Clustering

Dr. Marko Mitic

Problem 1: DOCUMENT CLUSTERING WITH DAILY KOS

Document clustering, or text clustering, is a very popular application of clustering algorithms. A web search engine, like Google, often returns thousands of results for a simple query. For example, if you type the search term "jaguar" into Google, around 200 million results are returned. This makes it very difficult to browse or find relevant information, especially if the search term has multiple meanings. If we search for "jaguar", we might be looking for information about the animal, the car, or the Jacksonville Jaguars football team.

Clustering methods can be used to automatically group search results into categories, making it easier to find relavent results. This method is used in the search engines PolyMeta and Helioid, as well as on FirstGov.gov, the official Web portal for the U.S. government. The two most common algorithms used for document clustering are Hierarchical and k-means.

In this problem, we'll be clustering articles published on Daily Kos https://www.dailykos.com/, an American political blog that publishes news and opinion articles written from a progressive point of view. Daily Kos was founded by Markos Moulitsas in 2002, and as of September 2014, the site had an average weekday traffic of hundreds of thousands of visits.

The file dailykos.csv contains data on 3,430 news articles or blogs that have been posted on Daily Kos. These articles were posted in 2004, leading up to the United States Presidential Election. The leading candidates were incumbent President George W. Bush (republican) and John Kerry (democratic). Foreign policy was a dominant topic of the election, specifically, the 2003 invasion of Iraq.

Each of the variables in the dataset is a word that has appeared in at least 50 different articles (1,545 words in total). The set of words has been trimmed according to some of the techniques covered in the previous week on text analytics (punctuation has been removed, and stop words have been removed). For each document, the variable values are the number of times that word appeared in the document.

