

Classification of Used Car Prices Using the Naive Bayes Method

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ABSTRACT

This research uses the Naive Bayes algorithm to predict used car purchasing decisions based on attributes such as brand, year of production, mileage, engine condition, completeness of features, and maintenance history. By applying the Gaussian Naive Bayes approach to handling continuous data, this research aims to develop a reliable prediction model while identifying the attributes that most influence purchasing decisions. The test results show that the prediction model achieved a correct accuracy level of 80%, and an incorrect accuracy of 20%, which indicates the ability of the Naive Bayes algorithm to handle data classification. This research provides insights that can support industry players in designing more effective sales strategies based on accurate data analysis.

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1. INTRODUCTION

The rapid development of the automotive industry has encouraged an increase in the used car market in various countries. Used car buying and selling transactions reach 3-4 times compared to new cars [1]. This shows the high public interest in used cars as a more affordable alternative. However, determining the price and suitability of used engine cars is a major challenge for consumers and sellers [2]. The complexity of determining the value of a used car is influenced by various factors such as brand, year of production, kilometers traveled, engine condition, complete features, and maintenance history [3]. This uncertainty and subjectivity in assessment often causes significant price gaps in the market. The use of conventional methods for analyzing used car prices is considered less effective because it is unable to process historical data optimally [4].

As machine learning technology develops, the Naïve Bayes method has emerged as a promising approach in predictive analysis of used cars. Naïve Bayes is a probabilistic classification algorithm that is able to process multiple variables efficiently with a good level of accuracy [5]. This shows that the Naïve Bayes method is able to provide up to 85% accuracy in predicting used car prices based on various parameters [6]. The advantage of the Naïve Bayes method lies in its ability to handle large and complex datasets with relatively simple computations [7]. This algorithm uses the principle of conditional probability which allows analysis of relationships between variables independently. This proves that Naïve Bayes can identify hidden patterns in historical used car sales data detected using traditional methods [8].

The implementation of Naïve Bayes in used car analysis has shown promising results in various studies. Using Naïve Bayes to classify the condition of used cars based on 15 technical parameters with a precision level of 82% [9]. By developing a used car recommendation system based on Naïve Bayes which is able to provide purchasing suggestions according to consumer preferences and budget [10]. The development of analysis in the used car industry continues to experience significant progress. The integration of machine learning has changed

the way industry players analyze and determine the selling value of used cars [11]. The importance of a data-based approach in improving assessment accuracy and transaction efficiency in the used car market [12].

Based on the problems that have been described, this research has several main objectives. First, develop an accurate used car sales value classification system using the Naïve Bayes method. Second, identify key factors that influence the selling value of used cars through probabilistic analysis. Third, evaluate the level of accuracy and performance of the Naïve Bayes method in the context of used car appraisal. To achieve this goal, this research applies several systematic methodological stages. The first stage is collecting a dataset of used cars which includes various parameters such as brand, type, year of production, kilometers traveled and selling price. Next, data preprocessing is carried out including cleaning, normalization and data transformation to ensure optimal input quality. The implementation of the Naïve Bayes algorithm is carried out by dividing the dataset into training and testing data with a ratio of 80:20. The training process will produce a probabilistic model which is then validated using testing data. Model performance evaluation is carried out using metrics such as accuracy, precision, recall, and F1-score to measure classification effectiveness. The results of this evaluation will show how accurate the model is in predicting the selling value of used cars based on predetermined parameters.

1. RESEARCH METHODOLOGY

2.1 Research Framework

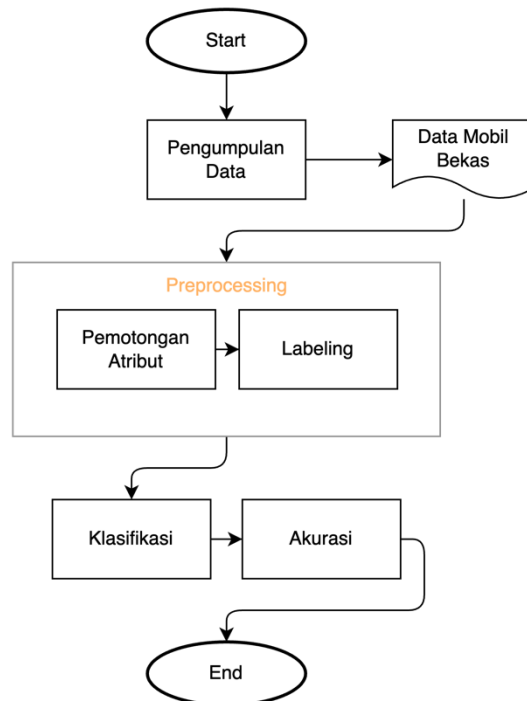


Figure 1 Framework

2.2 Data Collection

The data used in this research was obtained through data collection from the Kaggle site, a platform that provides various quality data collections for analysis and machine learning model development. The selection of data from Kaggle was based on the relevance and completeness of the information in accordance with the objectives of this research. From the Kaggle site, a dataset of 10 used cars was obtained, with 9 attributes including model, year of production, price, transmission, mileage, fuel, tax, MPG and engine size.

