

Report

Table of contents

1.Data Analysis	2
1.1 Food Item Analysis	5
1.2 Mosaic Plots and Our Data	6
1.3 Correlation Plot	8
1.3.1 Plot 1: Correlations Between All Products	8
1.3.2 Plot 2: Correlations Between Purchase Sources	8
1.4 Scatter plot between premium products	9
2. Principal Component Analysis	10

1.Data Analysis

Our initial data exploration will involve analyzing each column of the dataset to understand its characteristics. We will utilize R's summary function to obtain a statistical overview of each variable.

corrplot 0.92 loaded

```
-- Attaching core tidyverse packages ----- tidyverse 2.0.0 --
v dplyr      1.1.2      v readr      2.1.4
v forcats    1.0.0      v stringr    1.5.0
v lubridate  1.9.2      v tibble     3.2.1
v purrr      1.0.1      v tidyr      1.3.0
-- Conflicts ----- tidyverse_conflicts() --
x dplyr::filter() masks stats::filter()
x dplyr::lag()     masks stats::lag()
i Use the conflicted package (<http://conflicted.r-lib.org/>) to force all conflicts to beco
```

```
head(data)
```

	X	ID	Year_Birth	Education	Marital_Status	Income	Kidhome	Teenhome
1	1	5524	1957	Graduation	Single	58138	0	0
2	2	2174	1954	Graduation	Single	46344	1	1
3	3	4141	1965	Graduation	Together	71613	0	0
4	4	6182	1984	Graduation	Together	26646	1	0
5	5	5324	1981	PhD	Married	58293	1	0
6	6	7446	1967	Master	Together	62513	0	1

	Dt_Customer	Recency	MntWines	MntFruits	MntMeatProducts	MntFishProducts
1	2012-09-04	58	635	88	546	172
2	2014-03-08	38	11	1	6	2
3	2013-08-21	26	426	49	127	111
4	2014-02-10	26	11	4	20	10
5	2014-01-19	94	173	43	118	46
6	2013-09-09	16	520	42	98	0

	MntSweetProducts	MntGoldProds	NumDealsPurchases	NumWebPurchases
1	88	88	3	8
2	1	6	2	1
3	21	42	1	8
4	3	5	2	2
5	27	15	5	5
6	42	14	2	6

	NumCatalogPurchases	NumStorePurchases	NumWebVisitsMonth	AcceptedCmp3
1	10	4	7	0
2	1	2	5	0
3	2	10	4	0
4	0	4	6	0
5	3	6	5	0
6	4	10	6	0

	AcceptedCmp4	AcceptedCmp5	AcceptedCmp1	AcceptedCmp2	Complain	Z_CostContact
1	0	0	0	0	0	3
2	0	0	0	0	0	3
3	0	0	0	0	0	3
4	0	0	0	0	0	3
5	0	0	0	0	0	3
6	0	0	0	0	0	3

	Z_Revenue	Response
1	11	1
2	11	0
3	11	0
4	11	0
5	11	0
6	11	0

```
dim(data)
```

```
[1] 2216 30
```

```
summary(data)
```

X	ID	Year_Birth	Education
Min. : 1.0	Min. : 0	Min. :1893	Length:2216
1st Qu.: 554.8	1st Qu.: 2815	1st Qu.:1959	Class :character
Median :1108.5	Median : 5458	Median :1970	Mode :character
Mean :1108.5	Mean : 5588	Mean :1969	
3rd Qu.:1662.2	3rd Qu.: 8422	3rd Qu.:1977	
Max. :2216.0	Max. :11191	Max. :1996	

