RetailPulse Data Analysis Project

Importing Required Libraries

```
import pandas as pd
import numpy as np
import matplotlib.pyplot as plt
import seaborn as sns
from sklearn.cluster import KMeans
from sklearn.model selection import train test split
from sklearn.preprocessing import StandardScaler
from sklearn.linear model import LinearRegression
from sklearn.metrics import mean squared error, r2 score
from sklearn.preprocessing import OneHotEncoder
import holidays
import requests
import datetime
import plotly.express as px
import random
from datetime import datetime, timedelta
from statsmodels.tsa.holtwinters import ExponentialSmoothing
```

Load the Dataset

```
data = pd.read_csv('C:/Users/chira/Downloads/archive
(1)/shopping_trends.csv')
```

Data Cleaning and Preprocessing

```
data.drop duplicates(inplace=True)
data.columns = data.columns.str.strip().str.replace(' ',
'').str.lower()
data['review rating'] = pd.to numeric(data['review rating'],
errors='coerce')
# Check for missing values
print("Missing Values:\n", data.isnull().sum())
Missing Values:
                              0
customer id
                             0
age
                             0
gender
item purchased
                             0
category
                             0
                             0
purchase amount (usd)
                             0
location
                             0
size
                             0
color
```

```
season
                             0
review rating
subscription status
                             0
                             0
payment method
                             0
shipping type
discount applied
                             0
                             0
promo code used
previous purchases
                             0
                             0
preferred payment method
frequency of purchases
                             0
dtype: int64
```

External Data Integration

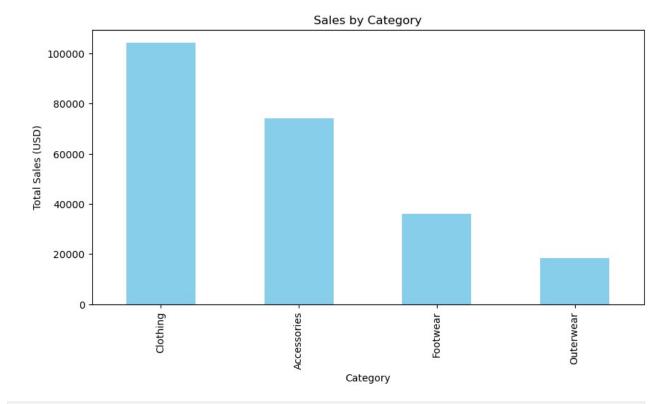
```
print(data.columns)
Index(['customer id', 'age', 'gender', 'item purchased', 'category',
        'purchase_amount_(usd)', 'location', 'size', 'color', 'season',
       'review_rating', 'subscription_status', 'payment_method',
'shipping_type', 'discount_applied', 'promo_code_used',
        'previous purchases', 'preferred payment method',
        'frequency of purchases'],
      dtype='object')
start date = datetime(2022, 1, 1)
data['date'] = [start date + timedelta(days=random.randint(0, 365))
for in range(len(data))]
us holidays = holidays.US()
data['is holiday'] = data['date'].apply(lambda x: 1 if x in
us holidays else 0)
# Load your dataset
data = pd.read csv('C:/Users/chira/Downloads/archive
(1)/shopping trends.csv')
# Add dummy weather data based on seasons
weather mapping = {
    'Winter': {'avg_temp': -5, 'weather': 'Snowy'}, 'Spring': {'avg_temp': 15, 'weather': 'Rainy'},
    'Summer': {'avg_temp': 30, 'weather': 'Sunny'},
    'Fall': {'avg temp': 10, 'weather': 'Windy'}
}
# Map weather data to the dataset
data['avg temp'] = data['Season'].map(lambda x: weather_mapping[x]
['avg temp'])
data['weather'] = data['Season'].map(lambda x: weather mapping[x]
['weather'])
```

```
# Save the updated dataset
data.to csv('shopping trends with weather.csv', index=False)
# Check the dataset
print(data.head())
   Customer ID Age Gender Item Purchased Category Purchase Amount
(USD) \
                 55
                      Male
                                    Blouse
                                            Clothing
0
53
             2
                 19
                      Male
1
                                   Sweater Clothing
64
2
                 50
                      Male
                                     Jeans Clothing
73
3
                 21
                      Male
                                   Sandals
                                             Footwear
90
4
             5
                 45
                      Male
                                    Blouse Clothing
49
        Location Size
                            Color
                                                 Subscription Status \
                                   Season
0
        Kentucky
                             Gray Winter
                                                                  Yes
                                                                  Yes
1
           Maine
                     L
                           Maroon Winter
                                            . . .
2
   Massachusetts
                     S
                           Maroon
                                   Spring
                                                                  Yes
3
    Rhode Island
                     М
                           Maroon
                                   Spring
                                                                  Yes
4
          0regon
                       Turquoise
                                   Spring
                                                                  Yes
  Payment Method Shipping Type Discount Applied Promo Code Used \
0
     Credit Card
                         Express
                                               Yes
                                                               Yes
1
   Bank Transfer
                         Express
                                               Yes
                                                               Yes
2
            Cash Free Shipping
                                               Yes
                                                               Yes
3
          PayPal
                   Next Day Air
                                               Yes
                                                               Yes
4
                 Free Shipping
            Cash
                                               Yes
                                                               Yes
  Previous Purchases Preferred Payment Method Frequency of Purchases
0
                   14
                                          Venmo
                                                            Fortnightly
1
                   2
                                            Cash
                                                            Fortnightly
                  23
                                    Credit Card
                                                                  Weekly
3
                  49
                                          PayPal
                                                                  Weekly
                  31
                                          PayPal
                                                               Annually
  avg_temp
            weather
0
        - 5
              Snowy
        - 5
1
              Snowy
2
        15
              Rainy
```

