Customer Segmentation and Analysis

Steps to solve the problem :

1. Importing Libraries.
2. Exploration of data.
3. Data Visualization.
4. Clustering using K-Means.
5. Selection of Clusters.
6. Ploting the Cluster Boundry and Clusters.
7. 3D Plot of Clusters.

Importing Libraries.

```
import numpy as np # linear algebra
import pandas as pd # data processing, CSV file I/O (e.g. pd.read_csv)
import matplotlib.pyplot as plt
import seaborn as sns
import plotly as py
import plotly.graph_objs as go
from sklearn.cluster import KMeans
import warnings
import os
warnings.filterwarnings("ignore")
py.offline.init_notebook_mode(connected = True)
#print(os.listdir("../input"))
```

Data Exploration

```
df = pd.read_csv(r'../input/Mall_Customers.csv')
df.head()
```

```
   CustomerID           ...            Spending Score (1-100)
0           1           ...                                39
1           2           ...                                81
2           3           ...                                 6
3           4           ...                                77
4           5           ...                                40

[5 rows x 5 columns]
```

```
df.shape
```

```
(200, 5)
```

```
df.describe()
```

```
       CustomerID           ...            Spending Score (1-100)
count  200.000000           ...                        200.000000
mean   100.500000           ...                         50.200000
std     57.879185           ...                         25.823522
min      1.000000           ...                          1.000000
25%     50.750000           ...                         34.750000
50%    100.500000           ...                         50.000000
75%    150.250000           ...                         73.000000
max    200.000000           ...                         99.000000

[8 rows x 4 columns]
```

```
df.dtypes
```

```
CustomerID                  int64
Gender                     object
Age                         int64
Annual Income (k$)          int64
Spending Score (1-100)      int64
dtype: object
```

```
df.isnull().sum()
```

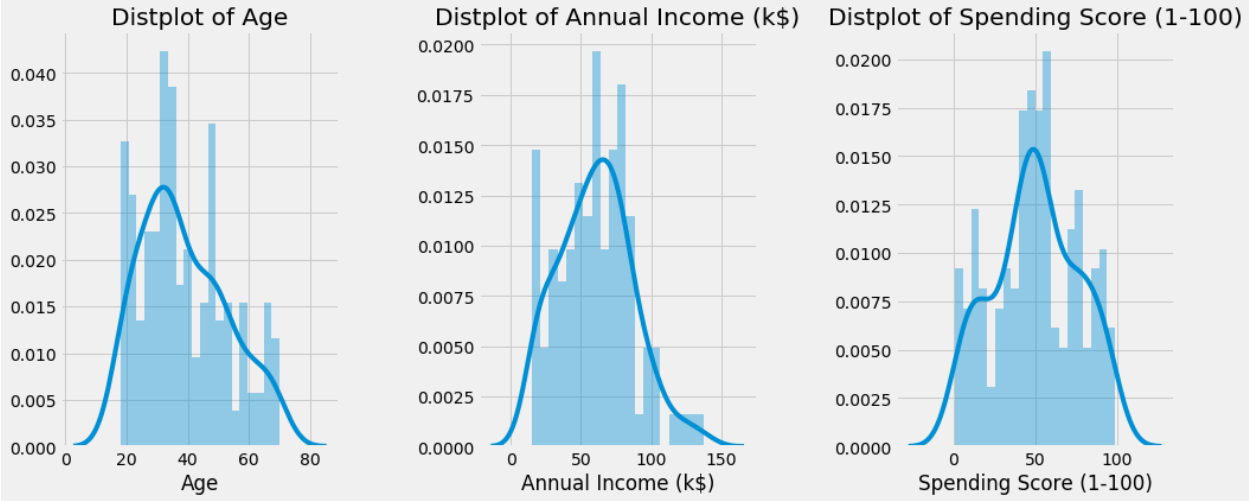
```
CustomerID                  0
Gender                      0
Age                         0
Annual Income (k$)          0
Spending Score (1-100)      0
dtype: int64
```

