```
import numpy as np
import pandas as pd
from matplotlib import pyplot as plt
import seaborn as sns
import warnings
warnings.filterwarnings("ignore")
df=pd.read csv(r"C:\Users\mreth\Downloads\Data.csv")
df.head()
       store id 2023/1 2023/2 2023/3 2023/4 2023/5
  item
                                                          2023/6
2023/7
               1
                                                     5.0
                     NaN
                             NaN
                                     4.0
                                             NaN
                                                             NaN
    Α
5.0
1
               2
                     5.0
                             NaN
                                     5.0
                                             NaN
                                                     NaN
                                                             NaN
     Α
NaN
     Α
               3
                     5.0
                            10.0
                                    50.0
                                            10.0
                                                    30.0
                                                            10.0
2
30.0
3
     Α
                    20.0
                             NaN
                                    20.0
                                             NaN
                                                    30.0
                                                             0.0
NaN
                            20.0
4
     Α
               5
                     NaN
                                     NaN
                                            25.0
                                                    20.0
                                                            10.0
NaN
                2022/3 2022/4 2022/5 2022/6 2022/7 2022/8 2022/9
   2023/8
0
      NaN
                  10.0
                                   NaN
                                                   NaN
                                                                   NaN
                           NaN
                                           NaN
                                                           NaN
1
     5.0
                   5.0
                           5.0
                                   NaN
                                           6.0
                                                   5.0
                                                           NaN
                                                                   2.0
     15.0 ...
                  20.0
                          35.0
                                  20.0
                                          27.0
                                                  21.0
                                                           NaN
                                                                  20.0
     40.0 ...
                  10.0
                          20.0
                                  10.0
                                          20.0
                                                  20.0
                                                           NaN
                                                                  20.0
     20.0 ...
                  10.0
                          10.0
                                  10.0
                                          10.0
                                                   NaN
                                                          20.0
                                                                   NaN
            2022/11
                     2022/12
   2022/10
0
                NaN
                         NaN
       NaN
1
       5.0
                NaN
                         NaN
2
                        20.0
      15.0
               15.0
3
      20.0
                NaN
                        10.0
4
       NaN
               20.0
                         5.0
[5 rows x 23 columns]
df.info()
<class 'pandas.core.frame.DataFrame'>
RangeIndex: 5393 entries, 0 to 5392
```

```
Data columns (total 23 columns):
                                 Dtype
#
     Column
                Non-Null Count
 0
                5393 non-null
                                 object
     item
 1
     store id
                5393 non-null
                                 int64
 2
     2023/1
                1276 non-null
                                 float64
 3
     2023/2
                1425 non-null
                                 float64
 4
     2023/3
                1992 non-null
                                 float64
 5
     2023/4
                2498 non-null
                                 float64
 6
     2023/5
                1357 non-null
                                 float64
 7
     2023/6
                1126 non-null
                                 float64
     2023/7
 8
                1604 non-null
                                 float64
 9
     2023/8
                1366 non-null
                                 float64
 10
                                 float64
     2023/9
                1169 non-null
 11
     2022/1
                942 non-null
                                 float64
 12
     2022/2
                1010 non-null
                                 float64
 13
     2022/3
                1074 non-null
                                 float64
     2022/4
 14
                1954 non-null
                                 float64
 15
     2022/5
                1447 non-null
                                 float64
     2022/6
                1623 non-null
                                 float64
 16
                891 non-null
                                 float64
 17
     2022/7
     2022/8
                                 float64
 18
                832 non-null
 19
     2022/9
                1000 non-null
                                 float64
 20
     2022/10
                1516 non-null
                                 float64
21
     2022/11
                1531 non-null
                                 float64
 22
     2022/12
                1366 non-null
                                 float64
dtypes: float64(21), int64(1), object(1)
memory usage: 969.2+ KB
df.describe()
                                        2023/2
          store id
                          2023/1
                                                      2023/3
                                                                    2023/4
       5393.000000
                     1276.000000
                                   1425.000000
                                                 1992.000000
                                                               2498.000000
count
        472.825885
                       13.234326
                                     18.954386
                                                   23.986948
                                                                 46.966773
mean
std
        277.945220
                       23.597323
                                     43.535857
                                                   58.504996
                                                                173.626181
min
          1.000000
                       -1.000000
                                    -15,000000
                                                  -13,000000
                                                                -20,000000
25%
        233.000000
                        4.000000
                                      5.000000
                                                    5.000000
                                                                  5.000000
50%
        464.000000
                        8.000000
                                     10.000000
                                                   10.000000
                                                                 10.000000
75%
        709.000000
                       11.000000
                                     20.000000
                                                   20.000000
                                                                 26,000000
       1032.000000
                      350.000000
                                    800.000000
                                                 1000.000000
                                                               3800.000000
max
                          2023/6
                                        2023/7
            2023/5
                                                      2023/8
                                                                    2023/9
```

