#### **Business Case: Walmart - Confidence Interval and CLT**

#### **About Walmart**

Walmart is an American multinational retail corporation that operates a chain of supercenters, discount departmental stores, and grocery stores from the United States. Walmart has more than 100 million customers worldwide

#### **Business Problem**

The Management team at Walmart Inc. wants to analyze the customer purchase behavior (specifically, purchase amount) against the customer's gender and the various other factors to help the business make better decisions. They want to understand if the spending habits differ between male and female customers: Do women spend more on Black Friday than men? (Assume 50 million customers are male and 50 million are female).

#### **Dataset**

The company collected the transactional data of customers who purchased products from the Walmart Stores during Black Friday. The dataset has the following features.

```
import numpy as np
import pandas as pd
import matplotlib.pyplot as plt
import seaborn as sns

import os
for dirname, _, filenames in os.walk('https://d2beiqkhq929f0.cloudfront.net/public_assets/assets/000/001/293/original/walmart data.csv?1641285094'):
```

```
In [ ]:
```

for filename in filenames:

print(os.path.join(dirname, filename))

```
df = pd.read_csv("https://d2beiqkhq929f0.cloudfront.net/public_assets/assets/000/001/293/
original/walmart_data.csv?1641285094")
df.head()
```

Out[]:

	User_ID	Product_ID	Gender	Age	Occupation	City_Category	Stay_In_Current_City_Years	Marital_Status	Product_Catego
0	1000001	P00069042	F	0- 17	10	А	2	0	
1	1000001	P00248942	F	0- 17	10	Α	2	0	
2	1000001	P00087842	F	0- 17	10	Α	2	0	1
3	1000001	P00085442	F	0- 17	10	Α	2	0	1
4	1000002	P00285442	М	55+	16	С	4+	0	
4									D.

```
In []:
print(f"Number of rows: {df.shape[0]:,} \nNumber of columns: {df.shape[1]}")
Number of rows: 550,068
Number of columns: 10
```

```
In [ ]:
```

```
Out[]:
User_ID
                               int64
Product ID
                              object
Gender
                              object
Age
                              object
Occupation
                              int64
                              object
City_Category
Stay_In_Current_City_Years object
Marital Status
                              int64
Product_Category
                               int64
                               int64
Purchase
dtype: object
In [ ]:
df.memory usage()
Out[]:
Index
                                  128
                              4400544
User ID
Product ID
                              4400544
Gender
                              4400544
                              4400544
Age
Occupation
                              4400544
                             4400544
City_Category
Stay_In_Current_City_Years 4400544
Marital Status
                             4400544
Product Category
                              4400544
                              4400544
Purchase
dtype: int64
In [ ]:
df.describe()
```

### Out[]:

df.dtypes

	User_ID	Occupation	Marital_Status	Product_Category	Purchase
count	5.500680e+05	550068.000000	550068.000000	550068.000000	550068.000000
mean	1.003029e+06	8.076707	0.409653	5.404270	9263.968713
std	1.727592e+03	6.522660	0.491770	3.936211	5023.065394
min	1.000001e+06	0.000000	0.000000	1.000000	12.000000
25%	1.001516e+06	2.000000	0.000000	1.000000	5823.000000
50%	1.003077e+06	7.000000	0.000000	5.000000	8047.000000
75%	1.004478e+06	14.000000	1.000000	8.000000	12054.000000
max	1.006040e+06	20.000000	1.000000	20.000000	23961.000000

### **Observations**

- There are no missing values in the dataset.
- Purchase amount might have outliers.

### In [ ]:

```
# checking null values
df.isnull().sum()
```

# Out[]:

User\_ID 0
Product\_ID 0
Gender 0

```
Age 0
Occupation 0
City_Category 0
Stay_In_Current_City_Years 0
Marital_Status 0
Product_Category 0
Purchase 0
dtype: int64
```

### How many users are there in the dataset?

```
In [ ]:

df['User_ID'].nunique()

Out[ ]:
5891
```

### How many products are there?

```
In []:
df['Product_ID'].nunique()
Out[]:
3631
```

### Value\_counts for the following:

- Gender
- Age
- Occupation
- City\_Category
- Stay\_In\_Current\_City\_Years
- Marital\_Status
- Product\_Category

#### In [ ]:

```
categorical_cols = ['Gender', 'Age', 'Occupation', 'City_Category', 'Stay_In_Current_Cit
y_Years', 'Marital_Status', 'Product_Category']
df[categorical_cols].melt().groupby(['variable', 'value'])[['value']].count()/len(df)
Out[]:
```

