

Final4063-Shantal-Cruz

```
knitr::opts_chunk$set(tidy.opts=list(width.cutoff=80), tidy=TRUE)
```

```
library(readr)
library(ROCR)
library(caret)
```

```
## Loading required package: ggplot2
```

```
## Loading required package: lattice
```

```
library(caTools)
library(class)
library(pROC)
```

```
## Type 'citation("pROC")' for a citation.
```

```
##
```

```
## Attaching package: 'pROC'
```

```
## The following objects are masked from 'package:stats':
```

```
##
```

```
##      cov, smooth, var
```

```
library(factoextra)
```

```
## Welcome! Want to learn more? See two factoextra-related books at https://goo.gl/ve3WBa
```

```
data <- readr::read_csv("DatasetforFINAL.csv")
```

```
## New names:
```

```
## * ' ' -> '...1'
```

```
## Rows: 5000 Columns: 10
```

```
## -- Column specification -----
```

```
## Delimiter: ","
```

```
## chr (5): Fname, Lname, gender, City, boughtelectronics
```

```
## dbl (5): ...1, ID, FamilyIncome, EdYears, FamilySize
```

```
##
```

```
## i Use 'spec()' to retrieve the full column specification for this data.
```

```
## i Specify the column types or set 'show_col_types = FALSE' to quiet this message.
```

```

# City Toronto only
myCity <- data[data$City == "Vancouver", ]

# View(myCity)

#####
# 1) Divide the data set to Train and Test Data Sets
# 70% of the data for training and 30% for testing

set.seed(4063)
spl <- sample.split(myCity$boughtelectronics, SplitRatio = 0.7)

train <- myCity[spl == TRUE, ]
test <- myCity[spl == FALSE, ]
train

```

A tibble: 429 x 10

```

...1    ID Fname    Lname          gender City  FamilyIncome EdYears FamilySize

1 21 21 Maleah Kettler F Vanc~ 34133 11 2 2 22 22 Cody Russell M Vanc~ 30157 15 2 3 30 30 Rachel
Hollingswor~ F Vanc~ 24902 12 4 4 37 37 Brecken Cobb F Vanc~ 30669 10 5 5 46 46 Rowan Dodson M
Vanc~ 33854 10 3 6 72 72 Lance Dixon M Vanc~ 16211 12 5 7 78 78 Zachary Guida M Vanc~ 39088 11 4 8
79 79 Rachel Gibbons F Vanc~ 29304 10 4 9 80 80 Cody Knapp M Vanc~ 60816 11 3 10 108 108 Rheanna
Patten F Vanc~ 27940 12 3 # i 419 more rows # i 1 more variable: boughtelectronics

```

```

#####
# 2a) Use the train data and create a Naïve Bayes Classifier for predicting whether the customer will buy b

library(e1071)
nb <- e1071::naiveBayes(boughtelectronics ~ FamilyIncome + FamilySize, data = train)

# 2b) Use the test data and your model and make predictions regarding whether the customer will buy ele

nb_pred <- predict(nb, newdata = test)
nb_pred

```

```

[1] YES NO NO NO NO NO NO YES NO NO NO NO YES YES NO NO YES NO [19] NO NO NO NO
NO YES NO YES NO YES NO NO NO NO NO NO NO NO NO [37] NO YES NO YES NO NO NO NO NO
NO YES YES YES NO NO YES NO NO [55] NO NO NO NO NO NO NO NO NO NO NO NO NO YES
NO NO NO NO [73] NO NO NO NO NO YES NO NO NO NO NO YES YES NO NO NO NO NO [91] NO
NO NO NO NO NO NO NO NO NO NO NO NO NO NO NO NO [109] NO NO NO NO NO NO NO NO
NO NO NO YES NO NO NO NO NO NO NO [127] NO NO NO NO YES YES NO NO NO YES YES NO
NO NO NO NO NO NO [145] NO NO NO YES NO NO YES NO NO NO YES NO NO NO NO NO
NO [163] NO NO NO YES NO NO NO NO NO NO NO NO NO YES YES NO NO [181] NO NO NO
Levels: NO YES

