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#### Project Report On

# "Predictive Analysis for Big Mart Sales Using Machine Learning Algorithms"

Submitted to

#### Osmania University, Hyderabad

In partial fulfillment of the requirements for the award of degree

#### **BACHELOR OF ENGINEERING**

In

#### **COMPUTER SCIENCE AND ENGINEERING**

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#### DEPARTMENT OF COMPUTER SCIENCE AND ENGINEERING

### SWATHI INSTITUTE OF TECHNOLOGY AND SCIENCES

(Affiliated to Osmania University, Hyderabad)

2022-23

#### SWATHI INSTITUTE OF TECHNOLOGY AND SCIENCES

(Affiliated to Osmania University, Hyderabad)

# **DEPARTMENT OF COMPUTER SCIENCE AND ENGINEERING**



# **CERTIFICATE**

This is to certify that the project entitled "Predictive Analysis for Big Mart Sales Using Machine Learning Algorithms" submitted by SYED SUBAAN SHAREEF (245219733023), MOHD SAIFUDDIN (245219733019), KHAN MOHMMED SOHEL (245219733022), Department of Computer Science and Engineering, Swathi Institute of Technology & Sciences, affiliated to Osmania University in partial fulfillment of the requirements for the award of the degree of Bachelor of Engineering, with Computer Science and Engineering as specialization is a record of the bonafide work carried out during the academic 2022- 2023.

The results embodied in this project work have not been submitted to any other University or Institute for the award of any degree or diploma.

**Signature of the guide** B. Shobini (H.O.D)

**Signature of External** 

# **DECLARATION**

We hereby declare that the project work entitled "Predictive Analysis for Big Mart Sales Using Machine Learning Algorithms" submitted to the Department of Computer Science and Engineering of SWATHI INSTITUTE OF TECHNOLOGY AND SCIENCES, affiliated to Osmania University, Hyderabad in the partial fulfillment of the requirement for award of the degree in BACHELOR OF ENGINEERING in CSE is a bonafide work done by the undersigned.

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# **ACKNOWLEDGMENT**

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It is great pleasure to convey our profound sense of gratitude to the Principal **Dr. K. Regin Bose**, Swathi Institute of Technology & Sciences, for being kind enough for arranging necessary facilities for executing the project in the college.

We deem it a pleasure to acknowledge our sense of gratitude to our internal project guide **Mrs. B. SHOBINI**, CSE under whom we have carried out the project work. Her incisive and objective guidance and timely advice encouraged us with constant flow of energy to continue the work.

We wish a deep sense of gratitude and heartfelt thanks to management for providing excellent lab facilities and tools. Finally, we thank all those whose guidance helped us in this regard

With Regards,

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#### **ABSTRACT**

Currently, supermarket run-centred, known as Big Marts, maintain track of each individual item's sales data in order to forecast future consumer demand and adjust inventory management. Mining the data warehouse's data storage is a popular way to find anomalies and general trends. The generated data can be utilize by retailers like Big Mart to anticipate future sales volume using a variety of machine learning approaches. For projecting the sales of a business such as Big -Mart, a predictive model was created utilizing Xgboost, Linear regression, Polynomial regression, and Ridge regression approaches, and it was revealed that the model beats existing models.

The main objective of this project was to develop an accurate sales prediction model for Big Mart supermarkets. To achieve this, various machine learning algorithms were employed, including Xgboost, Linear regression, Polynomial regression, and Ridge regression. These algorithms were selected due to their proven effectiveness in handling large datasets and their ability to capture complex relationships within the data.

The project utilized a comprehensive dataset containing historical sales data, including information such as product attributes, store locations, and time periods. This dataset was extensively preprocessed and cleaned to ensure data quality and consistency. Feature engineering techniques were applied to extract relevant features and create a robust set of predictors for the sales prediction model.

The machine learning models were trained using a portion of the dataset, and their performance was evaluated using appropriate evaluation metrics such as root mean squared error (RMSE) and mean absolute error (MAE). The models were fine-tuned and optimized to improve their predictive accuracy, with hyperparameter tuning techniques being applied to find the optimal configuration for each algorithm.

The results demonstrated that the developed sales prediction model outperformed existing models. The Xgboost algorithm exhibited the best performance, consistently delivering the lowest RMSE and MAE values. The model's ability to accurately forecast future sales volumes provides Big Mart with valuable insights for inventory management, supply chain optimization, and overall business planning.

In conclusion, the development of an effective sales prediction model using machine learning algorithms has demonstrated its potential to revolutionize the retail industry, particularly in the context of supermarket chains like Big Mart. By leveraging the power of data analysis and prediction, retailers can gain a competitive advantage, improve decision-making processes, and effectively respond to changing market dynamics.

# **Chapter 1 – INTRODUCTION**

Cos of the rapid development of global malls and internet shopping, everyday competition between numerous shopping centres as well as large marts is growing more intense and violent. Each market tries to attract a large number of clients by offering tailored and limited-time discounts, so that the volume of sales for each item can be estimated for the organization's stock control, transportation, and logistical services. The present machine learning algorithm is very powerful, and it provides ways for predicting or forecasting sales in any type of company, which is extremely useful in overcoming low-cost prediction approaches. Better forecasting is always beneficial, both in building and upgrading marketing plans for the marketplace, which is very useful.

In addition to sales forecasting, machine learning algorithms can also be utilized in various other aspects of the retail industry. One such area is customer segmentation, where algorithms can analyze large amounts of data to identify different customer groups based on their preferences, demographics, and behavior patterns. This segmentation allows retailers to tailor their marketing strategies and product offerings to specific customer segments, thereby improving customer satisfaction and increasing sales.

Moreover, machine learning algorithms can be employed in recommendation systems to provide personalized product recommendations to customers. By analyzing a customer's past purchase history, browsing behavior, and preferences, these algorithms can suggest relevant products that the customer is likely to be interested in. This not only enhances the customer's shopping experience but also boosts sales by encouraging additional purchases.

Furthermore, machine learning can assist retailers in optimizing their pricing strategies. Algorithms can analyze market trends, competitor pricing, and customer demand to determine the optimal price points for different products. This dynamic pricing approach allows retailers to adjust prices in real-time, maximizing profitability while remaining competitive in the market.

Machine learning algorithms can also be employed in fraud detection and prevention in the retail industry. By analyzing transaction data and identifying patterns indicative of fraudulent activities.

Overall, the rapid development of machine learning algorithms has revolutionized the retail industry by providing valuable insights, improving decision-making processes, and optimizing various aspects of the retail business. As competition intensifies, retailers that embrace and leverage these advanced technologies are more likely to stay ahead in the market and thrive in the ever-evolving retail landscape.

**Chapter 2 - LITERATURE REVIEWS** 

**Literature survey 1:-**

**Title:-** "A comparative study of linear and nonlinear models for aggregate retails sales forecasting"

**Year:-** 2003

Authors: Ching-WuChua, Guoqiang Peter Zhangb

Abstract:-

The purpose of this paper is to compare the accuracy of various linear and nonlinear models for

forecasting aggregate retail sales. Because of the strong seasonal fluctuations observed in the retail

sales, several traditional seasonal forecasting methods such as the time series approach and the

regression approach with seasonal dummy variables and trigonometric functions are employed. The

nonlinear versions of these methods are implemented via neural networks that are generalized

nonlinear functional approximators. Issues of seasonal time series modeling such as deseasonalization

are also investigated. Using multiple cross-validation samples, we find that the nonlinear models are

able to outperform their linear counterparts in out-of-sample forecasting, and prior seasonal

adjustment of the data can significantly improve forecasting performance of the neural network model.

The overall best model is the neural network built on deseasonalized time series data. While seasonal

dummy variables can be useful in developing effective regression models for predicting retail sales, the

performance of dummy regression models may not be robust. Furthermore, trigonometric models are

not useful in aggregate retail sales forecasting.

<u>Literature survey 2:-</u>

Title:- "Sustainable development and management in consumer electronics using soft computation"

**Year:-** 2019

Authors: - Dr. Haoxiang Wang

**Abstract:-**

Combination of Green supply chain management, Green product deletion decision and green cradle-

to-cradle performance evaluation with Adaptive-Neuro-Fuzzy Inference System (ANFIS) to create a

green system. Several factors like design process, client specification, computational intelligence and

soft computing are analysed and emphasis is given on solving problems of real domain.

- 2 -

**Literature survey 3:-**

Title:- "Data Mining based Prediction of Demand in Indian Market for Refurbished Electronics"

**Year:-** 2017

Authors: - Dr. Suma V

Abstract:-

There has been an increasing demand in the e-commerce market for refurbished products across India during the last decade. Despite these demands, there has been very little research done in this domain. The real-world business environment, market factors and varying customer behavior of the online market are often ignored in the conventional statistical models evaluated by existing research work. In this paper, we do an extensive analysis of the Indian e-commerce market using datamining approach for prediction of demand of refurbished electronics. The impact of the real-world factors on the demand and the variables are also analyzed. Real-world datasets from three random ecommerce websites are considered for analysis. Data accumulation, processing and validation is carried out by means of efficient algorithms. Based on the results of this analysis, it is evident that highly accurate prediction can be made with the proposed approach despite the impacts of varying customer behavior and market factors. The results of analysis are represented graphically and can be used for further analysis of the market and launch of new products.

# **Chapter 3 - SYSTEM ANALYSIS**

#### **Existing system**

A significant amount of effort has been put in to date the territory of deal forecasting. This section provides a quick overview of the major work in the topic of big mart transactions. A variety of different measurable approaches, such as regression, (ARIMA) Auto-Regressive Integrated Moving Average, (ARMA) Auto-Regressive Moving Average, have been used to produce a few deal forecasting standards.