# value

variable	value	
Age	0-17	0.027455
	18-25	0.181178
	26-35	0.399200
	36-45	0.199999
	46-50	0.083082
	51-55	0.069993
	55+	0.039093
City_Category	A	0.268549
	В	0.420263
	С	0.311189
Gender	F	0.246895

M 0.753105

Marital_Status	0	<b>value</b> 0.590347
variable	value 1	0.409653
Occupation	0	0.126599
	1	0.086218
	2	0.048336
	3	0.032087
	4	0.131453
	5	0.022137
	6	0.037005
	7	0.107501
	8	0.002811
	9	0.011437
	10	0.023506
	11	0.021063
	12	0.056682
	13	0.014049
	14	0.049647
	15	0.022115
	16	0.046123
	17	0.072796
	18	0.012039
	19	0.015382
	20	0.061014
Product_Category	1	0.255201
	2	0.043384
	3	0.036746
	4	0.021366
	5	0.274390
	6	0.037206
	7	0.006765
	8	0.207111
	9	0.000745
	10	0.009317
	11	0.044153
	12	0.007175
	13	0.010088
	14	0.002769
	15	0.011435
	16	0.017867
	17	0.001051
	18	0.005681
	19	0.002914
	20	0.004636
Stay_In_Current_City_Years	0	0.135252
	1	0.352358

4+ 0.154028

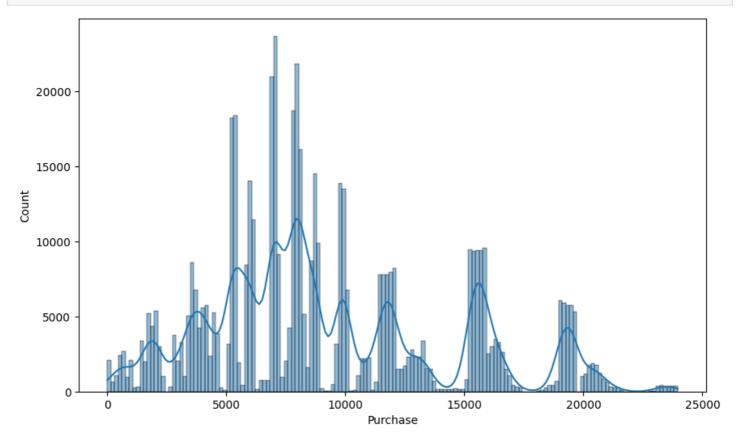
#### **Observations**

- ~ 80% of the users are between the age 18-50 (40%: 26-35, 18%: 18-25, 20%: 36-45)
- 75% of the users are Male and 25% are Female
- 60% Single, 40% Married
- 35% Staying in the city from 1 year, 18% from 2 years, 17% from 3 years
- Total of 20 product categories are there
- There are 20 differnent types of occupations in the city

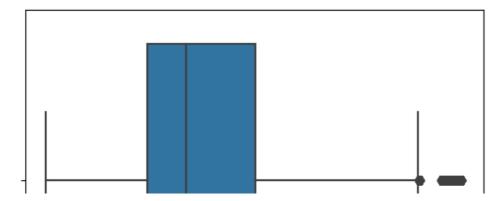
### **Univariate Analysis**

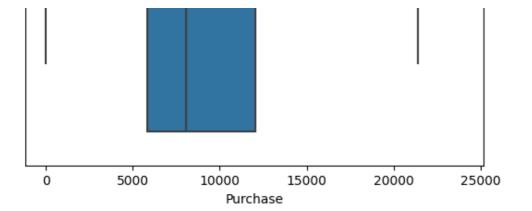
### In [ ]:

```
plt.figure(figsize=(10, 6))
sns.histplot(data=df, x='Purchase', kde=True)
plt.show()
```



```
sns.boxplot(data=df, x='Purchase', orient='h')
plt.show()
```





#### Observation

· Purchase is having outliers

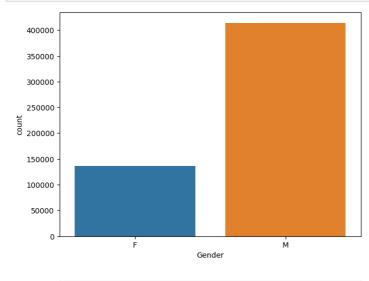
### Understanding the distribution of data for the categorical variables