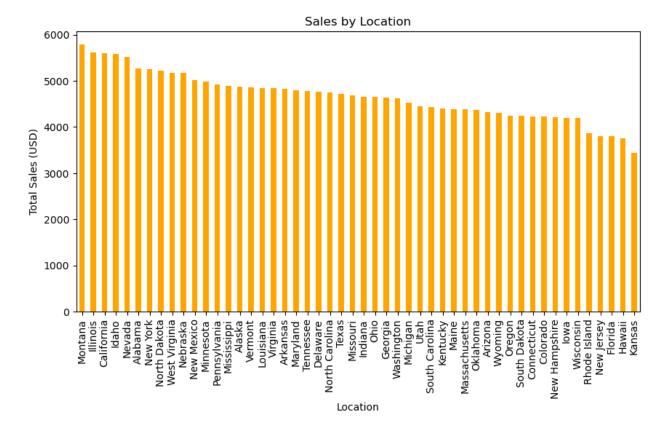
```
3 15 Rainy
4 15 Rainy
[5 rows x 21 columns]
```

Exploratory Data Analysis (EDA)

```
sales by category = data.groupby('Category')['Purchase Amount
(USD)'].sum().sort values(ascending=False)
sales by location = data.groupby('Location')['Purchase Amount
(USD) | .sum().sort values(ascending=False)
# Sales by Category
plt.figure(figsize=(10, 5))
sales_by_category.plot(kind='bar', color='skyblue')
plt.title('Sales by Category')
plt.ylabel('Total Sales (USD)')
plt.show()
# Description for Sales by Category
print("Analysis: The 'Clothing' category significantly outperforms
other categories with over 100,000 USD in sales. "
      "'Accessories' and 'Footwear' follow, while 'Outerwear' has the
least sales. This indicates that focus should "
      "be placed on maintaining inventory for high-performing
categories and boosting 'Outerwear' sales through targeted
marketing.")
# Sales by Location
plt.figure(figsize=(10, 5))
sales by location.plot(kind='bar', color='orange')
plt.title('Sales by Location')
plt.ylabel('Total Sales (USD)')
plt.show()
# Description for Sales by Location
print("Analysis: The state of Montana leads in total sales, followed
closely by California and Illinois. "
      "Kansas has the lowest sales. Retailers should investigate
reasons behind the underperformance in certain states "
      "and design targeted campaigns to boost sales in these
regions.")
```



