

online retail

problem statement

The transactions made by a UK-based, registered, non-store online retailer between December 1, 2010, and December 9, 2011, are all included in the transnational data set known as online retail. The company primarily offers one-of-a-kind gifts for every occasion. The company has a large number of wholesalers as clients. Company Objective Using the global online retail dataset, we will design a clustering model and select the ideal group of clients for the business to target.

```
In [3]: import pandas as pd
from matplotlib import pyplot as plt
%matplotlib inline
```

DATA COLLECTION

```
In [4]: s=pd.read_csv(r"C:\Users\mouni\Downloads\OnlineRetail1.csv")
s
```

Out[4]:

	InvoiceNo	StockCode	Description	Quantity	InvoiceDate	UnitPrice	CustomerID	Cou
0	536365	85123A	WHITE HANGING HEART T- LIGHT HOLDER	6	01-12-2010 08:26	2.55	17850.0	U King
1	536365	71053	WHITE METAL LANTERN	6	01-12-2010 08:26	3.39	17850.0	U King
2	536365	84406B	CREAM CUPID HEARTS COAT HANGER	8	01-12-2010 08:26	2.75	17850.0	U King
3	536365	84029G	KNITTED UNION FLAG HOT WATER BOTTLE	6	01-12-2010 08:26	3.39	17850.0	U King
4	536365	84029E	RED WOOLLY HOTTIE WHITE HEART.	6	01-12-2010 08:26	3.39	17850.0	U King
...
541904	581587	22613	PACK OF 20 SPACEBOY NAPKINS	12	09-12-2011 12:50	0.85	12680.0	Fr
541905	581587	22899	CHILDREN'S APRON DOLLY GIRL	6	09-12-2011 12:50	2.10	12680.0	Fr
541906	581587	23254	CHILDRENS CUTLERY DOLLY GIRL	4	09-12-2011 12:50	4.15	12680.0	Fr
541907	581587	23255	CHILDRENS CUTLERY CIRCUS PARADE	4	09-12-2011 12:50	4.15	12680.0	Fr
541908	581587	22138	BAKING SET 9 PIECE RETROSPOT	3	09-12-2011 12:50	4.95	12680.0	Fr

541909 rows × 8 columns



data cleaning

In [5]: s.head(100)

Out[5]:

	InvoiceNo	StockCode	Description	Quantity	InvoiceDate	UnitPrice	CustomerID	Country
0	536365	85123A	WHITE HANGING HEART T- LIGHT HOLDER	6	01-12-2010 08:26	2.55	17850.0	United Kingdom
1	536365	71053	WHITE METAL LANTERN	6	01-12-2010 08:26	3.39	17850.0	United Kingdom
2	536365	84406B	CREAM CUPID HEARTS COAT HANGER	8	01-12-2010 08:26	2.75	17850.0	United Kingdom
3	536365	84029G	KNITTED UNION FLAG HOT WATER BOTTLE	6	01-12-2010 08:26	3.39	17850.0	United Kingdom
4	536365	84029E	RED WOOLLY HOTTIE WHITE HEART.	6	01-12-2010 08:26	3.39	17850.0	United Kingdom
...
95	536378	22352	LUNCH BOX WITH CUTLERY RETROSPOT	6	01-12-2010 09:37	2.55	14688.0	United Kingdom
96	536378	21212	PACK OF 72 RETROSPOT CAKE CASES	120	01-12-2010 09:37	0.42	14688.0	United Kingdom
97	536378	21975	PACK OF 60 DINOSAUR CAKE CASES	24	01-12-2010 09:37	0.55	14688.0	United Kingdom
98	536378	21977	PACK OF 60 PINK PAISLEY CAKE CASES	24	01-12-2010 09:37	0.55	14688.0	United Kingdom
99	536378	84991	60 TEATIME FAIRY CAKE CASES	24	01-12-2010 09:37	0.55	14688.0	United Kingdom

