## Data Analysis - Logistics Dataset - Classification

### Amanpreet Kaur

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#### PART A

### 1. Preliminary Data Preparation

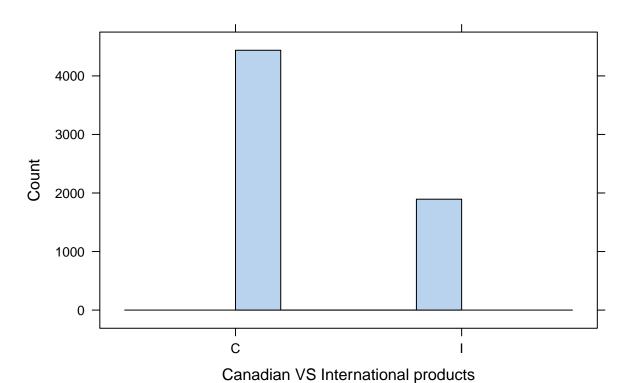
```
##
     Del_AK Vin_AK Pkg_AK Cst_AK Mil_AK Dom_AK Haz_AK
                                                                     Car_AK
## 1
        9.5
                  6
                         6
                                13
                                     1447
                                                С
                                                        H M-Press Delivery
## 2
       11.9
                 18
                         7
                                 7
                                     1874
                                                                   Fed Post
                                                Ι
                                                        N
## 3
       14.6
                  7
                         7
                                 8
                                     1865
                                                Ι
                                                                   Fed Post
## 4
       17.5
                         5
                                16
                                     3111
                                                Ι
                 11
                                                        H M-Press Delivery
## 5
       10.7
                 12
                                10
                                     1319
                                                С
                                                                   Fed Post
## 6
       10.5
                 12
                         3
                                 5
                                     1415
                                                        N M-Press Delivery
```

```
# Statistics for all the variables
stat.desc(Logistics_Dataset)
```

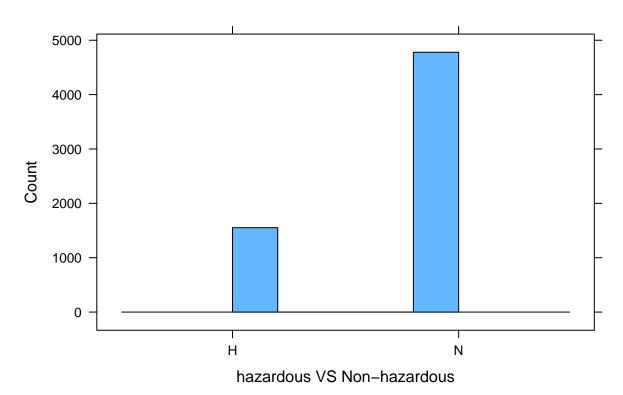
```
Pkg_AK
##
                      Del AK
                                   Vin AK
                                                             Cst AK
                                                                           Mil AK
## nbr.val
                6.332000e+03 6.332000e+03 6.332000e+03 6.332000e+03
                                                                     6.332000e+03
## nbr.null
                0.000000e+00 0.000000e+00 0.000000e+00 0.000000e+00
                                                                     0.000000e+00
                0.000000e+00 0.000000e+00 0.000000e+00 0.000000e+00
## nbr.na
                                                                     0.00000e+00
## min
                1.000000e-01 2.000000e+00 1.000000e+00 1.000000e+00 -6.200000e+01
                2.260000e+01 2.800000e+01 1.500000e+01 2.100000e+01
## max
                                                                     3.608000e+03
## range
                2.250000e+01 2.600000e+01 1.400000e+01 2.000000e+01
                                                                     3.670000e+03
                6.688820e+04 8.249200e+04 2.530500e+04 5.668100e+04
                                                                     1.034416e+07
## sum
                1.060000e+01 1.300000e+01 4.000000e+00 9.000000e+00
## median
                                                                     1.630000e+03
## mean
                1.056352e+01 1.302780e+01 3.996368e+00 8.951516e+00 1.633633e+03
## SE.mean
                3.905475e-02 4.507398e-02 2.472609e-02 3.734352e-02 6.348855e+00
## CI.mean.0.95 7.656054e-02 8.836027e-02 4.847151e-02 7.320595e-02 1.244591e+01
                9.658031e+00 1.286449e+01 3.871255e+00 8.830219e+00 2.552300e+05
## var
```

```
## std.dev
                3.107737e+00 3.586711e+00 1.967551e+00 2.971568e+00 5.052030e+02
## coef.var
                2.941953e-01 2.753122e-01 4.923347e-01 3.319626e-01 3.092513e-01
##
                Dom AK Haz AK Car AK
## nbr.val
                    NA
                           NA
## nbr.null
                    NA
                           NA
                                  NA
## nbr.na
                    NA
                           NA
                                  NA
## min
                    NA
                           NA
                                  NA
## max
                    NA
                           NA
                                  NA
## range
                    NA
                           NA
                                  NA
## sum
                    NA
                           NA
                                  NA
## median
                    NA
                           NA
                                  NA
                           NA
                                  NA
## mean
                    NA
## SE.mean
                    NA
                           NA
                                  NA
## CI.mean.0.95
                    NA
                           NA
                                  NA
## var
                    NA
                           NA
                                  NA
## std.dev
                    NA
                           NA
                                  NA
## coef.var
                    NA
                           NA
                                  NA
```