The Radial "Base Function Neural Network (RBFN)" is necessary to have an exceptional potential for anticipating agreements, and Fluffy Neural Networks were constructed with the goal of boosting prophetic effectiveness.

#### **Drawbacks**

- Less amount of accuracy score
- Small level data-set
- Applicable on small level prediction work

#### **Proposed system**

The suggested model focuses on the application of several algorithms to the dataset. We calculate Accuracy, MAE, MSE, RMSE, and finally arrive with the best yield algorithm. The Algorithms listed below are employed.

Linear Regression, Polynomial Regression Algorithm, decision Tree, Random forest, XGBoost
 Regression

#### **Advantages**

- Increasing the accuracy score
- Time consumption is less
- Comparison of different algorithms can be observed
- Large amount of feature we are taking for the training and testing.

### **System Requirements**

#### **Hardware:**

- OS Windows 7, 8 and 10 (32 and 64 bit)
- RAM − 4GB

#### **Software:**

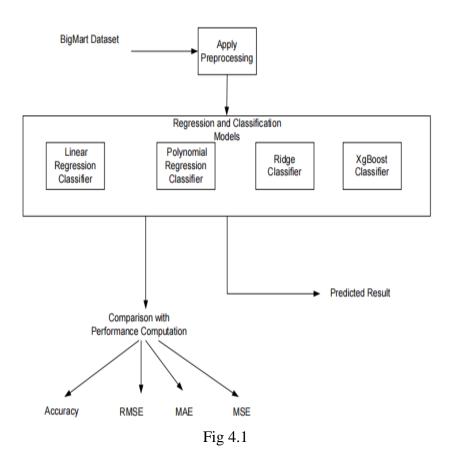
- Anaconda Navigator
- in Python Language
- Jupyter Notebook

#### **Feasibility study**

Feasibility study in the sense it's a practical approach of implementing the proposed model of system. Here for a machine learning projects .we generally collect the input from online websites and filter the input data and visualize them in graphical format and then the data is divided for training and testing. That training is testing data is given to the algorithms to predict the data.

- 1. First, we take dataset.
- 2. Filter dataset according to requirements and create a new dataset which has attribute according to analysis to be done
- 3. Perform Pre-Processing on the dataset
- 4. Split the data into training and testing
- 5. Train the model with training data then analyze testing dataset over classification algorithm
- 6. Finally you will get results as accuracy metrics.

# **Chapter 4 – SYSTEM ARCHITECTURE**



#### **Modules**

- 1. DATA COLLECTION
- 2. DATA PRE-PROCESSING
- 3. FEATURE EXTRATION
- 4. EVALUATION MODE

#### **DATA COLLECTION**

Data collection is a process in which information is gathered from many sources which is later used to develop the machine learning models. The data should be stored in a way that makes sense for problem. In this step the data set is converted into the understandable format which can be fed into machine learning models.

Data used in this paper is a set of cervical cancer data with 15 features. This step is concerned with selecting the subset of all available data that you will be working with. ML problems start with data preferably, lots of data (examples or observations) for which you already know the target answer. Data for which you already know the target answer is called *labelled data*.

#### **DATA PRE-PROCESSING**

Organize your selected data by formatting, cleaning and sampling from it.

Three common data pre-processing steps are:

Formatting: The data you have selected may not be in a format that is suitable for you to work with. The data may be in a relational database and you would like it in a flat file, or the data may be in a proprietary file format and you would like it in a relational database or a text file.

Cleaning: Cleaning data is the removal or fixing of missing data. There may be data instances that are incomplete and do not carry the data you believe you need to address the problem. These instances may need to be removed. Additionally, there may be sensitive information in some of the attributes and these attributes may need to be anonymized or removed from the data entirely.

Sampling: There may be far more selected data available than you need to work with. More data can result in much longer running times for algorithms and larger computational and memory requirements. You can take a smaller representative sample of the selected data that may be much faster for exploring and prototyping solutions before considering the whole dataset.

#### **FEATURE EXTRATION**

Next thing is to do Feature extraction is an attribute reduction process. Unlike feature selection, which ranks the existing attributes according to their predictive significance, feature extraction actually transforms the attributes. The transformed attributes, or features, are linear combinations of the original attributes. Finally, our models are trained using Classifier algorithm. We use classify module on Natural Language Toolkit library on Python. We use the labelled dataset gathered. The rest of our labelled data will be used to evaluate the models. Some machine learning algorithms were used to classify pre-processed data. The chosen classifiers were Random forest. These algorithms are very popular in text classification tasks.

#### **EVALUATION MODEL**

Model Evaluation is an integral part of the model development process. It helps to find the best model that represents our data and how well the chosen model will work in the future. Evaluating model performance with the data used for training is not acceptable in data science because it can easily generate overoptimistic and over fitted models. There are two methods of evaluating models in data science, Hold-Out and Cross-Validation. To avoid over fitting, both methods use a test set (not seen by the model) to evaluate model performance.

Performance of each classification model is estimated base on its averaged. The result will be in the visualized form. Representation of classified data in the form of graphs.

**Accuracy** is defined as the percentage of correct predictions for the test data. It can be calculated easily by dividing the number of correct predictions by the number of total predictions.

**RMSE** stands for Root Mean Square Error, and it is a commonly used evaluation metric in machine learning to measure the performance of regression models. RMSE calculates the average deviation between the predicted value and the actual values, giving more weight too larger errors.

**MAE** stands for Mean Absolute Error, and it is another commonly used evaluation metric in machine learning for regression models. MAE measures the average absolute difference between the predicted values and the actual values.

**MSE** stands for Mean Squared Error, and it is another commonly used evaluation metric in machine learning for regression models. MSE measures the average squared difference between the predicted values and the actual values.

# **Chapter 5 – FLOW OF OPERATIONS**

#### **UML Diagrams**

The Unified Modeling Language (UML) is used to specify, visualize, modify, construct and document the artifacts of an object-oriented software intensive system under development. UML offers a standard way to visualize a system's architectural blueprints, including elements such as:

- actors
- business processes
- (logical) components
- activities
- programming language statements
- database schemas, and
- Reusable software components.

UML combines best techniques from data modeling (entity relationship diagrams), business modeling (work flows), object modeling, and component modeling. It can be used with all processes, throughout the software development life cycle, and across different implementation technologies. UML has synthesized the notations of the Booch method, the Object-modeling technique (OMT) and Object-oriented software engineering (OOSE) by fusing them into a single, common and widely usable modeling language. UML aims to be a standard modeling language which can model concurrent and distributed systems.

#### **Sequence Diagram:**

Sequence Diagrams Represent the objects participating the interaction horizontally and time vertically. A Use Case is a kind of behavioral classifier that represents a declaration of an offered behavior. Each use case specifies some behavior, possibly including variants that the subject can perform in collaboration with one or more actors. Use cases define the offered behavior of the subject without reference to its internal structure. These behaviors, involving interactions between the actor and the subject, may result in changes to the state of the subject and communications with its environment. A use case can include possible variations of its basic behavior, including exceptional behavior and error handling.

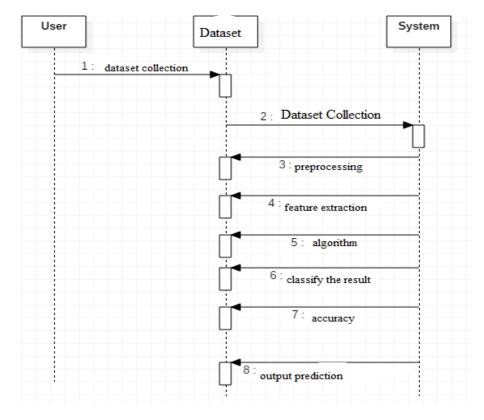


Fig 5.1

# **Activity Diagrams:**

Activity diagrams are graphical representations of Workflows of stepwise activities and actions with support for choice, iteration and concurrency. In the Unified Modeling Language, activity

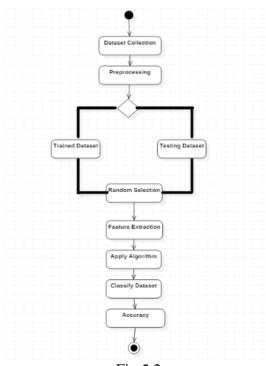


Fig 5.2

diagrams can be used to describe the business and operational step-by-step workflows of components in a system. An activity diagram shows the overall flow of control.

### **Usecase diagram:**

UML is a standard language for specifying, visualizing, constructing, and documenting the artifacts of software systems.

UML was created by Object Management Group (OMG) and UML 1.0 specification draft was proposed to the OMG in January 1997.

OMG is continuously putting effort to make a truly industry standard.

UML stands for <u>U</u>nified <u>M</u>odeling <u>L</u>anguage.

UML is a pictorial language used to make software blue prints

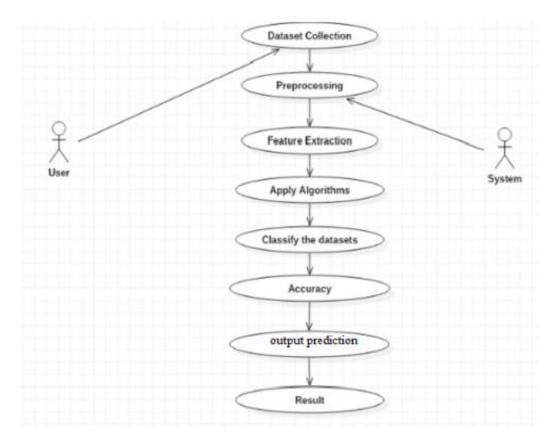


Fig 5.3

#### Class diagram

The class diagram is the main building block of object-oriented modeling. It is used for general conceptual modeling of the systematic of the application, and for detailed modeling translating the models into programming code. Class diagrams can also be used for data modeling.[1] The classes in a class diagram represent both the main elements, interactions in the application, and the classes to be programmed.

