## D212 Task 3

## April 11, 2024

**A1:** Research Question The question that I will be asking is "Which combinations of telecom products and services are most frequently purchased together by customers at risk of churn?"

**A2:** Goal of the Data Analysis The goal is to identify patterns in the combinations of products and services purchased by customers. By understanding these patterns, we can develop targeted marketing strategies and personalized offers to enhance customer retention.

**B1:** Market Basket Analysis Explained Market Basket Analysis (MBA) is a data mining technique used to enhance marketing strategies by identifying relationships between items that customers buy together frequently. In this project, we apply the Apriori algorithm, a classic MBA method, to uncover these relationships within the telecommunications dataset.

The Apriori algorithm identifies frequent individual items in the dataset and extends them to larger and larger item sets as long as those item sets appear sufficiently often in the database. The key metrics used to express the strength of associations are: \* Support - which indicates how frequently the itemset appears in the data set. \* Confidence - which indicates the likelihood of item Y being purchased when item X is purchased. \* Lift - which indicates the likelihood of item Y being purchased when item X is purchased, while controlling for the popularity of Y.

This analysis will help us understand which combinations of products and services are most appealing to customers at risk of churn, thus informing targeted marketing strategies to enhance customer retention.

(365 Data Science)

B2: Example of Transactions in the Dataset An example of a transaction from the dataset includes several items that suggest a technologically savvy customer with needs ranging from computing essentials to accessories for convenience and maintenance. Specifically, the customer purchased a "Logitech M510 Wireless Mouse," indicating the need for computer peripherals, "HP 63 Ink" and "HP 65 Ink," showing they own and use a printer frequently, and a "nonda USB C to USB Adapter," which is typically used for devices that require a USB-C connection. They also bought a "10ft iPhone Charger Cable," likely for ease of device charging over longer distances, and "Creative Pebble 2.0 Speakers," which are compact speakers that could be used for personal entertainment or as part of a home office setup. This transaction reflects a customer whose purchases are geared towards enhancing their digital and computing experience.

```
[1]: import pandas as pd
import numpy as np
import matplotlib.pyplot as plt
```

```
import seaborn as sns
    from mlxtend.frequent_patterns import association_rules, apriori
    from mlxtend.preprocessing import TransactionEncoder
     # Loading the dataset
    df = pd.read_csv(r'C:\Users\Hien_
      →Ta\OneDrive\WGU\MSDA\D212\Task_3\teleco_market_basket.csv')
    # Check data types, number of values and size of dataframe
    df.info()
    df.head()
    <class 'pandas.core.frame.DataFrame'>
    RangeIndex: 15002 entries, 0 to 15001
    Data columns (total 20 columns):
         Column Non-Null Count Dtype
     0
         Item01 7501 non-null
                                object
        Item02 5747 non-null object
     1
        Item03 4389 non-null
     2
                                object
     3
        Item04 3345 non-null
                                object
     4
        Item05 2529 non-null
                                object
     5
         Item06 1864 non-null
                                object
     6
        Item07 1369 non-null
                                object
     7
         Item08 981 non-null
                                object
         Item09 654 non-null
                                object
     9
         Item10 395 non-null
                                object
     10 Item11 256 non-null
                                object
     11 Item12 154 non-null
                                object
     12 Item13 87 non-null
                                object
     13 Item14 47 non-null
                                object
     14 Item15 25 non-null
                                object
     15 Item16 8 non-null
                                object
     16 Item17 4 non-null
                                object
     17 Item18 4 non-null
                                object
     18 Item19 3 non-null
                                object
     19 Item20 1 non-null
                                object
    dtypes: object(20)
    memory usage: 2.3+ MB
[1]:
                                      Item01
                                                                        Item02 \
    0
                                         NaN
                                                                          NaN
    1
                                                                    HP 63 Ink
                Logitech M510 Wireless mouse
                                                                           NaN
    3 Apple Lightning to Digital AV Adapter
                                             TP-Link AC1750 Smart WiFi Router
                                         NaN
                                                                           NaN
```

```
Item03
                                        Item04
                                                                      Item05 \
0
             NaN
                                           NaN
                                                                         NaN
1
      HP 65 ink
                  nonda USB C to USB Adapter
                                                 10ft iPHone Charger Cable
2
             NaN
                                           NaN
3
                                           NaN
   Apple Pencil
                                                                         NaN
4
                                           NaN
                                                                         NaN
             NaN
         Item06
                                          Item07
0
             NaN
                                             NaN
   HP 902XL ink
                  Creative Pebble 2.0 Speakers
2
             NaN
             NaN
                                             NaN
3
4
             NaN
                                             NaN
                                   Item08
                                                                     Item09 \
0
                                      NaN
                                                                        {\tt NaN}
1
   Cleaning Gel Universal Dust Cleaner
                                           Micro Center 32GB Memory card
2
                                      {\tt NaN}
                                                                        NaN
3
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4
                                      NaN
                                                                        {\tt NaN}
                                       Item10
                                                                        Item11
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0
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   YUNSONG 3pack 6ft Nylon Lightning Cable
                                                TopMate C5 Laptop Cooler pad
2
                                          NaN
                                                                           NaN
3
                                          NaN
                                                                           NaN
4
                                          NaN
                                                                           NaN
                        Item12
                                                         Item13
0
                           NaN
                                                            NaN
   Apple USB-C Charger cable
                                HyperX Cloud Stinger Headset
2
                           NaN
3
                           NaN
                                                            NaN
4
                           NaN
                                                            NaN
                          Item14
                                                             Item15
0
                             NaN
                                                                NaN
   TONOR USB Gaming Microphone Dust-Off Compressed Gas 2 pack
2
                             NaN
                                                                NaN
3
                             NaN
                                                                NaN
                             NaN
                                                                NaN
4
                             Item16
                                                      Item17
0
                                NaN
                                                          NaN
   3A USB Type C Cable 3 pack 6FT
1
                                      HOVAMP iPhone charger
                                NaN
                                                          NaN
```

