```
In [2]:
         # Import our visualization libraries
         import pandas as pd
         import seaborn as sns
         import matplotlib.pyplot as plt
         import plotly.express as px
         import numpy as np
         import sklearn
         df = pd.read_csv("marketing_campaign.csv", sep="\t")
In [3]:
         df.head()
Out[3]:
              ID Year_Birth
                            Education Marital_Status Income Kidhome Teenhome Dt_Customer Recency
         0 5524
                      1957
                            Graduation
                                              Single
                                                     58138.0
                                                                    0
                                                                               0
                                                                                   04-09-2012
                                                                                                    58
         1 2174
                      1954 Graduation
                                              Single 46344.0
                                                                               1
                                                                                   08-03-2014
                                                                                                    38
         2 4141
                      1965 Graduation
                                            Together 71613.0
                                                                    0
                                                                               0
                                                                                   21-08-2013
                                                                                                    26
         3 6182
                                            Together 26646.0
                                                                                   10-02-2014
                      1984 Graduation
                                                                               0
                                                                                                    26
         4 5324
                      1981
                                  PhD
                                             Married 58293.0
                                                                    1
                                                                               0
                                                                                   19-01-2014
                                                                                                    94
        5 rows × 29 columns
```

## **Content Attributes**

# **People**

- ID: Customer's unique identifier
- Year\_Birth: Customer's birth year
- Education: Customer's education level
- Marital\_Status: Customer's marital status
- Income: Customer's yearly household income
- Kidhome: Number of children in customer's household
- Teenhome: Number of teenagers in customer's household
- Dt\_Customer: Date of customer's enrollment with the company
- Recency: Number of days since customer's last purchase
- Complain: 1 if the customer complained in the last 2 years, 0 otherwise

## **Products**

- MntWines: Amount spent on wine in last 2 years
- MntFruits: Amount spent on fruits in last 2 years
- MntMeatProducts: Amount spent on meat in last 2 years
- MntFishProducts: Amount spent on fish in last 2 years

- MntSweetProducts: Amount spent on sweets in last 2 years
- MntGoldProds: Amount spent on gold in last 2 years

#### **Promotion**

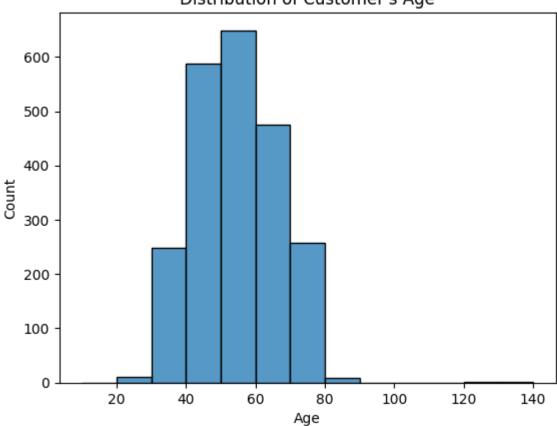
- NumDealsPurchases: Number of purchases made with a discount
- AcceptedCmp1: 1 if customer accepted the offer in the 1st campaign, 0 otherwise
- AcceptedCmp2: 1 if customer accepted the offer in the 2nd campaign, 0 otherwise
- AcceptedCmp3: 1 if customer accepted the offer in the 3rd campaign, 0 otherwise
- AcceptedCmp4: 1 if customer accepted the offer in the 4th campaign, 0 otherwise
- AcceptedCmp5: 1 if customer accepted the offer in the 5th campaign, 0 otherwise
- Response: 1 if customer accepted the offer in the last campaign, 0 otherwise

## **Place**

- NumWebPurchases: Number of purchases made through the company's website
- NumCatalogPurchases: Number of purchases made using a catalogue
- NumStorePurchases: Number of purchases made directly in stores
- NumWebVisitsMonth: Number of visits to company's website in the last month

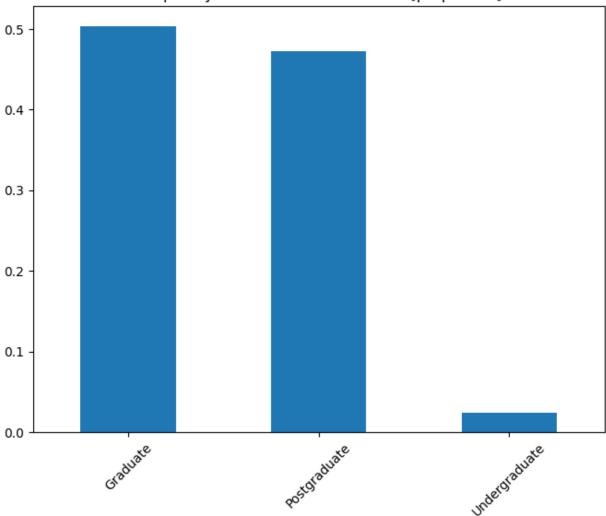
```
df["TotalAmountSpent"] = df["MntFishProducts"] + df["MntFruits"] + df["MntGoldProds"]
In [4]:
In [5]:
        from datetime import datetime
        df["Age"] = df["Year Birth"].apply(lambda x : datetime.now().year - x)
In [6]:
        df["Age"].describe()
In [7]:
        count
                  2240.000000
Out[7]:
                    54.194196
        mean
                    11.984069
        std
                    27.000000
        min
        25%
                   46.000000
        50%
                    53.000000
                    64.000000
        75%
                   130.000000
        max
        Name: Age, dtype: float64
In [8]:
        sns.histplot(data=df, x="Age", bins = list(range(10, 150, 10)))
         plt.title("Distribution of Customer's Age")
         plt.savefig("Age.png");
```

