# feature selection

kelvin njunge

9/9/2021

#### PROBLEM DEFINITION

## a) Specifying the Question

reducing your dataset to a low dimensional dataset using the PCA

#### b) Defining the metrics for success

This section of the project entails reducing your dataset to a low dimensional dataset using the PCA. You will be required to perform your analysis and provide insights gained from your analysis.

## c) Understanding the context

You are a Data analyst at Carrefour Kenya and are currently undertaking a project that will inform the marketing department on the most relevant marketing strategies that will result in the highest no. of sales (total price including tax). Your project has been divided into four parts where you'll explore a recent marketing dataset by performing various unsupervised learning techniques and later providing recommendations based on your insights.

#### d) Recording the Experimental Design

- 1. Define the question, the metric for success, the context, experimental design taken.
- 2. Read and explore the given dataset.
- 3. reducing your dataset to a low dimensional dataset using the PCA

#### e) Relevance of the data

The data used for this project will inform the marketing department on the most relevant marketing strategies that will result in the highest no. of sales (total price including tax)

#### Loading data

getwd()

## [1] "C:/Users/Ricky/Documents"

```
sales <- read.csv("C:\\Users\\Ricky\\Documents\\Supermarket_Dataset_1 - Sales Data.csv")
head(sales)</pre>
```

```
##
      Invoice.ID Branch Customer.type Gender
                                                        Product.line Unit.price
## 1 750-67-8428
                      Α
                               Member Female
                                                   Health and beauty
                                                                           74.69
## 2 226-31-3081
                      C
                               Normal Female Electronic accessories
                                                                           15.28
## 3 631-41-3108
                      Α
                               Normal
                                         Male
                                                  Home and lifestyle
                                                                           46.33
## 4 123-19-1176
                      Α
                               Member
                                         Male
                                                   Health and beauty
                                                                           58.22
## 5 373-73-7910
                      Α
                               Normal
                                         Male
                                                   Sports and travel
                                                                           86.31
## 6 699-14-3026
                      С
                               Normal
                                         Male Electronic accessories
                                                                           85.39
     Quantity
                  Tax
                           Date Time
                                           Payment
                                                     cogs gross.margin.percentage
## 1
            7 26.1415 1/5/2019 13:08
                                           Ewallet 522.83
                                                                          4.761905
## 2
            5 3.8200
                      3/8/2019 10:29
                                              Cash 76.40
                                                                          4.761905
## 3
            7 16.2155 3/3/2019 13:23 Credit card 324.31
                                                                          4.761905
## 4
            8 23.2880 1/27/2019 20:33
                                           Ewallet 465.76
                                                                          4.761905
## 5
            7 30.2085 2/8/2019 10:37
                                           Ewallet 604.17
                                                                          4.761905
## 6
            7 29.8865 3/25/2019 18:30
                                           Ewallet 597.73
                                                                          4.761905
     gross.income Rating
##
                            Total
                     9.1 548.9715
## 1
          26.1415
## 2
           3.8200
                     9.6 80.2200
## 3
          16.2155
                     7.4 340.5255
## 4
          23.2880
                     8.4 489.0480
## 5
          30.2085
                     5.3 634.3785
## 6
          29.8865
                     4.1 627.6165
```

# # checkiing for size of the dataset dim(sales)

## [1] 1000 16

# # Summary

summary(sales)

```
Invoice.ID
                                           Customer.type
                                                                  Gender
##
                           Branch
                                                               Length: 1000
   Length:1000
                       Length: 1000
                                           Length: 1000
    Class : character
                       Class : character
                                           Class : character
                                                               Class : character
##
##
    Mode :character
                       Mode :character
                                           Mode :character
                                                               Mode : character
##
##
##
##
    Product.line
                          Unit.price
                                            Quantity
                                                              Tax
##
    Length: 1000
                       Min.
                               :10.08
                                             : 1.00
                                                                : 0.5085
                       1st Qu.:32.88
                                        1st Qu.: 3.00
                                                         1st Qu.: 5.9249
##
    Class :character
##
    Mode :character
                        Median :55.23
                                        Median: 5.00
                                                         Median :12.0880
##
                        Mean
                               :55.67
                                        Mean
                                               : 5.51
                                                         Mean
                                                                :15.3794
##
                        3rd Qu.:77.94
                                        3rd Qu.: 8.00
                                                         3rd Qu.:22.4453
                       Max.
##
                               :99.96
                                        Max.
                                               :10.00
                                                         Max.
                                                                :49.6500
##
        Date
                            Time
                                             Payment
                                                                     cogs
##
    Length: 1000
                       Length: 1000
                                           Length: 1000
                                                               Min. : 10.17
    Class : character
                       Class : character
                                           Class : character
                                                               1st Qu.:118.50
   Mode :character
                       Mode :character
                                           Mode :character
                                                               Median :241.76
```

```
Mean
                                                               :307.59
##
##
                                                        3rd Qu.:448.90
##
                                                        Max.
                                                             :993.00
##
   gross.margin.percentage gross.income
                                              Rating
                                                              Total
  Min.
         :4.762
                         Min. : 0.5085
                                          Min. : 4.000
                                                          Min.
                                                                : 10.68
##
  1st Qu.:4.762
                          1st Qu.: 5.9249
                                          1st Qu.: 5.500
                                                          1st Qu.: 124.42
## Median :4.762
                         Median :12.0880
                                          Median: 7.000 Median: 253.85
         :4.762
                         Mean :15.3794
                                          Mean : 6.973
                                                          Mean : 322.97
## Mean
   3rd Qu.:4.762
                          3rd Qu.:22.4453
                                          3rd Qu.: 8.500
                                                          3rd Qu.: 471.35
                         Max. :49.6500
## Max. :4.762
                                          Max. :10.000
                                                          Max. :1042.65
```

