ecommerce



### **Overview**

Today, the home furniture market has exploded to over \$600 billion in the U.S and Europe, and Wayfair is the largest company in the space. Wayfair understood that home goods e-commerce required a different buyer experience than other retail goods, and developed proprietary data science and visualization technologies specifically suited towards meeting this need.

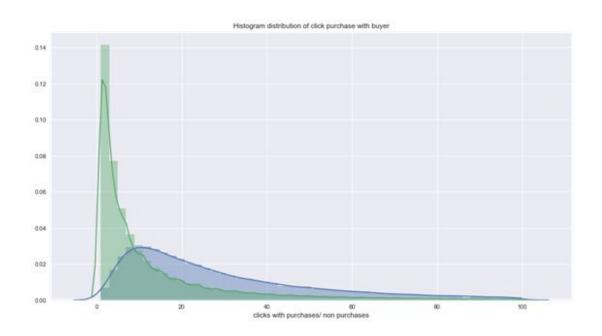
### Goal

To analyze the Wayfair ecommerce clickstream data, potentially in combination with supplementary datasets, in order to increase the understanding of how various factors influence purchasing patterns on the Wayfair online platform



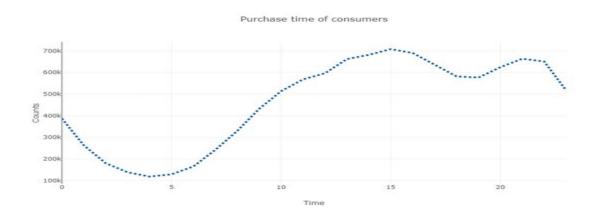
### **Clickthrough Buyers v/s Non-Buyers**

1. Buyers clicks more on an average than non-buyers



#### **BUYING HABITS**

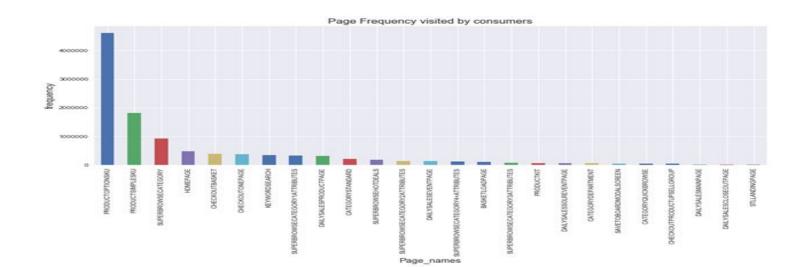
1. Customers clicks peaks at 3 pm to 11 pm, means after office hours.



#### **CONSUMER BEHAVIOUR USING PAGE VIEWS:**

Insights: .People have clicked Products options more often than HotDeals page.

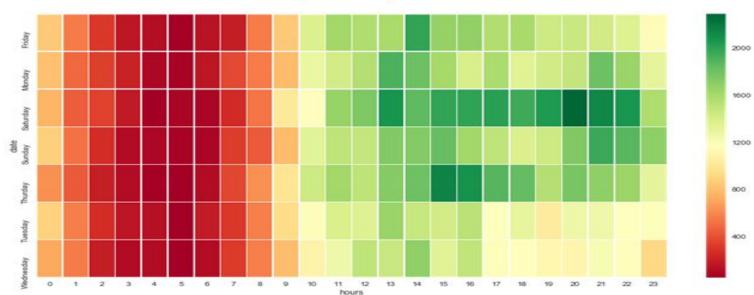
<u>Reasons</u>: It means two things either the people are not concerned in paying more money for paying when buying from Wayfair. or the Hot Deals page deals does not attract customers.



#### BEST DAY AND TIME FOR ORDERING BASED ON QUANTITY?

- 1. Saturday is the best day for ordering and most appropriate time is 8 pm.
- 2. 1 pm to 11 pm is prefered time for ordering.
- 3. Friday and Thursday are second best days to order.

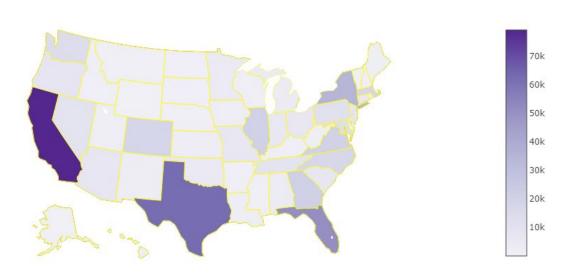
#### Heatmap of Quantity ordered



#### STATES PREFER BUYING FROM WAYFAIR?

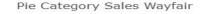
1. People orders maximum quantities on Saturday and time varies from 3pm to 10 pm.