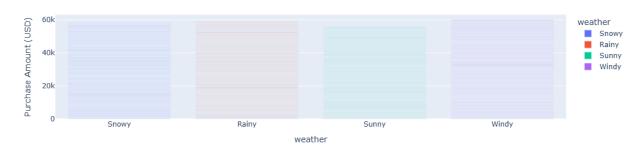
Analysis: The 'Clothing' category significantly outperforms other categories with over 100,000 USD in sales. 'Accessories' and 'Footwear' follow, while 'Outerwear' has the least sales. This indicates that focus should be placed on maintaining inventory for high-performing categories and boosting 'Outerwear' sales through targeted marketing.



```
Analysis: The state of Montana leads in total sales, followed closely
by California and Illinois. Kansas has the lowest sales. Retailers
should investigate reasons behind the underperformance in certain
states and design targeted campaigns to boost sales in these regions.
print(data.columns)
Index(['Customer ID', 'Age', 'Gender', 'Item Purchased', 'Category',
       'Purchase Amount (USD)', 'Location', 'Size', 'Color', 'Season',
       'Review Rating', 'Subscription Status', 'Payment Method',
       'Shipping Type', 'Discount Applied', 'Promo Code Used',
       'Previous Purchases', 'Preferred Payment Method',
       'Frequency of Purchases', 'avg_temp', 'weather'],
      dtype='object')
from sklearn.preprocessing import StandardScaler
scaler = StandardScaler()
data scaled = scaler.fit transform(data[['Age', 'Previous
Purchases '11)
# Apply K-Means Clustering
kmeans = KMeans(n clusters=4, random state=42)
data['customer segment'] = kmeans.fit predict(data scaled)
```

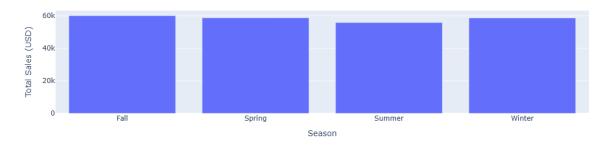
Impact of Weather on Sales.