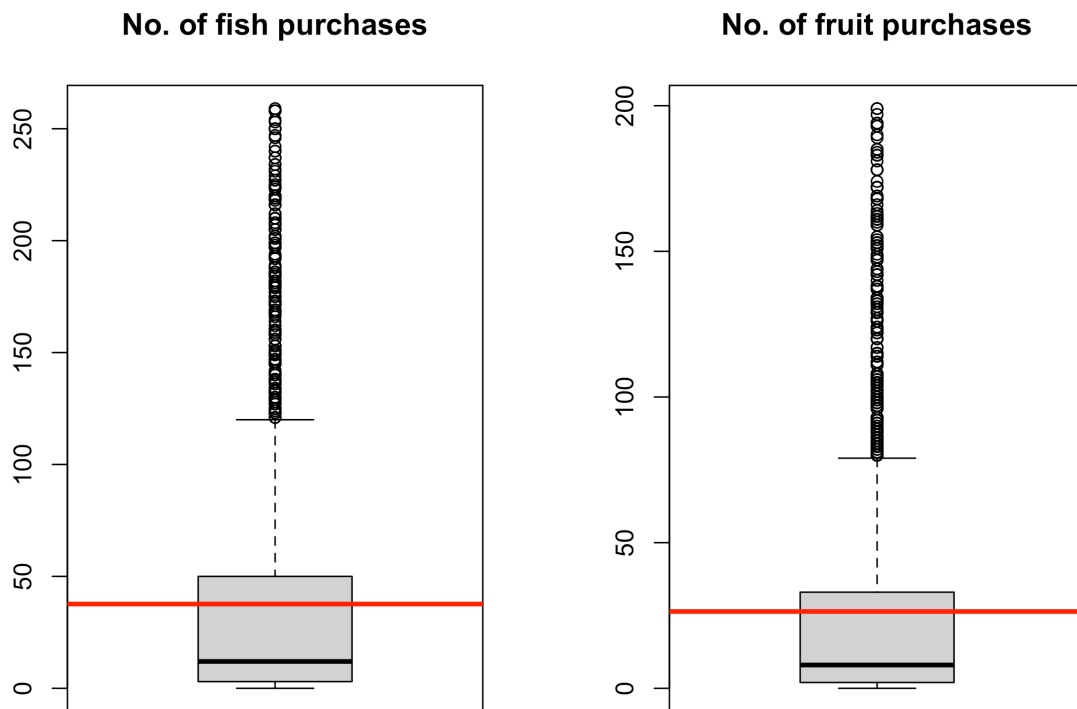
Marital_Status	Income	Kidhome	Teenhome
Length:2216	Min. : 1730	Min. :0.0000	Min. :0.0000
Class :character	1st Qu.: 35303	1st Qu.:0.0000	1st Qu.:0.0000
Mode :character	Median : 51382	Median :0.0000	Median :0.0000
	Mean : 52247	Mean :0.4418	Mean :0.5054
	3rd Qu.: 68522	3rd Qu.:1.0000	3rd Qu.:1.0000

	Max. :666666	Max. :2.0000	Max. :2.0000
Dt_Customer	Recency	MntWines	MntFruits
Length:2216	Min. : 0.00	Min. : 0.0	Min. : 0.00
Class :character	1st Qu.:24.00	1st Qu.: 24.0	1st Qu.: 2.00
Mode :character	Median :49.00	Median : 174.5	Median : 8.00
	Mean :49.01	Mean : 305.1	Mean : 26.36
	3rd Qu.:74.00	3rd Qu.: 505.0	3rd Qu.: 33.00
	Max. :99.00	Max. :1493.0	Max. :199.00
MntMeatProducts	MntFishProducts	MntSweetProducts	MntGoldProds
Min. : 0.0	Min. : 0.00	Min. : 0.00	Min. : 0.00
1st Qu.: 16.0	1st Qu.: 3.00	1st Qu.: 1.00	1st Qu.: 9.00
Median : 68.0	Median : 12.00	Median : 8.00	Median : 24.50
Mean : 167.0	Mean : 37.64	Mean : 27.03	Mean : 43.97
3rd Qu.: 232.2	3rd Qu.: 50.00	3rd Qu.: 33.00	3rd Qu.: 56.00
Max. :1725.0	Max. :259.00	Max. :262.00	Max. :321.00
NumDealsPurchases	NumWebPurchases	NumCatalogPurchases	NumStorePurchases
Min. : 0.000	Min. : 0.000	Min. : 0.000	Min. : 0.000
1st Qu.: 1.000	1st Qu.: 2.000	1st Qu.: 0.000	1st Qu.: 3.000
Median : 2.000	Median : 4.000	Median : 2.000	Median : 5.000
Mean : 2.324	Mean : 4.085	Mean : 2.671	Mean : 5.801
3rd Qu.: 3.000	3rd Qu.: 6.000	3rd Qu.: 4.000	3rd Qu.: 8.000
Max. :15.000	Max. :27.000	Max. :28.000	Max. :13.000
NumWebVisitsMonth	AcceptedCmp3	AcceptedCmp4	AcceptedCmp5
Min. : 0.000	Min. :0.00000	Min. :0.00000	Min. :0.0000
1st Qu.: 3.000	1st Qu.:0.00000	1st Qu.:0.00000	1st Qu.:0.0000
Median : 6.000	Median :0.00000	Median :0.00000	Median :0.0000
Mean : 5.319	Mean :0.07356	Mean :0.07401	Mean :0.0731
3rd Qu.: 7.000	3rd Qu.:0.00000	3rd Qu.:0.00000	3rd Qu.:0.0000
Max. :20.000	Max. :1.00000	Max. :1.00000	Max. :1.0000
AcceptedCmp1	AcceptedCmp2	Complain	Z_CostContact
Min. :0.00000	Min. :0.00000	Min. :0.000000	Min. :3
1st Qu.:0.00000	1st Qu.:0.00000	1st Qu.:0.000000	1st Qu.:3
Median :0.00000	Median :0.00000	Median :0.000000	Median :3
Mean :0.06408	Mean :0.01354	Mean :0.009477	Mean :3
3rd Qu.:0.00000	3rd Qu.:0.00000	3rd Qu.:0.000000	3rd Qu.:3
Max. :1.00000	Max. :1.00000	Max. :1.000000	Max. :3
Z_Revenue	Response		
Min. :11	Min. :0.0000		
1st Qu.:11	1st Qu.:0.0000		
Median :11	Median :0.0000		
Mean :11	Mean :0.1503		
3rd Qu.:11	3rd Qu.:0.0000		