#### Distribution of Customer's Age

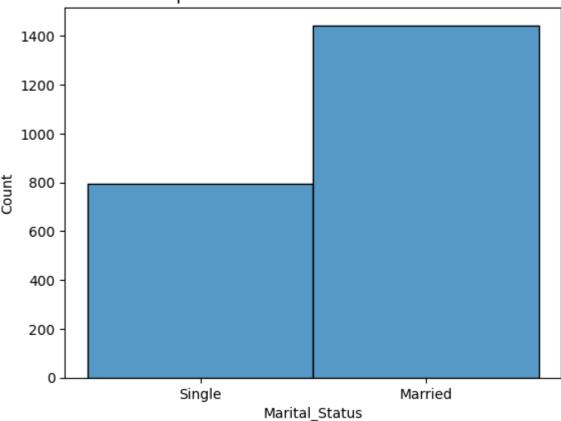


```
df["Education"] = df["Education"].replace({"Graduation":"Graduate", "PhD":"Postgraduat
 In [9]:
In [10]:
         df["Education"].value_counts()
         Graduate
                           1127
Out[10]:
         Postgraduate
                           1059
         Undergraduate
                             54
         Name: Education, dtype: int64
         df["Education"].unique()
In [11]:
         array(['Graduate', 'Postgraduate', 'Undergraduate'], dtype=object)
Out[11]:
In [12]:
         df["Education"].value counts(normalize=True).plot.bar(figsize=(8, 6))
          plt.xticks(rotation=45)
          plt.title("Frequency of Customer's Education [proportion]");
```

#### Frequency of Customer's Education [proportion]

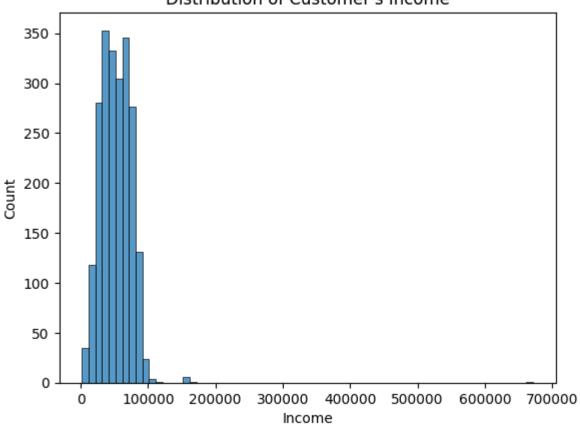


# Proportion of Customer's Marital Status



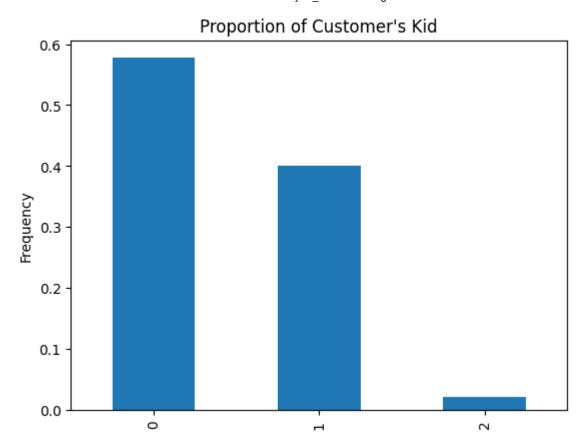
```
In [16]: sns.histplot(data=df, x="Income", binwidth=1e4)
plt.title("Distribution of Customer's Income");
```