```

```

#####
# 3a) Use the train data and K-Nearest Neighbor Classifier for predicting whether the customer will buy

# determine best k first

```


P-Value [Acc > NIR] : 5.657e-05

Kappa : 0.636

Mcnemar's Test P-Value : 0.008829

Sensitivity : 0.9716
Specificity : 0.5952
Pos Pred Value : 0.8896
Neg Pred Value : 0.8621
Prevalence : 0.7705
Detection Rate : 0.7486

Detection Prevalence : 0.8415

Balanced Accuracy : 0.7834

'Positive' Class : NO

```
# Compose the confusion matrix of K-Nearest Neighbor  
knn_cm <- caret::confusionMatrix(knn_pred, as.factor(test$boughtelectronics))  
knn_cm
```

Confusion Matrix and Statistics

Reference

Prediction NO YES NO 137 35 YES 4 7

Accuracy : 0.7869
95% CI : (0.7204, 0.8438)
No Information Rate : 0.7705
P-Value [Acc > NIR] : 0.3349

Kappa : 0.1867

Mcnemar's Test P-Value : 1.556e-06

Sensitivity : 0.9716
Specificity : 0.1667
Pos Pred Value : 0.7965
Neg Pred Value : 0.6364
Prevalence : 0.7705
Detection Rate : 0.7486

Detection Prevalence : 0.9399

Balanced Accuracy : 0.5691

'Positive' Class : NO

```
# Decide which model has better accuracy.
print(paste("Naive Bayes accuracy:", nb_cm$overall["Accuracy"]))
```

[1] "Naive Bayes accuracy: 0.885245901639344"

```
print(paste("KNN accuracy:", knn_cm$overall["Accuracy"]))
```

[1] "KNN accuracy: 0.786885245901639"

```
print("Naive Bayes has better accuracy than K-Nearest Neighbor.")
```

[1] "Naive Bayes has better accuracy than K-Nearest Neighbor."

```
#####
# 4b) Compose the ROC, gain and lift charts of the Naive Bayes model
```

```
# get probability of buying electronics
nb_pred_prob <- predict(nb, newdata = test, type = "raw")[, 2]
```

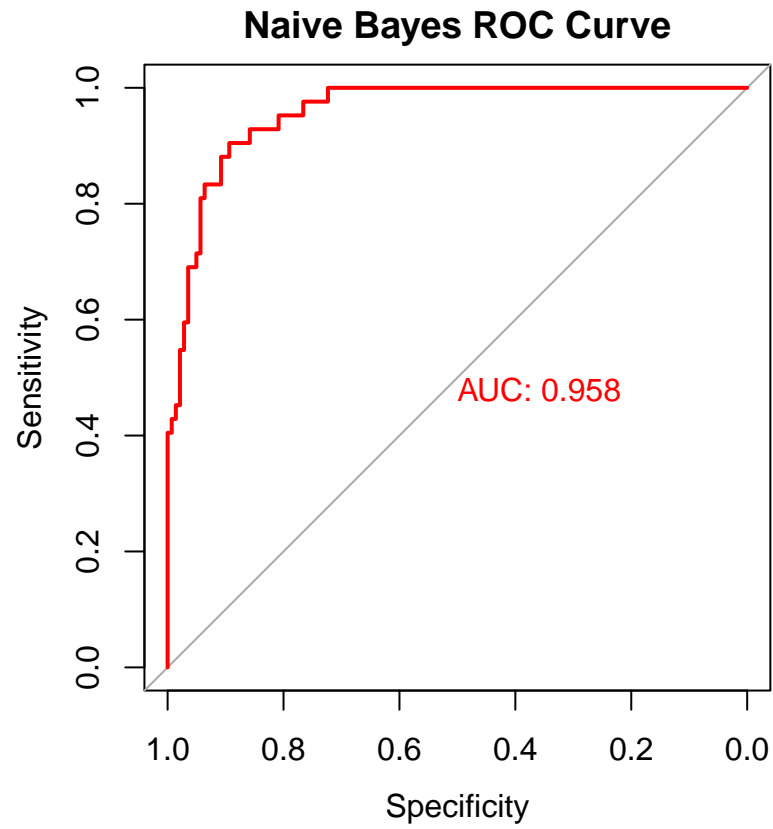
```
par(pty = "s")
```

```
nb_roc <- pROC::roc(test$boughtelectronics, nb_pred_prob)
```

```
## Setting levels: control = NO, case = YES
```