\					
count	1357.000000	1126.000000	1604.000000	1366.000000	1169.000000
mean	8.263080	10.635879	11.956359	11.161054	10.617622
std	49.766246	15.616934	13.191212	14.669761	14.315611
min	-967.000000	-1.000000	0.000000	-5.000000	-10.000000
25%	3.000000	3.000000	4.000000	4.000000	3.000000
50%	8.000000	7.000000	10.000000	8.000000	7.000000
75%	15.000000	10.000000	15.000000	12.000000	10.000000
max	600.000000	240.000000	140.000000	240.000000	230.000000
\	2022/3	2022/4	2022/5	2022/6	2022/7
\ count	1074.000000	1954.000000	1447.000000	1623.000000	891.000000
mean	13.155493	24.653531	24.974430	29.182378	46.138047
std	24.831905	50.762534	61.716066	60.893228	184.439911
min	0.000000	1.000000	-17.000000	-20.000000	-20.000000
25%	4.000000	7.000000	5.000000	6.000000	4.000000
50%	7.000000	10.000000	10.000000	13.000000	10.000000
75%	11.000000	20.000000	20.000000	25.000000	20.000000
max	305.000000	760.000000	1000.000000	640.000000	2800.000000
	2022/8	2022/9	2022/10	2022/11	2022/12
count	832.000000	1000.000000	1516.000000	1531.000000	1366.000000
mean	18.627404	11.474000	11.143140	12.710647	16.885066
std	63.958324	22.752824	16.045232	21.341555	59.126591
min	1.000000	-300.000000	-13.000000	-20.000000	-20.000000
25%	4.000000	5.000000	4.000000	4.000000	4.000000
50%	8.000000	10.000000	8.000000	8.000000	8.000000

```
75%
        13.000000
                      13.000000
                                    11.000000
                                                 12.000000
                                                               14.000000
       980.000000
                     292,000000
                                  215.000000
                                                290.000000 1400.000000
max
[8 rows x 22 columns]
# Replace missing values (NaN) with 0
df.fillna(0, inplace=True)
# Display the first few rows after replacing missing values with 0
print(df.head())
        store_id 2023/1 2023/2 2023/3 2023/4 2023/5
  item
                                                             2023/6
2023/7
               1
                              0.0
                                       4.0
                                               0.0
                                                                0.0
    Α
                      0.0
                                                        5.0
0
5.0
1
     Α
               2
                      5.0
                              0.0
                                       5.0
                                               0.0
                                                        0.0
                                                                0.0
0.0
               3
                      5.0
                             10.0
2
     Α
                                      50.0
                                              10.0
                                                       30.0
                                                               10.0
30.0
3
                     20.0
                              0.0
                                      20.0
                                               0.0
                                                       30.0
                                                                0.0
     Α
0.0
4
     Α
               5
                      0.0
                             20.0
                                       0.0
                                              25.0
                                                       20.0
                                                               10.0
0.0
   2023/8 ...
                2022/3 2022/4 2022/5 2022/6
                                                 2022/7 2022/8
                                                                   2022/9
                                                                       0.0
0
      0.0
                   10.0
                            0.0
                                     0.0
                                             0.0
                                                     0.0
                                                              0.0
      5.0
                    5.0
                            5.0
                                     0.0
                                             6.0
                                                     5.0
                                                              0.0
                                                                      2.0
     15.0
                   20.0
                           35.0
                                    20.0
                                            27.0
                                                    21.0
                                                              0.0
                                                                     20.0
     40.0
                                    10.0
                                                              0.0
                                                                     20.0
3
                   10.0
                           20.0
                                            20.0
                                                     20.0
                                                                      0.0
     20.0 ...
                   10.0
                           10.0
                                    10.0
                                            10.0
                                                     0.0
                                                             20.0
                      2022/12
   2022/10
            2022/11
                0.0
                          0.0
0
       0.0
       5.0
                          0.0
1
                0.0
2
      15.0
               15.0
                         20.0
3
      20.0
                0.0
                         10.0
               20.0
                          5.0
       0.0
[5 rows x 23 columns]
```

Product Insight

```
# Create a copy of the original DataFrame to work on product insights
df pi = df.copy()
# Create 'Accumulated Sales in 2023' by summing up sales for the
months in 2023
df pi['accumulate sales 2023'] = df pi[['2023/1', '2023/2', '2023/3',
'2023/4', '2023/5', '2023/6', '2023/7', '2023/8',
2023/9]].sum(axis=1)
# Create 'Accumulated Sales in 2022' by summing up sales for the
months in 2022
df_pi['accumulate_sales_2022'] = df_pi[['2022/1', '2022/2', '2022/3',
'2022/4', '2022/5', '2022/6', '2022/7', '2022/8', '2022/9', '2022/10',
'2022/11', '2022/12']].sum(axis=1)
# Select only the columns that we need for the product insights
result_df = df_pi[['item', 'accumulate_sales_2023',
'accumulate_sales_2022']]
# Group by 'item' and sum the accumulated sales for each product
pi result = result df.groupby('item').sum()
# Display the results for review
print(pi result.head(10))
      accumulate sales 2023 accumulate sales 2022
item
                     76261.0
                                              89259.0
Α
В
                     75129.0
                                              84832.0
C
                     57549.0
                                              66626.0
D
                     36190.0
                                              42797.0
Ε
                      4699.0
                                               4810.0
F
                      7621.0
                                               2632.0
G
                     18336.0
                                               6011.0
Н
                      3242.0
                                               1784.0
# Calculate the growth rate between 2022 and 2023
pi result['growth rate'] = ((pi result['accumulate sales 2023'] -
pi result['accumulate sales 2022']) /
pi result['accumulate sales 2022']) * 100
# Display the result with growth rates
print(pi result)
      accumulate sales 2023 accumulate sales 2022 growth rate
item
                     76261.0
                                              89259.0
                                                         -14.562117
Α
                                              84832.0
                                                         -11.437901
В
                     75129.0
```

