

Building a Clustering Model for Customer Segmentation

Import software libraries and load the dataset

```
In [1]: import sys # Read system parameters.
import numpy as np # Interact with the operating system.
import pandas as pd # Work with multi-dimensional arrays and matrices.
import os # Manipulate and analyze data.
import matplotlib.pyplot as plt # Create 2D charts.
import matplotlib.cm as cm # Visualise line and scatter plots.
import sklearn # Perform data mining and analysis.
import seaborn as sns

# Summarize software libraries used.
print("Libraries used in this project:")
print("Python (%s) (%s)" % (sys.version, sys.executable))
print("NumPy (%s) (%s)" % (np.__version__, np.__file__))
print("pandas (%s) (%s)" % (pd.__version__, pd.__file__))
print("matplotlib (%s) (%s)" % (plt.__version__, plt.__file__))
print("sklearn (%s) (%s)" % (sklearn.__version__, sklearn.__file__))

# Load the dataset.
PROJECT_ROOT_DIR = "."
DATA_PATH = os.path.join(PROJECT_ROOT_DIR, "wholesale_customer_data")
#dir(DATA_PATH)
#dir(os.path.join(DATA_PATH, "data.csv"))
data_raw_file = os.path.join(DATA_PATH, "wholesale_customer_data.csv")
df = pd.read_csv("wholesale_customer_data.csv")
print("Loaded {} records".format(df.shape[0], df))

from sklearn.preprocessing import StandardScaler
from sklearn.cluster import KMeans

Libraries used in this project:
- Python 3.8.5 (default, Sep 3 2020, 12:23:08) [MSC v.1916 64 bit (AMD64)]
- NumPy 1.19.2
- pandas 1.1.3
- matplotlib 3.3.2
- seaborn 0.11.1
- sklearn 0.23.2

Loaded 440 records
```

Get acquainted with the dataset

```
In [2]: # View data types and see if there are missing entries.
df.info()

# View first 10 records.
df.head(10)
```

```
Out[2]:
```

	Fresh	Milk	Grocery	Frozen	Detergents	Paper	Deli
0	12669	9656	7561	214	2674	1338	
1	7057	9810	9568	1762	3293	1776	
2	6353	8808	7684	2405	4576	85448	1524
3	13265	1196	4221	6404	507	5185	
4	22615	5410	7198	3915	1777	5185	
5	9413	8259	5176	666	1795	1451	
6	12126	3199	6575	480	3320	545	
7	7579	4956	9426	1669	3742	2566	
8	5963	3648	6192	425	1716	750	
9	6006	11093	18881	1159	2785	2098	

Examine the distribution of various features

```
In [4]: # Use Matplotlib's plt. distribution histograms for all features.
df.hist(figsize=(20,20))
plt.show()
```

Examine a general summary of statistics

```
In [5]: # View general statistics (mean, standard deviation, min, max, etc.) for each feature.
df.describe()
```

```
Out[5]:
```

	Fresh	Milk	Grocery	Frozen	Detergents	Paper	Deli
count	440.000000	440.000000	440.000000	440.000000	440.000000	440.000000	440.000000
mean	12000.97727	5796.265999	7951.27273	3071.91818	2881.493182	1524.87045	
std	12647.38855	3780.7175	9503.162629	4854.673333	4967.85448	2880.109475	
min	3103000	51500000	3100000	25100000	3100000	3100000	
max	31275000	153310000	215310000	74225000	25675000	40825000	
50%	85040000	362710000	475510000	156250000	81650000	96510000	
75%	1693315000	719025000	1065575000	355425000	392210000	182025000	
max	11215100000	7349810000	9278010000	6086910000	4082710000	4794310000	

Use a k-means model to label every row in the dataset

```
In [6]: # Construct a k-means clustering model class object.
# Use 3 as the initial number of clusters.
# Use fresh products and milk products only for the initial training data.
# Fit the training data to the clustering object.
# Predict the cluster labels based on the training data.

df.head()
```

```
Out[7]:
```

