



**Project Title: Classification of Consumer Data into
Segments | Clusters | Classes**

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1. Project Objectives | Problem Statements

1.1. PO1 | PS1: Classification of Consumer Data into Segments | Clusters | Classes using Supervised Learning Classification Algorithms

1.2. PO2 | PS2: Determination of an Appropriate Classification Model

1.3. PO3 | PS3: Identification of Important | Contributing | Significant Variables or Features and their Thresholds for Classification

2. Description of Data

2.1. Data Source, Size, Shape

2.1.1. Data Source (Website Link) <https://www.kaggle.com>

2.1.2. Data Size (in KB | MB | GB ...) - 5.75 MB

2.1.3.1 Data Shape | 51289*17

2.1.3.2 Dimension: Number of Variables - 17 | Number of Records - 51289

2.2. Description of Variables

2.2.1. Index Variable(s): I1 - Order Date

I2 – Time

I3 – Customer Id

2.2.2. Outcome Variable or Feature: Cluster no.

2.2.3. Input Variables or Features having Categories | Input Categorical Variables or Features (ICV)

2.2.3.1. Input Variables or Features having Nominal Categories | Categorical Variables or Features - Nominal Type:

ICNV1 – Gender - Gender of customer.

ICNV2 – Device Type - The device the customer uses to actualize the transaction (Web/Mobile).

ICNV3 – Product Category - Product category

ICNV4 – Product – Product

ICNV5 – Payment Method - Payment method

ICNV6 – Customer login type - The type the customer logged in. Such as Member, Guest etc.

ICNV7 – Cluster id – The cluster which the record is belongs to (from Project 1)

2.2.3.2. Input Variables or Features having Ordinal Categories | Categorical Variables or Features - Ordinal Type:

ICOV1 – Order Priority - Order priority. Such as critical, high etc.

2.2.3. Input Non-Categorical Variables or Features:

INCV1 – Aging - The time from the day the product is ordered to the day it is delivered.

INCV2 – Sales - Total sales amount

INCV3 – Quantity - Unit amount of product

INCV4 – Discount - Percent discount rate

INCV5 – Profit - Profit

INCV6 – Shipping Cost - Shipping cost

2.3. Descriptive Statistics

2.3.1. Descriptive Statistics: Outcome Variable or Feature (Categorical)

2.3.1.1. Count | Frequency Statistics –

Cluster 0 – 13150

Cluster1 – 13095

Cluster2 – 3322

Cluster3 – 9046

Cluster4 - 12677

2.3.1.2. Proportion (Relative Frequency) Statistics – 5.89%

2.3.2. Descriptive Statistics: Input Categorical Variables or Features

2.3.2.1. Count | Frequency Statistics

Gender | Male – 28138 | female – 23152 |

Device Type | Mobile – 3658 | Web – 47632 |

Product Category | Auto & Accessories – 7505 | Electronic – 2701 | Fashion – 25646 | Home & Furniture – 15438 |

Product | Apple Laptop - 221 | Bedsheets - 1541 | Beds - 1542 | Bike tyres - 826 | Car & Bike Cares - 826 | Car Body Covers – 826 | Car Mat – 826 | Car Media Players - 826 | Car Pillow & Neck Rest - 829 | Car Seat Covers – 827 | Car Speakers - 826 | Casula Shoes - 2331 | Curtains - 1541 | Dinner Crockery - 1566 | Dinning Tables – 1542 | Fans - 221 | Formal Shoes - 2331 | Fossil Watch - 2332 | Iron - 221 | Jeans - 2332 | Keyboard - 221 | LCD - 224 | LED - 224 | Mixer/Juicer - 224 | Mouse - 221 | Running Shoes - 2331 | Samsung Mobile - 221 | Shirts - 2332 | Shoe Racks - 1542 | Sneakers - 2331 | Sofa Covers - 1539 | Sofas - 1542 | speakers – 261 | Sports Wear - 2331 | Suits – 2332 | T-shirts - 2332 | Tablet - 221 | Titak Watch - 2331 | Towels – 1541 | Tyre - 893 | Umbrella - 1542 | Watch - 221 |