100 rows × 8 columns



```
In [6]: s.tail()
```

```
Out[6]:
```

	InvoiceNo	StockCode	Description	Quantity	InvoiceDate	UnitPrice	CustomerID	Cou
541904	581587	22613	PACK OF 20 SPACEBOY NAPKINS	12	09-12-2011 12:50	0.85	12680.0	Fr
541905	581587	22899	CHILDREN'S APRON DOLLY GIRL	6	09-12-2011 12:50	2.10	12680.0	Fr
541906	581587	23254	CHILDRENS CUTLERY DOLLY GIRL	4	09-12-2011 12:50	4.15	12680.0	Fr
541907	581587	23255	CHILDRENS CUTLERY CIRCUS PARADE	4	09-12-2011 12:50	4.15	12680.0	Fr
541908	581587	22138	BAKING SET 9 PIECE RETROSPOT	3	09-12-2011 12:50	4.95	12680.0	Fr



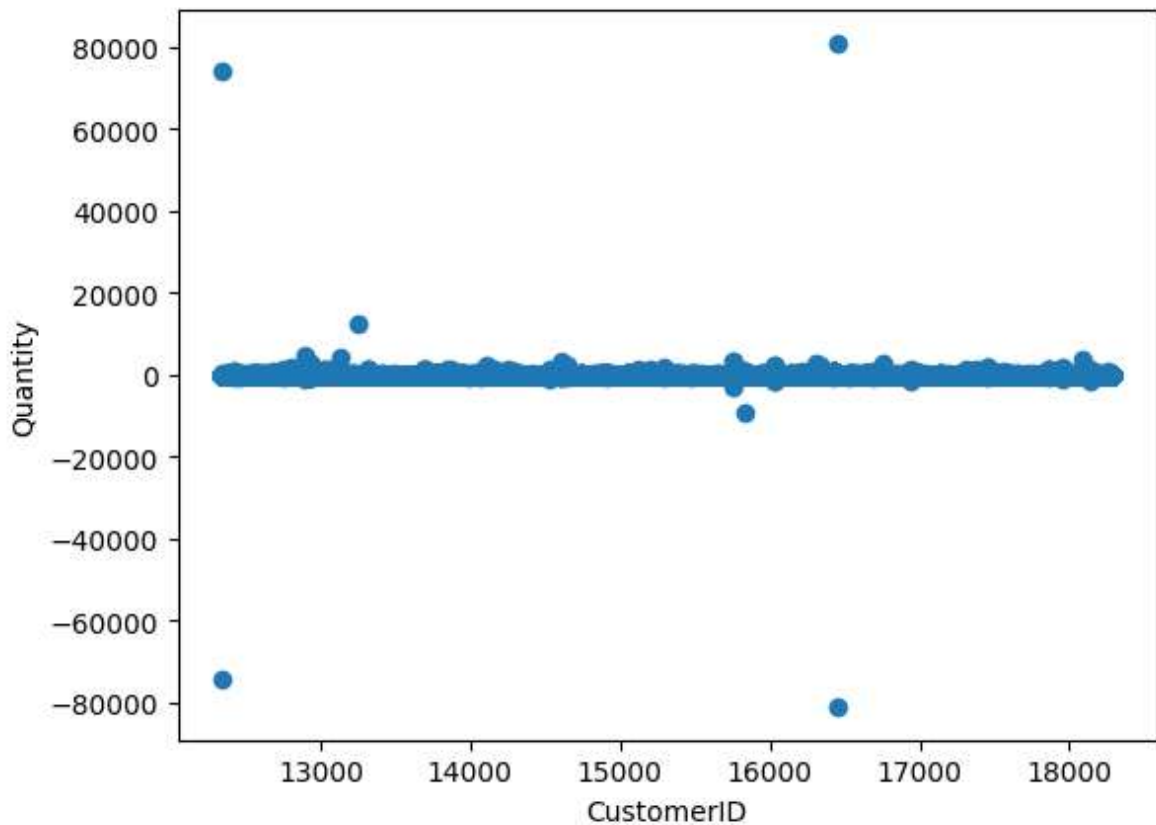
```
In [7]: s['Description'].value_counts()
```

```
Out[7]:
```

```
Description
WHITE HANGING HEART T-LIGHT HOLDER    2369
REGENCY CAKESTAND 3 TIER               2200
JUMBO BAG RED RETROSPOT                2159
PARTY BUNTING                        1727
LUNCH BAG RED RETROSPOT                1638
...
amazon sales                           1
sold as set/6 by dotcom                 1
damages/dotcom?                         1
historic computer difference?....se     1
Show Samples                           1
Name: count, Length: 4219, dtype: int64
```

```
In [8]: plt.scatter(s["CustomerID"],s["Quantity"])
plt.xlabel("CustomerID")
plt.ylabel("Quantity")
```

```
Out[8]: Text(0, 0.5, 'Quantity')
```



```
In [9]: s.info()
```

```
<class 'pandas.core.frame.DataFrame'>
RangeIndex: 541909 entries, 0 to 541908
Data columns (total 8 columns):
#   Column          Non-Null Count  Dtype
---  -
0   InvoiceNo        541909 non-null object
1   StockCode        541909 non-null object
2   Description      540455 non-null object
3   Quantity         541909 non-null int64
4   InvoiceDate      541909 non-null object
5   UnitPrice        541909 non-null float64
6   CustomerID       406829 non-null float64
7   Country          541909 non-null object
dtypes: float64(2), int64(1), object(5)
memory usage: 33.1+ MB
```

```
In [10]: s.isnull().sum()
```

```
Out[10]: InvoiceNo      0
StockCode      0
Description    1454
Quantity      0
InvoiceDate    0
UnitPrice      0
CustomerID    135080
Country        0
dtype: int64
```

```
In [11]: s.fillna(method='ffill',inplace=True)
```

```
In [12]: s.isnull().sum()
```

```
Out[12]: InvoiceNo      0
StockCode      0
Description      0
Quantity      0
InvoiceDate    0
UnitPrice      0
CustomerID      0
Country        0
dtype: int64
```

```
In [13]: from sklearn.cluster import KMeans
```

```
In [14]: km=KMeans()
km
```

```
Out[14]: 
▼ KMeans
KMeans()
```

```
In [15]: y_pred=km.fit_predict(s[["CustomerID","Quantity"]])
y_pred
```

```
C:\Users\mouni\AppData\Local\Programs\Python\Python310\lib\site-packages\sklearn\cluster\_kmeans.py:870: FutureWarning: The default value of `n_init` will change from 10 to 'auto' in 1.4. Set the value of `n_init` explicitly to suppress the warning
  warnings.warn(
```

```
Out[15]: array([2, 2, 2, ..., 3, 3, 3])
```

```
In [16]: s["cluster"]=y_pred  
s.head()
```