Let's start by building a hierarchical clustering model.

```
dailykos = read.csv("dailykos.csv")
str(dailykos)
```

```
'data.frame':
                    3430 obs. of 1545 variables:
##
    $ abandon
                                                      0 0 0 0 0 0 0 0 0 0 ...
##
    $ abc
                                                      0 0 0 0 0 0 0 0 0 0 ...
                                               : int
##
    $ ability
                                                      0 0 0 0 0 0 0 0 0 0 ...
##
                                                      0 0 0 0 0 0 0 0 0 0 ...
    $ abortion
                                                 int
##
    $ absolute
                                                 int
                                                      0 0 0 0 0 0 0 0 0 0 ...
##
                                                      0 0 1 0 0 0 0 0 0 0 ...
    $ abstain
                                                 int
##
    $ abu
                                                 int
                                                       0 0 0 0 0 0 0 0 0 0 ...
                                                       0 0 0 0 0 0 0 0 0 0 ...
##
    $ abuse
                                                 int
##
    $ accept
                                                 int
                                                       0 0 0 0 0 0 0 0 0 0 ...
    $ access
##
                                                      0 0 0 0 0 0 0 0 0 0 ...
                                               : int
##
    $ accomplish
                                                 int
                                                      0 0 0 0 0 0 0 0 0 0 ...
                                                      0 0 2 0 0 0 0 0 0 0 ...
##
    $ account
##
    $ accurate
                                                      0 0 0 0 0 0 0 0 0 0 ...
                                                 int.
##
    $ accusations
                                                      0 0 0 2 0 0 0 0 0 0 ...
    $ achieve
                                                 int
                                                      0 0 0 0 0 0 0 0 0 0 ...
##
##
    $ acknowledge
                                                      0 0 0 0 0 0 0 0 0 0 ...
    $ act
                                               : int 0000000000...
```

```
: int 2000000000...
   $ action
                                                  00000000000...
##
   $ active
                                             : int
                                                   0000000000...
##
   $ activist
                                             : int
   $ actual
                                                   0 0 0 0 0 0 0 0 0 0 ...
##
                                             : int
##
   $ add
                                             : int
                                                   0 0 0 0 0 0 0 0 0 0 ...
##
   $ added
                                             : int
                                                   1 0 0 0 1 0 0 0 1 0 ...
##
   $ addition
                                                   0 0 0 0 0 0 0 0 0 0 ...
##
   $ address
                                                   0 0 0 0 0 0 0 0 0 0 ...
                                             : int
##
   $ admin
                                                   0 0 1 0 0 0 0 0 0 0 ...
##
   $ administration
                                                   1 0 0 0 0 0 0 0 0 0 ...
                                             : int
##
   $ admit
                                             : int
                                                   0 0 0 0 1 0 0 0 0 0 ...
##
                                                   0 0 0 0 0 0 0 0 0 0 ...
   $ advance
                                             : int
                                                   0 0 0 1 0 0 0 0 0 0 ...
   $ advantage
                                             : int
##
   $ advertise
                                                   0 0 1 0 0 0 0 0 0 0 ...
                                             : int
##
   $ advised
                                             : int
                                                   0 0 0 0 0 0 0 0 0 0 ...
##
   $ affair
                                             : int
                                                   0 0 0 0 0 0 0 0 0 0 ...
##
   $ affect
                                             : int
                                                   0 0 0 0 0 0 0 0 0 0 ...
##
   $ affiliate
                                             : int
                                                   0 0 0 0 0 0 0 0 0 0 ...
##
   $ afghanistan
                                             : int
                                                   0000000000...
                                                   0000000000...
##
   $ afraid
                                             : int
##
   $ afternoon
                                             : int
                                                  0000000000...
##
   $ age
                                             : int
                                                   0 0 0 0 0 0 0 0 0 0 ...
                                                   0 0 0 0 0 0 0 0 0 0 ...
##
   $ agencies
                                             : int
##
   $ agenda
                                             : int
                                                   0 0 0 0 0 0 0 0 0 0 ...
                                             : int
##
                                                   0 0 0 0 0 0 0 0 0 0 ...
   $ agree
##
   $ ahead
                                             : int
                                                   0000000000...
##
   $ aid
                                             : int
                                                   0 0 0 1 1 0 0 0 0 0 ...
##
   $ aim
                                                   0 0 0 0 0 0 0 0 0 0 ...
                                             : int
##
                                                   0 0 0 0 0 0 0 0 0 0 ...
   $ air
                                             : int
                                                   0 0 0 0 0 0 0 0 0 0 ...
   $ alaska
                                             : int
##
   $ allegation
                                             : int
                                                   0 0 0 0 0 0 0 0 0 0 ...
##
   $ allegory
                                             : int
                                                   0 0 0 0 0 0 0 0 0 0 ...
##
                                                   0 0 0 0 0 0 0 0 0 0 ...
   $ allied
                                             : int
##
   $ allowed
                                             : int
                                                   0 0 0 0 0 0 0 0 0 0 ...
##
   $ alternative
                                             : int
                                                   0 0 0 0 0 0 0 0 0 0 ...
##
   $ altsite
                                             : int
                                                   0 0 1 0 0 0 0 0 0 0 ...
##
   $ amazing
                                             : int
                                                   0000000000...
##
   $ amendment
                                             : int
                                                   0 0 0 0 0 0 0 0 0 0 ...
##
   $ america
                                             : int
                                                   0 0 0 0 0 0 0 0 0 0 ...
                                                   0 0 0 0 1 0 0 0 0 0 ...
##
   $ american
                                             : int
##
   $ amount
                                             : int
                                                   0 0 0 0 0 0 0 0 0 0 ...
                                             : int
##
   $ amp
                                                   0000000000...
                                                   0 0 0 0 1 0 0 0 0 0 ...
##
   $ analysis
##
                                                   0 0 0 0 0 0 0 0 0 0 ...
   $ analyst
                                             : int
                                                   0 0 1 0 0 0 0 0 0 0 ...
   $ anecdotal
                                                   0 0 0 0 0 0 0 0 0 0 ...
##
   $ anger
                                             : int
                                                   0 0 0 0 0 0 0 0 0 0 ...
##
   $ angry
                                             : int
##
                                                   0 0 0 0 0 0 0 0 0 0 ...
   $ announce
                                             : int
##
   $ annual
                                             : int
                                                   0 0 0 0 0 0 0 0 0 0 ...
##
                                                   0 0 0 1 0 0 1 0 0 0 ...
   $ answer
                                             : int
##
                                             : int
                                                  00000000000...
   $ apologies
                                             : int 0000000000...
##
   $ apparent
##
   $ appeal
                                             : int 0000000000...
                                             : int 0000000000...
##
   $ appearance
```

```
$ applied
                                           : int 0000000000...
##
   $ appointed
                                           : int
                                                 0000000000...
   $ approach
                                                 0 0 0 0 0 0 1 0 0 0 ...
   $ approval
                                                 1000100010...
##
                                           : int
##
   $ apr
                                                  0 0 0 0 0 0 0 0 0 0 ...
##
   $ april
                                           : int
                                                 0 0 0 0 0 0 0 0 0 0 ...
   $ arab
                                                  0 0 0 0 0 0 0 0 0 0 ...
                                                  0 0 0 0 0 0 0 0 0 0 ...
##
   $ area
                                           : int
##
   $ arent
                                           : int
                                                  0 0 0 0 0 0 0 0 0 0 ...
##
                                                 0 0 0 0 0 0 0 0 0 0 ...
   $ arg
                                           : int
##
   $ argue
                                           : int
                                                 00000000000...
                                                  0 0 0 0 0 0 0 0 0 0 ...
##
   $ argument
                                           : int
                                                  0 0 0 0 0 0 0 0 0 0 ...
##
   $ arizona
                                           : int
##
                                           : int
                                                  0 0 0 0 0 0 0 0 0 0 ...
  $ arm
##
   $ armstrong
                                           : int
                                                  0 0 0 0 0 0 0 0 0 0 ...
##
   $ army
                                           : int
                                                  0 0 0 0 0 0 0 0 0 0 ...
##
   $ arrest
                                           : int
                                                 0 0 0 0 0 0 0 0 0 0 ...
##
   $ arrive
                                           : int
                                                 0 0 0 0 0 0 0 0 0 0 ...
##
   $ article
                                           : int 0000000000...
                                                 0 0 1 0 0 0 0 0 0 0 ...
##
   $ asap
                                           : int
##
  $ asked
                                           : int
                                                 0 0 0 0 0 0 0 0 0 0 ...
##
  $ ass
                                                  0 0 0 0 0 0 0 0 0 0 ...
                                                  0 0 0 0 0 0 0 0 0 0 ...
##
   $ assess
                                           : int
   $ assist
                                                  0 0 0 0 0 0 0 0 0 0 ...
##
                                           : int
                                           : int 0000000000...
##
   $ associate
   $ assume
                                           : int 0000000000...
##
   $ atlanta
                                           : int 0010000000...
                                           : int 000001000...
##
   $ atrios
    [list output truncated]
distance = dist(dailykos, method = "euclidean")
```

