

Deep Learning Approach for Used Car Value Prediction

¹Mrs. B.Madhavi, ²K.Sriya Chandrika, ³Noor Afshan, ⁴K. Pallavi, ⁵P. Ujwala, ⁶A. Chandana

¹Assistant Professor, Department of Department of Cyber Security, Malla Reddy Engineering College for women

¹Email:madhavi.mrecw@gmail.com

^{2,3,4,5,6}B. Tech Students, Department of Department of Cyber Security, Malla Reddy Engineering College for women

ABSTRACT

The prediction of used car prices has become an important problem in the automotive industry due to the rapid growth of online car marketplaces and increasing demand for second-hand vehicles. Buyers and sellers often face challenges in determining the fair value of a used car because prices depend on multiple factors such as age, mileage, brand, fuel type, and market trends. Machine learning techniques have emerged as effective tools to analyze these factors and provide accurate price predictions. These models help reduce information asymmetry and improve decision-making for both buyers and sellers. Recent studies highlight the effectiveness of regression models, ensemble methods, and deep learning approaches in predicting used car prices. Techniques such as Random Forest, XGBoost, and Multiple Linear Regression have shown high accuracy by capturing both linear and non-linear relationships between features and price. The integration of data-driven approaches enables the development of intelligent pricing systems that enhance transparency and efficiency in the used car market

Keywords: Used Car Price Prediction, Machine Learning, Regression Models, Random Forest, XGBoost, Data Mining, Feature Engineering, Predictive Analytics.

I. INTRODUCTION

The used car market has expanded significantly in recent years, driven by affordability and increased accessibility through digital platforms. However, determining the correct price of a used car remains a complex task due to the influence of multiple dynamic factors such as depreciation, vehicle condition, and market demand. Traditional pricing methods rely heavily on human judgment, which may lead to inconsistencies and inaccurate valuations. Therefore, there is a growing need for automated systems that can predict prices accurately using historical data and advanced algorithms.

Machine learning has proven to be highly effective in solving prediction problems by identifying patterns and relationships within large datasets. In the context of used car pricing, models are trained on features such as manufacturing year, kilometers driven, fuel type, transmission, and ownership history. These models can generate reliable price estimates, helping users make informed decisions. Recent research also emphasizes the importance of feature selection and preprocessing techniques in improving prediction accuracy.

II. LITERATURE SURVEY

1. Title: Used Car Price Prediction System

Author: Pradeep N. Fale et al. (2024)

Abstract: This study proposes a machine learning-based system for predicting used car prices using multiple features such as mileage, fuel type, and transmission. The system improves accuracy through preprocessing and model optimization techniques.

2. Title: Predicting Used Car Prices with Regression Techniques

Author: Saurabh Kumar, Avinash Sinha (2024)

Abstract: The paper focuses on regression-based models using real-world datasets. It identifies key influencing factors like age and kilometers driven, showing that multiple linear regression can effectively predict car prices in the Indian market.

3. Title: Price Prediction Based on XGBoost Algorithm

Author: Jiayao Huang (2024)

Abstract: This research develops a high-accuracy

XGBoost model for used car price prediction. It analyzes multiple vehicle attributes and demonstrates that ensemble learning improves prediction accuracy and reduces error.

4. Title: Used Car Price Prediction Analysis Based on Machine Learning

Author: Jingwen Huang et al. (2022)

Abstract: The study compares different machine learning models including decision trees and neural networks. It highlights the importance of feature selection and parameter tuning in achieving better prediction performance.

5. Title: A Deep Learning Approach for Used Car Price Prediction

Author: A. Sasidharan Pillai (2022)

Abstract: This paper explores deep learning techniques for price prediction and shows that neural networks can capture complex relationships between features, leading to improved prediction accuracy compared to traditional models.

III. EXISTING SYSTEM

The existing systems for used car price estimation primarily rely on manual valuation methods and basic statistical techniques. These approaches often depend on historical averages or expert judgment, which may not accurately reflect current market conditions. Additionally, they fail to consider complex relationships between multiple influencing factors such as vehicle condition, market demand, and geographical variations.

Another limitation of traditional systems is their inability to handle large datasets and dynamic market trends. Many systems do not incorporate advanced algorithms, resulting in lower prediction accuracy. Furthermore, the absence of automated feature extraction and real-time analysis makes these systems less efficient and unreliable in modern digital environments.

IV. PROPOSED SYSTEM

The proposed system utilizes machine learning algorithms to predict used car prices with high accuracy. It involves data collection from online platforms, followed by preprocessing steps such as

data cleaning, normalization, and feature selection. Important features like car age, mileage, fuel type, transmission, and ownership history are extracted and used as inputs to the model.