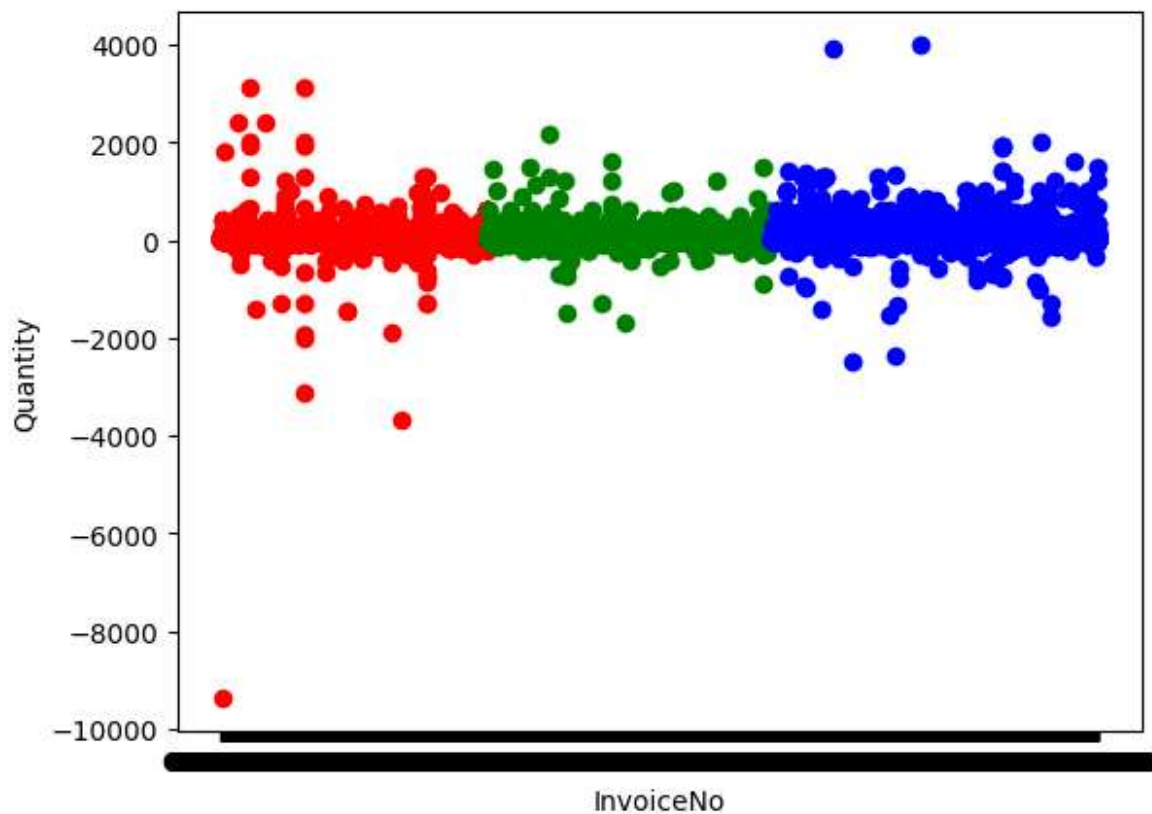
Out[16]:

	InvoiceNo	StockCode	Description	Quantity	InvoiceDate	UnitPrice	CustomerID	Country	c
0	536365	85123A	WHITE HANGING HEART T- LIGHT HOLDER	6	01-12-2010 08:26	2.55	17850.0	United Kingdom	
1	536365	71053	WHITE METAL LANTERN	6	01-12-2010 08:26	3.39	17850.0	United Kingdom	
2	536365	84406B	CREAM CUPID HEARTS COAT HANGER	8	01-12-2010 08:26	2.75	17850.0	United Kingdom	
3	536365	84029G	KNITTED UNION FLAG HOT WATER BOTTLE	6	01-12-2010 08:26	3.39	17850.0	United Kingdom	
4	536365	84029E	RED WOOLLY HOTTIE WHITE HEART.	6	01-12-2010 08:26	3.39	17850.0	United Kingdom	



```
In [17]: s1=s[s.cluster==0]
s2=s[s.cluster==1]
s3=s[s.cluster==2]
plt.scatter(s1["InvoiceNo"],s1["Quantity"],color="red")
plt.scatter(s2["InvoiceNo"],s2["Quantity"],color="green")
plt.scatter(s3["InvoiceNo"],s3["Quantity"],color="blue")
plt.xlabel("InvoiceNo")
plt.ylabel("Quantity")
```

Out[17]: Text(0, 0.5, 'Quantity')



```
In [18]: from sklearn.preprocessing import MinMaxScaler
```



```
In [19]: scaler=MinMaxScaler()
scaler.fit(s[["Quantity"]])
s["Quantity"]=scaler.transform(s[["Quantity"]])
s.head()
```

Out[19]:

	InvoiceNo	StockCode	Description	Quantity	InvoiceDate	UnitPrice	CustomerID	Country	c
0	536365	85123A	WHITE HANGING HEART T- LIGHT HOLDER	0.500037	01-12-2010 08:26	2.55	17850.0	United Kingdom	
1	536365	71053	WHITE METAL LANTERN	0.500037	01-12-2010 08:26	3.39	17850.0	United Kingdom	
2	536365	84406B	CREAM CUPID HEARTS COAT HANGER	0.500049	01-12-2010 08:26	2.75	17850.0	United Kingdom	
3	536365	84029G	KNITTED UNION FLAG HOT WATER BOTTLE	0.500037	01-12-2010 08:26	3.39	17850.0	United Kingdom	
4	536365	84029E	RED WOOLLY HOTTIE WHITE HEART.	0.500037	01-12-2010 08:26	3.39	17850.0	United Kingdom	

```
In [20]: scaler.fit(s[["CustomerID"]])
s[["CustomerID"]]=scaler.transform(s[["CustomerID"]])
s.head()
```

Out[20]:

