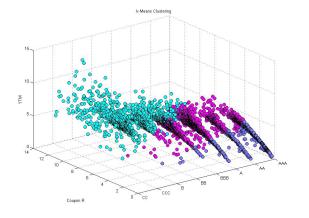
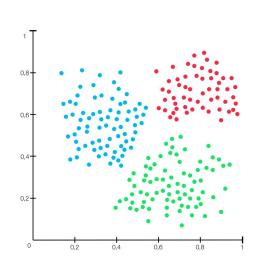
Clustering with K-Means & DBSCAN





What is Clustering?

Grouping unlabeled examples is called clustering.

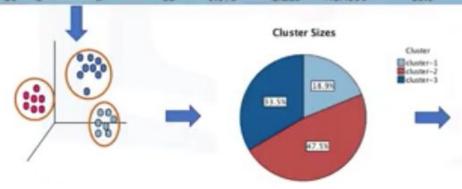
Why do we need Clustering?

- Segmentation
- Outlier Detection
- Fraud Detection
- Computer Vision
- Pre-processing step

Clustering for segmentation

Customer Id	Age	Edu	Years Employed	Income	Card Debt	Other Debt	Address	DebtIncomeRatio	Defaulted
1	41	2	6	19	0.124	1.073	NBA001	6.3	0
2	47	1	26	100	4.582	8.218	NBA021	12.8	0
3	33	2	10	57	6.111	5.802	NBA013	20.9	1
4	29	2	4	19	0.681	0.516	NBA009	6.3	0
5	47	1	31	253	9.308	8.908	NBA008	7.2	0
6	40	1	23	81	0.998	7.831	NBA016	10.9	1
7	38	2	4	56	0.442	0.454	NBA013	1.6	0
8	42	3	0	64	0.279	3.945	NBA009	6.6	0
9	26	1	5	18	0.575	2.215	NBA006	15.5	1

Customer ID	Segment
1	YOUNG AND LOW INCOME
	AFFULUENT AND MIDDLE AGED
	AFFULUENT AND MIDDLE AGED
4	YOUNG AND LOW INCOME
	AFFULUENT AND MIDDLE AGED
	AFFULUENT AND MIDDLE AGED
7	YOUNG AND LOW INCOME
8	YOUNG AND LOW INCOME
	AFFULUENT AND MIDDLE AGED

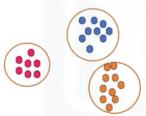


Cluster	Segment Name			
cluster-1	AFFULUENT AND MIDDLE AGED			
cluster-2	YOUNG EDUCATED AND MIDDLE INCOME			
cluster-3	YOUNG AND LOW INCOME			

Clustering Algorithms

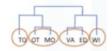
- **Partition-based Clustering** (k-Means, Fuzzy c-Means, etc.)
 - Efficient when used for Medium or Large sized datasets
- **Hierarchical Clustering** (Agglomerative, Divisive)
 - Produces Trees of Clusters
 - Small sized datasets
- **Density-based Clustering (DBSCAN)** 3.
 - Produces **Arbitrary shaped** clusters
 - Efficient when there is **Noise** in dataset
 - Spherical-shape clusters











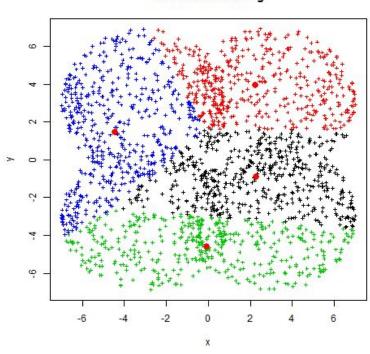


k-Means

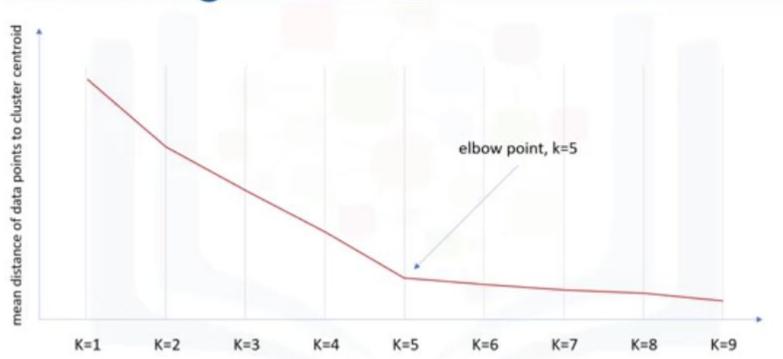
k-Means algorithm steps

- 1. Define num of clusters
 - a. Initialize k value
- Calculate distance of each data point from the centroids
- 3. Assign each point to closest centroidb. Clusters produced
- 4. Move the existing centroids to its clusters's data points means.
- 5. Repeat steps 2-3-4 until no centroids will move