Impact of Weather on Sales

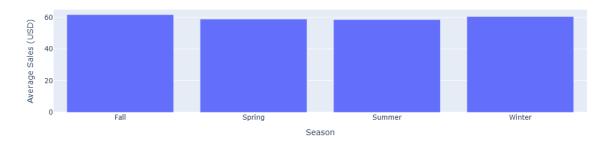


Seasonal Impact Analysis

Total Sales by Season



Average Sales by Season



Seasonal Segmentation

Sales by Category and Season

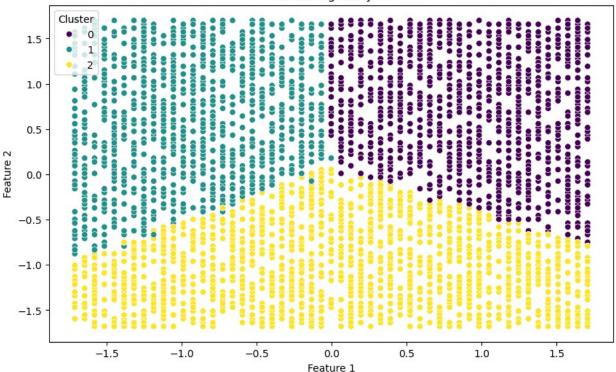


Clustering Analysis

```
'customer segment'],
      dtvpe='object')
# Select relevant features for clustering (create a copy to avoid
SettingWithCopyWarning)
clustering data = data[['Age', 'Purchase Amount (USD)', 'Frequency of
Purchases']].copy()
# Debugging the filtering step
print(f"Initial dataset shape: {data.shape}")
Initial dataset shape: (3900, 22)
# Check for missing or unexpected values
print(f"Missing values in clustering data:
{clustering data.isnull().sum()}")
print(f"Unique values in 'Frequency of Purchases':
{clustering data['Frequency of Purchases'].unique()}")
Missing values in clustering data: Age
                                                              0
Purchase Amount (USD)
Frequency of Purchases
dtype: int64
Unique values in 'Frequency of Purchases': ['Fortnightly' 'Weekly'
'Annually' 'Quarterly' 'Bi-Weekly' 'Monthly'
'Every 3 Months']
# Map categorical values to numeric for 'Frequency of Purchases'
frequency mapping = {
    'Fortnightly': 14,
    'Weekly': 7,
    'Annually': 365,
    'Quarterly': 90,
    'Bi-Weekly': 14,
    'Monthly': 30,
    'Every 3 Months': 90
}
clustering data['Frequency of Purchases'] = clustering data['Frequency
of Purchases'].map(frequency mapping).fillna(0)
# Check dataset after mapping
print(f"After mapping, missing values:
{clustering data.isnull().sum()}")
# Drop rows with missing values
clustering data = clustering data.dropna()
print(f"Clustering data shape after cleaning:
{clustering data.shape}")
After mapping, missing values: Age
                                                          0
Purchase Amount (USD)
```

```
Frequency of Purchases
dtype: int64
Clustering data shape after cleaning: (3900, 3)
# Ensure dataset is not empty
if clustering data.shape[0] == 0:
    print("No valid data for clustering. Please review filtering
steps.")
else:
    # Standardize the data
    scaler = StandardScaler()
    clustering data scaled = scaler.fit transform(clustering data)
    # Perform clustering
    kmeans = KMeans(n clusters=3, random state=42)
    clustering data['Cluster'] =
kmeans.fit predict(clustering data scaled)
    # Visualize clustering results
    plt.figure(figsize=(10, 6))
    sns.scatterplot(
        x=clustering data scaled[:, 0],
        y=clustering data scaled[:, 1],
        hue=clustering_data['Cluster'],
        palette='viridis'
    plt.title('Clustering Analysis')
    plt.xlabel('Feature 1')
    plt.ylabel('Feature 2')
    plt.show()
```





Regression Analysis

```
data['Campaign'] = np.random.choice(['Campaign A', 'Campaign B',
'Campaign C'], size=len(data))
print(data.columns)
Index(['Customer ID', 'Age', 'Gender', 'Item Purchased', 'Category',
        'Purchase Amount (USD)', 'Location', 'Size', 'Color', 'Season',
        'Review Rating', 'Subscription Status', 'Payment Method', 'Shipping Type', 'Discount Applied', 'Promo Code Used',
        'Previous Purchases', 'Preferred Payment Method',
        'Frequency of Purchases', 'avg_temp', 'weather',
'customer_segment',
        'Campaign'l,
      dtype='object')
# Check unique values in the column
print(data['Frequency of Purchases'].unique())
['Fortnightly' 'Weekly' 'Annually' 'Quarterly' 'Bi-Weekly' 'Monthly'
 'Every 3 Months']
frequency mapping = {
     'Fortnightly': 14,
    'Weekly': 7,
     'Annually': 365,
```

```
'Quarterly': 90,
    'Bi-weekly': 14,
    'Monthly': 30,
    'Every 3 Months': 90
}
# Apply mapping and replace unmapped values with 0
data['Frequency of Purchases'] = data['Frequency of
Purchases'].map(frequency mapping).fillna(0)
# Print unique values to confirm successful mapping
print(data['Frequency of Purchases'].unique())
[ 14. 7. 365. 90. 0. 30.]
data['Frequency of Purchases'] = pd.to numeric(data['Frequency of
Purchases'], errors='coerce')
# Check the data type to confirm
print(data['Frequency of Purchases'].dtype)
float64
print(regression data.columns)
Index(['Age', 'Frequency of Purchases', 'Purchase Amount (USD)'],
dtype='object')
regression_data = data[['Age', 'Frequency of Purchases', 'Purchase
Amount (USD)']].copy()
X = regression data.drop(columns=['Purchase Amount (USD)'])
y = regression data['Purchase Amount (USD)']
from sklearn.model selection import train test split
from sklearn.linear_model import LinearRegression
from sklearn.metrics import mean squared error, r2 score
X train, X test, y train, y test = train test split(X, y,
test size=0.2, random state=42)
model = LinearRegression()
model.fit(X train, y train)
y pred = model.predict(X test)
mse = mean_squared_error(y_test, y_pred)
r2 = r2 score(y test, y pred)
print("Mean Squared Error:", mse)
print("R-Squared Score:", r2)
```

```
Mean Squared Error: 564.5464014307929
R-Squared Score: -0.008870954279704746
```