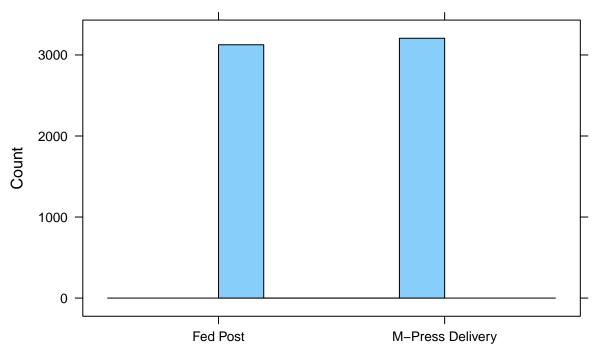
# Distrubution of manufacturing type



# **Distrubution of Hazardeous type**

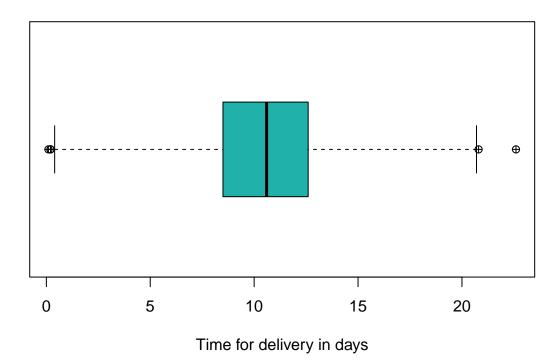


# Distrubution of carrier service type

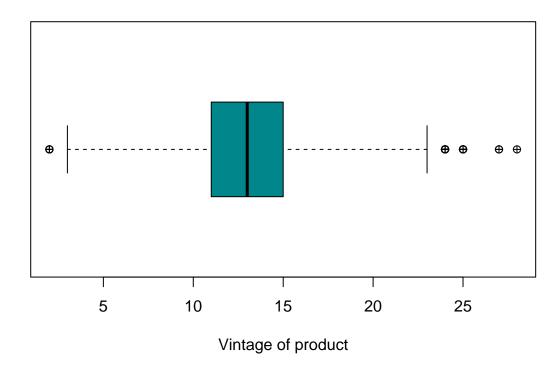


Fed Post VS M-Press Delivery

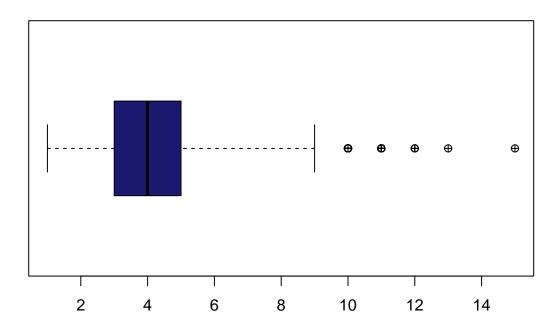
# Time for delivery



# Vintage of product

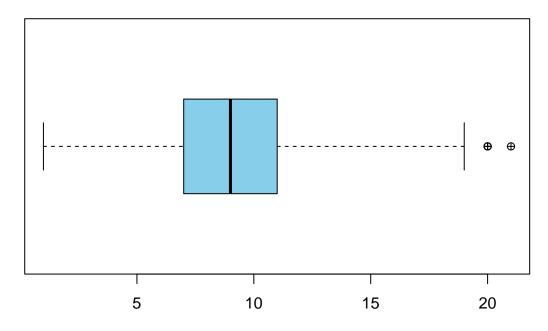


# **Number of packages**



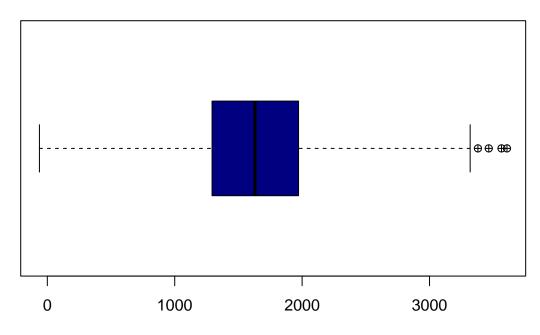
How many packages of product have been ordered

## **Number of customer orders**



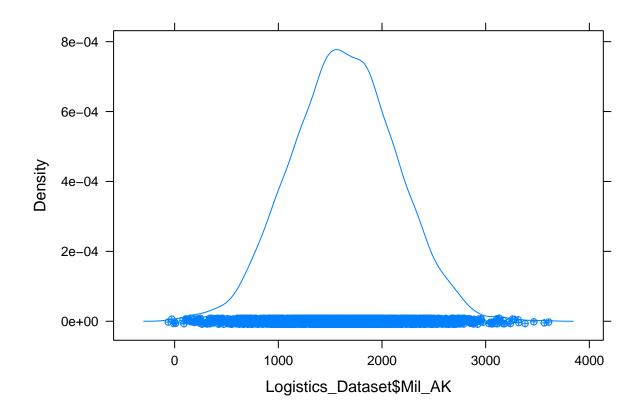
How many orders the customer has made in the past

## **Number of Miles**



Distance the order needs to be delivered (in km)

densityplot(Logistics\_Dataset\$Mil\_AK, pch = 10)

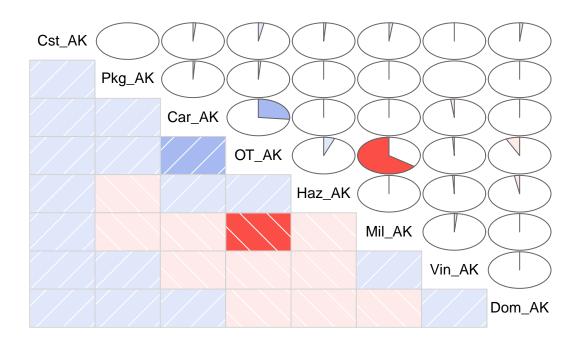


#removing data points with Distance the order needs to be delivered (in km) is negative Logistics\_Dataset <- subset(Logistics\_Dataset , Mil\_AK >= 0) # 1. Dom : The domestic or international indicator for the product have two values and is a categorical data free from any outliers. # # 2. Haz : The indicator representing if product is hazardous or not also have two categories and is free from any outliers. # # 3. Car : The indicator representing carrier service of the product have two categories and is free from any outliers. # 4. Del : The delivery time has one outlier but it does not have high influence as the value seems high but normal for the dataset. # 5. Vin : As per the box plot, there vintage time has 5 outliers which seems to normal as there is no unusual value for the variable. # # 6. Pkg : The number of packages has 5 outliers with no high influence these outliers are normal. # # 7. Cst : As per the box plot, the number of orders the customer has made in the past has two outliers with no unusual values.

