

Development Part

The Apriori algorithm is the most common technique for performing market basket analysis.

It is used for association rule mining, which is a rule-based process used to identify correlations between items purchased by users.

Working of Apriori:

Most store customers have purchased popcorn, milk, and cereal together. Therefore, {popcorn, milk, cereal} is a frequent itemset as it appears in a majority of purchases. So, if a person grabs popcorn and milk, they will also be recommended cereal.

According to the Apriori algorithm, a subset of the frequent itemset is also frequent. Since {popcorn, milk, cereal} is a frequent itemset, this means that {popcorn, milk}, {popcorn, cereal}, and {milk, cereal} are also frequent. Due to this, if a customer only goes for popcorn, they will be recommended both milk and cereal as well.

What Are the Components of the Apriori Algorithm?

The Apriori algorithm has three main components:

- Support
- Lift
- Confidence

You can think of these as metrics that evaluate the relevance and popularity of each item combination.

Let's illustrate. The baskets below contain items purchased by four customers at a grocery store:

Here is a tabular representation of this purchase data:

	Milk	Beer	Eggs	Bread	Bananas	Apples
Basket1	1	1	1	1	0	0
Basket 2	1	0	0	1	0	0
Basket 3	1	0	0	1	0	1
Basket 4	0	0	0	1	1	1

Let's calculate the support, confidence, and lift.

Support

The first component of the Apriori algorithm is support – we use it to assess the overall popularity of a given product with the following formula:

$\text{Support}(\text{item}) = \text{Transactions comprising the item} / \text{Total transactions}$

In the purchase data we're working with, we have $\text{support}(\text{milk}) = \frac{3}{4} = 0.75$. This means that milk is present in 75% of all purchases.

Similarly, we have $\text{support}(\text{bread}) = \frac{4}{4} = 1$. This means that bread is present in 100% of purchases.

A high support value indicates that the item is present in most purchases, therefore marketers should focus on it more.

Confidence

Confidence tells us the likelihood of different purchase combinations. We calculate that using the following formula:

$\text{Confidence}(\text{Bread} \rightarrow \text{Milk}) = \text{Transactions comprising bread and milk} / \text{Transactions comprising bread}$, In this case, it can show how many users who purchased bread also bought milk:

$\text{Confidence}(\text{Bread} \rightarrow \text{Milk}) = \frac{3}{4} = 0.75$

This means that 75% of the customers who bought bread also purchased milk.

Lift

Finally, lift refers to the increase in the ratio of the sale of milk when you sell bread:

$\text{Lift} = \text{Confidence}(\text{Bread} \rightarrow \text{Milk}) / \text{Support}(\text{Bread}) = 0.75/1 = 1.3.$

This means that customers are 1.3 times more likely to buy milk if you also sell bread.

How to Perform Market Basket Analysis in Python?

Now that you understand how the Apriori algorithm works, let us perform market basket analysis in Python using Kaggle's Grocery Dataset.

Step 1: Pre-Requisites for Performing Market Basket Analysis

Download the dataset before you start coding along with this tutorial.

Make sure you also have Jupyter Notebook installed on your device. If you are unfamiliar with the software, follow 365's beginner-friendly Jupyter Notebook tutorial or Introduction to Jupyter course to learn about its usage and installation.

Finally, install the pandas and MLXtend libraries if you haven't already.

Step 2: Reading the Dataset

Now, let's read the dataset as a pandas data frame and take a look at its head:

```
import pandas as pd
df = pd.read_csv('Groceries_dataset.csv')
df.head()
```

	Member_number	Date	itemDescription
0	1808	21-07-2015	tropical fruit
1	2552	05-01-2015	whole milk
2	2300	19-09-2015	pip fruit
3	1187	12-12-2015	other vegetables
4	3037	01-02-2015	whole milk

It contains information on purchases made at a grocery store, including the transaction date, item description, and a unique customer ID. We will use this data frame to perform market basket analysis and identify item combinations that are frequently bought together.

Step 3: Data Preparation for Market Basket Analysis

Before we perform market basket analysis, we need to convert this data into a format that can easily be ingested into the Apriori algorithm. In other words, we need to turn it into a tabular structure comprising ones and zeros, as displayed in the bread and milk example above.

To achieve this, the first group items that have the same member number and date:

```
df*'single_transaction'+ = df*'Member_number'+.astype(str)+'_'+df*'Date'+.astype(str)
df.head()
```

This will provide us with a list of products purchased in the same transaction:

	Member_number	Date	itemDescription	single_transaction
0	1808	21-07-2015	tropical fruit	1808_21-07-2015
1	2552	05-01-2015	whole milk	2552_05-01-2015
2	2300	19-09-2015	pip fruit	2300_19-09-2015
3	1187	12-12-2015	other vegetables	1187_12-12-2015
4	3037	01-02-2015	whole milk	3037_01-02-2015

The “single_transaction” variable combines the member number, and date, and tells us the item purchased in one receipt.