Advanced Analysis

```
print(data.columns)
Index(['Customer ID', 'Age', 'Gender', 'Item Purchased', 'Category',
        'Purchase Amount (USD)', 'Location', 'Size', 'Color', 'Season',
       'Review Rating', 'Subscription Status', 'Payment Method', 'Shipping Type', 'Discount Applied', 'Promo Code Used',
        'Previous Purchases', 'Preferred Payment Method',
       'Frequency of Purchases', 'avg temp', 'weather',
'customer segment',
        'Campaign'],
      dtype='object')
# Linear Regression to Analyze Drivers of Sales
X = data[['Age', 'Previous Purchases', 'Review Rating']]
v = data['Purchase Amount (USD)']
model = LinearRegression()
model.fit(X, y)
predictions = model.predict(X)
# Model Evaluation
mse = mean squared error(y, predictions)
r2 = r2_score(y, predictions)
print(f"Mean Squared Error: {mse}")
print(f"R^2 Score: {r2}")
Mean Squared Error: 560.2304530962426
R^2 Score: 0.0011117107735826304
```

Customer Lifetime Value (CLV) Calculation

```
# Calculate Average Purchase Value
data['Purchase Frequency'] = data['Previous Purchases'] /
(data['Previous Purchases'].count() / len(data))
average_purchase_value = data['Purchase Amount (USD)'].mean()

# Calculate CLV
clv = average_purchase_value * data['Purchase Frequency'] * 12 #
Assuming 12 months
data['CLV'] = clv

# Display the top 5 customers with the highest CLV
print(data[['Customer ID', 'CLV']].sort_values(by='CLV',
ascending=False).head())
```

```
Customer ID CLV
3261 3262 35858.615385
633 634 35858.615385
2262 2263 35858.615385
2264 2265 35858.615385
124 125 35858.615385
```