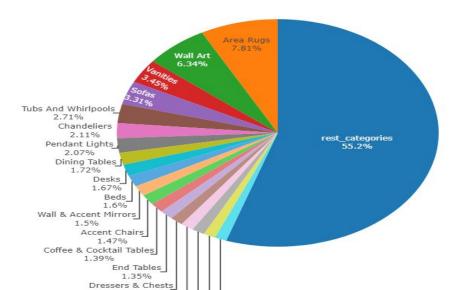
State wise Quantity ordered in US



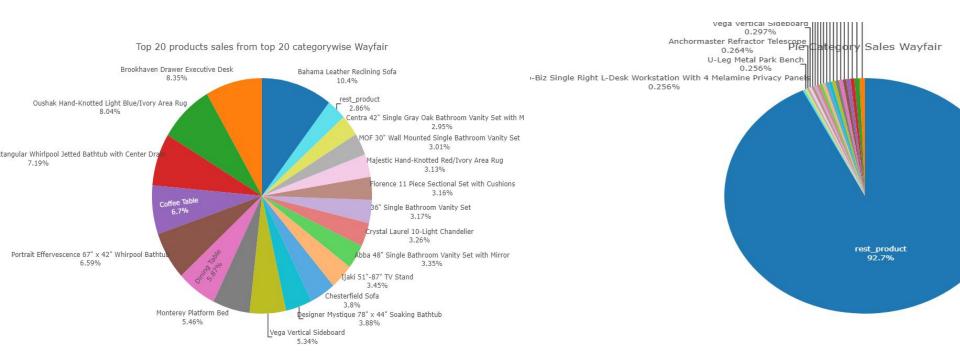
#### **WAYFAIR TOP 20 CATEGORIES SALESWISE**

- 1. Area Rugs, Wall Art, Vanities, Sofas, Tubs & Whirlpools are the top 5 categories.
- 2. Wayfair sells products in almost 900 categories. From the pie chart top 20 categories sales contributes the 45% of the sales and rest 880 categories contributes the rest 55% of the sales.





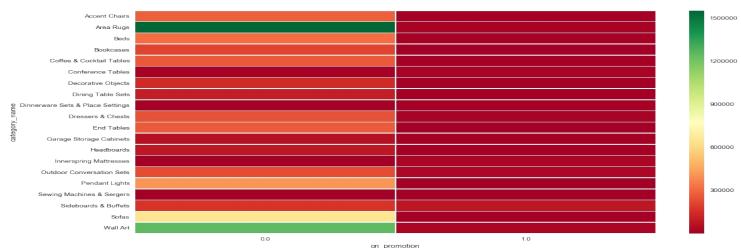
# Top 20 Product overall v/s Top 20 products in Top 20 categories



#### CATEGORY SALES BASED ON PROMOTION

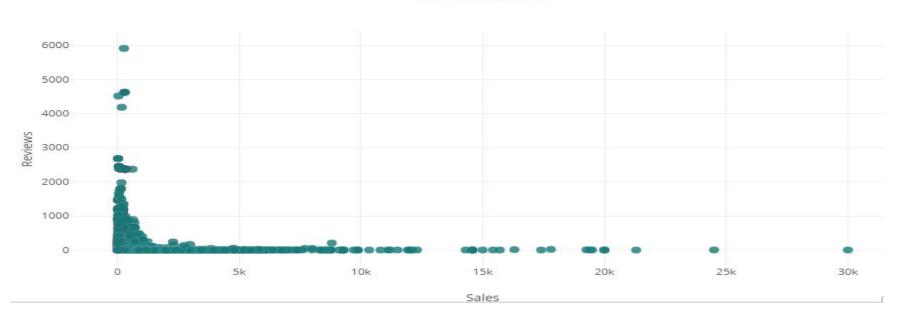
- 1. Products which were top sellings little less in demand during non promotion...
- 2. Wall Arts and Area Rugs looks outliers.
- 3. Other products maintained the trends of selling heavily during promotion offers.