2.3 Preprocessing

The data that has been collected will then go through a series of preprocessing processes which aim to clean and present the data in optimal conditions for the classification process. The first stage in this process is to cut or delete several attributes that are not very relevant for calculations. Previously the dataset had 9 attributes, but in this process 5 attributes will be removed in order to maximize the classification process. Removed attributes include transmission, mileage, fuel, tax, and MPG.

The second stage in the preprocessing process is labeling the dataset. Each data is given a label Cheap or Expensive based on the attributes it has. This process functions for the model training process. The following is the form of the dataset that has gone through preprocessing:

Table 1. Data After Preprocessing

Used Car Value (<i>Training Data</i>)					Class
Attribute					
Car	Model (C1)	Production Year(C2)	Price(C3)	Engine Capacity (C4)	Value (C5)
1	Toyota Kijang	2007	Rp80,000,000.00	2.5	Cheap
	Innova				
2	Toyota Avanza	2012	Rp105,000,000.00	1.3	Cheap
3	Toyota Avanza				
4	Toyota Fortuner	2012	Rp220,000,000.00	2.5	Cheap
5	Toyota Avanza				
6	Toyota Kijang	2016	Rp177,000,000.00	2.5	Cheap
7	Toyota Innova				
8	Toyota Avanza	2016	Rp214,000,000.00	1.3	Expensive
9	Toyota Agya				
10	Toyota Agya	2020	Rp136,000,000.00	1.3	Expensive
	Toyota Avanza				

2. RESULTS AND DISCUSSION

3.1 NBC Clasiffication

NBC is used to predict classes from data in the testing set group. The classification process using NBC begins by determining the probability of the data for each attribute. Here's the calculation:

Table 2. Probability C1

Model	Probability C1			
	Number of Event Selected		Probabiliy	
	Yes	No	Cheap	Expensive
Toyota Kijang	2	0	2	0
Toyota Innova				
Toyota Avanza	3	2	3	2
Toyota Fortuner	1	0	1	0
Toyota Agya	0	2	0	2
Total	6	4	1	1

Table 3. Probability C2

Production Year	Probability C2			
	Number of Event Selected		Probability	
	Yes	No	Cheap	Expensive

2007	1	0	1	0
2012	4	0	4	0
2016	1	2	1	2
2020	0	2	0	1
Jumlah	6	4	1	1

Table 4. Probability C3

n	Probability C3	
	Cheap	Expensive
1	Rp80.000.000,00	Rp214.000.000,00
2	Rp105.000.000,00	Rp200.000.000,00
3	Rp105.000.000,00	Rp136.000.000,00
4	Rp220.000.000,00	Rp152.000.000,00
5	Rp157.000.000,00	-
6	Rp177.000.000,00	-
Average	Rp140.666.667	Rp175.500.000
Standard Deviation	Rp53.113.714	Rp37.394.295

Table 5. Probability C4

Engine Capacity	Probability C4			
	Number of Event Selected		Probability	
	Yes	No	Cheap	Expensive
1.3	3	4	3	4
2.5	3	0	3	0
Total	6	4	1	1

After calculating the probability, the data classification process is then carried out using NBC. Classification is carried out using Microsoft Excel with the following calculations:

Table 6. Testing Data

Car	Data Testing				Class
	Attribute				
	Model (C1)	Prduction Year (C2)	Price (C3)	Engine Capacity (C4)	
1	Toyota Kijang Innova	2007	Rp80.000.000,00	2,5	?
2	Toyota Avanza	2012	Rp105.000.000,00	1,3	?
3	Toyota Avanza	2012	Rp105.000.000,00	1,3	?
4	Toyota Fortuner	2012	Rp220.000.000,00	2,5	?
5	Toyota Avanza	2012	Rp157.000.000,00	1,3	?
6	Toyota Kijang Innova	2016	Rp177.000.000,00	2,5	?
7	Toyota Avanza	2016	Rp214.000.000,00	1,3	?
8	Toyota Agya	2016	Rp200.000.000,00	1,3	?
9	Toyota Agya	2020	Rp136.000.000,00	1,3	?
10	Tovota Avanza	2020	Rp152.000.000,00	1,3	?