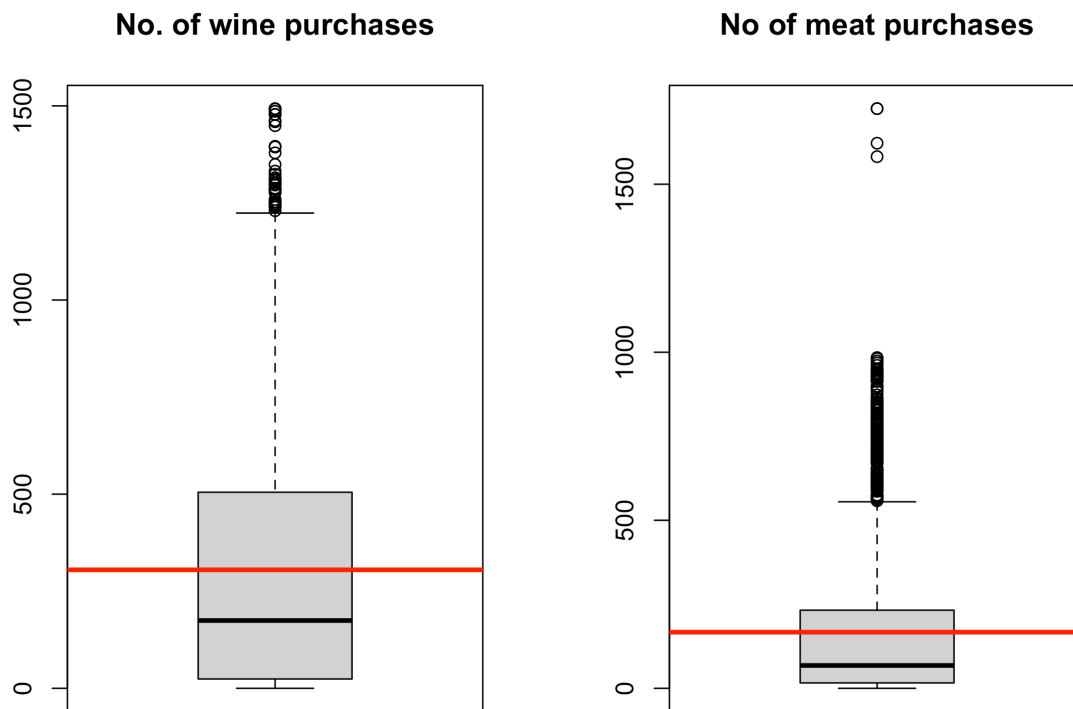
Max. :11 Max. :1.0000

1.1 Food Item Analysis

This section delves into the exploration of four food item categories in our dataset: wine, meat, fish, and fruit. We focus on identifying outliers and data distribution within these categories using boxplots.



Our analysis revealed a significant presence of outliers in all four food item categories based on the boxplots. The boxes within the plots represent the interquartile range (IQR), encompassing the middle 50% of the data. Values falling outside the whiskers extending from the boxes are considered potential outliers. **We have made a horizontal red line along mean and which clearly shows that our mean and median differ from each other quite a bit in each food items.**

