

Clustering



Week 07 - Day 02

Why clustering?

You need groups

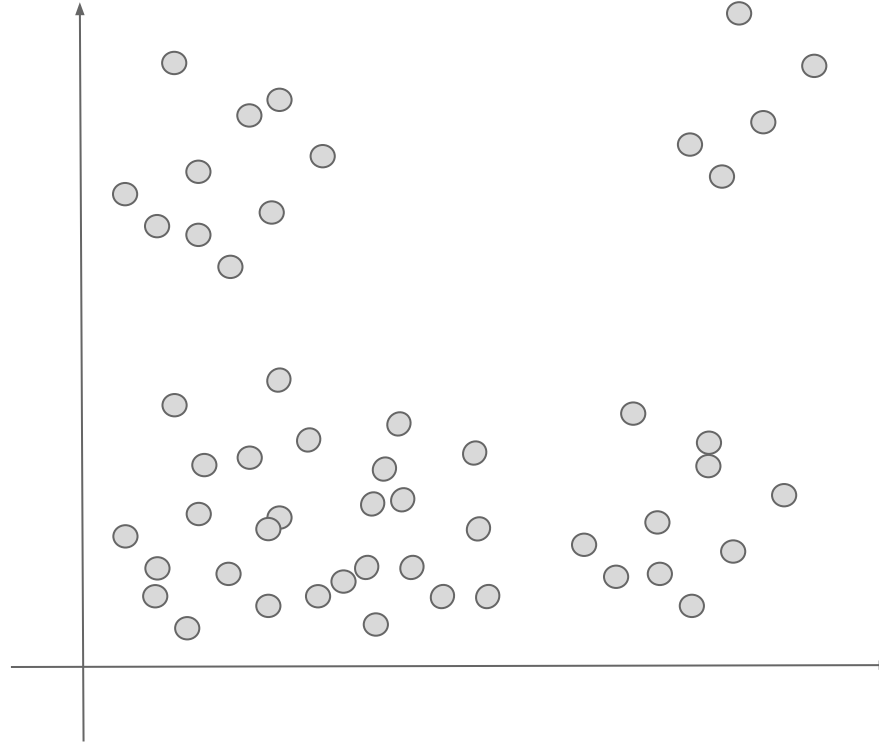
but

you don't have labels!

Create your own labels/groups

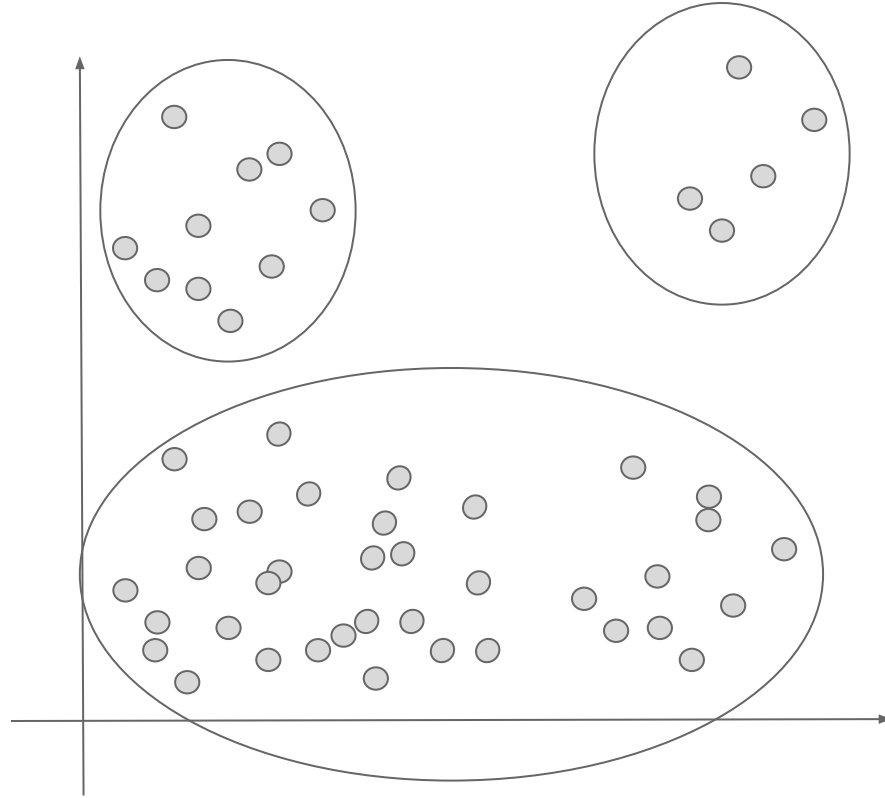
E.g. Identify customers to send a
promotion to

