# IOWA LIQUOR INVENTORY

restocking predictions for 2024 at Iowa's busiest liquor retailer

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## business context

**stakeholder:** store manager at <u>Hy-Vee</u>
<a href="My-Vee"><u>Grocery Store</a> in Des Moines, IA</u>

**goal:** predict liquor inventory restocking throughout 2024





## project overview

the big picture: start by training models on all liquor types from 2017-2023

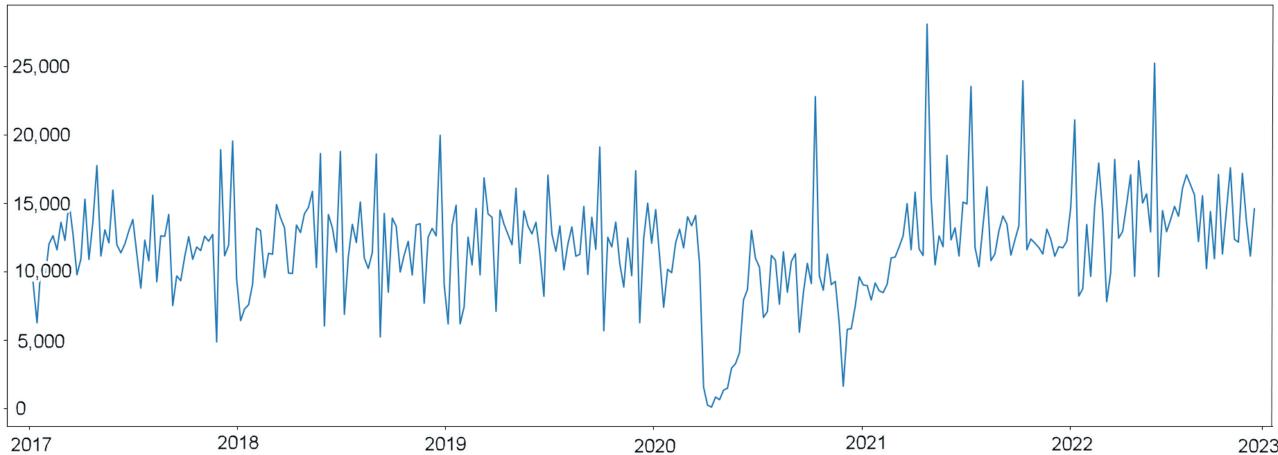
project target: the number of bottles sold in
each transaction

**results:** predictions for popular liquor categories throughout 2024 on a weekly basis

### data source

- originally downloaded from <u>Iowa's open data page</u>
- features data from all Iowan liquor retailers dating back to 2012
- this project narrows the scope to **Iowa's busiest store dating to 2017**
- this data subset contains well over 17 million transactions





# modeling methodology

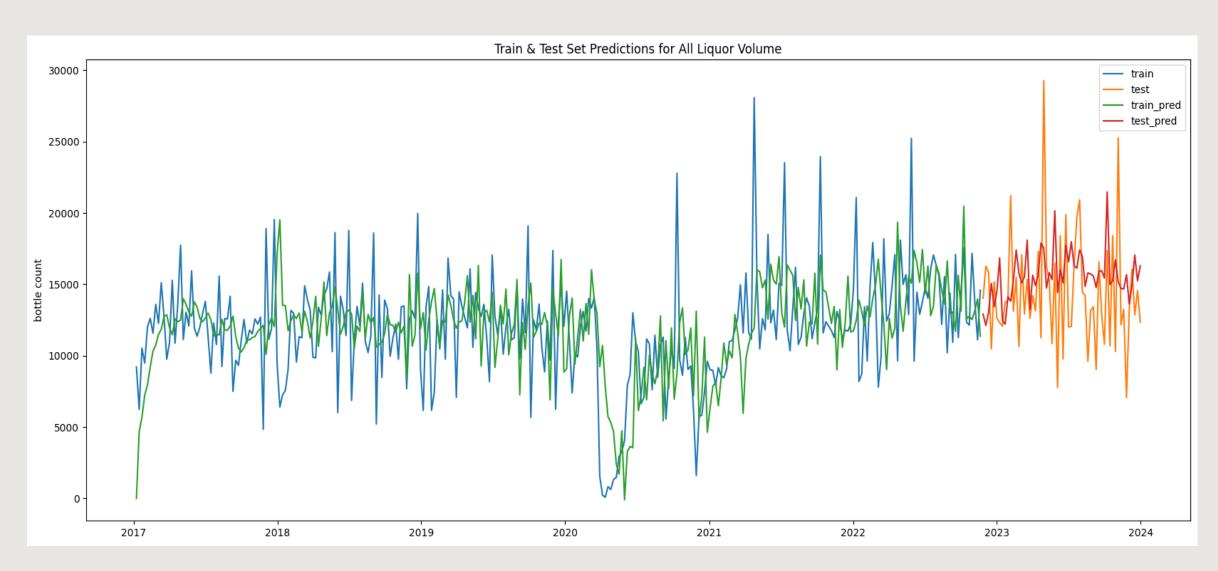
- 1.isolate the 'Date' & 'Bottles Sold' columns
- 2.set aside the last year of data as a test set (2023)
- 3.train the model on the first five years' data (2017-2022)
- 4.compare the model's performance on train & test sets
- 5.forecast for 2024 using all six years' data