#### Distribution of Customer's Income



```
In [17]: df["Kidhome"].unique()
Out[17]: array([0, 1, 2])

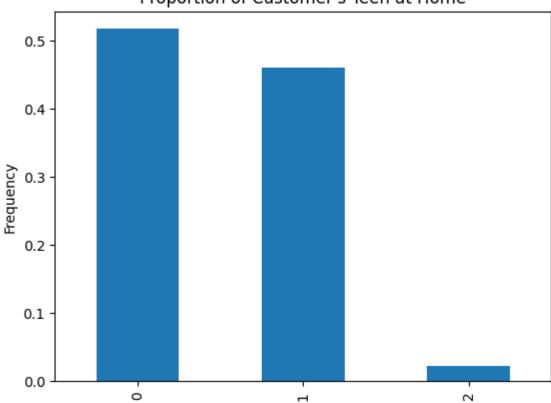
In [18]: df["Kidhome"].value_counts(normalize=True).plot.bar()
    plt.ylabel("Frequency")
    plt.title("Proportion of Customer's Kid");
```



```
In [19]: df["Teenhome"].unique()
Out[19]: array([0, 1, 2])

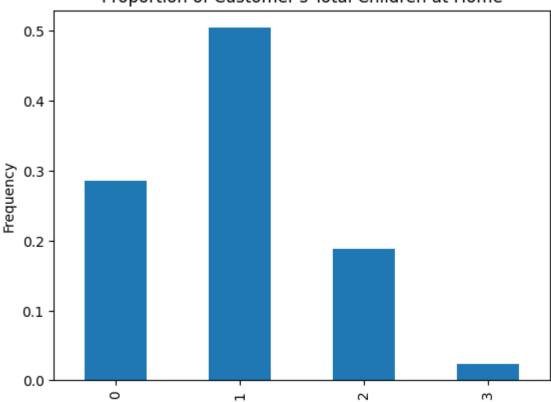
In [20]: df["Teenhome"].value_counts(normalize=True).plot.bar()
    plt.ylabel("Frequency")
    plt.title("Proportion of Customer's Teen at Home");
```

# Proportion of Customer's Teen at Home



```
In [21]: df["Total Children"] = df["Kidhome"] + df["Teenhome"]
In [22]: df["Total Children"].unique()
Out[22]: array([0, 2, 1, 3])
In [23]: df["Total Children"].value_counts(normalize=True).sort_index().plot.bar()
    plt.ylabel("Frequency")
    plt.title("Proportion of Customer's Total Children at Home");
```

# Proportion of Customer's Total Children at Home



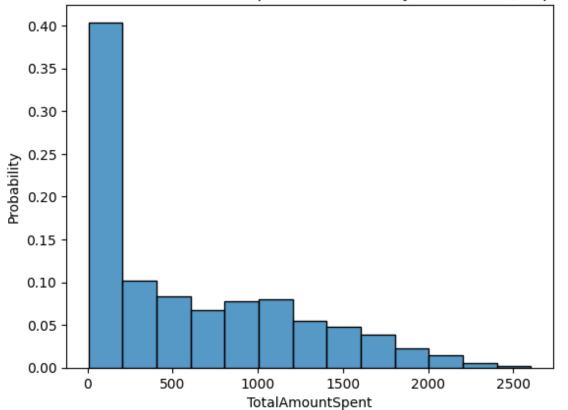
```
In [24]: df["TotalAmountSpent"].describe()
```

count 2240.000000 Out[24]: 605.798214 mean 602.249288 std 5.000000 min 25% 68.750000 50% 396.000000 75% 1045.500000 2525.000000 max

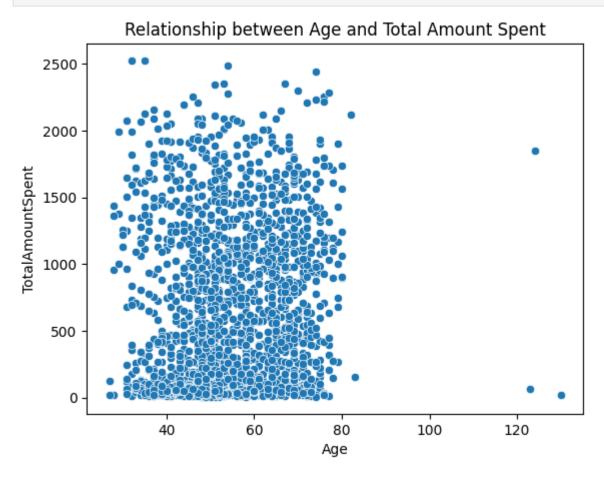
Name: TotalAmountSpent, dtype: float64

In [25]: sns.histplot(data=df, x="TotalAmountSpent", binwidth=200, stat="probability")
plt.title("Distribution of Total Amount Spent on Product by Customers [Proportion]");

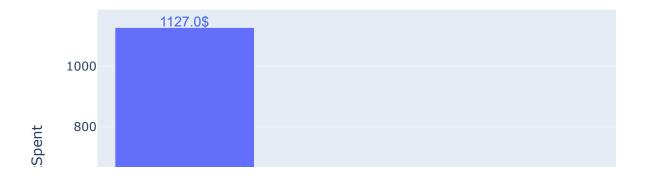
# Distribution of Total Amount Spent on Product by Customers [Proportion]



In [26]: sns.scatterplot(data=df, x="Age", y="TotalAmountSpent")
plt.title("Relationship between Age and Total Amount Spent");

