Customer Segmentation Using K-means Clustering

Importing The Dependencies

In [13]:
```
import numpy as np
import pandas as pd
import matplotlib.pyplot as plt
import seaborn as sns
from sklearn.cluster import KMeans
import warnings
warnings.simplefilter("ignore")
```

Data Collection and Analysis

In [2]:
```
#loading the data from csv file to pandas dataframe
dataset = pd.read_csv('Mall_Customers.csv')
```

In [5]:
```
#first 10 rows of the dataset
dataset.head(10)
```

Out[5]:

	CustomerID	Genre	Age	Annual Income (k$)	Spending Score (1-100)
0	1	Male	19	15	39
1	2	Male	21	15	81
2	3	Female	20	16	6
3	4	Female	23	16	77
4	5	Female	31	17	40
5	6	Female	22	17	76
6	7	Female	35	18	6
7	8	Female	23	18	94
8	9	Male	64	19	3
9	10	Female	30	19	72

In [7]:
```
#shape of the dataset (rows, columns)
dataset.shape
```

Out[7]:
```
(200, 5)
```

In [8]:
```
#getting some basic information about the dataset
dataset.info()
```

```
<class 'pandas.core.frame.DataFrame'>
RangeIndex: 200 entries, 0 to 199
Data columns (total 5 columns):
 #   Column                  Non-Null Count  Dtype 
---  ------                  --------------  ----- 
 0   CustomerID              200 non-null    int64 
 1   Genre                   200 non-null    object
 2   Age                     200 non-null    int64 
 3   Annual Income (k$)      200 non-null    int64 
 4   Spending Score (1-100)  200 non-null    int64 
dtypes: int64(4), object(1)
memory usage: 7.9+ KB
```

In [10]:
```
#checking the null values if present in the dataset or not
dataset.isnull().sum()
```

Out[10]:
```
CustomerID                0
Genre                     0
Age                       0
Annual Income (k$)        0
Spending Score (1-100)    0
dtype: int64
```

Choosing the Annual Income Column and Spending Score Column

In [13]:
```
x = dataset.iloc[:,[3,4]].values
x
```

Out[13]:
```
array([[ 15,  39],
       [ 15,  81],
       [ 16,   6],
       [ 16,  77],
       [ 17,  40],
       [ 17,  76],
       [ 18,   6],
       [ 18,  94],
       [ 19,   3],
       [ 19,  72],
       [ 19,  14],
       [ 19,  99],
       [ 20,  15],
       [ 20,  77],
       [ 20,  13],
       [ 20,  79],
       [ 21,  35],
       [ 21,  66],
       [ 23,  29],
       [ 23,  98],
       [ 24,  35],
       [ 24,  73],
       [ 25,   5],
       [ 25,  73],
       [ 28,  14],
       [ 28,  82],
       [ 28,  32],
       [ 28,  61],
       [ 29,  31],
       [ 29,  87],
       [ 30,   4],
       [ 30,  73],
       [ 33,   4],
       [ 33,  92],
       [ 33,  14],
       [ 33,  81],
       [ 34,  17],
       [ 34,  73],
       [ 37,  26],
       [ 37,  75],
       [ 38,  35],
       [ 38,  92],
       [ 39,  36],
       [ 39,  61],
       [ 39,  28],
       [ 39,  65],
       [ 40,  55],
       [ 40,  47],
       [ 40,  42],
       [ 40,  42],
       [ 42,  52],
       [ 42,  60],
       [ 43,  54],
       [ 43,  60],
       [ 43,  45],
       [ 43,  41],
       [ 44,  50],
       [ 44,  46],
       [ 46,  51],
       [ 46,  46],
       [ 46,  56],
       [ 46,  55],
       [ 47,  52],
       [ 47,  59],
       [ 48,  51],
       [ 48,  59],
       [ 48,  50],
       [ 48,  48],
       [ 48,  59],
       [ 48,  47],
       [ 49,  55],
       [ 49,  42],
       [ 50,  49],
       [ 50,  56],
       [ 54,  47],
       [ 54,  54],
       [ 54,  53],
       [ 54,  48],
       [ 54,  52],
       [ 54,  42],
       [ 54,  51],
       [ 54,  55],
       [ 54,  41],
       [ 54,  44],
       [ 54,  57],
       [ 54,  46],
       [ 57,  58],
       [ 57,  55],
       [ 58,  60],
       [ 58,  46],
       [ 59,  55],
       [ 59,  41],
       [ 60,  49],
       [ 60,  40],
       [ 60,  42],
       [ 60,  52],
       [ 60,  47],
       [ 60,  50],
       [ 61,  42],
       [ 61,  49],
       [ 62,  41],
       [ 62,  48],
       [ 62,  59],
       [ 62,  55],
       [ 62,  56],
       [ 62,  42],
       [ 63,  50],
       [ 63,  46],
       [ 63,  43],
       [ 63,  48],
       [ 63,  52],
       [ 63,  54],
       [ 64,  42],
       [ 64,  46],
       [ 65,  48],
       [ 65,  50],
       [ 65,  43],
       [ 65,  59],
       [ 67,  43],
       [ 67,  57],
       [ 67,  56],
       [ 67,  40],
       [ 69,  58],
       [ 69,  91],
       [ 70,  29],
       [ 70,  77],
       [ 71,  35],
       [ 71,  95],
       [ 71,  11],
       [ 71,  75],
       [ 71,   9],
       [ 71,  75],
       [ 72,  34],
       [ 72,  71],
       [ 73,   5],
       [ 73,  88],
       [ 73,  73],
       [ 74,  10],
       [ 74,  72],
       [ 75,   5],
       [ 75,  93],
       [ 76,  40],
       [ 76,  87],
       [ 77,  12],
       [ 77,  97],
       [ 77,  36],
       [ 77,  74],
       [ 78,  22],
       [ 78,  90],
       [ 78,  17],
       [ 78,  88],
       [ 78,  20],
       [ 78,  76],
       [ 78,  16],
       [ 78,  89],
       [ 78,   1],
       [ 78,  78],
       [ 78,  73],
       [ 79,  35],
       [ 79,  83],
       [ 81,   5],
       [ 81,  93],
       [ 85,  26],
       [ 85,  75],
       [ 86,  20],
       [ 86,  95],
       [ 87,  27],
       [ 87,  63],
       [ 87,  13],
       [ 87,  75],
       [ 87,  10],
       [ 87,  92],
       [ 88,  13],
       [ 88,  86],
       [ 88,  15],
       [ 88,  69],
       [ 93,  14],
       [ 93,  90],
       [ 97,  32],
       [ 97,  86],
       [ 98,  15],
       [ 98,  88],
       [ 99,  39],
       [ 99,  97],
       [101,  24],
       [101,  68],
       [103,  17],
       [103,  85],
       [103,  23],
       [103,  69],
       [113,   8],
       [113,  91],
       [120,  16],
       [120,  79],
       [126,  28],
       [126,  74],
       [137,  18],
       [137,  83]], dtype=int64)
```

