forecast-product-demand-with-lstm

March 7, 2024

0.1 Data Preparation

compiler flags.

```
[1]: # import libraries
import numpy as np
import pandas as pd
import matplotlib.pyplot as plt
import seaborn as sns
from collections import Counter
import statistics
import math

#for LSTM model
from sklearn.preprocessing import MinMaxScaler
from keras.models import Sequential
from keras.layers import Dense, LSTM, Dropout

# ignore warnings
import warnings
warnings.filterwarnings("ignore")
```

2024-03-07 19:13:30.850750: I tensorflow/core/platform/cpu_feature_guard.cc:193] This TensorFlow binary is optimized with oneAPI Deep Neural Network Library (oneDNN) to use the following CPU instructions in performance-critical operations: SSE4.1 SSE4.2 AVX AVX2 FMA
To enable them in other operations, rebuild TensorFlow with the appropriate

```
[2]: # read data
data = pd.read_csv("Historical Product Demand.csv")
data
```

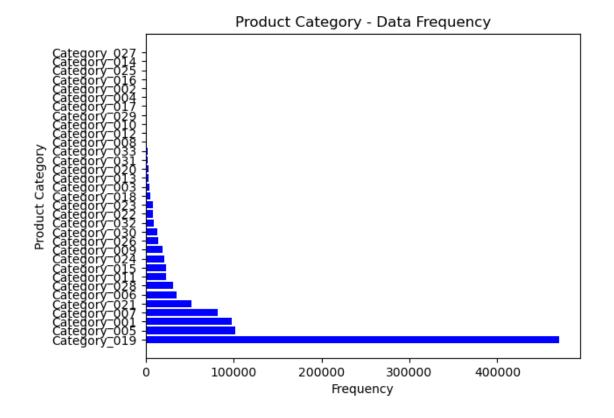
[2]:	Product_Code	Warehouse	Product_Category	Date	Order_Demand
0	Product_0993	${\tt Whse_J}$	Category_028	2012/7/27	100
1	Product_0979	${\tt Whse_J}$	Category_028	2012/1/19	500
2	Product_0979	${\tt Whse_J}$	Category_028	2012/2/3	500
3	Product_0979	${\tt Whse_J}$	Category_028	2012/2/9	500
4	Product_0979	Whse_J	Category_028	2012/3/2	500

```
1048570 Product_1791
                              Whse_J
                                         Category_006
                                                        2016/4/27
                                                                         1000
     1048571 Product 1974
                                         Category_006
                              Whse J
                                                        2016/4/27
                                                                            1
     1048572 Product_1787
                              {\tt Whse\_J}
                                         Category_006
                                                        2016/4/28
                                                                         2500
                                         Category_023
     1048573 Product_0901
                              Whse_J
                                                        2016/10/7
                                                                           50
     1048574 Product_0704
                              Whse_J
                                         Category_001
                                                       2016/6/27
                                                                            4
     [1048575 rows x 5 columns]
[3]: # rename the columns
     data.rename(columns = {'Product_Code': 'ProductCode',
                            'Product_Category': 'ProductCategory',
                            'Order_Demand': 'OrderDemand'}, inplace = True)
     data.head()
[3]:
         ProductCode Warehouse ProductCategory
                                                     Date OrderDemand
     0 Product_0993
                        Whse J
                                  Category_028
                                                2012/7/27
                                                                  100
                        Whse_J
                                                                  500
     1 Product_0979
                                  Category_028
                                                2012/1/19
     2 Product 0979
                        Whse J
                                  Category 028
                                                 2012/2/3
                                                                  500
     3 Product 0979
                        Whse J
                                  Category_028
                                                                  500
                                                  2012/2/9
     4 Product_0979
                                  Category_028
                                                                  500
                        Whse J
                                                  2012/3/2
[4]: # check the null data
     data.isnull().sum()
[4]: ProductCode
                            0
                            0
     Warehouse
                            0
     ProductCategory
    Date
                        11239
     OrderDemand
                            0
     dtype: int64
[5]: # drop the missing values
     data.dropna(inplace=True)
     # check the null data again
     data.isnull().sum()
[5]: ProductCode
                        0
     Warehouse
                        0
    ProductCategory
                        0
                        0
    Date
     OrderDemand
                        0
     dtype: int64
[6]: # sort the data berdasarkan kolom tanggal
     data.sort_values('Date', ignore_index=True, inplace=True)
     data.head()
```

```
[6]:
         ProductCode Warehouse ProductCategory
                                                      Date OrderDemand
     0 Product_0965
                                  Category_006
                        Whse_A
                                                  2011/1/8
                                                                    2
     1 Product 0412
                        Whse S
                                  Category_007 2011/10/20
                                                                   (2)
     2 Product_0125
                        Whse_S
                                  Category_011 2011/10/20
                                                                   (2)
                                  Category 019 2011/10/31
     3 Product 0642
                        Whse C
                                                                    3
     4 Product 2137
                        Whse S
                                  Category_009 2011/11/18
                                                                  (25)
 [7]: # ada tanda () di kolom OrderDemand
     data['OrderDemand'] = data['OrderDemand'].str.replace('(',"")
     data['OrderDemand'] = data['OrderDemand'].str.replace(')',"")
      # Mengubah tipe data menjadi integer
     data['OrderDemand'] = data['OrderDemand'].astype('int64')
[33]: # creating Year, Month, Day field for further analysis
      # Mengubah tipe data menjadi datetime
     from datetime import datetime as dt
     data['Date'] = pd.to datetime(data['Date'])
     # create Year, Month, Day columns
     data['Year'] = data["Date"].dt.year
     data['Month'] = data["Date"].dt.month
     data['Day'] = data["Date"].dt.day
     data['Year'] = data['Year'].astype(str)
     0.2 Exploratory Data Analysis and Data Visualization
[27]: data.info()
     <class 'pandas.core.frame.DataFrame'>
     RangeIndex: 1037336 entries, 0 to 1037335
     Data columns (total 8 columns):
```