The computation may take some time, since we have lots of observations and variables in the dataset. Let us next plot the dendogram:

cluster = hclust(distance, method = "ward.D")

```
plot(cluster)
```

Cluster Dendrogram



distance hclust (*, "ward.D")

The choices 2 and 3 are good cluster choices according to the dendrogram, because there is a lot of space between the horizontal lines in the dendrogram in those cut off spots (draw a horizontal line across the dendrogram where it crosses 2 or 3 vertical lines). This can be shown by using rect.hist function for drawing cluster:

```
plot(cluster)
rect.hclust(cluster, k=3, border="red")
```

Cluster Dendrogram



distance hclust (*, "ward.D")

However, just thinking about the application, it is probably better to show the reader more categories than 2 or 3. These categories would probably be too broad to be useful. Seven or eight categories seems more reasonable. Let us next subset each of the seven clusters:

```
clusterGroups =cutree(cluster, k = 7)
cluster1 = subset(dailykos, clusterGroups == 1)
cluster2 = subset(dailykos, clusterGroups == 2)
cluster3 = subset(dailykos, clusterGroups == 3)
cluster4 = subset(dailykos, clusterGroups == 4)
cluster5 = subset(dailykos, clusterGroups == 5)
cluster6 = subset(dailykos, clusterGroups == 6)
cluster7 = subset(dailykos, clusterGroups == 7)
```

