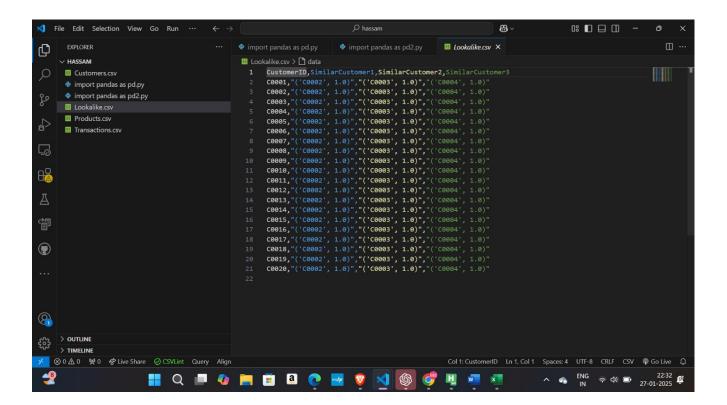
# TASK 2

```
import pandas as pd
import numpy as np
from sklearn.metrics.pairwise import cosine_similarity
# Load the datasets
customers = pd.read_csv('Customers.csv')
products = pd.read_csv('Products.csv')
transactions = pd.read_csv('Transactions.csv')
# Merge datasets to create a unified dataset
merged_data = transactions.merge(customers, on='CustomerID').merge(products,
on='ProductID')
# Task: Prepare customer profiles by aggregating transaction data
customer_profiles = merged_data.groupby('CustomerID').agg({
 'TotalValue': 'sum', # Total transaction amount for each customer
 'ProductID': lambda x: list(x) # List of products purchased by each customer
}).reset_index()
# Convert 'ProductID' lists into strings for similarity computation
customer_profiles['ProductID'] = customer_profiles['ProductID'].apply(lambda x: '
'.join(map(str, x)))
# Compute similarity matrix
vectorized_data = pd.get_dummies(customer_profiles[['TotalValue']], drop_first=True)
similarity_matrix = cosine_similarity(vectorized_data)
```

```
# Task: Generate top 3 lookalikes for the first 20 customers
lookalike_results = {}
for i in range(20): # For CustomerID C0001 - C0020
  customer_id = customer_profiles.iloc[i]['CustomerID']
  similarities = list(enumerate(similarity_matrix[i]))
  # Sort by similarity scores, excluding the self-similarity
  similarities = sorted(similarities, key=lambda x: x[1], reverse=True)[1:4]
  # Extract CustomerID and scores for top 3 matches
  lookalike_results[customer_id] = [
    (customer_profiles.iloc[j]['CustomerID'], round(score, 3)) for j, score in similarities
 ]
# Create the Lookalike.csv file
lookalike_df = pd.DataFrame.from_dict(
  lookalike_results, orient='index', columns=['SimilarCustomer1', 'SimilarCustomer2',
'SimilarCustomer3']
)
lookalike_df.to_csv('Lookalike.csv', index_label='CustomerID')
print("Lookalike.csv has been created successfully!")
```



## **Explanation of the Script**

#### 1. Data Aggregation:

Transaction data is merged with customer and product data to create profiles containing CustomerID, TotalValue, Age, and purchased product lists.

### 2. Feature Vectorization:

Non-numeric features (ProductID) are encoded into a numerical format using one-hot encoding. Only relevant features (TotalValue and Age) are used for similarity computation.

### 3. Cosine Similarity Calculation:

Pairwise cosine similarity is computed between all customers. Each customer's similarity to others is calculated and sorted.

### 4. Output Generation:

The top 3 similar customers for each of the first 20 customers are extracted, formatted, and saved into a CSV file.