EDA

January 14, 2023

1 Exploratory Data Analysis

Exploratory Data Analysis (EDA) is the process of analyzing and summarizing the main characteristics of a data set. It is a crucial step in the data science process that helps to gain a better understanding of the data and identify any potential issues or problems. During the EDA process, one may use various techniques such as visualizations, statistical analysis, and data cleaning to explore the data and uncover insights.

E-commerce is experiencing exponential growth, with online sales accounting for a significant portion of the overall retail market. Retailers who fail to embrace e-commerce may face a decline in business as customers increasingly turn to online shopping. There are numerous advantages to retailing online, such as:

- Easy market entry, as platforms like eBay and Amazon allow for the creation of an online shop in a matter of minutes.
- Reduced overhead costs as it eliminates the need for physical retail spaces and customer-facing staff, allowing for more investment in marketing and customer experience.
- The potential for rapid growth, as the internet removes traditional barriers to retail expansion.
- The ability to expand your market beyond local customers with the use of online marketing and offering the website in different languages.
- The ability to gain insights into customer needs and preferences through website analytics tools and targeted online marketing.

In the case of the ecommerce dataset, the EDA would focus on understanding the following aspects:

- Distribution of events and which events are more frequent
- Products characteristics, such as category and department distributions
- Customers demographics and purchase patterns
- Sessions behavior and durations
- Identifying any missing or duplicate values, and any other issues with the data structure.

Once these general insights are obtained, then we can use these insights to form a more specific research questions.

EDA is a crucial step that helps to gain understanding of the data and prepare it for modeling or further analysis.

1.0.1 Data Source

Source of data: https://www.kaggle.com/datasets/carrie1/ecommerce-data The dataset is downloaded from Kaggle.com, Kaggle is a platform that hosts a variety of datasets, competitions, and

resources for data science and machine learning. Many organizations and individuals contribute datasets to Kaggle in order to share them with the broader data science community. This dataset contains information on all transactions that took place between December 1, 2010 and September 12, 2011 for a UK-based online retail company that specializes in unique gifts for all occasions. The company operates exclusively online and primarily sells to wholesalers. The data covers a transnational scope.

1.0.2 Important libraries

```
[1]: import matplotlib.pyplot as plt
  import numpy as np
  import pandas as pd
  import seaborn as sns
  %matplotlib inline
  color = sns.color_palette()
  pd.set_option('display.max_rows', 10000)
  pd.set_option('display.max_columns', 100)
  pd.options.display.float_format = '{:.2f}'.format
```

1.0.3 Reading dataset into dataframe

Using the pandas library in Python, the data from a csv file is loaded into a DataFrame to facilitate further manipulation and analysis to identify important factors in decision making.

```
[2]: dataf = pd.read_csv("data.csv", encoding='latin1')
  dataf.head()
```

```
[2]:
       InvoiceNo StockCode
                                                       Description
                                                                    Quantity
                              WHITE HANGING HEART T-LIGHT HOLDER
     0
          536365
                     85123A
                                                                            6
     1
          536365
                     71053
                                              WHITE METAL LANTERN
                                                                            6
     2
                                  CREAM CUPID HEARTS COAT HANGER
          536365
                     84406B
                                                                            8
                             KNITTED UNION FLAG HOT WATER BOTTLE
     3
                     84029G
                                                                            6
          536365
     4
                                  RED WOOLLY HOTTIE WHITE HEART.
          536365
                     84029E
                                                                            6
```

```
InvoiceDate
                   UnitPrice
                              CustomerID
                                                 Country
  12/1/2010 8:26
                                17850.00 United Kingdom
0
                        2.55
                                17850.00
1
 12/1/2010 8:26
                        3.39
                                          United Kingdom
2 12/1/2010 8:26
                        2.75
                                          United Kingdom
                                17850.00
3 12/1/2010 8:26
                        3.39
                                17850.00
                                          United Kingdom
4 12/1/2010 8:26
                        3.39
                                17850.00
                                          United Kingdom
```