Payment Method | Credit Card - 38137 | Debit card - 734 | e-wallet - 2789 | Money Order - 9629 | Not Defined – 1 |

Customer Login Type - | First Sign up – 173 | Guest – 1993 | Member - 49097 | New – 27 |

Cluster Id - | Cluster 0 – 13150 | Cluster1 – 13095 | Cluster2 – 3322 | Cluster3 – 9046 | Cluster4 - 12677

2.3.2.2. Proportion (Relative Frequency) Statistics – 47.05%

2.3.3. Descriptive Statistics: Input Non-Categorical Variables or Features

2.3.3.1. Measures of Central Tendency –

NCV1 – Aging | mean - 5.255 | mode – 1.0 | median - 5 |

NCV2 – Sales | mean - 152.341 | mode – 228 | median – 133 |

NCV3 – Quantity | mean - 2.503 | mode – 1.0 | median - 2 |

NCV4 – Discount | mean - 0.304 | mode – 0.3 | median - 0.3 |

NCV5 – Profit | mean - 70.407 | mode – 17.0 | median - 59.9 |

NCV6 – Shipping Cost | mean - 7.042 | mode – 1.7 | median - 6 |

2.3.3.2. Measures of Dispersion

NCV1 – Aging | std dev - 2.9599 | variance - 8.761 | skewness - 0.0656 |

NCV2 – Sales | std dev - 66.4954 | variance - 4421.641 | skewness - -0.0878 |

NCV3 – Quantity | std dev - 1.5119 | variance - 2.286 | skewness - 0.4642 |

NCV4 – Discount | std dev - 0.131 | variance - 0.017 | skewness - 0.0332 |

NCV5 – Profit | std dev - 48.7295 | variance - 2374.563 | skewness - 0.261 |

NCV6 – Shipping Cost | std dev - 4.8717 | variance - 23.734 | skewness - 0.2625 |

2.3.3.3. Correlation Statistics (with Test of Correlation)

Row ID	D Aging	D Sales	D Quantity	D Discount	D Profit	D Shipping_Cost
Aging	1.0	-0.023091379325008...	0.0049707020213171...	-0.08632411755948...	-0.018811796120927...	-0.018719011318413...
Sales	-0.0230913...	1.0	0.015362688552124186	0.0725796190335317	0.9167505365429786	0.9164695859238144
Quantity	0.00497070...	0.015362688552124186	1.0	0.02312796883115736	-0.12203229410764041	-0.1223412767034878
Discount	-0.0863241...	0.0725796190335317	0.02312796883115736	1.0	-0.003204108224951...	-0.003494817390252...
Profit	-0.0188117...	0.9167505365429786	-0.12203229410764041	-0.00320410822495...	1.0	0.9999556377947151
Shipping_Cost	-0.0187190...	0.9164695859238144	-0.1223412767034878	-0.00349481739025...	0.9999556377947151	1.0

3. Analysis of Data

3.1. Data Pre-Processing

3.1.1. Missing Data Statistics and Treatment

3.1.1.1.1. Missing Data Statistics: Records = 6

3.1.1.1.2. Missing Data Treatment: Records

3.1.1.1.2.1. Removal of Records with More Than 50% Missing Data:
None |

3.1.1.2.1. Missing Data Statistics: Categorical Variables or Features | none |

3.1.1.2.2. Missing Data Treatment: Categorical Variables or Features

3.1.1.2.2.1. Removal of Variables or Features with More Than 50%
Missing Data: None |

3.1.1.2.2.2. Imputation of Missing Data using Descriptive Statistics:
Mode

3.1.1.3.1. Missing Data Statistics: Non-Categorical Variables or Features

Aging – 1 | Sales – 1 | Quantity – 2 | Discount – 1 | Shipping Cost –
1 |

3.1.1.3.2. Missing Data Treatment: Non-Categorical Variables or Features

3.1.1.3.2.1. Removal of Variables or Features with More Than 50%
Missing Data: None |

3.1.1.3.2.2. Imputation of Missing Data using Descriptive Statistics:
Mean |

3.1.2. Numerical Encoding of Categorical Variables or Features (Encoding
Schema - Alphanumeric Order)

CV1 – Gender | Female – 0 | Male – 1 |

CV2 – Device Type | web – 0 | Mobile – 1 |

CV3 – Product Category | Auto & Accessories – 0 | Fashion – 1 |
Electronic – 2 | Home & Furniture – 3 |