By using str function we observe that cluster1 contains most observations, while cluster4 has lowest number of them. We can also see the frequency for each variable in each cluster. Combination of tail, sort and colMeans computes the mean frequency values of each of the words in cluster, and then outputs the 6 words that occur the most frequently. The colMeans function computes the column (word) means, the sort function orders the words in increasing order of the mean values, and the tail function outputs the last 6 words listed, which are the ones with the largest column means.

```
tail(sort(colMeans(cluster1)))

## state republican poll democrat kerry bush
## 0.7575039 0.7590837 0.9036335 0.9194313 1.0624013 1.7053712
```

We observe that the word "bush" is most frequent word in this cluster. For cluster 2 this are words "november" and "poll".

```
tail(sort(colMeans(cluster2)))
##
        bush democrat challenge
                                                  poll november
                                        vote
    2.847352 2.850467 4.096573 4.398754 4.847352 10.339564
Next, we can run k-means algorithm, to find new patterns.
k = 7 #seven clusters
set.seed(1000)
KMC = kmeans(dailykos, centers = k)
We now subset the KMC, as in hierarchical clustering:
dailykosClusters = KMC$cluster
The number observations in each cluster can be determined using sum function:
sum(dailykosClusters==1)
## [1] 146
sum(dailykosClusters==2)
## [1] 144
sum(dailykosClusters==3)
## [1] 277
sum(dailykosClusters==4)
## [1] 2063
sum(dailykosClusters==5)
## [1] 163
sum(dailykosClusters==6)
## [1] 329
sum(dailykosClusters==7)
## [1] 308
```

```
# or using:
KmeansCluster = split(dailykos, dailykosClusters)
#str(KmeansCluster)
```

It can be observed that cluster 4 and cluster 2 have largest and smallest number of observations. This is, of course, different comparing hierarchical clustering case. Most frequent terms can also be obtained using cobination of tail, sort and colMeans:

```
KmeansCluster1 = subset(dailykos, KMC$cluster == 1)
KmeansCluster2 = subset(dailykos, KMC$cluster == 2)
KmeansCluster3 = subset(dailykos, KMC$cluster == 3)
KmeansCluster4 = subset(dailykos, KMC$cluster == 4)
KmeansCluster5 = subset(dailykos, KMC$cluster == 5)
KmeansCluster6 = subset(dailykos, KMC$cluster == 6)
KmeansCluster7 = subset(dailykos, KMC$cluster == 7)
tail(sort(colMeans(KmeansCluster1)))
```

```
## state iraq kerry administration presided
## 1.609589 1.616438 1.636986 2.664384 2.767123
## bush
## 11.431507
```

Comparing these results with hierarchical clustering, we can determine the similarity of each cluster. For example, using the table function, we observe that the hierarchical cluster 7 is most similar to K-means cluster 2:

```
table(clusterGroups, KMC$cluster)
```

```
##
                                2
                                             4
                                                    5
                                                          6
                                                                7
##
   clusterGroups
                                      3
                         1
                         3
                                     64 1045
                                                  32
                                                          0
                                                              111
##
                   1
                               11
##
                   2
                         0
                                0
                                      0
                                             0
                                                   0
                                                       320
                                                                 1
                                     42
##
                   3
                        85
                               10
                                            79
                                                 126
                                                          8
                                                               24
##
                   4
                        10
                                5
                                      0
                                             0
                                                    1
                                                          0
                                                              123
##
                   5
                        48
                                0
                                    171
                                           145
                                                    3
                                                          1
                                                               39
                                2
                   6
                         0
                                                          0
                                                                0
##
                                          712
                                                    0
##
                   7
                         0
                             116
                                      0
                                            82
                                                    1
                                                               10
```

Similarly, it is interesting to note that K-means cluster 6 is almost identical to hierarchical cluster 2. We can also conclude that no more than 123 (39.9%) of the observations in K-Means Cluster 7 fall in any hierarchical cluster.

Problem 2: MARKET SEGMENTATION FOR AIRLINES

Market segmentation is a strategy that divides a broad target market of customers into smaller, more similar groups, and then designs a marketing strategy specifically for each group. Clustering is a common technique for market segmentation since it automatically finds similar groups given a data set.