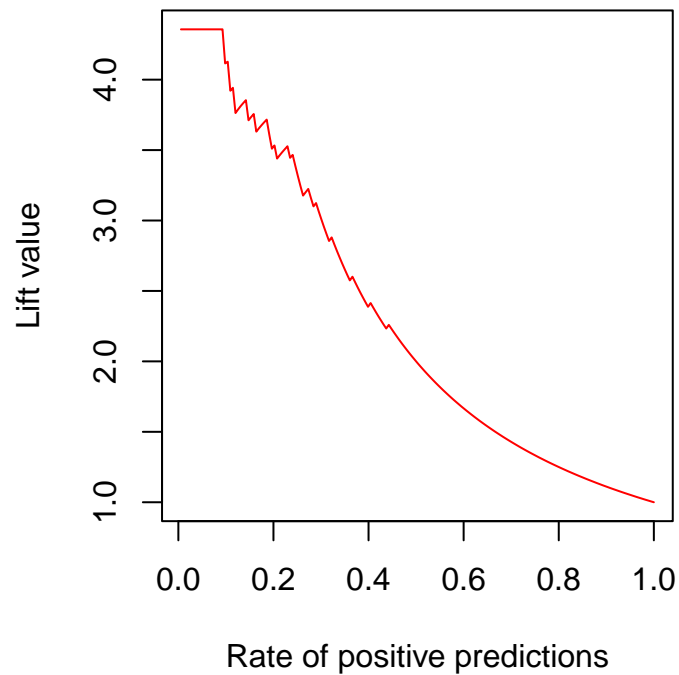
```
## Setting direction: controls < cases
```

```
plot(nb_roc, col = "red", main = "Naive Bayes ROC Curve", print.auc = TRUE)
```



```
nb_prediction <- prediction(nb_pred_prob, test$boughtelectronics)
nb_perf <- performance(nb_prediction, "lift", x.measure = "rpp")
plot(nb_perf, col = "red", main = "Naive Bayes Lift Chart")
```