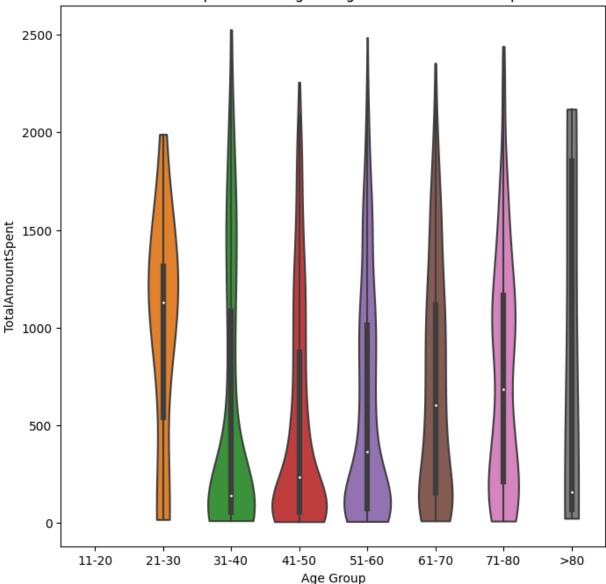


```
def group_age(age):
In [26]:
              if age <20:</pre>
                  return "11-20"
              elif age > 20 and age <31:</pre>
                  return "21-30"
              elif age > 30 and age <41:</pre>
                  return "31-40"
              elif age > 40 and age <51:</pre>
                  return "41-50"
              elif age > 50 and age <61:</pre>
                  return "51-60"
              elif age > 60 and age <71:</pre>
                  return "61-70"
              elif age > 70 and age <81:</pre>
                  return "71-80"
              elif age > 80:
                  return ">80"
In [27]: df["Age Group"] =df["Age"].apply(group_age)
          # To order plotly index
          order = ["11-20","21-30", "31-40", "41-50", "51-60", "61-70", "71-80", ">80"]
          mask = df.groupby("Age Group")["TotalAmountSpent"].median()
In [28]:
          mask = mask.reset index()
          fig = px.bar(data_frame=mask, x="Age Group", y="TotalAmountSpent", height=500)
          annotation = []
          for x, y in zip(mask["Age Group"], mask["TotalAmountSpent"]):
              annotation.append(
                  dict(x=x, y=y+20,
                        text=str(round(y, 2)) + '$',
                        font=dict(family='Arial', size=14, color='rgb(66, 99, 236)'), showarrow=F
          fig.update xaxes(categoryorder='array', categoryarray= order)
          fig.update_layout(annotations=annotation)
          fig.show()
```



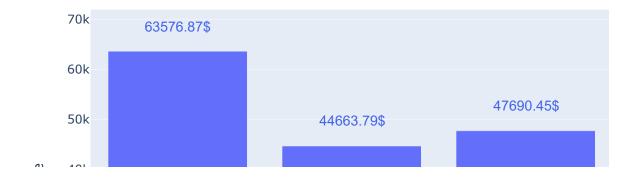
```
In [29]: plt.figure(figsize=(8, 8))
    sns.violinplot(x="Age Group", y="TotalAmountSpent", data=df, cut=0, order=order)
    plt.title("Relationship between Age Range and Total Amount Spent");
```

#### Relationship between Age Range and Total Amount Spent



```
from scipy.stats import iqr
In [30]:
In [31]:
         iqr = iqr(df["Income"], nan policy="omit")
         low = np.nanquantile(df["Income"], 0.25) - 1.5 * iqr
         high = np.nanquantile(df["Income"], 0.75) + 1.5 * iqr
In [32]:
         df_cut = df[df["Income"].between(low, high)]
         mask = df_cut.groupby("Age Group")["Income"].mean()
In [33]:
         mask = mask.reset_index()
         fig = px.bar(data_frame=mask, x="Age Group", y="Income", height=500)
         annotation = []
         for x, y in zip(mask["Age Group"], mask["Income"]):
             annotation.append(
                  dict(x=x, y=y +5000,
                       text=str(round(y, 2)) + '$',
                       font=dict(family='Arial', size=14, color='rgb(66, 99, 236)'), showarrow=F
```

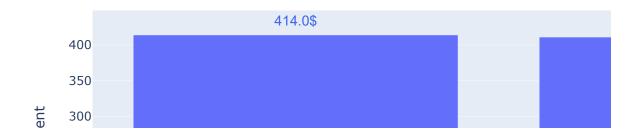
```
)
fig.update_xaxes(categoryorder='array', categoryarray= ["21-30", "31-40"])
fig.update_layout(annotations=annotation)
fig.show()
```