In this problem, we'll see how clustering can be used to find similar groups of customers who belong to an airline's frequent flyer program. The airline is trying to learn more about its customers so that it can target different customer segments with different types of mileage offers.

The file AirlinesCluster.csv contains information on 3,999 members of the frequent flyer program. This data comes from the textbook "Data Mining for Business Intelligence," by Galit Shmueli, Nitin R. Patel, and Peter C. Bruce. For more information, see the website for the book http://www.dataminingbook.com/.

There are seven different variables in the dataset, described below:

- Balance = number of miles eligible for award travel
- QualMiles = number of miles qualifying for TopFlight status
- BonusMiles = number of miles earned from non-flight bonus transactions in the past 12 months
- BonusTrans = number of non-flight bonus transactions in the past 12 months
- FlightMiles = number of flight miles in the past 12 months
- FlightTrans = number of flight transactions in the past 12 months
- DaysSinceEnroll = number of days since enrolled in the frequent flyer program

First, let's load the dataset and look at statistical summary:

```
airlines = read.csv("AirlinesCluster.csv")
str(airlines)
  'data.frame':
                    3999 obs. of 7 variables:
##
   $ Balance
                     : int
                            28143 19244 41354 14776 97752 16420 84914 20856 443003 104860 ...
                     : int
##
   $ QualMiles
                            0 0 0 0 0 0 0 0 0 0 ...
##
   $ BonusMiles
                     : int
                            174 215 4123 500 43300 0 27482 5250 1753 28426 ...
## $ BonusTrans
                           1 2 4 1 26 0 25 4 43 28 ...
                     : int
##
  $ FlightMiles
                           0 0 0 0 2077 0 0 250 3850 1150 ...
                     : int
##
   $ FlightTrans
                     : int
                            0 0 0 0 4 0 0 1 12 3 ...
   $ DaysSinceEnroll: int
                           7000 6968 7034 6952 6935 6942 6994 6938 6948 6931 ...
summary(airlines)
```

```
##
                         QualMiles
                                            BonusMiles
                                                             BonusTrans
       Balance
##
                  0
                                                                   : 0.0
   Min.
                      Min.
                                   0.0
                                         Min.
                                                       0
                                                           Min.
    1st Qu.:
              18528
                       1st Qu.:
                                   0.0
                                          1st Qu.:
                                                    1250
                                                           1st Qu.: 3.0
##
  Median :
              43097
                      Median:
                                   0.0
                                         Median :
                                                    7171
                                                           Median:12.0
              73601
                                                 : 17145
##
    Mean
                      Mean
                                 144.1
                                         Mean
                                                           Mean
                                                                   :11.6
##
    3rd Qu.:
              92404
                       3rd Qu.:
                                   0.0
                                          3rd Qu.: 23801
                                                           3rd Qu.:17.0
           :1704838
                                                 :263685
##
   Max.
                      Max.
                              :11148.0
                                         Max.
                                                           Max.
                                                                   :86.0
##
                       FlightTrans
                                         DaysSinceEnroll
    FlightMiles
##
    Min.
           :
                0.0
                      Min.
                             : 0.000
                                        Min.
                                              :
                                                    2
                       1st Qu.: 0.000
##
   1st Qu.:
                0.0
                                         1st Qu.:2330
  Median :
                0.0
                      Median : 0.000
                                        Median:4096
##
  Mean
              460.1
                      Mean
                              : 1.374
                                        Mean
                                                :4119
    3rd Qu.:
              311.0
                       3rd Qu.: 1.000
                                         3rd Qu.:5790
           :30817.0
                              :53.000
##
    Max.
                      Max.
                                        Max.
                                                :8296
```

It is obious that firstly we need to normalize the data. If we don't normalize the data, the clustering will be dominated by the variables that are on a larger scale. This is done next in our analysis:

```
#install.packages("caret")
library(caret)

## Warning: package 'caret' was built under R version 3.2.1

## Loading required package: lattice
## Loading required package: ggplot2
```