	InvoiceNo	StockCode	Description	Quantity	InvoiceDate	UnitPrice	CustomerID	Country	c
0	536365	85123A	WHITE HANGING HEART T- LIGHT HOLDER	0.500037	01-12-2010 08:26	2.55	0.926443	United Kingdom	
1	536365	71053	WHITE METAL LANTERN	0.500037	01-12-2010 08:26	3.39	0.926443	United Kingdom	
2	536365	84406B	CREAM CUPID HEARTS COAT HANGER	0.500049	01-12-2010 08:26	2.75	0.926443	United Kingdom	
3	536365	84029G	KNITTED UNION FLAG HOT WATER BOTTLE	0.500037	01-12-2010 08:26	3.39	0.926443	United Kingdom	
4	536365	84029E	RED WOOLLY HOTTIE WHITE HEART.	0.500037	01-12-2010 08:26	3.39	0.926443	United Kingdom	

kmean cluster

```
In [21]: km=KMeans()
```

```
In [22]: y_pred=km.fit_predict(s[["CustomerID","Quantity"]])
y_pred
```

C:\Users\mouni\AppData\Local\Programs\Python\Python310\lib\site-packages\sklearn\cluster_kmeans.py:870: FutureWarning: The default value of `n_init` will change from 10 to 'auto' in 1.4. Set the value of `n_init` explicitly to suppress the warning
warnings.warn(

Out[22]: array([1, 1, 1, ..., 3, 3, 3])

```
In [23]: s["New Cluster"]=y_pred  
s.head()
```

Out[23]:

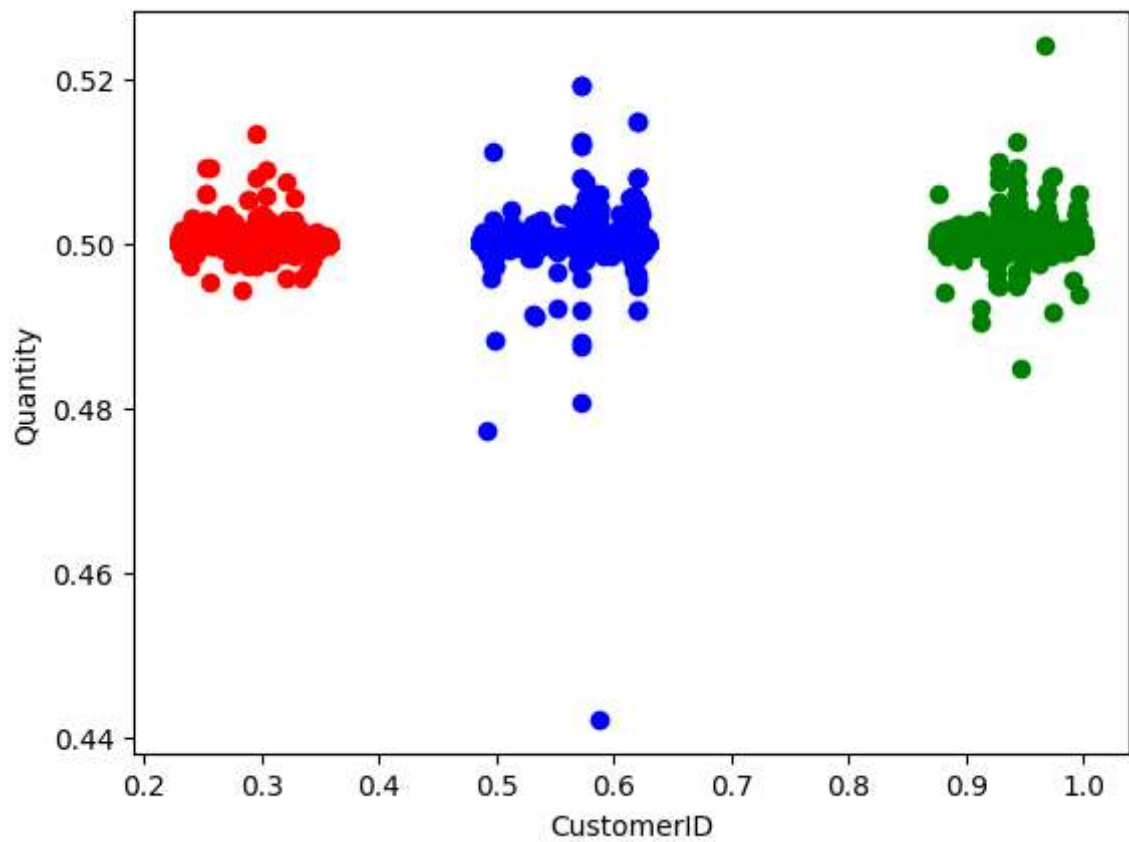
	InvoiceNo	StockCode	Description	Quantity	InvoiceDate	UnitPrice	CustomerID	Country	c
0	536365	85123A	WHITE HANGING HEART T- LIGHT HOLDER	0.500037	01-12-2010 08:26	2.55	0.926443	United Kingdom	
1	536365	71053	WHITE METAL LANTERN	0.500037	01-12-2010 08:26	3.39	0.926443	United Kingdom	
2	536365	84406B	CREAM CUPID HEARTS COAT HANGER	0.500049	01-12-2010 08:26	2.75	0.926443	United Kingdom	
3	536365	84029G	KNITTED UNION FLAG HOT WATER BOTTLE	0.500037	01-12-2010 08:26	3.39	0.926443	United Kingdom	
4	536365	84029E	RED WOOLLY HOTTIE WHITE HEART.	0.500037	01-12-2010 08:26	3.39	0.926443	United Kingdom	

```

In [28]: s1=s[s["New Cluster"]==0]
s2=s[s["New Cluster"]==1]
s3=s[s["New Cluster"]==2]
plt.scatter(s1["CustomerID"],s1["Quantity"],color="red")
plt.scatter(s2["CustomerID"],s2["Quantity"],color="green")
plt.scatter(s3["CustomerID"],s3["Quantity"],color="blue")
plt.xlabel("CustomerID")
plt.ylabel("Quantity")