Table 7. Testing Data Classification

Testing Data Classification							
Car	Gaussian Density Classification (C3)		Probability		Classification of Probability Values		Normalization Results
	Cheap	Expensive	Cheap	Expensive	Cheap	Expensive	
1	0,0000000 03912	0,0000000 00409	0,0000000 00158	0,0000000 00000	1	0	Cheap
2	0,0000000 05995	0,0000000 01804	0,0000000 00242	0,0000000 00059	0,80	0,20	Cheap
3	0,0000000 05995	0,0000000 01804	0,0000000 00030	0,0000000 00013	0,70	0,30	Cheap
4	0,0000000 02462	0,0000000 05255	0,0000000 00025	0,0000000 00038	0,39	0,61	Expensive
5	0,0000000 07164	0,0000000 09440	0,0000000 00145	0,0000000 00000	1	0	Cheap
6	0,0000000 05944	0,0000000 10660	0,0000000 00030	0,0000000 00078	0,28	0,72	Expensive
7	0,0000000 02896	0,0000000 06280	0,0000000 00117	0,0000000 00411	0,22	0,78	Expensive
8	0,0000000 04025	0,0000000 08608	0,0000000 00020	0,0000000 00063	0,25	0,75	Expensive
9	0,0000000 07482	0,0000000 06107	0,0000000 00038	0,0000000 00044	0,46	0,54	Expensive
10	0,0000000 07342	0,0000000 08757	0,0000000 00037	0,0000000 00064	0,37	0,63	Expensive

3.2 Testing Data Result

From the calculations that have been carried out, the following are the results of the data calculations:

Table 8. Testing Data Result

Testing Data Result					
Car	Attribute				Class
	Model (C1)	Production Year (C2)	Price (C3)	Engine Capacity (C4)	Value (C5)
1	Toyota Kijang Innova	2007	Rp80.000.000,00	2,5	Cheap
2	Toyota Avanza	2012	Rp105.000.000,00	1,3	Cheap
3	Toyota Avanza	2012	Rp105.000.000,00	1,3	Cheap
4	Toyota Fortuner	2012	Rp220.000.000,00	2,5	Expensive
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6	Toyota Kijang Innova	2016	Rp177.000.000,00	2,5	Expensive
7	Toyota Avanza	2016	Rp214.000.000,00	1,3	Expensive
8	Toyota Agya	2016	Rp200.000.000,00	1,3	Expensive
9	Toyota Agya	2020	Rp136.000.000,00	1,3	Expensive
10	Toyota Avanza	2020	Rp152.000.000,00	1,3	Expensive

From these calculations, 4 data are included in the class category labeled Cheap and the other 9 are included in the Expensive category.

3.3 Accuracy Calculation

From these calculations, 4 data are included in the class category labeled Cheap and the other 9 are included in the Expensive category. The following is an accuracy calculation based on the results of the previous classification process.

Table 9. Accuracy Result

Car	Accuracy Data			
	Training Data Class Value	Test Data Class Value	Correct Prediction	Wrong Prediction
1	Cheap	Cheap	1	0
2	Cheap	Cheap	1	0
3	Cheap	Cheap	1	0
4	Cheap	Expensive	0	1
5	Cheap	Cheap	1	0
6	Cheap	Expensive	0	1
7	Expensive	Expensive	1	0
8	Expensive	Expensive	1	0
9	Expensive	Expensive	1	0
10	Expensive	Expensive	1	0
Total			8	2
Accuracy or Inaccuracy (%)			80	20

3. CONCLUSION

This research successfully uses the Naive Bayes algorithm to predict used car purchasing decisions based on a dataset that includes attributes such as brand, year of production, mileage, engine condition, completeness of features, and maintenance history. This algorithm utilizes a probabilistic approach to determine the probability of a transaction falling into the "Expensive" or "Cheap" category. By applying the Gaussian Naive Bayes method to continuous attributes such as price, this research succeeded in increasing accuracy in analyzing complex data. Test results show that the prediction model achieves an accuracy of 80%, with the majority of class predictions carried out correctly. This level of accuracy shows the ability of the Naive Bayes algorithm to solve data classification problems. Additionally, further analysis revealed that attributes such as price, model, and engine capacity have a significant influence on purchasing decisions.

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