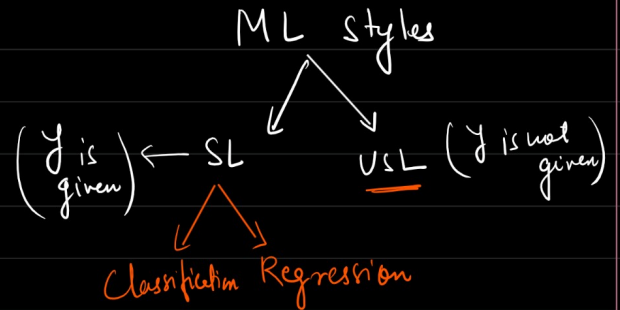


# Introduction to Unsupervised learning

\* Target variable is Not given (y)

\* USL groups / segments your data  
(Finds pattern in the data)



## Examples Zara store

| Customer purchase amount | Customer salary in lakhs |
|--------------------------|--------------------------|
|--------------------------|--------------------------|

2500

10

↑  
Cust Amount

SL PA ↓  
①

①  
S ↑ PA ↑

③  
SL PA ↓

②  
S ↑ PA ↓

Clothes mix up

Shop keeper → will try to touch the cloth and understand the pattern, different recks

To increase revenue

→ Group 2 customers should be focused more.

→ Group 1 → loyalty card & Extra discount.

\* depends on you how you want interpret the groups and bring business.

## Motivation

- Need to launch a campaign based on income / sales.
- Different ways of fraud / money laundering.
- Grouping of images / patterns of specific image
- Document / Article Analysis.
- Cohort Analysis.

\* In higher dimensions, you cannot identify groups / patterns manually. Therefore you need USL.

## USL

- ① K-means clustering
- ② Hierarchical clustering
- ③ DBSCAN.