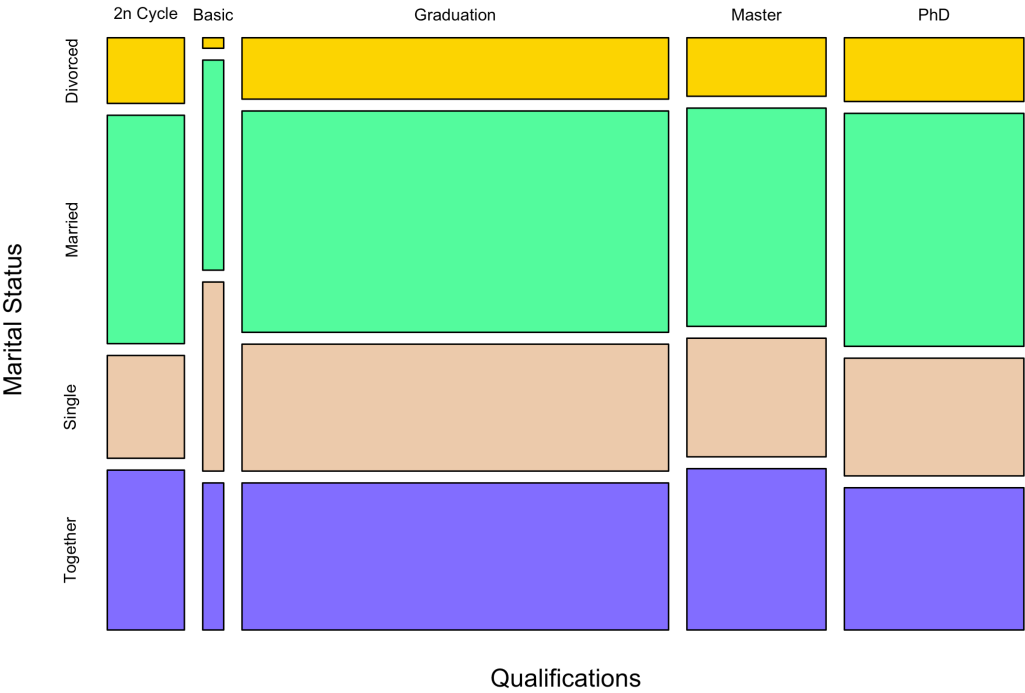


1.2 Mosaic Plots and Our Data

In this case, the mosaic plot will depict the proportion of individuals within each education level category (e.g. 2nd cycle, basic, graduation, masters, PhD) segmented by their marital status (e.g., married, single, together, divorced). The size of each rectangle will visually represent the percentage of people in that specific education level and marital status combination.

	Absurd	Alone	Divorced	Married	Single	Together	Widow	YOLO
2n Cycle	0	0	23	80	36	56	5	0
Basic	0	0	1	20	18	14	1	0
Graduation	1	1	119	429	246	285	35	0
Master	1	1	37	138	75	102	11	0
PhD	0	1	52	190	96	116	24	2