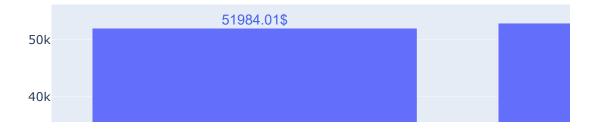
```
In [34]:
         (df_cut[df_cut["Age Group"] == "21-30"]["Income"]).describe()
                     15.000000
         count
Out[34]:
         mean
                  63576.866667
         std
                  26909.456211
                   7500.000000
         min
         25%
                  52669.500000
         50%
                  74293.000000
         75%
                  80375.500000
                  95529.000000
         max
         Name: Income, dtype: float64
In [35]:
         mask = df.groupby("Education")["TotalAmountSpent"].median()
         mask = mask.reset index()
         fig = px.bar(data_frame=mask, x="Education", y="TotalAmountSpent", height=500,
                      title = "Relationsip Between Education and Total Amount Spent [Average Spe
         annotation = []
         for x, y in zip(mask["Education"], mask["TotalAmountSpent"]):
             annotation.append(
                  dict(x=x, y=y+20,
                       text=str(round(y, 2)) + '$',
                       font=dict(family='Arial', size=14, color='rgb(66, 99, 236)'), showarrow=F
```

```
)
fig.update_xaxes(categoryorder='array', categoryarray= order)
fig.update_layout(annotations=annotation)
fig.show()
```

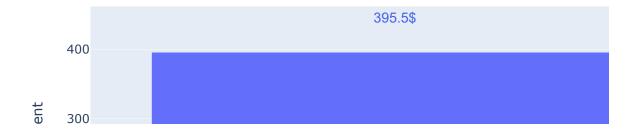
## Relationsip Between Education and Total Amount Spent [Avera



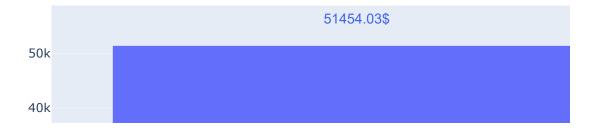
#### Relationsip Between Customer's Education Level and Income



#### Relationship between Customer's Marital Status and Total Amo

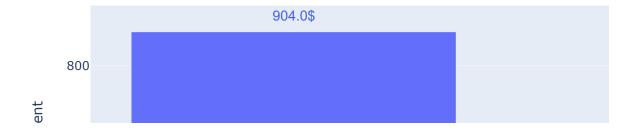


#### Relationship between Customer's Marital Status and Income [

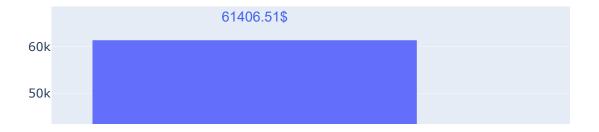


```
df["Kidhome"].value counts()
              1293
Out[39]:
               899
                48
         Name: Kidhome, dtype: int64
         mask = df.groupby("Kidhome")["TotalAmountSpent"].median()
In [40]:
         mask = mask.reset_index()
         fig = px.bar(data_frame=mask, x="Kidhome", y="TotalAmountSpent", height=500,
                       title="Relationship between Customer's Kid and Amount Spent [Average]")
         annotation = []
         for x, y in zip(mask["Kidhome"], mask["TotalAmountSpent"]):
             annotation.append(
                  dict(x=x, y=y +50,
                       text=str(round(y, 2)) + '$',
                       font=dict(family='Arial', size=14, color='rgb(66, 99, 236)'), showarrow=F
         fig.update_xaxes(categoryorder='array', categoryarray= ["21-30", "31-40"])
         fig.update layout(annotations=annotation)
         fig.show()
```

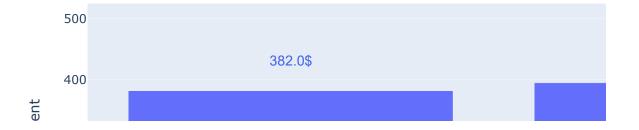
#### Relationship between Customer's Kid and Amount Spent [Ave



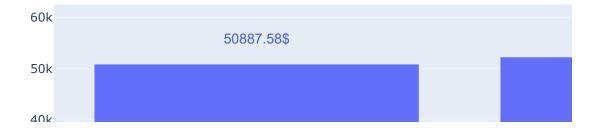
#### Relationship between Marital Status and Total Amount Spent