3		NaN		NaN		
4		NaN		NaN		
	Item18			]	Item19	\
0	NaN				NaN	
1	SanDisk Ultra 128GB card	FEEL2NICE	5 pack 1	Oft Lighning	cable	
2	NaN				NaN	
3	NaN				NaN	
4	NaN				NaN	
	Item20					
0		NaN				
1	FEIYOLD Blue light Blocki	ng Glasses				
2		NaN				
3		NaN				
4		NaN				

The dataset consists of transactions, each representing a customer's purchase history, with up to 20 items per transaction. Many transactions contain NaN values, indicating customers who purchased fewer than 20 items. For market basket analysis, we need to transform this dataset into a suitable format that lists each item per transaction as a separate entry. The dataset consists of transactions, each representing a customer's purchase history, with up to 20 items per transaction. Many transactions contain NaN values, indicating customers who purchased fewer than 20 items. For market basket analysis, we need to transform this dataset into a suitable format that lists each item per transaction as a separate entry.

B3: Summarize one assumption of market basket analysis Market basket analysis operates under the assumption that the purchase of certain items together within a transaction is not random, but has an underlying pattern that can be discovered and leveraged. It assumes that if a group of items is frequently purchased together, it is because customers have a particular preference or need that leads them to buy these items in combination. This preference is expected to persist over time, allowing the company to predict future buying behaviors and tailor their marketing and sales strategies accordingly. The assumption is that uncovering these patterns can lead to better customer insights and more effective cross selling opportunities.

(365 Data Science)

C1 Data Transformation To prepare the dataset for Market Basket Analysis (MBA), we first transform the raw transaction data into a format suitable for the Apriori algorithm. The transformation process includes:

Data Cleaning: \* Removal of NaN values which represent missing items in transactions. \* Exclusion of transactions that do not contain any items post-cleanup.

Data Encoding: \* Application of a TransactionEncoder to convert the list of transaction items into a one-hot encoded matrix. Each column corresponds to a product available in the dataset, and each row corresponds to a transaction where '1' indicates the presence of the item in that transaction, and '0' indicates its absence.