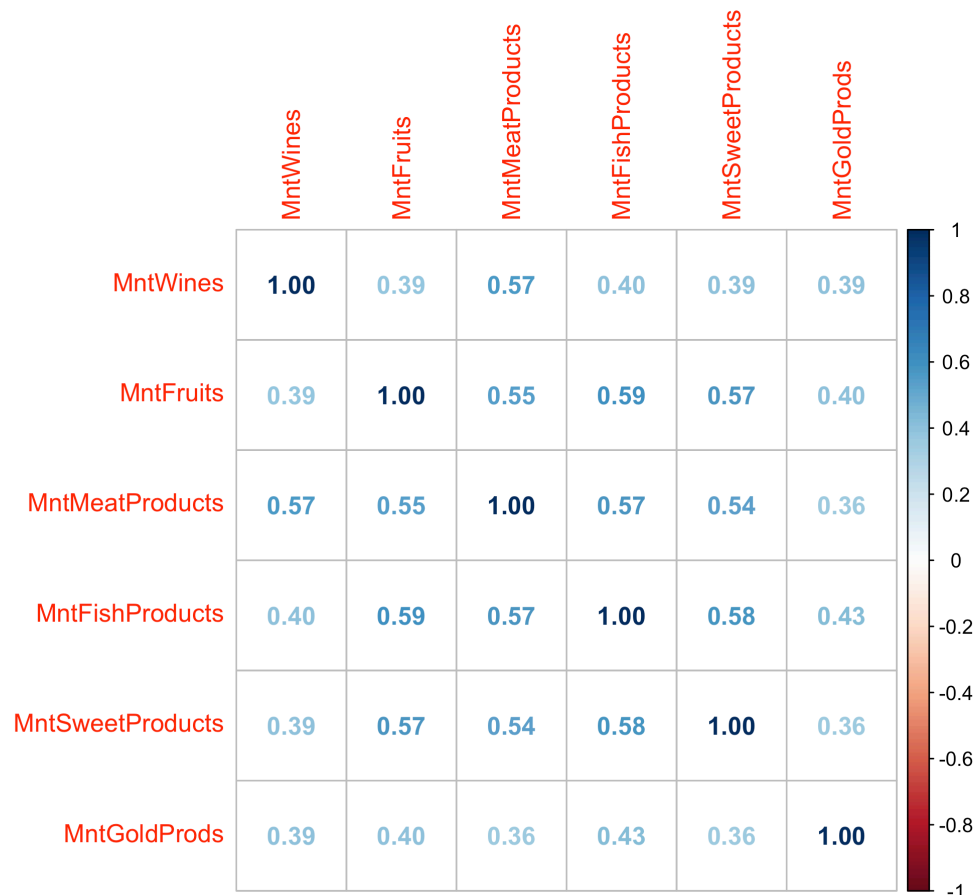
Mosaic plot Education vs Marital status



1.3 Correlation Plot

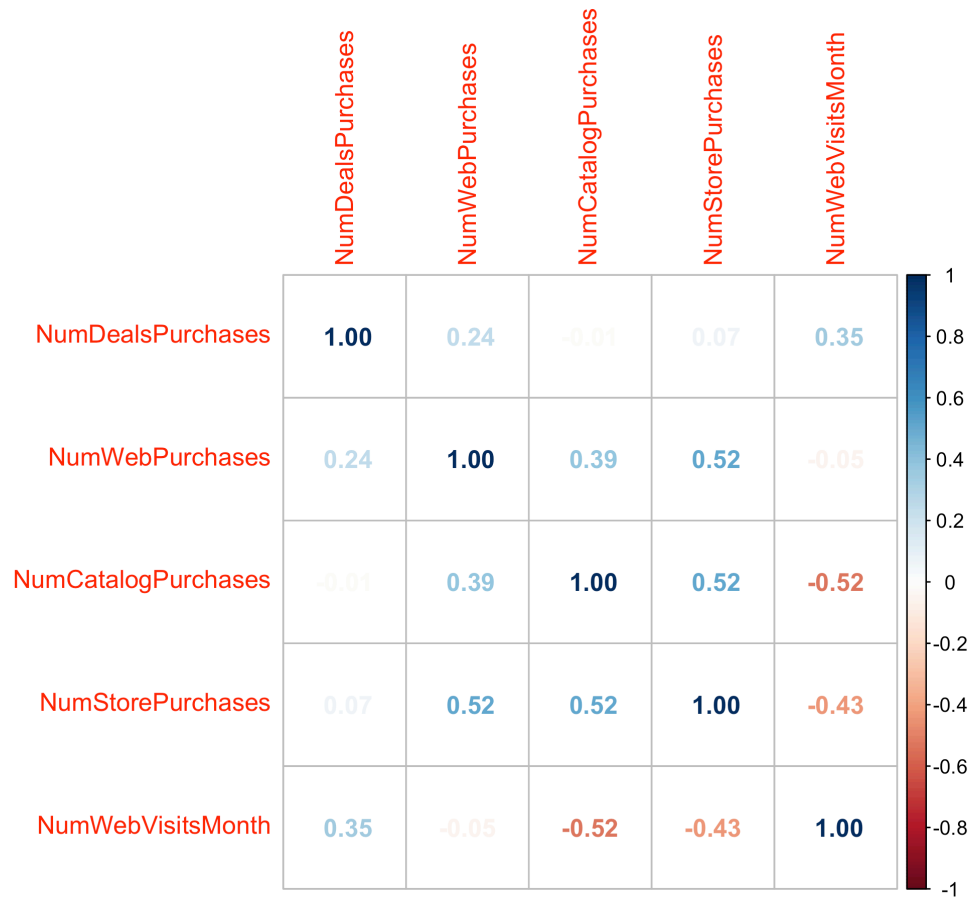
1.3.1 Plot 1: Correlations Between All Products

This correlation plot reveals a positive correlation (likely depicted by blue color) between all the products, including seats, fruits, wine, meat, fish, and gold. Positive correlation signifies that when the value of one product increases, the values of other products tend to increase as well, and vice versa.



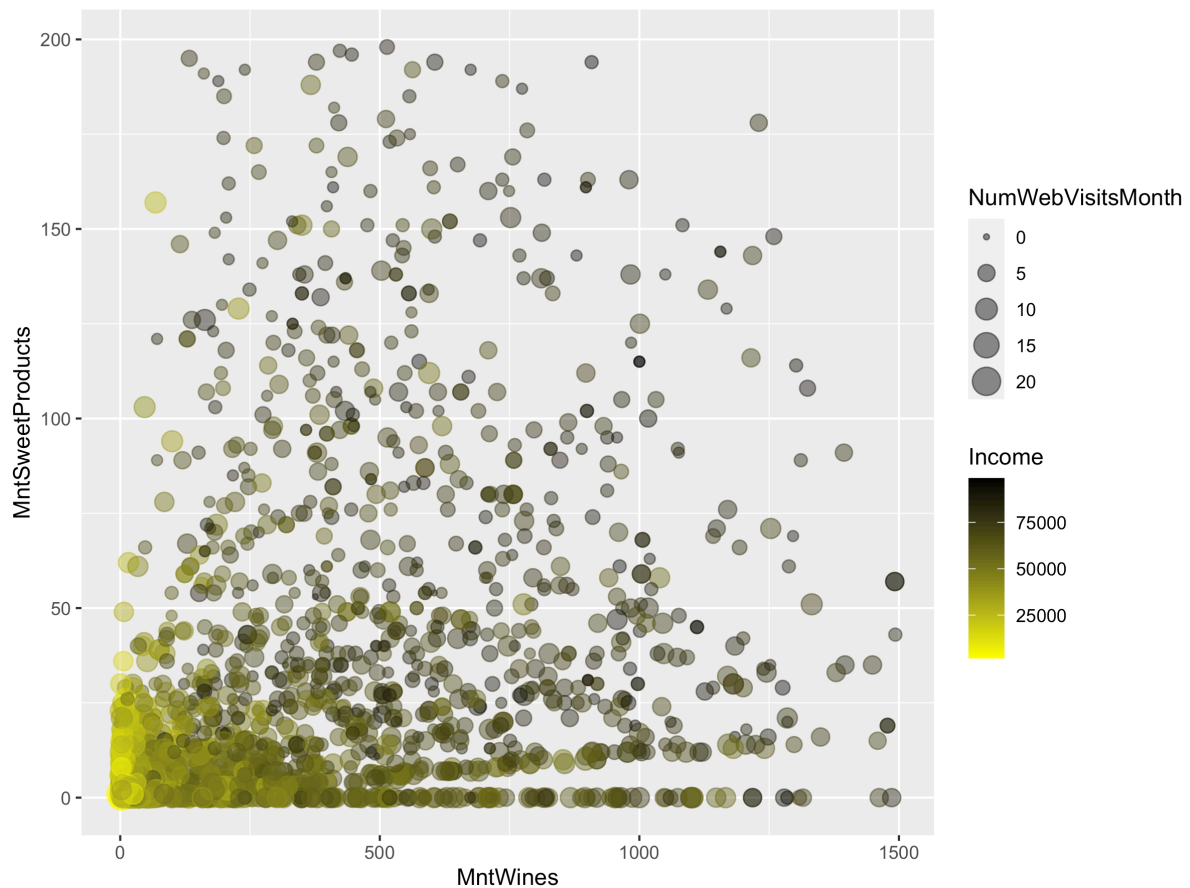
1.3.2 Plot 2: Correlations Between Purchase Sources