Data Visualization

```
plt.style.use('fivethirtyeight')
```

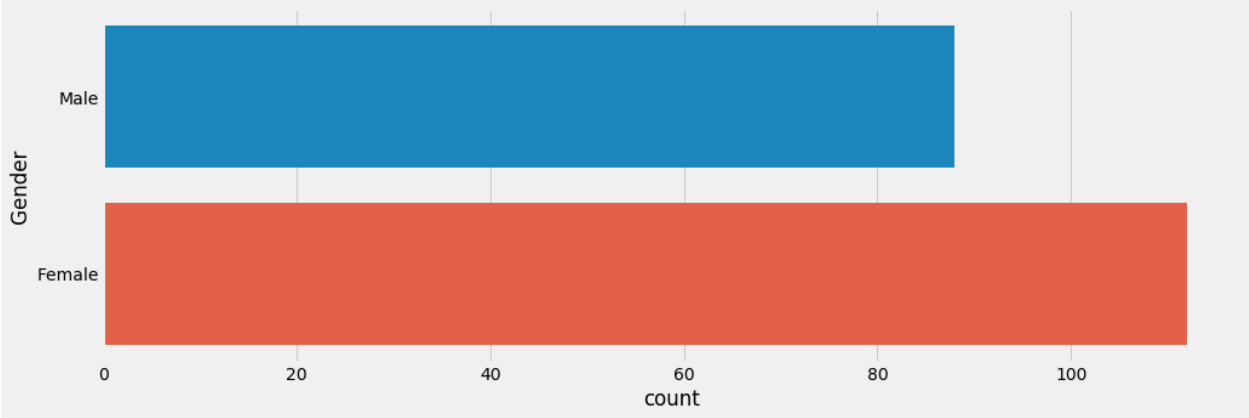
Histograms

```
plt.figure(1 , figsize = (15 , 6))
n = 0
for x in ['Age' , 'Annual Income (k$)' , 'Spending Score (1-100)']:
    n += 1
    plt.subplot(1 , 3 , n)
    plt.subplots_adjust(hspace =0.5 , wspace = 0.5)
    sns.distplot(df[x] , bins = 20)
    plt.title('Distplot of {}'.format(x))
plt.show()
```



Count Plot of Gender

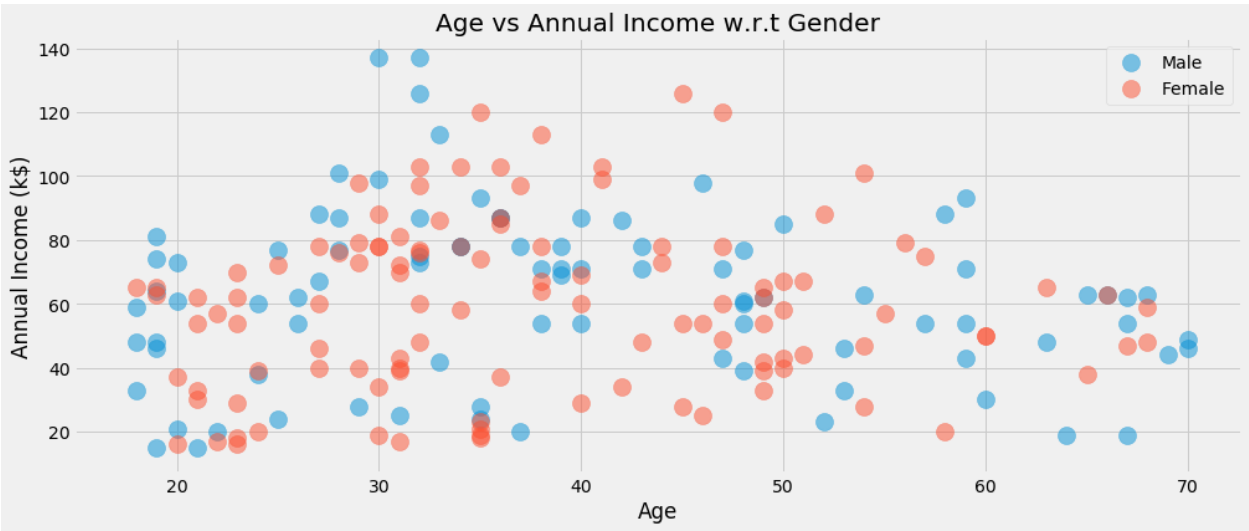
```
plt.figure(1 , figsize = (15 , 5))
sns.countplot(y = 'Gender' , data = df)
plt.show()
```