1.0.4 A look on the dataset

```
[3]: dataf.shape
[3]: (541909, 8)
[4]: dataf.columns
```

```
[4]: Index(['InvoiceNo', 'StockCode', 'Description', 'Quantity', 'InvoiceDate',
            'UnitPrice', 'CustomerID', 'Country'],
           dtype='object')
[5]: # Data duplication
     dataf.duplicated(keep=False).sum()
[5]: 10147
[6]: # Missing Values
     dataf.isnull().sum()
[6]: InvoiceNo
                         0
    StockCode
                         0
    Description
                      1454
     Quantity
                         0
     InvoiceDate
                         0
    UnitPrice
                         0
     CustomerID
                    135080
     Country
                         0
     dtype: int64
[7]: # Unique Values
     dataf.nunique()
[7]: InvoiceNo
                    25900
     StockCode
                     4070
    Description
                     4223
     Quantity
                     722
     InvoiceDate
                    23260
    UnitPrice
                     1630
     CustomerID
                     4372
     Country
                      38
     dtype: int64
[8]: # Columns info
     dataf.info()
    <class 'pandas.core.frame.DataFrame'>
    RangeIndex: 541909 entries, 0 to 541908
    Data columns (total 8 columns):
         Column
                      Non-Null Count
                                       Dtype
        -----
                      _____
         InvoiceNo
                      541909 non-null object
     0
     1
         StockCode
                      541909 non-null object
     2
         Description 540455 non-null object
         Quantity
                      541909 non-null int64
         InvoiceDate 541909 non-null object
```

```
5
     UnitPrice
                  541909 non-null float64
 6
                  406829 non-null float64
     CustomerID
     Country
                  541909 non-null
                                   object
dtypes: float64(2), int64(1), object(5)
memory usage: 33.1+ MB
```

- The data has 541909 rows and 8 columns
- However, the data type of the invoice date column is an object instead of datetime.
- Additionally, the customer ID column has a float data type, which is unusual.
- The dataset comprises of customers from 38 distinct countries which is noteworthy.
- However, the customer ID column has a significant number of missing values, which raises questions.

```
[9]: missing_percentage = dataf.isnull().sum() / dataf.shape[0] * 100
     print("Percentage of missing values")
     print(missing_percentage.sort_values(ascending=False))
```

```
Percentage of missing values
CustomerID
              24.93
Description
               0.27
InvoiceNo
               0.00
StockCode
               0.00
Quantity
               0.00
InvoiceDate
               0.00
UnitPrice
               0.00
Country
               0.00
```

- dtype: float64
 - Data loss can happen due to a wide range of reasons, including human error in data entry, technical malfunctions, file deletion and more. Almost every dataset has some missing values.
 - This particular dataset has an unusually high percentage of missing Customer Ids, almost 25%. It's peculiar as each transaction should have a linked customer ID.

1.0.5 Data Preprocessing and Cleaning for further Analysis

In this dataset, the column containing the descriptions of the product/transaction will be transformed to lowercase letters.

```
[10]: dataf['Description']=dataf.Description.str.lower()
[11]:
      dataf.head()
[11]:
        InvoiceNo StockCode
                                                       Description Quantity
      0
           536365
                      85123A
                               white hanging heart t-light holder
                                                                             6
                                               white metal lantern
                                                                             6
      1
           536365
                       71053
                                   cream cupid hearts coat hanger
      2
           536365
                      84406B
                                                                             8
      3
                              knitted union flag hot water bottle
           536365
                      84029G
                                                                             6
      4
           536365
                      84029E
                                   red woolly hottie white heart.
                                                                             6
```

```
InvoiceDate UnitPrice CustomerID
                                                Country
  12/1/2010 8:26
0
                       2.55
                               17850.00 United Kingdom
                               17850.00
1
  12/1/2010 8:26
                       3.39
                                         United Kingdom
2 12/1/2010 8:26
                                         United Kingdom
                       2.75
                               17850.00
3 12/1/2010 8:26
                       3.39
                               17850.00 United Kingdom
4 12/1/2010 8:26
                       3.39
                               17850.00 United Kingdom
```

To continue the analysis, the rows with missing values will be removed from the data set, and a new DataFrame named 'df_n' will be created by referencing the cleaned data.

Description 0
Quantity 0
InvoiceDate 0
UnitPrice 0
CustomerID 0
Country 0
dtype: int64

[14]: df_n.info()

<class 'pandas.core.frame.DataFrame'>
Int64Index: 406829 entries, 0 to 541908
Data columns (total 8 columns):

#	Column	Non-Null Count	Dtype	
0	InvoiceNo	406829 non-null	object	
1	StockCode	406829 non-null	object	
2	Description	406829 non-null	object	
3	Quantity	406829 non-null	int64	
4	${\tt InvoiceDate}$	406829 non-null	object	
5	${\tt UnitPrice}$	406829 non-null	float64	
6	CustomerID	406829 non-null	float64	
7	Country	406829 non-null	object	
dtypes: float64(2), int64(1), object(5)				
memory usage: 27.9+ MB				

At this stage, the DataFrame has been cleared of any missing values.

```
[15]: df_n.duplicated().sum()
```

[15]: 5225

The dataset contains 5225 duplicate transactions that will be removed to ensure accuracy of the analysis.