#### 2. Exploratory Analysis

```
Logistics_Dataset$OT_AK <- as.numeric( as.factor( ifelse(Logistics_Dataset$Del_AK < 10.1, 1,0)))
Logistics_Dataset$Dom_AK <- as.numeric(Logistics_Dataset$Dom_AK)</pre>
Logistics_Dataset$Haz_AK <- as.numeric(Logistics_Dataset$Haz_AK)</pre>
Logistics Dataset$Car AK <- as.numeric(Logistics Dataset$Car AK)
# Removing the delivery column before checking the correlation with in the variables
# as OT_AK column is computed based on the delivery
Logistics_Dataset <- Logistics_Dataset[,-c(1)]</pre>
str(Logistics_Dataset)
## 'data.frame':
                   6328 obs. of 8 variables:
## $ Vin_AK: int 6 18 7 11 12 12 21 12 13 16 ...
## $ Pkg_AK: int 6 7 7 5 4 3 1 4 6 5 ...
## $ Cst_AK: int 13 7 8 16 10 5 10 12 8 10 ...
## $ Mil_AK: int 1447 1874 1865 3111 1319 1415 1599 2361 1394 1121 ...
## $ Dom AK: num 1 2 2 2 1 1 1 1 2 2 ...
## $ Haz AK: num 1 2 2 1 1 2 1 2 2 1 ...
## $ Car AK: num 2 1 1 2 1 2 2 2 1 2 ...
## $ OT_AK : num 2 1 1 1 1 1 1 2 2 ...
#numerical correlation matrix
round(cor(Logistics_Dataset, method="spearman"),2)
         Vin_AK Pkg_AK Cst_AK Mil_AK Dom_AK Haz_AK Car_AK OT_AK
## Vin_AK
          1.00
                0.00
                       0.00
                              0.02
                                      0.00 -0.01 -0.02 -0.01
## Pkg_AK
           0.00
                 1.00
                        0.00 -0.01
                                      0.01 -0.01 0.01 0.01
## Cst_AK
           0.00
                 0.00 1.00
                               0.01
                                      0.02
                                            0.01
                                                    0.02 0.03
## Mil_AK
           0.02 -0.01 0.01
                               1.00
                                      0.00
                                            0.00 -0.01 -0.68
## Dom_AK
           0.00
                 0.01 0.02 0.00
                                      1.00 -0.03 0.01 -0.07
                                                    0.01 0.06
## Haz_AK -0.01 -0.01
                        0.01 0.00 -0.03
                                            1.00
## Car_AK -0.02
                 0.01
                         0.02 -0.01
                                      0.01
                                             0.01
                                                    1.00 0.27
## OT AK
          -0.01
                 0.01 0.03 -0.68 -0.07
                                           0.06
                                                    0.27 1.00
#graphical correlation matrix
corrgram(Logistics Dataset, order=TRUE, lower.panel=panel.shade,
        upper.panel=panel.pie, text.panel=panel.txt,
        main="Correlations")
```

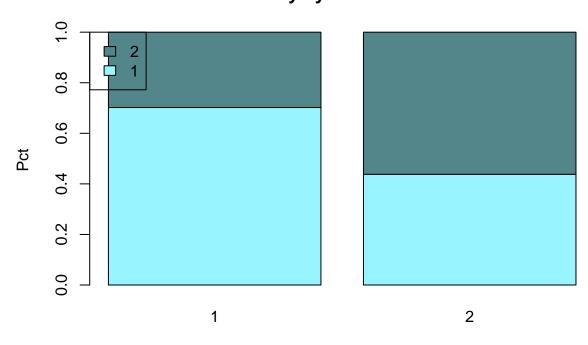
### **Correlations**



```
chisq_AK <- chisq.test(Logistics_Dataset$OT_AK, Logistics_Dataset$Car_AK, correct=FALSE)</pre>
chisq_AK
##
   Pearson's Chi-squared test
##
## data: Logistics_Dataset$OT_AK and Logistics_Dataset$Car_AK
## X-squared = 449.66, df = 1, p-value < 2.2e-16
table_OT_Car <- table(Logistics_Dataset$OT_AK, Logistics_Dataset$Car_AK,
                   dnn=list("On-Time delivery", "Carrier Services"))
table_OT_Car
##
                   Carrier Services
## On-Time delivery
                       1
##
                  1 2193 1403
                  2 931 1801
##
#Vertical Bar Chart
barplot(prop.table(table_OT_Car,2),
                   xlab='On-Time Delivery',
                   ylab='Pct',
                   main="Delivery by carrier service",
```