Ploting the Relation between Age , Annual Income and Spending Score

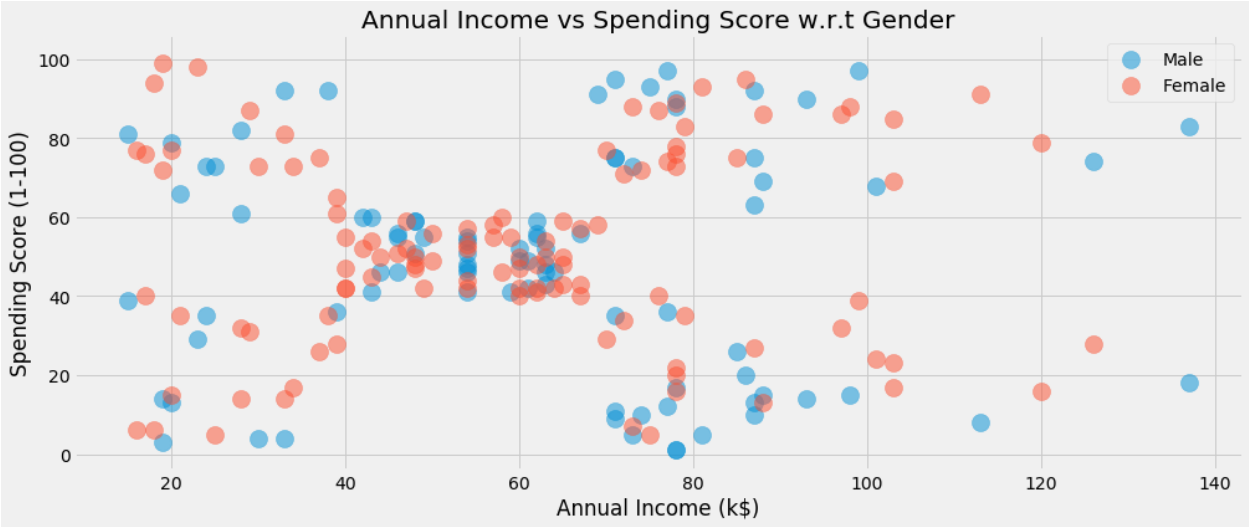
```
plt.figure(1 , figsize = (15 , 7))
n = 0
for x in ['Age' , 'Annual Income (k$)' , 'Spending Score (1-100)']:
    for y in ['Age' , 'Annual Income (k$)' , 'Spending Score (1-
100)']:
        n += 1
        plt.subplot(3 , 3 , n)
        plt.subplots_adjust(hspace = 0.5 , wspace = 0.5)
        sns.regplot(x = x , y = y , data = df)
        plt.ylabel(y.split()[0]+' '+y.split()[1] if len(y.split()) > 1
else y )
plt.show()
```


```
plt.figure(1 , figsize = (15 , 6))
for gender in ['Male' , 'Female']:
    plt.scatter(x = 'Age' , y = 'Annual Income (k$)' , data =
df[df['Gender'] == gender] ,
                s = 200 , alpha = 0.5 , label = gender)
plt.xlabel('Age'), plt.ylabel('Annual Income (k$)')
plt.title('Age vs Annual Income w.r.t Gender')
plt.legend()
plt.show()
```