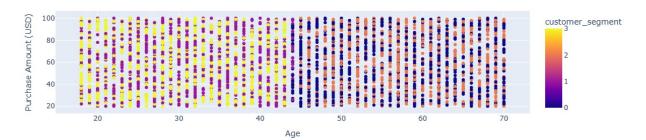
Visualization

```
print(data.columns)
Index(['Customer ID', 'Age', 'Gender', 'Item Purchased', 'Category',
       'Purchase Amount (USD)', 'Location', 'Size', 'Color', 'Season',
       'Review Rating', 'Subscription Status', 'Payment Method', 'Shipping Type', 'Discount Applied', 'Promo Code Used',
       'Previous Purchases', 'Preferred Payment Method',
       'Frequency of Purchases', 'avg temp', 'weather',
'customer segment',
       'Campaign', 'Purchase Frequency', 'CLV'],
      dtype='object')
data['Age'] = pd.to numeric(data['Age'], errors='coerce')
data = data.dropna(subset=['Age', 'Previous Purchases', 'Review
Rating', 'Purchase Amount (USD)'])
from sklearn.linear model import LinearRegression
from sklearn.model selection import train test split
# Select numeric columns for regression
X = data[['Age', 'Purchase Frequency', 'CLV']] # Ensure these are
numeric columns
y = data['Purchase Amount (USD)'] # Target variable
# Split the data into training and testing sets
X train, X test, y train, y test = train test split(X, y,
test size=0.2, random state=42)
# Train the Linear Regression model
model = LinearRegression()
model.fit(X train, y train)
# Make predictions
predictions = model.predict(X test)
# Display results
print("Model Coefficients:", model.coef )
print("Model Intercept:", model.intercept )
print("Predictions:", predictions[:5])
```

```
Model Coefficients: [-2.13486261e-02 1.89251708e-09 1.35726084e-06]
Model Intercept: 61.05847851479823
Predictions: [60.04347838 60.45494263 60.22990765 59.65537554
60.03867741]
import plotly.express as px

# Scatter plot for customer segmentation
fig = px.scatter(
    data,
    x='Age', # x-axis
    y='Purchase Amount (USD)', # y-axis
    color='customer_segment', # Color-coded by customer segment
    title='Customer Segmentation',
    labels={'x': 'Age', 'y': 'Purchase Amount (USD)'}
)
fig.show()
```

Customer Segmentation



Suggestions for Improving Sales and Optimizing Product Placements

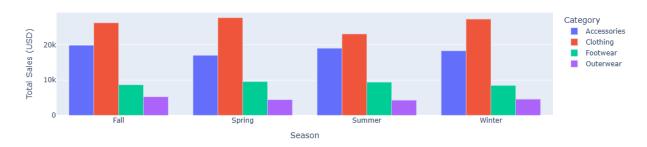
Identify High-Demand Categories During Holidays

```
# Group sales data by Season and Category
holiday_sales = data.groupby(['Season', 'Category'])['Purchase Amount
(USD)'].sum().reset_index()

# Create a bar chart to visualize sales trends by season and category
import plotly.express as px

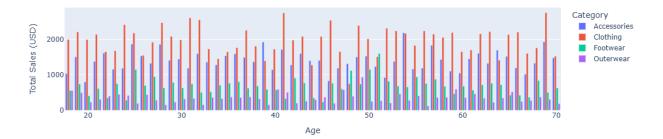
holiday_sales_fig = px.bar(
    holiday_sales,
    x='Season',
    y='Purchase Amount (USD)',
    color='Category',
    barmode='group',
    title="Sales by Category During Holidays"
)
```

Sales by Category During Holidays



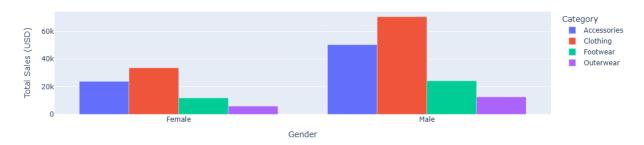
Optimize Product Placements

```
# Group sales data by Age and Category
age category sales = data.groupby(['Age', 'Category'])['Purchase
Amount (USD)'].sum().reset index()
# Create a bar chart to visualize sales trends by age and category
age category fig = px.bar(
    age category sales,
    x='Age',
    y='Purchase Amount (USD)',
    color='Category',
    title="Sales by Age Group and Category",
    barmode='group'
)
# Update chart layout
age category fig.update layout(
    xaxis title="Age",
    yaxis_title="Total Sales (USD)",
    legend title="Category"
)
# Display the chart
age_category_fig.show()
```



```
# Group sales data by Gender and Category
gender category sales = data.groupby(['Gender', 'Category'])['Purchase
Amount (USD)'].sum().reset index()
# Create a bar chart to visualize sales trends by gender and category
gender category fig = px.bar(
    gender_category_sales,
    x='Gender',
    y='Purchase Amount (USD)',
    color='Category',
    title="Sales by Gender and Category",
    barmode='group'
)
# Update chart layout
gender_category_fig.update_layout(
    xaxis_title="Gender",
    yaxis title="Total Sales (USD)",
    legend title="Category"
)
# Display the chart
gender category fig.show()
```