C D	57549.0 36190.0	66626.0 42797.0	-13.623811 -15.437998
E	4699.0	4810.0	-2.307692
F	7621.0	2632.0	189.551672
G	18336.0	6011.0	205.040759
Н	3242.0	1784.0	81.726457

Insights and Key Observations from Product Sales Data

Declining Products:

Items A, B, C, and D have experienced a decline in sales from 2022 to 2023, with decreases ranging between 11.5% to 15.4%. These products may require attention to understand the causes of the drop in demand, such as changes in market trends, increased competition, or ineffective marketing efforts.

Growth Products:

Items F, G, and H have shown significant sales growth in 2023 compared to 2022. For example, Item G saw a 205% increase, and Item F grew by 189.5%. These items could be considered emerging products with high potential, warranting further investment in marketing and inventory.

Stable Product:

Item E remained relatively stable with no significant changes in sales between 2022 and 2023. This product may not require immediate changes in strategy, but it should be monitored for potential future shifts in demand.

General Trend:

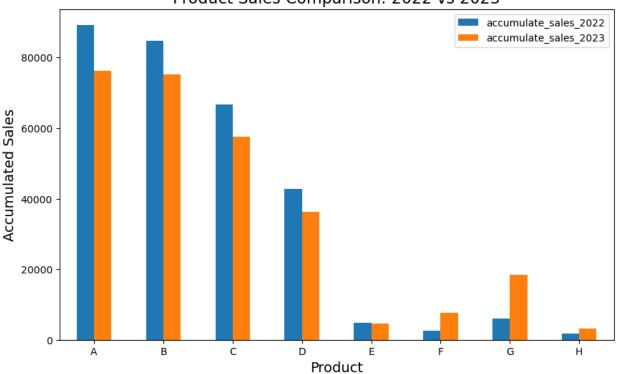
There is a clear divergence in product performance: while some items are rapidly growing, others are showing signs of decline. This calls for a targeted approach where marketing efforts should focus on boosting the performance of declining products, while ensuring continued support for high-growth items.

```
# Plot a bar chart to compare accumulated sales in 2022 and 2023
pi_result[['accumulate_sales_2022',
   'accumulate_sales_2023']].plot(kind='bar', figsize=(10, 6))

# Add title and labels
plt.title('Product Sales Comparison: 2022 vs 2023', fontsize=16)
plt.xlabel('Product', fontsize=14)
plt.ylabel('Accumulated Sales', fontsize=14)

# Rotate x-axis labels for better readability
plt.xticks(rotation=0)
plt.show()
```

Product Sales Comparison: 2022 vs 2023



```
# Use melt to convert the data into long format
date columns = [col for col in df.columns if '/' in col]
Identifying date columns
df long = pd.melt(df, id vars=['item', 'store id'],
value vars=date_columns,
                   var name='date', value name='sales')
# Convert the 'date' column into proper datetime format
df long['date'] = pd.to_datetime(df_long['date'], format='%Y/%m')
# Display the first few rows of the reshaped dataframe
print(df_long.head(10))
        store id
                        date
  item
                              sales
0
     Α
               1 2023-01-01
                                0.0
1
     Α
               2 2023-01-01
                                5.0
2
               3 2023-01-01
     Α
                                5.0
3
     Α
               4 2023-01-01
                               20.0
4
               5 2023-01-01
                                0.0
     Α
5
     Α
               6 2023-01-01
                               20.0
6
               7 2023-01-01
                               30.0
     Α
7
               8 2023-01-01
                               20.0
     Α
8
     Α
               9 2023-01-01
                               0.0
9
              10 2023-01-01
                               37.0
```

Data Reshaping Using melt()

In this step, we are transforming our dataset from **wide format** (where each month is represented as a column) into **long format** using the **melt()** function. This approach simplifies working with time-based data, making it easier to perform time-series analysis and visualizations.

By converting the data to long format:

- We get a single date column that contains all the months, making it easier to group and analyze monthly trends.
- The sales column will hold the corresponding sales values for each product and store across different months.