Naive Bayes Lift Chart

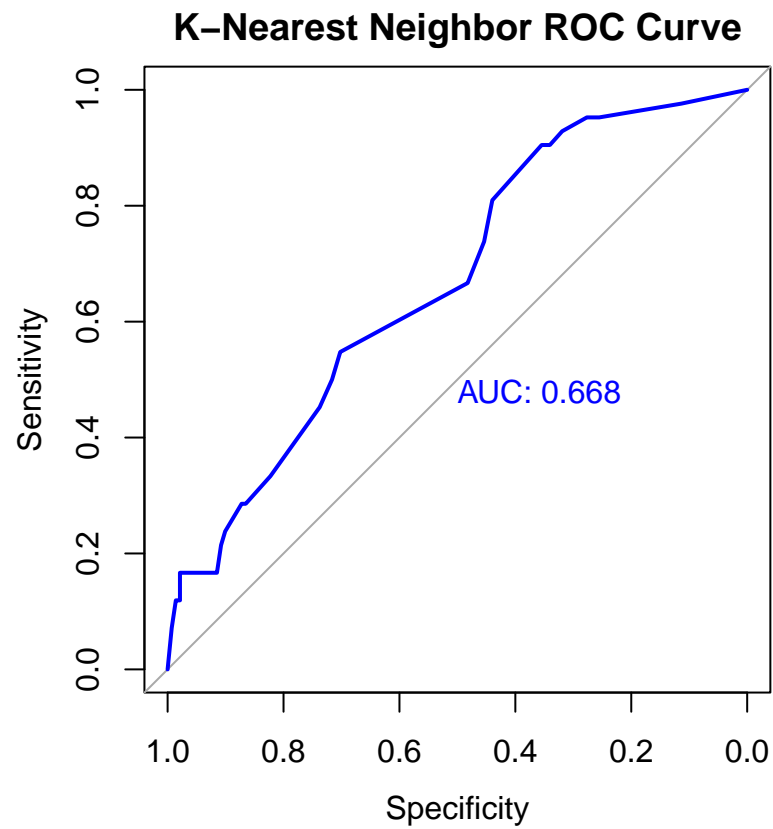


```
# Compose the ROC, gain and lift charts of the K-Nearest Neighbor model
knn_pred_prob <- predict(knn_model, newdata = test[, c("EdYears", "FamilySize")])[, 2]

knn_roc <- pROC::roc(test$boughtelectronics, knn_pred_prob)

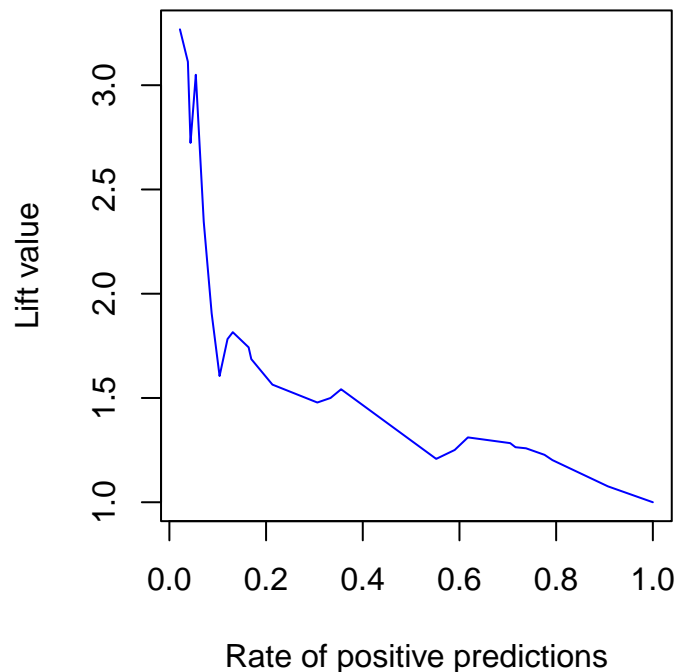
## Setting levels: control = NO, case = YES
## Setting direction: controls < cases

plot(knn_roc, col = "blue", main = "K-Nearest Neighbor ROC Curve", print.auc = TRUE)
```



```
knn_prediction <- prediction(knn_pred_prob, test$boughtelectronics)
knn_perf <- performance(knn_prediction, "lift", x.measure = "rpp")
plot(knn_perf, col = "blue", main = "K-Nearest Neighbor Lift Chart")
```


K-Nearest Neighbor Lift Chart



Which model is better? Argue why?

```
print("Naive Bayes is better because it has a higher AUC and higher lift than the K-Nearest Neighbor model")
```

[1] “Naive Bayes is better because it has a higher AUC and higher lift than the K-Nearest Neighbor model. The Naive Bayes model also has a higher accuracy than the K-Nearest Neighbor model. A higher AUC means that the model is better at distinguishing between the two classes. A higher lift means that the model is better at predicting the positive class.”

#####

5) Use k-means clustering, what would be an optimum model that would cluster the buyers based on family income and family size?

silhouette method

```
km_s <- factoextra::fviz_nbclust(myCity[, c("FamilyIncome", "FamilySize")], FUNcluster = kmeans, method = "silhouette")
km_s <- km_s$data
km_optimal_k <- as.numeric(km_s$clusters[which.max(km_s$y)])
print(paste("Optimum number of k-means clusters is", km_optimal_k))
```

[1] “Optimum number of k-means clusters is 2”

