

Assignment: Clustering problem(Whole sellers data)

You are given with excel file named “Wholesale.csv”. The file contains data of annual spending of 430 clients of a wholesale distributor. Eight columns containing information on various attributes of interest of these clients are as follows

- Channel - Horeca (Hotel/Restaurant/Cafe or Retail channel (Nominal)
- Regions - Lisbon, Oporto or Other (Nominal)
- Fresh : annual spending (m.u.) on fresh products (Continuous)
- Milk: annual spending (m.u.) on milk products (Continuous)
- Grocery : annual spending (m.u.) on grocery products (Continuous)
- Frozen: annual spending (m.u.) on frozen products (Continuous)
- Detergents_Paper: annual spending (m.u.) on detergents and paper products (Continuous)
- Delicassen: annual spending (m.u.) on and delicatessen products (Continuous)

1 Fit K means clustering model to the above data, using following steps

- a) Using the elbow method, find the optimal number of clusters
- b) Using the optimal number of clusters determined above, fit K-Means clustering model to the dataset
- c) Using the model, predict the cluster to which each customer belongs to. Add the cluster values for each customer in the dataset.

2 Fit hierarchical clustering model to the above data, using following steps

- a) Using Dendrogram method, determine the optimal number of clusters.
- b) Applying Hierarchical Clustering, divide the data in the number of clusters determined using Dendrogram method.
- c) Add the cluster values for each customer in the dataset determined using Hierarchical Clustering algorithm.

3 Compare the similarity of prediction arrived at using the above two approaches