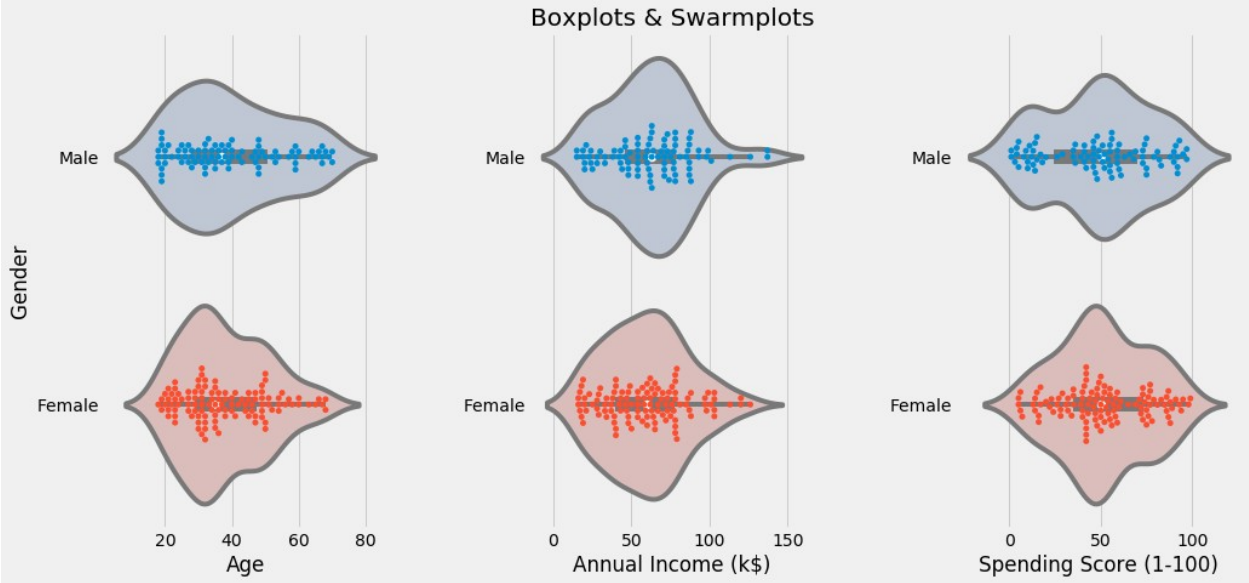

```
plt.figure(1 , figsize = (15 , 6))
for gender in ['Male' , 'Female']:
    plt.scatter(x = 'Annual Income (k$)',y = 'Spending Score (1-
100)' ,
                data = df[df['Gender'] == gender] ,s = 200 , alpha =
```

```
0.5 , label = gender)
plt.xlabel('Annual Income (k$)'), plt.ylabel('Spending Score (1-100)')

plt.title('Annual Income vs Spending Score w.r.t Gender')
plt.legend()
plt.show()
```



Distribution of values in Age , Annual Income and Spending Score according to Gender

```
plt.figure(1 , figsize = (15 , 7))
n = 0
for cols in ['Age' , 'Annual Income (k$)' , 'Spending Score (1-100)']:
    n += 1
    plt.subplot(1 , 3 , n)
    plt.subplots_adjust(hspace = 0.5 , wspace = 0.5)
    sns.violinplot(x = cols , y = 'Gender' , data = df , palette =
'vlag')
    sns.swarmplot(x = cols , y = 'Gender' , data = df)
    plt.ylabel('Gender' if n == 1 else '')
    plt.title('Boxplots & Swarmplots' if n == 2 else '')
plt.show()
```