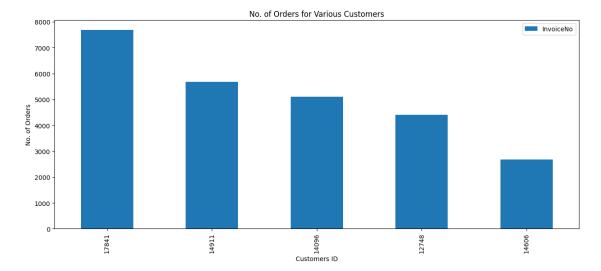
```
[16]: df_n.drop_duplicates(inplace=True)
     C:\Users\pc\AppData\Local\Temp\ipykernel_13000\2666465231.py:1:
     SettingWithCopyWarning:
     A value is trying to be set on a copy of a slice from a DataFrame
     See the caveats in the documentation: https://pandas.pydata.org/pandas-
     docs/stable/user_guide/indexing.html#returning-a-view-versus-a-copy
       df_n.drop_duplicates(inplace=True)
[17]: df n.duplicated().sum()
[17]: 0
     The following step in the analysis is to convert the 'customer' id' column to the integer data type
     (int) from a float data type, as customer IDs are numerical and should not have decimal points.
[18]: df_n['CustomerID']=df_n.CustomerID.astype('int64')
     C:\Users\pc\AppData\Local\Temp\ipykernel_13000\2652109009.py:1:
     SettingWithCopyWarning:
     A value is trying to be set on a copy of a slice from a DataFrame.
     Try using .loc[row_indexer,col_indexer] = value instead
     See the caveats in the documentation: https://pandas.pydata.org/pandas-
     docs/stable/user_guide/indexing.html#returning-a-view-versus-a-copy
       df_n['CustomerID']=df_n.CustomerID.astype('int64')
[19]: df_n = df_n[df_n.Quantity > 0]
      df_n = df_n[df_n.UnitPrice >= 0]
      df_n['AmountSpent'] = df_n['Quantity'] * df_n['UnitPrice']
      # re-arrange all columns for simple reference
      df_n = 
       -df_n[['InvoiceNo', 'InvoiceDate', 'StockCode', 'Description', 'Quantity', 'UnitPrice', 'AmountSpe
      df_n['InvoiceDate']=pd.to_datetime(df_n.InvoiceDate, format='%m/%d/%Y %H:%M')
      df n.head()
[19]:
        InvoiceNo
                          InvoiceDate StockCode \
           536365 2010-12-01 08:26:00
                                          85123A
           536365 2010-12-01 08:26:00
      1
                                           71053
           536365 2010-12-01 08:26:00
      2
                                          84406B
           536365 2010-12-01 08:26:00
      3
                                          84029G
           536365 2010-12-01 08:26:00
                                          84029E
                                 Description Quantity UnitPrice AmountSpent \
```

0	white hanging heart t-light holder	6	2.55	15.30
1	white metal lantern	6	3.39	20.34
2	cream cupid hearts coat hanger	8	2.75	22.00
3	knitted union flag hot water bottle	6	3.39	20.34
4	red woolly hottie white heart.	6	3.39	20.34

	${\tt CustomerID}$		Country
0	17850	United	${\tt Kingdom}$
1	17850	United	${\tt Kingdom}$
2	17850	United	${\tt Kingdom}$
3	17850	United	${\tt Kingdom}$
4	17850	United	Kingdom

1.0.6 Exploratory Data Analysis (EDA)

How many orders placed by the customers?



We will now examine the specifics of the countries where the majority of orders originated.

```
[32]: print(df_n[['InvoiceNo','Country']].groupby('Country').count().

sort_values("InvoiceNo",ascending = False))
```

	InvoiceNo
Country	
United Kingdom	349227
Germany	9027
France	8327
EIRE	7228
Spain	2480
Netherlands	2363
Belgium	2031
Switzerland	1842
Portugal	1453
Australia	1184
Norway	1072
Italy	758
Channel Islands	747
Finland	685
Cyprus	603
Sweden	450
Austria	398
Denmark	380
Poland	330
Japan	321
Israel	245
Unspecified	241
Singapore	222
Iceland	182
USA	179
Canada	151
Greece	145
Malta	112
United Arab Emirates	68
European Community	60
RSA	58
Lebanon	45
Lithuania	35
Brazil	32
Czech Republic	25
Bahrain	17
Saudi Arabia	9