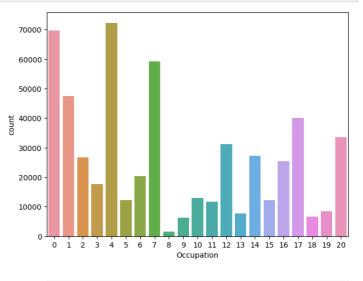
- Gender
- Age
- Occupation
- City\_Category
- Stay\_In\_Current\_City\_Years
- Marital Status
- Product\_Category

```
categorical_cols = ['Gender', 'Occupation','City_Category','Marital_Status','Product_Cate
gory']

fig, axs = plt.subplots(nrows=2, ncols=2, figsize=(16, 12))
sns.countplot(data=df, x='Gender', ax=axs[0,0])
sns.countplot(data=df, x='Occupation', ax=axs[0,1])
sns.countplot(data=df, x='City_Category', ax=axs[1,0])
sns.countplot(data=df, x='Marital_Status', ax=axs[1,1])
plt.show()

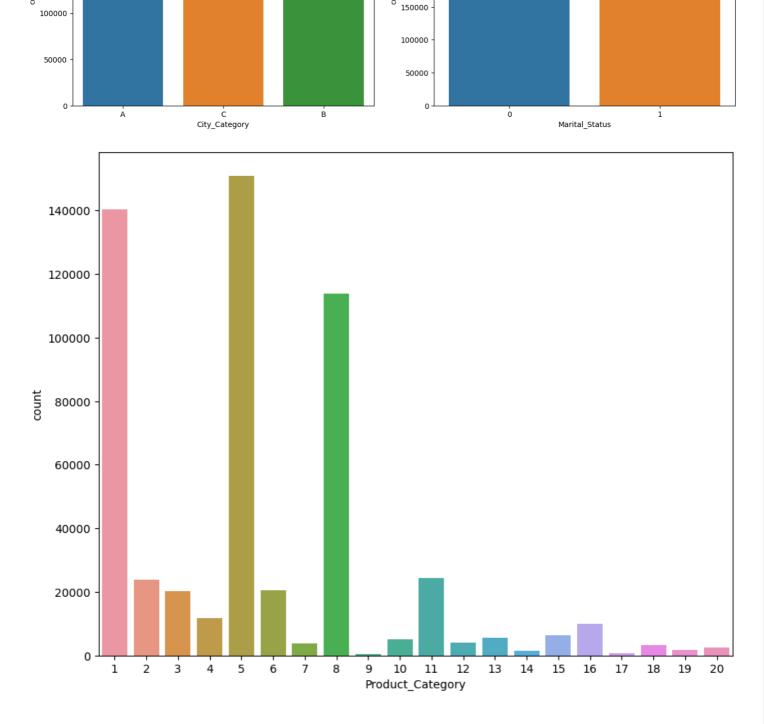
plt.figure(figsize=(10, 8))
sns.countplot(data=df, x='Product_Category')
plt.show()
```











### **Observations**

- Most of the users are Male
- There are 20 different types of Occupation and Product\_Category
- More users belong to B City\_Category
- More users are Single as compare to Married
- Product\_Category 1, 5, 8, & 11 have highest purchasing frequency.

```
fig, axs = plt.subplots(nrows=1, ncols=2, figsize=(12, 8))

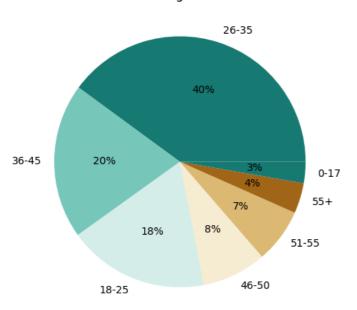
data = df['Age'].value_counts(normalize=True)*100
palette_color = sns.color_palette('BrBG_r')
axs[0].pie(x=data.values, labels=data.index, autopct='%.0f%%', colors=palette_color)
axs[0].set_title("Age")

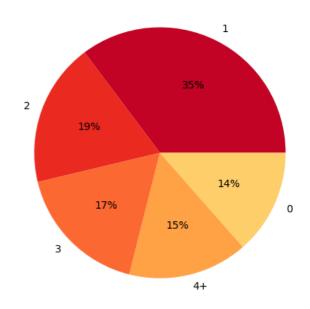
data = df['Stay_In_Current_City_Years'].value_counts(normalize=True)*100
palette_color = sns.color_palette('YlOrRd_r')
axs[1].pie(x=data.values, labels=data.index, autopct='%.0f%%', colors=palette_color)
axs[1].set_title("Stay_In_Current_City_Years")
```

plt.show()