Sales by Gender and Category



Recommendations for furtue Enchancement

recommendations = """

- 1. *Inventory Management:* Stock up with popular items for holiday seasons to meet demand both in-store and online.
- 2. *Product Placement:* Top-selling products have to be placed in the most visible areas, both in-store and online, for maximum appeal to customers.
- 3. *Target Marketing:* Focused marketing campaigns on select groups of customers will do much more in helping exploit this opportunity, especially during peak seasons.
- 4. *Promotions:* Run pre-season and in-season discounts to drive early shopping and increase sales.
- 5. *Weather-Driven Campaigns:* Create and publish dynamic marketing campaigns according to the weather forecast, such as running ads for warm winter wear on snowy days or rain gear on rainy days.
- 6. *Loyalty Programs:* Reward your best customers with special offers or exclusive memberships to keep them engaged and coming back.

0.0.0

print(recommendations)

- 1. *Inventory Management:* Stock up with popular items for holiday seasons to meet demand both in-store and online.
- 2. *Product Placement:* Top-selling products have to be placed in the most visible areas, both in-store and online, for maximum appeal to customers.
- 3. *Target Marketing:* Focused marketing campaigns on select groups of customers will do much more in helping exploit this opportunity, especially during peak seasons.
- 4. *Promotions:* Run pre-season and in-season discounts to drive early shopping and increase sales.
- 5. *Weather-Driven Campaigns:* Create and publish dynamic marketing campaigns according to the weather forecast, such as running ads for warm winter wear on snowy days or rain gear on rainy days.
- 6. *Loyalty Programs:* Reward your best customers with special offers or exclusive memberships to keep them engaged and coming back.

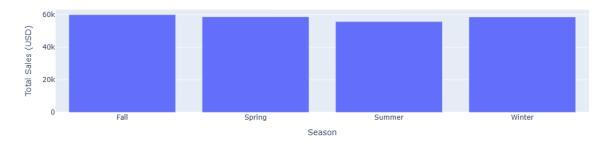
Bonus Task

Add a Module to Analyze Marketing Campaign Effectiveness

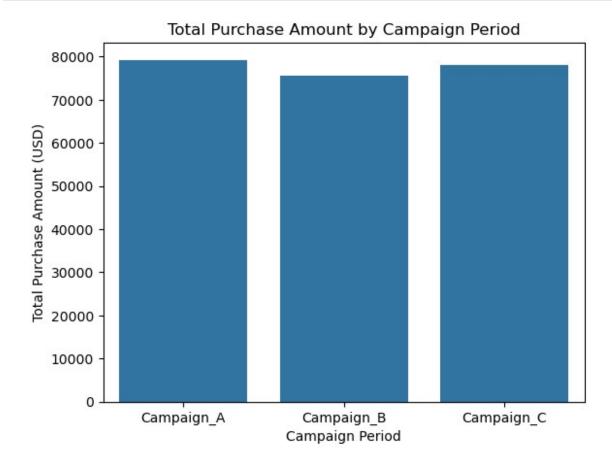
```
# Ensure 'Campaign' column exists
if 'Campaign' not in data.columns:
    # Create a synthetic campaign based on purchase amount
    data['Campaign'] = data['Purchase Amount (USD)'].apply(
        lambda x: 'High Campaign' if x > 100 else 'Low Campaign'
```

```
)
# Analyze the impact of campaigns
campaign analysis = data.groupby('Campaign')['Purchase Amount
(USD)'1.sum()
print(campaign analysis)
Campaign
Campaign A
              79293
Campaign B
              75612
Campaign C
              78176
Name: Purchase Amount (USD), dtype: int64
# Grouping by Season to analyze sales trends
seasonal_trends = data.groupby('Season')['Purchase Amount
(USD)'].sum()
print("Seasonal Trends:")
print(seasonal trends)
# Visualizing Seasonal Trends
import plotly.express as px
fig = px.bar(
    x=seasonal trends.index,
    y=seasonal trends.values,
    title="Sales Trends by Season",
    labels={'x': 'Season', 'y': 'Total Sales (USD)'}
fig.show()
Seasonal Trends:
Season
          60018
Fall
Spring
          58679
Summer
          55777
          58607
Winter
Name: Purchase Amount (USD), dtype: int64
```