The cleaned and encoded data is essential for the effective application of the Apriori algorithm, ensuring that my analysis only includes valid and complete transactions.

```
[2]: # Check data types, number of values and size of dataframe
     df.info()
     df.head()
    <class 'pandas.core.frame.DataFrame'>
    RangeIndex: 15002 entries, 0 to 15001
    Data columns (total 20 columns):
         Column
                 Non-Null Count
         _____
                  _____
                                  ----
         Item01
                 7501 non-null
     0
                                  object
     1
         Item02
                 5747 non-null
                                  object
     2
         Item03
                 4389 non-null
                                  object
     3
         Item04
                 3345 non-null
                                  object
     4
         Item05
                 2529 non-null
                                  object
     5
         Item06
                 1864 non-null
                                  object
     6
         Item07
                  1369 non-null
                                  object
     7
         Item08
                  981 non-null
                                  object
     8
         Item09
                  654 non-null
                                  object
         Item10
                 395 non-null
                                  object
         Item11
                 256 non-null
     10
                                  object
         Item12
     11
                 154 non-null
                                  object
     12
         Item13
                 87 non-null
                                  object
     13
         Item14
                 47 non-null
                                  object
         Item15
                 25 non-null
     14
                                  object
         Item16
                 8 non-null
                                  object
                                  object
         Item17
                 4 non-null
     17
         Item18
                 4 non-null
                                  object
     18
         Item19
                 3 non-null
                                  object
         Item20 1 non-null
                                  object
     19
    dtypes: object(20)
    memory usage: 2.3+ MB
[2]:
                                        Item01
                                                                            Item02
     0
                                           NaN
                                                                               NaN
     1
                 Logitech M510 Wireless mouse
                                                                         HP 63 Ink
     2
     3
        Apple Lightning to Digital AV Adapter
                                                TP-Link AC1750 Smart WiFi Router
     4
                                           NaN
                                                                               NaN
              Item03
                                           Item04
                                                                        Item05
                                                                                \
     0
                 NaN
                                              NaN
                                                                           NaN
     1
           HP 65 ink
                      nonda USB C to USB Adapter
                                                    10ft iPHone Charger Cable
     2
                 NaN
                                              NaN
                                                                           NaN
     3
                                                                           NaN
        Apple Pencil
                                              NaN
```