col=c("cadetblue1","cadetblue4"),

### **Delivery by carrier service**



On-Time Delivery

```
# 1. Numerical Correlation:
#
#
    The mod of correlation between On-Time Delivery and Mil i.e. distance in
#
    kms is approximately 0.68 which represents that there is moderate linear
#
    correlation between these two variables.
#
    Also, there is a weak linear relation between On-Time Delivery and Carrier
#
    Services with correlation of 0.27.
#
#
    The delivery time variable is removed from the data set to avoid co-linear
#
    variables in the data set, as the new variable i.e. On-Time Delivery is
#
    derived from the delivery variable.
#
#
    We can also depict the same about the variables mentioned above from the
#
    graphical representation of the correlation matrix.
#
# 2. Identifying the most significant predictor for On-Time Delivery:
#
#
    We have performed Chi-Squared test to check if there is any relationship
#
    between the Carrier services and On-time delivery as both are categorical
#
    variables.
    After observing the p-value (p-value < 2.2e-16) we can say that there is
```

#### 3. Model Development

```
Logistics_Dataset$OT_AK <- as.factor(Logistics_Dataset$OT_AK)</pre>
Logistics Dataset$Dom AK <- as.factor(Logistics Dataset$Dom AK)
Logistics_Dataset$Haz_AK <- as.factor(Logistics_Dataset$Haz_AK)</pre>
Logistics_Dataset$Car_AK <- as.factor(Logistics_Dataset$Car_AK)</pre>
str(Logistics_Dataset)
## 'data.frame':
                  6328 obs. of 8 variables:
## $ Vin_AK: int 6 18 7 11 12 12 21 12 13 16 ...
## $ Pkg_AK: int 6 7 7 5 4 3 1 4 6 5 ...
## $ Cst AK: int 13 7 8 16 10 5 10 12 8 10 ...
## $ Mil AK: int 1447 1874 1865 3111 1319 1415 1599 2361 1394 1121 ...
## $ Dom_AK: Factor w/ 2 levels "1","2": 1 2 2 2 1 1 1 1 2 2 ...
## $ Haz_AK: Factor w/ 2 levels "1","2": 1 2 2 1 1 2 1 2 2 1 ...
## $ Car_AK: Factor w/ 2 levels "1","2": 2 1 1 2 1 2 2 2 1 2 ...
## $ OT_AK : Factor w/ 2 levels "1", "2": 2 1 1 1 1 1 1 2 2 ...
glm.fit <- glm(OT_AK ~ . , data=Logistics_Dataset, family='binomial')</pre>
summary(glm.fit)
##
## Call:
## glm(formula = OT_AK ~ ., family = "binomial", data = Logistics_Dataset)
##
## Deviance Residuals:
##
      Min
                1Q Median
                                  3Q
                                         Max
## -3.0579 -0.4647 -0.0800 0.4314
                                      3.3751
##
## Coefficients:
               Estimate Std. Error z value Pr(>|z|)
## (Intercept) 7.1141551 0.2991127 23.784 < 2e-16 ***
               0.0190389 0.0111076 1.714
## Vin_AK
                                            0.0865 .
                                    1.152
## Pkg_AK
              0.0231762 0.0201096
                                            0.2491
## Cst_AK
              ## Mil_AK
              -0.0061375  0.0001591  -38.586  < 2e-16 ***
              -0.7614948  0.0880635  -8.647  < 2e-16 ***
## Dom_AK2
              0.5528396  0.0924725  5.978  2.25e-09 ***
## Haz_AK2
## Car AK2
              2.4106820 0.0921437 26.162 < 2e-16 ***
## ---
## Signif. codes: 0 '***' 0.001 '**' 0.05 '.' 0.1 ' ' 1
## (Dispersion parameter for binomial family taken to be 1)
##
```

```
Null deviance: 8654.1 on 6327 degrees of freedom
## Residual deviance: 4105.9 on 6320 degrees of freedom
## AIC: 4121.9
##
## Number of Fisher Scoring iterations: 6
#backward model
step.fit <- step(glm.fit,direction = "backward", trace = 0)</pre>
summary(step.fit)
##
## Call:
## glm(formula = OT_AK ~ Vin_AK + Cst_AK + Mil_AK + Dom_AK + Haz_AK +
      Car_AK, family = "binomial", data = Logistics_Dataset)
##
## Deviance Residuals:
      Min
               10
                   Median
                                3Q
                                       Max
## -3.0412 -0.4669 -0.0807
                            0.4316
                                    3.3941
##
## Coefficients:
               Estimate Std. Error z value Pr(>|z|)
## (Intercept) 7.2027284 0.2896389 24.868 < 2e-16 ***
## Vin_AK
             0.0189733 0.0111066
                                   1.708
                                          0.0876 .
## Cst_AK
              0.0555671 0.0132600
                                   4.191 2.78e-05 ***
## Mil_AK
             ## Dom_AK2
             -0.7605857 0.0880322 -8.640 < 2e-16 ***
                                   5.978 2.26e-09 ***
## Haz_AK2
              0.5526367 0.0924502
## Car AK2
              2.4098809 0.0921050 26.165 < 2e-16 ***
## ---
## Signif. codes: 0 '***' 0.001 '**' 0.05 '.' 0.1 ' ' 1
## (Dispersion parameter for binomial family taken to be 1)
##
      Null deviance: 8654.1 on 6327 degrees of freedom
## Residual deviance: 4107.3 on 6321 degrees of freedom
## AIC: 4121.3
## Number of Fisher Scoring iterations: 6
# Interpretation:
# (1) AIC:
#
#
     AIC for Full model is 4121.9 and AIC for backward model is 4121.3,
#
     which means there is no significant difference based on the AIC.
#
     However as we consider lower AIC value as better, therefore backward
     is better.
# (2) Deviance:
#
#
     The difference between null and residual deviance is 4555 for
```

