

Expt no: 3 Sales prediction and customer segmentation using
linear regression and decision trees

Aim: To predict sales based on advertising budget
on radio, TV, newspaper (i.e.) radio and
newspaper using linear regression model and
to identify cluster pattern in customer data using
K-means clustering

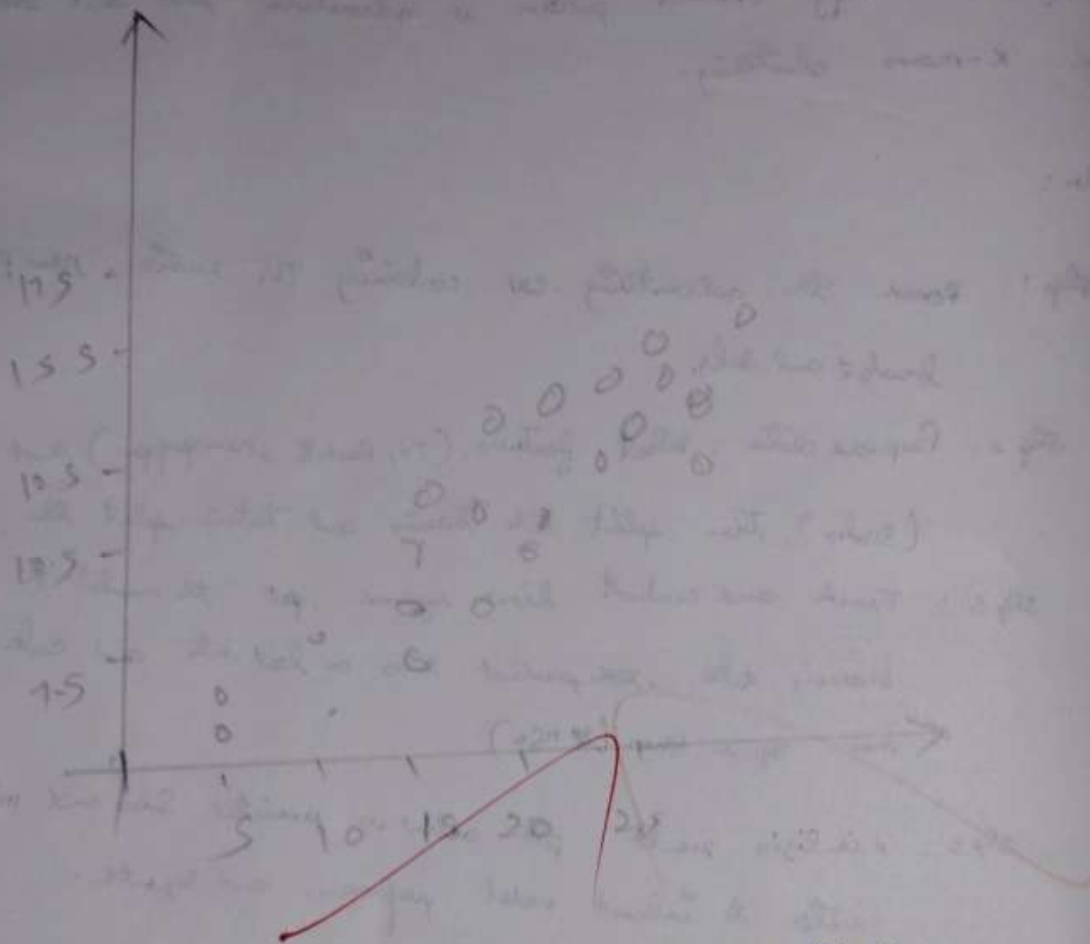
Algorithm:

- Step 1: Read the advertising - TV, radio, newspaper, budget and sales.
- Step 2: Input data: Input features (TV, radio, newspaper) and target (sales). Then split into training and testing data.
- Step 3: Train and evaluate linear regression, find the model is having errors, predict sales on test data and calculate mean square error.
- Step 4: Interpret result. Plot actual vs predicted sales and analyze which is better model regression and K-means.

Program

```
import pandas as pd
import matplotlib as plt
import sklearn as sns
from sklearn.metrics import r2_score
from sklearn.metrics import split_mean_squared_error
from sklearn.metrics import k_means
from sklearn.preprocessing import StandardScaler
```

Output



Linear Regression $MSB: 4.5225525$

```

df = pd.read_csv('advertising.csv')
Pivot(df, index=['TV'], columns=['radio', 'newspapers'])
x = df[['TV', 'radio', 'newspapers']]
y = df['sales']
x_train, x_test, y_train, y_test = train_test_split(x, y,
                                                    test_size=0.2,
                                                    random_state=0)

model = LinearRegression()
model.fit(x_train, y_train)
y_pred = model.predict(x_test)
mse = mean_squared_error(y_test, y_pred)
print('Linear Regression MSE:', mse)
plt.figure(figsize=(8,5))
sns.scatterplot(x=y, y=y_pred)
plt.ylabel('Actual Sales')
plt.title('Linear Regression Predicted vs Actual Sales')
plt.show()
sklearn.metrics.mean_squared_error(y_test, y_pred)
plt.figure(figsize=(8,10))
sns.scatterplot(data=df, x='TV', y='sales', hue='channel')
plt.legend = ['TV']
plt.show()

```

Result:-

The linear regression model which is mean square error of the regression is used for better prediction when the mean, advertising, marketing, cost, sales (which is the main factor) is used to show the relationship and result.