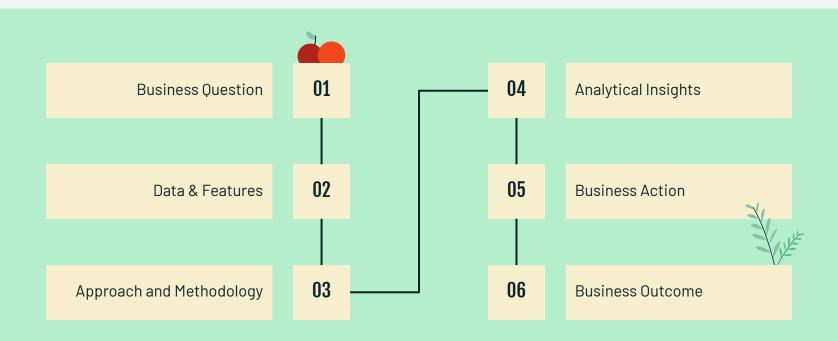
## SavvyCart: Your Personal Grocery Guru for Smart Shopping



## **AGENDA**

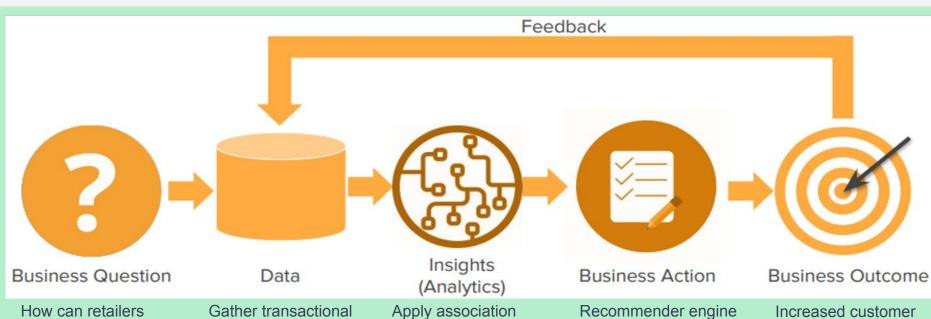




# BUSINESS QUESTION

How can retailers increase sales and customer satisfaction based on association rule between items?

### **BUSINESS SOLUTION APPROACH**



How can retailers increase sales based on association rules between items?

Gather transactional data - customer ID, product ID, quantity, transaction date, etc Apply association rule algorithms to identify frequent item-sets

Recommender engine that recommends top 5 products based on the input product ID

Increased customer satisfaction, improved sales, and enhanced customer experience

### MACHINE LEARNING CANVAS

### PREDICTION TASK



Unsupervised machine learning task that aims to find associations between items.

### **DECISIONS**



- Product Placement
- · Cross-Selling and Upselling
- Marketing Campaigns
- · Inventory Management

### IMPACT SIMULATION

Metrics for evaluation:

Support, Lift, Confidence

Testing

Methods for evaluation: A/B



MAKING PREDICTIONS



Update models with new training data based on trigger events. Featurization time can range from minutes to hours

### **VALUE PROPOSITION**

Enhance the shopping

customer satisfaction, and

experience, improve

increase cross-selling opportunities for the business by providing

personalized product recommendations to the

end-users based on their

previous purchase history.



DATA COLLECTION



**DATA SOURCES** 

Internal Data Sources

(Transactional Data, Product

Catalog, etc.) and External

Social Media Data, etc.)

Data Sources (Market Data,



Update models with new training data based on trigger events, data volume, stability, and business needs.

## BUILDING MODELS



Have one main production model that captures the underlying patterns. Updating the model less frequently might be sufficient

#### **FEATURES**



Customer ID, Product ID, Transaction Date/Time, Transaction Quantity. Transaction Amount. Customer Demographics, Product Descriptions. Historical Purchase Patterns



- A/B Testing: Compare performance of deployed system against baseline
- Conversion Rate: Measure rate at which recommendations lead to actual purchase
- Return on Investment (ROI): Calculate financial return on the investment

### LIVE EVALUATION AND MONITORING

## **DATA & FEATURES**

InvoiceNo

**Stock Code** 

**Description** 

Unique invoice id

Unique product code

**Product Name** 

Quantity

Invoice Date

**Unit Price** 

Quantity of product purchased in each order

Date of the order

The selling price of the item

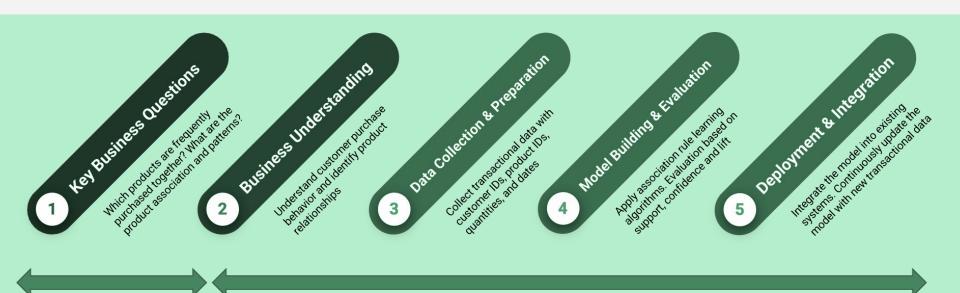
Country

**Customer 1D** 

Country of purchase of an order

Unique id of each customer

### **DATA SCIENCE FRAMEWORK**



Business Case (Pre-Funding)

Project Delivery (Post-Funding)

## **METRICS**



### **SUPPORT**

Threshold value: 0.01

### **CONFIDENCE**

Threshold value: 0.5



Threshold value: 1

### **ASSOCIATION RULE ALGORITHMS**

## **Apriori**

- Subset of frequent itemsets
- Breadth first

### **FP Growth**

- Frequent Pattern Growth
- Uses divide and conquer strategy
- Depth first

## H-Mine

- Hill-Climbing Mine
- Uses depth first search with pruning

### **INSIGHTS FOR REGENCY CAKE STAND 3 TIER**

### **APRIORI**

Roses regency teacup and saucer, Jumbo bag apples, jumbo bag pears, Set of 12 mini loaf baking cases

### **FP-GROWTH**

Roses regency teacup and saucer, Green regency teacup and saucer, Pink regency teacup and saucer

### H-MINE

Pack of 72 retrospot cake cases, Jumbo bag red retrospot, Lunch bag spaceboy design, Lunch bag black skull, Red harmonica in box



### **BUSINESS ACTION**

### **Placement of products**

Place frequent sets together such as jumbo bag pink and diner wall clock



### **Discount on combos**

Increase sales by discounting frequently bought combos



## New product with frequent sets

Market new product with frequent sets to increase traction



### **BUSINESS OUTCOMES**



### **CUSTOMER SATISFACTION**

Ease in finding products they need

### **CUSTOMER EXPERIENCE**

Less time spent in finding the right product

### **INCREASE IN SALES**

Increased product combination sales



### **INCREASE STORE FOOTFALL**

Similar product recommendation found at ease

# THANKS!



Scan to Fund
Zelle/ Venmo / Apple Pay
accepted