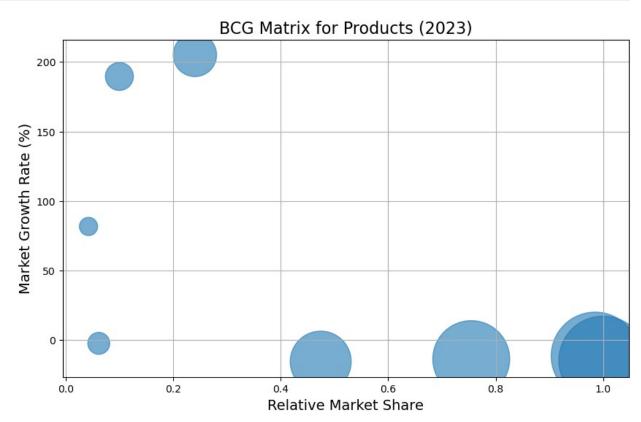
This structure is particularly useful when performing time-series analysis, such as tracking product sales over time or identifying seasonal patterns.

```
# Calculate market growth rate (sales growth) as a percentage change
from 2022 to 2023
pi result['market growth rate'] = ((pi result['accumulate sales 2023']
- pi result['accumulate_sales_2022']) /
pi result['accumulate sales 2022']) * 100
# Calculate relative market share by dividing 2023 sales by the max
sales in 2023
pi_result['market_share'] = pi_result['accumulate_sales_2023'] /
pi result['accumulate sales 2023'].max()
# Display the results for BCG Matrix
print(pi result[['market growth rate', 'market share']])
      market growth rate market share
item
Α
              -14.562117
                              1.000000
В
              -11.437901
                              0.985156
C
              -13.623811
                              0.754632
D
              -15.437998
                              0.474554
Ε
               -2.307692
                              0.061617
F
              189.551672
                              0.099933
G
              205.040759
                              0.240437
               81.726457
                              0.042512
# Plot BCG Matrix using market growth rate and market share
plt.figure(figsize=(10, 6))
plt.scatter(pi result['market share'],
pi result['market growth rate'],
s=pi result['accumulate sales 2023']*0.1, alpha=0.6)
# Add labels and title
plt.title('BCG Matrix for Products (2023)', fontsize=16)
plt.xlabel('Relative Market Share', fontsize=14)
```

```
plt.ylabel('Market Growth Rate (%)', fontsize=14)

# Add grid
plt.grid(True)

# Show plot
plt.show()
```



Insights from BCG Matrix for Products (2023)

The BCG Matrix provides insights into product performance by visualizing market growth rate and relative market share. Here are the key observations:

1. High Growth, Low Market Share (Question Marks):

 Some products (such as those near the top of the chart) show high market growth rates but have relatively low market shares. These products may represent opportunities for further investment to increase market dominance.

2. High Growth, High Market Share (Stars):

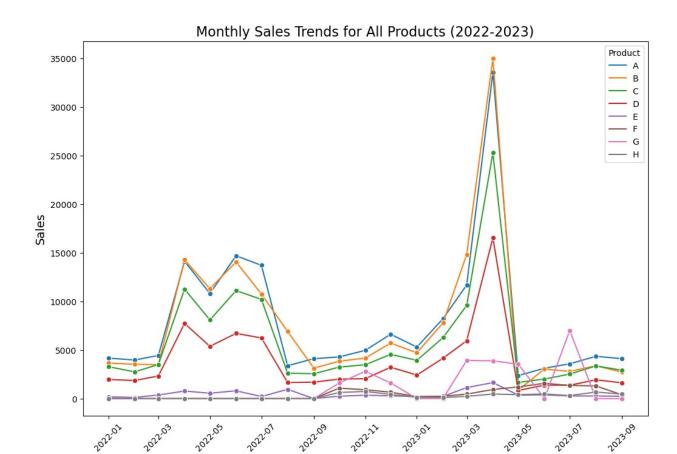
- Products with high market growth and high market share (e.g., those located in the top right quadrant) are performing well. These are the company's "Stars" and should continue to receive attention and resources to maintain their position in the market.
- 3. Low Growth, High Market Share (Cash Cows):

 Products positioned near the bottom right show lower market growth rates but still maintain a high relative market share. These are "Cash Cows" — established products that generate stable returns with minimal investment.

4. Low Growth, Low Market Share (Dogs):

 Products in the bottom left quadrant have low market growth and low market share. These "Dogs" might need to be reconsidered, as they may not be contributing significantly to the company's overall growth.

```
# Group data by item and date, summing the sales for each month
df_grouped = df_long.groupby(['item', 'date']).sum().reset_index()
# Set up the figure
plt.figure(figsize=(12, 8))
# Plot the sales trend for each item in a single line graph with
different colors
sns.lineplot(x='date', y='sales', hue='item', data=df grouped,
marker='o')
# Add title and labels
plt.title('Monthly Sales Trends for All Products (2022-2023)',
fontsize=16)
plt.xlabel('Date', fontsize=14)
plt.ylabel('Sales', fontsize=14)
# Rotate x-axis labels for better readability
plt.xticks(rotation=45)
# Show the plot
plt.legend(title='Product')
plt.show()
```