K Means Clustering



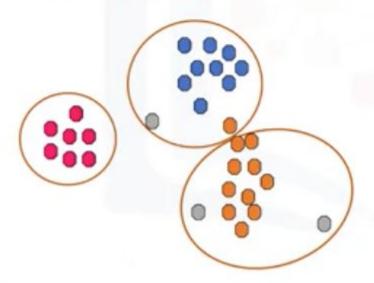
Choosing k

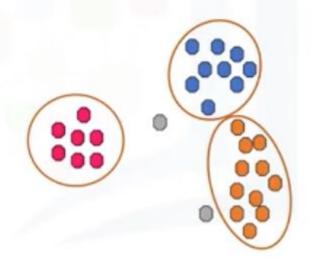


DBSCAN

k-Means Vs. density-based clustering

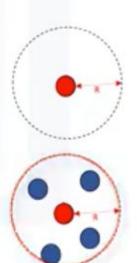
 k-Means assigns all points to a cluster even if they do not belong in any Density-based Clustering locates regions of high density, and separates outliers



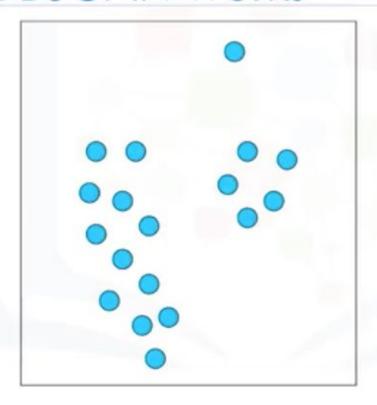


What is DBSCAN?

- DBSCAN (Density-Based Spatial Clustering of Applications with Noise)
 - · Is one of the most common clustering algorithms
 - Works based on density of objects
- R (Radius of neighborhood)
 - Radius (R) that if includes enough number of points within, we call it a dense area
- M (Min number of neighbors)
 - The minimum number of data points we want in a neighborhood to define a cluster



How DBSCAN works

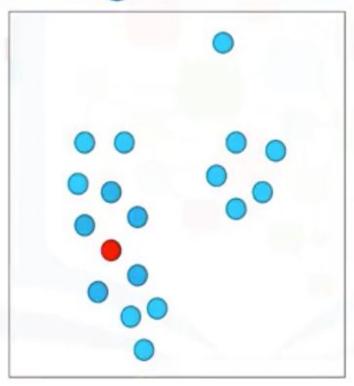


Each point is either:

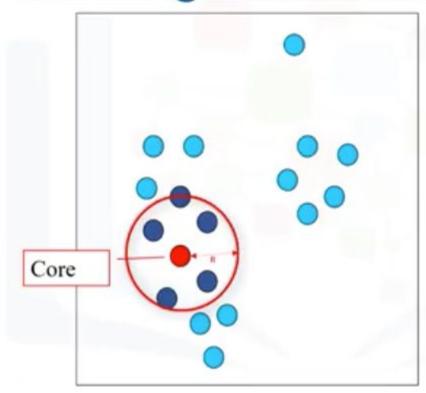
- core point
- border point
- · outlier point

$$R = 2unit$$
, $M = 6$

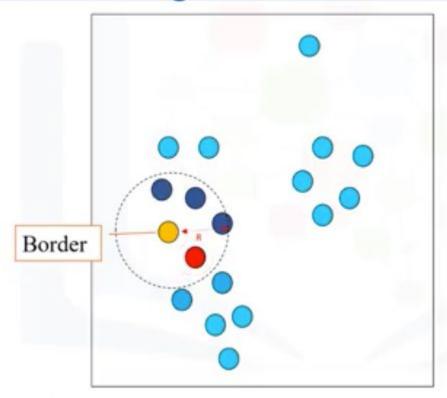
DBSCAN algorithm – core point?



DBSCAN algorithm - core point



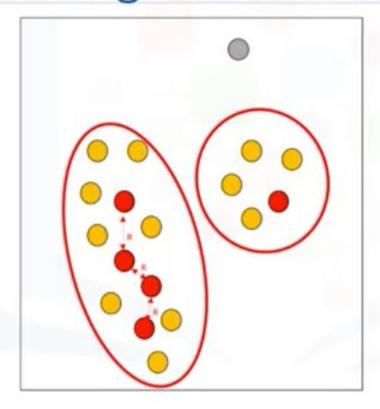
DBSCAN algorithm – border points?



DBSCAN algorithm – outliers



DBSCAN algorithm – clusters?



k-Means

DBSCAN

