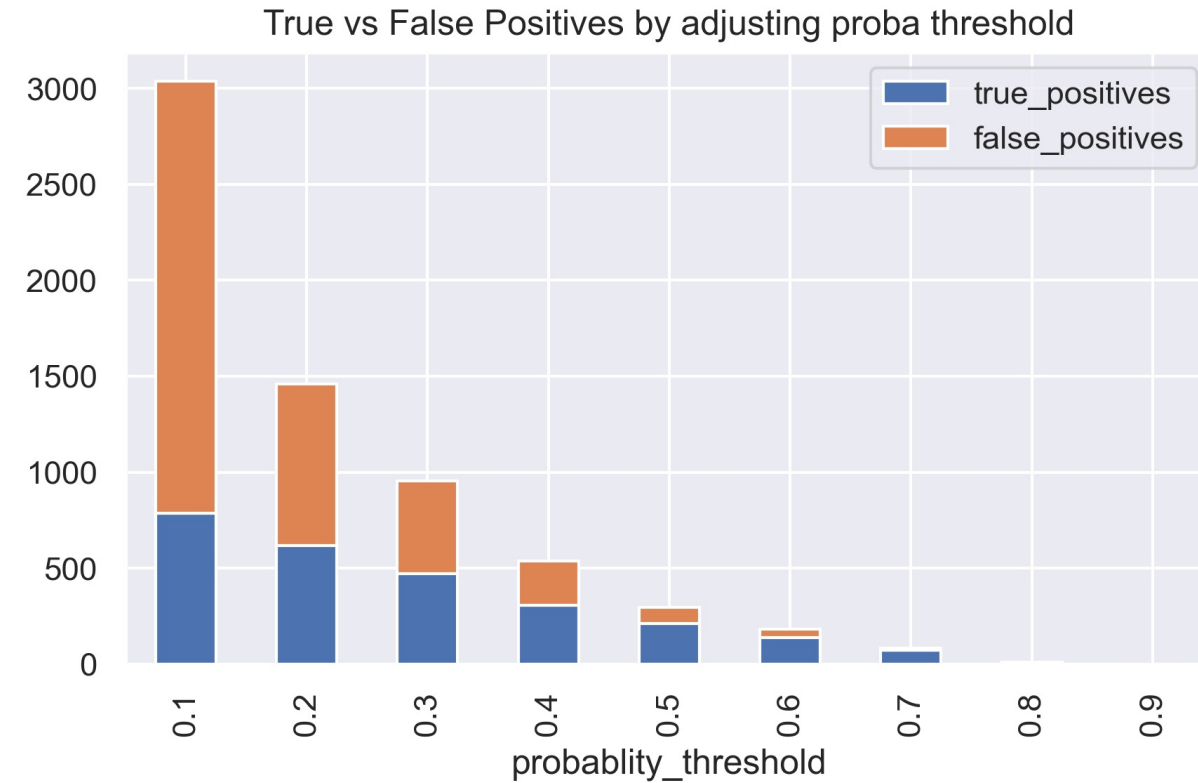
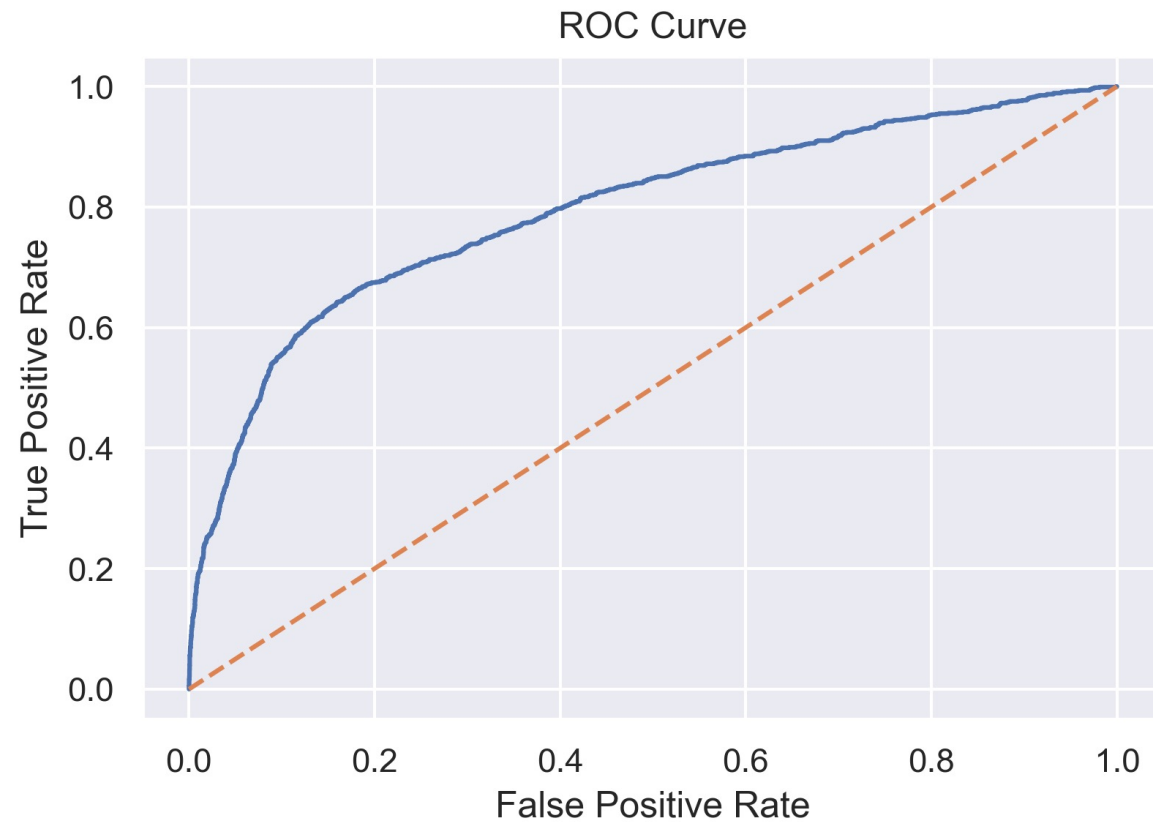


