Project Name, Participants, and Workflow:

Project Name:

Time Series Analysis of Iowa Liquor Sales

Participants:

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Workflow:

We will use Discord, email, and Zoom meetings to connect with each other. We will also have the weekly meeting on Saturday before the class.

We will use GitHub as the code version control. We can update the code and version on GitHub.

Project Abstract:

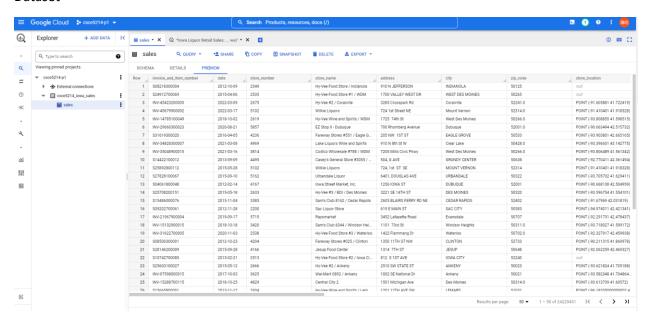
Motivation:

As we all know, retail businesses have a 'goldilocks' problem when it comes to inventory: don't stock too much, but don't stock too little. If we stock too much, it will occupy the huge amount of money and have the risk that products can't be sold due to the production time, consumer favor, and so on. If we stock too little, we will probably miss the time to sell the product and miss the big chance to earn money. So, we need to use historic data and suitable models to analyze and to predict the consumption of products in the future. It will help the business owner to make a good decision in advance.

Objectives:

Our project is to use lowa liquor sales data in multiple ways to analyze customer behavior for liquor consumption. As a brief bit of background, lowa is an alcohol beverage control state, meaning that the state maintains a monopoly on wholesaling of alcohol throughout the State. Effectively, private retailers must purchase their alcohol from the state before selling it to individual consumers. We will use a time series model (ARIMA) to train the historic data and forecast the consumption in the future. All the computation and model deployment are on the google cloud. We will use Google BigQuery ML to extract the data and create a dashboard to show predicted metrics.

Dataset



Project Design and Milestones:

Programming language:

We will use Python as the programming language, and JavaScript to create the UI dashboard.

Cloud platform:

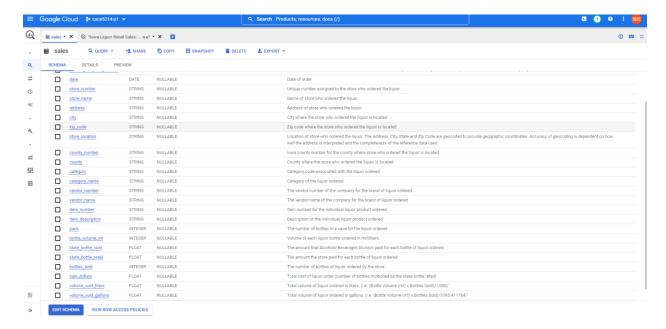
Our main application platform will be Google Cloud, which will handle data computation and model deployment. We will use BigQuery to extract and analyze the data from the database.

Dataset:

The lowa liquor retail sales dataset is available through lowa's state-hosted open data portal^[1]. This dataset contains every wholesale purchase of liquor in the State of lowa by retailers for sale to individuals since January 1, 2012. The dataset has the liquor sale data including different type of store. Some are wholesale, some are grocery stores. There are 24 features and 2.7 million rows in the dataset. We will use the date, category_name, item_description, state_bottle_cost, state_bottle_retail, bottle_sold, sale_dollars.

Features:

We have 24 features in our dataset, The datatype of feature are date, string, integer and float.



Date: date of the order (eg:'2020-08-19')

Stroe_name: name of the store (eg: Wilkie Liquors)

City: the city of the store(eg: Mount Vernon)

Category_name : the category of the liquor(eg: Neutral Grain Spirits)

Vendor_name : the name of the vendor (eg: LUXCO INC)

Item_description: description of the individual liquor(eg: Templeton Rye)

State_bottle_cost: the cost of each bottle of liquor

State_bottle_retail:the retail price of each bottle of liquor

Bottles_sold: the amount of liquor sold

Sale dollars: the amount of money of liquor sales.

Models:

We will use the time-series Model (ARIMA) in our project. In our daily life, Autoregressive Integrated Moving Average (ARIMA) models have many places to use. For example, if we need forecast the stock of the product, we can use this model to forecast. In some factory, the stock of product is very important for them to plan to product. If we could use ARIMA model to predict the stock in the future, it would be helpful for us.

ARIMA models are a general class of models used for forecasting time series data. ARIMA models are generally denoted as ARIMA (p,d,q) where p is the order of autoregressive model, d is the degree of differencing, and q is the order of moving-average model. ARIMA models use differencing to convert a non-stationary time series into a stationary one, and then predict future values from historical data.

Milestones:

Week 1 Sept 3:

1. Project selection

Week 2 Sept 10:

- 1. Group formed
- 2. Make the work plan and assignment
- 3. Complete the project proposal

Week 3 Sept 17:

- 1. Create google cloud account and set up
- 2. Extract the data from dataset and transfer to Google Cloud
- 3. Preprocessing and cleaning the data
- 4. Visualization the data and EDA

Week 4 Sept 24:

- 1. Deploy the time-series model and training the data
- 2. Forecasting the data
- 3. Create the dashboard

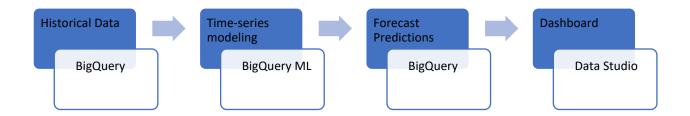
Week 5 Oct 1:

- 1. Create the pipeline
- 2. Testing the system

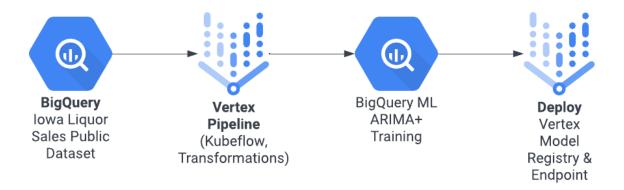
Week 6 Oct 8:

- 1. Complete the final report
- 2. Prepare the presentation

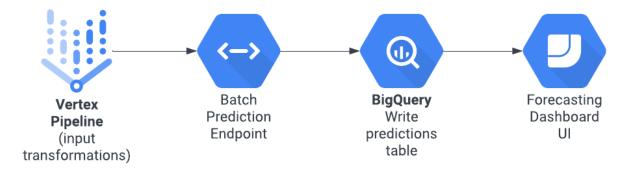
Architecture of the system



Training pipeline



Serving pipeline (batch)



Resources and Related Projects:

[1] Iowa liquor sales data

https://data.iowa.gov/Sales-Distribution/Iowa-Liquor-Sales/m3tr-qhgy

[2] ARIMA

https://www.capitalone.com/tech/machine-learning/understanding-arima-models/

[3] BigQuery ML on Google Cloud

https://cloud.google.com/blog/topics/developers-practitioners/how-build-demand-forecasting-models-bigguery-ml