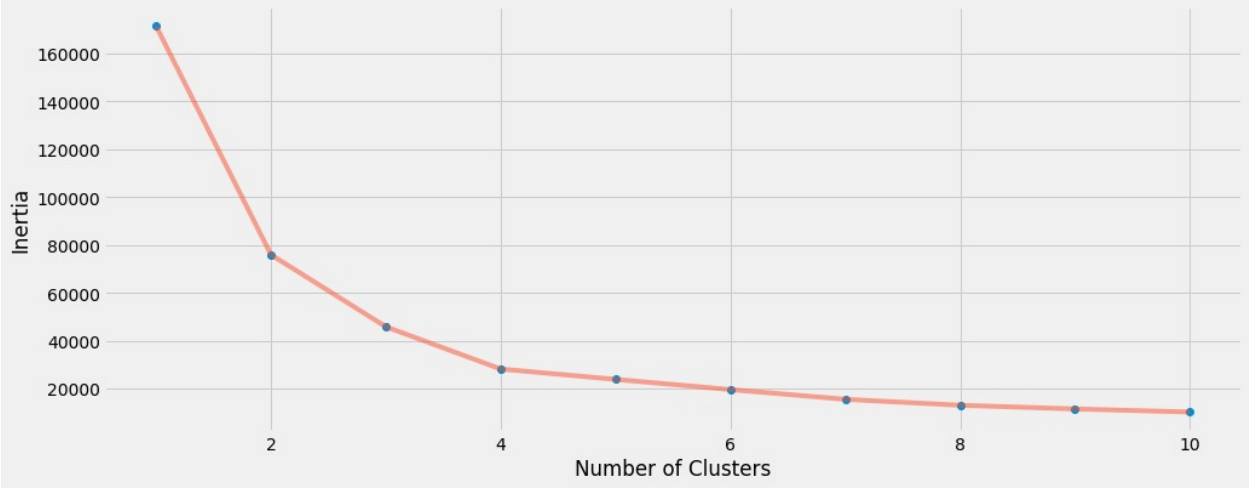
Clustering using K- means

1.Segmentation using Age and Spending Score

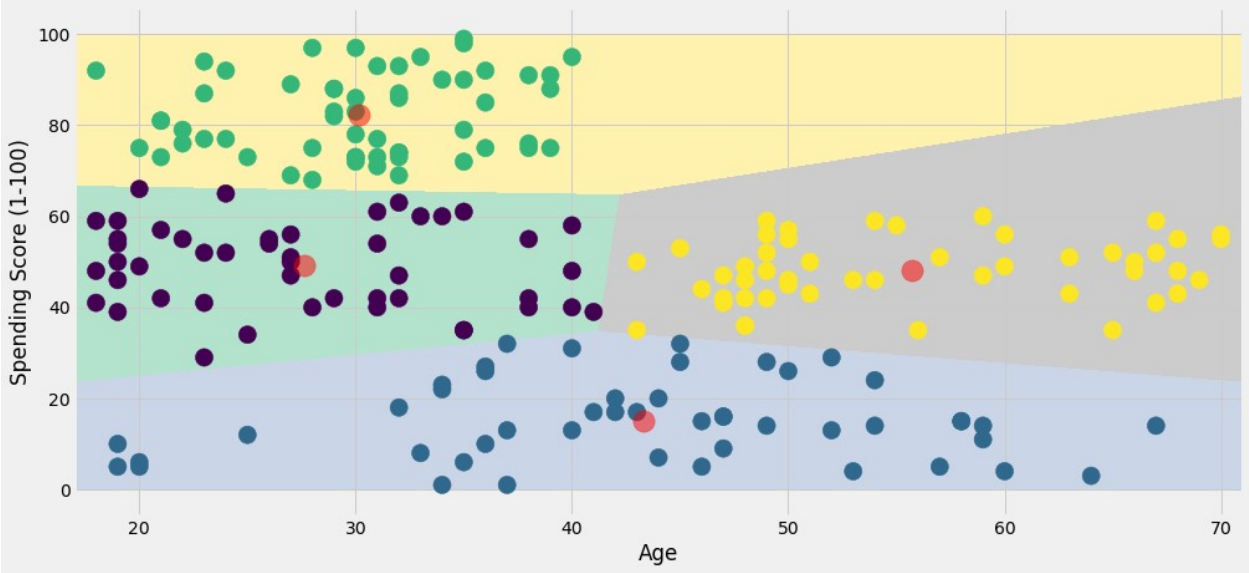
```
'''Age and spending Score'''
X1 = df[['Age' , 'Spending Score (1-100)']].iloc[: , :].values
inertia = []
for n in range(1 , 11):
    algorithm = (KMeans(n_clusters = n ,init='k-means++', n_init =
10 ,max_iter=300,
                        tol=0.0001,  random_state= 111  ,
algorithm='elkan') )
    algorithm.fit(X1)
    inertia.append(algorithm.inertia_)
```

Selecting N Clusters based in Inertia (Squared Distance between Centroids and data points, should be less)

```
plt.figure(1 , figsize = (15 ,6))
plt.plot(np.arange(1 , 11) , inertia , 'o')
plt.plot(np.arange(1 , 11) , inertia , '-' , alpha = 0.5)
plt.xlabel('Number of Clusters') , plt.ylabel('Inertia')
plt.show()
```