Generating a pie chart to enhance the data visualization.

```
[33]: # Creating dataset

countries = ['United Kingdom', 'Germany', 'France', 'EIRE', 'Spain', 'Netherlands', "

'Belgium', 'Switzerland', 'Portugal', 'Others', ]

invoice_num = [349227, 9027, 8327, 7228, 2480, 2363, 2031, 1842, 1453, 8754]

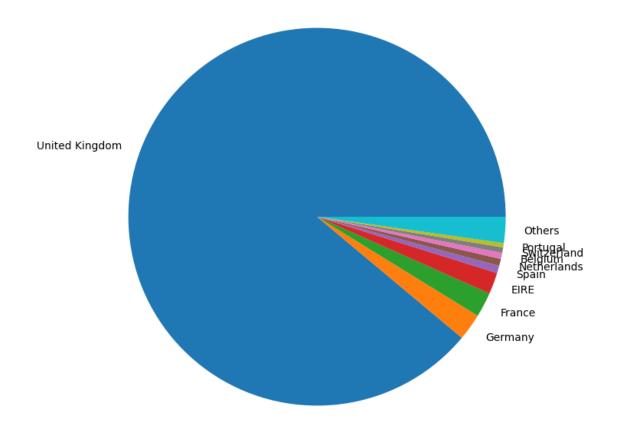
# Creating plot

fig = plt.figure(figsize = (12, 8))

plt.pie(invoice_num, labels = countries)

# show plot

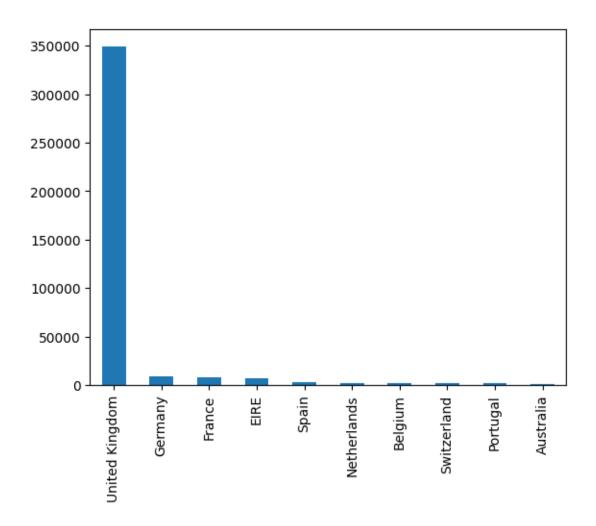
plt.show()
```



We observe that the majority of the orders in the dataset are from the UK.

```
[34]: df_n['Country'].value_counts().head(10).plot(kind='bar')
```

[34]: <AxesSubplot: >



No of Orders per Country visualizing using World Map

```
key_on='feature.id',
    columns=['Country', 'Count'],
    fill_color='YlGn',
    fill_opacity=0.7,
    line_opacity=0.2,
    legend_name='Number of orders per country'
).add_to(map)

map.save("orders_map.html")
map
```

[64]: <folium.folium.Map at 0x293b5dbcb80>

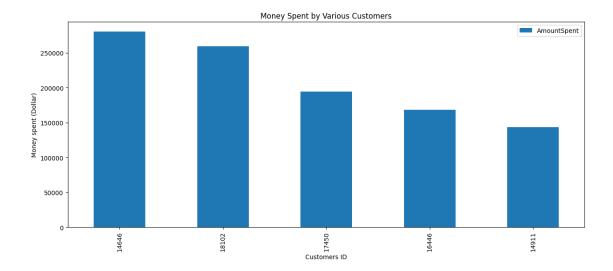
Observing TOP Five High No. of Orders

```
[21]: print('The TOP five customers with high number of orders...') orders.sort_values(by='InvoiceNo', ascending=False).head()
```

The TOP five customers with high number of orders...

```
[21]:
                             Country InvoiceNo
          CustomerID
      4019
                17841 United Kingdom
                                           7676
      1888
                14911
                                           5672
      1298
                14096 United Kingdom
                                           5111
                12748 United Kingdom
      334
                                           4413
                14606 United Kingdom
      1670
                                           2677
```

What is the total amount of money spent by customers?