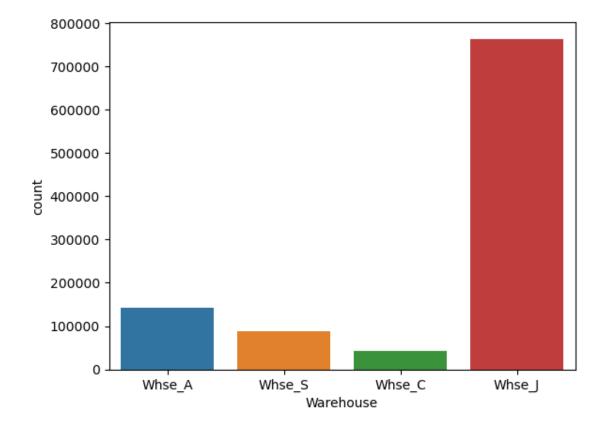
```
Column
                     Non-Null Count
                                      Dtype
--- -----
                     -----
                                      ____
 0
    ProductCode
                     1037336 non-null object
    Warehouse
                     1037336 non-null object
 2
    ProductCategory 1037336 non-null object
    Date
                     1037336 non-null datetime64[ns]
 3
 4
    OrderDemand
                     1037336 non-null int64
 5
    Year
                     1037336 non-null int32
 6
    Month
                     1037336 non-null int32
                     1037336 non-null int32
 7
    Day
dtypes: datetime64[ns](1), int32(3), int64(1), object(3)
memory usage: 51.4+ MB
```

```
[28]: data["OrderDemand"].describe()
               1.037336e+06
[28]: count
     mean
               4.949384e+03
      std
               2.907344e+04
               0.000000e+00
     min
      25%
               2.000000e+01
      50%
               3.000000e+02
      75%
               2.000000e+03
               4.000000e+06
     max
     Name: OrderDemand, dtype: float64
[29]: # information about categorical variables
      data[["ProductCode", "Warehouse", "ProductCategory"]].describe()
               ProductCode Warehouse ProductCategory
[29]:
      count
                   1037336
                             1037336
                                             1037336
                      2160
      unique
                                                  33
      top
              Product_1359
                              Whse_J
                                        Category_019
                              764447
                                              470266
      freq
                     16936
[14]: # Jumlah data berdasarkan product category
      plt.figure()
      plt.barh(data["ProductCategory"].value_counts().index, data["ProductCategory"].
       →value_counts(), color = "b")
      plt.xlabel("Frequency")
      plt.ylabel("Product Category")
      plt.title("Product Category - Data Frequency")
      plt.show()
      print(f"Number of ProductCategory \n{data['ProductCategory'].value_counts()}")
```