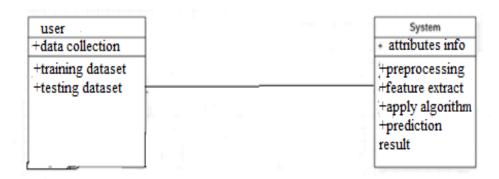


Fig 5.4

In the diagram, classes are represented with boxes that contain three compartments:

The top compartment contains the name of the class. It is printed in bold and centered, and the first letter is capitalized.

The middle compartment contains the attributes of the class. They are left-aligned and the first letter is lowercase.

The bottom compartment contains the operations the class can execute. They are also left-aligned and the first letter is lowercase.

# **Chapter 6 – SOFTWARE ENVIRONMENT**

#### What is Python: -

Below are some facts about Python.

Python is currently the most widely used multi-purpose, high-level programming language. Python allows programming in Object-Oriented and Procedural paradigms. Python programs generally are smaller than other programming languages like Java. Programmers have to type relatively less and indentation requirement of the language, makes them readable all the time. Python language is being used by almost all tech-giant companies like – Google, Amazon, Facebook, Instagram, Dropbox, Uber etc.

The biggest strength of Python is huge collection of standard library which can be used for the following

- Machine Learning
- GUI Applications (like Kivy, Tkinter, PyQt etc.)
- Web frameworks like Django (used by YouTube, Instagram, Dropbox)
- Image processing (like Opency, Pillow)
- Web scraping (like Scrapy, BeautifulSoup, Selenium)
- Test frameworks
- Multimedia

#### **Advantages of Python:**

Let's see how Python dominates over other languages.

#### **Extensive Libraries**

Python downloads with an extensive library and it contain code for various purposes like regular expressions, documentation-generation, unit-testing, web browsers, threading, databases, CGI, email, image manipulation, and more. So, we don't have to write the complete code for that manually.

#### **Extensible**

As we have seen earlier, Python can be extended to other languages. You can write some of your code in languages like C++ or C. This comes in handy, especially in projects.

#### **Embeddable**

Complimentary to extensibility, Python is embeddable as well. You can put your Python code in your source code of a different language, like C++. This lets us add scripting capabilities to our code in the other language.

#### **Improved Productivity**

The language's simplicity and extensive libraries render programmers more productive than languages like Java and C++ do. Also, the fact that you need to write less and get more things done.

#### **IOT Opportunities**

Since Python forms the basis of new platforms like Raspberry Pi, it finds the future bright for the Internet of Things. This is a way to connect the language with the real world.

#### Simple and Easy

When working with Java, you may have to create a class to print 'Hello World'. But in Python, just a print statement will do. It is also quite easy to learn, understand, and code. This is why when people pick up Python, they have a hard time adjusting to other more verbose languages like Java.

#### Readable

Because it is not such a verbose language, reading Python is much like reading English. This is the reason why it is so easy to learn, understand, and code. It also does not need curly braces to define blocks, and indentation is mandatory. This further aids the readability of the code.

#### **Object-Oriented**

This language supports both the procedural and object-oriented programming paradigms. While functions help us with code reusability, classes and objects let us model the real world. A class allows the encapsulation of data and functions into one.

#### **Free and Open-Source**

Like we said earlier, Python is freely available. But not only can you download Python for free, but you can also download its source code, make changes to it, and even distribute it. It downloads with an extensive collection of libraries to help you with your tasks.

#### **Portable**

When you code your project in a language like C++, you may need to make some changes to it if you want to run it on another platform. But it isn't the same with Python. Here, you need to code only once, and you can run it anywhere. This is called Write Once Run Anywhere (WORA). However, you need to be careful enough not to include any system-dependent features.

#### Interpreted

Lastly, we will say that it is an interpreted language. Since statements are executed one by one, debugging is easier than in compiled languages.

#### **Advantages of Python Over Other Languages:**

#### **Less Coding**

Almost all of the tasks done in Python requires less coding when the same task is done in other languages. Python also has an awesome standard library support, so you don't have to search for any third-party libraries to get your job done. This is the reason that many people suggest learning Python to beginners.

#### Affordable

Python is free therefore individuals, small companies or big organizations can leverage the free available resources to build applications. Python is popular and widely used so it gives you better community support.

The 2019 Github annual survey showed us that Python has overtaken Java in the most popular programming language category. Python is for Everyone

Python code can run on any machine whether it is Linux, Mac or Windows. Programmers need to learn different languages for different jobs but with Python, you can professionally build web apps, perform data analysis and machine learning, automate things, do web scraping and also build games and powerful visualizations. It is an all-rounder programming language..

#### **History of Python:**

What do the alphabet and the programming language Python have in common? Right, both start with ABC. If we are talking about ABC in the Python context, it's clear that the programming language ABC is meant. ABC is a general-purpose programming language and programming environment, which had been developed in the Netherlands, Amsterdam, at the CWI (Centrum Wiskunde &Informatica). The greatest achievement of ABC was to influence the design of Python. Python was conceptualized in the late 1980s. Guido van Rossum worked that time in a project at the

CWI, called Amoeba, a distributed operating system. In an interview with Bill Venners1, Guido van Rossum said: "In the early 1980s, I worked as an implementer on a team building a language called ABC at Centrum voor Wiskunde en Informatica (CWI). I don't know how well people know ABC's influence on Python. I try to mention ABC's influence because I'm indebted to everything I learned during that project and to the people who worked on it."Later on in the same Interview, Guido van Rossum continued: "I remembered all my experience and some of my frustration with ABC. I decided to try to design a simple scripting language that possessed some of ABC's better properties, but without its problems. So I started typing. I created a simple virtual machine, a simple parser, and a simple runtime. I made my own version of the various ABC parts that I liked. I created a basic syntax, used indentation for statement grouping instead of curly braces or begin-end blocks, and developed a small number of powerful data types: a hash table (or dictionary, as we call it), a list, strings, and numbers."

#### **Domain Technology – (Machine Learning)**

Machine Learning is a system that can learn from example through self-improvement and without being explicitly coded by programmer. The breakthrough comes with the idea that a machine can singularly learn from the data (i.e., example) to produce accurate results.

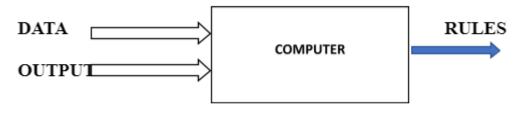
Machine learning combines data with statistical tools to predict an output. This output is then used by corporate to makes actionable insights. Machine learning is closely related to data mining and Bayesian predictive modeling. The machine receives data as input, use an algorithm to formulate answers.

A typical machine learning tasks are to provide a recommendation. For those who have a Netflix account, all recommendations of movies or series are based on the user's historical data. Tech companies are using unsupervised learning to improve the user experience with personalizing recommendation.

Machine learning is also used for a variety of task like fraud detection, predictive maintenance, portfolio optimization, automatize task and so on.

#### **Machine Learning vs. Traditional Programming**

Traditional programming differs significantly from machine learning. In traditional programming, a programmer code all the rules in consultation with an expert in the industry for which software is being developed. Each rule is based on a logical foundation; the machine will execute an output following the logical statement. When the system grows complex, more rules need to be written. It can quickly become unsustainable to maintain.



#### Machine Learning

Fig 6.1

#### **How does Machine learning work?**

Machine learning is the brain where all the learning takes place. The way the machine learns is similar to the human being. Humans learn from experience. The more we know, the more easily we can predict. By analogy, when we face an unknown situation, the likelihood of success is lower than the known situation. Machines are trained the same. To make an accurate prediction, the machine sees an example. When we give the machine a similar example, it can figure out the outcome. However, like a human, if its feed a previously unseen example, the machine has difficulties to predict.

The core objective of machine learning is the learning and inference. First of all, the machine learns through the discovery of patterns. This discovery is made thanks to the data. One crucial part of the data scientist is to choose carefully which data to provide to the machine. The list of attributes used to solve a problem is called a feature vector. You can think of a feature vector as a subset of data that is used to tackle a problem.

The machine uses some fancy algorithms to simplify the reality and transform this discovery into a model. Therefore, the learning stage is used to describe the data and summarize it into a model.

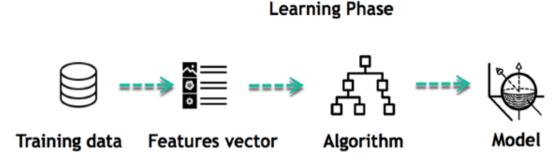


Fig 6.2

For instance, the machine is trying to understand the relationship between the wage of an individual and the likelihood to go to a fancy restaurant. It turns out the machine finds a positive relationship between wage and going to a high-end restaurant.

#### **Inferring**

When the model is built, it is possible to test how powerful it is on never-seen-before data. The new data are transformed into a features vector, go through the model and give a prediction. This is all the beautiful part of machine learning. There is no need to update the rules or train again the model. You can use the model previously trained to make inference on new data.