Observe top five highest money utilizers

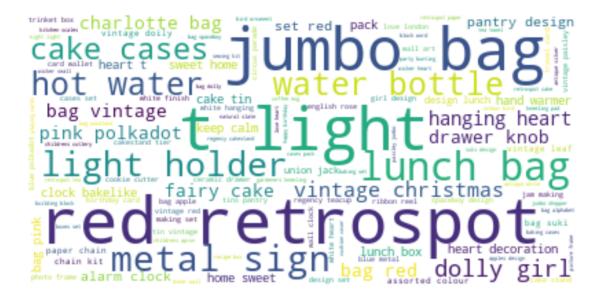
```
[23]: print('The Top five customers with highest expenditure...')
print(money_Sp.sort_values(by='AmountSpent', ascending=False).head())
```

The Top five customers with highest expenditure...

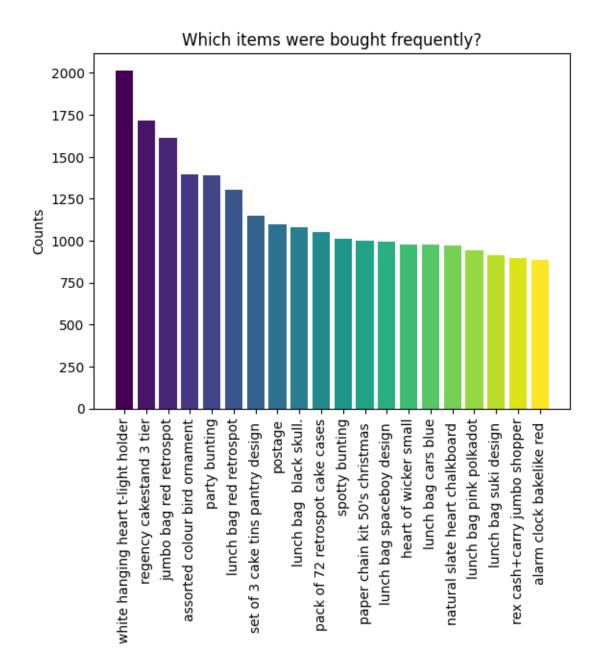
	CustomerID	${\tt Country}$	${\tt AmountSpent}$
1698	14646	Netherlands	280206.02
4210	18102	United Kingdom	259657.30
3737	17450	United Kingdom	194390.79
3017	16446	United Kingdom	168472.50
1888	14911	EIRE	143711.17

Wordcloud Visualization of Product names

Creating a word cloud visualization can be useful for identifying patterns and trends in the names of products that are being sold. For example, if a company is selling a large number of products with similar names, such as "Blue T-Shirt" or "Green T-Shirt," a word cloud visualization can quickly reveal this pattern.



Which description was most frequently used?



Is the company's performance showing an upward or downward trend over time? The performance can be evaluated in various ways, in this case, we will be assessing it through the following metrics:

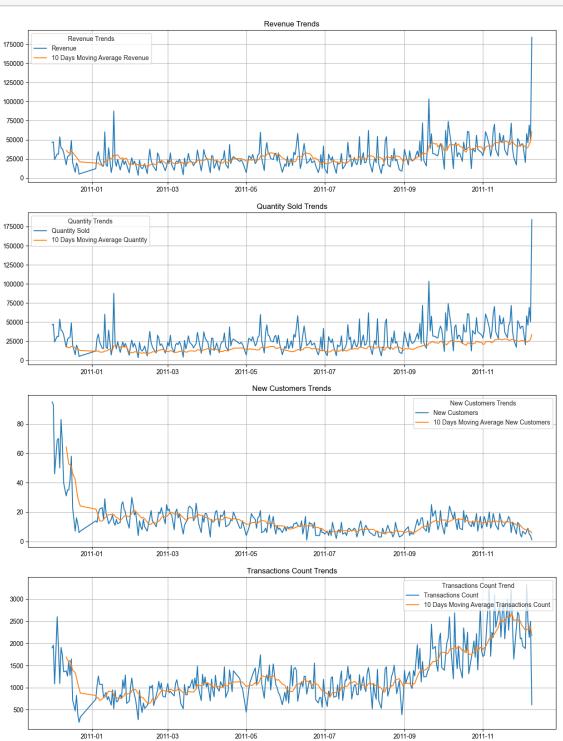
- Increase or decrease in revenue generated through sales
- Increase or decrease in the quantity of sales
- Increase or decrease in the number of customers.

```
[51]: import matplotlib.pyplot as plt
fig = plt.figure(figsize=(15,20))
```

```
ax1 = fig.add_subplot(411)
ax2 = fig.add_subplot(412)
ax3 = fig.add_subplot(413)
ax4 = fig.add_subplot(414)
df_n["TotalPrice"] = df_n["UnitPrice"] * df_n["Quantity"]
rev = df n[df n['TotalPrice']>=0]
rev['TransactionsCount'] = 1
rev = rev.groupby(rev['InvoiceDate'].dt.date).agg({'TotalPrice':'sum',
                                                   'Quantity': 'sum',
                                                   'CustomerID': 'count'.
                                                   'TransactionsCount':'sum'})
rev['10 Days Moving Average Revenue'] = rev['TotalPrice'].rolling(10).mean()
rev['10 Days Moving Average Quantity'] = rev['Quantity'].rolling(10).mean()
rev['10 Days Moving Transactions Count'] = rev['TransactionsCount'].rolling(10).
 →mean()
cust = df_n.groupby('CustomerID').first().
⇔reset_index()[['CustomerID','InvoiceDate']]
cust = cust.groupby(cust.InvoiceDate.dt.date).agg({'CustomerID':'count'})
cust['10 Days Moving Average Quantity'] = cust['CustomerID'].rolling(10).mean()
sns.set_style("whitegrid")
rev[['TotalPrice','10 Days Moving Average Revenue']].plot(ax=ax1, linewidth=1.
 ⇔5, legend=False)
ax1.legend(title='Revenue Trends', loc='upper left', labels=['Revenue', '10, '
 →Days Moving Average Revenue'])
ax1.set_title('Revenue Trends')
ax1.set_xlabel('')
rev[['TotalPrice','10 Days Moving Average Quantity']].plot(ax=ax2, linewidth=1.
 ⇒5)
ax2.legend(title='Quantity Trends', loc='upper left', labels=['Quantity Sold', __

¬'10 Days Moving Average Quantity'])
ax2.set_title('Quantity Sold Trends')
ax2.set_xlabel('')
cust.plot(ax=ax3, linewidth=1.5)
ax3.legend(title='New Customers Trends', loc='upper right', labels=['New_
 →Customers', '10 Days Moving Average New Customers'])
ax3.set_title('New Customers Trends')
ax3.set_xlabel('')
rev[['TransactionsCount','10 Days Moving Transactions Count']].plot(ax=ax4,__
 ⇒linewidth=1.5)
ax4.legend(title='Transactions Count Trend', loc='upper right', u
 -labels=['Transactions Count', '10 Days Moving Average Transactions Count'])
```

```
ax4.set_title('Transactions Count Trends')
ax4.set_xlabel('')
plt.show()
```

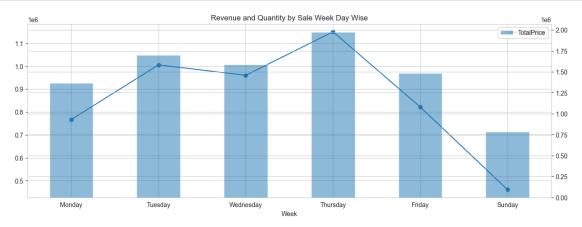


```
import calendar
fig, ax = plt.subplots(nrows=1, ncols=1,figsize=(15,5))
sns.set_style("whitegrid")

week = df_n[df_n['TotalPrice']>=0][['InvoiceDate','TotalPrice','Quantity']]
week = week.groupby(week['InvoiceDate'].dt.weekday)[['TotalPrice','Quantity']].
sum()
week = week.reset_index()
week = week.reset_index()
week['Week'] = week['InvoiceDate'].apply(lambda x: calendar.day_name[x])

week.plot(x='Week', y='Quantity', marker='o', ax=ax, kind='line')
ax2 = ax.twinx()
week.plot(x='Week', y='TotalPrice', alpha=0.5, ax=ax2, kind='bar')
ax.set_title('Revenue and Quantity by Sale Week Day Wise')

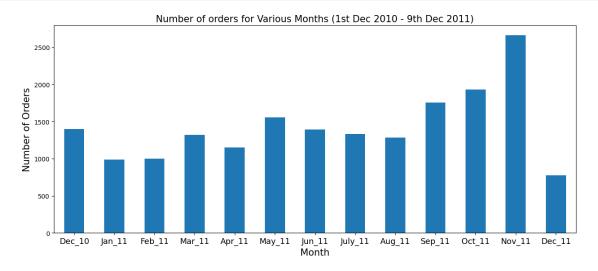
plt.show()
```



1.0.7 Findout patterns for No. of Orders

No of orders per month

plt.show()