	Fresh	Milk	Grocery	Frozen	Detergents	Paper	Deli
0	12669	9656	7561	214	2674	1338	
1	7057	9810	9568	1762	3293	1776	
2	6353	8808	7684	2405	4576	85448	1524
3	13265	1196	4221	6404	507	5185	
4	22615	5410	7198	3915	1777	5185	

```
In [8]: df2 = df[["Fresh", "Milk"]]
df2.head()
```

```
Out[9]:
```

	Fresh	Milk
0	12669	9656
1	7057	9810
2	6353	8808
3	13265	1196
4	22615	5410

```
In [10]: scaler = StandardScaler()
df2_scaled = scaler.fit_transform(df2)
```

```
Out[10]:
```

```
array([[ 5.29331988e-02,  5.23567773e-01],
       [-5.37031970e-01,  5.44457676e-01],
       [-4.70028261e-01,  4.08537706e-01],
       [ 1.01111407e-01, -6.24019925e-01],
       [ 8.63218806e-01,  5.33459526e-01],
       [-2.04805527e-01,  3.62606589e-01],
       [ 9.38035090e-01, -3.52315651e-01],
       [-4.49861431e-01,  5.33459526e-01],
       [-4.79009130e-01, -2.91409401e-01],
       [-4.74397115e-01,  4.13764930e-01],
       [-5.60284524e-01, -5.33459526e-01],
       [ 9.06915953e-02, -6.33786629e-01],
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       [ 1.00126356e-01,  4.97658789e-01],
       [-4.86312738e-01,  5.05131730e-01],
       [-8.69179316e-01,  4.09622895e-01],
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       [-4.36781840e-01, -6.33786629e-01],
       [-3.01990236e-01, -6.33786629e-01],
       [-7.11338890e-01, -7.15582773e-01],
       [-7.68331144e-01, -6.33786629e-01],
       [-3.13489575e-01,  2.49944181e-01],
       [-8.39302173e-01,  7.64184136e-01],
       [ 3.90700729e-01,  6.15484233e-02],
       [ 1.88291598e-01, -7.46239771e-01],
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       [-9.35727105e-01, -3.13520133e-01],
       [-8.37344066e-01, -6.48979279e-01],
       [ 3.75877482e-01, -8.01371536e-01],
       [ 1.47421656e+01,  1.91635492e-01],
       [-7.78038150e-01,  1.76847254e-01],
       [-2.48767225e-01, -6.33786629e-01],
       [-1.84461900e-01, -4.76876773e-01],
       [-7.07427230e-01,  1.00973259e-01],
       [-5.94975111e-01,  1.16654933e+01],
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       [-8.03771386e-01, -6.33163230e-01],
       [-7.95087397e-01, -6.49329768e-01],
       [-8.62232524e-01,  9.02257178e-01],
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       [-7.48779872e-01, -1.43880050e-01],
       [-4.87672250e-01, -6.33786629e-01],
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       [-6.21017726e-01, -7.36472860e-01],
       [ 2.18056950e-01, -6.64307578e-01],
       [-5.27835464e-01,  2.31516199e-01],
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       [-7.29063907e-01, -4.43471535e-01],
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       [ 1.05101350e-01, -5.44801350e-01],
       [-8.73612168e-01, -1.01827858e-01],
       [ 2.85183034e-01, -4.19597388e-01],
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       [-3.67078937e-01, -7.12015276e-01],
       [ 2.80953426e+01, -4.38015407e-01],
       [-4.63597350e-01, -6.33786629e-01],
       [ 1.02341128e+01, -5.41952483e-01],
       [ 4.52614655e-01, -6.96836136e-01],
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       [-2.46801995e-01, -4.86077176e-01],
       [ 1.24175464e-01, -7.39321290e-01],
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