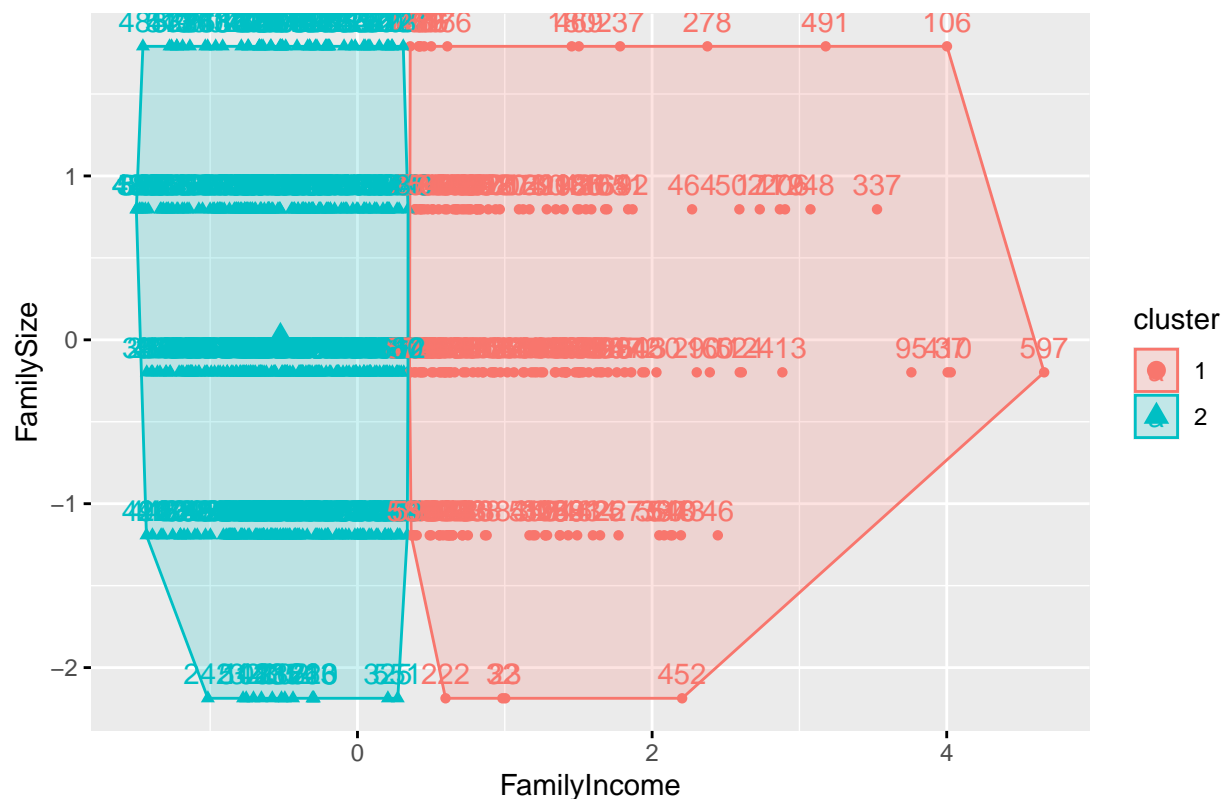
K-Means Clustering

```
km <- stats::kmeans(myCity[, c("FamilyIncome", "FamilySize")], centers = km_optimal_k)
```

plot kmeans nicely

```
km_cluster <- factoextra::fviz_cluster(list(data = myCity[, c("FamilyIncome", "FamilySize")], cluster = km$cluster))
print(km_cluster)
```

Cluster plot



```
#####
# 6) Using Hierarchical Clustering what is optimum number of clusters of customers do you detect based
hc_s <- factoextra::fviz_nbclust(myCity[, c("EdYears", "FamilySize")], FUNcluster = hcut, method = "sil")
hc_s <- hc_s$data
hc_optimal_k <- as.numeric(hc_s$clusters[which.max(hc_s$y)])

print(paste("Optimum number of heirarchical clusters is", hc_optimal_k))
```