Sales Trends by Season



```
data.columns = data.columns.str.strip()
campaign_analysis = data.groupby('Campaign')['Purchase Amount
(USD)'].agg(['mean', 'sum', 'count']).reset_index()
print("Campaign Effectiveness Analysis:")
print(campaign analysis)
Campaign Effectiveness Analysis:
     Campaign
                    mean
                            sum count
   Campaign_A 60.161608 79293
                                  1318
   Campaign B 59.583924
1
                         75612
                                  1269
2 Campaign C 59.539985 78176
                                  1313
import seaborn as sns
sns.barplot(x='Campaign', y='sum', data=campaign analysis)
plt.title('Total Purchase Amount by Campaign Period')
plt.ylabel('Total Purchase Amount (USD)')
plt.xlabel('Campaign Period')
plt.show()
```



Forecasting (Bonus Task)

Using ARIMA for Forecasting

```
print(data.columns)
Index(['Customer ID', 'Age', 'Gender', 'Item Purchased', 'Category',
       'Purchase Amount (USD)', 'Location', 'Size', 'Color', 'Season', 'Review Rating', 'Subscription Status', 'Payment Method', 'Shipping Type', 'Discount Applied', 'Promo Code Used',
       'Previous Purchases', 'Preferred Payment Method',
       'Frequency of Purchases', 'avg temp', 'weather',
dtype='object')
# Load the data (update the path as necessary)
data = pd.read csv('C:/Users/chira/Downloads/archive
(1)/shopping trends.csv')
# Use a column as the value to forecast (replace
'purchase amount (usd)' with your column name)
data['Purchase Amount (USD)'] = data['Purchase Amount
(USD)'].fillna(<sup>0</sup>) # Fill missing values
# Use sequential indices as time
data['time index'] = np.arange(len(data))
# Aggregate purchase amounts by the sequential time index (if
necessary)
forecast data = data.groupby('time index')['Purchase Amount
(USD)'].sum().reset index()
# Set up the time series
ts = forecast data['Purchase Amount (USD)']
# Apply Holt-Winters Exponential Smoothing
model = ExponentialSmoothing(ts, seasonal=None, trend='add',
damped trend=True).fit()
# Aggregate the data by weekly or monthly intervals for clarity
data['time index'] = pd.to datetime(data.index, unit='D') # Convert
index to datetime
data.set index('time index', inplace=True)
data weekly = data['Purchase Amount (USD)'].resample('W').sum() #
Aggregate by weeks
# Apply the Holt-Winters Smoothing for forecasting
model = ExponentialSmoothing(data weekly, seasonal=None, trend='add',
damped trend=True).fit()
# Forecast the next 30 weeks
```

```
forecast_steps = 30
forecast = model.forecast(steps=forecast_steps)

# Plot the actual data and forecast
plt.figure(figsize=(12, 6))
plt.plot(data_weekly, label='Actual Data', color='blue', linewidth=2)
plt.plot(forecast, label='Forecast', color='orange', linewidth=2)
plt.title('Purchase Amount Forecasting (Weekly)', fontsize=14)
plt.xlabel('Time', fontsize=12)
plt.ylabel('Purchase Amount (USD)', fontsize=12)
plt.legend()
plt.grid()
plt.show()
```