full model and 4553.6 for backward model. As the difference is

```
more for the full model, full model is better.
#
# (3) Residual symmetry:
#
     The residuals for both the models seems quite symmetrical
#
     Therefore, both models are good in this case.
#
#
# (4) z-values:
#
#
     For the full model, two variables are not statistically significant
#
     i.e., vintage and number of packages.
#
     The other variable and intercept is statistically significant as
#
     the p-value is less than 0.05.
#
#
     For the backward model, there is one variable which is not
#
     statistically significant and other variables are as their p-value
#
     is less than 0.05.
#
#
     After comparing both, backward model has less number of variables
#
     and less number of variable which are not statistically significant
#
     therefore, backward model is better in this case.
# (5) Parameter Co-Efficient:
#
#
     The parameter coefficients for both the models are quite same.
#
#
# Conclusion:
#
#
     Overall, the backward model is slightly better than the full model,
#
     as there are less number of variable and better based on the main
#
     measures interpreted above.
```

#### PART B

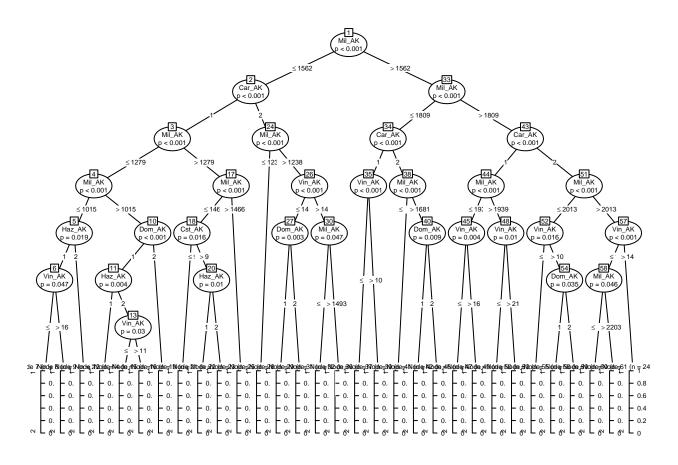
#### 1. Logistic Regression - Backward

```
## Deviance Residuals:
      Min 1Q Median 3Q
                                        Max
## -3.0412 -0.4669 -0.0807 0.4316
                                     3.3941
##
## Coefficients:
              Estimate Std. Error z value Pr(>|z|)
## (Intercept) 7.2027284 0.2896389 24.868 < 2e-16 ***
            0.0189733 0.0111066 1.708 0.0876 .
0.0555671 0.0132600 4.191 2.78e-05 ***
## Vin_AK
## Cst AK
           ## Mil_AK
## Dom_AK2 -0.7605857 0.0880322 -8.640 < 2e-16 ***
             ## Haz_AK2
             2.4098809 0.0921050 26.165 < 2e-16 ***
## Car_AK2
## ---
## Signif. codes: 0 '*** 0.001 '** 0.01 '* 0.05 '.' 0.1 ' ' 1
## (Dispersion parameter for binomial family taken to be 1)
##
      Null deviance: 8654.1 on 6327 degrees of freedom
## Residual deviance: 4107.3 on 6321 degrees of freedom
## AIC: 4121.3
## Number of Fisher Scoring iterations: 6
timetaken M1
## Time difference of 0.4991231 secs
responseM1 <- predict(step.fit_LR_AK, type = "response")</pre>
head(responseM1,10)
                                  3
## 0.828460490 0.022588333 0.020524075 0.000108448 0.474273517 0.880054146
            7
                       8
## 0.681457589 0.031686859 0.296700056 0.944615218
classM1 <- ifelse(responseM1>0.5,2,1)
head(classM1)
## 1 2 3 4 5 6
## 2 1 1 1 1 2
CM1 <- table( Logistics_Dataset$OT_AK, classM1, dnn=list("Actual", "Predicted"))</pre>
        Predicted
##
## Actual 1
##
       1 3164 432
       2 480 2252
##
```

#### 2. Naive-Bayes Classification

```
#Naive-Bayes Classification