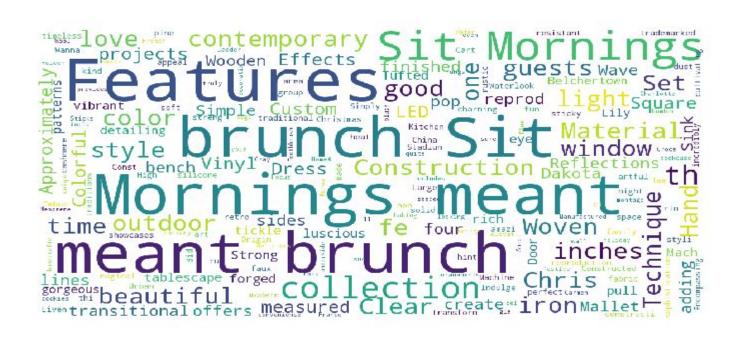


#### **DOES REVIEWS IMPACT SALES**

#### Reviews vs Sales



#### MOST RELEVANT WORDS IN PRODUCT DESCRIPTION



### Classification - Data modification

- Create a new target variable (final\_ordered\_total): For the data in the table clickstream\_with\_purchase, set to 1, and for the data in the able clickstream\_without\_purchase, set to 0.
- Dummy variables:
  - Since we want to know the customer behavior pattern on clickstream, we group by [ customer\_id, date, time] and get the aggregate sum for individual web pages

CATEGORYDEPARTMENT_total	CATEGORYQUICKBROWSE_total	CATEGORYSTANDARD_total	CHECKOUTBASKET_total	CHECKOUTPRODUCTUPSELLGROUP_total
0	0	0	0	0
0	0	0	0	0
0	0	0	1	0
0	0	0	0	0
0	0	0	1	0

- Date variable: '2018-07-16' -> 'Monday'/ 'Tuesday'
- Time variable: '17:12:15' -> 'afternoon' / 'morning'...

### **Data Modification**

Further modification for the data when we find out one variable 'CHECKOUTONEPAGE' plays a huge role in our model and the result depends too much on it.

We remove the column 'CHECKOUTONEPAGE'

variable ı	relative_importance	scaled_importance	percentage
CHECKOUTONEPAGE	27.7706928	1.0	0.4514441
C1	18.2082996	0.6556660	0.2959965
date	6.1458783	0.2213081	0.0999082
BASKETLOADPAGE	6.0253868	0.2169693	0.0979495
time	2.5136795	0.0905155	0.0408627

### Prediction on customer behavior

- Classification: to see whether there is a pattern for customer to click on different page, the time they click the web pages relate to the final purchase

- Logistic Regression

0.44954942335527853

RMS:

MAE:

0.6704844691380096

R2:

-0.8004232943933927

MAE:

- Neural Network

0.4462809917355372

RMS:

0.668042657122685

R2:

-0.787333386769012

- The negative r ^2 suggests both models do not fit our data
- Thus, we move to autoML tool to see which model is going to work better for our data set