Warning: package 'ggplot2' was built under R version 3.2.1

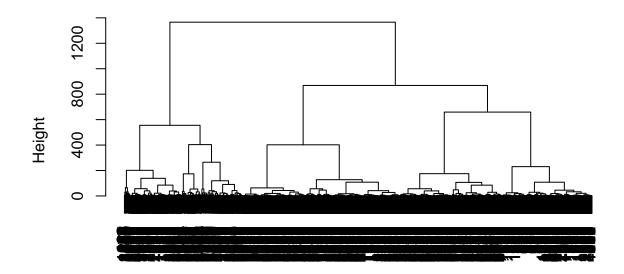
```
preproc = preProcess(airlines)
airlinesNorm = predict(preproc, airlines)
summary(airlinesNorm)
```

```
##
       Balance
                         QualMiles
                                            BonusMiles
                                                               BonusTrans
##
    Min.
           :-0.7303
                       Min.
                              :-0.1863
                                          Min.
                                                 :-0.7099
                                                             Min.
                                                                    :-1.20805
##
    1st Qu.:-0.5465
                       1st Qu.:-0.1863
                                          1st Qu.:-0.6581
                                                             1st Qu.:-0.89568
    Median :-0.3027
                       Median :-0.1863
                                          Median :-0.4130
                                                             Median: 0.04145
##
    Mean
           : 0.0000
                       Mean
                              : 0.0000
                                          Mean
                                                 : 0.0000
                                                             Mean
                                                                    : 0.00000
##
    3rd Qu.: 0.1866
                       3rd Qu.:-0.1863
                                          3rd Qu.: 0.2756
                                                             3rd Qu.: 0.56208
##
    Max.
           :16.1868
                              :14.2231
                                                 :10.2083
                                                                    : 7.74673
                       Max.
                                          Max.
                                                             Max.
##
     FlightMiles
                        FlightTrans
                                           DaysSinceEnroll
##
           :-0.3286
                              :-0.36212
                                           Min.
                                                  :-1.99336
    Min.
                       Min.
##
    1st Qu.:-0.3286
                       1st Qu.:-0.36212
                                           1st Qu.:-0.86607
    Median :-0.3286
                       Median :-0.36212
                                           Median :-0.01092
##
                              : 0.00000
                                                  : 0.00000
##
    Mean
           : 0.0000
                       Mean
                                           Mean
    3rd Qu.:-0.1065
                       3rd Qu.:-0.09849
                                           3rd Qu.: 0.80960
##
    Max.
           :21.6803
                       Max.
                              :13.61035
                                           Max.
                                                  : 2.02284
```

One can see from the output that FlightMiles now has the largest maximum value, and DaysSinceEnroll now has the smallest minimum value. Note that these were not the variables with the largest and smallest values in the original dataset airlines. Next, we're going to develop hierarchical clustering model:

```
distance = dist(airlinesNorm, method = "euclidean")
HierCluster = hclust(distance, method = "ward.D")
plot(HierCluster)
```

Cluster Dendrogram



distance hclust (*, "ward.D")

Looking at the denddogram, we can decide that total number of clusters is from 2 to 7. In the next analysis we'll use k=5 clusters. We can subset the data for each of the cluster as follows:

```
clusterGroups =cutree(HierCluster, k = 5)
HierCluster1 = subset(airlinesNorm, clusterGroups == 1)
HierCluster2 = subset(airlinesNorm, clusterGroups == 2)
HierCluster3 = subset(airlinesNorm, clusterGroups == 3)
HierCluster4 = subset(airlinesNorm, clusterGroups == 4)
HierCluster5 = subset(airlinesNorm, clusterGroups == 5)
```