starttime <- Sys.time()</pre>
NaiveBayes_AK <- NaiveBayes(OT_AK ~ . , data = Logistics_Dataset, na.action = na.omit)
endtime <- Sys.time()</pre>
timetaken_M2 <- endtime - starttime</pre>
summary(NaiveBayes_AK)
             Length Class
                                Mode
##
## apriori 2 table
                                numeric
## tables 7
                    -none-
                                list
## levels 2
                    -none-
                                character
## call
                  -none- call data.frame list
           3
## x
            7
## usekernel 1 -none- logical
## varnames 7 -none- characte
                    -none- character
timetaken_M2
## Time difference of 0.008337021 secs
responseM2 <- predict( NaiveBayes_AK, Logistics_Dataset )</pre>
CM2 <- table( Logistics_Dataset$OT_AK, Predicted = responseM2$class, dnn=list("Actual", "Predicted"))
CM2
##
         Predicted
## Actual 1
##
        1 3153 443
        2 505 2227
3. Linear Discriminant Analysis
#Linear Discriminant Analysis
start time <- Sys.time()</pre>
LDA_AK <- lda(OT_AK ~ . , data = Logistics_Dataset , na.action=na.omit)
end_time <- Sys.time()</pre>
timetaken_M3 <- end_time - start_time</pre>
summary(step.fit_LR_AK)
##
```

```
## Coefficients:
##
               Estimate Std. Error z value Pr(>|z|)
## (Intercept) 7.2027284 0.2896389 24.868 < 2e-16 ***
## Vin_AK 0.0189733 0.0111066 1.708 0.0876 .
              0.0555671 0.0132600 4.191 2.78e-05 ***
## Cst_AK 0.0555671 0.0132600 4.191 2.78e-05 ***
## Mil_AK -0.0061327 0.0001589 -38.607 < 2e-16 ***
## Dom AK2 -0.7605857 0.0880322 -8.640 < 2e-16 ***
## Haz_AK2
              0.5526367 0.0924502 5.978 2.26e-09 ***
## Car_AK2
              2.4098809 0.0921050 26.165 < 2e-16 ***
## ---
## Signif. codes: 0 '*** 0.001 '** 0.01 '* 0.05 '.' 0.1 ' ' 1
## (Dispersion parameter for binomial family taken to be 1)
##
##
       Null deviance: 8654.1 on 6327 degrees of freedom
## Residual deviance: 4107.3 on 6321 degrees of freedom
## AIC: 4121.3
##
## Number of Fisher Scoring iterations: 6
timetaken_M3
## Time difference of 0.01231909 secs
responseM3<- predict(LDA_AK,Logistics_Dataset)</pre>
CM3 <- table (Actual=Logistics_Dataset$0T_AK, Predicted=responseM3$class)
CM3
##
        Predicted
## Actual 1
       1 3156 440
##
        2 469 2263
##
4. Decision Tree
start_time <- Sys.time()</pre>
tree.fit_AK <- ctree(OT_AK ~ . , data=Logistics_Dataset)</pre>
end_time <- Sys.time()</pre>
timetaken_M4 <- end_time - start_time</pre>
timetaken_M4
## Time difference of 0.139802 secs
plot(tree.fit_AK, gp=gpar(fontsize=5))
```



```
responseM4 <- predict(tree.fit_AK, Logistics_Dataset)
CM4 <- table(Actual=Logistics_Dataset$OT_AK, Predicted=responseM4)
CM4</pre>
```

```
## Predicted
## Actual 1 2
## 1 3193 403
## 2 504 2228
```