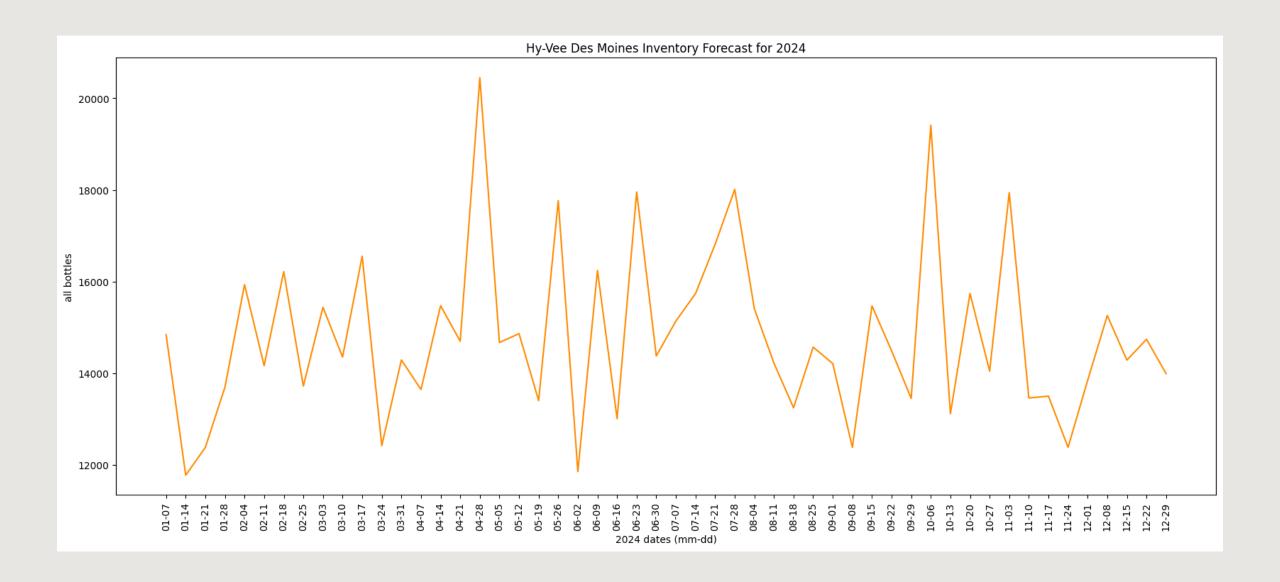
# evaluating predictions

### Root Mean Square Error (RMSE)

- measures model prediction accuracy
- the lower, the better

#### overall inventory predictions for Hy-Vee #3

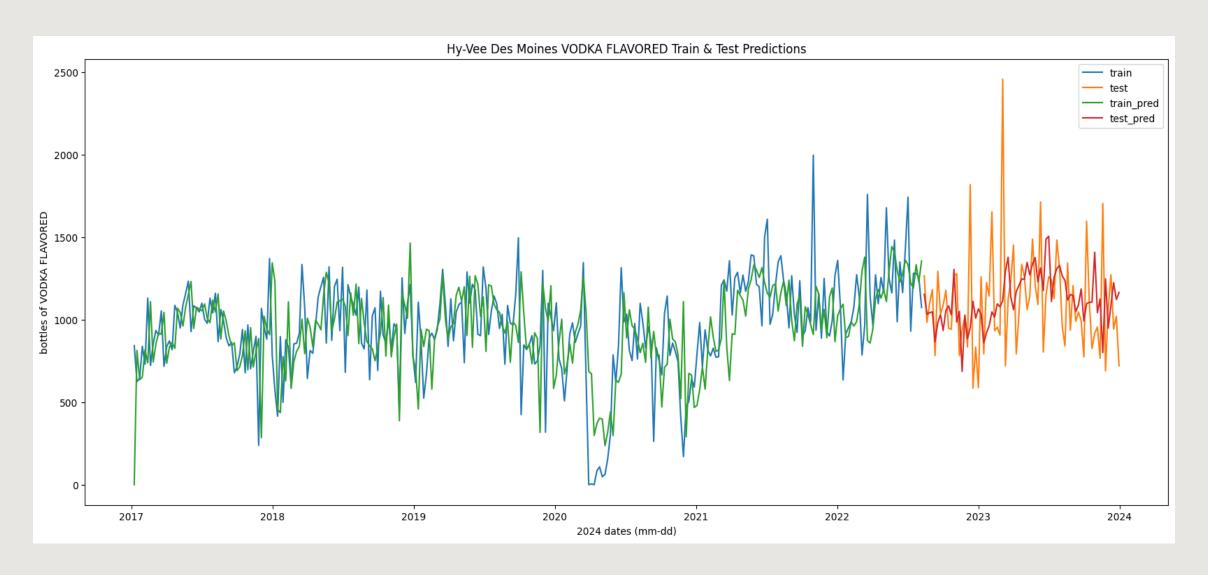




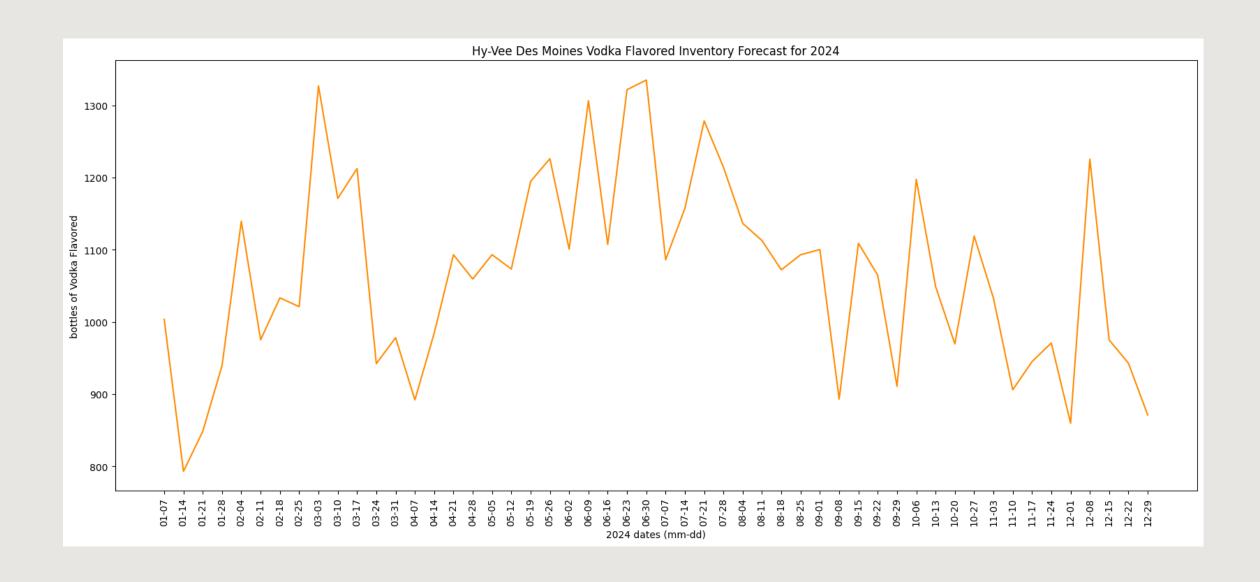
liquor category	# of bottles sold 2017-2023
flavored vodka	23,299
	,
liqueurs	19,167
tequila	14,833
rum	13,019
non-flavored vodka	11,507
schnapps	9,310
bourbon	9,195
gin	6,753
blended & other whiskies	5,893