#### Relationship between Marital Status and Total Amount Spent



#### Relationship between Marital Status and Total Amount Spent



## Relationship between Marital Status and Amount Spent [Avera

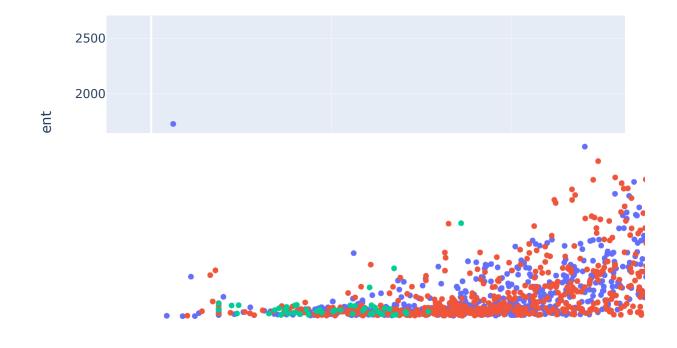


## Relationship Between Customer's Income and Total Amount S



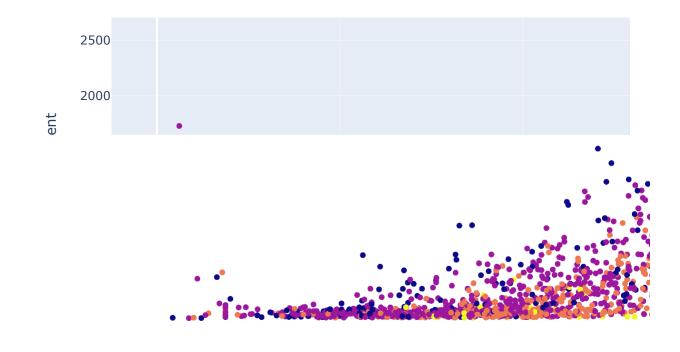
```
In [46]: fig = px.scatter(
    data_frame=df_cut,
    x = "Income",
    y= "TotalAmountSpent",
    title = "Relationship between Income VS Total Amount Spent Based on Education",
    color = "Education",
    height=500
)
fig.show()
```

## Relationship between Income VS Total Amount Spent Based o



```
In [47]: fig = px.scatter(
    data_frame=df_cut,
    x = "Income",
    y= "TotalAmountSpent",
    title = "Relationship between Income VS Total Amount Spent Based on Education",
    color = "Total Children",
    height=500
)
fig.show()
```

## Relationship between Income VS Total Amount Spent Based o



# **Building the KMeans Model**

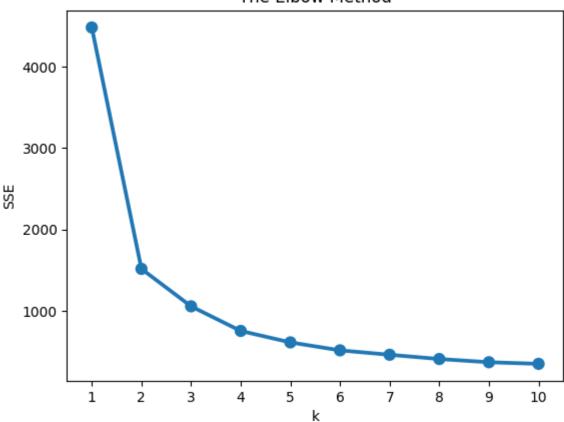
We will build the Kmeans Model using two Features to Segment the Customers Demographic and Behaviour "Income" and "Total Amount Spent"

```
import sklearn
In [48]:
         df["Income"].fillna(df["Income"].median(), inplace=True)
In [49]:
In [50]:
         data = df[["Income", "TotalAmountSpent"]]
         df_log = np.log(data)
In [51]:
         from sklearn.preprocessing import StandardScaler
In [52]:
         from sklearn.cluster import KMeans
In [53]: std_scaler = StandardScaler()
         df_scaled = std_scaler.fit_transform(df_log)
         errors = []
In [54]:
         for k in range(1, 11):
```

```
model = KMeans(n_clusters=k,n_init=10,random_state=42)
model.fit(df_scaled)
errors.append(model.inertia_)
```

```
In [55]: plt.title('The Elbow Method')
  plt.xlabel('k'); plt.ylabel('SSE')
  sns.pointplot(x=list(range(1, 11)), y=errors)
  plt.savefig("Elbow.png")
```

#### The Elbow Method



#### In [56]: %pip install kneed

Requirement already satisfied: kneed in /Users/revanthvemula/miniconda3/envs/prac/lib/python3.11/site-packages (0.8.2)

Requirement already satisfied: numpy>=1.14.2 in /Users/revanthvemula/miniconda3/envs/prac/lib/python3.11/site-packages (from kneed) (1.24.2)

Requirement already satisfied: scipy>=1.0.0 in /Users/revanthvemula/miniconda3/envs/prac/lib/python3.11/site-packages (from kneed) (1.10.1)

Note: you may need to restart the kernel to use updated packages.

The optimum number of clusters is: 3

```
In [58]: model = KMeans(n_clusters=3,n_init=10, random_state=42)
    model.fit(df_scaled)
```

```
Out[58]: 

KMeans(n_clusters=3, n_init=10, random_state=42)
```

```
In [59]: data = data.assign(ClusterLabel= model.labels_)
    data.groupby("ClusterLabel")[["Income", "TotalAmountSpent"]].median()
```

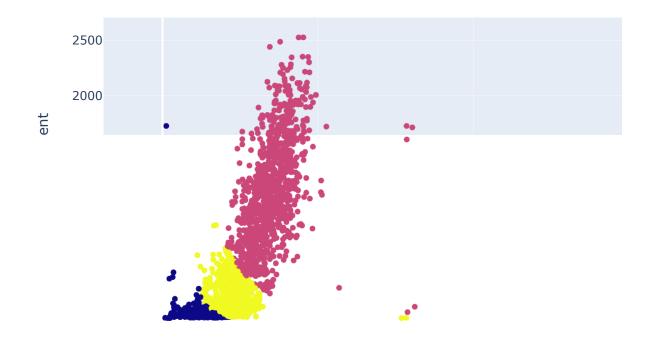
#### Out[59]: Income TotalAmountSpent

#### ClusterLabel

43.0	25261.5	0
1069.5	69084.0	1
145.0	42641.0	2

```
In [60]: fig = px.scatter(
    data_frame=data,
    x = "Income",
    y= "TotalAmountSpent",
    title = "Relationship between Income VS Total Amount Spent",
    color = "ClusterLabel",
    height=500
)
fig.show()
```

#### Relationship between Income VS Total Amount Spent



Interpreting the cluster Label. Cluster 0: Customers with low Income and Low spending. Cluster 1: Customer with moderate Income and Moderate spending. Cluster 3: Custoemers who earn much and spend much.