## Stay\_In\_Current\_City\_Years



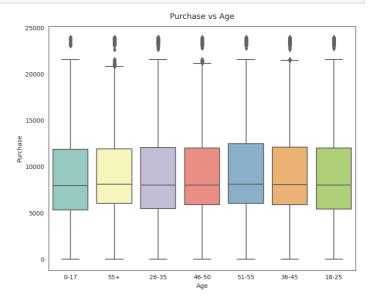


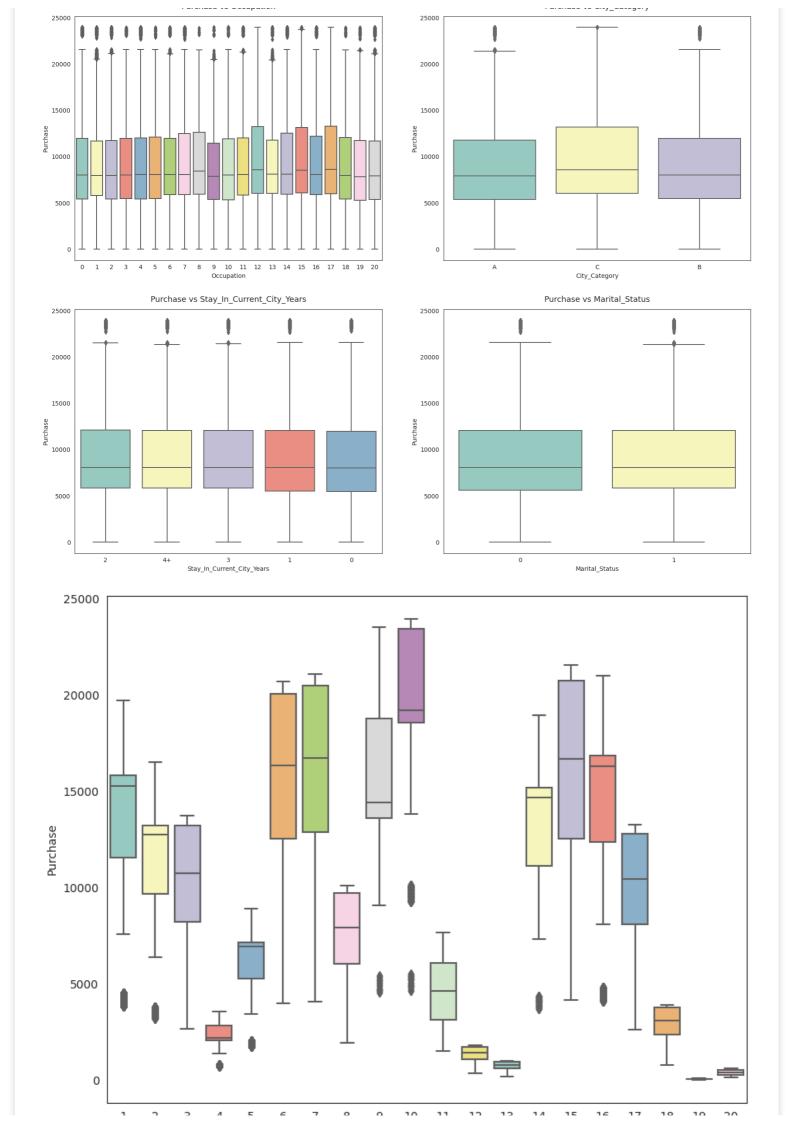
#### Upper two graphs are self-explanatory.

### **Bi-variate Analysis**

```
attrs = ['Gender', 'Age', 'Occupation', 'City_Category', 'Stay In Current City Years', '
Marital Status', 'Product Category']
sns.set style("white")
fig, axs = plt.subplots(nrows=3, ncols=2, figsize=(20, 16))
fig.subplots adjust(top=1.3)
count = 0
for row in range (3):
   for col in range(2):
        sns.boxplot(data=df, y='Purchase', x=attrs[count], ax=axs[row, col], palette='Se
t3')
        axs[row,col].set title(f"Purchase vs {attrs[count]}", pad=12, fontsize=13)
        count += 1
plt.show()
plt.figure(figsize=(10, 8))
sns.boxplot(data=df, y='Purchase', x=attrs[-1], palette='Set3')
plt.show()
```