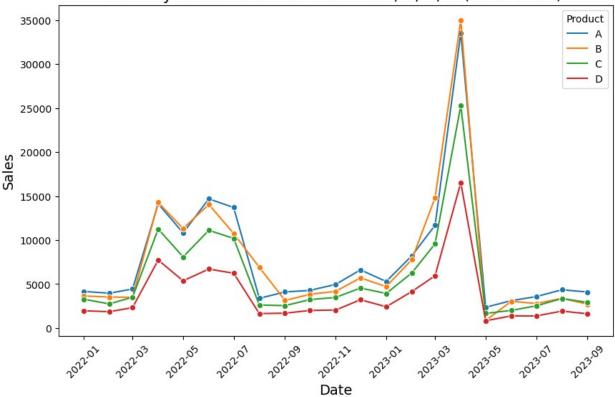


Date

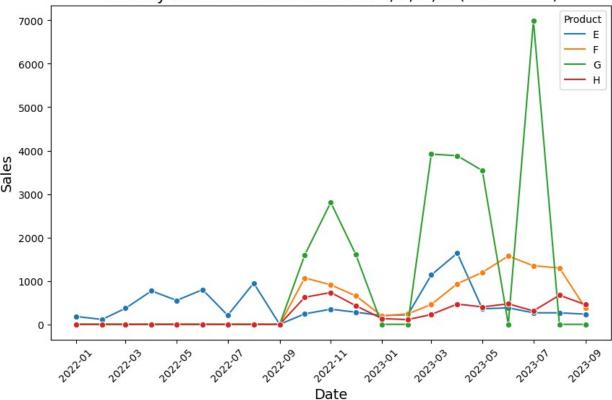
```
# Create a subset for items A, B, C, D
df abcd = df grouped[df grouped['item'].isin(['A', 'B', 'C', 'D'])]
# Create a subset for items E, F, G, H
df efgh = df grouped[df grouped['item'].isin(['E', 'F', 'G', 'H'])]
# Plot 1: Sales trend for items A, B, C, D
plt.figure(figsize=(10, 6))
sns.lineplot(x='date', y='sales', hue='item', data=df abcd,
marker='o')
plt.title('Monthly Sales Trends for Products A, B, C, D (2022-2023)',
fontsize=16)
plt.xlabel('Date', fontsize=14)
plt.ylabel('Sales', fontsize=14)
plt.xticks(rotation=45)
plt.legend(title='Product')
plt.show()
# Plot 2: Sales trend for items E, F, G, H
plt.figure(figsize=(10, 6))
```

```
sns.lineplot(x='date', y='sales', hue='item', data=df_efgh,
marker='o')
plt.title('Monthly Sales Trends for Products E, F, G, H (2022-2023)',
fontsize=16)
plt.xlabel('Date', fontsize=14)
plt.ylabel('Sales', fontsize=14)
plt.xticks(rotation=45)
plt.legend(title='Product')
plt.show()
```









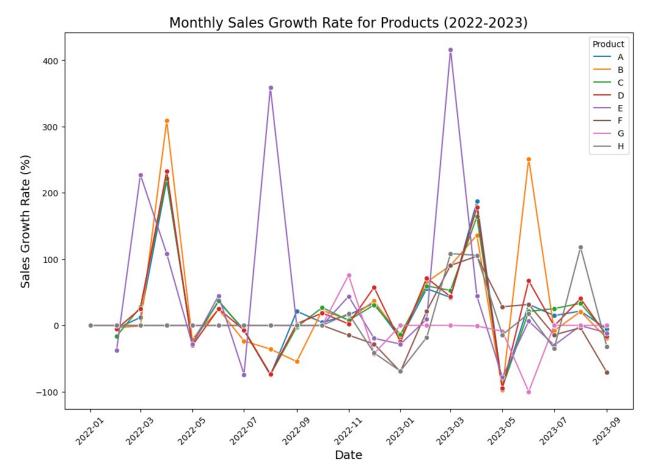
Observations from Monthly Sales Trends (2022-2023)

- Seasonality: Both groups exhibit potential seasonal sales trends, with distinct sales spikes occurring in March of both years, particularly in 2023. This suggests there may be external factors or promotional efforts driving these increases.
- **Focus on Product G**: Given its high sales volatility and large spikes, **Product G** could be an emerging performer with untapped potential, warranting further focus and analysis.
- Low Performers: Products H and E show consistently low sales, with Product H particularly underperforming. These products may need further investigation to understand the cause of low demand.

```
# Calculate percentage change (growth rate) while avoiding division by
zero
df_grouped['sales_growth_rate'] = df_grouped.groupby('item')
['sales'].pct_change() * 100

# Handle cases where the previous month's sales were zero to avoid
extreme growth rates
df_grouped['sales_growth_rate'] = df_grouped.apply(
    lambda row: 0 if row['sales'] == 0 or row['sales_growth_rate'] >
```

```
1000 or row['sales growth rate'] < -1000 else
row['sales growth rate'],
    axis=1
# Visualize the corrected growth rates with line plots
plt.figure(figsize=(12, 8))
sns.lineplot(x='date', y='sales_growth_rate', hue='item',
data=df_grouped, marker='o')
# Add title and labels
plt.title('Monthly Sales Growth Rate for Products (2022-2023)',
fontsize=16)
plt.xlabel('Date', fontsize=14)
plt.ylabel('Sales Growth Rate (%)', fontsize=14)
# Rotate x-axis labels for better readability
plt.xticks(rotation=45)
# Show the plot
plt.legend(title='Product')
plt.show()
```