1.0.8 Findout patterns for Unit Price

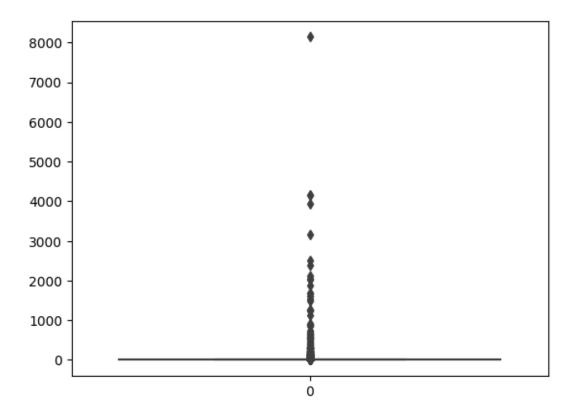
[25]:	<pre>df_n.UnitPrice.describe()</pre>

[25]:	count	392732.00
	mean	3.13
	std	22.24
	min	0.00
	25%	1.25
	50%	1.95
	75%	3.75
	max	8142.75

Name: UnitPrice, dtype: float64

There are instances of products with a unit price of zero, indicating that they were given as free items. The company occasionally provides complimentary items to customers.

[26]: # observing the distribution of unit price
sns.boxplot(df_n.UnitPrice)
plt.show()



```
[27]: dfFree = df_n[df_n.UnitPrice == 0]
dfFree.head()
```

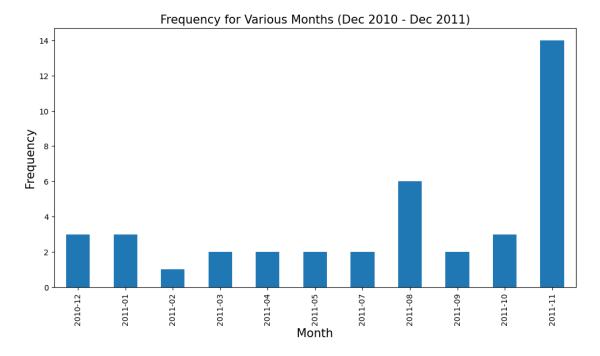
[27]:		InvoiceNo	Inv	oiceDate St	ockCode			Desc	cription	\
	9302	537197	2010-12-05	14:02:00	22841	round	cake ti	in vintag	ge green	
	33576	539263	2010-12-16	14:36:00	22580	advent	t calend	dar gingh	nam sack	
	40089	539722	2010-12-21	13:45:00	22423	re	egency o	cakestand	d 3 tier	
	47068	540372	2011-01-06	16:41:00	22090]	paper bu	unting re	etrospot	
	47070	540372	2011-01-06	16:41:00	22553		plaster	rs in tir	nskulls	
		Quantity	${\tt UnitPrice}$	AmountSpen	t Custo	merID		Country	month_ye	ar
	9302	1	0.00	0.0	0	12647		Germany	2010-	12
	33576	4	0.00	0.0	0	16560	United	Kingdom	2010-	12
	40089	10	0.00	0.0	0	14911		EIRE	2010-	12
	47068	24	0.00	0.0	0	13081	United	Kingdom	2011-	01
	47070	24	0.00	0.0	0	13081	United	Kingdom	2011-	01
	4/0/0	24	0.00	0.0	0	13081	United	Kingdom	2011-	01

[28]: dfFree.month_year.value_counts().sort_index()

[28]: 2010-12 3 2011-01 3 2011-02 1

```
2011-03
             2
2011-04
             2
             2
2011-05
             2
2011-07
2011-08
             6
2011-09
             2
2011-10
             3
2011-11
            14
```

Freq: M, Name: month_year, dtype: int64



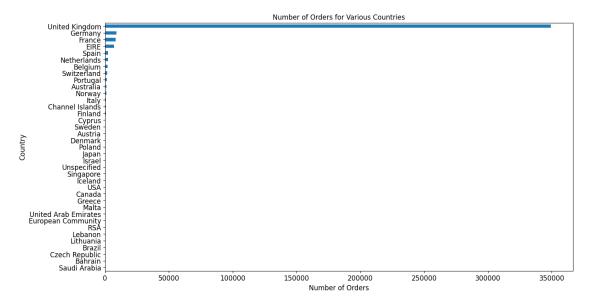
It is not specified what criteria the company uses to determine which customers receive free items. The company distributed free items to customers on average 2-4 times per month, except for June 2011.

1.0.9 Findout patterns for each country

No. orders for each country?