### AutoML for classification (H2O)

model_id	auc	logloss	mean_per_class_error	rmse	mse
StackedEnsemble_AllModels_AutoML_20181214_163440	0.587275	0.677306	0.485329	0.492214	0.242275
StackedEnsemble_BestOfFamily_AutoML_20181214_163440	0.587245	0.6774	0.487067	0.492265	0.242325
DeepLearning_1_AutoML_20181214_163440	0.580965	0.679991	0.490057	0.493574	0.243615
GBM_5_AutoML_20181214_163440	0.578229	0.682007	0.493355	0.494469	0.244499
GBM_3_AutoML_20181214_163440	0.577222	0.682502	0.491971	0.494697	0.244725
XGBoost_2_AutoML_20181214_163440	0.576828	0.682651	0.489376	0.494798	0.244825
GBM_2_AutoML_20181214_163440	0.575995	0.682258	0.490701	0.494595	0.244624
GBM_4_AutoML_20181214_163440	0.575913	0.68318	0.491451	0.495001	0.245026
XGBoost_3_AutoML_20181214_163440	0.575291	0.682743	0.494113	0.494844	0.24487
GBM_1_AutoML_20181214_163440	0.574969	0.681998	0.490776	0.494485	0.244515
XGBoost_1_AutoML_20181214_163440	0.573718	0.682478	0.490138	0.494722	0.24475
GLM_grid_1_AutoML_20181214_163440_model_1	0.573529	0.681887	0.486574	0.494446	0.244477
XGBoost_grid_1_AutoML_20181214_163440_model_3	0.572595	0.682723	0.492202	0.49485	0.244876
XGBoost_grid_1_AutoML_20181214_163440_model_4	0.572413	0.682764	0.491705	0.49486	0.244887
DRF_1_AutoML_20181214_163440	0.569304	0.690522	0.496793	0.497719	0.247724
GBM_grid_1_AutoML_20181214_163440_model_1	0.568977	0.686565	0.499322	0.496531	0.246543
XGBoost_grid_1_AutoML_20181214_163440_model_1	0.567786	0.683797	0.490553	0.495375	0.245397
XGBoost_grid_1_AutoML_20181214_163440_model_2	0.566285	0.688393	0.496494	0.497345	0.247352
DeepLearning_grid_1_AutoML_20181214_163440_model_2	0.564803	0.684068	0.492958	0.495495	0.245515
DeepLearning_grid_1_AutoML_20181214_163440_model_1	0.56024	0.686472	0.49726	0.496249	0.246263
GBM_grid_1_AutoML_20181214_163440_model_2	0.556593	0.695436	0.496049	0.500293	0.250293
XRT_1_AutoML_20181214_163440	0.545482	0.691774	0.499073	0.499257	0.249258

Model Details

H2OStackedEnsembleEstimator: Stacked Ensemble
Model Key: StackedEnsemble\_AllModels\_AutoML\_20181214\_163440
No model summary for this model

ModelMetricsBinomialGLM: stackedensemble
\*\* Reported on train data. \*\*

MSE: 0.23613513919900206 RMSE: 0.4859373819732354 LogLoss: 0.6643520954584566 Null degrees of freedom: 77276 Residual degrees of freedom: 77266 Null deviance: 107044.0459426419 Residual deviance: 102678.27376148633

AIC: 102700.27376148633 AUC: 0.6340554090181452 pr\_auc: 0.6260412344884925 Gini: 0.26811081803629033

Confusion Matrix (Act/Pred) for max f1 @ threshold = 0.38153543526596273:

	0	1	Error	Rate
0	4961.0	34956.0	0.8757	(34956.0/39917.0)
1	1595.0	35765.0	0.0427	(1595.0/37360.0)
Total	6556.0	70721.0	0.473	(36551.0/77277.0)

## AutoML for classification (Tpot)

### **SALES PREDICTION**



#### STEPS IN SALES PREDICTION

- 1. DATA CLEANING & PREPROCESSING
- 2. FEATURE ENGINEERING
- 3. VARIABLE SELECTION
- 4. MODELLING
- 5. TESTING

#### DATA CLEANING, PREPROCESSING AND CLEANING

**DATASETS USED:** WAYFAIR PRODUCTS, ORDERS AND TAXES.

<u>DATA CLEANING:</u> Joined all three datasets based on PRODUCT\_ID AND ZIPCODE AND remove all NA values from dataset..

**FEATURE ENGINEERING:** After joining we have 21 variables. Further we created 5 more variables to make model more effective in prediction.

- 1. CATEGORY RATING Based on sales.
- MANUFACTURER RATING based on sales
- 3. DESCRIPITION RATING based on high frequency words in product description
- 4. Converted time into Morning, Afternoon, Evening, Night.
- 5. Converted date into Weekdays.
- 6. Created NSM to signify the number of seconds from midnight.

MODEL FINAL PREDICTORS: quantity\_ordered, weight, num\_reviews, onsite\_price, on\_promotion, num\_return, NSM, Friday, Monday, Saturday, Sunday, Thursday, Tuesday, Wednesday, Afternoon, Evening, Morning, Night, description\_length, category\_count, manu\_count, category\_rating, manufacturer\_rating, index, Desc\_rate.