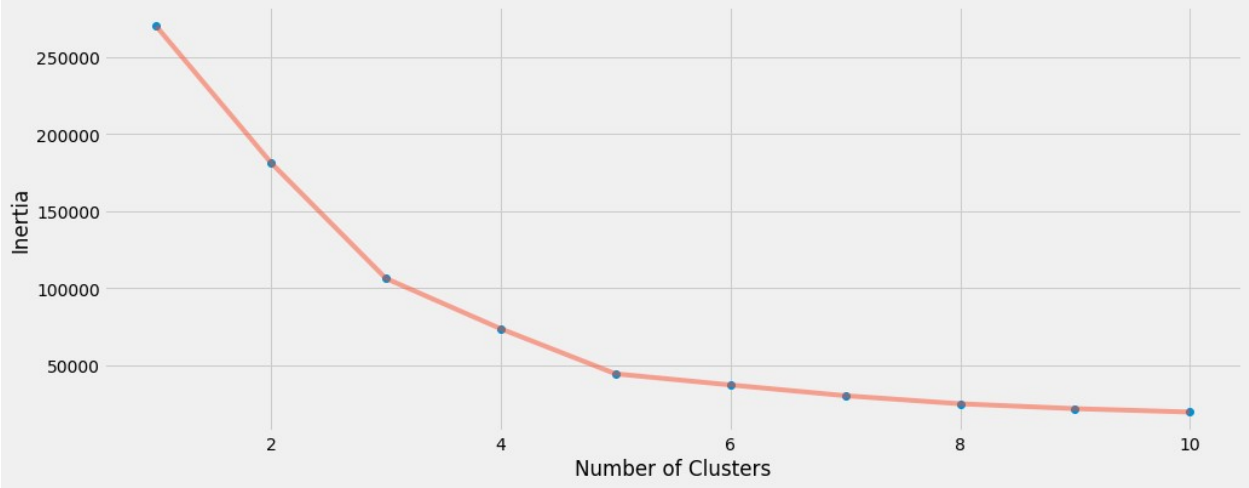



```
algorithm = (KMeans(n_clusters = 4 ,init='k-means++', n_init =
10 ,max_iter=300,
                        tol=0.0001,  random_state= 111  ,
algorithm='elkan') )
algorithm.fit(X1)
labels1 = algorithm.labels_
centroids1 = algorithm.cluster_centers_

h = 0.02
x_min, x_max = X1[:, 0].min() - 1, X1[:, 0].max() + 1
y_min, y_max = X1[:, 1].min() - 1, X1[:, 1].max() + 1
xx, yy = np.meshgrid(np.arange(x_min, x_max, h), np.arange(y_min,
y_max, h))
Z = algorithm.predict(np.c_[xx.ravel(), yy.ravel()])

plt.figure(1 , figsize = (15 , 7) )
plt.clf()
Z = Z.reshape(xx.shape)
plt.imshow(Z , interpolation='nearest',
           extent=(xx.min(), xx.max(), yy.min(), yy.max()),
           cmap = plt.cm.Pastel2, aspect = 'auto', origin='lower')

plt.scatter( x = 'Age' ,y = 'Spending Score (1-100)' , data = df , c =
labels1 ,
            s = 200 )
plt.scatter(x = centroids1[: , 0] , y =  centroids1[: , 1] , s = 300 ,
c = 'red' , alpha = 0.5)
plt.ylabel('Spending Score (1-100)') , plt.xlabel('Age')
plt.show()
```