Advanced algorithms such as Random Forest, XGBoost, and Support Vector Machines are applied to build predictive models. These models are trained and evaluated using performance metrics like Mean Squared Error (MSE) and R-squared values. The system provides real-time price predictions and can be integrated into web or mobile applications, making it user-friendly and scalable.

V. SYSTEM ARCHITECTURE

The system architecture of the WiFi-Based LED Notice Board using IoT is designed to enable remote message transmission and real-time display through internet connectivity. The architecture mainly consists of four major components: a user interface (web or mobile application), a WiFi communication network, an IoT-enabled microcontroller, and an LED display board. These components work together to ensure seamless communication between the user and the display system.

In this architecture, the user sends messages through a web application or mobile interface connected to the internet. The message data is transmitted through a WiFi network to the IoT microcontroller, such as ESP8266 or ESP32, which is integrated with the LED display unit. The microcontroller acts as the central processing unit of the system, receiving and decoding the message data sent from the user interface.

Once the microcontroller receives the message, it processes the data and sends the appropriate signals to the LED matrix display. The LED display then presents the message in a scrolling or static format, allowing viewers to read the information clearly. The system ensures that messages are updated instantly without requiring any physical interaction with the notice board.

Additionally, the architecture can include a cloud server or database for storing messages and managing user authentication. This allows only authorized users to update the notice board and ensures secure communication between the user interface and the display system. Overall, the system architecture provides a reliable, scalable, and efficient solution for wireless information display using IoT technology.

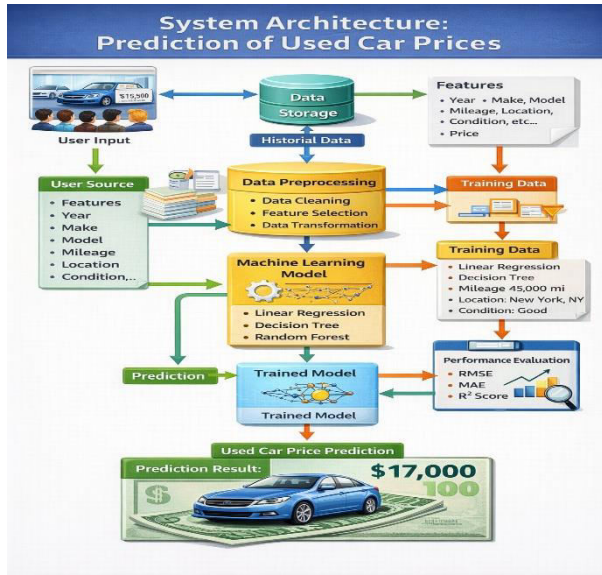


Fig 5.1: System Architecture

VI. IMPLEMENTATION



Fig 6.1: User Input



Fig 6.2: Data Preprocessing



Fig 6.3: Model Training



Fig 6.4: Prediction Result

VII. CONCLUSION

The prediction of used car prices is a critical application of machine learning that addresses the challenges of price estimation in the automotive market. By analyzing various factors such as age, mileage, and vehicle specifications, predictive models can generate accurate price estimates, reducing uncertainty for buyers and sellers. The use of advanced algorithms has significantly improved the efficiency and reliability of price prediction systems.

Recent research demonstrates that ensemble learning methods such as Random Forest and XGBoost outperform traditional regression models in terms of accuracy and robustness. These models can capture complex relationships between features and provide better generalization on unseen data. As a result, machine learning-based systems are becoming increasingly popular in real-world applications.

In conclusion, the integration of data-driven techniques into used car price prediction systems

enhances market transparency and supports informed decision-making. While challenges such as data quality and model interpretability remain, ongoing advancements in machine learning are expected to further improve prediction performance and usability.

VIII. FUTURE SCOPE

Future research can focus on integrating deep learning models with large-scale datasets to improve prediction accuracy. Techniques such as neural networks and hybrid models can capture complex patterns and provide more precise price estimates. Additionally, incorporating real-time market data can enhance the adaptability of prediction systems.

Another potential area of development is the use of explainable AI (XAI) techniques to improve model transparency. This will help users understand how different factors influence the predicted price, increasing trust in the system. Visualization tools can also be integrated to provide better insights into pricing trends.

Finally, future systems can incorporate external factors such as economic conditions, fuel prices, and regional demand to improve prediction accuracy. The integration of cloud computing and big data technologies will enable scalable and efficient implementations, making these systems more accessible to a wider audience.

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