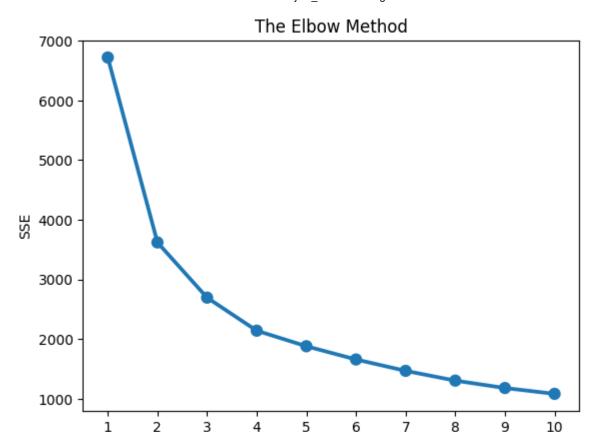
# **Building The Kmeans Model with Three Features**

```
In [61]: data = df[["Age", "Income", "TotalAmountSpent"]]

In [62]: df_log = np.log(data)
    std_scaler = StandardScaler()
    df_scaled = std_scaler.fit_transform(df_log)

In [63]: sse = {}
    for k in range(1, 11):
        model = KMeans(n_clusters=k,n_init=10, random_state=42)
        model.fit(df_scaled)
        sse[k] = model.inertia_

In [64]: plt.title('The Elbow Method')
    plt.xlabel('k'); plt.ylabel('SSE')
    sns.pointplot(x=list(sse.keys()), y=list(sse.values()))
    plt.show()
```



```
In [65]: model = KMeans(n_clusters=3,n_init=10,random_state=42)
    model.fit(df_scaled)

data = data.assign(ClusterLabel= model.labels_)

In [66]: result = data.groupby("ClusterLabel").agg({"Age":"mean", "Income":"median", "TotalAmouresult").agg({"Age":"mean", "TotalAmoure
```

k

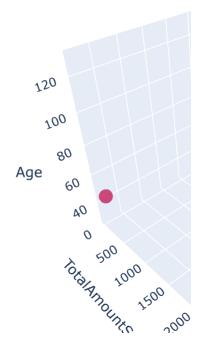
Out[66]: Age Income TotalAmountSpent

#### ClusterLabel

0	50.0	31801.0	54.0
1	45.0	67402.0	1001.0
2	66.0	62814.0	822.0

# Visualizing The Result

#### Visualizing Cluster Result Using 3 Features



Interpreting Result Cluster 1 depicts young customers that earn way lot and also spend a lot. Cluster 2 translates to old customer that earn lot and also spend high. Cluster 3 depicts young customers that earn lows and also spend low.

```
In [68]:
         from sklearn.model_selection import train_test_split
         from sklearn.linear_model import LogisticRegression
         from sklearn.metrics import accuracy score, classification report
         feature_columns = ["NumDealsPurchases", "AcceptedCmp1", "AcceptedCmp2", "AcceptedCmp3'
         X = df[feature_columns]
         y = df['Response']
         # 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
         # Standardize the features
          scaler = StandardScaler()
         X_train_scaled = scaler.fit_transform(X_train)
         X_test_scaled = scaler.transform(X_test)
         # Train the Logistic regression model
          logreg = LogisticRegression()
          logreg.fit(X_train_scaled, y_train)
```

```
# Make predictions on the test set
y_pred = logreg.predict(X_test_scaled)

# Evaluate the model performance
accuracy = accuracy_score(y_test, y_pred)
print("Accuracy: ", accuracy)
print(classification_report(y_test, y_pred))
```

```
Accuracy: 0.8459821428571429
              precision
                            recall f1-score
                                                support
           0
                    0.86
                              0.97
                                                     379
                                         0.91
                    0.50
           1
                              0.16
                                         0.24
                                                      69
    accuracy
                                         0.85
                                                    448
                    0.68
                              0.57
                                         0.58
                                                     448
   macro avg
weighted avg
                    0.81
                              0.85
                                         0.81
                                                    448
```

#### In [69]: !pip install imbalanced-learn

Requirement already satisfied: imbalanced-learn in /Users/revanthvemula/miniconda3/en vs/prac/lib/python3.11/site-packages (0.10.1)

Requirement already satisfied: numpy>=1.17.3 in /Users/revanthvemula/miniconda3/envs/prac/lib/python3.11/site-packages (from imbalanced-learn) (1.24.2)