CV4 – Product | Car Media Players - 0 | Car Speakers - 1 | Car Body
Covers - 2 | Car & Bike Care - 3 | Tyre - 4 | Bike Tyres - 5 | Car Mat -
6 | Car Seat Covers - 7 | Car Pillow & Neck Rests - 8 | Shirts - 9 | jeans
- 10 | Suits - 11 | Sports Wear - 12 | Casula shoes - 13 | Running Shoes
- 14 | Formal Shoes - 15 | Sneakers - 16 | Tilak Watch - 17 | Fossil
Watch - 18 | T-shirt - 19 | Samsung Mobile - 20 | Watch - 21 | Fans -
22 | Iron - 23 | Tablet - 24 | Mouse - 25 | Keyboard - 26 | Apple Laptop

- 27 | Mixer/Juicer - 28 | LED - 29 | LCD - 30 | Speakers - 31 - | Sofa Covers - 32 | Bed Sheets - 33 | Curtains - 34 | Towels - 35 | Sofas - 36 | Beds - 37 | Dining Tables - 38 | Shoe rack - 39 | Umbrellas - 40 | Dining Crockery - 41 |

CV5 – Payment Method | Credit card – 0 | Money Order – 1 | E-Wallet – 2 | Debit Card – 3 | Not Defined – 4 |

CV6 – Customer login type | Member – 0 | Guest – 1 | New – 2 | First Signup – 3 |

CV7 – Order Priority | Medium – 0 | Critical – 1 | High – 2 | Low – 3 |

3.1.3. Outlier Statistics and Treatment (Scaling | Transformation)

3.1.3.1.1. Outlier Statistics: Non-Categorical Variables or Features | There is no Outlier present in any non – Categorical variables |

3.1.3.1.2. Outlier Treatment: Non-Categorical Variables or Features

3.1.3.1.2.1. Normalization using z score Normalization

3.1.4. Data Bifurcation: Training & Testing Sets [Bifurcation Schema: Stratified Sampling (Based on Outcome Variable or Feature) with 70% Data in Training Set and 30% Data in Testing Set

3.2. Data Analysis

3.2.1.1. PO1 | PS1:: Supervised Machine Learning Classification Algorithm: Decision Tree (Base Model) | Metrics Used - Gini Coefficient, Entropy

3.2.1.2. PO1 | PS1:: Supervised Machine Learning Classification Algorithms: {Logistic Regression | Support Vector Machine | K Nearest Neighbour} (Comparison Models) | Metrics Used

3.2.2.1.1. PO2 | PS2:: Classification Model Performance Evaluation: Base Model: **Decision Tree** | Confusion Matrix

Row ID	cluster_2	cluster_1	cluster_4	cluster_0	cluster_3
cluster_2	997	0	0	0	0
cluster_1	0	3928	0	0	0
cluster_4	0	0	3803	0	0
cluster_0	0	0	0	3945	0
cluster_3	0	0	0	0	2714

{Accuracy, Recall, Precision, F1-Score}

Row ID	TruePositives	FalsePositives	TrueNegatives	FalseNegatives	Recall	Precision	Sensitivity	Specificity	F-meas...	Accuracy	Cohen's kappa
cluster_2	997	0	14390	0	1	1	1	1	1	?	?
cluster_1	3928	0	11459	0	1	1	1	1	1	?	?
cluster_4	3803	0	11584	0	1	1	1	1	1	?	?
cluster_0	3945	0	11442	0	1	1	1	1	1	?	?
cluster_3	2714	0	12673	0	1	1	1	1	1	?	?
Overall	?	?	?	?	?	?	?	?	?	1	1