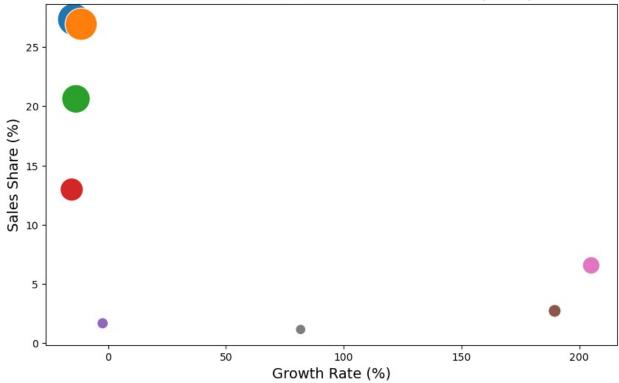
Key Insights from Monthly Sales Growth Rate (2022-2023)

- **Significant growth spikes** are seen in Products B and G, particularly in **March-April** periods of both years, indicating potential seasonality or promotional effects.
- **Product G** shows extreme volatility, with frequent sharp increases and declines, suggesting unstable performance.
- **Products E and H** show minimal fluctuations, indicating stable but low growth across the period.
- Multiple products exhibit **negative growth** during mid-2022 and early 2023, suggesting sales drops that may need further investigation.

```
# Calculate total sales for 2022 and 2023 across all products
total sales 2022 = pi result['accumulate sales 2022'].sum()
total sales 2023 = pi result['accumulate sales 2023'].sum()
# Calculate the sales share for 2022 and 2023
pi_result['sales_share_2022'] = (pi_result['accumulate_sales_2022'] /
total sales 2022) * 100
pi_result['sales_share_2023'] = (pi_result['accumulate_sales_2023'] /
total sales 2023) * 100
# Display the result with sales share
print(pi result[['accumulate sales 2022', 'accumulate sales 2023',
'sales share_2022', 'sales_share_2023']])
      accumulate sales 2022 accumulate_sales_2023
sales share 2022 \
item
                    89259.0
                                            76261.0
                                                            29.877390
Α
B
                    84832.0
                                            75129.0
                                                            28.395553
C
                    66626.0
                                            57549.0
                                                            22.301515
D
                    42797.0
                                            36190.0
                                                            14.325308
E
                     4810.0
                                             4699.0
                                                             1.610036
                     2632.0
                                             7621.0
                                                             0.881001
G
                     6011.0
                                            18336.0
                                                             2.012043
                     1784.0
                                             3242.0
                                                             0.597153
      sales share 2023
item
             27.331047
Α
В
             26.925351
```

```
C
             20.624886
D
             12.970071
Ε
              1.684066
F
              2.731277
G
              6.571407
Н
              1.161895
import seaborn as sns
import matplotlib.pyplot as plt
# Create a new DataFrame for the bubble chart data
bubble data = pd.DataFrame({
    'item': pi result.index,
    'growth rate': pi result['growth rate'],
    'sales_share': pi_result['sales_share_2023'],
    'sales volume': pi result['accumulate sales 2023']
})
# Create the bubble chart
plt.figure(figsize=(10, 6))
bubble plot = sns.scatterplot(
    x= growth rate,
    y='sales share',
    size='sales_volume',
    hue='item',
    data=bubble_data,
    sizes=(100, 1000), # Adjust bubble size range
    legend=False
)
# Add title and labels
plt.title('Bubble Chart: Growth Rate vs Sales Share (2023)',
fontsize=16)
plt.xlabel('Growth Rate (%)', fontsize=14)
plt.ylabel('Sales Share (%)', fontsize=14)
# Display the plot
plt.show()
```

Bubble Chart: Growth Rate vs Sales Share (2023)



Key Insights from the Bubble Chart: Growth Rate vs Sales Share (2023)

- **Products A, B, and C** have the **largest sales share** in 2023 (over 20%), indicating that they dominate the market. However, their growth rates are relatively low, suggesting they are **mature products** with stable sales but limited growth potential.
- **Product G** stands out with a **high growth rate** (over 200%) and a moderate sales share (~6.5%), indicating it is an **emerging product** with significant potential for future growth.
- **Products F and H** show **smaller sales shares** but still exhibit **positive growth**. **Product F** has a growth rate of over 100%, suggesting it's experiencing growth but hasn't yet captured a large market share.
- **Product D** has a decent sales share (~13%) but shows limited growth, suggesting it is stable but not growing significantly.
- **Product E** has the smallest sales share and minimal growth, making it the weakest performer among all products.