Loyalty
Score



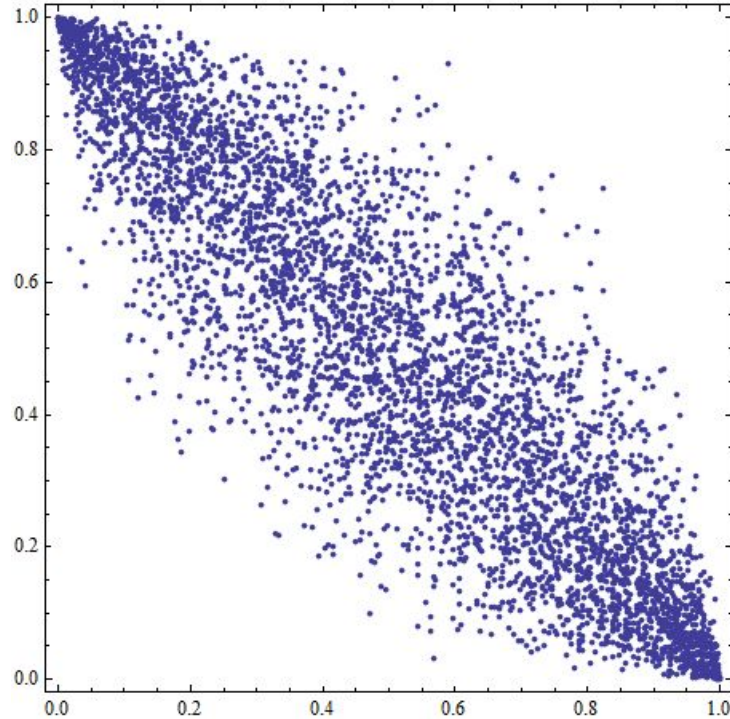
Monthly Expenses

Loyalty
Score



Monthly Expenses

Often it's not that easy!



Can be a step during EDA

K-Means Clustering

Algorithms to extract k clusters

- Based on distances
- Iterative
- Random initialization
- K is an input

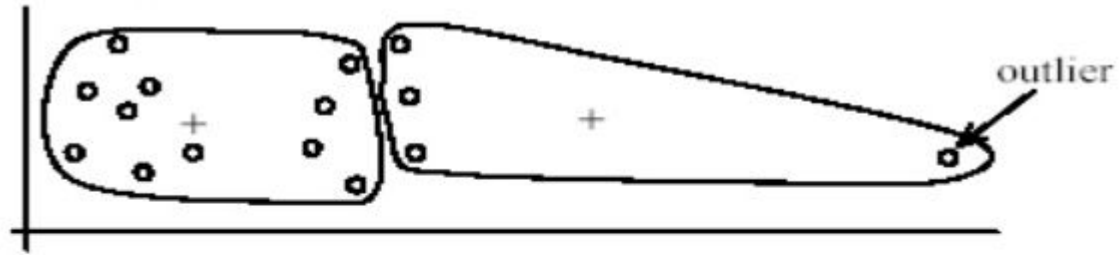
https://upload.wikimedia.org/wikipedia/commons/e/ea/K-means_convergence.gif

1. Choose k random centroids (i.e. points not in the data)
2. Assign data points to closer centroids
3. Recalculate centroids using the mean of each cluster
4. Repeat till stable