#### Tidying the data

```
# Checking for unique values are in variable
rapply(sales,function(x)length(unique(x)))
```

```
Invoice.ID
                                                Branch
##
                                                                  Customer.type
##
                        1000
                     Gender
                                                                     Unit.price
##
                                         Product.line
##
                                                                             943
##
                   Quantity
                                                   Tax
                                                                            Date
##
                                                   990
                                                                              89
                          10
##
                       Time
                                              Payment
                                                                            cogs
##
                         506
                                                                             990
                                         gross.income
                                                                          Rating
   gross.margin.percentage
##
                                                   990
                                                                              61
##
                      Total
##
                         990
```

```
# checking for duplicates
#df[duplicated(df), ]
```

```
# checking for missing values
#colSums(is.na(df))
```

```
#Dropping columns
sales <- subset(sales, select = -c(Invoice.ID,gross.margin.percentage))</pre>
```

#### head(sales)

##		Branch	Customer.type	Gender		Produ	ct.line	Unit.	price	Quantity
##	1	Α	Member	${\tt Female}$	Неа	alth and	d beauty		74.69	7
##	2	C	Normal	${\tt Female}$	Electron	nic acce	essories		15.28	5
##	3	Α	Normal	Male	Home	e and li	festyle		46.33	7
##	4	Α	Member	Male	Неа	alth and	d beauty		58.22	8
##	5	Α	Normal	Male	Spo	orts and	d travel		86.31	7
##	6	C	Normal	Male	Electron	nic acce	essories		85.39	7
##		Tax	Date T	ime	Payment	cogs	gross.in	come	Rating	Total
##	1	26.1415	1/5/2019 13	:08	Ewallet	522.83	26.	1415	9.1	548.9715
##	2	3.8200	3/8/2019 10	:29	Cash	76.40	3.	8200	9.6	80.2200

```
## 3 16.2155 3/3/2019 13:23 Credit card 324.31 16.2155 7.4 340.5255 ## 4 23.2880 1/27/2019 20:33 Ewallet 465.76 23.2880 8.4 489.0480 ## 5 30.2085 2/8/2019 10:37 Ewallet 604.17 30.2085 5.3 634.3785 ## 6 29.8865 3/25/2019 18:30 Ewallet 597.73 29.8865 4.1 627.6165
```

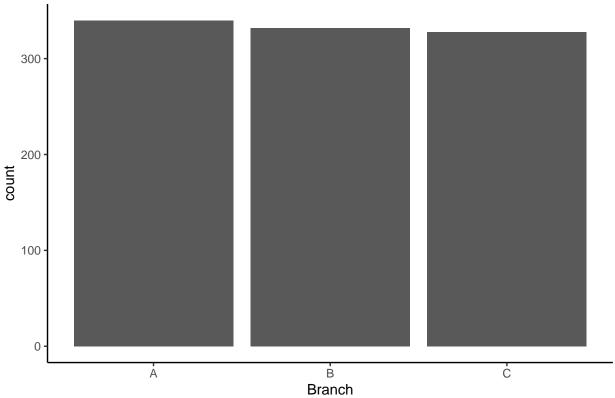
## Exploratory Data analysis

#### Univariate Analysis

```
# creating a mode function
mode <- function(x){
  uniqx <- unique(x)
  uniqx[which.max(tabulate(match(x, uniqx)))]}</pre>
```

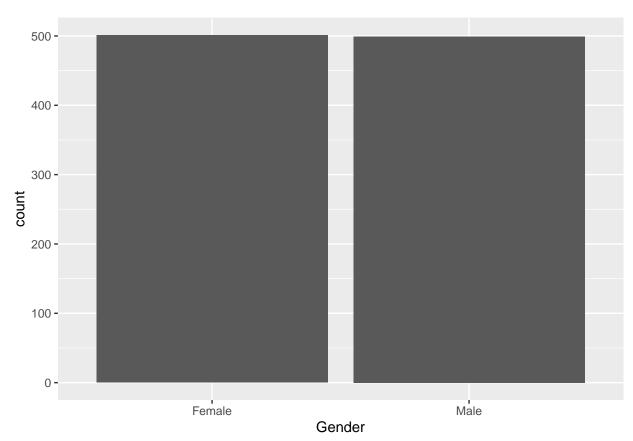
```
library(ggplot2)
ggplot(sales,aes(Branch)) + geom_bar(stat='count') + labs(title='Branches Distribution') + theme_classi
```

# **Branches Distribution**



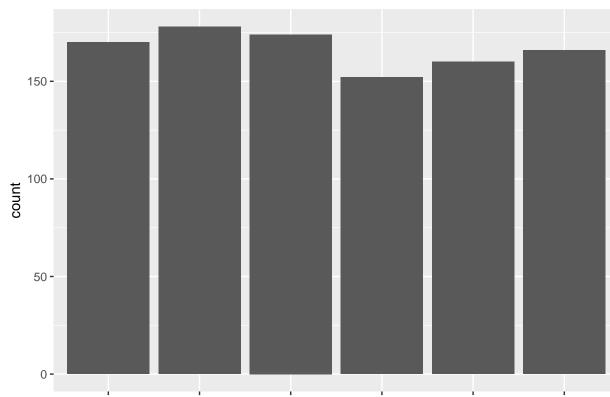
**Branch** Branch distribution is roughly equal

```
# Visualization
ggplot(sales, aes(Gender)) +
  geom_bar(stat="count")
```



# **Gender**The gender distribution in the dataset is balanced.

```
# visualization
ggplot(sales, aes(Product.line)) +
  geom_bar()
```



Electronic accessories on accessories and beverage tealth and beautylome and lifestyle ports and travel Product.line

#### Customer type

Fashion Accessories and, Food and Beverage tie for the most bought categories but the distribution does not suggest an imbalance in general.

```
uprice.mean <- mean(sales$Unit.price)
uprice.mean</pre>
```