Store Insights

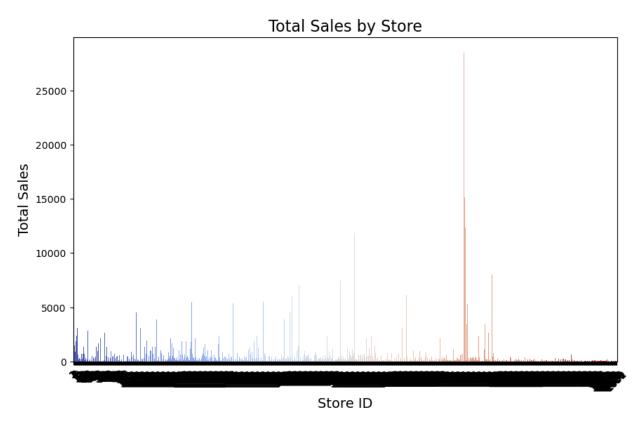
```
# Calculate total sales for each store across all months and products
df_store_sales = df_long.groupby('store_id')
['sales'].sum().reset_index()

# Sort stores by total sales in descending order
df_store_sales = df_store_sales.sort_values(by='sales',
```

```
# Visualize total sales by store with a bar chart
plt.figure(figsize=(10, 6))
sns.barplot(x='store_id', y='sales', data=df_store_sales,
palette='coolwarm')

# Add title and labels
plt.title('Total Sales by Store', fontsize=16)
plt.xlabel('Store ID', fontsize=14)
plt.ylabel('Total Sales', fontsize=14)

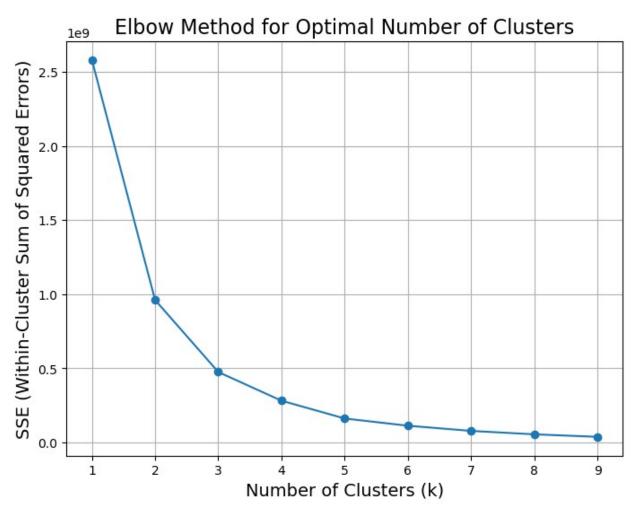
# Rotate x-axis labels for better readability if necessary
plt.xticks(rotation=45)
plt.show()
```



Elbow Method to Find Optimal Clusters

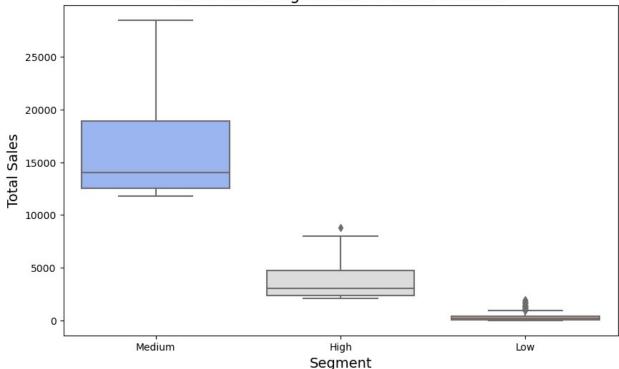
```
from sklearn.cluster import KMeans
# Reshape the data to fit the K-Means clustering model
X = df_store_sales[['sales']].values
# Calculate the Within-Cluster Sum of Squared Errors (SSE) for
```

```
different cluster sizes
sse = []
cluster_range = range(1, 10) # Try k values from 1 to 10
for k in cluster range:
    kmeans = KMeans(n_clusters=k, random_state=42)
    kmeans.fit(X)
    sse.append(kmeans.inertia_) # Inertia is the sum of squared
distances to the closest cluster center
# Plot the SSE values to find the "elbow"
plt.figure(figsize=(8, 6))
plt.plot(cluster_range, sse, marker='o')
plt.title('Elbow Method for Optimal Number of Clusters', fontsize=16)
plt.xlabel('Number of Clusters (k)', fontsize=14)
plt.ylabel('SSE (Within-Cluster Sum of Squared Errors)', fontsize=14)
plt.grid(True)
plt.show()
```



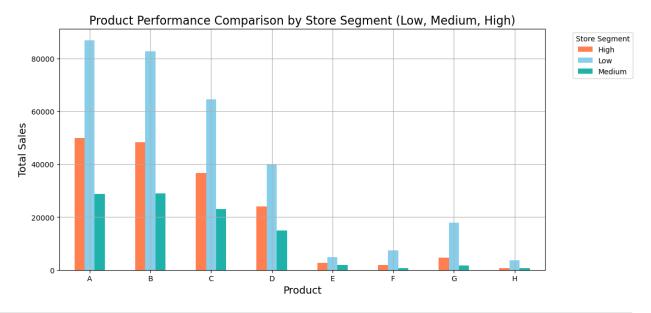
```
# Apply K-Means clustering with 3 clusters
optimal k = 3 # Based on the elbow method
kmeans = KMeans(n clusters=optimal k, random state=42)
df store sales['segment'] = kmeans.fit predict(X)
# Map the segment labels to meaningful names (optional)
df store sales['segment'] = df store sales['segment'].map({0: 'Low',
1: 'Medium', 2: 'High'})
# Visualize the store segmentation
plt.figure(figsize=(10, 6))
sns.boxplot(x='segment', y='sales', data=df store sales,
palette='coolwarm')
# Add title and labels
plt.title(f'Store Sales Segmentation with {optimal_k} Clusters',
fontsize=16)
plt.xlabel('Segment', fontsize=14)
plt.ylabel('Total Sales', fontsize=14)
plt.show()
```