# popular liquor categories

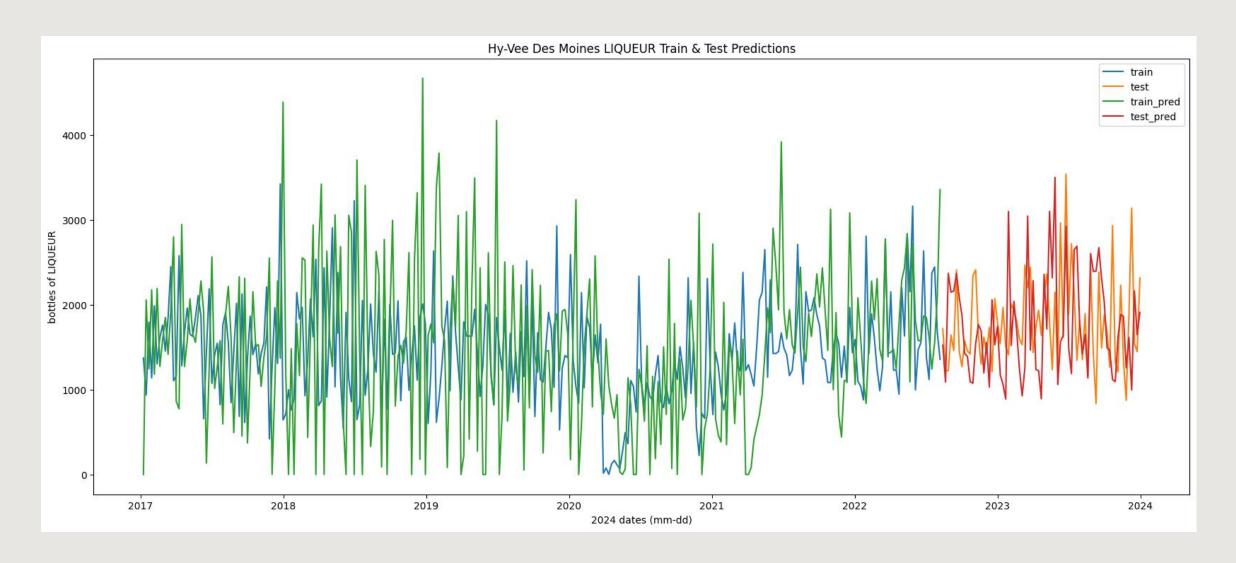
#### flavored vodka



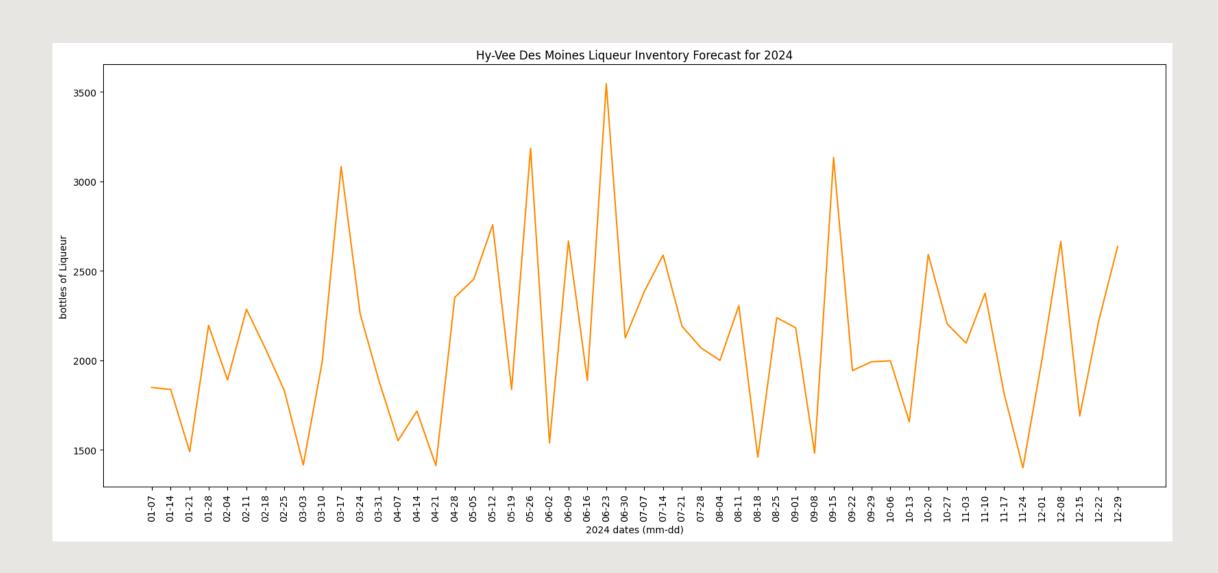
#### flavored vodka



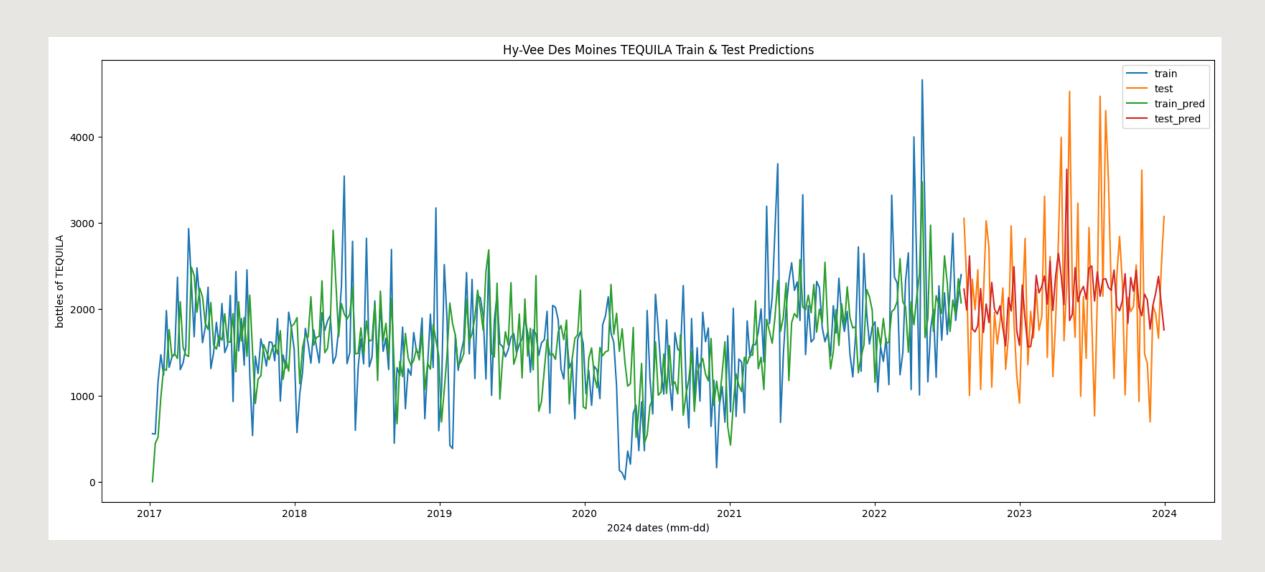