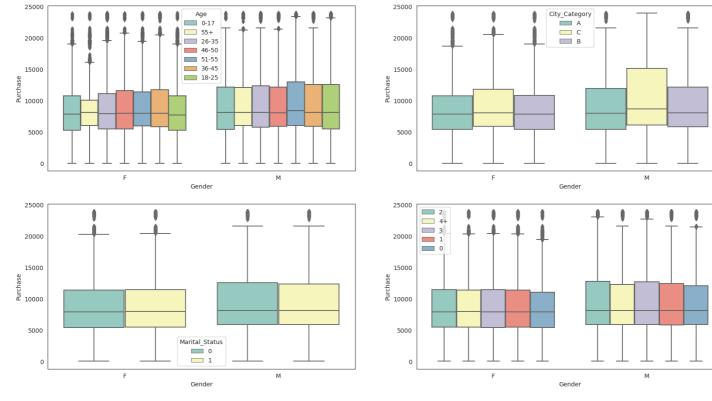


Product Category

### **Multivariate Analysis**

```
In [ ]:
```

```
fig, axs = plt.subplots(nrows=2, ncols=2, figsize=(20, 6))
fig.subplots_adjust(top=1.5)
sns.boxplot(data=df, y='Purchase', x='Gender', hue='Age', palette='Set3', ax=axs[0,0])
sns.boxplot(data=df, y='Purchase', x='Gender', hue='City_Category', palette='Set3', ax=axs[0,1])
sns.boxplot(data=df, y='Purchase', x='Gender', hue='Marital_Status', palette='Set3', ax=axs[1,0])
sns.boxplot(data=df, y='Purchase', x='Gender', hue='Stay_In_Current_City_Years', palette='Set3', ax=axs[1,1])
axs[1,1].legend(loc='upper left')
plt.show()
```



#### In [ ]:

df.head(10)

Out[]:

	User_ID	Product_ID	Gender	Age	Occupation	City_Category	Stay_In_Current_City_Years	Marital_Status	Product_Catego
0	1000001	P00069042	F	0- 17	10	А	2	0	
1	1000001	P00248942	F	0- 17	10	А	2	0	
2	1000001	P00087842	F	0- 17	10	А	2	0	1
3	1000001	P00085442	F	0- 17	10	А	2	0	1
4	1000002	P00285442	М	55+	16	С	4+	0	
5	1000003	P00193542	М	26- 35	15	А	3	0	
6	1000004	P00184942	М	46- 50	7	В	2	1	

	User_ID	Product_ID	Gender	Age	Occupation	City_Category	Stay_In_Current_City_Years	Marital_Status	Product_Catego
7	1000004	P00346142	М	50	7	В	2	1	
8	1000004	P0097242	M	46- 50	7	В	2	1	
9	1000005	P00274942	M	26- 35	20	Α	1	1	
4									<b>D</b>

### Average amount spend per customer for Male and Female

```
In []:
amt_df = df.groupby(['User_ID', 'Gender'])[['Purchase']].sum()
amt_df = amt_df.reset_index()
amt_df
```

### Out[]:

	User_ID	Gender	Purchase
0	1000001	F	334093
1	1000002	М	810472
2	1000003	М	341635
3	1000004	М	206468
4	1000005	М	821001
5886	1006036	F	4116058
5887	1006037	F	1119538
5888	1006038	F	90034
5889	1006039	F	590319
5890	1006040	М	1653299

### 5891 rows × 3 columns

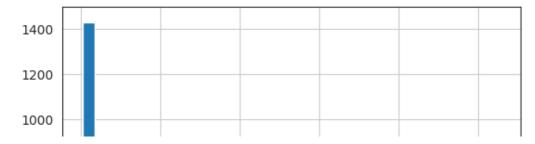
### In [ ]:

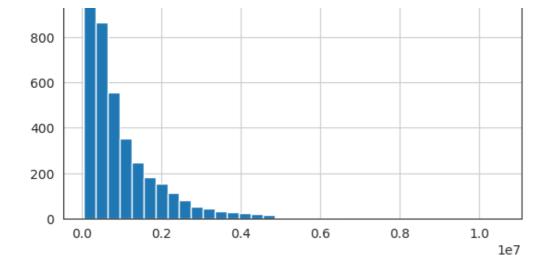
```
# Gender wise value counts in avg_amt_df
df['Gender'].value_counts()
```

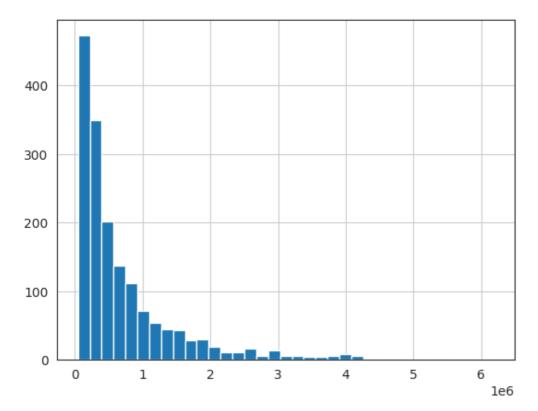
### Out[]:

```
M 414259
F 135809
Name: Gender, dtype: int64
```

```
# histogram of average amount spend for each customer - Male & Female
amt_df[amt_df['Gender']=='M']['Purchase'].hist(bins=35)
plt.show()
amt_df[amt_df['Gender']=='F']['Purchase'].hist(bins=35)
plt.show()
```