```

Out[28]: Text(0, 0.5, 'Quantity')



```

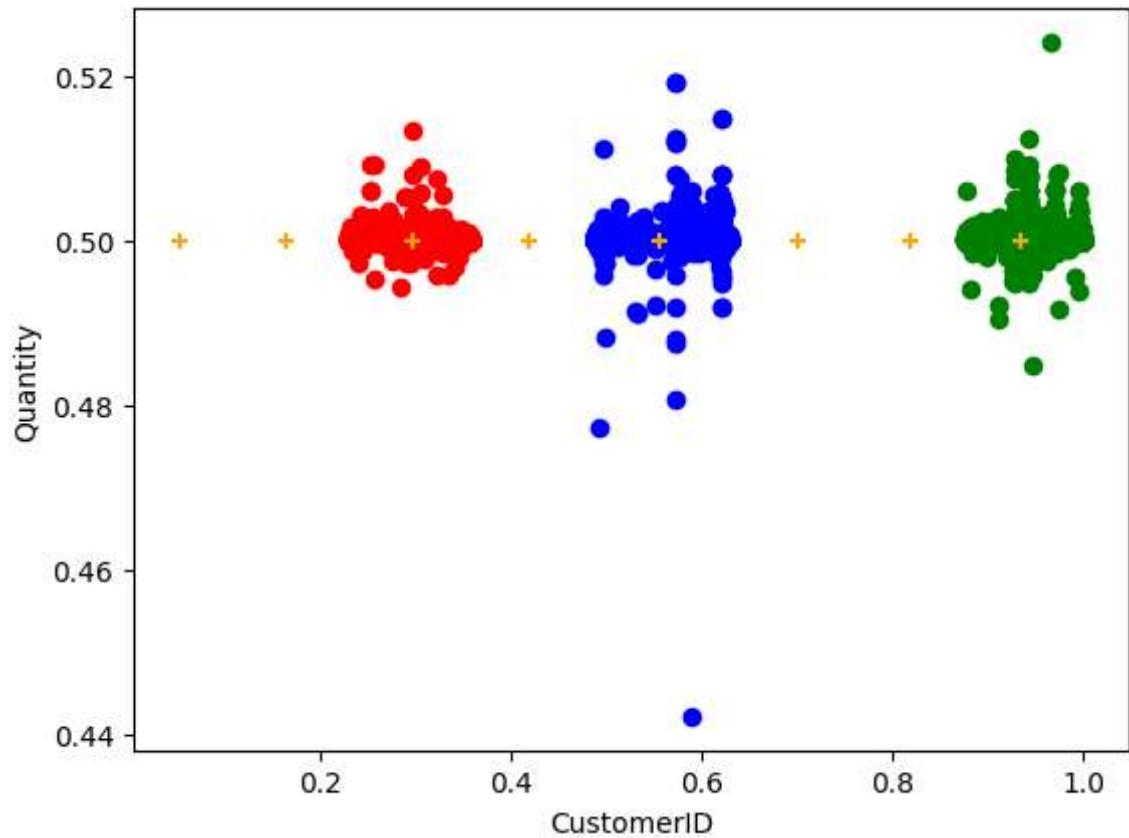
In [29]: km.cluster_centers_