#### liqueurs



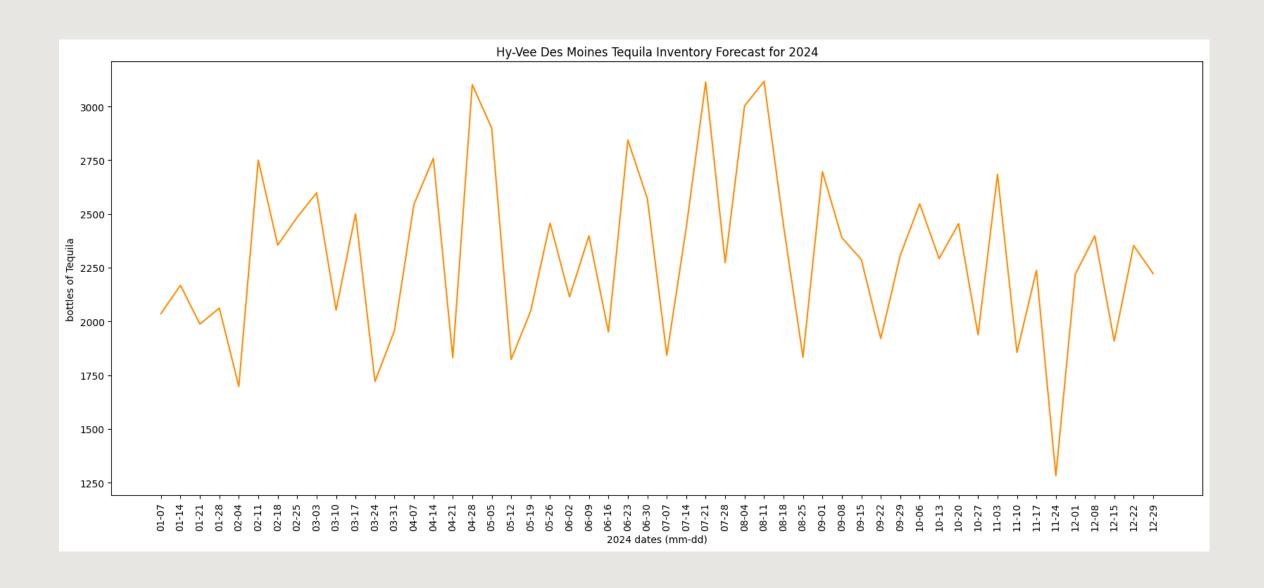
#### liqueurs



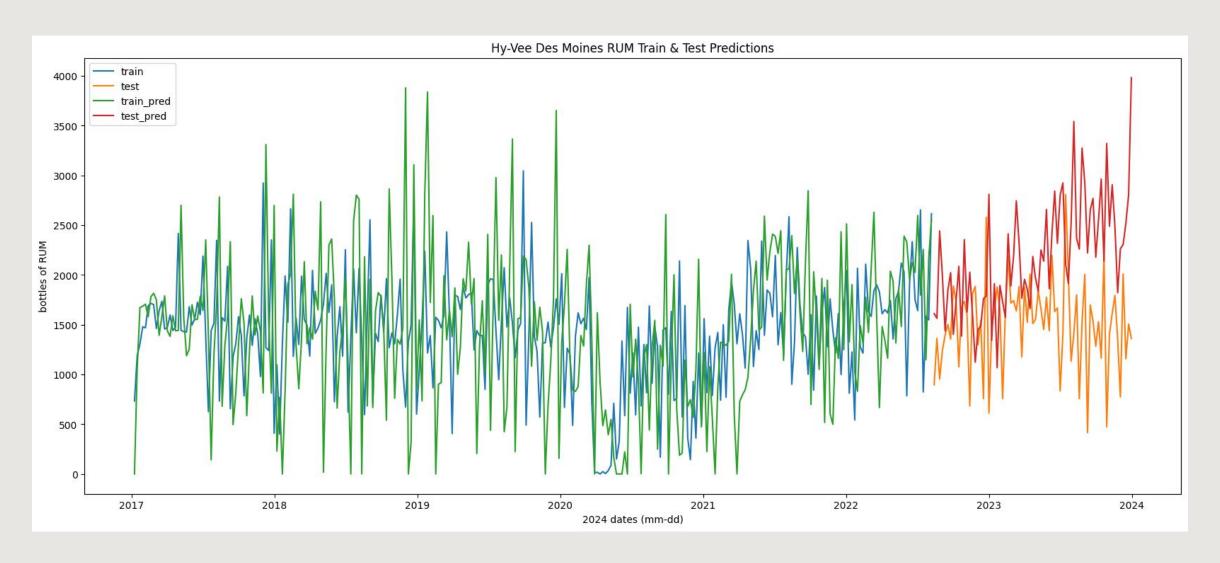
#### tequila



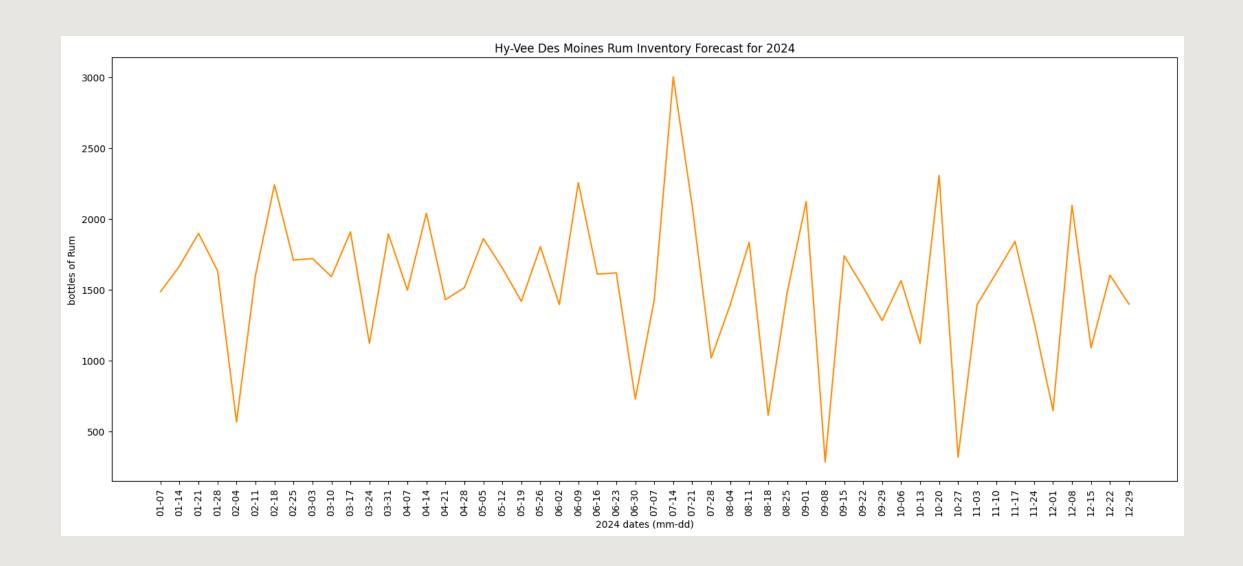
#### tequila



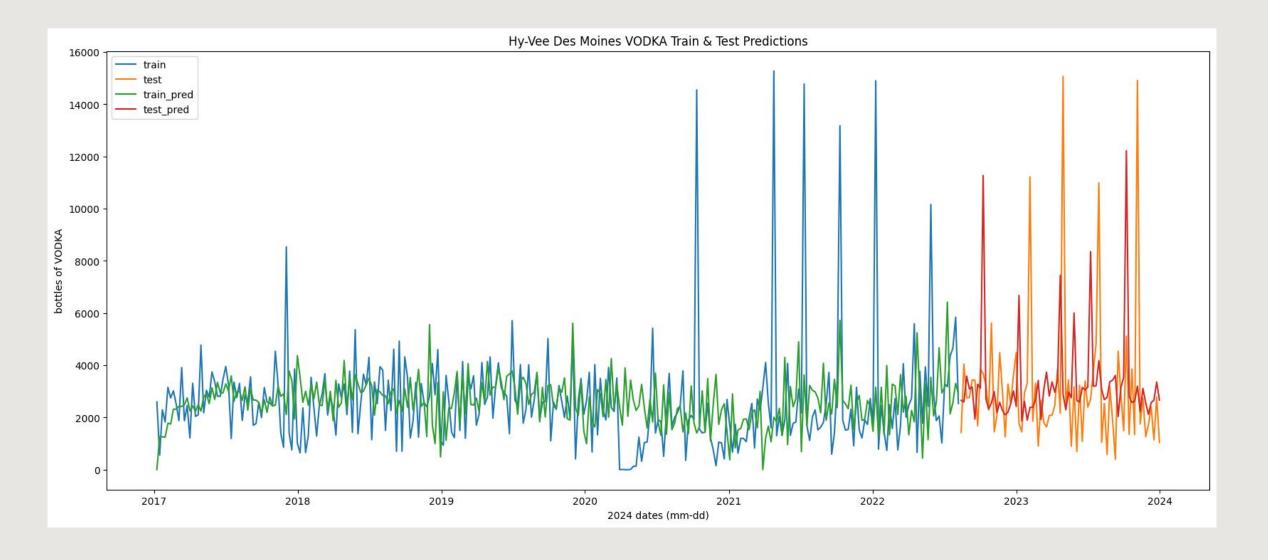
rum