## **AUTOML H20**

	model_id	mean_residual_deviance	rmse	mse	mae	rmsle
0	StackedEnsemble_AllModels_AutoML_20181214_211548	1813.145111	42.581042	1813.145111	10.344102	NaN
1	StackedEnsemble_BestOfFamily_AutoML_20181214_2	1813.145111	42.581042	1813.145111	10.344102	NaN
2	DRF_1_AutoML_20181214_211548	2130.669414	46.159175	2130.669414	4.590798	0.045098
3	DRF_1_AutoML_20181214_212647	2275.367753	47.700815	2275.367753	4.737439	0.045384
4	XRT_1_AutoML_20181214_212647	2495.287995	49.952858	2495.287995	5.665747	0.051432
5	XRT_1_AutoML_20181214_211548	2495.287995	49.952858	2495.287995	5.665747	0.051432
6	GLM_grid_1_AutoML_20181214_212647_model_1	374699.407358	612.126954	374699.407358	262.615097	1.515323
7	GLM_grid_1_AutoML_20181214_211548_model_1	374699.407358	612.126954	374699.407358	262.615097	1.515323

## AutoML for regression prediction

#### **Tpot model**

```
Generation 1 - Current best internal CV score: -5765.543636130892
Generation 2 - Current best internal CV score: -4982.750818925716
Generation 3 - Current best internal CV score: -4982.750818925716
Generation 4 - Current best internal CV score: -2639.0953017832867
Generation 5 - Current best internal CV score: -2639.0953017832867
Best pipeline: RandomForestRegressor(MaxAbsScaler(input_matrix), bootstrap=False, max_features=0.90000000000001, mi
n samples leaf=1, min samples split=3, n estimators=100)
-32309.805948525587
```

#### Model Details

H2OXGBoostEstimator: XGBoost Model Key: XGBoost\_1\_AutoML\_20181214\_145923

ModelMetricsRegression: xgboost
\*\* Reported on train data. \*\*

MSE: 254.3326720456985 RMSE: 15.947810885688936

MAE: 5.940524336998396 RMSLE: NaN

ModelMetricsRegression: xgboost

Mean Residual Deviance: 254.3326720456985

\*\* Reported on validation data. \*\*

MSE: 9537.443917306739 RMSE: 97.65983779070463

MAE: 9.057374964284229 RMSLE: 0.08488215539378789 Mean Residual Deviance: 9537.443917306739

ModelMetricsRegression: xgboost
\*\* Reported on cross-validation data. \*\*

MSE: 4961.4838295815725

RMSE: 70.43780114101783
MAE: 8.260402141480078
RMSLE: NaN

Mean Residual Deviance: 4961.4838295815725 Cross-Validation Metrics Summary:

#### LINEAR REGRESSION

#### Training

```
#Training dataset:
2 lm = LinearRegression()
3 lm.fit(X_train, y_train)
4 train_pred = lm.predict(X_train)

#Mean Absolute Error:
2 #RMSE:
3 #MAPE:
4 print("MAE:" + str(mean_absolute_error(y_train, train_pred)))
5 print("RMS: " + str(sqrt(mean_squared_error(y_train, train_pred))))
6 print("MAPE: " + str(mean_absolute_percentage_error(y_train, train_pred)))

MAE:59.41379021136503
RMS: 296.25327549722067
MAPE: 55.74466065034095
```

#### Testing:

```
test_pred = lm.predict(X_test)

print("MAE:" + str(mean_absolute_error(y_test, test_pred)))
print("RMS: " + str(sqrt(mean_squared_error(y_test, test_pred))))
print("MAPE: " + str(mean_absolute_percentage_error(y_test, test_pred)))

MAE:58.73361460866351
RMS: 288.3207785371299
MAPE: 54.88796171507976
```

#### RANDOM FOREST

#### Training ¶

#### Testing

MAPE: 0 04146995207964064

```
test_predict_rf = clf.predict(X_test)

print("MAE:" + str(mean_absolute_error(y_test, test_predict_rf)))
print("RMS: " + str(sqrt(mean_squared_error(y_test, test_predict_rf))))
print("MAPE: " + str(mean_absolute_percentage_error(y_test, test_predict_rf)))

MAE:1.1473407420343684
RMS: 47.688213027304904
```

#### **NEURAL NETWORKS (USING KERAS)**

```
1 train_pred_ann = classifier.predict(X_train)

1 print("MAE:" + str(mean_absolute_error(y_train, train_pred_ann)))
2 print("RMS: " + str(sqrt(mean_squared_error(y_train, train_pred_ann))))
3 print("MAPE: " + str(mean_absolute_percentage_error(y_train, train_pred_ann)))

MAE:215.69014876955555
RMS: 651.1622014027478
```