ctCategory
470266
101627
97787
82402
52008
35552
31012
23208
22954
20885
19738
14771
12997
9296
8657
7899
5239
4189
3743
3490

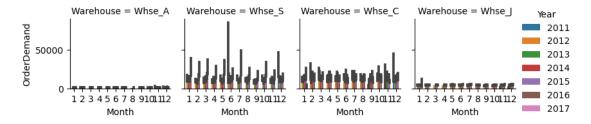
```
Category_031
                  2268
Category_033
                  1849
Category_008
                  1560
Category_012
                  1147
Category_010
                   976
Category_029
                   671
Category_017
                   615
Category_004
                   329
Category_002
                    77
Category_016
                    37
                    35
Category_025
Category_014
                    26
                    26
Category_027
Name: count, dtype: int64
```



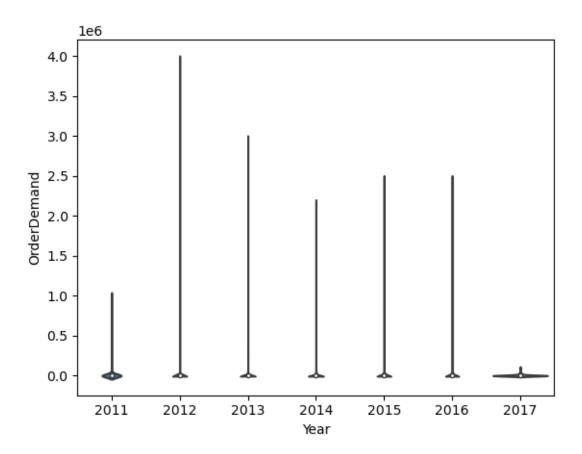
```
Number of samples according to Warehouse Warehouse
Whse_J 764447
Whse_A 142335
Whse_S 88200
Whse_C 42354
```

Name: count, dtype: int64

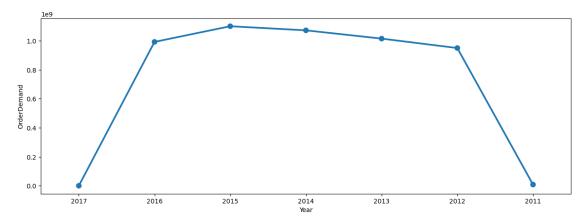
```
[34]: sns.catplot(x="Month", y="OrderDemand", hue="Year", col="Warehouse", data=data, kind="bar", height=2) plt.show()
```



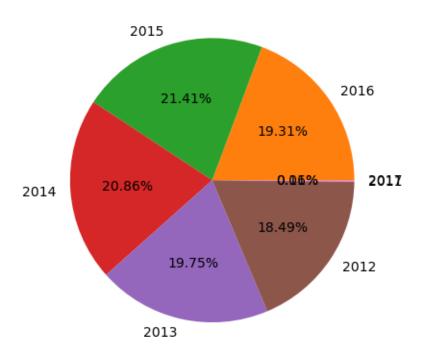
```
[35]: sns.violinplot(x="Year", y="OrderDemand", data=data) plt.show()
```