#### Unit Price

## [1] 55.67213

```
# Mode
uprice.mode <- mode(sales$Unit.price)
uprice.mode</pre>
```

## [1] 83.77

```
# Median
uprice.median <- median(sales$Unit.price)
uprice.median</pre>
```

## [1] 55.23

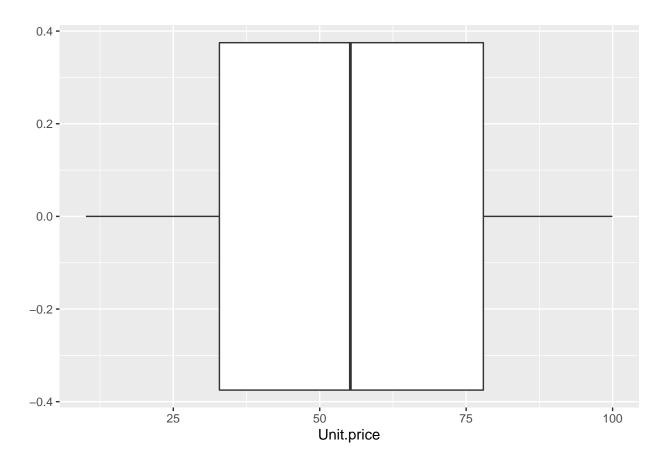
```
# Standard Deviation
uprice.sd <- sd(sales$Unit.price)
uprice.sd</pre>
```

## [1] 26.49463

```
# Range
uprice.range <- range(sales$Unit.price)
uprice.range</pre>
```

## [1] 10.08 99.96

```
# Visualization
ggplot(sales, aes(Unit.price)) +
geom_boxplot(outlier.colour = "red")
```

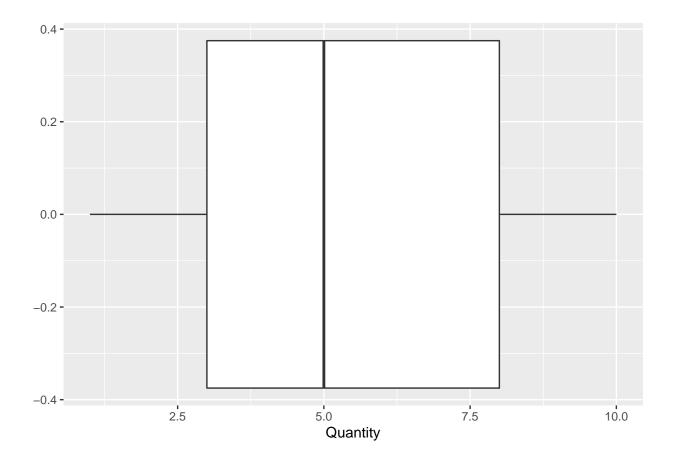


```
# mean
quantity.mean <- mean(sales$Quantity)
quantity.mean</pre>
```

## Quantity

```
# Mode
quantity.mode <- mode(sales$Quantity)</pre>
quantity.mode
## [1] 10
# Median
quantity.median <- median(sales$Quantity)</pre>
quantity.median
## [1] 5
# Standard Deviation
quantity.sd <- sd(sales$Quantity)</pre>
quantity.sd
## [1] 2.923431
# Range
quantity.range <- range(sales$Quantity)</pre>
quantity.range
## [1] 1 10
# Quantiles
quantity.quants <- quantile(sales$Quantity)</pre>
quantity.quants
##
     0% 25% 50% 75% 100%
    1 3 5 8
##
                         10
# Visualization
ggplot(sales, aes(Quantity)) +
geom_boxplot(outlier.colour = "red")
```

## [1] 5.51



```
# mean
tax.mean <- mean(sales$Tax)
tax.mean</pre>
```

Tax

## [1] 15.37937

```
# mode
tax.mode <- mode(sales$Tax)</pre>
```

## [1] 39.48

tax.mode

```
# Median
tax.median <- median(sales$Tax)
tax.median</pre>
```

## [1] 12.088

```
# Standard Deviation
tax.sd <- sd(sales$Tax)</pre>
tax.sd
## [1] 11.70883
# Range
tax.range <- range(sales$Tax)</pre>
tax.range
## [1] 0.5085 49.6500
# Quantiles
tax.quantiles <- quantile(sales$Tax)</pre>
tax.quantiles
##
          0%
                    25%
                              50%
                                         75%
                                                   100%
## 0.508500 5.924875 12.088000 22.445250 49.650000
# Visual
ggplot(sales, aes(Tax)) +
 geom_boxplot(outlier.colour = "red")
  0.4 -
  0.2 -
  0.0 -
 -0.2 -
```

Tax

30

40

50

20

-0.4 **-**

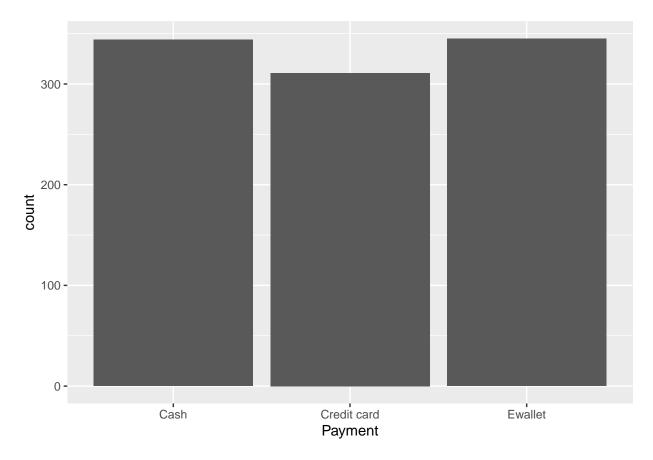
10

```
# Mode
payment.mode <- mode(sales$Payment)
payment.mode</pre>
```

#### Payment

```
## [1] "Ewallet"
```

```
# visual
ggplot(sales, aes(Payment)) +
  geom_bar(stat="count")
```



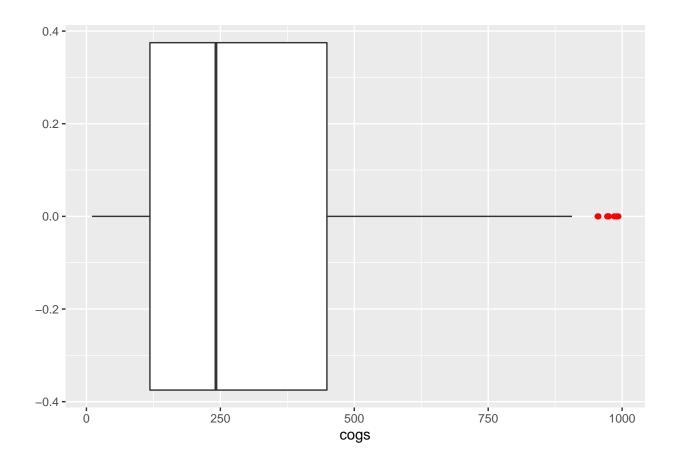
There is a fair distribution in the payment variable. However, fewer people tend to pay by Credit Card in these stores

```
# mean
cogs.mean <- mean(sales$cogs)
cogs.mean</pre>
```