### 5. Compare All Classifiers

```
# Calculating accuracy for Logistic Regression - Backward classifier
TP_M1<- CM1[2,2]
TN_M1<- CM1[1,1]
AccuracyM1 <- (TP_M1+TN_M1)/sum(CM1)

# Calculating accuracy for Naive-Bayes Classification classifier
TP_M2<- CM2[2,2]
TN_M2<- CM2[1,1]
AccuracyM2 <- (TP_M2+TN_M2)/sum(CM2)

# Calculating accuracy for Linear Discriminant Analysis classifier
TP_M3<- CM3[2,2]
TN_M3<- CM3[1,1]</pre>
```

```
AccuracyM3 <- (TP_M3+TN_M3)/sum(CM3)</pre>
# Calculating accuracy for Decision Tree classifier
TP_M4 < - CM4[2,2]
TN_M4<- CM4[1,1]
AccuracyM4 <- (TP_M4+TN_M4)/sum(CM4)</pre>
AccuracyM1
## [1] 0.8558786
AccuracyM2
## [1] 0.8501896
AccuracyM3
## [1] 0.8563527
AccuracyM4
## [1] 0.8566688
#Time taken for Logistic Regression - Backward classifier
timetaken_M1
## Time difference of 0.4991231 secs
#Time taken for Naive-Bayes Classification classifier
timetaken_M2
## Time difference of 0.008337021 secs
#Time taken for Linear Discriminant Analysis classifier
timetaken_M3
## Time difference of 0.01231909 secs
#Time taken for Decision Tree classifier
timetaken_M4
## Time difference of 0.139802 secs
# Extracting values for false postives for all classifiers to a variable
FP_M1<- CM1[1,2]
FP_M2<- CM2[1,2]
FP_M3<- CM3[1,2]
FP_M4 \leftarrow CM4[1,2]
#False positives for Logistic Regression - Backward classifier
FP_M1
```

#### ## [1] 432

```
#False positives for Naive-Bayes Classification classifier
FP_M2
## [1] 443
```

#False positives for Linear Discriminant Analysis classifier

### ## [1] 440

FP M3

```
#False positives for Decision Tree classifier
FP_M4
```

#### ## [1] 403

```
# Overall comparison of classifiers:
# 1. Accuracy:
#
#
    The decision tree classifier has the highest accuracy as compared to
#
  other models. The Linear Discriminant Analysis classifier has a slightly low
#
    accuracy. Naive-Bayes Classification have the least
#
    accuracy.
# 2. Processing Speed:
#
#
    In case the processing speed is a priority, the Naive-Bayes
    Classification is the best with least processing speed.
#
# 3. Minimize false positives:
#
    To minimize false positive, the decision tree classifier have the least
#
    false positives with value of 403.
#
# 4. Best model overall:
#
    To conclude the best model overall, it is necessary to consider the main
#
#
    requirements.
#
#
    If the accuracy and minimizing false positives is our top
#
    priority then decision tree classifier is the best. However, if we need
#
    the classification to be fast and processing speed is our priority
#
    then decision tree classifier is slower than Naive Bayes.
#
    Else, if fast processing is the requirement then Naive Bayer classifier
#
    is fastest. Naive Bayes have the least accuracy and more number of false positives.
```