### Inference from Model



Fig 6.3

Machine learning can be grouped into two broad learning tasks: Supervised and Unsupervised. There are many other algorithms

#### **Supervised learning**

An algorithm uses training data and feedback from humans to learn the relationship of given inputs to a given output. For instance, a practitioner can use marketing expense and weather forecast as input data to predict the sales of cans.

You can use supervised learning when the output data is known. The algorithm will predict new data.

There are two categories of supervised learning:

Algorithm Name	Description	Туре
Linear regression	Finds a way to correlate each feature to the output to help predict future values.	Regression

Logistic regression	Extension of linear regression that's used for classification tasks. The output variable 3is binary (e.g., only black or white) rather than continuous (e.g., an infinite list of potential colors)	Classification
Decision tree	Highly interpretable classification or regression model that splits data-feature values into branches at decision nodes (e.g., if a feature is a color, each possible color becomes a new branch) until a final decision output is made	Regression Classification
Naive Bayes	The Bayesian method is a classification method that makes use of the Bayesian theorem. The theorem updates the prior knowledge of an event with the independent probability of each feature that can affect the event.	Regression Classification
Support vector machine	Support Vector Machine, or SVM, is typically used for the classification task. SVM algorithm finds a hyperplane that optimally divided the classes. It is best used with a non-linear solver.	Regression (not very common) Classification
Random forest	The algorithm is built upon a decision tree to improve the accuracy drastically. Random forest generates many times simple decision trees and uses the 'majority vote' method to decide on which label to return. For the classification task, the final prediction will be the one with the most vote; while for the regression task, the average prediction of all the trees is the final prediction.	Regression Classification

AdaBoost	Classification or regression technique that uses a multitude of models to come up with a decision but weighs them based on their accuracy in predicting the outcome	Regression Classification
Gradient- boosting trees	Gradient-boosting trees is a state-of-the-art classification/regression technique. It is focusing on the error committed by the previous trees and tries to correct it.	Regression Classification

- Classification task
- Regression task

#### Classification

Imagine you want to predict the gender of a customer for a commercial. You will start gathering data on the height, weight, job, salary, purchasing basket, etc. from your customer database. You know the gender of each of your customer, it can only be male or female. The objective of the classifier will be to assign a probability of being a male or a female (i.e., the label) based on the information (i.e., features you have collected). When the model learned how to recognize male or female, you can use new data to make a prediction. For instance, you just got new information from an unknown customer, and you want to know if it is a male or female. If the classifier predicts male = 70%, it means the algorithm is sure at 70% that this customer is a male, and 30% it is a female.

The label can be of two or more classes. The above example has only two classes, but if a classifier needs to predict object, it has dozens of classes (e.g., glass, table, shoes, etc. each object represents a class)

#### Regression

When the output is a continuous value, the task is a regression. For instance, a financial analyst may need to forecast the value of a stock based on a range of feature like equity, previous stock performances, macroeconomics index. The system will be trained to estimate the price of the stocks with the lowest possible error.

# **Unsupervised learning**

In unsupervised learning, an algorithm explores input data without being given an explicit output variable (e.g., explores customer demographic data to identify patterns)

You can use it when you do not know how to classify the data, and you want the algorithm to find patterns and classify the data for you

Algorithm	Description	Туре
K-means clustering	Puts data into some groups (k) that each contains data with similar characteristics (as determined by the model, not in advance by humans)	Clustering
Gaussian mixture model	A generalization of k-means clustering that provides more flexibility in the size and shape of groups (clusters	Clustering
Hierarchical clustering	Splits clusters along a hierarchical tree to form a classification system.  Can be used for Cluster loyalty-card customer	Clustering
Recommender system	Help to define the relevant data for making a recommendation.	Clustering
PCA/T-SNE	Mostly used to decrease the dimensionality of the data. The algorithms reduce the number of features to 3 or 4 vectors with the highest variances.	Dimension Reduction

# **Application of Machine learning**

#### **Augmentation**:

Machine learning, which assists humans with their day-to-day tasks, personally or commercially without having complete control of the output. Such machine learning is used in different ways such

as Virtual Assistant, Data analysis, software solutions. The primary user is to reduce errors due to human bias.

#### **Automation:**

Machine learning, which works entirely autonomously in any field without the need for any human intervention. For example, robots performing the essential process steps in manufacturing plants.

#### **Finance Industry**

Machine learning is growing in popularity in the finance industry. Banks are mainly using ML to find patterns inside the data but also to prevent fraud.

#### **Government organization**

The government makes use of ML to manage public safety and utilities. Take the example of China with the massive face recognition. The government uses Artificial intelligence to prevent jaywalker.

#### **Healthcare industry**

Healthcare was one of the first industry to use machine learning with image detection.

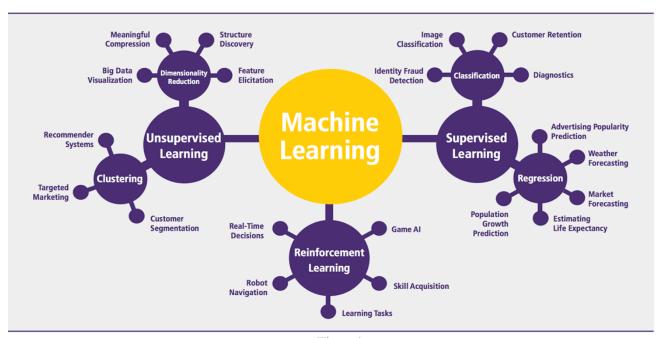


Fig 6.4

#### Marketing

Broad use of AI is done in marketing thanks to abundant access to data. Before the age of mass data, researchers develop advanced mathematical tools like Bayesian analysis to estimate the value of a customer. With the boom of data, marketing department relies on AI to optimize the customer relationship and marketing campaign.

#### **Example of application of Machine Learning in Supply Chain**

Machine learning gives terrific results for visual pattern recognition, opening up many potential applications in physical inspection and maintenance across the entire supply chain network.

Unsupervised learning can quickly search for comparable patterns in the diverse dataset. In turn, the machine can perform quality inspection throughout the logistics hub, shipment with damage and wear.

For instance, IBM's Watson platform can determine shipping container damage. Watson combines visual and systems-based data to track, report and make recommendations in real-time.

In past year stock manager relies extensively on the primary method to evaluate and forecast the inventory. When combining big data and machine learning, better forecasting techniques have been implemented (an improvement of 20 to 30 % over traditional forecasting tools). In term of sales, it means an increase of 2 to 3 % due to the potential reduction in inventory costs.

#### **Example of Machine Learning Google Car**

For example, everybody knows the Google car. The car is full of lasers on the roof which are telling it where it is regarding the surrounding area. It has radar in the front, which is informing the car of the speed and motion of all the cars around it. It uses all of that data to figure out not only how to drive the car but also to figure out and predict what potential drivers around the car are going to do. What's impressive is that the car is processing almost a gigabyte a second of data.

#### **Deep Learning**

Deep learning is a computer software that mimics the network of neurons in a brain. It is a subset of machine learning and is called deep learning because it makes use of deep neural networks. The machine uses different layers to learn from the data. The depth of the model is represented by the number of layers in the model. Deep learning is the new state of the art in term of AI. In deep learning, the learning phase is done through a neural network.

#### **Reinforcement Learning**

Reinforcement learning is a subfield of machine learning in which systems are trained by receiving virtual "rewards" or "punishments," essentially learning by trial and error. Google's DeepMind has used reinforcement learning to beat a human champion in the Go games. Reinforcement learning is also used in video games to improve the gaming experience by providing smarter bot.

One of the most famous algorithms are:

- Q-learning
- Deep Q network
- State-Action-Reward-State-Action (SARSA)
- Deep Deterministic Policy Gradient (DDPG)

#### Applications/ Examples of deep learning applications

**Al in Finance:** The financial technology sector has already started using AI to save time, reduce costs, and add value. Deep learning is changing the lending industry by using more robust credit scoring. Credit decision-makers can use AI for robust credit lending applications to achieve faster, more accurate risk assessment, using machine intelligence to factor in the character and capacity of applicants.

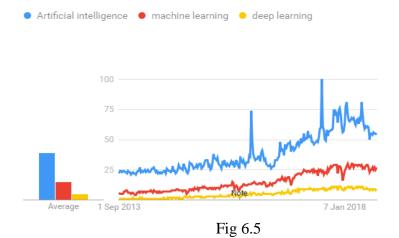
Underwrite is a Fintech company providing an AI solution for credit makers company. underwrite.ai uses AI to detect which applicant is more likely to pay back a loan. Their approach radically outperforms traditional methods.

Al in HR: Under Armour, a sportswear company revolutionizes hiring and modernizes the candidate experience with the help of AI. In fact, Under Armour Reduces hiring time for its retail stores by 35%. Under Armour faced a growing popularity interest back in 2012. They had, on average, 30000 resumes a month. Reading all of those applications and begin to start the screening and interview process was taking too long. The lengthy process to get people hired and on-boarded impacted Under Armour's ability to have their retail stores fully staffed, ramped and ready to operate.

At that time, Under Armour had all of the 'must have' HR technology in place such as transactional solutions for sourcing, applying, tracking and onboarding but those tools weren't useful enough. Under armour choose **HireVue**, an AI provider for HR solution, for both on-demand and live interviews. The results were bluffing; they managed to decrease by 35% the time to fill. In return, the hired higher quality staffs.