Yearly Analysis

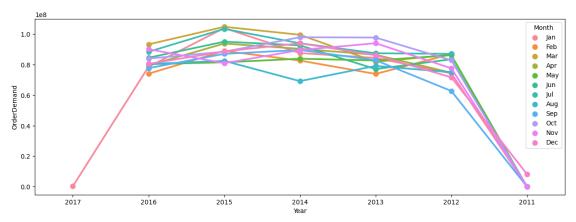


```
[38]: # plot pie chart persentase order demand plt.pie(df['OrderDemand'], labels=df['Year'].unique(), autopct='%1.2f%%') plt.show()
```



Monthly Analysis

```
G'Jun', 'Jul', 'Aug', 'Sep', 'Oct', 'Nov', 'Dec'])
plt.show()
```



```
[40]: # Monthly pivot table

df = (df.pivot(index='Year', columns='Month', values='OrderDemand'))

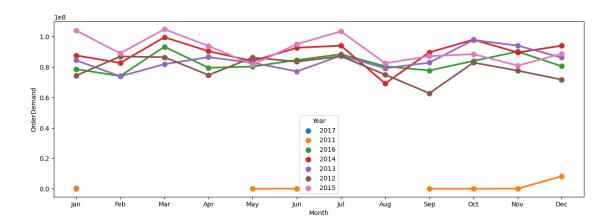
df = df.loc[:, ['Jan', 'Feb', 'Mar', 'Apr', 'May', 'Jun', 'Jul', 'Aug', 'Sep',

→'Oct', 'Nov', 'Dec']]

df
```

[40]:	Month	Jan	Feb	Mar	Apr	May	\
	Year						
	2011	2.0	NaN	NaN	NaN	108.0	
	2012	74331037.0	86951780.0	86463212.0	74714053.0	86246051.0	
	2013	84399001.0	73899741.0	81857480.0	86489453.0	82735797.0	
	2014	87593983.0	82688430.0	99580627.0	90391888.0	83876775.0	
	2015	104028474.0	88991822.0	104825197.0	93842250.0	81540033.0	
	2016	78627619.0	74065041.0	93303910.0	79503364.0	80299593.0	
	2017	294967.0	NaN	NaN	NaN	NaN	
	Month	Jun	Jul	Aug	Sep	Oct	\
	Year						
	2011	92000.0	NaN	NaN	6728.0	7.0	
	2012	83521679.0	87071567.0	75003241.0	62748329.0	82891675.0	
	2013	77115902.0	87469057.0	79181220.0	82882856.0	97773582.0	
	2014	92655892.0	94023350.0	69199733.0	89629088.0	97963491.0	
	2015	95074257.0	103449803.0	82468895.0	87080162.0	88477211.0	
	2016	84553011.0	88439936.0	80471772.0	77698896.0	84000757.0	
	2017	NaN	NaN	NaN	NaN	NaN	
	Month	Nov	Dec				
	Year						

```
2011
               86524.0
                        8178525.0
     2012
            77618687.0 71698680.0
     2013
            94072859.0 86210974.0
     2014
            89572680.0 94002430.0
     2015
            80944042.0 88676245.0
     2016
            90128568.0
                       80497932.0
     2017
                   NaN
                               NaN
[41]: custom_dict = {'Jan':0, 'Feb':1, 'Mar':2, 'Apr':3, 'May':4, 'Jun':5,
                     'Jul':6, 'Aug':7, 'Sep':8, 'Oct':9, 'Nov':10, 'Dec':11}
     temp_data = data.copy()
     temp_data.Month.replace([1,2,3,4,5,6,7,8,9,10,11,12], ['Jan', 'Feb', 'Mar', __
       'Jun', 'Jul',
      ⇔'Aug', 'Sep', 'Oct', 'Nov', 'Dec'], inplace=True)
     df = temp_data[["OrderDemand", 'Month', 'Year']].groupby(["Year",
                                                       "Month"]).sum().reset_index().
      ⇔sort_values(by=['Year',
                         'Month'], ascending=True)
     df = df.iloc[df['Month'].map(custom_dict).argsort()]
     f, ax=plt.subplots(figsize=(15, 5))
     sns.pointplot(x='Month', y="OrderDemand", data=df, hue="Year")
```