Store Sales Segmentation with 3 Clusters



```
# Ensure the 'segment' column is in df_long by merging it from
df_store_sales
df_long = df_long.merge(df_store_sales[['store_id', 'segment']],
```

```
on='store id', how='left')
# Group the data by 'segment' and 'item' to calculate the total sales
for each product in each store segment
df item sales by segment = df long.groupby(['segment', 'item'])
['sales'].sum().reset index()
# Pivot the table to make it easier to plot (items as rows, segments
as columns)
df item sales pivot = df item sales by segment.pivot(index='item',
columns='segment', values='sales').fillna(0)
# Visualize the product performance across the store segments
df item sales pivot.plot(kind='bar', figsize=(12, 6),
color=['#FF7F50', '#87CEEB', '#20B2AA'])
plt.title('Product Performance Comparison by Store Segment (Low,
Medium, High)', fontsize=16)
plt.xlabel('Product', fontsize=14)
plt.ylabel('Total Sales', fontsize=14)
plt.xticks(rotation=0)
plt.legend(title='Store Segment', bbox to anchor=(1.05, 1), loc='upper
left')
plt.grid(True)
plt.show()
```



```
print("Product Sales by Store Segment:")
print(df_item_sales_pivot)
```

	6.1.	61	
Product		Store Seg	ment:
segment	High	Low	Medium
item			
Α	49849.0	86867.0	28804.0
В	48318.0	82687.0	28956.0
C	36661.0	64410.0	23104.0
D	23985.0	40027.0	14975.0
E	2747.0	4861.0	1901.0
F	2005.0	7435.0	813.0
G	4698.0	17985.0	1664.0
Н	710.0	3656.0	660.0

Product-Level Insights

Based on the store segmentation and product sales comparison, the following key product-related insights were identified:

1. High Sales in Low-Performing Stores:

Despite being labeled as "low-performing," stores in this segment generate the
highest sales across core products like A, B, and C. This suggests that the
segmentation based on total sales may not fully reflect the actual performance of
the stores, and the label "low-performing" may be misleading for certain key
products.

2. Underperformance of Medium-Tier Stores:

Medium-tier stores consistently underperform across all product categories.
 They contribute the least to sales, even for top products like A, B, and C. These stores have untapped potential but may face operational bottlenecks or poor product availability.

3. Moderate Performance in High-Tier Stores:

 High-tier stores show moderate performance in key products like A, B, and C, lagging behind low-performing stores. This suggests high-tier stores are not fully capitalizing on sales opportunities in these products. However, they do perform relatively better in niche products like E and G.

Supply Chain Perspective Insights

1. Possible Inventory and Distribution Issues in High-Tier Stores:

The relatively lower sales of core products A, B, and C in high-tier stores may indicate inventory management issues or supply chain bottlenecks. High-tier stores should be performing better in these high-demand products, but their lagging performance suggests supply shortages, late deliveries, or inconsistent stock levels affecting their ability to meet customer demand.

2. Stocking Strategy in Medium-Tier Stores:

 The poor performance of medium-tier stores across all product categories suggests a need for a better stocking and replenishment strategy. These stores might be facing frequent **stockouts**, preventing them from capitalizing on sales opportunities. Addressing these supply chain inefficiencies could help boost sales across all product categories.

3. Excessive Inventory in Low-Performing Stores:

Low-performing stores, despite generating high sales in key products, may be
 overstocked or have excess inventory. This could indicate an imbalance in supply
 chain distribution, where some stores receive excess stock while others face
 shortages. Fine-tuning the distribution system could help align inventory with
 actual store demand, reducing the risk of overstocking or understocking.

4. Niche Product Availability:

The low sales of niche products (E, F, G, H) across all store segments may suggest that these products are either not stocked regularly or not prioritized in terms of supply. If these products are meant to play a larger role in the product lineup, the supply chain needs to focus on improving the availability and distribution of these items across all store segments.

Conclusion from Supply Chain Perspective

- Inventory Optimization Needed: Both high-tier and medium-tier stores seem to struggle with product availability for key items. Optimizing inventory levels and distribution schedules could help improve sales performance.
- Distribution Imbalance: The high sales in "low-performing" stores suggest an
 imbalance in product distribution, where certain stores are overstocked while
 others may face shortages. The supply chain should aim to distribute stock more
 effectively based on the actual demand at each store.
- Focus on Medium-Tier Stores: Since these stores are consistently underperforming, further investigation into supply chain inefficiencies, such as late deliveries or stockouts, is necessary. Ensuring that medium-tier stores receive timely and adequate inventory could help unlock additional sales potential.