We can use lapply to compare the average values in each of the variables for the 5 clusters (the centroids of the clusters):

```
colMeans(subset(airlines, clusterGroups == 1))
##
                         QualMiles
                                                          BonusTrans
           Balance
                                         BonusMiles
##
      5.786690e+04
                      6.443299e-01
                                       1.036012e+04
                                                        1.082345e+01
                       FlightTrans DaysSinceEnroll
##
       FlightMiles
                      3.028351e-01
      8.318428e+01
                                       6.235365e+03
colMeans(subset(airlines, clusterGroups == 2))
##
           Balance
                          QualMiles
                                         BonusMiles
                                                          BonusTrans
##
      1.106693e+05
                                       2.288176e+04
                                                        1.822929e+01
                      1.065983e+03
##
       FlightMiles
                       FlightTrans DaysSinceEnroll
      2.613418e+03
                      7.402697e+00
                                       4.402414e+03
##
```

```
colMeans(subset(airlines, clusterGroups == 3))
##
           Balance
                          QualMiles
                                          BonusMiles
                                                           BonusTrans
##
      1.981916e+05
                       3.034615e+01
                                        5.579586e+04
                                                         1.966397e+01
##
       FlightMiles
                        FlightTrans DaysSinceEnroll
##
      3.276761e+02
                       1.068826e+00
                                        5.615709e+03
colMeans(subset(airlines, clusterGroups == 4))
##
                          QualMiles
                                          BonusMiles
                                                           BonusTrans
           Balance
##
      52335.913594
                           4.847926
                                        20788.766129
                                                            17.087558
##
       FlightMiles
                        FlightTrans DaysSinceEnroll
                                         2840.822581
##
        111.573733
                           0.344470
colMeans(subset(airlines, clusterGroups == 5))
##
                                                           BonusTrans
           Balance
                          QualMiles
                                          BonusMiles
      3.625591e+04
                                                         2.973174e+00
##
                       2.511177e+00
                                        2.264788e+03
##
       FlightMiles
                        FlightTrans DaysSinceEnroll
##
      1.193219e+02
                       4.388972e-01
                                        3.060081e+03
lapply(split(airlines, clusterGroups), colMeans)
## $`1`
##
           Balance
                          QualMiles
                                          BonusMiles
                                                           BonusTrans
                                                         1.082345e+01
##
      5.786690e+04
                       6.443299e-01
                                        1.036012e+04
##
       FlightMiles
                        FlightTrans DaysSinceEnroll
                       3.028351e-01
##
      8.318428e+01
                                        6.235365e+03
##
##
   $`2`
                                          BonusMiles
##
           Balance
                          QualMiles
                                                           BonusTrans
##
      1.106693e+05
                       1.065983e+03
                                        2.288176e+04
                                                         1.822929e+01
##
       FlightMiles
                        FlightTrans DaysSinceEnroll
##
      2.613418e+03
                       7.402697e+00
                                        4.402414e+03
##
## $`3`
##
                          QualMiles
                                          BonusMiles
                                                           BonusTrans
           Balance
      1.981916e+05
                                        5.579586e+04
##
                       3.034615e+01
                                                         1.966397e+01
##
       FlightMiles
                        FlightTrans DaysSinceEnroll
##
      3.276761e+02
                       1.068826e+00
                                        5.615709e+03
##
## $`4`
##
           Balance
                          QualMiles
                                          BonusMiles
                                                           BonusTrans
                                                            17.087558
##
      52335.913594
                           4.847926
                                        20788.766129
##
       FlightMiles
                        FlightTrans DaysSinceEnroll
        111.573733
                           0.344470
                                         2840.822581
##
##
## $\5\
##
           Balance
                          QualMiles
                                          BonusMiles
                                                           BonusTrans
                                                         2.973174e+00
##
      3.625591e+04
                       2.511177e+00
                                        2.264788e+03
##
       FlightMiles
                        FlightTrans DaysSinceEnroll
##
      1.193219e+02
                       4.388972e-01
                                        3.060081e+03
```

We also want to analyze the data using K-means algorithm as follows:

k = 5 #five clusters

```
set.seed(88)
KMC = kmeans(airlinesNorm, centers = k, iter.max = 1000)
The number of observations in each cluster is easily determined:
sum(KMC$cluster==1)
## [1] 408
sum(KMC$cluster==2)
## [1] 141
sum(KMC$cluster==3)
## [1] 993
sum(KMC$cluster==4)
## [1] 1182
sum(KMC$cluster==5)
## [1] 1275
# or table(KMC$cluster)
```