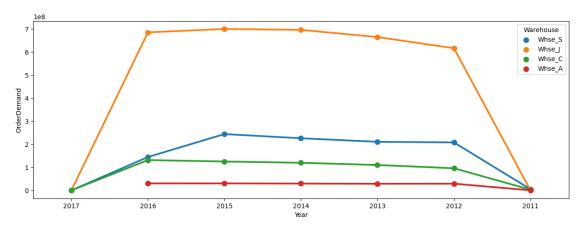
```
[42]: # Statistical information about monthly data df.describe()
```

[42]: OrderDemand
count 6.800000e+01
mean 7.550256e+07
std 2.852781e+07

plt.show()

```
min 2.000000e+00
25% 7.749299e+07
50% 8.369923e+07
75% 8.913704e+07
max 1.048252e+08
```

Warehouse Based Analysis



```
[44]: df = (df.pivot(index='Year', columns='Warehouse', values='OrderDemand')) df
```

```
[44]: Warehouse
                                 Whse_C
                    Whse_A
                                              Whse_J
                                                           Whse_S
     Year
     2011
                  230881.0
                              3031847.0
                                            198547.0
                                                        4902619.0
     2012
                29048000.0
                             95823181.0
                                         616560449.0 207828361.0
     2013
                28696890.0 110035879.0 664781670.0
                                                      210573483.0
     2014
                29507380.0 119583036.0 696130811.0 225957140.0
     2015
                30167990.0 125188986.0 699932604.0 244108811.0
     2016
                30226290.0 131373097.0 685336996.0 144654016.0
     2017
                                                            270.0
                       NaN
                                35378.0
                                            259319.0
```

```
[46]: df.describe()
```

[46]: Warehouse Whse_A Whse_C Whse_J Whse_S count 6.000000e+00 7.000000e+00 7.000000e+00 7.000000e+00

```
mean2.464624e+078.358163e+074.804572e+081.482892e+08std1.197623e+075.719735e+073.292411e+081.042437e+08min2.308810e+053.537800e+041.985470e+052.700000e+0225%2.878467e+074.942751e+073.084099e+087.477832e+0750%2.927769e+071.100359e+086.647817e+082.078284e+0875%3.000284e+071.223860e+086.997339e+082.182653e+08max3.022629e+071.313731e+086.999326e+082.441088e+08
```

Product Category Based Analysis

[47]:	Warehouse	${\tt Whse_A}$	Whse_C	Whse_J	Whse_S
	ProductCategory				
	Category_001	1749.0	60106.0	1.623054e+06	72564.0
	Category_002	NaN	NaN	NaN	628.0
	Category_003	131607.0	NaN	3.926700e+04	222076.0
	Category_004	NaN	NaN	NaN	99046.0
	Category_005	1124300.0	12528700.0	1.289245e+08	57097050.0
	Category_006	11613427.0	33131500.0	3.187667e+08	42059693.0
	Category_007	2839680.0	7179524.0	1.121572e+08	6515085.0
	Category_008	1903.0	317.0	1.534800e+04	NaN
	Category_009	920903.0	251031.0	4.464690e+05	2163738.0
	Category_010	12610.0	NaN	4.364000e+03	5580.0
	Category_011	10360.0	63989.0	1.927557e+06	890936.0
	Category_012	8926.0	14776.0	1.558800e+04	30716.0
	Category_013	54931.0	NaN	8.557000e+04	169117.0
	Category_014	NaN	NaN	NaN	100.0
	Category_015	97983.0	112538.0	4.249710e+05	199013.0
	Category_016	148.0	NaN	NaN	16702.0
	Category_017	47658.0	NaN	1.443000e+03	356.0
	Category_018	22935.0	NaN	1.105700e+04	12031.0
	Category_019	106355439.0	521898473.0	2.739563e+09	872342758.0
	Category_020	NaN	483735.0	NaN	1910078.0
	Category_021	1190584.0	362485.0	1.892041e+06	1035460.0
	Category_022	102670.0	NaN	6.859800e+04	434783.0
	Category_023	45471.0	1640950.0	4.670830e+05	1184220.0
	Category_024	154549.0	212478.0	3.551580e+05	335132.0
	Category_025	NaN	NaN	NaN	486000.0