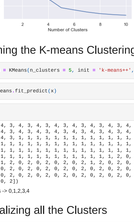
Choosing the Number of Clusters

WCSS -> Within Clusters Sum of Squares

In [14]:
```
#finding WCSS values for different number of clusters

wcss =[]
for i in range(1,11):
    kmeans = KMeans(n_clusters = i, init = 'k-means++', random_state = 42)
    #random_state -> each cluster will occur one by one till 10
    kmeans.fit(x)
    wcss.append(kmeans.inertia_)
```

In [15]:
```
#plot an elbow graph
sns.set()
plt.plot(range(1,11), wcss)
plt.title('The Elbow Point Graph')
plt.xlabel('Number of Clusters')
plt.ylabel('WCSS')
plt.show()
```



Training the K-means Clustering Model

In [16]:
```
kmeans = KMeans(n_clusters = 5, init = 'k-means++', random_state = 0)
```

In [17]:
```
y = kmeans.fit_predict(x)
```

In [18]:
```
y
```

Out[18]:
```
array([4, 3, 4, 3, 4, 3, 4, 3, 4, 3, 4, 3, 4, 3, 4, 3, 4, 3, 4, 3, 4, 3,
       4, 3, 4, 3, 4, 3, 4, 3, 4, 3, 4, 3, 4, 3, 4, 3, 4, 3, 4, 3, 4, 3,
       4, 3, 1, 3, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1,
       1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1,
       1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1,
       1, 2, 0, 2, 1, 2, 0, 2, 0, 2, 1, 2, 0, 2, 0, 2, 0, 2, 0, 2, 0, 2,
       0, 2, 0, 2, 0, 2, 0, 2, 0, 2, 0, 2, 0, 2, 0, 2, 0, 2, 0, 2, 0, 2,
       0, 2])
```

5 clusters -> 0,1,2,3,4

Visualizing all the Clusters

In [20]:
```
#plotting all the clusters and their centroids
plt.figure(figsize=(8,8))
plt.scatter(x[y==0,0], x[y==0,1], s=50, c='green', label='Cluster 1')
plt.scatter(x[y==1,0], x[y==1,1], s=50, c='maroon', label='Cluster 2')
plt.scatter(x[y==2,0], x[y==2,1], s=50, c='orange', label='Cluster 3')
plt.scatter(x[y==3,0], x[y==3,1], s=50, c='violet', label='Cluster 4')
plt.scatter(x[y==4,0], x[y==4,1], s=50, c='blue', label='Cluster 5')

#plot the centroids
plt.scatter(kmeans.cluster_centers_[:,0], kmeans.cluster_centers_[:,1], s=100, c='cyan', label='Centroids')
plt.title('Customer Groups')
plt.xlabel('Annual Income')
plt.ylabel('Spending Score')
plt.show()
```