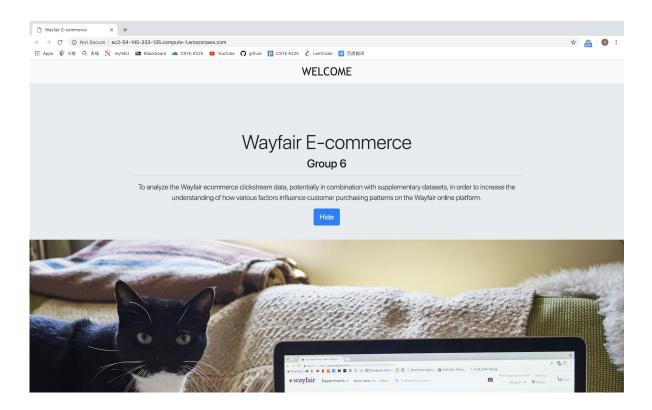
### **Testing**

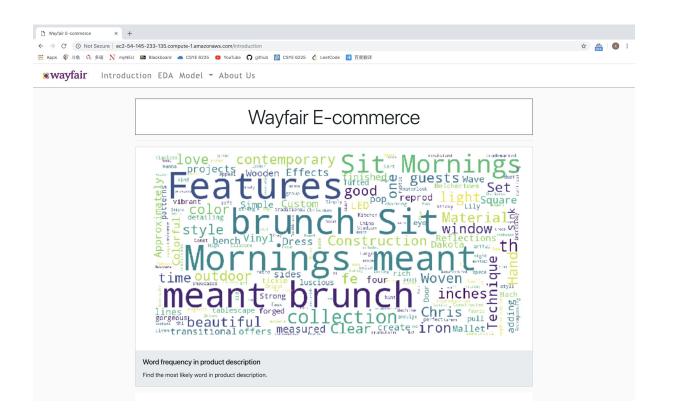
```
pred_test_ann = classifier.predict(X_test)

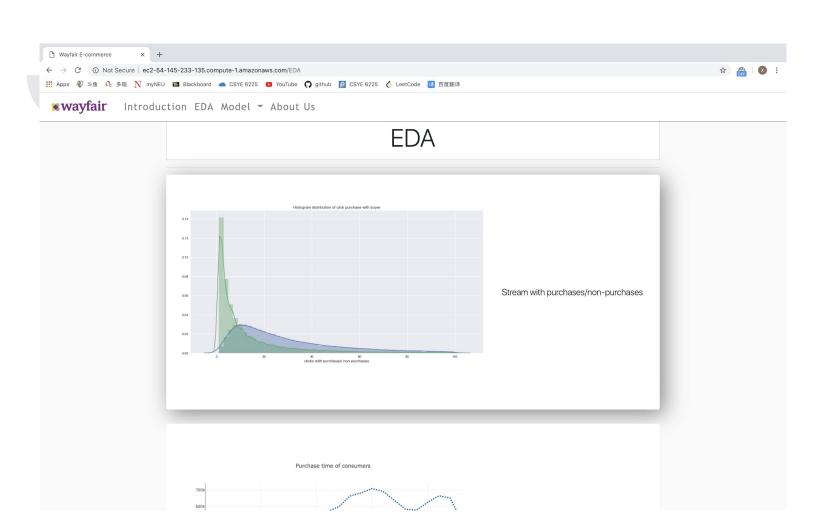
print("MAE:" + str(mean_absolute_error(y_test, pred_test_ann)))
print("RMS: " + str(sqrt(mean_squared_error(y_test, pred_test_ann))))
print("MAPE: " + str(mean_absolute_percentage_error(y_test, pred_test_ann)))

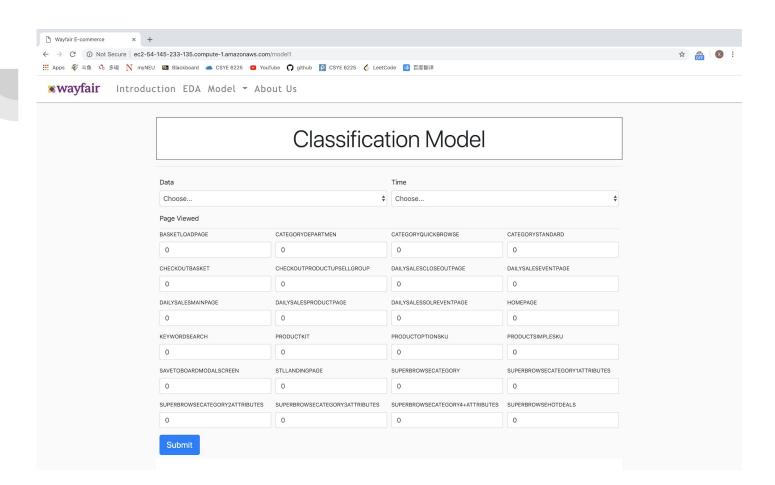
MAE:211.70253788653127
RMS: 628.1829339995386
MAPE: 75.10450877591661
```