Category_026	85900.0	NaN	1.344020e+05	61694.0
Category_027	103.0	NaN	NaN	NaN
Category_028	23019635.0	NaN	1.274485e+07	13290870.0
Category_029	23979.0	NaN	NaN	NaN
Category_030	NaN	5702900.0	5.349550e+05	34728700.0
Category_031	9981.0	NaN	3.041000e+03	NaN
Category_032	NaN	1427902.0	3.845720e+05	2660574.0
Category_033	NaN	NaN	4.261000e+07	NaN

0.3 Forecast the Order Demand with LSTM Model

```
[49]: # data yg digunakan tahun 2012 sampai tahun 2016

df = data[(data['Date']>='2012-01-01') & (data['Date']<='2016-12-31')].

→sort_values('Date', ascending=True)

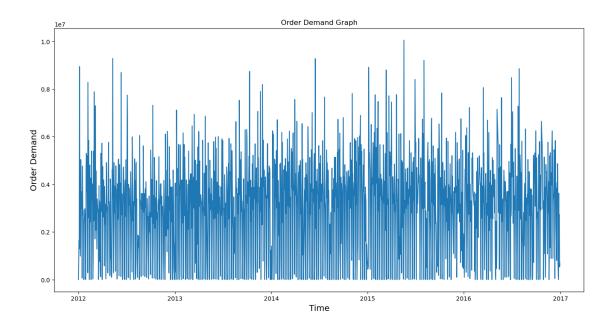
df = df.groupby('Date')['OrderDemand'].sum().reset_index()

df
```

```
[49]:
                 Date OrderDemand
           2012-01-01
           2012-01-02
                            680277
      1
      2
           2012-01-03
                           1645257
           2012-01-04
                           1295861
      4
           2012-01-05
                           8941774
                           3628370
      1676 2016-12-26
      1677 2016-12-27
                           1674226
      1678 2016-12-28
                           2740302
      1679 2016-12-29
                             530487
      1680 2016-12-30
                            702950
```

[1681 rows x 2 columns]

```
[50]: # Grafik order demand
plt.figure(figsize=(16, 8))
plt.title("Order Demand Graph")
plt.plot(df["Date"], df["OrderDemand"])
plt.xlabel("Time", fontsize=14,)
plt.ylabel("Order Demand", fontsize=14)
plt.show()
```