#### **TensorFlow**

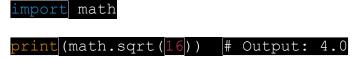
the most famous deep learning library in the world is Google's TensorFlow. Google product uses machine learning in all of its products to improve the search engine, translation, image captioning or recommendations. To give a concrete example, Google users can experience a faster and more refined the search with AI. If the user types a keyword a the search bar, Google provides a recommendation about what could be the next word. Google wants to use machine learning to take advantage of their massive datasets to give users the best experience.



#### **Modules Used in Project:**

Modules in Python are files that contain Python code and define reusable functions, classes, and variables. They allow you to organize your code into separate files, making it easier to manage and maintain.

To use a module in Python, you need to import it into your program using the import statement. Here's an example:



Python comes with a standard library that includes many useful modules for various tasks. Some commonly used modules include **os**, **datetime**, **random**, **json**, and **csv**. These modules provide functions and classes for working with files, dates and times, generating random numbers, and handling data in different formats.

#### Seaborn:

Seaborn is a Python data visualization library that provides a high-level interface for creating aesthetically pleasing and informative statistical graphics. It is built on top of Matplotlib and offers a simplified approach to visualizing data.

#### Pandas:

Pandas is a powerful and popular Python library used for data manipulation and analysis. It provides data structures and functions for efficiently working with structured data, such as tables and time series.

#### **Numpy:**

NumPy is a fundamental Python library for numerical computing. It provides high-performance multidimensional array objects, along with a wide range of mathematical functions, to efficiently work with large datasets and perform complex mathematical operations.

#### Scipy:

Scipy is a powerful Python library used for scientific and technical computing. It builds on top of NumPy and provides additional functionality for tasks such as optimization, interpolation, integration, signal processing, linear algebra, and more.

#### Matplotlib:

Matplotlib is a Python module that provides a comprehensive library for creating static, animated, and interactive visualizations in Python. It is one of the most popular visualization libraries used by data scientists, analysts, and researchers worldwide

Matplotlib allows you to create a wide range of plots such as line, bar, scatter, histogram, pie, and more. It provides a variety of customization options, such as controlling axis limits, setting colors and styles, adding legends and labels, and more. You can also use Matplotlib to create subplots and combine multiple plots into a single figure.

Matplotlib is built on top of NumPy arrays and provides a simple interface that makes it easy to work with data in Python. It can be used in conjunction with other Python libraries such as Pandas and Seaborn to create complex visualizations and data analysis workflows.

#### **Pickle**

The **pickle** module in Python provides a way to serialize and deserialize Python objects. Serialization refers to the process of converting an object into a byte stream, which can be stored in a file or transmitted over a network. Deserialization, on the other hand, is the process of reconstructing the object from the serialized byte stream.

# **Chapter 7 – PYTHON INSTALLATION**

#### **Install Python Step by Step in mac and Windows:**

Python a versatile programming language doesn't come pre-installed on your computer devices. Python was first released in the year 1991 and until today it is a very popular high-level programming language. Its style philosophy emphasizes code readability with its notable use of great whitespace.

The object-oriented approach and language construct provided by Python enables programmers to write both clear and logical code for projects. This software does not come pre-packaged with Windows.

There have been several updates in the Python version over the years. The question is how to install Python? It might be confusing for the beginner who is willing to start learning Python but this tutorial will solve your query. The latest or the newest version of Python is version 3.7.4 or in other words, it is Python 3.

**Note:** The python version 3.7.4 cannot be used on Windows XP or earlier devices.

Before you start with the installation process of Python. First, you need to know about your System Requirements. Based on your system type i.e. operating system and based processor, you must download the python version. My system type is a Windows 64-bit operating system. So the steps below are to install python version 3.7.4 on Windows 7 device or to install Python 3. Download the Python Cheatsheet here. The steps on how to install Python on Windows 10, 8 and 7 are divided into 4 parts to help understand better.

**Step 1**: Go to the official site to download and install python using Google Chrome or any other web browser. OR Click on the following link: <a href="https://www.python.org">https://www.python.org</a>



Fig 7.1

Now, check for the latest and the correct version for your operating system.

**Step 2:** Click on the Download Tab.



Fig 7.2

**Step 3:** You can either select the Download Python for windows 3.7.4 button in Yellow Color or you can scroll further down and click on download with respective to their version. Here, we are downloading the most recent python version for windows 3.7.4.

ython releases by versi	on number:		
Release version	Release date		Click for more
Python 3.7.4	July 8, 2019	<b>▲</b> Download	Release Notes
Python 3.6.9	July 2, 2019	& Download	Release Notes
Python 3.7.3	March 25, 2019	<b>≜</b> Download	Release Notes
Python 3.4.10	March 18, 2019	& Download	Release Notes
Python 3.5.7	March 16, 2019	& Download	Release Notes
Python 2.7.16	March 4, 2019	& Download	Release Notes
Python 3.7.2	Dec. 24, 2018	▲ Download	Release Notes

Fig 7.3

**Step 4**: Scroll down the page until you find the Files option.

**Step 5**: Here you see a different version of python along with the operating system.

Files					
Version	Operating System	Description	MOS Sum	File Size	GPG
Gapped source tarball	Source release		68111671e5b2db4aef7b9ab010f09be	23017663	56
XZ compressed source tarbail	Sourcerelesse		d53e4aae66097053c2eca45ee3604003	17131432	56
macOS 64-bit/32-bit installer	Mac OS X	for Mac 05 X 10.5 and later	6428b4fa7583daff3a442cballcee08e6	54898416	56
mucOS 64 bit installer	Mac OS X	for OS X 10.9 and later	5dd605c38257a45773bf5e4x936b245f	20002945	56
Windows help file	Windows		d63999573a2x56b2ac56cade6b4f7cd2	8131761	36
Windows x86-64 embeddable zip file	Windows	for AMD64/EM64T/464	9000c3cf6d3ec3b5ube83154a40725u2	7504291	56
Windows x86-64 executable installer	Windows	for ANDSA/EMS4T/VS4	a702b+b0ad76d+bdb3643a183e563400	26680368	100
Windows all6-64 web-based installer	Windows	for AMD64/EM64T/v64	28c01c60886d73ar8e53a3bd351b4bd2	1362904	10
Windows als embeddable zip Ne	Windows		95ab3b61980428795da54133574139d8	6748626	30
Windows of Executable installer	Windows		330060294225444643d6451476304789	25663046	50
Windows edit web-based installer	Windows		15670cfa5d317d82c30983ea371d87c	1324608	50

Fig 7.4

- To download Windows 32-bit python, you can select any one from the three options: Windows x86 embeddable zip file, Windows x86 executable installer or Windows x86 web-based installer.
- •To download Windows 64-bit python, you can select any one from the three options: Windows x86-64 embeddable zip file, Windows x86-64 executable installer or Windows x86-64 web-based installer. Here we will install Windows x86-64 web-based installer. Here your first part regarding which version of python is to be downloaded is completed. Now we move ahead with the second part in installing python i.e. Installation

**Note:** To know the changes or updates that are made in the version you can click on the Release Note Option.

#### **INSTALLATION OF PYTHON:**

**Step 1:** Go to Download and Open the downloaded python version to carry out the installation process

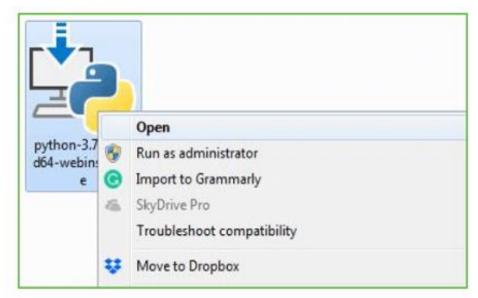


Fig 7.5

Step 2: Before you click on Install Now, Make sure to put a tick on Add Python 3.7 to PATH.



Fig 7.6

**Step 3:** Click on Install NOW After the installation is successful. Click on Close.



Fig 7.7

With these above three steps on python installation, you have successfully and correctly installed Python. Now is the time to verify the installation.

**Note:** The installation process might take a couple of minutes.

## Verify the python installation

Step 1: Click on Start

Step 2: In the Windows Run Command, type "cmd".

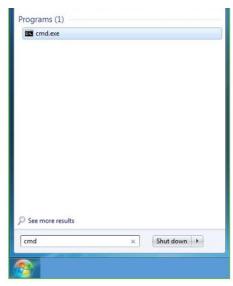


Fig 7.8

**Step 3:** Open the Command prompt option.

**Step 4:** Let us test whether the python is correctly installed. Type **python –V** and press Enter.

```
C:\Windows\system32\cmd.exe

Microsoft Windows [Version 6.1.7601]
Copyright (c) 2009 Microsoft Corporation. All rights reserved.

C:\Users\DELL>python --U
Python 3.7.4

C:\Users\DELL>_
```

Fig 7.9

Step 5: You will get the answer as 3.7.4

**Note:** If you have any of the earlier versions of Python already installed. You must first uninstall the earlier version and then install the new one.

## **Check how the Python IDLE works**

Step 1: Click on Start

Step 2: In the Windows Run command, type "python idle".



Fig 7.10

**Step 3:** Click on IDLE (Python 3.7 64-bit) and launch the program

Step 4: To go ahead with working in IDLE you must first save the file. Click on File > Click on Save

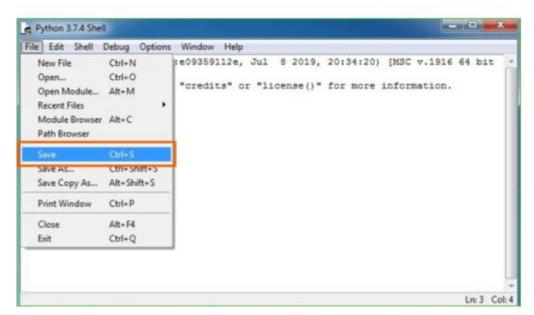


Fig 7.11

**Step 5:** Name the file and save as type should be Python files. Click on SAVE. Here I have named the files as Hey World.