NaN

NaN

NaN

```
Item06
                                          Item07
0
             NaN
                                             NaN
   HP 902XL ink
                  Creative Pebble 2.0 Speakers
1
2
             NaN
            NaN
3
                                             NaN
4
            NaN
                                             NaN
                                  Item08
                                                                    Item09 \
0
                                     NaN
                                                                       NaN
   Cleaning Gel Universal Dust Cleaner Micro Center 32GB Memory card
2
                                     NaN
                                                                       NaN
3
                                     NaN
                                                                       NaN
4
                                     NaN
                                                                       {\tt NaN}
                                       Item10
                                                                       Item11
0
                                          NaN
                                                                          NaN
1
   YUNSONG 3pack 6ft Nylon Lightning Cable
                                               TopMate C5 Laptop Cooler pad
2
                                          NaN
3
                                          NaN
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4
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                       Item12
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0
                           NaN
                                                           NaN
                               HyperX Cloud Stinger Headset
   Apple USB-C Charger cable
2
                           NaN
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                          Item14
                                                            Item15
0
                             NaN
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1
   TONOR USB Gaming Microphone
                                  Dust-Off Compressed Gas 2 pack
2
                             NaN
3
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4
                            NaN
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                             Item16
                                                      Item17
0
                                NaN
                                                         NaN
   3A USB Type C Cable 3 pack 6FT HOVAMP iPhone charger
1
2
                                NaN
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3
                                NaN
                                                         NaN
                                NaN
4
                                                         NaN
                      Item18
                                                               Item19
0
                          NaN
                                                                   NaN
1
   SanDisk Ultra 128GB card
                               FEEL2NICE 5 pack 10ft Lighning cable
2
                         NaN
```

```
3
                             NaN
                                                                    NaN
     4
                             NaN
                                                                    NaN
                                      Item20
                                         NaN
     0
     1
       FEIYOLD Blue light Blocking Glasses
     2
     3
                                         NaN
     4
                                        NaN
[3]: # Transforming the dataset to a list of lists and removing NaN values
     transactions = df.apply(lambda x: x.dropna().tolist(), axis=1).tolist()
     # Remove empty transactions
     transactions = [transaction for transaction in transactions if transaction]
     # Convert the non-empty transactions list of lists into a DataFrame ti
     transactions_df = pd.DataFrame({'Transaction': [', '.join(transaction) for_
      ⇔transaction in transactions]})
     transactions_df
[3]:
                                                  Transaction
           Logitech M510 Wireless mouse, HP 63 Ink, HP 65...
     1
           Apple Lightning to Digital AV Adapter, TP-Link...
     2
                   UNEN Mfi Certified 5-pack Lightning Cable
     3
                              Cat8 Ethernet Cable, HP 65 ink
     4
           Dust-Off Compressed Gas 2 pack, Screen Mom Scr...
     7496 SanDisk 32GB Ultra SDHC card, Vsco 70 pack sti...
     7497 Apple Lightning to Digital AV Adapter, Nylon B...
     7498
                              Falcon Dust Off Compressed Gas
     7499
                      HP 63XL Ink, Apple USB-C Charger cable
     7500 Apple Pencil, SanDisk Ultra 128GB card, RUNMUS...
     [7501 rows x 1 columns]
[4]: # Saving the cleaned dataset without empty transactions
     cleaned_file_path = r'C:\Users\Hien__
      →Ta\OneDrive\WGU\MSDA\D212\Task_3\teleco_market_basket_CLEAN.csv'
     transactions_df.to_csv(cleaned_file_path, index=False)
    C2: Confidence of the Association Rule
[5]: # transactions_df is the DataFrame loaded from the CSV with a single_
     → 'Transaction' column
     transactions_list = transactions_df['Transaction'].apply(lambda x: x.split(',_
      →')).tolist()
```

```
encoder = TransactionEncoder()
     transactions_encoded = encoder.fit_transform(transactions_list)
     transactions onehot = pd.DataFrame(transactions_encoded, columns=encoder.
      ⇔columns_)
     transactions_onehot
[5]:
           10ft iPHone Charger Cable
                                       10ft iPHone Charger Cable 2 Pack
                                 True
                                                                    False
     1
                                False
                                                                    False
     2
                                False
                                                                    False
     3
                                False
                                                                    False
     4
                                False
                                                                    False
    7496
                                False
                                                                    False
    7497
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                                False
    7498
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                                False
     7500
                                False
                                                                    False
           3 pack Nylon Braided Lightning Cable 3A USB Type C Cable 3 pack 6FT \
     0
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     1
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     7496
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     7497
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    7499
                                            False
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    7500
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           5pack Nylon Braided USB C cables
                                               ARRIS SURFboard SB8200 Cable Modem
     0
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     4
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     7498
                                       False
                                                                             False
     7499
                                       False
                                                                             False
     7500
                                       False
                                                                             False
```

```
Anker 2-in-1 USB Card Reader
                                     Anker 4-port USB hub \
0
                               False
                                                      False
1
                               False
                                                      False
2
                               False
                                                      False
3
                               False
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4
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7499
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      Anker USB C to HDMI Adapter Apple Lightning to Digital AV Adapter ...
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                                                                        False ...
1
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7499
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7500
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                                                                       False
      hP 65 Tri-color ink
                            iFixit Pro Tech Toolkit iPhone 11 case
0
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7496
                     False
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7497
                     False
                                                                 False
7498
                     False
                                                False
                                                                 False
7499
                     False
                                                False
                                                                 False
7500
                     False
                                                False
                                                                 False
      iPhone 12 Charger cable
                                 iPhone 12 Pro case
                                                      iPhone 12 case
0
                                               False
                                                                False
                         False
1
                         False
                                               False
                                                                False
2
                         False
                                               False
                                                                False
3
                         False
                                               False
                                                                False
4
                                                                False
                         False
                                               False
7496
                         False
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                                                                False
```

```
7497
                              False
                                                   False
                                                                    False
     7498
                              False
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                                                                    False
     7499
                              False
                                                   False
                                                                    False
     7500
                              False
                                                   False
                                                                    False
           iPhone Charger Cable Anker 6ft
                                             iPhone SE case
     0
                                      False
                                                      False
     1
                                                      False
                                      False
     2
                                      False
                                                      False
     3
                                      False
                                                      False
     4
                                      False
                                                       False
     7496
                                      False
                                                      False
     7497
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     7498
                                      False
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     7499
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                                                      False
     7500
                                      False
                                                      False
           nonda USB C to USB Adapter seenda Wireless mouse
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                                  True
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                                 False
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     3
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     4
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     7496
                                 False
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                                                          False
     7497
                                 False
     7498
                                 False
                                                          False
     7499
                                 False
                                                          False
     7500
                                 False
                                                          False
     [7501 rows x 119 columns]
[6]: # Apply the Apriori algorithm
     frequent_itemsets = apriori(transactions_onehot, min_support=0.01,__

use_colnames=True)

     frequent_itemsets
     # (365 Data Science)
[6]:
           support
                                                                itemsets
     0
          0.050527
                                     (10ft iPHone Charger Cable 2 Pack)
     1
          0.042528
                                       (3A USB Type C Cable 3 pack 6FT)
     2
                                     (5pack Nylon Braided USB C cables)
          0.019064
     3
          0.010932
                                   (ARRIS SURFboard SB8200 Cable Modem)
```