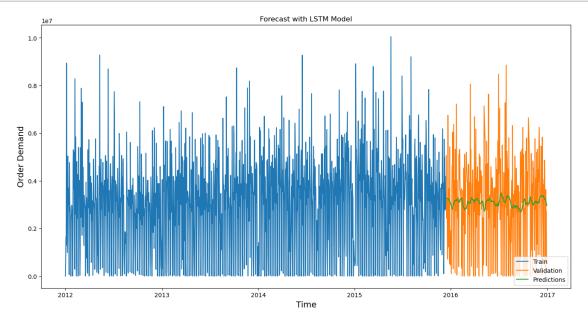
```
[52]: # Membuat data baru dengan hanya kolom OrderDemand
      orderD = df.filter(["OrderDemand"])
      # Convert the dataframe to a np array
      orderD_array = orderD.values
      train_close_len = math.ceil(len(orderD_array) * 0.8)
      train_close_len
[52]: 1345
[53]: # Normalize the data
      scaler = MinMaxScaler()
      scaled_data = scaler.fit_transform(orderD_array)
      scaled_data
[53]: array([[1.99031453e-07],
             [6.76982600e-02],
             [1.63728946e-01],
             [2.72703145e-01],
             [5.27917993e-02],
             [6.99545800e-02]])
[54]: # Create the training dataset
      train_data = scaled_data[0 : train_close_len, :]
      # Create X_train and y_train
      X_train = []
```

```
y_train = []
      for i in range(60, len(train_data)):
          X_train.append(train_data[i - 60 : i, 0])
          y_train.append(train_data[i, 0])
          if i <= 60:
              print(X_train)
              print(y_train)
     [array([1.99031453e-07, 6.76982600e-02, 1.63728946e-01, 1.28958549e-01,
            8.89847137e-01, 4.36947184e-01, 9.82368500e-02, 1.43570443e-01,
            5.01388891e-01, 3.30568853e-01, 2.98325061e-01, 3.68113549e-01,
            6.39388544e-03, 4.74326585e-01, 3.44696702e-01, 2.69870529e-01,
            2.89035666e-01, 2.55127374e-01, 1.99031453e-05, 1.34953277e-03,
            2.51593073e-01, 2.53474816e-01, 2.95791390e-01, 2.81800375e-01,
            2.26411613e-01, 6.16997505e-04, 2.32949398e-02, 4.68048834e-01,
            5.27871021e-01, 3.66383269e-01, 5.18157490e-01, 3.13818067e-01,
            2.88706070e-02, 8.24073013e-01, 4.73426465e-01, 2.58256546e-01,
            5.81354156e-01, 3.14602052e-01, 9.95157266e-05, 5.74927232e-02,
            4.78518585e-01, 2.40411486e-01, 3.48965828e-01, 4.24549316e-01,
            2.88825090e-01, 1.69176735e-04, 1.26577138e-01, 5.37255155e-01,
            3.60979068e-01, 3.33127004e-01, 3.99856478e-01, 1.72541561e-01,
            2.98547180e-03, 8.14840741e-02, 5.36301397e-01, 2.45390755e-01,
            3.38598080e-01, 7.84473616e-01, 3.67118093e-01, 1.70085413e-01])]
     [0.7264143498493282]
[55]: # make X_train and y_train np array
      X_train, y_train = np.array(X_train), np.array(y_train)
[56]: # reshape the data
      X_train = np.reshape(X_train, (X_train.shape[0], X_train.shape[1], 1))
      X_train.shape
[56]: (1285, 60, 1)
[57]: # create the testing dataset
      test_data = scaled_data[train_close_len - 60 : , :]
      \# create X_{test} and y_{test}
      X_{\text{test}} = []
      y_test = df.iloc[train_close_len : , :]
      for i in range(60, len(test_data)):
          X_test.append(test_data[i - 60 : i, 0])
[58]: # convert the test data to a np array and reshape the test data
      X test = np.array(X test)
      X_test = np.reshape(X_test, (X_test.shape[0], X_test.shape[1], 1))
```