Step 6: Now for e.g. enter print

# **Chapter 8 – SOURCE CODE**

import pandas as pd import numpy as np from matplotlib import pyplot as plt %matplotlib inline import seaborn as sns

Outlet\_Identifier<br>
Outlet Size<br>

from sklearn.preprocessing import LabelEncoder from sklearn.model\_selection import train\_test\_split from sklearn.preprocessing import StandardScaler from sklearn.linear model import LinearRegression from sklearn.model selection import cross val score from sklearn.ensemble import RandomForestRegressor, GradientBoostingRegressor, BaggingRegressor from sklearn.svm import SVR from sklearn.tree import DecisionTreeRegressor from sklearn.metrics import r2\_score from xgboost import XGBRegressor <a href="#toc" role="button" aria-pressed="true" > Table of Contents T </a> <a id='3'></a> # Exploaring the data train = pd.read\_csv('Train.csv') # read train data train.head() test = pd.read\_csv('Test.csv') # read test data test.head() train.shape # in train dataset we have 8523 rows and 12 columns test.shape # in test dataset we have 5681 rows and 11 columns train.info() test.info() train.nunique() test.nunique() Categorical Features: Item Fat Content<br> Item Type<br>

```
Outlet_Location_Type<br>
Outlet_Type
train.columns[train.isna().any()]
test.columns[test.isna().any()]
train.isnull().sum()
test.isnull().sum()
train.describe()
test.describe()
<a href="#toc" role="button" aria-pressed="true" > T Back to Table of Contents T </a>
<a id='4'></a>
# Data Cleaning
<a id='4.1'></a>
***handling Null Values***
plt.figure(figsize=(18,10))
plt.subplot(2,2,1)
plt.title('Item Weight in Train dataset')
sns.boxplot(x='Item_Weight', data=train)
plt.subplot(2,2,2)
plt.title('Item_Weight in Test dataset')
sns.boxplot(x='Item_Weight', data=test)
plt.show()
from box plot Item Weight dosen't appear to have outliers in both datasets
# Use the mean to replace the null values in Item Weight feature
train.Item_Weight = train.Item_Weight.fillna(train.Item_Weight.mean())
test.Item_Weight = test.Item_Weight.fillna(test.Item_Weight.mean())
train.Outlet_Size.unique()
train.Outlet_Size.value_counts()
test.Outlet_Size.value_counts()
```

here we can replace the null values with the mode because it is a categorical column

```
train.Outlet_Size = train.Outlet_Size.fillna(train.Outlet_Size.mode()[0])
test.Outlet_Size = test.Outlet_Size.fillna(test.Outlet_Size.mode()[0])
train.isnull().sum()
test.isnull().sum()
<a id='5'></a>
# EDA
train.nunique()
train.Item_Fat_Content.unique()
train.Item_Fat_Content.value_counts()
We see there are some irregularities in the column and it is needed to fix them!<br/>
<br/>br>
for example there is low fat one with upper case and other with lower case and another
abbreviated (LF) <br>
also Regular and reg <br>
so we have 2 types of item fat content Low fat and regular
train.Item_Fat_Content = train.Item_Fat_Content.replace(to_replace=['low fat', 'LF', 'reg'],
value=['Low Fat', 'Low Fat', 'Regular'])
train.Item Fat Content.value counts()
test.Item_Fat_Content.unique()
test.Item_Fat_Content.value_counts()
same problem in the testing data
test.Item_Fat_Content = test.Item_Fat_Content.replace(to_replace=['low fat', 'LF', 'reg'],
value=['Low Fat', 'Low Fat', 'Regular'])
test.Item Fat Content.value counts()
test.Item_Fat_Content.unique()
test.Item_Fat_Content.value_counts()
plt.figure(figsize=(18,12))
plt.subplot(2,2,1)
plt.title("Item_Fat_Content Count in the Training Data")
```

```
sns.countplot(x='Item_Fat_Content', data=train, palette='ocean')
plt.subplot(2,2,2)
low_fat = train.Item_Fat_Content[train.Item_Fat_Content == 'Low Fat'].count()
reg = train.Item Fat Content[train.Item Fat Content == 'Regular'].count()
plt.title("Item Content Fat Distribution in the Training Data")
plt.pie([low_fat, reg], labels=['Low Fat', 'Regular'], explode=[0.01,0.01], autopct="%.2f%%",
colors=['lightgreen', 'yellow'], shadow=True)
plt.legend()
plt.show()
**Low Fat has the majority in the data 64.73% but Regular 35.27% **
plt.figure(figsize=(25,8))
plt.title("Item Type count in the Training data", {"fontsize" : 25})
order = train.groupby('Item_Type').count().sort_values(by='Item_Outlet_Sales',
ascending=False).index
sns.countplot(x='Item_Type', data=train, order=order);
**Fruits and Vegetables are largely sold as people tend to use them on daily purpose. **<br/>br>
**Snack Foods too have good sales.**
train.Outlet_Size.value_counts()
plt.figure(figsize=(18,12))
plt.subplot(2,2,1)
plt.title("The size of the store in terms of ground area covered count")
sns.countplot(x='Outlet_Size', data=train, palette='spring')
plt.subplot(2,2,2)
medium = train.Outlet_Size[train.Outlet_Size == 'Medium'].count()
small = train.Outlet_Size[train.Outlet_Size == 'Small'].count()
high = train.Outlet_Size[train.Outlet_Size == 'High'].count()
plt.title("The size of the store in terms of ground area covered Distrbution")
plt.pie([medium, small, high], labels=['Medium', 'Small', 'High'], autopct="%.2f%%",
shadow=True, explode=[0.01,0.01,0.01])
my_circle = plt.Circle((0,0), 0.4, color='white')
plt.gcf().gca().add_artist(my_circle)
plt.legend()
plt.show()
Medium Size has the majoirty in the data 61.05%
train.Outlet_Location_Type.unique()
train.Outlet_Location_Type.value_counts()
```

```
plt.figure(figsize=(18,12))
plt.subplot(2,2,1)
plt.title("The type of city in which the store is located")
sns.countplot(x='Outlet_Location_Type', data=train, palette='twilight')
plt.subplot(2,2,2)
tier_1 = train.Outlet_Location_Type[train.Outlet_Location_Type == 'Tier 1'].count()
tier_2 = train.Outlet_Location_Type[train.Outlet_Location_Type == 'Tier 2'].count()
tier_3 = train.Outlet_Location_Type[train.Outlet_Location_Type == 'Tier 3'].count()
plt.title("The type of city in which the store is located Distrbution")
plt.pie([tier_1, tier_2, tier_3], labels=['tier_1', 'tier_2', 'tier_3'], autopct="%.2f%%",
shadow=True, explode=[0.05,0.05,0.05])
my_circle = plt.Circle( (0,0), 0.4, color='white')
plt.gcf().gca().add_artist(my_circle)
plt.legend()
plt.show()
**The Outlets are maximum in number in Tier 3 Cities.**
train.Outlet_Type.unique()
train.Outlet_Type.value_counts()
plt.figure(figsize=(18,12))
plt.subplot(2,2,1)
plt.title("Whether the outlet is just a grocery store or some sort of supermarket count")
sns.countplot(x='Outlet_Type', data=train, palette='autumn')
plt.subplot(2,2,2)
sup_1 = train.Outlet_Type[train.Outlet_Type == 'Supermarket Type1'].count()
goc = train.Outlet_Type[train.Outlet_Type == 'Grocery Store'].count()
sup_3 = train.Outlet_Type[train.Outlet_Type == 'Supermarket Type3'].count()
sup_2 = train.Outlet_Type[train.Outlet_Type == 'Supermarket Type2'].count()
plt.title("Whether the outlet is just a grocery store or some sort of supermarket Distribution")
plt.pie([sup_1, goc, sup_3, sup_2], labels=['Supermarket Type1', 'Grocery Store', 'Supermarket
Type3', 'Supermarket Type2'], autopct="%.2f%%", shadow=True, explode=[0.01,0.01,0.01,
my_circle = plt.Circle((0,0), 0.4, color='white')
plt.gcf().gca().add_artist(my_circle)
plt.legend(bbox_to_anchor=(1, 0))
plt.show()
**The Outlets are more of Supermarket Type1.**
```

```
train.Outlet_Establishment_Year.unique()
train['Age'] = 2021 - train.Outlet_Establishment_Year
test['Age'] = 2021 - test.Outlet Establishment Year
plt.figure(figsize=(12,6))
sns.countplot(x='Age', data=train, palette='autumn');
The Outlets are more of established and running from 35 years.
train.nunique()
FEATURES = [col for col in train.columns if col not in ['Item_Outlet_Sales',
'Outlet_Identifier']]
cat_features = [col for col in FEATURES if train[col].nunique() < 10]
cont features = [col for col in FEATURES if train[col].nunique() >= 10]
cat_features
cont features
ncols = 3
nrows = int(len(cat_features) / ncols + (len(FEATURES) % ncols > 0))-1
fig, axes = plt.subplots(nrows, ncols, figsize=(22, 10), facecolor='#EAEAF2')
for r in range(nrows):
  for c in range(ncols):
    col = cat_features[r*ncols+c]
    sns.barplot(y=train['Item_Outlet_Sales'], x=train[col], ax=axes[r, c], palette='autumn',
label='Train data')
    axes[r, c].set_ylabel(")
     axes[r, c].set_xlabel(col, fontsize=12, fontweight='bold')
    axes[r, c].tick_params(labelsize=10, width=0.5)
    axes[r, c].xaxis.offsetText.set fontsize(6)
     axes[r, c].yaxis.offsetText.set fontsize(6)
plt.show()
```