train & test set predictions



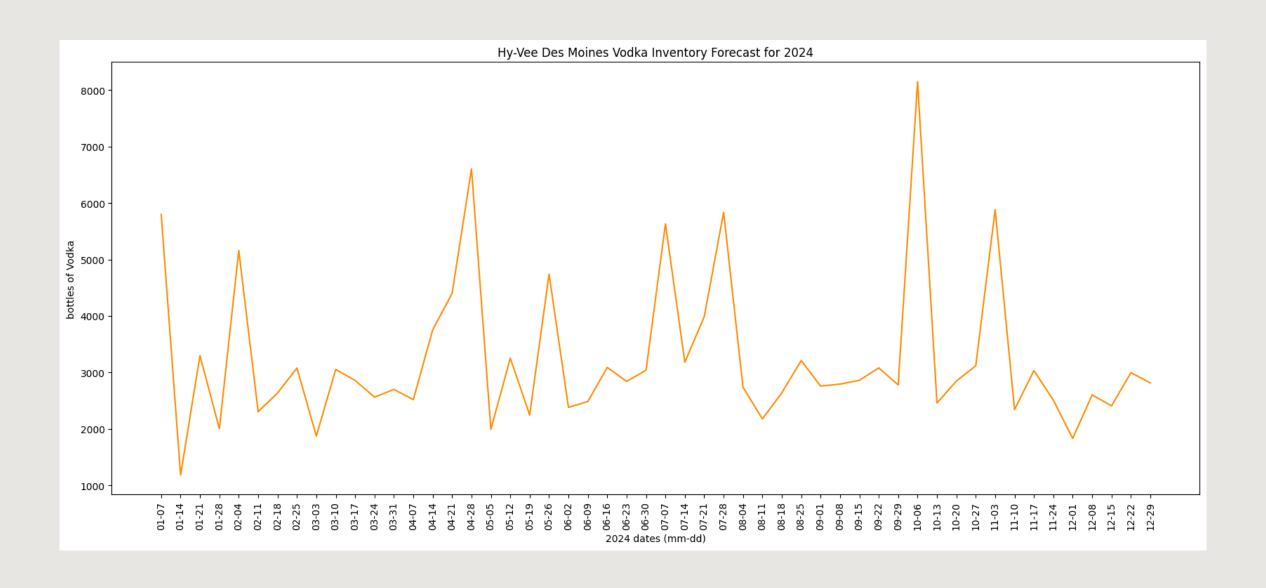
rum



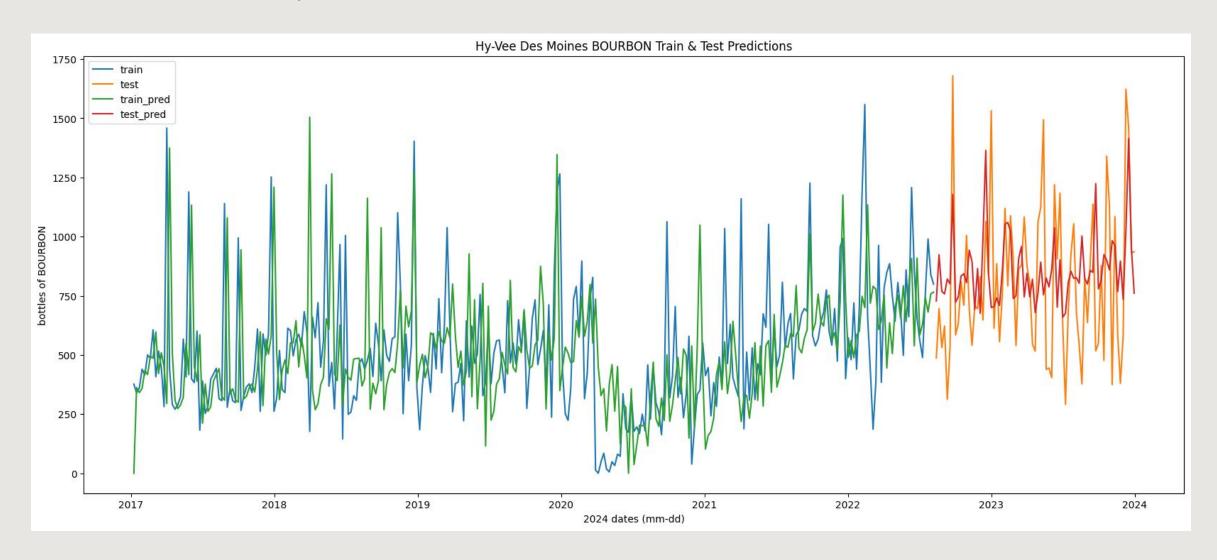
#### non-flavored vodka



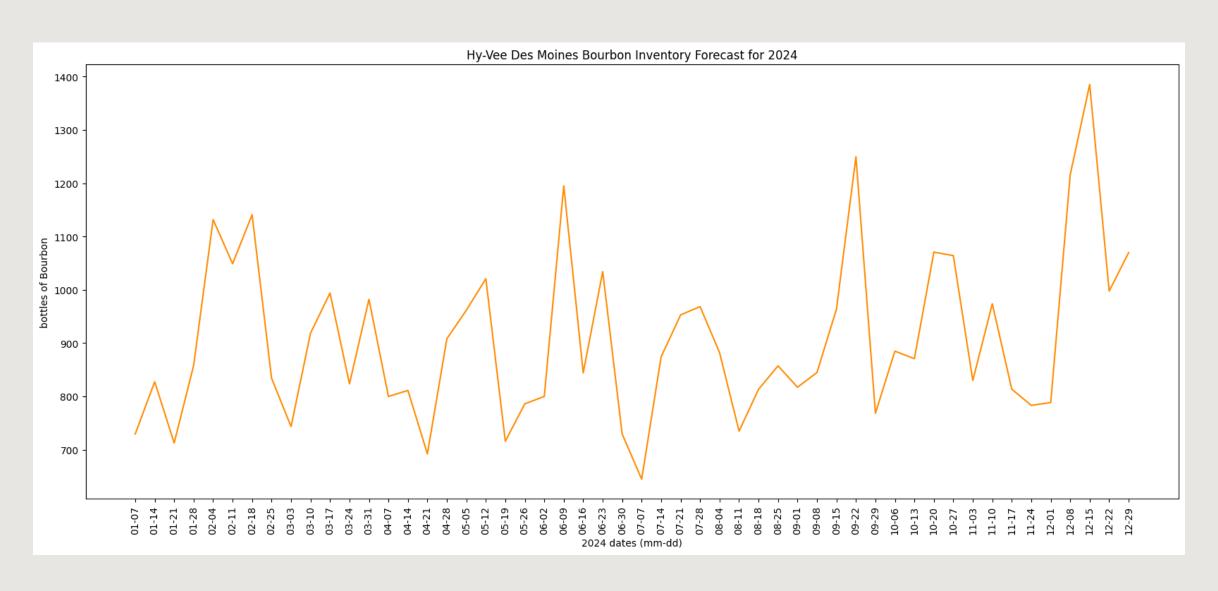