(Anker 2-in-1 USB Card Reader)

4

0.029463

```
(VIVO Dual LCD Monitor Desk mount, SanDisk Ult...
     252 0.017064
     253 0.015731
                    (VIVO Dual LCD Monitor Desk mount, Dust-Off Co...
     254 0.011465
                    (VIVO Dual LCD Monitor Desk mount, Stylus Pen ...
                    (USB 2.0 Printer cable, VIVO Dual LCD Monitor ...
     255 0.010132
     256 0.010932
                    (HP 61 ink, VIVO Dual LCD Monitor Desk mount, ...
     [257 rows x 2 columns]
[7]: # diplay association rules
     rules = association_rules(frequent_itemsets, metric="confidence", __
      ⇒min_threshold=0.1)
     # print out the DataFrame containing the association rules
     print(rules[['antecedents', 'consequents', 'support', 'confidence', 'lift']])
                                                 antecedents
    0
                         (10ft iPHone Charger Cable 2 Pack)
    1
                         (10ft iPHone Charger Cable 2 Pack)
    2
                         (10ft iPHone Charger Cable 2 Pack)
    3
                            (Screen Mom Screen Cleaner kit)
    4
                         (10ft iPHone Charger Cable 2 Pack)
    315
         (USB 2.0 Printer cable, Dust-Off Compressed Ga...
         (VIVO Dual LCD Monitor Desk mount, Dust-Off Co...
    316
              (HP 61 ink, VIVO Dual LCD Monitor Desk mount)
    317
                (HP 61 ink, Screen Mom Screen Cleaner kit)
    318
    319
         (VIVO Dual LCD Monitor Desk mount, Screen Mom ...
                                 consequents
                                                support
                                                         confidence
                                                                         lift
    0
           (Dust-Off Compressed Gas 2 pack)
                                              0.023064
                                                           0.456464 1.914955
    1
                                 (HP 61 ink)
                                              0.010132
                                                           0.200528
                                                                     1.223888
    2
             (Screen Mom Screen Cleaner kit)
                                              0.015198
                                                           0.300792
                                                                     2.321232
    3
         (10ft iPHone Charger Cable 2 Pack)
                                              0.015198
                                                           0.117284
                                                                     2.321232
         (VIVO Dual LCD Monitor Desk mount)
    4
                                              0.014265
                                                           0.282322
                                                                     1.621513
    315
         (VIVO Dual LCD Monitor Desk mount)
                                              0.010132
                                                           0.300395 1.725318
    316
                     (USB 2.0 Printer cable)
                                              0.010132
                                                           0.169643 0.992583
             (Screen Mom Screen Cleaner kit)
    317
                                              0.010932
                                                           0.278912 2.152382
         (VIVO Dual LCD Monitor Desk mount)
    318
                                              0.010932
                                                           0.340249
                                                                     1.954217
    319
                                 (HP 61 ink)
                                              0.010932
                                                           0.308271 1.881480
    [320 rows x 5 columns]
    C3: values for the support, lift, and confidence of the association rules table
```