- The Item Outles sales are high for both Low Fat and Regular Item types.
- The Outlet Sales is maximum for Medium and High sized Outlets.
- The Outlets we have is Medium and may be with High size Outlets can improve the Outlet Sales.
- The Outlet Sales tend to be high for Tier3 and Tier 2 location types but we have only Tier3 locations maximum Outlets.
- Supermarket Type3 sales tends to be high which in Grocery store is very low

- It is quiet evident that Outlets established 36 years before is having good Sales margin.<br/>
   br>
- We also have a outlet which was established before 23 years has the lowest sales margin, so established years wouldn't improve the Sales unless the products are sold according to customer's interest.

```
plt.figure(figsize=(25,8))
order=train.groupby('Item Type').mean().sort values(by='Item Outlet Sales',
ascending=False).index
sns.barplot(x='Item_Type',y='Item_Outlet_Sales',data=train,palette='spring', order=order);
**The products available were Fruits-Veggies and Snack Foods but the sales of Seafood and
Starchy Foods seems higher and hence the sales can be improved with having stock of
products that are most bought by customers**
train.nunique()
Continous Features:
- Item Weight
- Item_Visibility
- Item MRP
FEATURES = [col for col in train.columns if col not in ['Item_Outlet_Sales',
'Outlet Identifier', 'Item Identifier']]
cat features = [col for col in FEATURES if train[col].nunique() < 25]
cont_features = [col for col in FEATURES if train[col].nunique() >= 25]
cont_features
# distrbution of the continous features
plt.figure(figsize=(10,20))
plt.subplot(4,1,1)
plt.title("Item_Weight Distrbution")
sns.kdeplot(x='Item Weight', data=train)
plt.subplot(4,1,2)
plt.title("Item Visibility Distrbution")
sns.kdeplot(x='Item Visibility', data=train);
plt.subplot(4,1,3)
plt.title("Item_MRP Distrbution")
sns.kdeplot(x='Item_MRP', data=train);
plt.subplot(4,1,4)
plt.title("Item Outlet Sales")
sns.kdeplot(x='Item_Visibility', data=train);
```

plt.figure(figsize=(18,15))

```
plt.subplot(3,1,1)
sns.lineplot(x='Item_Weight', y='Item_Outlet_Sales', data=train);
plt.subplot(3,1,2)
sns.lineplot(x='Item Visibility', y='Item Outlet Sales', data=train);
plt.subplot(3,1,3)
sns.lineplot(x='Item MRP', y='Item Outlet Sales', data=train);
Item Visibility has a minimum value of zero. This makes no practical sense because when a
product is being sold in a store, the visibility cannot be 0.
Items MRP ranging from 200-250 dollars is having high Sales.
plt.figure(figsize=(25,5))
sns.barplot('Item Type', 'Item Outlet Sales', hue='Item Fat Content', data=train, palette='mako')
plt.legend();
**Seafood Regular is highest in price**
plt.figure(figsize=(10,5))
sns.barplot('Outlet Location Type','Item Outlet Sales',hue='Outlet Type',data=train,palette='
magma')
plt.legend()
plt.show()
train.nunique()
plt.figure(figsize=(10,5))
sns.barplot('Item_Fat_Content','Item_Outlet_Sales',hue='Outlet_Size',data=train,palette='autum
n')
plt.legend()
plt.show()
plt.figure(figsize=(10.5))
sns.barplot('Item_Fat_Content','Item_Outlet_Sales',hue='Outlet_Type',data=train,palette='sum
mer')
plt.legend()
plt.show()
The Tier-3 location type has all types of Outlet type and has high sales margin.
<a href="#toc" role="button" aria-pressed="true" > T Back to Table of Contents T </a>
<a id='6'></a>
# Date PreProcessing
train.nunique()
```

```
train.dtypes
test.dtypes
train.columns[train.isna().any()]
<a id='6.1'></a>
***Label Encoder***
#apply Label Encoder to convert Categorical ordered features to numeric
encode = LabelEncoder()
list_transform = ['Item_Fat_Content', 'Outlet_Location_Type', 'Outlet_Size', 'Outlet_Type']
for i in list_transform:
  train[i] = encode.fit_transform(train[i])
for i in list_transform:
  test[i] = encode.fit_transform(test[i])
train.dtypes
test.dtypes
#drop non needed features
train = train.drop(['Item_Identifier','Outlet_Identifier','Outlet_Establishment_Year'],axis=1)
test= test.drop(['Item_Identifier','Outlet_Identifier','Outlet_Establishment_Year'],axis=1)
train.corr()
plt.figure(figsize=(20,10))
sns.heatmap(train.corr(), annot=True);
<a id='6.2'></a>
***one hot encoder***
#apply one hot encoder to convert non-order categorical featuers
dummies1 = pd.get dummies(train.Item Type)
dummies2 = pd.get_dummies(test.Item_Type)
train.head()
test.head()
train = pd.concat([train, dummies1], axis=1)
test = pd.concat([test, dummies2], axis=1)
train.head()
```

```
test.head()
#drop the main feature and one dummy feature
train.drop(['Item_Type', 'Starchy Foods'], axis=1, inplace=True)
test.drop(['Item Type', 'Starchy Foods'], axis=1, inplace=True)
cont features
train.head()
test.head()
X = train[cont_features]
X.head()
test2 = test[cont_features]
test2.head()
<a href="#toc" role="button" aria-pressed="true" > T Back to Table of Contents T </a>
<a id='7'></a>
# Feature Scaling
scaler = StandardScaler()
X = \text{scaler.fit transform}(X)
test2 = scaler.fit_transform(test2)
X = pd.DataFrame(X, columns=cont_features)
test2 = pd.DataFrame(test2, columns=cont_features)
X.head()
test2.head()
FEATURES = [col for col in train.columns if col not in ['Item_Outlet_Sales']]
FEATURES
cat_features = [col for col in FEATURES if train[col].nunique() < 25]
cat_features
<a href="#toc" role="button" aria-pressed="true" > T Back to Table of Contents T </a>
<a id= '8'></a>
# Assigning Feature and Target Variables
X = pd.concat([X, train[cat_features]], axis=1)
X.head()
y = train.Item_Outlet_Sales
```

```
y.head()
test2 = pd.concat([test2, test[cat features]], axis=1)
test2.head()
train.shape
X.shape
test2.shape
<a href="#toc" role="button" aria-pressed="true" > T Back to Table of Contents T </a>
<a id='9'></a>
# Spliting the data into Training and Testing data
X_train, X_test, y_train, y_test = train_test_split(X,y, test_size=0.25, random_state = 0)
<a href="#toc" role="button" aria-pressed="true" > The Back to Table of Contents | 1 </a>
<a id='10'></a>
# Modeling
def kfolds(model, model name):
  model = cross_val_score(model, X,y, cv=10)
  model score = np.average(model)
  print(f"{model name} score on cross validation: {model score * 100}%")
def train(model, model name):
  model.fit(X_train, y_train)
  model train score = model.score(X train, y train)
  model_test_score = model.score(X_test, y_test)
  print(f"{model_name} model score on Training data: {model_train_score *
100\\\n{model name} model score on Testing data: {model test score * 100\}\%")
def r2(model_name):
  score = r2_score(y_test, model.predict(X_test))
  print(f"R2 Score for {model_name} is {score * 100}%")
<a id='10.1'></a>
## Random Forest Regressor Model
rf model = RandomForestRegressor()
kfolds(rf_model, "Random Forest")
train(rf_model, "Random Forest")
r2(rf_model, "Random Forest")
<a id='10.2'></a>
```

```
## Gradient Boosting Regressor Model
gbr = GradientBoostingRegressor()
kfolds(gbr, "Gradient Boosting")
train(gbr, "Gradient Boosting")
r2(gbr, "Gradient Boosting")
<a id='10.3'></a>
## Bagging Regressor Model
br = BaggingRegressor()
kfolds(br, "Bagging")
train(br, "Bagging")
r2(br, "Bagging")
<a id='10.4'></a>
## Linear Regression model
lr = LinearRegression()
kfolds(lr, "Linear Regression")
train(lr, "Linear Regression")
r2(lr, "Linear Regression")
<a id='10.5'></a>
## SVR Model
svr = SVR(gamma='auto', kernel='poly', C=15)
kfolds(svr, "SVR")
train(svr, "SVR")
r2(svr, "SVM")
<a id='10.6'></a>
## Decision Tree Regressor Model
dtr = DecisionTreeRegressor()
kfolds(dtr, "Decision Tree")
train(dtr, "Decision Tree")
r2(dtr, "Decision Tree")
<a id="10.7"></a>
## XGBoost Regressor
xgboost = XGBRegressor()
```

kfolds(xgboost, "XGBoost")

These R programming is done in Jupyter Notebook. For that we have to download Anaconda Navigator. With the help of navigator we open the jupyter notebook.