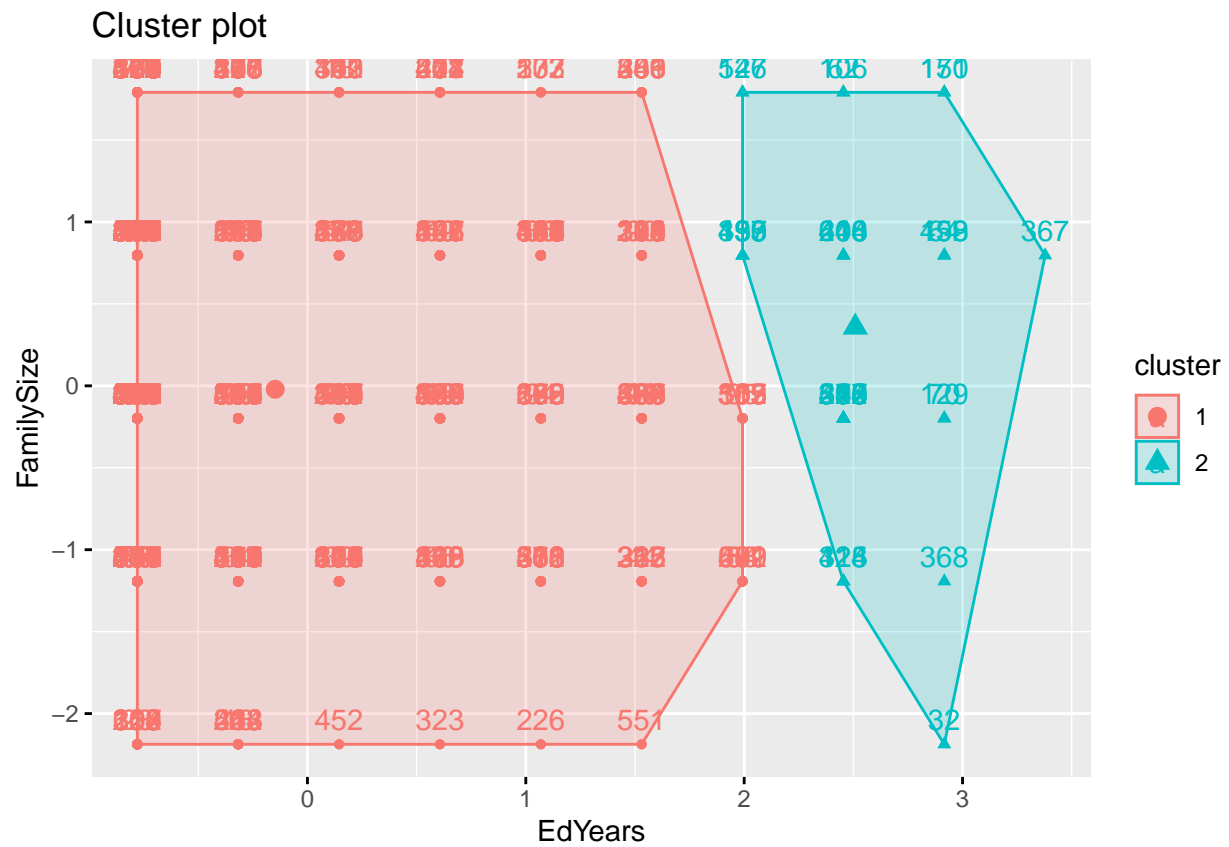
[1] "Optimum number of heirarchical clusters is 2"

```
# Hierarchical Clustering
hc <- stats::hclust(dist(myCity[, c("EdYears", "FamilySize")]))
cut_tree <- cutree(hc, k = hc_optimal_k)

# Visualize the dendrogram
dend <- as.dendrogram(hc)
print(dend)
```

‘dendrogram’ with 2 branches and 612 members total, at height 9.486833

```
# Create a clustering object using cut_tree
hc_cluster <- factoextra::fviz_cluster(list(data = myCity[, c("EdYears", "FamilySize")], cluster = cut_
hc_cluster
```



```
# Plot the clustering object
print(hc_cluster)
```

Cluster plot