Metric	Best Score	Probability
F1	0.469	0.240
Accuracy	0.894	0.458
Precision	1.00	0.822

**Best Precision  $\neq$  Best Result**



# Solution: RF model w/ Probability Threshold Controlling



Proba threshold	True positives	False Positives	Predicted Positives	Precision Score
0.2	617	841	1458	0.46
0.3	472	481	953	0.49



A collage of business-related items. In the top left is a black calculator with white buttons. In the top right is a silver compass. In the bottom left is a black pen. The background features various charts and graphs, including a bar chart with months (may, jun, jul, aug, sep, oct, nov, dec) on the x-axis, a pie chart with a legend for months (jan, feb, mar, apr, may, jun, jul, aug, sep, oct, nov, dec), and a line graph with data points. A semi-transparent white box with the text "Thank you!" is centered over the pie chart.

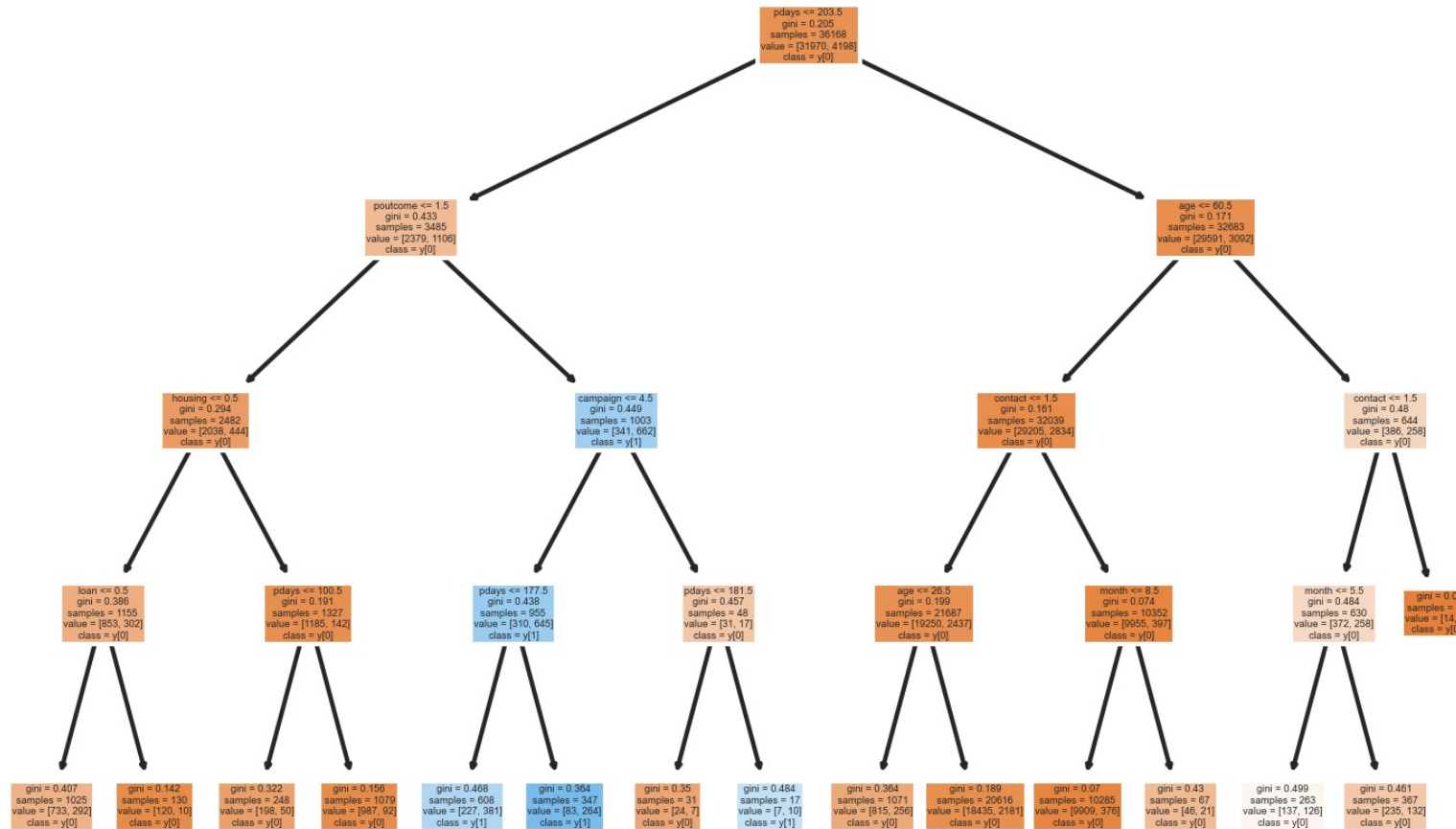
Thank you!

# Futher Work

- Boosting with Ada Boost, XG boost
- More Models: SVM, Naive Bayes, etc.



# Appendix (1): Visualize the Tree (max\_depth=4)



# Appendix (2): Visualize the Tree (Greedy Approach)