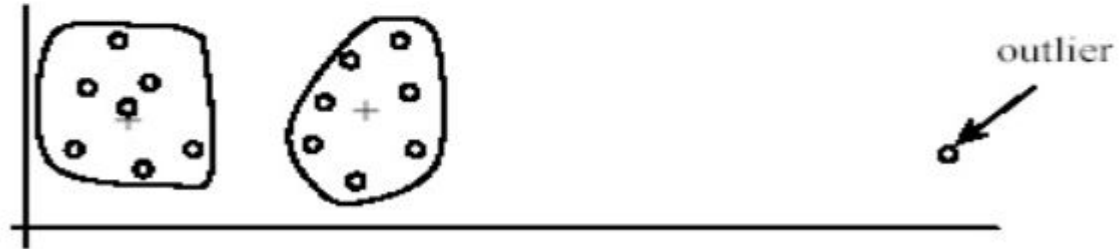
K-means is stochastic

(i.e. different runs = different results)

K-means is sensitive to outliers



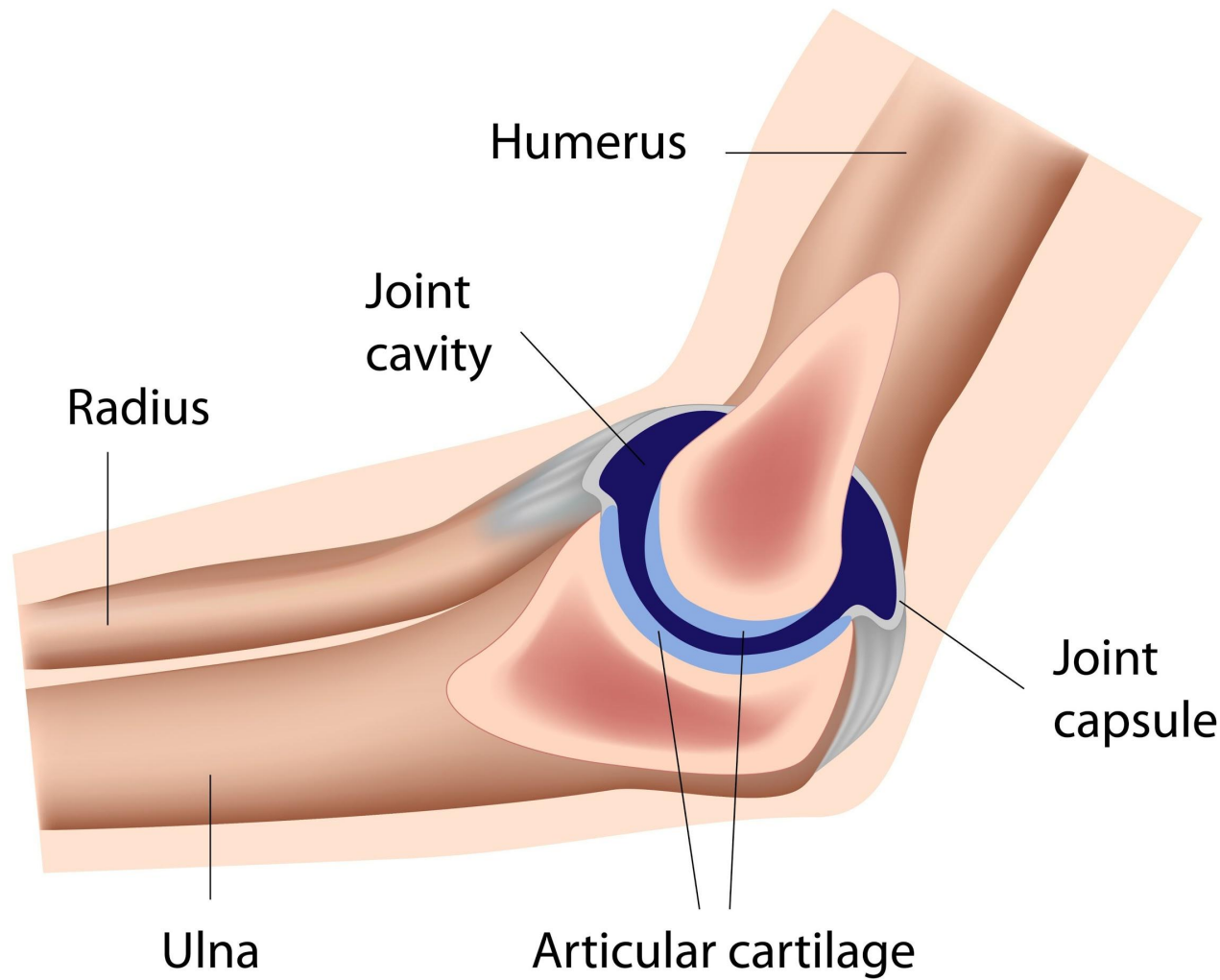
(A): Undesirable clusters



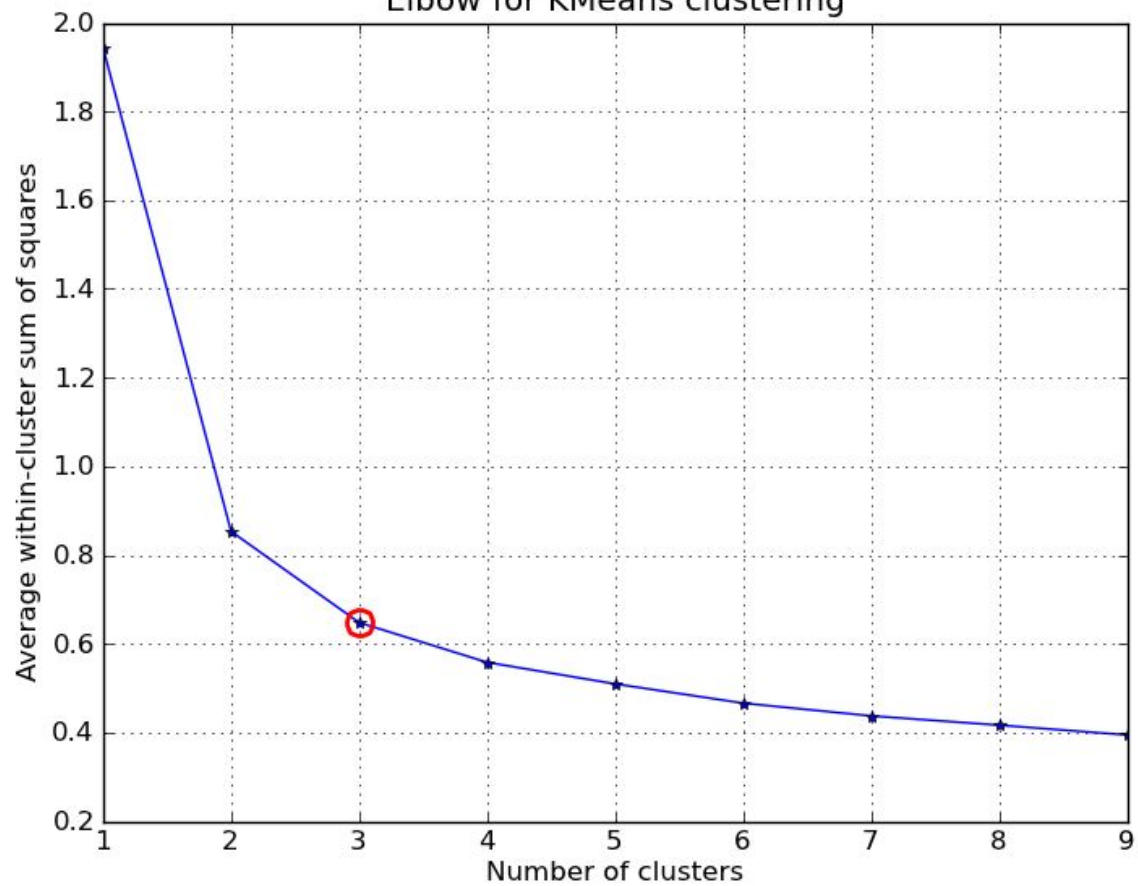
(B): Ideal clusters

Scale your features!

How to choose k



Elbow for KMeans clustering



Lesson on thursday

Metrics for Clusters

Inertia

Sum of squared distance point-centroid

- Low Inertia = dense clusters
- Values from 0 to infinite

Silhouette

*The measure of how far apart clusters
are from each other.*

- High silhouette score = clusters are well separated
- Values from -1 to +1

Lesson on thursday