## $\mathbf{COGS}$

```
# mode
cogs.mode <- mode(sales$cogs)</pre>
cogs.mode
## [1] 789.6
# median
cogs.median <- median(sales$cogs)</pre>
cogs.median
## [1] 241.76
# standard deviation
cogs.sd <- sd(sales$cogs)</pre>
cogs.sd
## [1] 234.1765
# range
cogs.range <- range(sales$cogs)</pre>
cogs.range
## [1] 10.17 993.00
# quantiles
cogs.quantiles <- quantile(sales$cogs)</pre>
cogs.quantiles
         0%
                  25%
                           50%
                                     75%
                                              100%
## 10.1700 118.4975 241.7600 448.9050 993.0000
# visual
ggplot(sales, aes(cogs)) +
geom_boxplot(outlier.colour = "red")
```

## [1] 307.5874



```
gross.income <- sales$gross.income
# mean
gross.income.mean <- mean(gross.income)
gross.income.mean</pre>
```

#### Gross Income

## [1] 15.37937

```
# mode
gross.income.mode <- mode(gross.income)
gross.income.mode</pre>
```

## [1] 39.48

```
# median
gross.income.median <- median(gross.income)
gross.income.median</pre>
```

## [1] 12.088

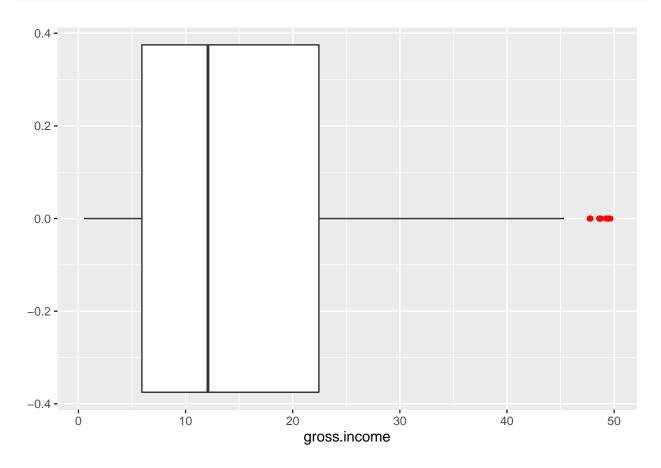
```
# range
gross.income.range <- range(gross.income)
gross.income.range</pre>
```

## [1] 0.5085 49.6500

```
# standard deviation
gross.income.sd <- sd(gross.income)
gross.income.sd</pre>
```

## [1] 11.70883

```
# visual
ggplot(sales, aes(gross.income)) +
geom_boxplot(outlier.colour = "red")
```

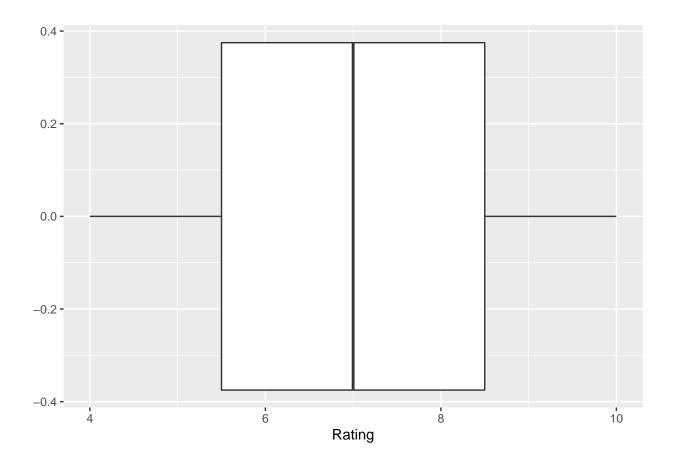


```
# mean
rate.mean <- mean(sales$Rating)
rate.mean</pre>
```

# Ratings

```
## [1] 6.9727
# mode
rate.mode <- mode(sales$Rating)</pre>
rate.mode
## [1] 6
# median
rate.median <- median(sales$Rating)</pre>
rate.median
## [1] 7
# standard deviation
rate.sd <- sd(sales$Rating)</pre>
rate.sd
## [1] 1.71858
# range
rate.range <- range(sales$Rating)</pre>
rate.range
## [1] 4 10
# quantiles
rate.quantiles <- quantile(sales$Rating)</pre>
rate.quantiles
## 0% 25% 50% 75% 100%
## 4.0 5.5 7.0 8.5 10.0
# visual
ggplot(sales, aes(Rating)) +
```

geom\_boxplot(outlier.colour = "red")



```
# mean
total.mean <- mean(sales$Total)
total.mean</pre>
```

#### Total

## [1] 322.9667

```
# median
total.median <- median(sales$Total)
total.median</pre>
```

## [1] 253.848

```
# mode
total.mode <- mode(sales$Total)
total.mode</pre>
```

## [1] 829.08

```
# standard deviation
total.sd <- sd(sales$Total)</pre>
total.sd
## [1] 245.8853
# range
total.range <- range(sales$Total)</pre>
total.range
         10.6785 1042.6500
## [1]
# quantiles
total.quantiles <- quantile(sales$Total)</pre>
total.quantiles
          0%
##
                    25%
                               50%
                                         75%
                                                   100%
     10.6785 124.4224 253.8480 471.3502 1042.6500
##
# visual
ggplot(sales, aes(Total)) +
 geom_boxplot(outlier.colour = "red" )
  0.4 -
  0.2 -
  0.0 -
 -0.2 -
```