This correlation plot examines the relationship between purchase sources, such as web, catalog, store, and potentially others. We can see a negative correlation between the Number of web visits and (Number of store and catalog purchases) and we can infer from it that tech savvy people prefer less to go physically to stores



1.4 Scatter plot between premium products

Another analysis is using scatter plot where we can see that the buyers of the premium products of company like sweets and Wines have more income (Black color). And people with less income (Yellow color) didn't buy these products.



2. Principal Component Analysis

The data we have was high dimensional data with multiple columns which led to difficulty in organizing and analyzing the various components. We thus used PCA to reduce the dimensionality of our data.

First step was to clean and filter out the data which was not required. We removed the categorical variables as they were increasing the complexity of the data. Further, we removed the columns with zero variance and the rows with missing values. Following is the head of the cleaned data:

X	ID	Year_Birth	Income	Kidhome	Teenhome	Recency	MntWines	MntFruits	
1	1	5524	1957	58138	0	0	58	635	88
2	2	2174	1954	46344	1	1	38	11	1
3	3	4141	1965	71613	0	0	26	426	49
4	4	6182	1984	26646	1	0	26	11	4
5	5	5324	1981	58293	1	0	94	173	43
			MntMeatProducts	MntFishProducts			MntSweetProducts	MntGoldProds	
1			546	172			88	88	
2			6	2			1	6	

3	127	111	21	42	
4	20	10	3	5	
5	118	46	27	15	
	NumDealsPurchases	NumWebPurchases	NumCatalogPurchases	NumStorePurchases	
1	3	8	10	4	
2	2	1	1	2	
3	1	8	2	10	
4	2	2	0	4	
5	5	5	3	6	
	NumWebVisitsMonth	AcceptedCmp3	AcceptedCmp4	AcceptedCmp5	AcceptedCmp1
1	7	0	0	0	0
2	5	0	0	0	0
3	4	0	0	0	0
4	6	0	0	0	0
5	5	0	0	0	0
	AcceptedCmp2	Complain	Response		
1	0	0	1		
2	0	0	0		
3	0	0	0		
4	0	0	0		
5	0	0	0		

As we can see, there are 24 columns even after cleaning the data, which shows the high dimensionality.