### In [ ]:

```
male_avg = amt_df[amt_df['Gender'] == 'M']['Purchase'].mean()
female_avg = amt_df[amt_df['Gender'] == 'F']['Purchase'].mean()

print("Average amount spend by Male customers: {:.2f}".format(male_avg))
print("Average amount spend by Female customers: {:.2f}".format(female_avg))
```

Average amount spend by Male customers: 925344.40 Average amount spend by Female customers: 712024.39

#### **Observation**

Male customers spend more money than female customers

#### In [ ]:

```
male_df = amt_df[amt_df['Gender'] == 'M']
female_df = amt_df[amt_df['Gender'] == 'F']
```

```
genders = ["M", "F"]
male_sample_size = 3000
female sample size = 1500
```

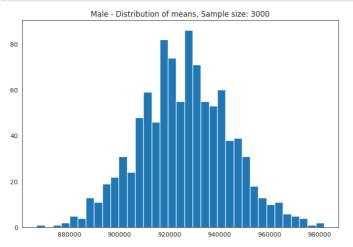
```
num_repitions = 1000
male_means = []
female_means = []

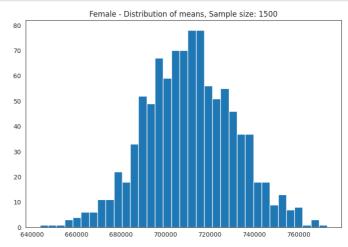
for _ in range(num_repitions):
    male_mean = male_df.sample(male_sample_size, replace=True)['Purchase'].mean()
    female_mean = female_df.sample(female_sample_size, replace=True)['Purchase'].mean()
    male_means.append(male_mean)
    female_means.append(female_mean)
```

#### In [ ]:

```
fig, axis = plt.subplots(nrows=1, ncols=2, figsize=(20, 6))

axis[0].hist(male_means, bins=35)
axis[1].hist(female_means, bins=35)
axis[0].set_title("Male - Distribution of means, Sample size: 3000")
axis[1].set_title("Female - Distribution of means, Sample size: 1500")
plt.show()
```





#### In [ ]:

```
print("Population mean - Mean of sample means of amount spend for Male: {:.2f}".format(n
p.mean(male_means)))
print("Population mean - Mean of sample means of amount spend for Female: {:.2f}".format(
np.mean(female_means)))

print("\nMale - Sample mean: {:.2f} Sample std: {:.2f}".format(male_df['Purchase'].mean(
), male_df['Purchase'].std()))
print("Female - Sample mean: {:.2f} Sample std: {:.2f}".format(female_df['Purchase'].mean(), female_df['Purchase'].std()))
```

Population mean - Mean of sample means of amount spend for Male: 925877.07 Population mean - Mean of sample means of amount spend for Female: 710935.46

Male - Sample mean: 925344.40 Sample std: 985830.10 Female - Sample mean: 712024.39 Sample std: 807370.73

#### Observation

#### Now using the **Central Limit Theorem** for the population we can say that:

- Average amount spend by male customers is 9,26,341.86
- Average amount spend by female customers is 7,11,704.09

```
male_margin_of_error_clt = 1.96*male_df['Purchase'].std()/np.sqrt(len(male_df))
male_sample_mean = male_df['Purchase'].mean()
male_lower_lim = male_sample_mean - male_margin_of_error_clt
male_upper_lim = male_sample_mean + male_margin_of_error_clt
```

```
female_margin_of_error_clt = 1.96*female_df['Purchase'].std()/np.sqrt(len(female_df))
female_sample_mean = female_df['Purchase'].mean()
female_lower_lim = female_sample_mean - female_margin_of_error_clt
female_upper_lim = female_sample_mean + female_margin_of_error_clt

print("Male confidence interval of means: ({:.2f}, {:.2f})".format(male_lower_lim, male_upper_lim))
print("Female confidence interval of means: ({:.2f}, {:.2f})".format(female_lower_lim, female_upper_lim))
```

```
Male confidence interval of means: (895617.83, 955070.97) Female confidence interval of means: (673254.77, 750794.02)
```

### Now we can infer about the population that, 95% of the times:

- Average amount spend by male customer will lie in between: (895617.83, 955070.97)
- Average amount spend by female customer will lie in between: (673254.77, 750794.02)

### Doing the same activity for married vs unmarried

```
In [ ]:

amt_df
```

#### Out[]:

	User_ID	Gender	Purchase
0	1000001	F	334093
1	1000002	М	810472
2	1000003	М	341635
3	1000004	М	206468
4	1000005	М	821001
5886	1006036	F	4116058
5887	1006037	F	1119538
5888	1006038	F	90034
5889	1006039	F	590319
5890	1006040	М	1653299