```

Out[29]: array([[0.2960104 , 0.50006014],
[0.93301823, 0.50005097],
[0.55502897, 0.50005357],
[0.05128805, 0.50006687],
[0.41826663, 0.50006089],
[0.81846964, 0.50006032],
[0.70121934, 0.50005792],
[0.16326876, 0.50006159]])

```
In [30]: s1=s[s["New Cluster"]==0]
s2=s[s["New Cluster"]==1]
s3=s[s["New Cluster"]==2]
plt.scatter(s1["CustomerID"],s1["Quantity"],color="red")
plt.scatter(s2["CustomerID"],s2["Quantity"],color="green")
plt.scatter(s3["CustomerID"],s3["Quantity"],color="blue")
plt.scatter(km.cluster_centers_[0],km.cluster_centers_[1],color="orange",r=100)
plt.xlabel("CustomerID")
plt.ylabel("Quantity")
```

Out[30]: Text(0, 0.5, 'Quantity')



```
In [37]: k_rng=range(1,10)
sse=[]
```

```
In [39]: for k in k_rng:
        km=KMeans(n_clusters=k)
        km.fit(s[["CustomerID","Quantity"]])
        sse.append(km.inertia_)
#km.inertia_ will give you the value of sum of square error
        print(sse)
        plt.plot(k_rng,sse)
        plt.xlabel("K")
        plt.ylabel("Sum of Squared Error")
```

C:\Users\mouni\AppData\Local\Programs\Python\Python310\lib\site-packages\sklearn\cluster_kmeans.py:870: FutureWarning: The default value of `n_init` will change from 10 to 'auto' in 1.4. Set the value of `n_init` explicitly to suppress the warning

warnings.warn(
C:\Users\mouni\AppData\Local\Programs\Python\Python310\lib\site-packages\sklearn\cluster_kmeans.py:870: FutureWarning: The default value of `n_init` will change from 10 to 'auto' in 1.4. Set the value of `n_init` explicitly to suppress the warning

warnings.warn(
C:\Users\mouni\AppData\Local\Programs\Python\Python310\lib\site-packages\sklearn\cluster_kmeans.py:870: FutureWarning: The default value of `n_init` will change from 10 to 'auto' in 1.4. Set the value of `n_init` explicitly to suppress the warning

warnings.warn(
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warnings.warn(
C:\Users\mouni\AppData\Local\Programs\Python\Python310\lib\site-packages\sklearn\cluster_kmeans.py:870: FutureWarning: The default value of `n_init` will change from 10 to 'auto' in 1.4. Set the value of `n_init` explicitly to suppress the warning

warnings.warn(
C:\Users\mouni\AppData\Local\Programs\Python\Python310\lib\site-packages\sklearn\cluster_kmeans.py:870: FutureWarning: The default value of `n_init` will change from 10 to 'auto' in 1.4. Set the value of `n_init` explicitly to suppress the warning

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C:\Users\mouni\AppData\Local\Programs\Python\Python310\lib\site-packages\sklearn\cluster_kmeans.py:870: FutureWarning: The default value of `n_init` will change from 10 to 'auto' in 1.4. Set the value of `n_init` explicitly to suppress the warning