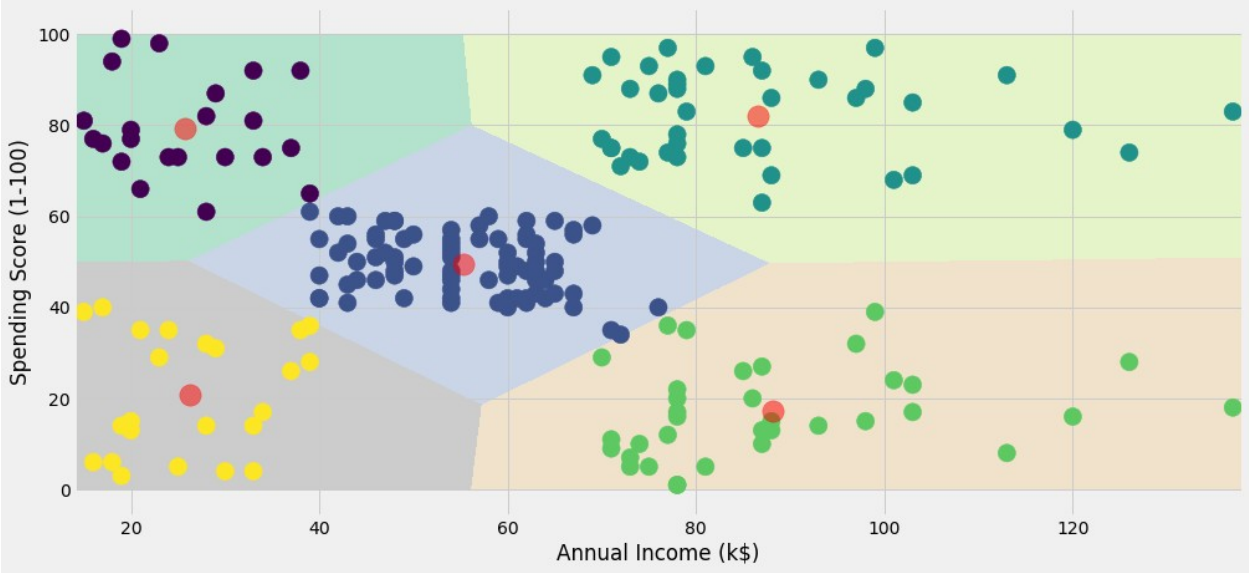


2. Segmentation using Annual Income and Spending Score

```
'''Annual Income and spending Score'''
X2 = df[['Annual Income (k$)' , 'Spending Score (1-
100)']].iloc[: , :].values
inertia = []
for n in range(1 , 11):
    algorithm = (KMeans(n_clusters = n ,init='k-means++', n_init =
10 ,max_iter=300,
                        tol=0.0001,  random_state= 111  ,
algorithm='elkan') )
    algorithm.fit(X2)
    inertia.append(algorithm.inertia_)

plt.figure(1 , figsize = (15 ,6))
plt.plot(np.arange(1 , 11) , inertia , 'o')
plt.plot(np.arange(1 , 11) , inertia , '-' , alpha = 0.5)
plt.xlabel('Number of Clusters') , plt.ylabel('Inertia')
plt.show()
```