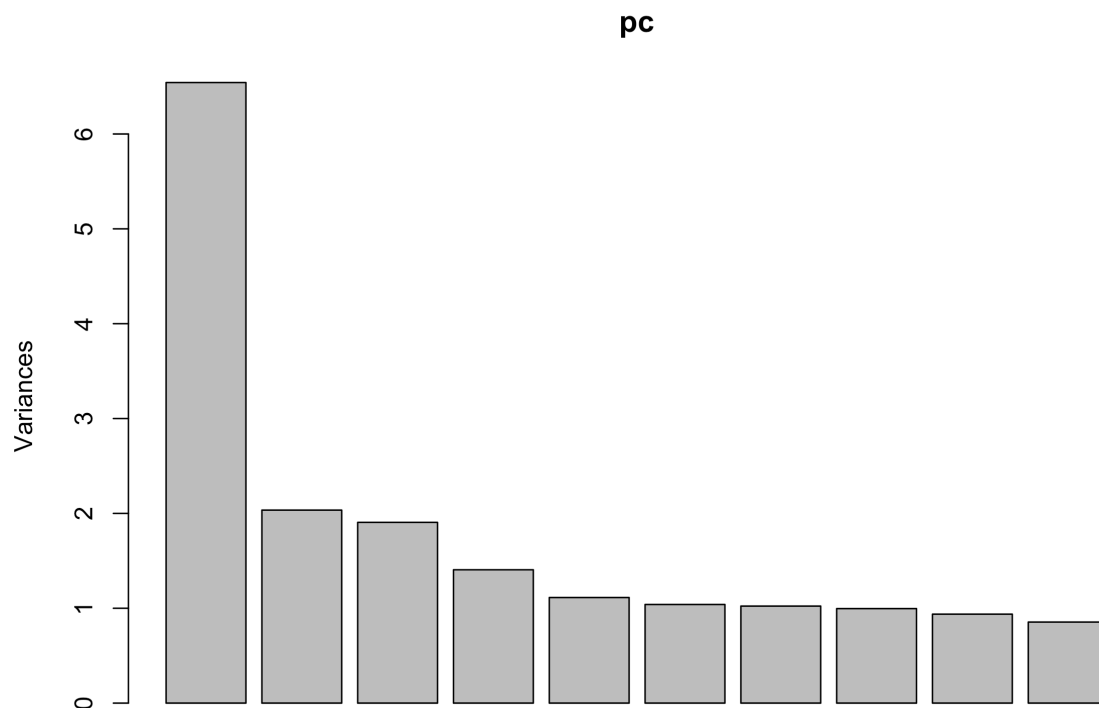
Then, we performed PCA which gave the following result:

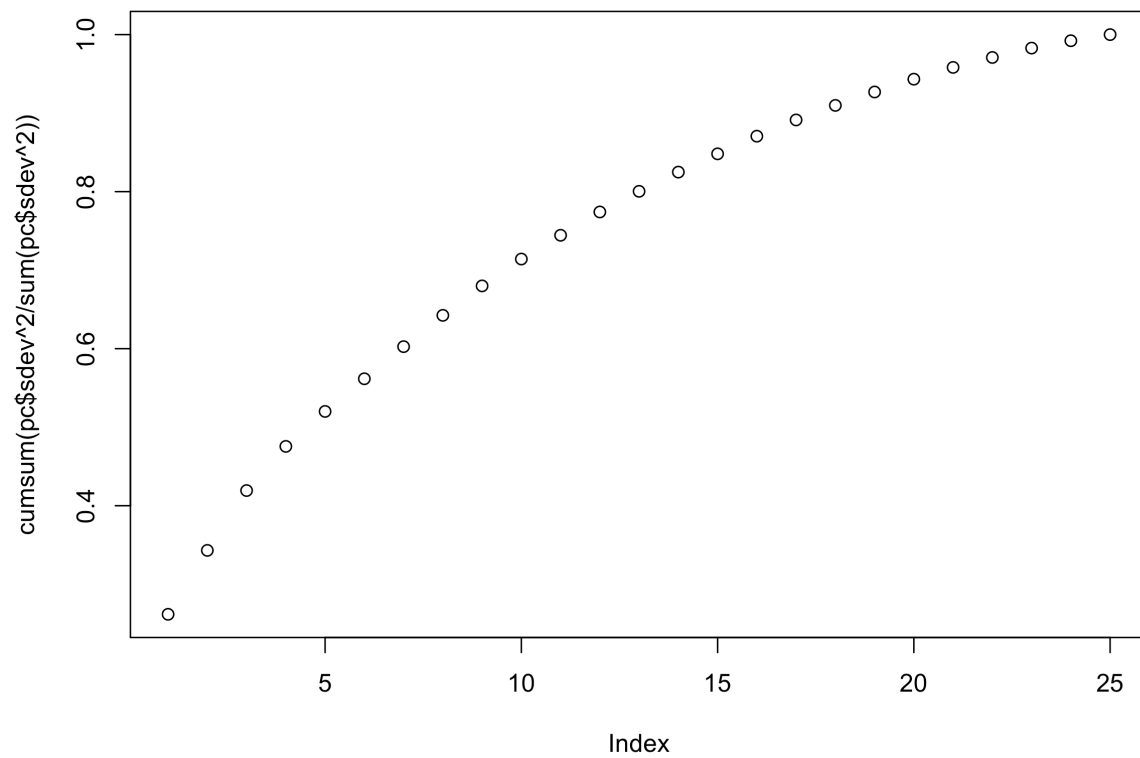
Importance of components:

	PC1	PC2	PC3	PC4	PC5	PC6	PC7
Standard deviation	2.5578	1.42646	1.38040	1.18565	1.05513	1.0198	1.01137
Proportion of Variance	0.2617	0.08139	0.07622	0.05623	0.04453	0.0416	0.04091
Cumulative Proportion	0.2617	0.34308	0.41930	0.47553	0.52007	0.5617	0.60258
	PC8	PC9	PC10	PC11	PC12	PC13	PC14
Standard deviation	0.99824	0.96839	0.92441	0.86997	0.86138	0.81100	0.78243
Proportion of Variance	0.03986	0.03751	0.03418	0.03027	0.02968	0.02631	0.02449
Cumulative Proportion	0.64244	0.67995	0.71413	0.74441	0.77409	0.80039	0.82488
	PC15	PC16	PC17	PC18	PC19	PC20	PC21
Standard deviation	0.76266	0.74942	0.71948	0.68018	0.65337	0.6384	0.61253
Proportion of Variance	0.02327	0.02247	0.02071	0.01851	0.01708	0.0163	0.01501
Cumulative Proportion	0.84815	0.87061	0.89132	0.90983	0.92690	0.9432	0.95821
	PC22	PC23	PC24	PC25			
Standard deviation	0.56232	0.54660	0.48409	0.44204			
Proportion of Variance	0.01265	0.01195	0.00937	0.00782			

Cumulative Proportion 0.97086 0.98281 0.99218 1.00000

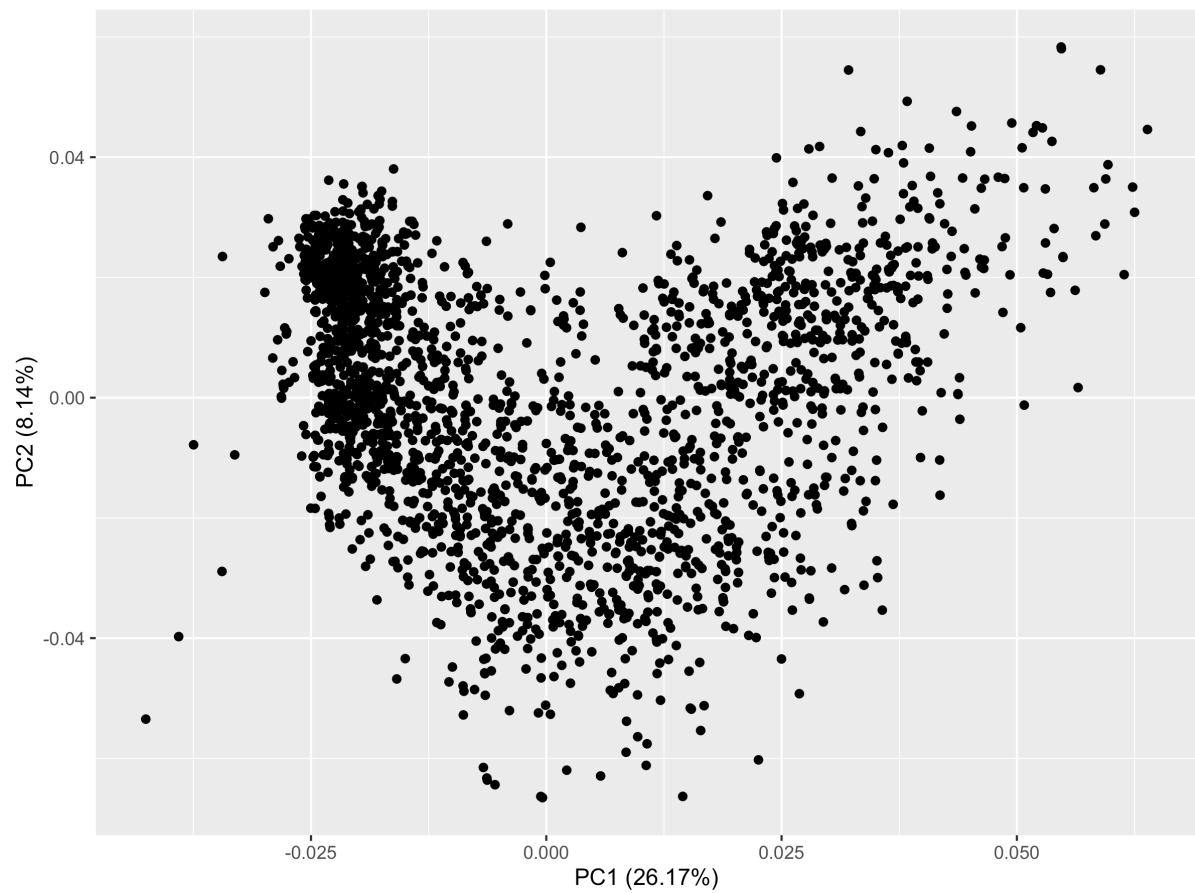
Below is the plot of the PCA analysis and the cumulative variance of the components:





Thus, around 13 components are able to explain 80% variability in the data.

Below is a plot of the relationship between the first two components after PCA.



Thus, with the help of PCA we can reduce the data with 24 columns to upto 13 columns and still explain 80% variability in the data.