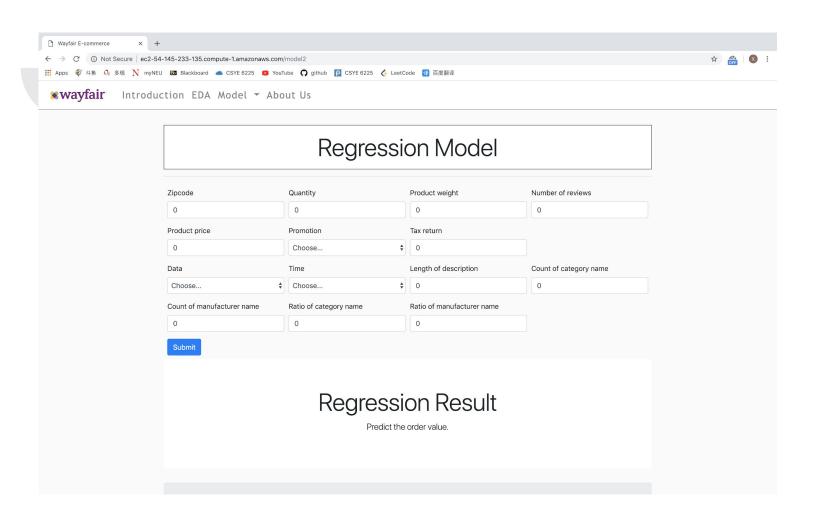
### Flask

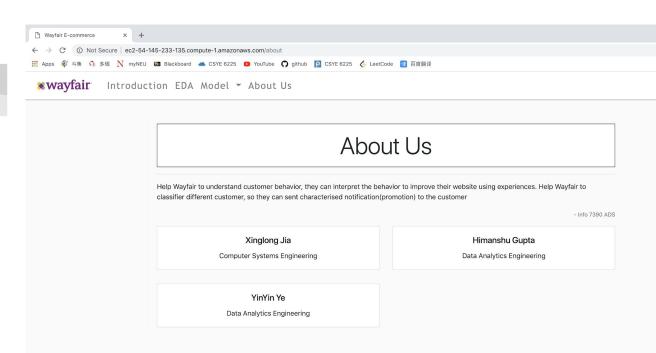












### Docker

```
FROM ubuntu
3
    # System requirements
    RUN apt-get update && apt-get install -y python3-pip
5
5
    RUN pip3 install --upgrade pip
3
    # Bundle object sources
    RUN mkdir /WayfairFinal
    ADD flask /WayfairFinal/flask
    ADD RegressionModel.ipynb /WayfairFinal
    ADD new prediction.ipynb /WayfairFinal
    ADD productsComp_products.ipynb /WayfairFinal
    ADD regression_data.csv /WayfairFinal
    ADD script.sh /WayfairFinal
5
    # Install python3 modules
    RUN pip3 install \
        jupyter \
        pandas \
0
        h2o \
        flask \
3
        sklearn
4
5
    # start download origination and perforation data
    CMD /bin/bash WayfairFinal/script.sh
```

```
echo "Welcom to Wayfair E-commerce"
echo "Group 6"
echo "Want to open notebook? y/n"
read input
if [ $input == "y" ] || [ $input == "Y" ]; then
    jupyter notebook --ip 0.0.0.0 --no-browser --allow-root --notebook-dir='/WayfairFinal'
fi
echo "Want to open web application? y/n"
read input1
if [ $input == "y" ] || [ $input == "Y" ]; then
    python3 WayfairFinal/flask/app.py
fi
cd WayfairFinal
```

ls