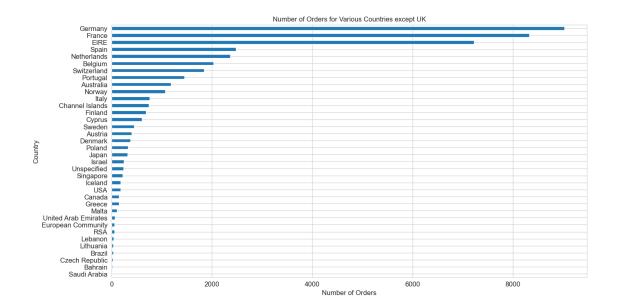
```
[30]: gp_cntry_orders = df_n.groupby('Country')['InvoiceNo'].count().sort_values()

# plot number of unique customers in each country (with UK)
plt.subplots(figsize=(15,8))
gp_cntry_orders.plot(kind='barh', fontsize=12, color=color[0])
plt.xlabel('Number of Orders', fontsize=12)
plt.ylabel('Country', fontsize=12)
plt.title('Number of Orders for Various Countries', fontsize=12)
plt.show()
```



```
[73]: gp_cntry_orders = df_n.groupby('Country')['InvoiceNo'].count().sort_values()
    del gp_cntry_orders['United Kingdom']

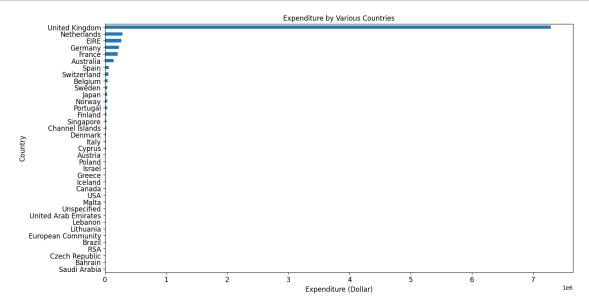
# plot number of unique customers in each country (with UK)
    plt.subplots(figsize=(15,8))
    gp_cntry_orders.plot(kind='barh', fontsize=12, color=color[0])
    plt.xlabel('Number of Orders', fontsize=12)
    plt.ylabel('Country', fontsize=12)
    plt.title('Number of Orders for Various Countries except UK', fontsize=12)
    plt.show()
```



Amount of money spent by each country?

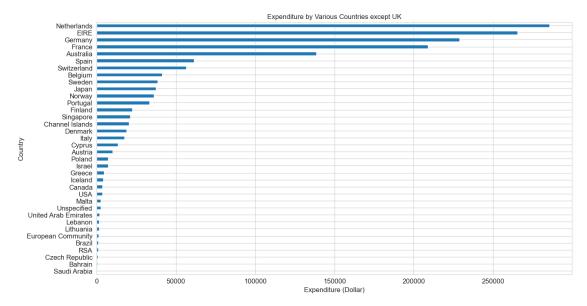
```
[31]: gp_ctry_amnt_spnt = df_n.groupby('Country')['AmountSpent'].sum().sort_values()
# del group_country_orders['United Kingdom']

plt.subplots(figsize=(15,8))
gp_ctry_amnt_spnt.plot(kind='barh', fontsize=12, color=color[0])
plt.xlabel('Expenditure (Dollar)', fontsize=12)
plt.ylabel('Country', fontsize=12)
plt.title('Expenditure by Various Countries', fontsize=12)
plt.show()
```



```
[72]: gp_ctry_amnt_spnt = df_n.groupby('Country')['AmountSpent'].sum().sort_values()
    del gp_ctry_amnt_spnt['United Kingdom']

plt.subplots(figsize=(15,8))
    gp_ctry_amnt_spnt.plot(kind='barh', fontsize=12, color=color[0])
    plt.xlabel('Expenditure (Dollar)', fontsize=12)
    plt.ylabel('Country', fontsize=12)
    plt.title('Expenditure by Various Countries except UK', fontsize=12)
    plt.show()
```



2 Conclusion

Strengths: - The company receives a high number of orders from customers in the UK, indicating a strong market presence in this country. - The company has a high number of orders during weekdays, specifically at 12:00pm, which can be leveraged for targeted marketing and promotions.

Limitations: - The company does not have a significant presence in markets outside of the UK, Germany, France, Ireland, and Spain. - The data is limited and does not provide information on the lowest-selling month and the reason for no transaction on Saturdays. - The data does not specify what factors contribute to giving out the free items, and it's unclear if it's an effective strategy.

Insights: - The Netherlands is a market with high potential for revenue growth. - The company's customer base may consist of working professionals who make purchases during their lunch break.

Data-driven recommendations: - Expand marketing efforts to target customers in the Netherlands. - Consider offering promotions or discounts during lunchtime hours to increase sales. -

	this day Further analyze the data to understand the factors that contribute to giving out the free items and evaluate the effectiveness of this strategy.
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[]	
[]	
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Investigate the reason for no transactions on Saturdays and consider strategies to increase sales on