500

Total

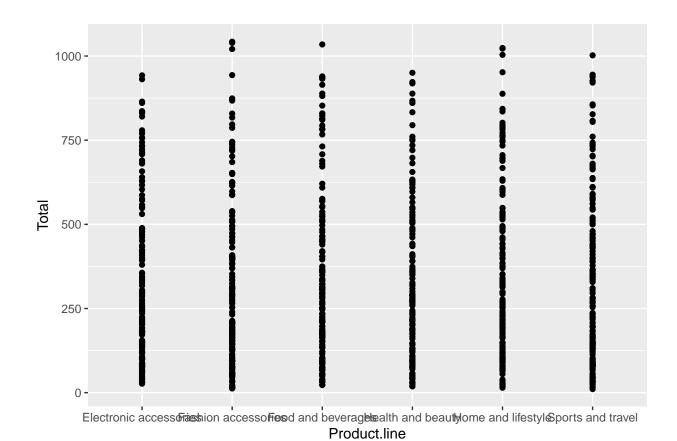
750

1000

250

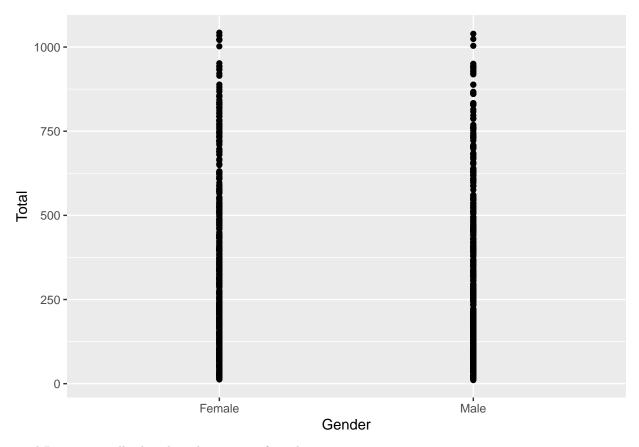
−0.4 **-**

```
library(tidyr)
library(magrittr)
##
## Attaching package: 'magrittr'
## The following object is masked from 'package:tidyr':
##
       extract
library(dplyr)
##
## Attaching package: 'dplyr'
## The following objects are masked from 'package:stats':
##
       filter, lag
##
## The following objects are masked from 'package:base':
##
##
       intersect, setdiff, setequal, union
library(psych)
## Attaching package: 'psych'
## The following objects are masked from 'package:ggplot2':
##
##
       %+%, alpha
Bivariate Analysis
ggplot(sales, aes(x=Product.line, y=Total)) +
 geom_point()
```



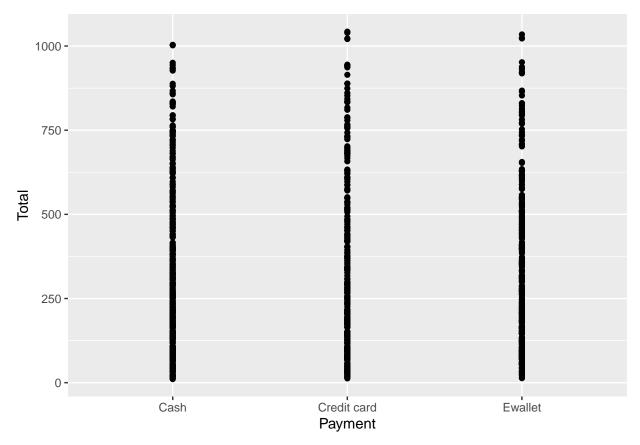
Fashion Accessories have the highest Total prices while health and beauty products have a relatively lower price.

```
ggplot(sales ,aes(Gender, Total)) +
  geom_point()
```



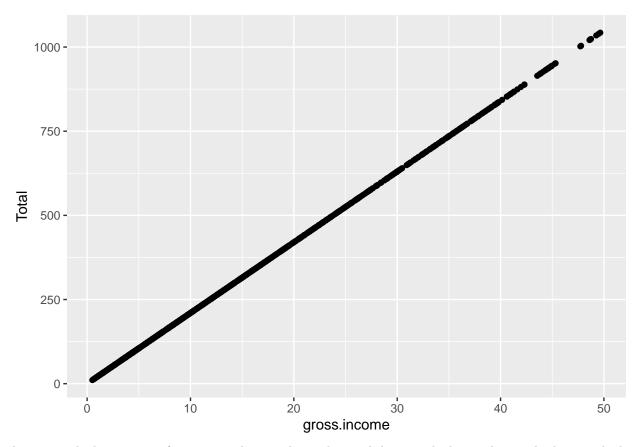
Total Price is equally distributed in terms of gender

```
ggplot(sales, aes(Payment, Total)) +
  geom_point()
```



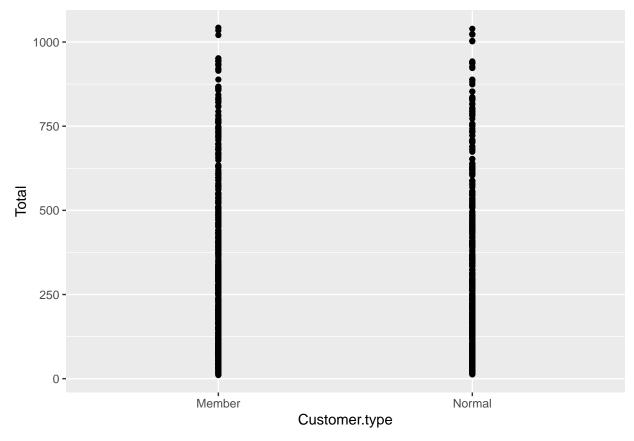
The payment methods are nearly identical for the total prices of items at checkouts with some more expensive ones being attributed with Credit card payments.

```
ggplot(sales, aes(gross.income, Total)) +
  geom_point()
```



