



5134 - UNIVERSITY COLLEGE OF  
ENGINEERING KANCHEEPURAM



NAAN MUDHALVAN PROJECT

MARKET BASKET INSIGHTS

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## MARKET BASKET INSIGHTS

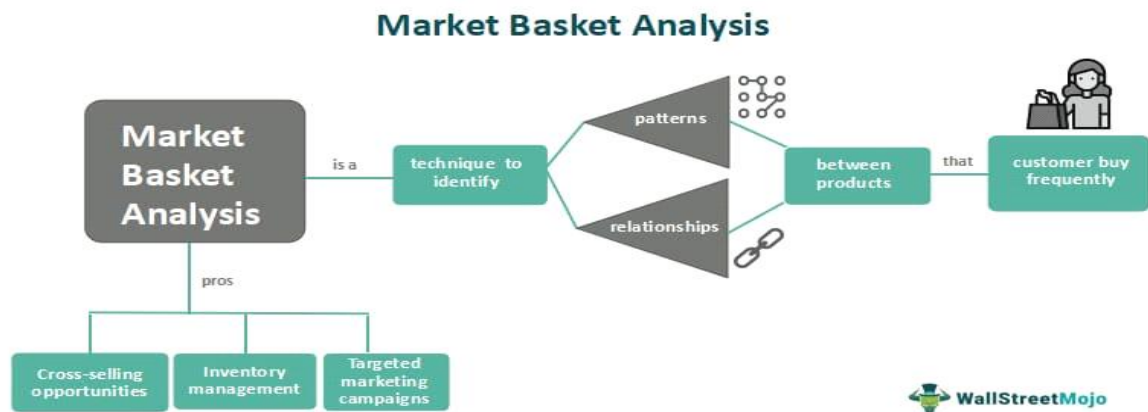
**Definition:** Market basket insights is a data mining technique used by retailers to increase sales by better understanding customer purchasing patterns. It involves analyzing large data sets, such as purchase history, to reveal product groupings as well as products that are likely to be purchased together.

## INNOVATION

To innovate on market basket insights, consider implementing the following design strategies:

- Advanced Data Analytics: Utilize advanced data analytics techniques, such as machine learning and predictive modeling.

- Personalization: Tailor product recommendations and marketing strategies based on individual customer's past purchase history. Use AI algorithms to provide personalized product suggestions.
- Real-time Analysis: Implement real-time data processing to analyze market basket data as it's generated. This allows for immediate adjustments to pricing, promotions, and inventory management based on current trends and customer behavior.
- A/B Testing: Using A/B testing to measure their impact on market basket composition and overall revenue.



- Mobile Integration: Mobile apps can facilitate easy browsing, purchasing and personalized recommendations.
- Customer Feedback: Collect and analyze customer feedback to understand their needs and pain points. Use this information to refine your market basket insights and improve the overall shopping experience.

## Advantages of Market Basket Analysis



\*Javapoint.com

### DATA SET LINK -

<https://www.kaggle.com/datasets/aslanahmedov/market-basket-analysis>

### PROGRAM:

Step 1: Install Required Libraries

# You may need to install these libraries if you haven't already

# pip install pandas mlxtend

Step 2: Import Libraries

```
import pandas as pd
```

```
from mlxtend.frequent_patterns import apriori
from mlxtend.frequent_patterns import association_rules
```

### Step 3: Transaction Data

```
# Load your data into a pandas DataFrame
data = pd.read_csv('Market Basket Insights')
```

### Step 4: Preprocess Your Data

```
# You may need to clean and preprocess your data, e.g., handle missing
values or encode categorical variables.
# This depends on your dataset and specific requirements.
```

### Step 5: Encode Data for Apriori Algorithm

```
# Convert your data into a binary format suitable for the Apriori
algorithm
def encode_data(data):
    return data.applymap(lambda x: 1 if x else 0)
```

```
# Assuming you have columns for different items (e.g., item1, item2, item3)
```

```
data_encoded = encode_data(data)
```

Step 6: Run Apriori Algorithm to Find Frequent Itemsets

```
# Set a minimum support threshold
```

```
min_support = 0.2 # Adjust as needed
```

```
# Use the Apriori algorithm to find frequent itemsets
```

```
frequent_itemsets = apriori(data_encoded, min_support=min_support, use_colnames=True)
```

Step 7: Generate Association Rules

```
# Set a minimum confidence threshold
```

```
min_confidence = 0.5 # Adjust as needed
```

```
# Generate association rules from frequent itemsets
```

```
rules = association_rules(frequent_itemsets, metric='confidence', min_threshold=min_confidence)
```

## Step 8: Explore and Interpret the Results

# You can now explore and interpret the association rules to gain insights into your market basket data.

# For example, you can see which items are often purchased together and their associated statistics.

```
print(rules)
```