0.4 Build a LSTM Model

```
[59]: # Build the LSTM Model
              model = Sequential()
              model.add(LSTM(units=512, return_sequences=True, activation='relu', units=512, return_sequences=True, unit
                →input_shape=(X_train.shape[1], 1)))
              model.add(LSTM(units=256, activation='relu', return_sequences=False))
             model.add(Dense(units=1))
            2024-03-07 20:14:14.501906: I tensorflow/core/platform/cpu_feature_guard.cc:193]
            This TensorFlow binary is optimized with oneAPI Deep Neural Network Library
            (oneDNN) to use the following CPU instructions in performance-critical
            operations: SSE4.1 SSE4.2 AVX AVX2 FMA
            To enable them in other operations, rebuild TensorFlow with the appropriate
            compiler flags.
[60]: # compile the LSTM model
              model.compile(optimizer="Adam", loss="mean_squared_error", metrics=['mae'])
[61]: # train the LSTM model
              model.fit(X_train, y_train,
                                     epochs=3,
                                     batch_size=100,
                                     verbose=1)
            Epoch 1/3
            0.1944
            Epoch 2/3
            0.1662
            Epoch 3/3
            0.1632
[61]: <keras.callbacks.History at 0x7f83a59a20d0>
[62]: # predict with LSTM model
              predictions = model.predict(X_test)
              predictions = scaler.inverse_transform(predictions)
            11/11 [======] - 4s 297ms/step
```

```
[63]: # plot the data
    train = orderD[:train_close_len]
    valid = orderD[train_close_len:]
    valid["Predictions"] = predictions
    #visualize the data
    plt.figure(figsize=(16, 8))
    plt.title("Forecast with LSTM Model")
    plt.xlabel("Time", fontsize=14)
    plt.ylabel("Order Demand", fontsize=14)
    plt.plot(df["Date"][:train_close_len], train["OrderDemand"])
    plt.plot(df["Date"][train_close_len:], valid[["OrderDemand", "Predictions"]])
    plt.legend(["Train", "Validation", "Predictions"], loc="lower right")
    plt.show()
```



0.5 Build an Optimized LSTM Model

```
[64]: # change the parameters of first LSTM model and build the Optimized LSTM Model
    optimized_model = Sequential()

optimized_model.add(LSTM(512, activation='relu', return_sequences=True,u
    input_shape=(X_train.shape[1], 1)))

optimized_model.add(LSTM(256, activation='relu', return_sequences=False))

optimized_model.add(Dense(128))

optimized_model.add(Dense(64))
```

```
optimized_model.add(Dense(32))
  optimized_model.add(Dense(1))
[66]: # compile the model
  optimized_model.compile(optimizer="Adam", loss="mean_squared_error", u
  →metrics=['mae'])
[67]: # train the optimized model
  optimized_model.fit(X_train, y_train,
     batch_size=32,
     epochs=20,
     verbose=1)
 Epoch 1/20
 0.1719
 Epoch 2/20
 0.1626
 Epoch 3/20
 0.1627
 Epoch 4/20
 0.1631
 Epoch 5/20
 0.1600
 Epoch 6/20
 0.1626
 Epoch 7/20
 0.1573
 Epoch 8/20
 0.1528
 Epoch 9/20
 0.1542
 Epoch 10/20
 0.1494
 Epoch 11/20
```

```
0.1542
  Epoch 12/20
  Epoch 13/20
  0.1389
  Epoch 14/20
  0.1375
  Epoch 15/20
  0.1404
  Epoch 16/20
  0.1345
  Epoch 17/20
  0.1337
  Epoch 18/20
  0.1302
  Epoch 19/20
  0.1294
  Epoch 20/20
  0.1270
[67]: <keras.callbacks.History at 0x7f837ac2ce50>
[68]: # Predict with optimized LSTM model
   o predictions = optimized model.predict(X test)
   o_predictions = scaler.inverse_transform(o_predictions)
   11/11 [======= ] - 5s 260ms/step
[69]: # plot the data
   train = orderD[:train_close_len]
   valid = orderD[train close len:]
   valid["Predictions"] = o_predictions
   #visualize the data
   plt.figure(figsize=(16, 8))
   plt.title("Forecast with Optimized LSTM Model")
   plt.xlabel("Time", fontsize=14)
   plt.ylabel("Order Demand", fontsize=14)
   plt.plot(df["Date"][:train_close_len], train["OrderDemand"])
   plt.plot(df["Date"][train_close_len:], valid[["OrderDemand", "Predictions"]])
```

```
plt.legend(["Train", "Validation", "Predictions"], loc="upper right")
plt.show()
```