Requirement already satisfied: scipy>=1.3.2 in /Users/revanthvemula/miniconda3/envs/prac/lib/python3.11/site-packages (from imbalanced-learn) (1.10.1)

Requirement already satisfied: scikit-learn>=1.0.2 in /Users/revanthvemula/miniconda 3/envs/prac/lib/python3.11/site-packages (from imbalanced-learn) (1.2.2)

Requirement already satisfied: joblib>=1.1.1 in /Users/revanthvemula/miniconda3/envs/prac/lib/python3.11/site-packages (from imbalanced-learn) (1.2.0)

Requirement already satisfied: threadpoolctl>=2.0.0 in /Users/revanthvemula/miniconda 3/envs/prac/lib/python3.11/site-packages (from imbalanced-learn) (3.1.0)

#### In [70]: from imblearn.over\_sampling import SMOTE

```
In [71]: X_train, X_test, y_train, y_test = train_test_split(X, y, test_size=0.3, random_state=
smote = SMOTE(random_state=42)
X_train_smote, y_train_smote = smote.fit_resample(X_train, y_train)

logreg = LogisticRegression()
logreg.fit(X_train_smote, y_train_smote)

y_pred = logreg.predict(X_test)
print("Accuracy: ", accuracy_score(y_test, y_pred))
print(classification_report(y_test, y_pred))
```

Accuracy:	0.7946428571428571					
		precision	recall	f1-score	support	
	0	0.91	0.85	0.88	577	
	1	0.34	0.48	0.40	95	
	_	0.54	0.40	0.40	22	
accur	асу			0.79	672	
macro	avg	0.62	0.66	0.64	672	
weighted	avg	0.83	0.79	0.81	672	

```
import xgboost as xgb
In [72]:
         from xgboost import XGBClassifier
         from sklearn.model selection import GridSearchCV
          # Define the XGBoost classifier
         xgb = XGBClassifier(random_state=42)
          # Define the hyperparameter search space
          param grid = {
              'max_depth': [3, 5, 7],
              'learning_rate': [0.1, 0.01, 0.001],
              'n estimators': [100, 500, 1000],
              'subsample': [0.5, 0.75, 1],
              'colsample_bytree': [0.5, 0.75, 1],
          }
         # Perform a grid search over the hyperparameter space using 5-fold cross-validation
          grid search = GridSearchCV(xgb, param grid=param grid, cv=5, scoring='f1', n jobs=-1)
         grid_search.fit(X_train_smote, y_train_smote)
          # Print the best hyperparameters
          print('Best hyperparameters:', grid_search.best_params_)
         # Train the XGBoost classifier with the best hyperparameters
          best_xgb = grid_search.best_estimator_
          best xgb.fit(X train smote, y train smote)
          # Evaluate the XGBoost classifier on the test set
         y_pred = best_xgb.predict(X_test)
          print(classification_report(y_test, y_pred))
         Best hyperparameters: {'colsample_bytree': 1, 'learning_rate': 0.01, 'max_depth': 7,
          'n_estimators': 100, 'subsample': 0.5}
                                    recall f1-score support
                       precision
                    a
                            0.90
                                      0.85
                                                 0.88
                                                            577
                            0.33
                                       0.45
                                                 0.38
                                                             95
                                                 0.79
                                                            672
             accuracy
                            0.62
                                       0.65
                                                 0.63
                                                            672
            macro avg
                                                 0.81
                                       0.79
         weighted avg
                            0.82
                                                            672
```

```
In [73]: from sklearn.ensemble import RandomForestClassifier

param_grid_rf = {
        'n_estimators': [100, 200, 500],
        'max_depth': [None, 10, 20, 30],
        'min_samples_split': [2, 5, 10],
        'min_samples_leaf': [1, 2, 4]
}

rf = RandomForestClassifier(random_state=42)
grid_search_rf = GridSearchCV(estimator=rf, param_grid=param_grid_rf, scoring='f1', cv
grid_search_rf.fit(X_train_smote, y_train_smote)

best_params_rf = grid_search_rf.best_params_
print("Best hyperparameters for Random Forest:", best_params_rf)
```

```
rf_best = RandomForestClassifier(**best_params_rf, random_state=42)
rf_best.fit(X_train_smote, y_train_smote)
y_pred_rf = rf_best.predict(X_test)
print(classification_report(y_test, y_pred_rf))
Best hyperparameters for Random Forest: {'max_depth': 10, 'min_samples_leaf': 2, 'min
_samples_split': 10, 'n_estimators': 500}
              precision
                          recall f1-score
                                              support
           0
                   0.90
                             0.85
                                       0.88
                                                   577
           1
                   0.34
                             0.45
                                       0.39
                                                   95
                                       0.80
                                                  672
    accuracy
                   0.62
                             0.65
                                       0.63
                                                  672
  macro avg
weighted avg
                   0.82
                             0.80
                                       0.81
                                                  672
```