[8]: # see attached codes

```
# print out the DataFrame containing the association rules
     print(rules[['antecedents', 'consequents', 'support', 'confidence', 'lift']])
                                                antecedents \
    0
                         (10ft iPHone Charger Cable 2 Pack)
    1
                         (10ft iPHone Charger Cable 2 Pack)
    2
                         (10ft iPHone Charger Cable 2 Pack)
    3
                            (Screen Mom Screen Cleaner kit)
    4
                         (10ft iPHone Charger Cable 2 Pack)
    . .
    315
         (USB 2.0 Printer cable, Dust-Off Compressed Ga...
         (VIVO Dual LCD Monitor Desk mount, Dust-Off Co...
    316
    317
              (HP 61 ink, VIVO Dual LCD Monitor Desk mount)
                (HP 61 ink, Screen Mom Screen Cleaner kit)
    318
         (VIVO Dual LCD Monitor Desk mount, Screen Mom ...
    319
                                 consequents
                                               support
                                                       confidence
                                                                         lift
            (Dust-Off Compressed Gas 2 pack)
                                              0.023064
    0
                                                           0.456464
                                                                     1.914955
    1
                                 (HP 61 ink)
                                              0.010132
                                                           0.200528
                                                                    1.223888
    2
            (Screen Mom Screen Cleaner kit)
                                              0.015198
                                                           0.300792 2.321232
         (10ft iPHone Charger Cable 2 Pack)
    3
                                              0.015198
                                                          0.117284 2.321232
    4
         (VIVO Dual LCD Monitor Desk mount)
                                              0.014265
                                                          0.282322 1.621513
    315
         (VIVO Dual LCD Monitor Desk mount)
                                              0.010132
                                                           0.300395 1.725318
                     (USB 2.0 Printer cable)
                                                           0.169643 0.992583
    316
                                              0.010132
    317
            (Screen Mom Screen Cleaner kit)
                                              0.010932
                                                           0.278912
                                                                     2.152382
    318
         (VIVO Dual LCD Monitor Desk mount)
                                              0.010932
                                                           0.340249 1.954217
    319
                                 (HP 61 ink)
                                              0.010932
                                                           0.308271 1.881480
    [320 rows x 5 columns]
    C4: Top 3 relavent rules
[9]: # see attached codes
     top_three_rules = rules.sort_values(by='lift', ascending=False).head(3)
     print(top_three_rules[['antecedents', 'consequents', 'support', 'confidence', __
      antecedents
    218
                       (SanDisk 128GB Ultra microSDXC card)
    219
                                  (SanDisk Ultra 64GB card)
    303
         (VIVO Dual LCD Monitor Desk mount, Dust-Off Co...
                                   consequents
                                                 support
                                                          confidence
                                                                           lift
    218
                     (SanDisk Ultra 64GB card)
                                                0.015998
                                                                       3.291994
                                                             0.323450
         (SanDisk 128GB Ultra microSDXC card)
    219
                                                0.015998
                                                             0.162822 3.291994
                     (SanDisk Ultra 64GB card)
                                                0.017064
                                                            0.285714 2.907928
    303
```

- Rule 1: People who purchase a SanDisk 128GB Ultra microSDXC card also tend to purchase a SanDisk Ultra 64GB card. The support for this rule is about 1.6%, which means that this combination of items appears in 1.6% of all transactions. The confidence of 32.35% indicates that there's about a one-third chance that someone buying the 128GB card will also buy the 64GB card. The lift value of approximately 3.22 suggests that these two items are over three times more likely to be bought together than each item individually.
- Rule 2: The reverse is also true; those who buy a SanDisk Ultra 64GB card often purchase a SanDisk 128GB Ultra microSDXC card. This has the same support of 1.6%, indicating it's just as common as the reverse. However, the confidence is lower at 16.28%, suggesting that the 64GB card is less influential in leading to the purchase of the 128GB card. The lift remains the same, reinforcing the strength of the association.
- Rule 3: This rule indicates that when customers buy both Dust-Off Compressed Gas 2 pack and VIVO Dual LCD Monitor Desk Mount, they are also likely to buy a SanDisk Ultra 64GB card. The support of approximately 1.71% suggests that these three items appear together in roughly 1.71% of all transactions. The confidence of about 28.57% implies that there's about a 28.57% chance that the 64GB SanDisk card will be bought when the other two items are purchased together. The lift of roughly 2.91 indicates that the presence of the gas pack and monitor desk mount in a transaction is about three times more likely to lead to the purchase of the 64GB SanDisk card than if the purchases were independent.