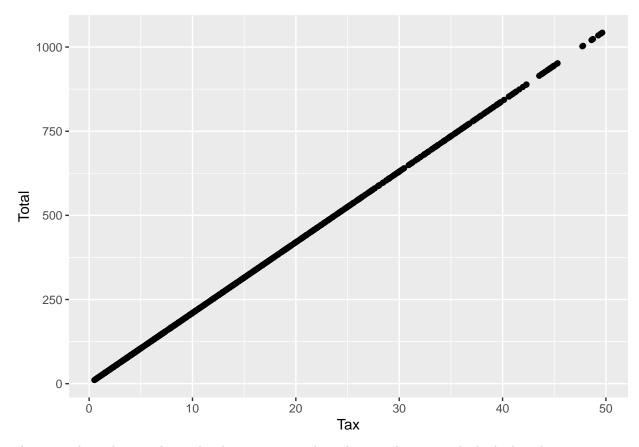
As expected, there is a perfect positive linear relationship with how much the total is at checkout with the consumers gross income.

```
ggplot(sales, aes(Customer.type , Total)) +
geom_point()
```



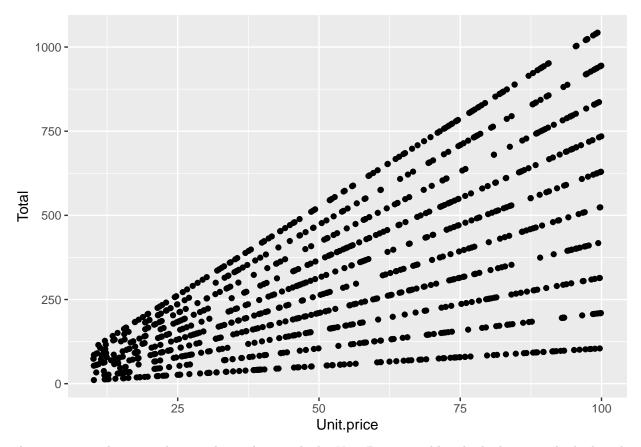
Members and non members have a nearly equal distribution in expenditure with Members having no visible breaks in prices.

```
ggplot(sales, aes(Tax, Total)) +
  geom_point()
```



There is a direct linear relationship between tax and total price. As expected, the higher the tax on items, the more they cost.

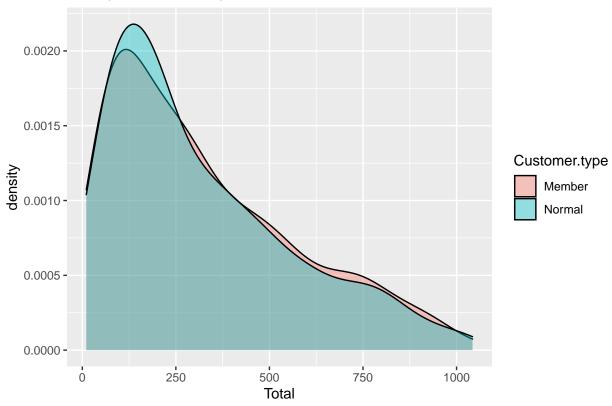
```
ggplot(sales, aes(Unit.price, Total)) +
geom_point()
```



There are several positive linear relationships with the Unit Price variable: the higher it is the higher the total price is. More data would be needed to explain the different lines considering they represent outside factors that influence the relationship. A good example would be the type of products being of different types.

```
#Salary distribution by rank
ggplot(sales,
aes(x = Total,
fill = Customer.type)) +
geom_density(alpha = 0.4) +
labs(title = "Salary distribution by rank")
```

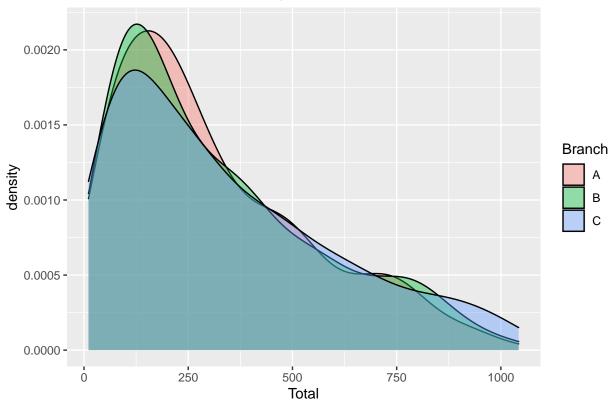
# Salary distribution by rank



Normal customers seem to have a greater influence on total than members.

```
#Distribution of Total income per Branch
ggplot(sales,
aes(x = Total,
fill = Branch)) +
geom_density(alpha = 0.4) +
labs(title = "Distribution of Total income per Branch")
```

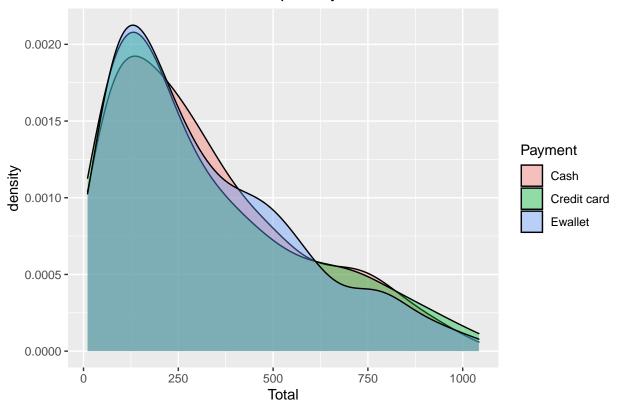
# Distribution of Total income per Branch



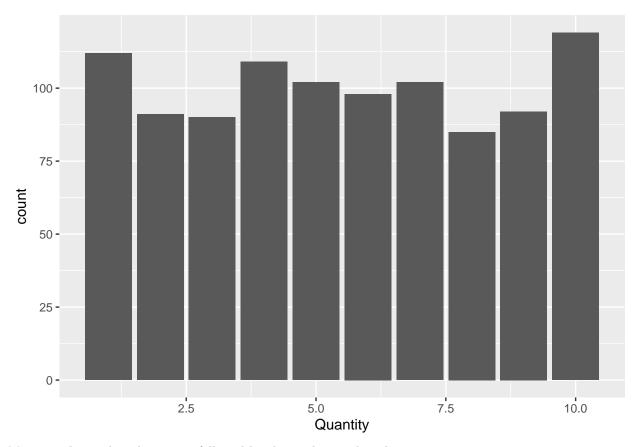
Branch A contributes more to total and Branch C contributes the leastBranch A contributes more to total and Branch C contributes the least

```
#Distribution of Total per Payment method
ggplot(sales,
aes(x = Total,
fill = Payment)) +
geom_density(alpha = 0.4) +
labs(title = "Distribution of Total income per Payment method")
```