Sumbission

# Chapter 9 – RESULT

## i. Importing packages

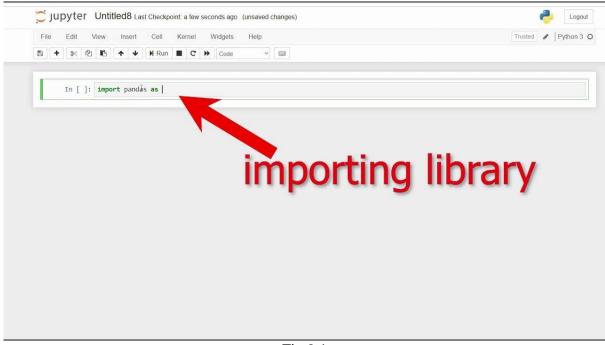


Fig 9.1

### ii. Data Collection



Fig 9.2

### iii. Data Preprocessing

```
In [155]:
          #drop the records with age missing in inp0 and copy in inp1 dataframe.
          inp0['age'].dropna(inplace=True)
In [156]: inp0['age'].isnull().sum()
Out[156]: 0
In [157]: inp0.isnull().sum()
Out[157]: age
          salary
                        0
          balance
                        0
          marital
                        0
          targeted
                        0
          default
                        0
```

Fig 9.3

### iv. Feature Extraction

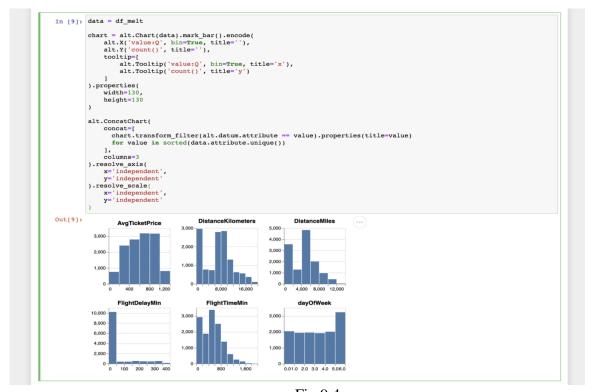


Fig 9.4

### v. Training and Testing

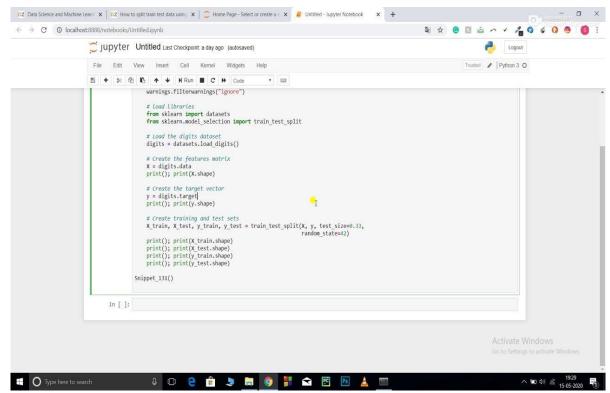


Fig 9.5

#### vi. Evaluation Model

```
from sklearn.ensemble import RandomForestRegressor
ran_for = RandomForestRegressor()
ran_for.fit(X_train, Y_train)
Y_pred_ran_for = ran_for.predict(X_test)
r2=r2_score(Y_test, Y_pred_ran_for)
print("R2 score:", r2_score(Y_test, Y_pred_ran_for))
```

R2 score: 0.7226846570984489

Fig 9.6

# **Chapter 10 – EXECUTION**

**STEP 1:** In Anaconda navigator we need to create root server in environment to execute python file in server.

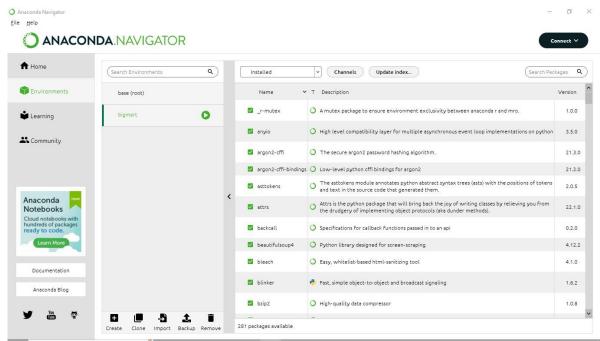


Fig 10.1

**STEP 2:** Open terminal from server file and open destination file in it. And execute **app.py file** and open the given IP Address in any browser.

```
bleat C.WindownlystemDirenders.python.apppy

(bigmart) C:\Users\lenovo\Music\big mart>c:

(bigmart) C:\Users\lenovo\Music\big mart>c:

(bigmart) C:\Users\lenovo\Music\big mart>python app.py

* Serving Flask app 'app'
* Debug mode: on

WARNING: This is a development server. Do not use it in a production deployment. Use a production WSGI server in:

* Running on http://127.0.0.1:5000

Press CTRL+C to quit

* Restarting with stat

* Debugger is active!

* Debugger PIN: 138-728-548
```

Fig 10.2

#### STEP 3: Enter the details of the item as it is shown below.

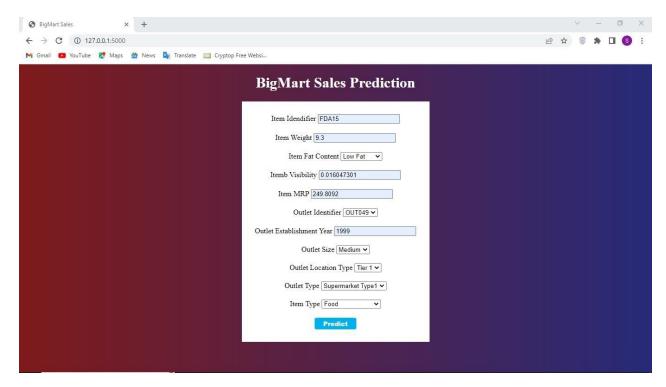


Fig 10.3

## STEP 4: After filling all the details click "Predict" and we get the predicted price.

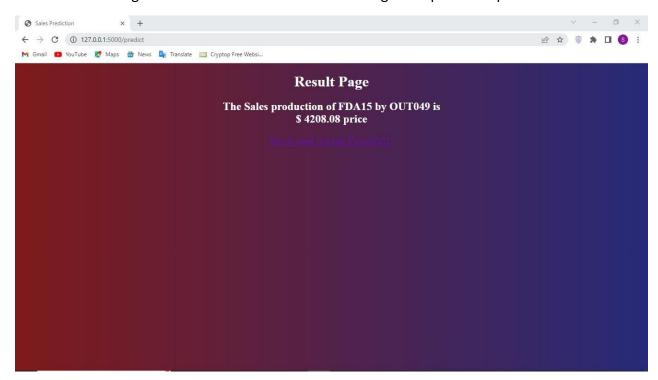


Fig 10.4

# **Chapter 11 – TESTING**

### **Testing**

Software testing is an investigation conducted to provide stakeholders with information about the quality of the product or service under test. Software Testing also provides an objective, independent view of the software to allow the business to appreciate and understand the risks at implementation of the software. Test techniques include, but are not limited to, the process of executing a program or application with the intent of finding software bugs.

Software Testing can also be stated as the process of validating and verifying that a software program/application/product:

- Meets the business and technical requirements that guided its design and Development.
- Works as expected and can be implemented with the same characteristics.

## **TESTING METHODS**

## **Functional Testing**

Functional tests provide systematic demonstrations that functions tested are available as specified by the business and technical requirements, system documentation, and user manuals.

Functional testing is centered on the following items:

- Functions: Identified functions must be exercised.
- Output: Identified classes of software outputs must be exercised.
- Systems/Procedures: system should work properly

#### **Integration Testing**

Software integration testing is the incremental integration testing of two or more integrated software components on a single platform to produce failures caused by interface defects.

### **Test Case for Excel Sheet Verification:**

Here in machine learning we are dealing with dataset which is in excel sheet format so if any test case we need means we need to check excel file. Later on classification will work on the respective columns of dataset.

## Test Case 1:

SL #	TEST CASE NAME	DESCRIPTION	STEP NO	ACTION TO BE TAKEN (DESIGN STEPS)	EXPECTED (DESIGN STEP)	Test Execution Result ( PASS/FAI L)
		Objective:				
		There should be				
		an excel sheet. Any number of				
		rows can be				
	Excel Sheet	added to the		Excel sheet should	Excel sheet is	
1	verification	sheet.	Step 1	be available	available	Pass
					The excel sheet	
				Excel sheet is	should always	
				created based on	be based on the	
			Step 2	the template	template	Pass
					Should not make any	
				Changed the name	modification on the	
			Step 3	of excel sheet	name of excel sheet	Fail
				Added 10000 or	Can add any number	
			Step 4	above records	of records	Pass

# **OUTCOME**

For retailers like Big Mart, the resulting data can be used to forecast future sales volume using various machine learning techniques like big mart.

A predictive model was developed using Xgboost, Linear regression, Polynomial regression, and Ridge regression techniques for forecasting the sales of a business such as Big -Mart, and it was discovered that the model outperforms existing models.

## **Chapter 12 – CONCLUSION**

In this work, the effectiveness of various algorithms on the data on revenue and review of, best performance-algorithm, here propose a software to using regression approach for predicting the sales centered on sales data from the past the accuracy of linear regression prediction can be enhanced with this method, polynomial regression, Ridge regression, and Xgboost regression can be determined. So, we can conclude ridge and Xgboost regression gives the better prediction with respect to Accuracy, MAE and RMSE than the Linear and polynomial regression approaches. In future, the forecasting sales and building a sales plan can help to avoid unforeseen cash flow and manage production, staff and financing needs more effectively.

### **FUTURE ENHANCEMENT**

In future, the forecasting sales and building a sales plan can help to avoid unforeseen cash flow and manage production, staff and financing needs more effectively. In future work we can also consider with the ARIMA model which shows the time series graph.

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