#### 5891 rows × 3 columns

```
In [ ]:
```

```
amt_df = df.groupby(['User_ID', 'Marital_Status'])[['Purchase']].sum()
amt_df = amt_df.reset_index()
amt_df
```

### Out[]:

	User_ID	Marital_Status	Purchase
0	1000001	0	334093
1	1000002	0	810472
2	1000003	0	341635
3	1000004	1	206468
4	1000005	1	821001
5886	1006036	1	4116058

```
        5887
        1006037 User_ID
        Marital_Status
        0 Purchase

        5888
        1006038
        0 90034

        5889
        1006039
        1 590319

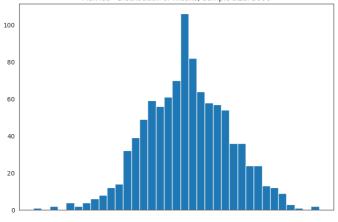
        5890
        1006040
        0 1653299
```

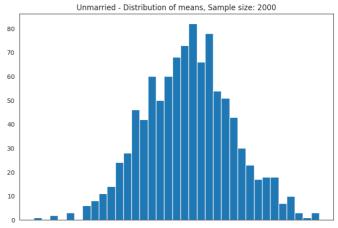
amt df['Marital Status'].value counts()

#### 5891 rows × 3 columns

```
In [ ]:
```

```
Out[]:
0
     3417
     2474
1
Name: Marital Status, dtype: int64
In [ ]:
marid samp size = 3000
unmarid sample size = 2000
num repitions = 1000
marid means = []
unmarid means = []
for in range(num repitions):
    marid mean = amt df[amt df['Marital Status']==1].sample(marid samp size, replace=Tru
e) ['Purchase'].mean()
    unmarid mean = amt df[amt df['Marital Status']==0].sample(unmarid sample size, repla
ce=True) ['Purchase'].mean()
    marid means.append(marid mean)
    unmarid means.append(unmarid mean)
fig, axis = plt.subplots(nrows=1, ncols=2, figsize=(20, 6))
axis[0].hist(marid means, bins=35)
axis[1].hist(unmarid means, bins=35)
axis[0].set title("Married - Distribution of means, Sample size: 3000")
axis[1].set title("Unmarried - Distribution of means, Sample size: 2000")
plt.show()
print("Population mean - Mean of sample means of amount spend for Married: {:.2f}".format
(np.mean(marid means)))
print("Population mean - Mean of sample means of amount spend for Unmarried: {:.2f}".form
at(np.mean(unmarid means)))
print("\nMarried - Sample mean: {:.2f} Sample std: {:.2f}".format(amt_df[amt_df['Marital")]
Status']==1]['Purchase'].mean(), amt df[amt df['Marital Status']==1]['Purchase'].std())
print("Unmarried - Sample mean: {:.2f} Sample std: {:.2f}".format(amt df[amt df['Marital")]
 Status']==0]['Purchase'].mean(), amt df[amt df['Marital Status']==0]['Purchase'].std())
)
           Married - Distribution of means, Sample size: 3000
                                                            Unmarried - Distribution of means, Sample size: 2000
```





```
780000
        800000
               820000
                     840000
                            860000
                                   880000
                                                        820000
                                                             840000
                                                                   860000
                                                                                         940000
Population mean - Mean of sample means of amount spend for Married: 843731.50
Population mean - Mean of sample means of amount spend for Unmarried: 880327.02
Married - Sample mean: 843526.80 Sample std: 935352.12
Unmarried - Sample mean: 880575.78 Sample std: 949436.25
In [ ]:
for val in ["Married", "Unmarried"]:
    new val = 1 if val == "Married" else 0
    new_df = amt_df[amt_df['Marital_Status'] == new_val]
    margin of error clt = 1.96*new df['Purchase'].std()/np.sqrt(len(new df))
    sample mean = new df['Purchase'].mean()
    lower lim = sample_mean - margin_of_error_clt
    upper lim = sample mean + margin of error clt
    print("{} confidence interval of means: ({:.2f}, {:.2f})".format(val, lower lim, upp
er lim))
Married confidence interval of means: (806668.83, 880384.76)
Unmarried confidence interval of means: (848741.18, 912410.38)
Calculating the average amount spent by Age
In [ ]:
amt df = df.groupby(['User ID', 'Age'])[['Purchase']].sum()
amt df = amt df.reset index()
amt df
Out[]:
```