These rules can be quite insightful for the retailer or the marketing team. The first two rules suggest that customers are perhaps upgrading their storage options or buying for multiple devices with different storage needs. The third rule may point towards a demographic that is interested in maintaining and setting up tech products, indicating a crossover in the market for electronics maintenance and office ergonomics.

## D1: Summarize the Significance of Support, Lift, and Confidence

- Support is the measure of the prevalence of an item or itemset within all transactions. A higher support value indicates that items are more common in the dataset. In market basket analysis, rules with higher support are seen as more significant as they affect a larger portion of the transactions.
- Confidence is an indication of how often the rule has been found to be true. In other words, it's the likelihood that the consequent is purchased when the antecedent is purchased. A high confidence value for a rule signifies a strong predictive power or reliability but does not account for the base popularity of the consequent item.
- Lift compares the observed frequency of A and B occurring together with the frequency that would be expected if A and B were independent. A lift value greater than 1 means that the items are more likely to be bought together. A lift less than 1 would indicate that items are less likely to be bought together. It's a direct measure of the strength of an association.

(365 Data Science)

[10]: rules.support.value\_counts()

[10]: support

0.017064 11

```
0.010532
                   11
      0.011065
                   11
      0.010932
                   10
      0.011998
                   10
      0.016264
                    1
      0.017198
                    1
      0.014931
                    1
      0.022797
                    1
      0.014665
                    1
      Name: count, Length: 95, dtype: int64
[11]: rules.confidence.value_counts()
[11]: confidence
      0.170576
                   2
      0.108025
                   2
      0.120920
                   2
      0.110799
                   2
                   2
      0.181237
      0.348000
                   1
      0.215126
                   1
      0.343964
                   1
      0.220917
                   1
      0.308271
      Name: count, Length: 306, dtype: int64
[12]: rules.lift.value_counts()
[12]: lift
      1.522468
                   2
      1.903546
                   2
      1.553774
                   2
      1.322437
                   2
      1.132539
                   2
      1.747522
                   1
      1.421397
      1.421397
                   1
      1.630358
                   1
      1.881480
      Name: count, Length: 251, dtype: int64
```

**D2:** Discuss the Practical Significance of Findings. The findings from the market basket analysis can provide valuable insights into customer purchasing patterns. For instance, the association between different storage capacities of SD cards could imply that customers who buy one

type are likely to need or consider another type—possibly indicating multiple device ownership or different use cases. The combination of Dust-Off Compressed Gas with a VIVO Dual LCD Monitor Desk Mount suggests that a certain customer segment is interested in both maintaining their electronic devices and setting up an ergonomic workspace.

This information can inform strategies for product placement, promotions, and inventory management. For example, products that are frequently bought together could be placed closer to each other in the store or bundled together in promotions to increase the average transaction value. Moreover, knowing which items have strong associations can help in forecasting demand more accurately.

D3: Recommendations Leveraging insights from my market basket analysis. The recommended course of action focuses on targeted marketing campaigns, product bundling, optimized placement, and personalized recommendations to address customer churn. By offering promotions on items frequently purchased together, such as bundling storage devices or combining electronics maintenance products with ergonomic solutions, the company can enhance perceived value and customer engagement. Additionally, arranging related products closely in store or online, along with providing personalized recommendations based on purchase history, can further reduce churn. Continuous customer feedback and employee training on these insights will ensure strategies remain effective and customer-centric model, ultimately improving retention and satisfaction.

**E: Panopto Video** https://wgu.hosted.panopto.com/Panopto/Pages/Viewer.aspx?id=156813e9-b033-47b9-8b69-b14f01627b1f

**F:** Third-party Code (365 Data Science). https://365datascience.com/tutorials/python-tutorials/market-basket-analysis/

**G: Source** (365 Data Science). https://365datascience.com/tutorials/python-tutorials/market-basket-analysis/