3.2.2.2.1. PO2 | PS2:: Classification Model Performance Evaluation:

Logistic Regression - | Confusion Matrix

Row ID	cluster_3	0	1	2	3	4
cluster_3	0	11415	2926	821	224	1
0	0	0	0	0	0	0
1	0	0	0	0	0	0
2	0	0	0	0	0	0
3	0	0	0	0	0	0
4	0	0	0	0	0	0

{Accuracy, Recall, Precision, F1-Score}

Row ID	TruePositives	FalsePositives	TrueNegatives	FalseNegatives	Recall	Precision	Sensitivity	Specificity	F-measure	Accuracy	Cohen's kappa
cluster_3	0	0	0	15387	0	?	0	?	?	?	?
0	0	11415	3972	0	?	0	?	0.258	?	?	?
1	0	2926	12461	0	?	0	?	0.81	?	?	?
2	0	821	14566	0	?	0	?	0.947	?	?	?
3	0	224	15163	0	?	0	?	0.985	?	?	?
4	0	1	15386	0	?	0	?	1	?	?	?
Overall	?	?	?	?	?	?	?	?	?	0	0

Support Vector Machine - | Confusion Matrix

Row ID	cluster_1	cluster_4	cluster_0	cluster_3	cluster_2
cluster_1	0	3788	3840	0	58
cluster_4	3541	0	0	2714	0
cluster_0	387	0	97	0	787
cluster_3	0	15	8	0	152
cluster_2	0	0	0	0	0

{Accuracy, Recall, Precision, F1-Score}

Row ID	I TruePositives	I FalsePositives	I TrueNegatives	I FalseNegatives	D Recall	D Precision	D Sensitivity	D Specificity	D F-measure	D Accuracy	D Cohen's kappa
cluster_1	0	3928	3773	7686	0	0	0	0.49	?	?	?
cluster_4	0	3803	5329	6255	0	0	0	0.584	?	?	?
cluster_0	97	3848	10268	1174	0.076	0.025	0.076	0.727	0.037	?	?
cluster_3	0	2714	12498	175	0	0	0	0.822	?	?	?
cluster_2	0	997	14390	0	?	?	?	0.935	?	?	?
Overall	?	?	?	?	?	?	?	?	?	0.006	-0.327

K nearest Neighbour – Number of neighbours to consider – 11 |

Confusion Matrix

Row ID	I cluster_2	I cluster_1	I cluster_4	I cluster_3	I cluster_0
cluster_2	752	6	6	0	0
cluster_1	27	3719	0	464	0
cluster_4	217	0	3722	0	102
cluster_3	0	203	0	2250	0
cluster_0	1	0	75	0	3843

{Accuracy, Recall, Precision, F1-Score}

Row ID	I TruePo...	I FalsePo...	I TrueNe...	I FalseN...	D Recall	D Precision	D Sensitivity	D Specificity	D F-meas...	D Accuracy	D Cohen's kappa
cluster_2	752	245	14378	12	0.984	0.754	0.984	0.983	0.854	?	?
cluster_1	3719	209	10968	491	0.883	0.947	0.883	0.981	0.914	?	?
cluster_4	3722	81	11265	319	0.921	0.979	0.921	0.993	0.949	?	?
cluster_3	2250	464	12470	203	0.917	0.829	0.917	0.964	0.871	?	?
cluster_0	3843	102	11366	76	0.981	0.974	0.981	0.991	0.977	?	?
Overall	?	?	?	?	?	?	?	?	?	0.928	0.907

K nearest Neighbour – Number of neighbours to consider – 13 |

Confusion Matrix

Row ID	I cluster_2	I cluster_1	I cluster_4	I cluster_3	I cluster_0
cluster_2	740	5	5	0	0
cluster_1	29	3714	0	482	0
cluster_4	228	1	3708	0	100
cluster_3	0	208	0	2232	0
cluster_0	0	0	90	0	3845