#### non-flavored vodka



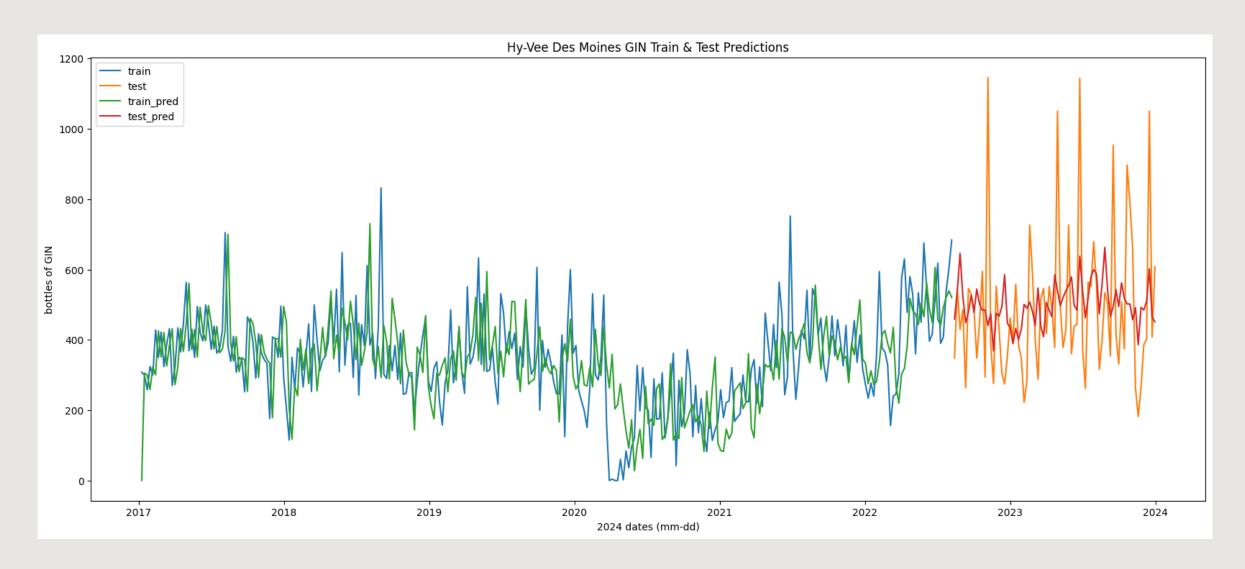
#### bourbon



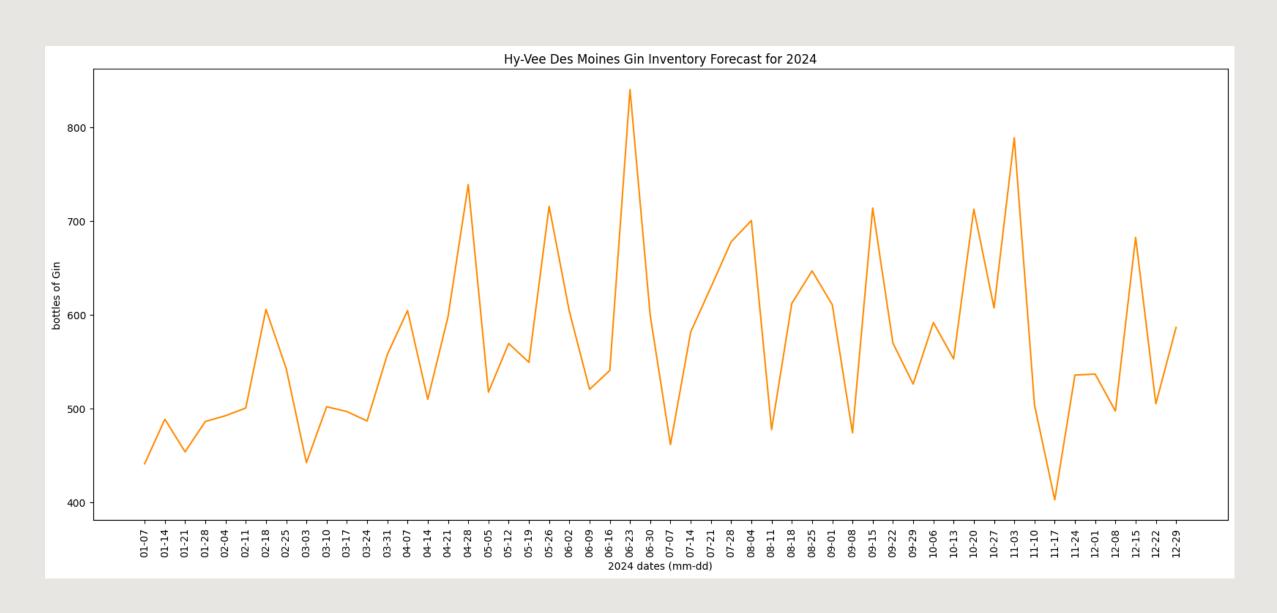
#### bourbon



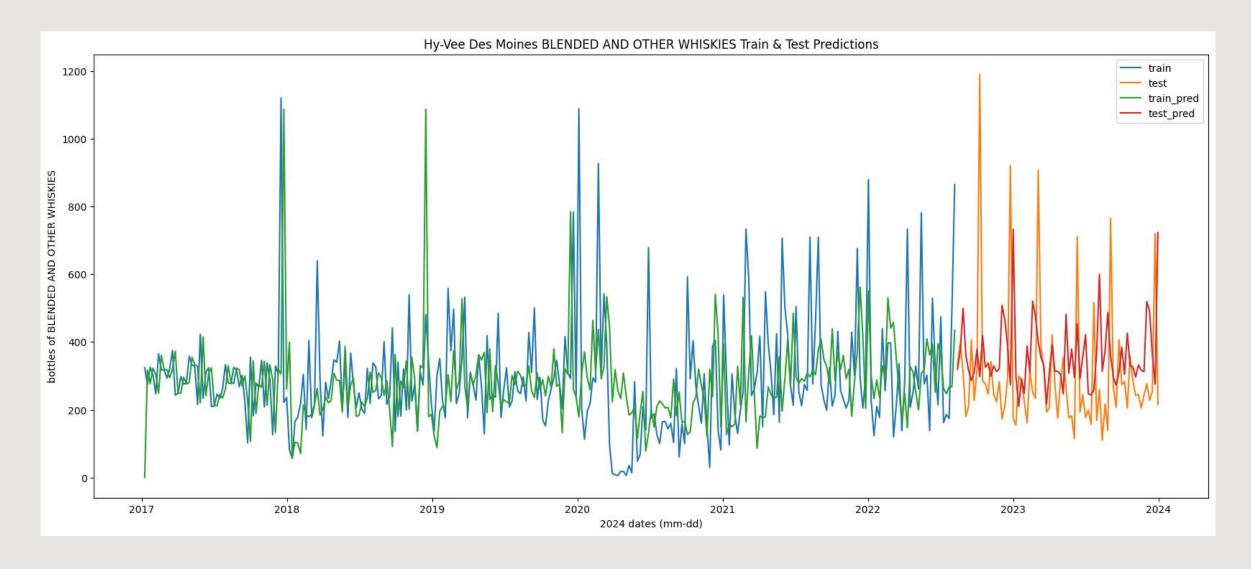
gin
train & test set predictions



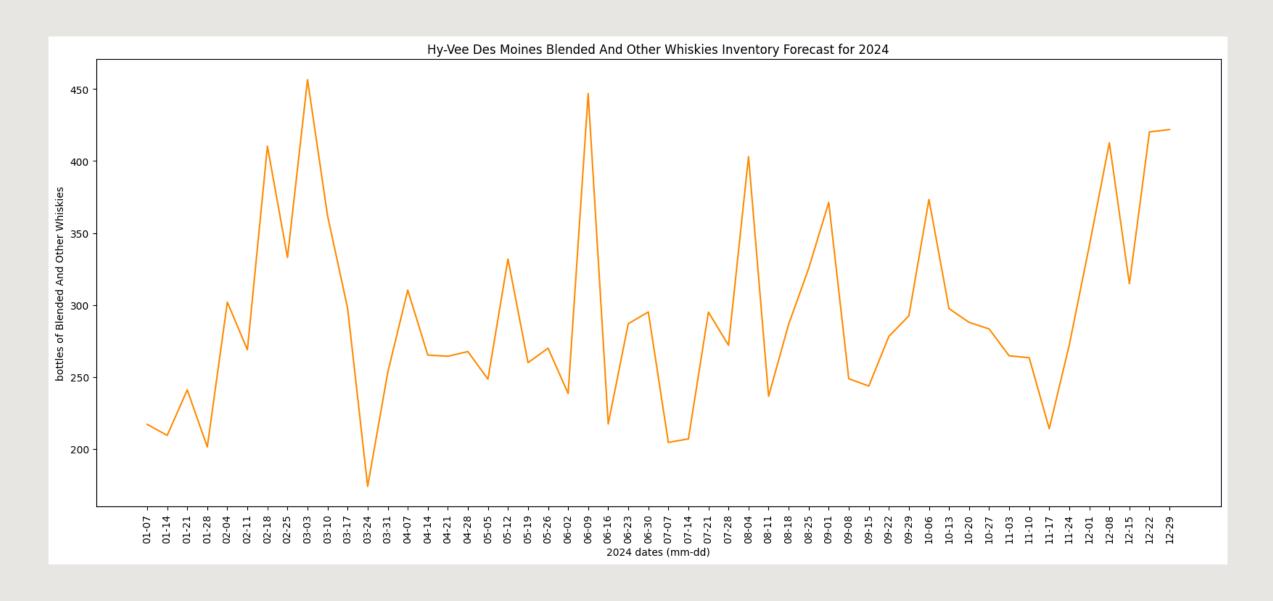
gin



#### blended & other whiskies



#### blended & other whiskies



## MODEL EVALUATIONS

category model	test RMSE	# of bottles sold
all categories	4079.8	132,822
flavored vodka	334.7	23,229
liqueur	768.4	19,167
tequila	877.8	14,833
rum	1031.7	13,019
non-flavored vodka	3145.3	11,507
bourbon	303.1	9,195
gin	200.9	6,753
blended & other whiskies	/	5,893





Thank You

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