Now, let’s pivot this table to convert the items into columns and the transaction into rows:

```
df2 = pd.crosstab(df['single_transaction'], df['itemDescription'])df2.head()
```

The resulting table tells us how many times each item has been purchased in one transaction:

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itemDescription	Instant food products	UHT- milk	abrasive cleaner	artif. sweetener	baby cosmetics	bags	baking powder	bathroom cleaner	beef	berries	...	turkey	vinegar	waffles	whipped/sour cream	whisky
single_transaction																
1000_15-03-2015	0	0	0	0	0	0	0	0	0	0	...	0	0	0	0	0
1000_24-06-2014	0	0	0	0	0	0	0	0	0	0	...	0	0	0	0	0
1000_24-07-2015	0	0	0	0	0	0	0	0	0	0	...	0	0	0	0	0
1000_25-11-2015	0	0	0	0	0	0	0	0	0	0	...	0	0	0	0	0
1000_27-05-2015	0	0	0	0	0	0	0	0	0	0	...	0	0	0	0	0

5 rows × 167 columns

There are over a hundred columns while most people only shop for 2-3 items, which is why this table is sparse and mostly comprised of zeroes.

The final data pre-processing step involves encoding all values in the above data frame to 0 and 1.

This means that even if there are multiples of the same item in the same transaction, the value will be encoded to 1 since market basket analysis does not take purchase frequency into consideration.

Run the following lines of code to achieve the above:

```
def encode(item_freq):
    res = 0
    if item_freq > 0:
        res = 1
    return res

basket_input = df2.applymap(encode)
```

Step 4: Build the Apriori Algorithm for Market Basket Analysis

Now, let's import the Apriori algorithm from the MLxtend Python package and use it to discover frequently-bought-together item combinations:

```
from mlxtend.frequent_patterns import apriori
from mlxtend.frequent_patterns import association_rules
```

```
frequent_itemsets = apriori(basket_input, min_support=0.001, use_colnames=True)

rules = association_rules(frequent_itemsets, metric="lift")

rules.head()
```

You should get a table that looks like this:

	antecedents	consequents	antecedent support	consequent support	support	confidence	lift	leverage	conviction
0	(bottled water)	(UHT-milk)	0.060683	0.021386	0.001069	0.017621	0.823954	-0.000228	0.996168
1	(UHT-milk)	(bottled water)	0.021386	0.060683	0.001069	0.050000	0.823954	-0.000228	0.988755
2	(UHT-milk)	(other vegetables)	0.021386	0.122101	0.002139	0.100000	0.818993	-0.000473	0.975443
3	(other vegetables)	(UHT-milk)	0.122101	0.021386	0.002139	0.017515	0.818993	-0.000473	0.996060
4	(sausage)	(UHT-milk)	0.060349	0.021386	0.001136	0.018826	0.880298	-0.000154	0.997391

Here, the “antecedents” and “consequents” columns show items that are frequently purchased together.

In this example, the first row of the dataset tells us that if a person were to buy bottled water, then they are also likely to purchase UHT-milk.

To get the most frequent item combinations in the entire dataset, let’s sort the dataset by support, confidence, and lift:

```
rules.sort_values(["support", "confidence", "lift"], axis = 0, ascending = False).head(8)
```

The resulting table shows that the four most popular product combinations that are frequently bought together are:

- Rolls and milk
- Yogurt and milk
- Sausages and milk
- Soda and vegetables

One reason for this could be that the grocery store ran a promotion on these items together or displayed them within the same line of sight to improve sales.

CODING:

```
import pandas as pd
df = pd.read_csv('Groceries_dataset.csv')

df.head()
```

```
df['single_transaction'] += df['Member_number'].astype(str) + '_' + df['Date'].astype(str)
```

```

df.head()

df2 = pd.crosstab(df['single_transaction'], df['itemDescription'])df2.head()

def encode(item_freq):

    res = 0

    if item_freq > 0:

        res = 1

    return res

basket_input = df2.applymap(encode)

from mlxtend.frequent_patterns import apriori

from mlxtend.frequent_patterns import association_rules

frequent_itemsets = apriori(basket_input, min_support=0.001, use_colnames=True)

rules = association_rules(frequent_itemsets, metric="lift")

rules.head()

print(rules)

```

OUTPUT:

	antecedents	consequents	antecedent support	consequent support	support	confidence	lift	leverage	conviction
0	(bottled water)	(UHT-milk)	0.060683	0.021386	0.001069	0.017621	0.823954	-0.000228	0.996168
1	(UHT-milk)	(bottled water)	0.021386	0.060683	0.001069	0.050000	0.823954	-0.000228	0.988755
2	(UHT-milk)	(other vegetables)	0.021386	0.122101	0.002139	0.100000	0.818993	-0.000473	0.975443
3	(other vegetables)	(UHT-milk)	0.122101	0.021386	0.002139	0.017515	0.818993	-0.000473	0.996060
4	(sausage)	(UHT-milk)	0.060349	0.021386	0.001136	0.018826	0.880298	-0.000154	0.997391

CONCLUSION:

Hence we have developed an Marketing Basket predictor using the python programming language.