{Accuracy, Recall, Precision, F1-Score}

Row ID	I TruePo...	I FalsePo...	I TrueNe...	I FalseN...	D Recall	D Precision	D Sensitivity	D Specificity	D F-meas...	D Accuracy	D Cohen'...
cluster_2	740	257	14380	10	0.987	0.742	0.987	0.982	0.847	?	?
cluster_1	3714	214	10948	511	0.879	0.946	0.879	0.981	0.911	?	?
cluster_4	3708	95	11255	329	0.919	0.975	0.919	0.992	0.946	?	?
cluster_3	2232	482	12465	208	0.915	0.822	0.915	0.963	0.866	?	?
cluster_0	3845	100	11352	90	0.977	0.975	0.977	0.991	0.976	?	?
Overall	?	?	?	?	?	?	?	?	?	0.925	0.903

K nearest Neighbour – Number of neighbours to consider – 15 |

Confusion Matrix

Row ID	I cluster_2	I cluster_1	I cluster_4	I cluster_3	I cluster_0
cluster_2	727	3	3	0	0
cluster_1	30	3713	0	490	0
cluster_4	240	1	3712	0	107
cluster_3	0	211	0	2224	0
cluster_0	0	0	88	0	3838

{Accuracy, Recall, Precision, F1-Score}

Row ID	I TruePo...	I FalsePo...	I TrueNe...	I FalseN...	D Recall	D Precision	D Sensitivity	D Specificity	D F-meas...	D Accuracy	D Cohen'...
cluster_2	727	270	14384	6	0.992	0.729	0.992	0.982	0.84	?	?
cluster_1	3713	215	10939	520	0.877	0.945	0.877	0.981	0.91	?	?
cluster_4	3712	91	11236	348	0.914	0.976	0.914	0.992	0.944	?	?
cluster_3	2224	490	12462	211	0.913	0.819	0.913	0.962	0.864	?	?
cluster_0	3838	107	11354	88	0.978	0.973	0.978	0.991	0.975	?	?
Overall	?	?	?	?	?	?	?	?	?	0.924	0.901

3.2.3.1. PO3 | PS3:: Variable or Feature Analysis: Base Model (Decision Tree)

3.2.3.1.1. List of Relevant or Important Variables or Features and their Thresholds |

Sales 94.5, 136.5, 197.5, 226, 175.5, 221, 239.5, 217 | Shipping Cost 7.65, 12.55, 12.2, 10.7, 13.15 | Profit 128.95, 39.1, |

3.2.3.1.2. List of Non-Relevant or Non-Important Variables or Features

Gender | Aging | Product | Device Type | Product Category | Payment Method | Customer Login type | Quantity | Discount

4. Results | Observations

4.1. Classification Model Parameters: Accuracy of the model | Base Model (Decision Tree)

Row ID	I TruePositives	I FalsePositives	I TrueNegatives	I FalseNegatives	D Recall	D Precision	D Sensitivity	D Specificity	D F-meas...	D Accuracy	D Cohen's kappa
cluster_2	997	0	14390	0	1	1	1	1	1	?	?
cluster_1	3928	0	11459	0	1	1	1	1	1	?	?
cluster_4	3803	0	11584	0	1	1	1	1	1	?	?
cluster_0	3945	0	11442	0	1	1	1	1	1	?	?
cluster_3	2714	0	12673	0	1	1	1	1	1	?	?
Overall	?	?	?	?	?	?	?	?	?	1	1

Logistic Regression |

D Accuracy
?
?
?
?
?
?
0

Support Vector Machine |

D Accuracy
?
?
?
?
?
0.006

K Nearest Neighbour (11)

D Accuracy
?
?
?
?
?
0.928

K Nearest Neighbour (13)

D Accuracy
?
?
?
?
?
0.925

K Nearest Neighbour (15)

D Accuracy
?
?
?
?
?
0.924

5. Managerial Insights

5.1. Appropriate Model – Decision Tree

It gives 100% accuracy for the given dataset. However the next best option would be the K nearest Neighbour with number of neighbours to be consider would be 11.

5.2. Relevant or Important Variables or Features

Of the Decision Tree Model, I observe that only Shipping Cost, Profit and sales is most important among all other variables to predict the cluster class.

Which means only these three i.e. Shipping Cost, Profit and Sales have large Impact for the outcome variable, however if I change the setting of partitioning from 70% to 75% it may change the Relevant and Important variables.