#What quantity was mostly purchased in the store
ggplot(sales, aes(x = Quantity)) +
geom\_bar()

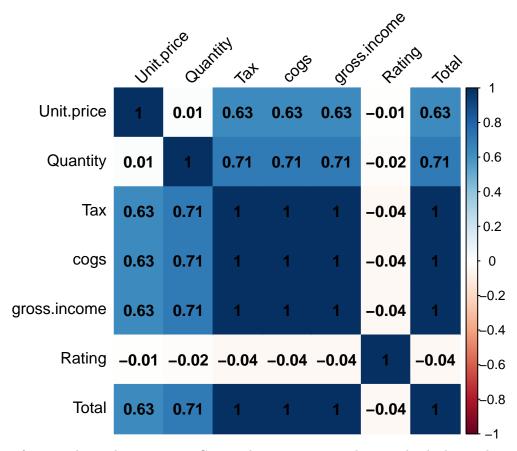


Most people purchased 10items, followed by those who purchased 1 item

## library(corrplot)

## ## corrplot 0.90 loaded

```
#Get the correlation matrix
nums <- subset(sales, select = -c(Branch, Customer.type,Gender,Product.line,Date, Time, Payment))
res = cor(nums)
#Plotting a correlation plot
corrplot(res, method="color",addCoef.col = "black",
tl.col="black", tl.srt=45)</pre>
```



There is perfect correlation between Tax, Cogs and gross income. There is also high correlation between Unit Price and Tax,cogs and gross.income and Total.

## **Dimensionality Reduction**

#### **PCA**

#### Feature Engineering

• All variables to be used for dimensionality reduction should be numerical variables, hence we will convert our factor categories to numerics. We will also drop the date and time columns.

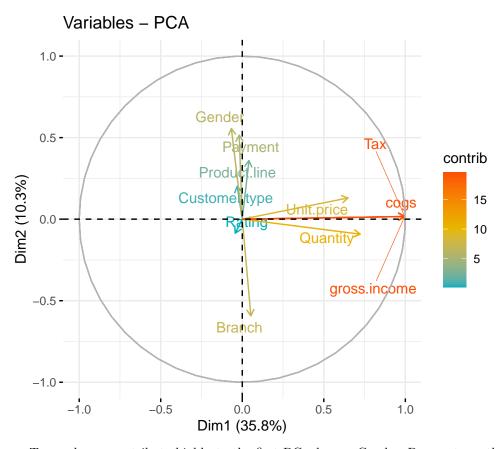
```
#First we will make a copy of our sales dataset for future use
data <- sales
#Dropping columns for date and time
data <- subset(data, select = -c(Date, Time))
head(data)</pre>
```

##		${\tt Branch}$	Customer.type	${\tt Gender}$	Product.line	Unit.price	Quantity
##	1	A	Member	${\tt Female}$	Health and beauty	74.69	7
##	2	C	Normal	${\tt Female}$	Electronic accessories	15.28	5
##	3	A	Normal	Male	Home and lifestyle	46.33	7
##	4	A	Member	Male	Health and beauty	58.22	8
##	5	A	Normal	Male	Sports and travel	86.31	7
##	6	C	Normal	Male	Electronic accessories	85.39	7

```
##
         Tax
                 Payment
                           cogs gross.income Rating
                                 26.1415
                                                 9.1 548.9715
## 1 26.1415
                 Ewallet 522.83
                                      3.8200
                                                 9.6 80.2200
## 2 3.8200
                    Cash 76.40
                                      16.2155
                                                 7.4 340.5255
## 3 16.2155 Credit card 324.31
## 4 23.2880
                 Ewallet 465.76
                                      23.2880
                                                 8.4 489.0480
## 5 30.2085
                 Ewallet 604.17
                                      30.2085
                                               5.3 634.3785
## 6 29.8865
                 Ewallet 597.73
                                      29.8865
                                                 4.1 627.6165
data$Branch <- as.factor(data$Branch)</pre>
data$Customer.type <- as.factor(data$Customer.type)</pre>
data$Gender <- as.factor(data$Gender)</pre>
data$Product.line <- as.factor(data$Product.line)</pre>
data$Payment <- as.factor(data$Payment)</pre>
#Converting factor columns to numeric
data$Branch <- as.integer(data$Branch)</pre>
data$Customer.type <- as.numeric(data$Customer.type)</pre>
data$Gender <- as.numeric(data$Gender)</pre>
data$Product.line <- as.numeric(data$Product.line)</pre>
data$Payment <- as.numeric(data$Payment)</pre>
data$Quantity <- as.numeric(data$Quantity)</pre>
head(data)
##
     Branch Customer.type Gender Product.line Unit.price Quantity
                                                                        Tax Payment
                                                                  7 26.1415
## 1
                                1
                                             4
                                                     74.69
                                                                                   3
          1
                        1
## 2
          3
                        2
                                                     15.28
                                                                  5 3.8200
                                                                                   1
                                1
                                             1
## 3
          1
                        2
                                2
                                             5
                                                    46.33
                                                                  7 16.2155
                                                                                   2
## 4
                                2
                                             4
                                                    58.22
                                                                  8 23.2880
                                                                                   3
          1
                        1
## 5
          1
                        2
                                2
                                             6
                                                    86.31
                                                                  7 30.2085
                                                                                   3
## 6
                                2
                                                    85.39
                                                                  7 29.8865
                                                                                   3
          3
                        2
       cogs gross.income Rating
                                    Total
                 26.1415
                             9.1 548.9715
## 1 522.83
## 2 76.40
                  3.8200
                            9.6 80.2200
                 16.2155 7.4 340.5255
## 3 324.31
## 4 465.76
                 23.2880 8.4 489.0480
                 30.2085 5.3 634.3785
## 5 604.17
## 6 597.73
                 29.8865
                            4.1 627.6165
library(factoextra)
## Warning: package 'factoextra' was built under R version 4.1.1
## Welcome! Want to learn more? See two factoextra-related books at https://goo.gl/ve3WBa
#Performing pca
data.pca <- prcomp(data[,c(1:11)],center = TRUE,scale. = TRUE)</pre>
summary(data.pca)
## Importance of components:
##
                              PC1
                                     PC2
                                             PC3
                                                     PC4
                                                              PC5
                                                                     PC6
                                                                             PC7
## Standard deviation
                         1.9836 1.0631 1.03159 1.00991 0.99289 0.9771 0.96270
```

```
## Proportion of Variance 0.3577 0.1027 0.09674 0.09272 0.08962 0.0868 0.08425
## Cumulative Proportion 0.3577 0.4604 0.55719 0.64991 0.73953 0.8263 0.91058
                             PC8
                                     PC9
                                             PC10
## Standard deviation
                         0.94823 0.29062 2.736e-16 1.109e-16
## Proportion of Variance 0.08174 0.00768 0.000e+00 0.000e+00
## Cumulative Proportion 0.99232 1.00000 1.000e+00 1.000e+00
str(data.pca)
## List of 5
## $ sdev : num [1:11] 1.984 1.063 1.032 1.01 0.993 ...
## $ rotation: num [1:11, 1:11] 0.0267 -0.0155 -0.0338 0.0206 0.3273 ...
   ..- attr(*, "dimnames")=List of 2
   ....$ : chr [1:11] "Branch" "Customer.type" "Gender" "Product.line" ...
    ....$ : chr [1:11] "PC1" "PC2" "PC3" "PC4" ...
##
   $ center : Named num [1:11] 1.99 1.5 1.5 3.45 55.67 ...
##
   ..- attr(*, "names")= chr [1:11] "Branch" "Customer.type" "Gender" "Product.line" ...
## $ scale : Named num [1:11] 0.818 0.5 0.5 1.715 26.495 ...
   ..- attr(*, "names")= chr [1:11] "Branch" "Customer.type" "Gender" "Product.line" ...
##
## $ x : num [1:1000, 1:11] 1.79 -2.05 0.11 1.29 2.43 ...
## ..- attr(*, "dimnames")=List of 2
## ....$ : chr [1:1000] "1" "2" "3" "4" ...
    ....$ : chr [1:11] "PC1" "PC2" "PC3" "PC4" ...
## - attr(*, "class")= chr "prcomp"
#Graph of variables
fviz_pca_var(data.pca,
col.var = "contrib", # Color by contributions to the PC
gradient.cols = c("#00AFBB", "#E7B800", "#FC4E07"),
repel = TRUE # Avoid text overlapping
```