	User_ID	Age	Purchase
0	1000001	0-17	334093
1	1000002	55+	810472
2	1000003	26-35	341635
3	1000004	46-50	206468
4	1000005	26-35	821001
5886	1006036	26-35	4116058
5887	1006037	46-50	1119538
5888	1006038	55+	90034
5889	1006039	46-50	590319
5890	1006040	26-35	1653299

#### 5891 rows × 3 columns

```
In []:
amt_df['Age'].value_counts()
Out[]:
26-35     2053
36-45     1167
```

51-55 481 55+ 372 0-17 218

18-25 46-50 1069

531

```
In []:

sample_size = 200
num_repitions = 1000

all_means = {}

age_intervals = ['26-35', '36-45', '18-25', '46-50', '51-55', '55+', '0-17']

for age_interval in age_intervals:
    all_means[age_interval] = []

for age_interval in age_intervals:
    for _ in range(num_repitions):
        mean = amt_df[amt_df['Age'] == age_interval].sample(sample_size, replace=True)['Pu rchase'].mean()
        all means[age_interval].append(mean)
```

#### In [ ]:

Name: Age, dtype: int64

```
for val in ['26-35', '36-45', '18-25', '46-50', '51-55', '55+', '0-17']:
    new_df = amt_df[amt_df['Age']==val]

    margin_of_error_clt = 1.96*new_df['Purchase'].std()/np.sqrt(len(new_df))
    sample_mean = new_df['Purchase'].mean()
    lower_lim = sample_mean - margin_of_error_clt
    upper_lim = sample_mean + margin_of_error_clt

    print("For age {} --> confidence interval of means: ({:.2f}, {:.2f})".format(val, lower_lim, upper_lim))
```

```
For age 26-35 --> confidence interval of means: (945034.42, 1034284.21) For age 36-45 --> confidence interval of means: (823347.80, 935983.62) For age 18-25 --> confidence interval of means: (801632.78, 908093.46) For age 46-50 --> confidence interval of means: (713505.63, 871591.93) For age 51-55 --> confidence interval of means: (692392.43, 834009.42) For age 55+ --> confidence interval of means: (476948.26, 602446.23) For age 0-17 --> confidence interval of means: (527662.46, 710073.17)
```

#### **Insights**

- ~ 80% of the users are between the age 18-50 (40%: 26-35, 18%: 18-25, 20%: 36-45)
- 75% of the users are Male and 25% are Female
- 60% Single, 40% Married
- 35% Staying in the city from 1 year, 18% from 2 years, 17% from 3 years
- Total of 20 product categories are there
- There are 20 differnent types of occupations in the city
- Most of the users are Male
- There are 20 different types of Occupation and Product\_Category
- More users belong to B City\_Category
- More users are Single as compare to Married
- Product\_Category 1, 5, 8, & 11 have highest purchasing frequency.
- Average amount spend by Male customers: 925344.40
- Average amount spend by Female customers: 712024.39

#### **Confidence Interval by Gender**

#### Now using the **Central Limit Theorem** for the **population**:

- Average amount spend by male customers is 9,26,341.86
- Average amount spend by female customers is 7,11,704.09

Now we can infer about the population that, 95% of the times:

- Average amount spend by male customer will lie in between: (895617.83, 955070.97)
- Average amount spend by female customer will lie in between: (673254.77, 750794.02)

#### **Confidence Interval by Marital Status**

- Married confidence interval of means: (806668.83, 880384.76)
- Unmarried confidence interval of means: (848741.18, 912410.38)

#### **Confidence Interval by Age**

- For age 26-35 --> confidence interval of means: (945034.42, 1034284.21)
- For age 36-45 --> confidence interval of means: (823347.80, 935983.62)
- For age 18-25 --> confidence interval of means: (801632.78, 908093.46)
- For age 46-50 --> confidence interval of means: (713505.63, 871591.93)
- For age 51-55 --> confidence interval of means: (692392.43, 834009.42)
- For age 55+ --> confidence interval of means: (476948.26, 602446.23)
- For age 0-17 --> confidence interval of means: (527662.46, 710073.17)

#### Recommendations

- Men spent more money than women, So company should focus on retaining the male customers and getting more male customers.
- **Product\_Category 1, 5, 8, & 11** have highest purchasing frequency. it means these are the products in these categories are liked more by customers. Company can focus on selling more of these products or selling more of the products which are purchased less.
- **Unmarried customers** spend more money than married customers, So company should focus on acquisition of Unmarried customers.
- Customers in the age 18-45 spend more money than the others, So company should focus on acquisition of customers who are in the age 18-45
- Male customers living in City\_Category C spend more money than other male customers living in B or C,
   Selling more products in the City\_Category C will help the company increase the revenue.