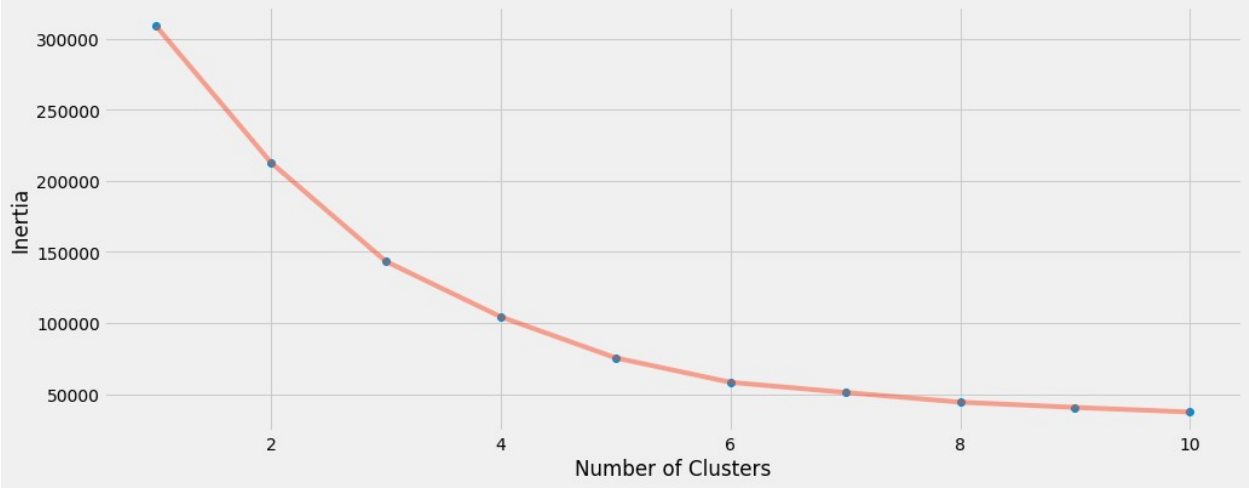



```
algorithm = (KMeans(n_clusters = 5 ,init='k-means++', n_init =
10 ,max_iter=300,
                        tol=0.0001,  random_state= 111  ,
algorithm='elkan') )
algorithm.fit(X2)
labels2 = algorithm.labels_
centroids2 = algorithm.cluster_centers_

h = 0.02
x_min, x_max = X2[:, 0].min() - 1, X2[:, 0].max() + 1
y_min, y_max = X2[:, 1].min() - 1, X2[:, 1].max() + 1
xx, yy = np.meshgrid(np.arange(x_min, x_max, h), np.arange(y_min,
y_max, h))
Z2 = algorithm.predict(np.c_[xx.ravel(), yy.ravel()])

plt.figure(1 , figsize = (15 , 7) )
plt.clf()
Z2 = Z2.reshape(xx.shape)
plt.imshow(Z2 , interpolation='nearest',
           extent=(xx.min(), xx.max(), yy.min(), yy.max()),
           cmap = plt.cm.Pastel2, aspect = 'auto', origin='lower')

plt.scatter( x = 'Annual Income (k$)' ,y = 'Spending Score (1-100)' ,
data = df , c = labels2 ,
            s = 200 )
plt.scatter(x = centroids2[: , 0] , y =  centroids2[: , 1] , s = 300 ,
c = 'red' , alpha = 0.5)
plt.ylabel('Spending Score (1-100)') , plt.xlabel('Annual Income
(k$)')
plt.show()
```



3.Segmentation using Age , Annual Income and Spending Score

```
X3 = df[['Age' , 'Annual Income (k$)' ,'Spending Score (1-
100)']].iloc[: , :].values
inertia = []
for n in range(1 , 11):
    algorithm = (KMeans(n_clusters = n ,init='k-means++', n_init =
10 ,max_iter=300,
                        tol=0.0001,  random_state= 111  ,
algorithm='elkan') )
    algorithm.fit(X3)
    inertia.append(algorithm.inertia_)

plt.figure(1 , figsize = (15 ,6))
plt.plot(np.arange(1 , 11) , inertia , 'o')
plt.plot(np.arange(1 , 11) , inertia , '-' , alpha = 0.5)
plt.xlabel('Number of Clusters') , plt.ylabel('Inertia')
plt.show()
```




```
algorithm = (KMeans(n_clusters = 6 ,init='k-means++', n_init =
10 ,max_iter=300,
                        tol=0.0001,  random_state= 111  ,
algorithm='elkan') )
algorithm.fit(X3)
labels3 = algorithm.labels_
centroids3 = algorithm.cluster_centers_

df['label3'] =  labels3
trace1 = go.Scatter3d(
    x= df['Age'],
    y= df['Spending Score (1-100)'],
    z= df['Annual Income (k$)'],
    mode='markers',
     marker=dict(
        color = df['label3'],
        size= 20,
        line=dict(
            color= df['label3'],
            width= 12
        ),
        opacity=0.8
     )
)
data = [trace1]
layout = go.Layout(
#     margin=dict(
#         l=0,
#         r=0,
#         b=0,
#         t=0
#     )
    title= 'Clusters',
    scene = dict(
            xaxis = dict(title  = 'Age'),
```

```
            yaxis = dict(title  = 'Spending Score'),
            zaxis = dict(title  = 'Annual Income')
        )
)
fig = go.Figure(data=data, layout=layout)
py.offline.iplot(fig)
```


```
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```

```
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{"text":"Spending Score"}},"zaxis":{"title":{"text":"Annual
Income"}}},"title":{"text":"Clusters"}}}
```


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