)



Gross income, Tax and cogs contribute highly to the first PC whereas Gender, Payment mostly contribute to the second PC  $\,$ 

```
# Eigenvalues
eig.val <- get_eigenvalue(data.pca)
eig.val</pre>
```

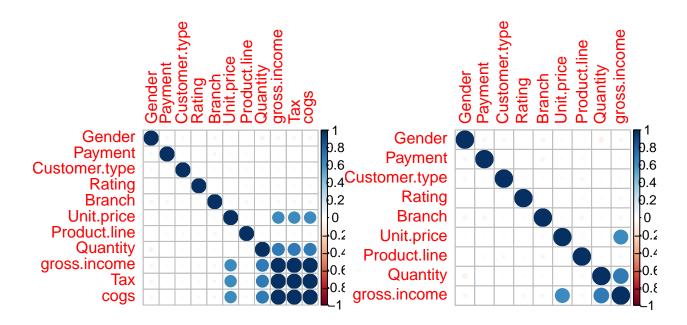
```
eigenvalue variance.percent cumulative.variance.percent
##
## Dim.1
          3.934732e+00
                            3.577029e+01
                                                             35.77029
## Dim.2
          1.130132e+00
                            1.027393e+01
                                                             46.04423
          1.064187e+00
                                                             55.71865
## Dim.3
                            9.674426e+00
## Dim.4
         1.019927e+00
                            9.272061e+00
                                                             64.99071
         9.858334e-01
## Dim.5
                            8.962122e+00
                                                             73.95283
## Dim.6
         9.548085e-01
                            8.680077e+00
                                                             82.63291
## Dim.7
          9.267825e-01
                            8.425296e+00
                                                             91.05821
## Dim.8
          8.991345e-01
                            8.173950e+00
                                                             99.23216
## Dim.9
         8.446266e-02
                            7.678424e-01
                                                            100.00000
## Dim.10 7.484119e-32
                            6.803745e-31
                                                            100.00000
## Dim.11 1.229717e-32
                            1.117924e-31
                                                            100.00000
```

We have obtained 11 principal components. Our first PC, PC1 explains 35.7% Variation, our second, PC2 explains 46%. The first 8 PCs gives us a variability proportion of upto 100%.

#### Feature Selection

• Using Filter Method Using the filter method, we will check for correlation between variables. We will then remove variables that are highly correlated as that is a sign of redundancy.

```
library(caret)
## Warning: package 'caret' was built under R version 4.1.1
## Loading required package: lattice
## Warning: package 'lattice' was built under R version 4.1.1
#Separating target variable with independent variables
df <- data[-12]
# Calculating the correlation matrix
correlationMatrix <- cor(df)</pre>
# Find attributes that are highly correlated
highlyCorrelated <- findCorrelation(correlationMatrix, cutoff= 0.75)
# Highly correlated attributes
highlyCorrelated
## [1] 7 9
names(df[,highlyCorrelated])
## [1] "Tax"
              "cogs"
Tax and Cogs are highly correlated.
# Removing the highly correlated features
df.feat<-df[-highlyCorrelated]</pre>
# Performing a graphical comparison
par(mfrow = c(1, 2))
corrplot(correlationMatrix, order = "hclust")
corrplot(cor(df.feat), order = "hclust")
```



#### Conclusion

The following features will be used for analysis:

- Gender
- Payment
- Customer type
- Rating
- Branch
- Unit price
- Product line
- Quantity
- Gross Income