We can compare the cluster centroids to each other either by dividing the data points into groups and then using tapply, or by looking at the output of kmeansClust\$centers, where "kmeansClust" is the name of the output of the kmeans function.

```
colMeans(subset(airlines, KMC$cluster == 1))
                          QualMiles
                                         BonusMiles
                                                          BonusTrans
##
           Balance
##
      2.191614e+05
                      5.395784e+02
                                       6.247448e+04
                                                        2.152451e+01
##
       FlightMiles
                       FlightTrans DaysSinceEnroll
##
      6.238725e+02
                       1.921569e+00
                                       5.605051e+03
colMeans(subset(airlines, KMC$cluster == 2))
##
           Balance
                          QualMiles
                                         BonusMiles
                                                          BonusTrans
                                        31985.08511
##
      174431.51064
                          673.16312
                                                            28.13475
##
       FlightMiles
                       FlightTrans DaysSinceEnroll
        5859.23404
                           17.00000
                                         4684.90071
##
```

```
colMeans(subset(airlines, KMC$cluster == 3))
##
                                                           BonusTrans
           Balance
                          QualMiles
                                          BonusMiles
##
      6.797744e+04
                       3.499396e+01
                                        2.449002e+04
                                                         1.842900e+01
##
       FlightMiles
                        FlightTrans DaysSinceEnroll
                       8.851964e-01
##
      2.894713e+02
                                        3.416783e+03
colMeans(subset(airlines, KMC$cluster == 4))
##
           Balance
                          QualMiles
                                          BonusMiles
                                                           BonusTrans
##
      6.016618e+04
                       5.520812e+01
                                        8.709712e+03
                                                         8.362098e+00
##
       FlightMiles
                        FlightTrans DaysSinceEnroll
                                        6.109540e+03
      2.032589e+02
                       6.294416e-01
##
colMeans(subset(airlines, KMC$cluster == 5))
##
                                                           BonusTrans
           Balance
                          QualMiles
                                          BonusMiles
##
      3.270667e+04
                       1.264667e+02
                                        3.097478e+03
                                                         4.284706e+00
##
       FlightMiles
                        FlightTrans DaysSinceEnroll
      1.814698e+02
                       5.403922e-01
                                        2.281055e+03
lapply(split(airlines, KMC$cluster), colMeans)
## $`1`
##
           Balance
                          QualMiles
                                          BonusMiles
                                                           BonusTrans
      2.191614e+05
                                                         2.152451e+01
##
                       5.395784e+02
                                        6.247448e+04
##
       FlightMiles
                        FlightTrans DaysSinceEnroll
##
      6.238725e+02
                       1.921569e+00
                                        5.605051e+03
##
##
   $`2`
##
           Balance
                          QualMiles
                                          BonusMiles
                                                           BonusTrans
##
      174431.51064
                          673.16312
                                         31985.08511
                                                             28.13475
##
       FlightMiles
                        FlightTrans DaysSinceEnroll
##
        5859.23404
                           17.00000
                                          4684.90071
##
## $\3\
##
                          QualMiles
                                          BonusMiles
                                                           BonusTrans
           Balance
                                        2.449002e+04
##
      6.797744e+04
                       3.499396e+01
                                                         1.842900e+01
##
       FlightMiles
                        FlightTrans DaysSinceEnroll
##
      2.894713e+02
                       8.851964e-01
                                        3.416783e+03
##
## $`4`
##
           Balance
                          QualMiles
                                          BonusMiles
                                                           BonusTrans
##
      6.016618e+04
                       5.520812e+01
                                        8.709712e+03
                                                         8.362098e+00
##
       FlightMiles
                        FlightTrans DaysSinceEnroll
      2.032589e+02
                       6.294416e-01
                                        6.109540e+03
##
##
## $\5\
##
           Balance
                          QualMiles
                                          BonusMiles
                                                           BonusTrans
                                                         4.284706e+00
##
      3.270667e+04
                       1.264667e+02
                                        3.097478e+03
##
       FlightMiles
                       FlightTrans DaysSinceEnroll
##
      1.814698e+02
                       5.403922e-01
                                        2.281055e+03
```

The clusters are not displayed in a meaningful order, so while there may be a cluster produced by the k-means algorithm that is similar to Cluster 1 produced by the Hierarchical method, it will not necessarily be shown first.