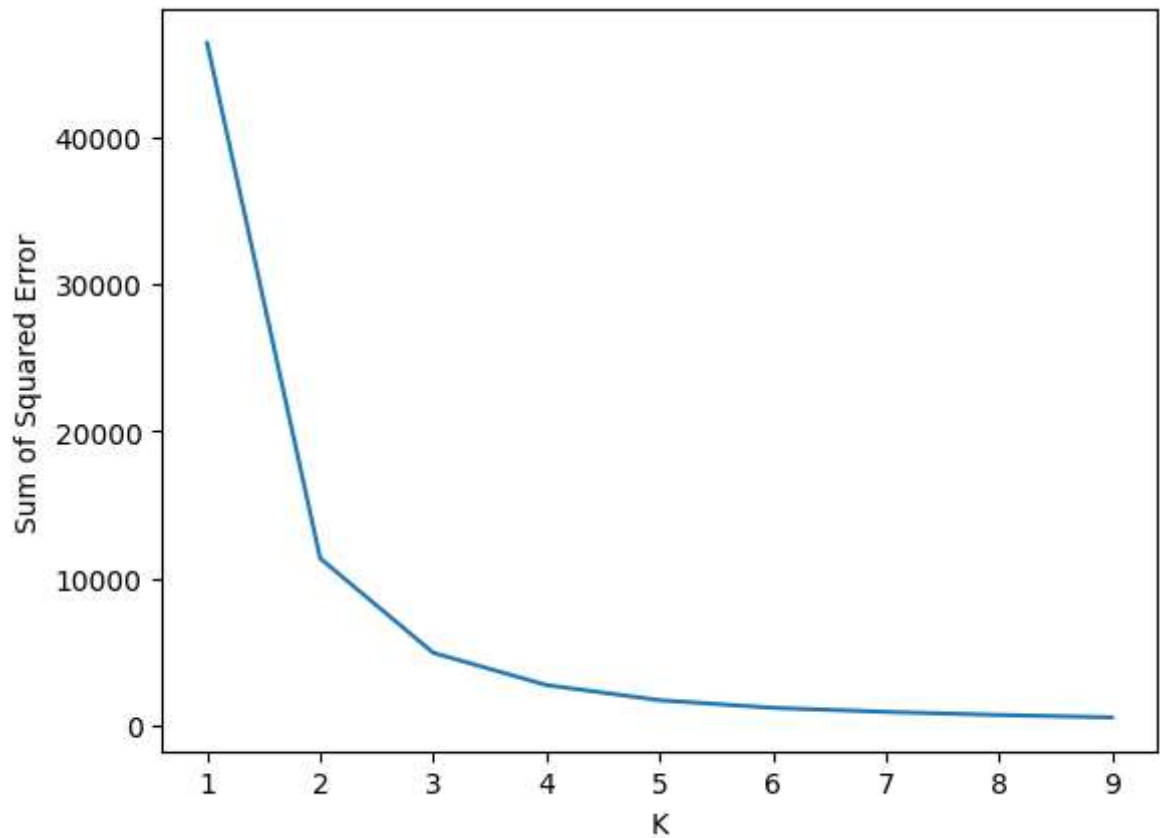
warnings.warn(
C:\Users\mouni\AppData\Local\Programs\Python\Python310\lib\site-packages\sklearn\cluster_kmeans.py:870: FutureWarning: The default value of `n_init` will change from 10 to 'auto' in 1.4. Set the value of `n_init` explicitly to suppress the warning

warnings.warn(
C:\Users\mouni\AppData\Local\Programs\Python\Python310\lib\site-packages\sklearn\cluster_kmeans.py:870: FutureWarning: The default value of `n_init` will change from 10 to 'auto' in 1.4. Set the value of `n_init` explicitly to suppress the warning

warnings.warn(
C:\Users\mouni\AppData\Local\Programs\Python\Python310\lib\site-packages\sklearn\cluster_kmeans.py:870: FutureWarning: The default value of `n_init` will change from 10 to 'auto' in 1.4. Set the value of `n_init` explicitly to suppress the warning

```
[46374.84553398371, 11336.065305485055, 4915.844333336665, 2723.519105189564, 1695.1451771972916, 1178.5718587781669, 902.5218165498411, 688.9201989697517, 528.8093107707914]
```

Out[39]: Text(0, 0.5, 'Sum of Squared Error')



CONCLUSION

For the given dataset we use K-means Clustering and done the grouping based on the given data. In the above dataset we will take customer id and quantity based on that we make the clusters. When the K-value is low error rate is more and the K-value is high error rate is very high. So, finally we can conclude the above dataset is best fit for K-Means.

In []: