Problem Statement

Demand Forecast is one of the key tasks in Supply Chain and Retail Domain in general. It is key in effective operation and optimization of retail supply chain. Effectively solving this problem requires knowledge about a wide range of tricks in Data Sciences and good understanding of ensemble techniques. You are required to predict sales for each Store-Day level for one month. All the features will be provided and actual sales that happened during that month will also be provided for model evaluation.

Week 1 Task

```
In [4]:
          import pandas as pd
          import numpy as np
          import matplotlib.pyplot as plt
          %matplotlib inline
          import seaborn as sns
          sns.set_style("whitegrid")
          from sklearn.linear model import LinearRegression
          from sklearn.model selection import train test split
          from sklearn.metrics import mean absolute error, mean squared error
          from sklearn.preprocessing import LabelEncoder
          import tensorflow as tf
          import math
          import warnings
          warnings.filterwarnings('ignore')
          from statsmodels.tsa.stattools import adfuller,acf,pacf
          from statsmodels.graphics.tsaplots import plot acf, plot pacf
          from statsmodels.tsa.arima model import ARIMA
          from keras.models import Sequential
          from keras.layers import Dense, LSTM
          from keras import layers
          from tensorflow.keras.optimizers import Adam,RMSprop,SGD,Adagrad
          from keras.models import load model
          from keras.callbacks import ModelCheckpoint, EarlyStopping, ReduceLROnPlateau
          from sklearn.cluster import KMeans
          from sklearn.decomposition import PCA
          from sklearn.preprocessing import StandardScaler
          from sklearn.ensemble import RandomForestRegressor
          from sklearn.linear model import Ridge
          from sklearn.ensemble import AdaBoostRegressor
In [12]:
          # Loading the dataset
          ## Exploratory Data Analysis (EDA) and Linear Regression:
 In [9]:
          train_data = pd.read_csv(r'train_data.csv')
          train data.Date = pd.to datetime(train data.Date)
          train data.head()
```

Sales Customers Open Promo StateHoliday SchoolHoliday

Date

Store DayOfWeek

Out[9]:

	Store	DayOfWeek	Date	Sales	Customers	Open	Promo	StateHoliday	SchoolHoliday
0	1	2	2015-06-30	5735	568	1	1	0	0
1	2	2	2015-06-30	9863	877	1	1	0	0
2	3	2	2015-06-30	13261	1072	1	1	0	1
3	4	2	2015-06-30	13106	1488	1	1	0	0
4	5	2	2015-06-30	6635	645	1	1	0	0

```
In [13]:
          train data.info()
         <class 'pandas.core.frame.DataFrame'>
         RangeIndex: 982644 entries, 0 to 982643
         Data columns (total 9 columns):
               Column
                             Non-Null Count
                                               Dtype
                              982644 non-null int64
              Store
          1
              DayOfWeek
                              982644 non-null int64
          2
              Date
                              982644 non-null datetime64[ns]
                           982644 non-null int64
982644 non-null int64
          3
              Sales
          4
              Customers
          5
              0pen
                              982644 non-null int64
              {\tt Promo}
          6
                              982644 non-null int64
          7
              StateHoliday 982644 non-null object
              SchoolHoliday 982644 non-null int64
         dtypes: datetime64[ns](1), int64(7), object(1)
         memory usage: 67.5+ MB
In [15]:
          #1. Transform the variables by using data manipulation techniques like, One-Hot Encodin
          # checking unique values
In [16]:
          train_data.StateHoliday.unique()
         array(['0', 'a', 'b', 'c', 0], dtype=object)
Out[16]:
In [18]:
          train_data.loc[train_data.StateHoliday==0,'StateHoliday'] = '0'
```

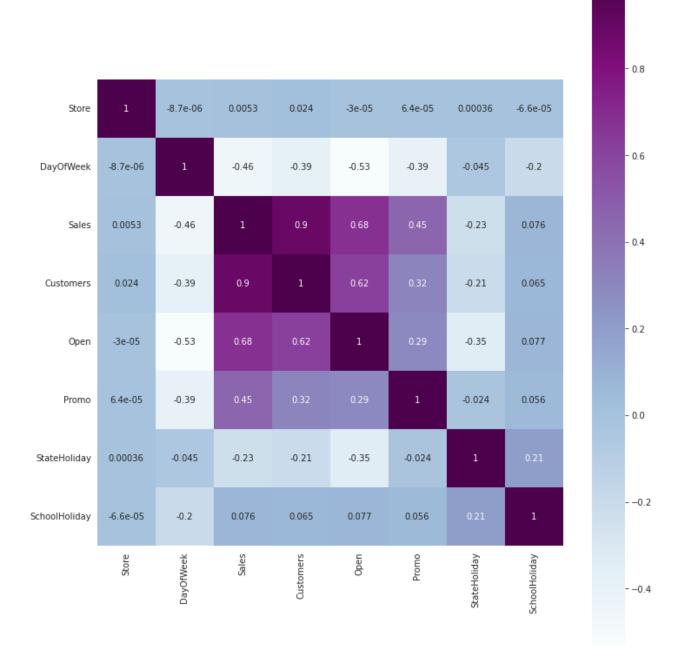
Use One-Hot Encoding to convert this column

```
In [19]: labelencoder= LabelEncoder()
    train_data.StateHoliday = labelencoder.fit_transform(train_data['StateHoliday'])

In [20]: train_data.StateHoliday.unique()
Out[20]: array([0, 1, 2, 3])
```

2. Perform an EDA (Exploratory Data Analysis) to see the impact of variables over Sales.

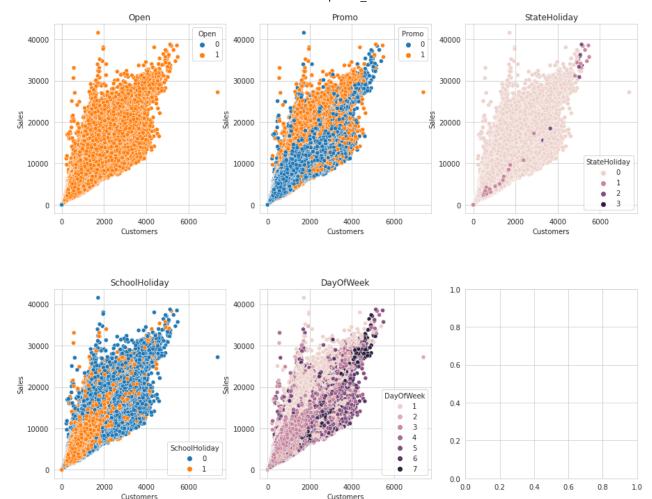
```
In [21]:
          train_data.isna().sum() # checking null values
         Store
                           0
Out[21]:
         DayOfWeek
         Date
         Sales
         Customers
         0pen
         Promo
         StateHoliday
         SchoolHoliday
         dtype: int64
         There is no null value
 In [9]:
          train_data =train_data[~train_data.isin([np.nan, np.inf, -np.inf]).any(1)]
In [10]:
          # check the correlation between variables
          plt.figure(figsize=(12,14))
          sns.heatmap(train_data.corr(),annot=True, square=True,cmap="BuPu")
         <AxesSubplot:>
Out[10]:
```



The above heatmap shows that there is a very good correlation between 'sales' and 'customer'. 'Sales' is also related to 'Open' and 'promo'. 'Sales' is negatively correlated with 'StateHoliday' and 'DayOfWeek

```
fig, axs = plt.subplots(2,3, figsize=(15,12))
fig.subplots_adjust(hspace=0.4)
axs=axs.ravel()
A_list = ['Open', 'Promo','StateHoliday', 'SchoolHoliday','DayOfWeek']
i=0
for col in A_list:
    sns.scatterplot(train_data.Customers,train_data.Sales,hue=train_data[col],ax=axs[i]
    axs[i].set_title(col)
    i+=1
fig.show()
```

- 1.0



From the above EDA analysis we can conclude as follow:

- ZERO Sales when shop is closed.
- HIGH Sales when promo codes and discount is available.
- Very LOW or Very HIGH Sales on State Holidays.
- HIGH Sales when schools are open.
- 1. Apply Linear Regression to predict the forecast and evaluate different accuracy metrices like RMSE (Root Mean Squared Error) and MAE(Mean Absolute Error) and determine which metric makes more sense. Can there be a better accuracy metric?

```
In [12]: ##Total number of stores
    n_shops = train_data.Store.nunique()
    n_shops

Out[12]: 
In [13]: original_data = train_data.copy()
    train_data.drop('Date', axis=1, inplace=True)

In [14]: train_data.head()
```

```
Out[14]:
             Store DayOfWeek
                               Sales Customers Open Promo StateHoliday SchoolHoliday
          0
                1
                            2
                               5735
                                           568
                                                           1
                                                                                     0
                                                   1
          1
                                                                                     0
                2
                            2
                               9863
                                           877
                                                                       0
                                                   1
                                                           1
          2
                3
                            2 13261
                                          1072
                                                   1
                                                           1
                                                                       0
                                                                                     1
          3
                            2 13106
                                          1488
                                                                       0
                                                                                     0
                4
                                                   1
                                                           1
          4
                5
                            2
                                                                                     0
                               6635
                                           645
                                                   1
                                                           1
                                                                       0
In [15]:
           y=np.array(train data['Sales'])
           x=np.array(train_data.drop('Sales',axis=1))
In [16]:
           lr = LinearRegression(normalize=True)
In [17]:
           x_train,x_test,y_train,y_test = train_test_split(x,y,random_state = 100, test_size=0.3)
In [18]:
           print(x_train.shape)
           print(x_test.shape)
           print(y train.shape)
           print(y_test.shape)
          (687850, 7)
          (294794, 7)
          (687850,)
          (294794,)
In [19]:
            lr.fit(x train,y train)
          LinearRegression(normalize=True)
Out[19]:
In [20]:
           y pred = lr.predict(x test)
In [21]:
           def error_cal(y_true,y_pred):
               RMSE = math.sqrt(mean_squared_error(y_true,y_pred))
               MAE = mean absolute error(y true, y pred)
               return RMSE, MAE
In [22]:
           all_store_lr = error_cal(y_test,y_pred)
           all store lr
          (1471.475458119501, 978.5123617111675)
Out[22]:
In [23]:
           plt.figure(figsize=(16,8))
           plt.plot(y_pred[:100],label = 'y_predicted')
           plt.plot(y_test[:100], label = 'y_true')
```

```
plt.legend()
plt.show()

2000

15000

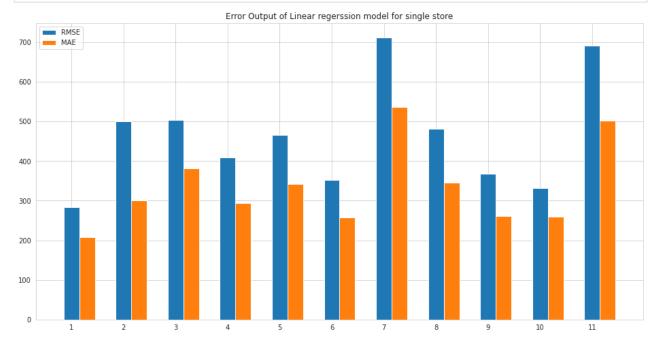
5000
```

b) Train separate model for each store.

```
In [24]:
          def model_single_store(x,y):
              lr = LinearRegression(normalize=True)
              x_train,x_test,y_train,y_test = train_test_split(x,y,test_size=0.25,random_state=42
              lr.fit(x train,y train)
              y_pred = lr.predict(x_test)
              return y_test,y_pred
In [25]:
          stores = [1,2,3,4,5,6,7,8,9,10,11]
In [26]:
          RMSE array lr = []
          MAE_array_lr=[]
          for store in range(1,12):
              data = train data[train data.Store==store]
              data.drop('Store',axis=1,inplace=True)
              y=np.array(data['Sales'])
              x=np.array(data.drop('Sales',axis=1))
              y true,y pred = model single store(x,y)
              RMSE 1, MAE 1 = error cal(y true, y pred)
              RMSE_array_lr.append(RMSE_1)
              MAE array lr.append(MAE 1)
In [27]:
          error output lr = pd.DataFrame()
          error output lr['Stores'] = stores
          error_output_lr['RMSE'] = RMSE_array_lr
          error_output_lr['MAE'] = MAE_array_lr
          error_output_lr
```

	Stores	RMSE	MAE
0	1	284.267843	208.057711
1	2	499.547398	300.639640
2	3	503.516363	380.807745
3	4	408.954683	293.918216
4	5	466.091596	342.290667
5	6	352.195690	257.880767
6	7	712.565579	536.974131
7	8	481.808989	345.948447
8	9	368.470541	261.323809
9	10	331.881675	259.922444
10	11	691.636510	501.935023

```
In [28]: plt.figure(figsize=(16,8))
    N = 12
    x = np.arange(1,N)
    plt.bar(x,height=error_output_lr.RMSE,label = 'RMSE',width = 0.3)
    plt.bar(x+0.3,height=error_output_lr.MAE,label = 'MAE',width = 0.3)
    plt.xticks(stores)
    plt.legend()
    plt.title('Error Output of Linear regerssion model for single store')
    plt.show()
```



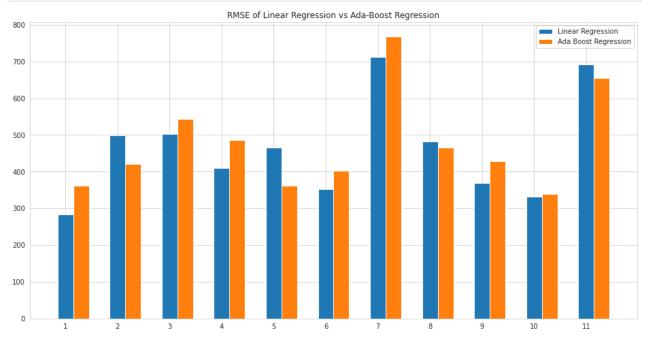
c) Which performs better and Why?

Above model shows that accuracy increases when we train our model for individual store, because Sales might also depend on geographical or locality of the store, So when we predict for individual store then this factor could be treated as constant and can be neglected.

d) Try Ensemble of b) and c). What are the findings?

```
In [29]:
          def adaboost_single_store(x,y):
               lr = AdaBoostRegressor(n estimators=100, learning rate=0.1)
               x train, x test, y train, y test = train test split(x,y,test size=0.25,random state=42
               lr.fit(x train,y train)
               y pred = lr.predict(x test)
               return y_test,y_pred
In [30]:
          RMSE array ada = []
          MAE array ada =[]
          for store in range(1,12):
               data = train_data[train_data.Store==store]
               data.drop('Store',axis=1,inplace=True)
               y=np.array(data['Sales'])
               x=np.array(data.drop('Sales',axis=1))
               y_true,y_pred = adaboost_single_store(x,y)
               RMSE 1,MAE 1 = error_cal(y_true,y_pred)
               RMSE array ada.append(RMSE 1)
               MAE array ada.append(MAE 1)
In [31]:
          error_output_ada = pd.DataFrame()
          error output ada['Stores'] = stores
          error output ada['RMSE'] = RMSE array ada
          error_output_ada['MAE'] = MAE_array_ada
          error output ada
Out[31]:
             Stores
                         RMSE
                                    MAE
           0
                  1 361.714625 256.172928
                  2 421.019260 288.493914
           1
                  3 543.486602 386.114747
                  4 485.118678 363.140434
                  5 361.671499 266.555999
                  6 402.878166 291.685944
                 7 768.739464 575.853433
           7
                  8 464.738251 333.910930
                  9 428.176893 292.193204
                 10 338.385584 248.541183
          10
                 11 655.379880 461.439511
```

```
In [32]: plt.figure(figsize=(16,8))
    N=12
    x=np.arange(1,N)
    plt.bar(x,height=error_output_lr.RMSE,label = 'Linear Regression',width=0.3)
    plt.bar(x+0.3,height=error_output_ada.RMSE,label = 'Ada Boost Regression',width=0.3)
    plt.xticks(stores)
    plt.legend()
    plt.title('RMSE of Linear Regression vs Ada-Boost Regression')
    plt.show()
```



```
In [33]: plt.figure(figsize=(16,8))
    N=12
    x=np.arange(1,N)
    plt.bar(x,height=error_output_lr.MAE,label = 'Linear Regression',width=0.3)
    plt.bar(x+0.3,height=error_output_ada.MAE,label = 'Ada Boost Regression',width=0.3)
    plt.xticks(stores)
    plt.legend()
    plt.title('MAE of Linear Regression vs Ada-Boost Regression')
    plt.show()
```



By comparing RMSE and MAE of ada-boost regression and Linear regression, we can say that there is not much difference between these models

e) Use Regularized Regression. It should perform better in an unseen test set.

```
In [34]:
          def ridge_single_store(x,y):
              ridge = Ridge(alpha=0.00001, normalize=True)
              x train, x test, y train, y test = train test split(x,y,test size=0.25,random state=18
              ridge.fit(x train,y train)
              y_pred = ridge.predict(x_test)
              return y_test,y_pred
In [35]:
          RMSE_array_rdg = []
          MAE array rdg =[]
          for store in range(1,12):
              data = train_data[train_data.Store==store]
              data.drop('Store',axis=1,inplace=True)
              y=np.array(data['Sales'])
              x=np.array(data.drop('Sales',axis=1))
              y_true,y_pred = ridge_single_store(x,y)
              RMSE_1,MAE_1 = error_cal(y_true,y_pred)
              RMSE array rdg.append(RMSE 1)
              MAE array rdg.append(MAE 1)
In [36]:
          error output rdg = pd.DataFrame()
          error_output_rdg['Stores'] = stores
          error output rdg['RMSE'] = RMSE array rdg
          error_output_rdg['MAE'] = MAE_array_rdg
          error output rdg
Out[36]:
             Stores
                        RMSE
                                   MAE
```

	Stores	RMSE	MAE
0	1	253.651635	185.988246
1	2	658.876634	350.142560
2	3	505.016668	359.602319
3	4	440.340415	316.605281
4	5	482.497517	329.292617
5	6	318.540876	227.956072
6	7	717.864403	509.881475
7	8	472.085464	339.311060
8	9	403.765187	269.977126
9	10	335.135667	255.293371
10	11	688.828345	480.443768

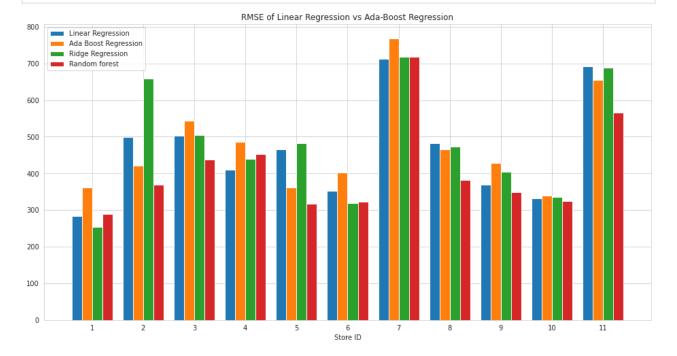
f) Open-ended modeling to get possible predictions

```
In [ ]:
          ## Random forest regression model
In [37]:
          def random_forest(x,y):
              rdm = RandomForestRegressor(n_estimators=60)
              x_train,x_test,y_train,y_test = train_test_split(x,y,test_size=0.25,random_state=36
              rdm.fit(x train,y train)
              y pred = rdm.predict(x test)
              return y_test,y_pred
In [38]:
          RMSE_array_rdm = []
          MAE array rdm =[]
          for store in range(1,12):
              data = train_data[train_data.Store==store]
              data.drop('Store',axis=1,inplace=True)
              y=np.array(data['Sales'])
              x=np.array(data.drop('Sales',axis=1))
              y_true,y_pred = random_forest(x,y)
              RMSE_1,MAE_1 = error_cal(y_true,y_pred)
              RMSE_array_rdm.append(RMSE_1)
              MAE array rdm.append(MAE 1)
In [39]:
          error_output_rdm = pd.DataFrame()
          error_output_rdm['Stores'] = stores
          error_output_rdm['RMSE'] = RMSE_array_rdm
          error output rdm['MAE'] = MAE array rdm
          error output rdm
```

Out[39]:

	Stores	RMSE	MAE
0	1	289.800038	209.037289
1	2	369.020455	230.685341
2	3	438.200612	307.383425
3	4	452.724575	315.005326
4	5	316.741952	223.909329
5	6	321.684684	227.355951
6	7	717.955617	473.584466
7	8	382.437141	260.311017
8	9	347.958906	242.574665
9	10	324.241841	237.028107
10	11	566.301076	387.558521

```
In [40]:
          plt.figure(figsize=(16,8))
          x=np.arange(1,N)
          plt.bar(x,height=error_output_lr.RMSE,label = 'Linear Regression',width=0.2)
          plt.bar(x+0.2,height=error_output_ada.RMSE,label = 'Ada Boost Regression',width=0.2)
          plt.bar(x+0.4,height=error_output_rdg.RMSE,label = 'Ridge Regression',width=0.2)
          plt.bar(x+0.6,height=error_output_rdm.RMSE,label = 'Random forest',width=0.2)
          plt.xticks((2*x+0.6)/2,stores)
          plt.xlabel('Store ID')
          plt.legend()
          plt.title('RMSE of Linear Regression vs Ada-Boost Regression')
          plt.show()
```



```
In [41]:
          # print('Average RMSE Linear regression Error: {}'.format(error output Lr.RMSE.mean()))
```

```
print('Average RMSE Ada-boost regression Error: {}'.format(error_output_ada.RMSE.mean())
print('Average RMSE Ridge regression Error: {}'.format(error_output_rdg.RMSE.mean()))
print('Average RMSE Random Forest regression Error: {}'.format(error_output_rdm.RMSE.me

Average RMSE Ada-boost regression Error: 475.5735366099288
Average RMSE Ridge regression Error: 479.6911645282407
Average RMSE Random Forest regression Error: 411.551536106924
```

g) Other Regression Techniques:

1. When store is closed, sales = 0. Can this insight be used for Data Cleaning? Perform this and retrain the model. Any benefits

of this step? When store is closed then there will be no sale. Hence remove that rows.

```
open_store_data = train_data[train_data.Open == 1]
open_store_data.drop('Open',axis=1,inplace=True)
open_store_data.head()
```

Out[42]:		Store	DayOfWeek	Sales	Customers	Promo	StateHoliday	SchoolHoliday
	0	1	2	5735	568	1	0	0
	1	2	2	9863	877	1	0	0
	2	3	2	13261	1072	1	0	1
	3	4	2	13106	1488	1	0	0
	4	5	2	6635	645	1	0	0

```
In [43]:

RMSE_array_lrc = []

MAE_array_lrc=[]

for store in range(1,12):

    data = open_store_data[open_store_data.Store==store]
    data.drop('Store',axis=1,inplace=True)
    y=np.array(data['Sales'])
    x=np.array(data.drop('Sales',axis=1))
    y_true,y_pred = model_single_store(x,y)
    RMSE_1,MAE_1 = error_cal(y_true,y_pred)
    RMSE_array_lrc.append(RMSE_1)

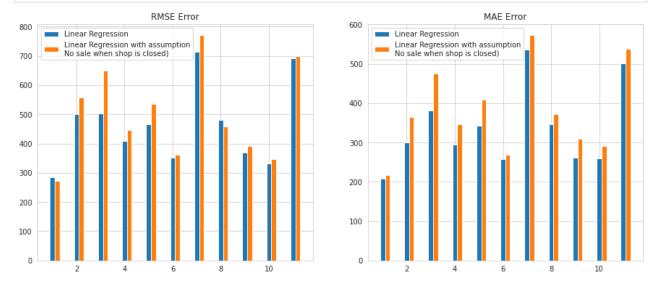
    MAE_array_lrc.append(MAE_1)
```

```
In [44]:
    error_output_lrc = pd.DataFrame()
    error_output_lrc['Stores'] = stores
    error_output_lrc['RMSE'] = RMSE_array_lrc
    error_output_lrc['MAE'] = MAE_array_lrc
    error_output_lrc
```

Out[44]:

	Stores	RMSE	MAE
0	1	271.285014	216.794418
1	2	557.155161	364.294090
2	3	649.968842	476.379140
3	4	444.729628	346.986200
4	5	534.652008	409.715061
5	6	361.446231	269.610691
6	7	770.399228	572.891939
7	8	458.349199	371.704818
8	9	391.073084	309.433183
9	10	347.720527	290.885499
10	11	698.226695	537.427042

```
fig, axs = plt.subplots(1,2, figsize=(15,6))
fig.subplots_adjust(hspace=0.4)
axs=axs.ravel()
N=12
x=np.arange(1,N)
i=0
for col in ['RMSE', 'MAE']:
    axs[i].bar(x,height=error_output_lr[col],label = 'Linear Regression',width=0.2)
    axs[i].bar(x+0.2,height=error_output_lrc[col],label = 'Linear Regression with assum axs[i].legend()
    axs[i].set_title(col+' Error')
i+=1
```

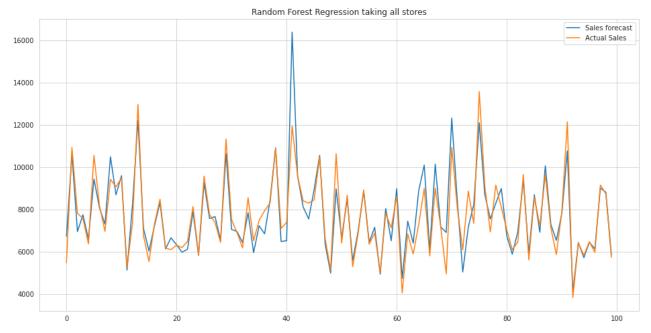


The above graph shoes that both types of error get increased when we removed the rows when store are closed. I think the main reason for this increased error rate is that, our previous model was predicting accurately when store was closed, so while taking mean of that portion the error output got reduced, but in updated model as we removed that rows, so while taking mean it get increased error output. So we do not get any benefit of removing those rows.

2. Use Non-Linear Regressors like Random Forest or other Tree-based Regressors.

a) Train a single model for all stores, where storeld can be a feature

```
In [46]:
          open store data.head()
Out[46]:
            Store DayOfWeek
                               Sales Customers Promo StateHoliday SchoolHoliday
          0
                1
                               5735
                                           568
                                                    1
                                                                0
                                                                              0
          1
                2
                               9863
                                           877
                                                    1
                                                                0
                                                                              0
          2
                           2 13261
                                          1072
                3
                           2 13106
                                          1488
                                                                              0
                5
                               6635
                                           645
                                                                              0
In [47]:
          y=np.array(data['Sales'])
          x=np.array(data.drop('Sales',axis=1))
          y true,y pred = random forest(x,y)
          RMSE rdm, MAE rdm = error cal(y true, y pred)
In [48]:
          print('Root mean squared error: ',RMSE_rdm)
          print('Mean absolute error: ',MAE_rdm)
          Root mean squared error: 735.7698390478077
          Mean absolute error: 500.33408312447796
In [49]:
          plt.figure(figsize=(16,8))
          plt.plot(y_pred[:100],label = 'Sales forecast')
          plt.plot(y_true[:100],label = 'Actual Sales')
          plt.legend()
           plt.title('Random Forest Regression taking all stores')
           plt.show()
```



b) Train separate models for each store

```
In [50]:
           open_store_data.reset_index(drop=True,inplace=True)
In [51]:
           x = open_store_data.drop(['Sales','Store'],axis=1)
           x = StandardScaler().fit_transform(x)
In [52]:
           pca = PCA(n components=3)
           principalComponents = pca.fit transform(x)
In [53]:
           principalDf = pd.DataFrame(data = principalComponents, columns = ['PC_1', 'PC_2', 'PC_3']
In [54]:
           finaldf = pd.concat([open store data[['Store', 'Sales']],principalDf],axis=1)
In [55]:
           finaldf.head()
Out[55]:
                             PC 1
                                       PC 2
                                                 PC 3
             Store
                    Sales
                    5735 0.891968
                                   -0.602281
                                             0.120771
                    9863
                         1.221942
                                  -0.516040
                                             0.489858
                         2.075741
                   13261
                                   0.506591
                                             -1.261974
                   13106
                         1.874415
                                  -0.345512
                                             1.219671
                                  -0.580790
                    6635 0.974194
                                             0.212744
In [56]:
           finaldf.reset index(drop=True,inplace=True)
```

```
In [57]:
          ## k-fold
In [58]:
          def get_stats(model,x_train,y_train,x_test,y_test):
              model.fit(x train,y train)
              y_pred = model.predict(x_test)
              RMSE,MAE = error_cal(y_test,y_pred)
              return [RMSE,MAE]
In [59]:
          from sklearn.model_selection import StratifiedKFold
          from sklearn.tree import DecisionTreeRegressor
          dt = DecisionTreeRegressor()
In [60]:
          y = np.array(finaldf['Sales'])
          x = np.array(finaldf.drop('Sales',axis=1))
In [64]:
          score rdm = []
          score dt = []
          kf = StratifiedKFold(n splits=5)
          for train_index,test_index in kf.split(x,y):
              x_train,x_test,y_train,y_test = train_test_split(x,y,test_size = 0.3,random_state=5
              score_dt.append(get_stats(DecisionTreeRegressor(),x_train,y_train,x_test,y_test))
              score rdm.append(get stats(RandomForestRegressor(n estimators=10),x train,y train,x
In [65]:
          k fold df = pd.DataFrame()
          k_fold_df['decision_tree']=pd.DataFrame(score_dt,columns=['RMSE','MAE']).mean(axis=0)
          k fold df['Random forest']=pd.DataFrame(score rdm,columns=['RMSE','MAE']).mean(axis=0)
In [66]:
          k_fold_df
                decision_tree Random_forest
Out[66]:
          RMSE
                 1110.796469
                                937.531476
          MAE
                  667.480079
                                604.750720
```

for individual stores

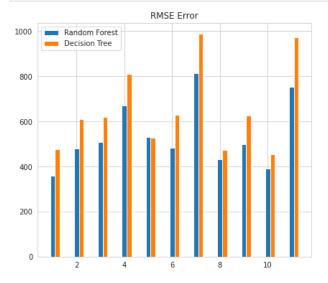
```
In [67]: ## random forest model
    RMSE_array_rdm_pca = []
    MAE_array_rdm_pca = []
    for store in range(1,12):
        data = finaldf[finaldf.Store==store]
        data.drop('Store',axis=1,inplace=True)
        y=np.array(data['Sales'])
        x=np.array(data.drop('Sales',axis=1))
        y_true,y_pred = random_forest(x,y)
        RMSE_1,MAE_1 = error_cal(y_true,y_pred)
```

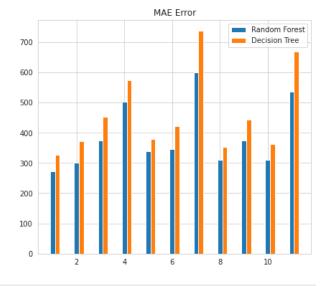
```
RMSE_array_rdm_pca.append(RMSE_1)
               MAE array rdm pca.append(MAE 1)
In [68]:
          error_output_rdm_pca = pd.DataFrame()
          error_output_rdm_pca['Stores'] = stores
          error_output_rdm_pca['RMSE'] = RMSE_array_rdm_pca
          error_output_rdm_pca['MAE'] = MAE_array_rdm_pca
           error output rdm pca
Out[68]:
                                    MAE
             Stores
                        RMSE
           0
                  1 360.186233 271.153220
           1
                  2 479.101762 301.414069
           2
                  3 508.135152 373.457223
           3
                  4 671.479959
                               501.701625
                  5 529.257394
                               338.803512
           5
                  6 482.294879 346.129747
           6
                  7 814.640762 600.077670
           7
                  8 433.178325 311.003786
                  9 500.060012 374.094962
           8
           9
                 10 391.598935 310.417053
          10
                 11 751.909576 535.835465
In [69]:
           def decision_tree(x,y):
               dt = DecisionTreeRegressor()
               x_train,x_test,y_train,y_test = train_test_split(x,y,test_size=0.25,random_state=36
               dt.fit(x train,y train)
               y_pred = dt.predict(x_test)
               return y test, y pred
In [70]:
          ## decision tree model
           RMSE array dt pca = []
          MAE_array_dt_pca = []
          for store in range(1,12):
               data = finaldf[finaldf.Store==store]
               data.drop('Store',axis=1,inplace=True)
               y=np.array(data['Sales'])
               x=np.array(data.drop('Sales',axis=1))
               y_true,y_pred = decision_tree(x,y)
               RMSE_1,MAE_1 = error_cal(y_true,y_pred)
               RMSE_array_dt_pca.append(RMSE_1)
               MAE_array_dt_pca.append(MAE_1)
In [71]:
          error_output_dt_pca = pd.DataFrame()
          error_output_dt_pca['Stores'] = stores
          error_output_dt_pca['RMSE'] = RMSE_array_dt_pca
```

```
error_output_dt_pca['MAE'] = MAE_array_dt_pca
error_output_dt_pca
```

```
Out[71]:
               Stores
                            RMSE
                                         MAE
            0
                       477.549418
                                   326.634921
                       609.044301
                                   372.554386
            1
            2
                       619.815183
                                   452.389184
            3
                       809.361921
                                   573.094737
                       527.454703
                                  379.873227
                       628.113097 422.454145
            6
                       988.034550
                                   736.457895
            7
                       473.650918
                                   351.815789
            8
                       626.786138
                                   442.084220
            9
                   10
                       455.739281
                                   362.482456
                       971.680657 668.550000
           10
                   11
```

```
fig, axs = plt.subplots(1,2, figsize=(15,6))
fig.subplots_adjust(hspace=0.4)
axs=axs.ravel()
N=12
x=np.arange(1,N)
i=0
for col in ['RMSE','MAE']:
    axs[i].bar(x,height=error_output_rdm_pca[col],label = 'Random Forest',width=0.2)
    axs[i].bar(x+0.2,height=error_output_dt_pca[col],label = 'Decision Tree',width=0.2)
    axs[i].legend()
    axs[i].set_title(col+' Error')
    i+=1
```





```
In [73]: print('Average RMSE Decision Tree Error: {}'.format(error_output_dt_pca.RMSE.mean()))
    print('Average RMSE Random Forest Error: {}'.format(error_output_rdm_pca.RMSE.mean()))
```

Average RMSE Decision Tree Error: 653.3845605434634 Average RMSE Random Forest Error: 538.3493627622491

>>Compare the performance of Linear Model and Non-Linear Model from the previous observations. Which performs better and why?

```
In [78]:
           fig, axs = plt.subplots(1,2, figsize=(15,6))
           fig.subplots adjust(hspace=0.4)
           axs=axs.ravel()
           N = 12
           x=np.arange(1,N)
           for col in ['RMSE', 'MAE']:
                axs[i].bar(x,height=error_output_rdm[col],label = 'Random Forest',width=0.2,color =
                axs[i].bar(x+0.2,height=error output lrc[col],label = 'Linear Regression',width=0.2'
                axs[i].legend()
                axs[i].set_title(col+' Error')
                i+=1
                               RMSE Error
                                                                                   MAE Error
                                                              600
          800
                                             Random Forest
                                                                    Random Forest
                                             Linear Regression
                                                                     Linear Regression
          700
                                                              500
          600
                                                              400
          500
                                                              300
          400
          300
          200
In [79]:
           print('Average RMSE Random Forest Error: {}'.format(error_output_rdm.RMSE.mean()))
           print('Average RMSE Linear Regression Error: {}'.format(error output lrc.RMSE.mean()))
```

Average RMSE Random Forest Error: 411.551536106924 Average RMSE Linear Regression Error: 498.63687432231706

Lets Train the time series model on the data with only time as the feature

Time series Analysis

```
In [23]:
          # a) Identify yearly trends and seasonal months
```

```
In [81]:
          def test stationarity(timeseries):
               rolmean = timeseries.rolling(window=52,center = False).mean()
               rolstd = timeseries.rolling(window = 52,center = False).std()
               plt.figure(figsize=(16,8))
               orig = plt.plot(timeseries,color = '#3399ff',label = 'Original')
               mean = plt.plot(rolmean,color = 'red',label = 'Rolling Mean')
               std = plt.plot(rolstd,color = 'green',label = 'Rolling Std')
               plt.title('Rolling mean and Standard deviation')
               plt.legend(loc='best')
               plt.show(block=False)
               print('Result of Dickey-Fuller Test: ')
               dftest = adfuller(timeseries,autolag='AIC')
               dfoutput = pd.Series(dftest[0:4],index=['Test Statistic','p-value','Number of lag u
               for key,value in dftest[4].items():
                   dfoutput['Critical Value (%s)'%key] = value
                   print(dfoutput)
In [82]:
          original_data.head()
Out[82]:
             Store DayOfWeek
                                   Date
                                         Sales Customers Open Promo StateHoliday SchoolHoliday
          0
                1
                           2 2015-06-30
                                          5735
                                                     568
                                                              1
                                                                     1
                                                                                 0
                                                                                               0
          1
                2
                           2 2015-06-30
                                                                                 0
                                                                                               0
                                          9863
                                                     877
                                                              1
                                                                     1
          2
                3
                           2 2015-06-30
                                        13261
                                                     1072
                                                              1
                                                                     1
                                                                                 0
                                                                                               1
          3
                4
                           2 2015-06-30
                                        13106
                                                     1488
                                                                                 0
                                                                                               0
                                                              1
                                                                     1
          4
                5
                           2 2015-06-30
                                          6635
                                                     645
                                                                     1
                                                                                 0
                                                                                               0
In [83]:
          original_data.sort_values('Date',inplace=True)
          original data = original data[original data.Open==1]
          original data.reset index(drop = True,inplace=True)
In [85]:
          datax = original_data[original_data.Store==1][['Date','Sales']]
           datax.set index('Date',inplace=True)
           datax
Out[85]:
                     Sales
               Date
          2013-01-02
                     5530
          2013-01-03
                     4327
          2013-01-04
                     4486
          2013-01-05
                     4997
          2013-01-07
                    7176
```

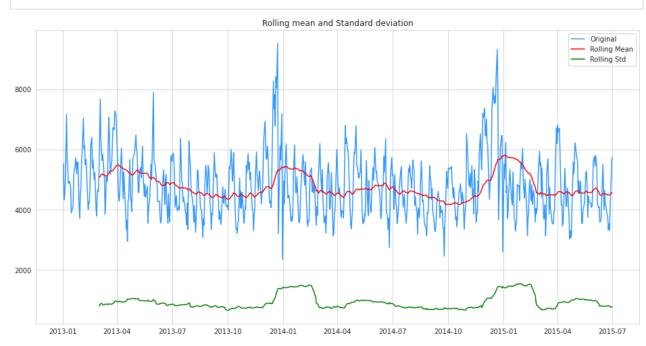
Sales

Date	
2015-06-25	3533
2015-06-26	3317
2015-06-27	4019
2015-06-29	5197
2015-06-30	5735

754 rows × 1 columns

In [86]:

test_stationarity(datax)



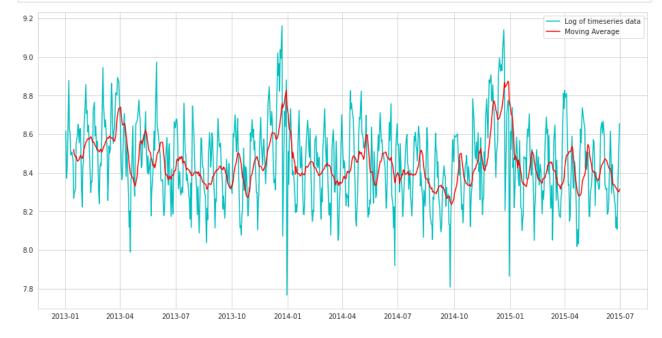
Result of Dickey-Fuller Test:	
Test Statistic	-5.336702
p-value	0.000005
Number of lag used	13.000000
Number of observation used	740.000000
Critical Value (1%)	-3.439218
dtype: float64	
Test Statistic	-5.336702
p-value	0.000005
Number of lag used	13.000000
Number of observation used	740.000000
Critical Value (1%)	-3.439218
Critical Value (5%)	-2.865454
dtype: float64	
Test Statistic	-5.336702
p-value	0.000005
Number of lag used	13.000000
Number of observation used	740.000000
Critical Value (1%)	-3.439218
Critical Value (5%)	-2.865454

Critical Value (10%) -2.568854

dtype: float64

In [87]: # p-value is very close to zero so we will reject the null hypothesis, that data does n # However, data shows some seasonal effects.

```
ts_log = np.log(datax)
    movingavg = ts_log.rolling(window = 12).mean()
    plt.figure(figsize=(16,8))
    plt.plot(ts_log,color='c',label = 'Log of timeseries data')
    plt.plot(movingavg,color='r',label = 'Moving Average')
    plt.legend()
    plt.show()
```



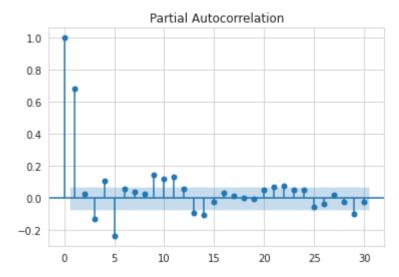
In [93]: #From the above graph we can see seasonal effect in the dataset. #In dec to jan month sale is high in comaprison to other month

```
ts_log_mv_diff = ts_log - movingavg
ts_log_mv_diff.dropna(inplace=True)
```

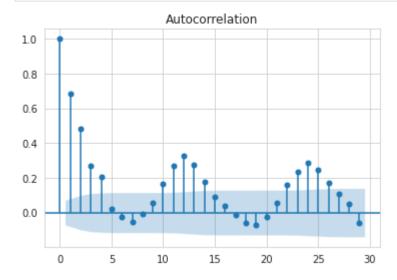
In [95]: # Since p-value is less than 0.05, so we can say that data is stationary. # hence differencing is not required, therefore d = 0.

```
plt.figure(figsize=(16,8))
    plot_pacf(datax.dropna(), lags=30)
    plt.show()
```

<Figure size 1152x576 with 0 Axes>

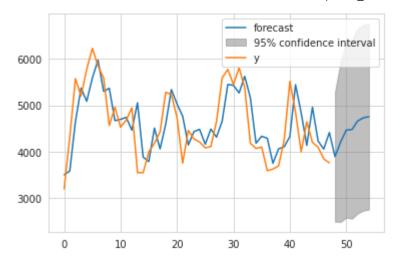


```
In [101...
    plot_acf(datax.dropna())
    plt.show()
```



```
In [102...
model = ARIMA(np.array(datax[:-6]), order=(1, 0, 4))
results = model.fit()
```

```
results.plot_predict(700,754)
plt.show()
```



In [104...

results.summary()

Out[104...

ARMA Model Results

Dep. Variable: No. Observations: 748 Model: ARMA(1, 4) Log Likelihood -5977.693 Method: css-mle S.D. of innovations 714.770 Wed, 18 May 2022 Date: 11969.386 Time: 03:44:38 12001.707 BIC 0 **HQIC** 11981.841 Sample:

	coef	std err	Z	P> z	[0.025	0.975]
const	4771.2335	81.286	58.697	0.000	4611.916	4930.551
ar.L1.y	0.3738	0.127	2.949	0.003	0.125	0.622
ma.L1.y	0.3420	0.127	2.689	0.007	0.093	0.591
ma.L2.y	0.2795	0.092	3.030	0.002	0.099	0.460
ma.L3.y	0.0544	0.062	0.878	0.380	-0.067	0.176
ma.L4.y	0.2763	0.035	8.002	0.000	0.209	0.344

Roots

	Real	Imaginary	Modulus	Frequency
AR.1	2.6754	+0.0000j	2.6754	0.0000
MA.1	-0.8914	-0.9326j	1.2901	-0.3714
MA.2	-0.8914	+0.9326j	1.2901	0.3714
MA.3	0.7930	-1.2434j	1.4748	-0.1596
MA.4	0.7930	+1.2434j	1.4748	0.1596

In [105...

RMSE_ARIMA = math.sqrt(mean_squared_error(np.array(datax[700:]) , results.predict(700,7

```
RMSE_ARIMA

Out[105... 587.1586723760986

In [106... MAE_ARIMA = mean_absolute_error(np.array(datax[700:]) , results.predict(700,753))

MAE_ARIMA

Out[106... 482.53793430410224
```

Project Task: Week 2

Implementing Neural Networks:

1 Train a LSTM on the same set of features and compare the result with traditional time-series model

```
In [110...
          std = datax.std()
          mean = datax.mean()
          timeseries = np.array((datax-mean)/std)
In [112...
          training_size = int(len(timeseries)*0.65)
          test size = len(timeseries)-training size
          train size,test size = timeseries[:training size,:],timeseries[training size:len(timese
In [113...
          def create dataset(dataset, time step = 1):
              dataX,dataY = [],[]
              for i in range(len(dataset)-time step-1):
                   a = dataset[i:(i+time step),0]
                   dataX.append(a)
                   dataY.append(dataset[i+time step,0])
              return np.array(dataX),np.array(dataY)
In [114...
          time step =100
          x train,y train = create dataset(train size, time step)
          x_test,y_test = create_dataset(test_size,time_step)
In [115...
          x train = x train.reshape(x train.shape[0],x train.shape[1],1)
          x_test = x_test.reshape(x_test.shape[0],x_test.shape[1],1)
In [116...
          model = Sequential()
          model.add(LSTM(50,return_sequences = True,input_shape = (100,1)))
          model.add(LSTM(50,return sequences = True))
          model.add(LSTM(50))
```

```
model.add(Dense(1))
model.compile(loss='mean_squared_error',optimizer = 'adam')
```

In [117...

model.summary()

Model: "sequential"

Layer (type)	Output Shape	Param #
lstm (LSTM)	(None, 100, 50)	10400
lstm_1 (LSTM)	(None, 100, 50)	20200
lstm_2 (LSTM)	(None, 50)	20200
dense (Dense)	(None, 1)	51

Total params: 50,851 Trainable params: 50,851 Non-trainable params: 0

In [118...

from keras.callbacks import ModelCheckpoint, EarlyStopping, ReduceLROnPlateau
checkpoint = ModelCheckpoint('Sales.h5',monitor='loss',mode=min,save_best_only=True,ver
early_stopping = EarlyStopping(monitor='loss',patience=9,min_delta=0,restore_best_weigh
Reduce_ler_rate = ReduceLROnPlateau(monitor='loss',factor=0.2,patience=3,verbose=1,min_
callback = [checkpoint,early_stopping,Reduce_ler_rate]

WARNING:tensorflow:ModelCheckpoint mode <built-in function min> is unknown, fallback to auto mode.

```
In [119...
```

```
history = model.fit(x_train,y_train,validation_data=(x_test,y_test),epochs=200,batch_si
```

```
Epoch 1/200
Epoch 1: loss improved from inf to 0.88738, saving model to Sales.h5
7/7 [============ ] - 9s 494ms/step - loss: 0.8874 - val loss: 1.2218 -
lr: 0.0010
Epoch 2/200
Epoch 2: loss improved from 0.88738 to 0.87319, saving model to Sales.h5
7/7 [============ ] - 2s 286ms/step - loss: 0.8732 - val loss: 1.1685 -
lr: 0.0010
Epoch 3/200
Epoch 3: loss improved from 0.87319 to 0.86969, saving model to Sales.h5
7/7 [==========] - 2s 283ms/step - loss: 0.8697 - val loss: 1.1560 -
lr: 0.0010
Epoch 4/200
7/7 [=========== ] - ETA: 0s - loss: 0.8641
Epoch 4: loss improved from 0.86969 to 0.86412, saving model to Sales.h5
lr: 0.0010
Epoch 5/200
7/7 [=========== ] - ETA: 0s - loss: 0.8620
Epoch 5: loss improved from 0.86412 to 0.86196, saving model to Sales.h5
```

```
lr: 0.0010
Epoch 6/200
7/7 [======== - - ETA: 0s - loss: 0.8550
Epoch 6: loss improved from 0.86196 to 0.85505, saving model to Sales.h5
7/7 [==========] - 2s 281ms/step - loss: 0.8550 - val loss: 1.0922 -
lr: 0.0010
Epoch 7/200
7/7 [=========] - ETA: 0s - loss: 0.8415
Epoch 7: loss improved from 0.85505 to 0.84145, saving model to Sales.h5
7/7 [==========] - 2s 280ms/step - loss: 0.8415 - val loss: 1.0418 -
lr: 0.0010
Epoch 8/200
7/7 [========== ] - ETA: 0s - loss: 0.8241
Epoch 8: loss improved from 0.84145 to 0.82409, saving model to Sales.h5
lr: 0.0010
Epoch 9/200
Epoch 9: loss improved from 0.82409 to 0.79695, saving model to Sales.h5
7/7 [==========] - 2s 282ms/step - loss: 0.7970 - val loss: 1.0509 -
lr: 0.0010
Epoch 10/200
7/7 [========== ] - ETA: 0s - loss: 0.7977
Epoch 10: loss did not improve from 0.79695
lr: 0.0010
Epoch 11/200
Epoch 11: loss improved from 0.79695 to 0.75967, saving model to Sales.h5
7/7 [============ ] - 2s 284ms/step - loss: 0.7597 - val loss: 0.9649 -
lr: 0.0010
Epoch 12/200
Epoch 12: loss improved from 0.75967 to 0.72601, saving model to Sales.h5
7/7 [==========] - 2s 285ms/step - loss: 0.7260 - val loss: 0.9229 -
lr: 0.0010
Epoch 13/200
Epoch 13: loss improved from 0.72601 to 0.71513, saving model to Sales.h5
7/7 [=============== ] - 2s 288ms/step - loss: 0.7151 - val_loss: 0.8787 -
lr: 0.0010
Epoch 14/200
Epoch 14: loss improved from 0.71513 to 0.66474, saving model to Sales.h5
7/7 [========== ] - 2s 313ms/step - loss: 0.6647 - val loss: 0.7874 -
lr: 0.0010
Epoch 15/200
Epoch 15: loss improved from 0.66474 to 0.62640, saving model to Sales.h5
lr: 0.0010
Epoch 16/200
Epoch 16: loss improved from 0.62640 to 0.60380, saving model to Sales.h5
lr: 0.0010
Epoch 17/200
Epoch 17: loss improved from 0.60380 to 0.58618, saving model to Sales.h5
```

```
lr: 0.0010
Epoch 18/200
7/7 [======== - - ETA: 0s - loss: 0.5818
Epoch 18: loss improved from 0.58618 to 0.58176, saving model to Sales.h5
lr: 0.0010
Epoch 19/200
7/7 [=========] - ETA: 0s - loss: 0.5520
Epoch 19: loss improved from 0.58176 to 0.55196, saving model to Sales.h5
lr: 0.0010
Epoch 20/200
Epoch 20: loss improved from 0.55196 to 0.52799, saving model to Sales.h5
lr: 0.0010
Epoch 21/200
7/7 [========== ] - ETA: 0s - loss: 0.5388
Epoch 21: loss did not improve from 0.52799
7/7 [========== ] - 2s 308ms/step - loss: 0.5388 - val loss: 0.5845 -
lr: 0.0010
Epoch 22/200
Epoch 22: loss improved from 0.52799 to 0.50991, saving model to Sales.h5
lr: 0.0010
Epoch 23/200
Epoch 23: loss improved from 0.50991 to 0.50434, saving model to Sales.h5
7/7 [============ ] - 2s 285ms/step - loss: 0.5043 - val loss: 0.6674 -
lr: 0.0010
Epoch 24/200
Epoch 24: loss did not improve from 0.50434
7/7 [========== ] - 2s 263ms/step - loss: 0.5196 - val loss: 0.6014 -
lr: 0.0010
Epoch 25/200
Epoch 25: loss improved from 0.50434 to 0.49897, saving model to Sales.h5
7/7 [=============== ] - 2s 275ms/step - loss: 0.4990 - val_loss: 0.5694 -
lr: 0.0010
Epoch 26/200
Epoch 26: loss did not improve from 0.49897
7/7 [========== ] - 2s 263ms/step - loss: 0.5098 - val loss: 0.6946 -
lr: 0.0010
Epoch 27/200
Epoch 27: loss did not improve from 0.49897
lr: 0.0010
Epoch 28/200
Epoch 28: loss improved from 0.49897 to 0.49259, saving model to Sales.h5
lr: 0.0010
Epoch 29/200
Epoch 29: loss improved from 0.49259 to 0.48681, saving model to Sales.h5
```

```
lr: 0.0010
Epoch 30/200
7/7 [======== - - ETA: 0s - loss: 0.4713
Epoch 30: loss improved from 0.48681 to 0.47131, saving model to Sales.h5
lr: 0.0010
Epoch 31/200
7/7 [========== ] - ETA: 0s - loss: 0.4611
Epoch 31: loss improved from 0.47131 to 0.46105, saving model to Sales.h5
lr: 0.0010
Epoch 32/200
7/7 [=========] - ETA: 0s - loss: 0.4444
Epoch 32: loss improved from 0.46105 to 0.44435, saving model to Sales.h5
lr: 0.0010
Epoch 33/200
7/7 [=========] - ETA: 0s - loss: 0.4729
Epoch 33: loss did not improve from 0.44435
lr: 0.0010
Epoch 34/200
Epoch 34: loss did not improve from 0.44435
lr: 0.0010
Epoch 35/200
Epoch 35: loss improved from 0.44435 to 0.42563, saving model to Sales.h5
7/7 [============ ] - 2s 274ms/step - loss: 0.4256 - val loss: 0.5139 -
lr: 0.0010
Epoch 36/200
Epoch 36: loss improved from 0.42563 to 0.41530, saving model to Sales.h5
7/7 [========== ] - 2s 279ms/step - loss: 0.4153 - val loss: 0.5133 -
lr: 0.0010
Epoch 37/200
Epoch 37: loss improved from 0.41530 to 0.40627, saving model to Sales.h5
7/7 [=============== ] - 2s 276ms/step - loss: 0.4063 - val_loss: 0.5217 -
lr: 0.0010
Epoch 38/200
Epoch 38: loss improved from 0.40627 to 0.39016, saving model to Sales.h5
7/7 [============ ] - 2s 282ms/step - loss: 0.3902 - val_loss: 0.5340 -
lr: 0.0010
Epoch 39/200
Epoch 39: loss did not improve from 0.39016
lr: 0.0010
Epoch 40/200
Epoch 40: loss improved from 0.39016 to 0.38032, saving model to Sales.h5
lr: 0.0010
Epoch 41/200
Epoch 41: loss improved from 0.38032 to 0.37837, saving model to Sales.h5
```

```
lr: 0.0010
Epoch 42/200
Epoch 42: loss did not improve from 0.37837
lr: 0.0010
Epoch 43/200
7/7 [=========] - ETA: 0s - loss: 0.3863
Epoch 43: loss did not improve from 0.37837
7/7 [==========] - 2s 279ms/step - loss: 0.3863 - val loss: 0.5629 -
lr: 0.0010
Epoch 44/200
7/7 [========== ] - ETA: 0s - loss: 0.3764
Epoch 44: loss improved from 0.37837 to 0.37644, saving model to Sales.h5
lr: 0.0010
Epoch 45/200
7/7 [======== - - ETA: 0s - loss: 0.3748
Epoch 45: loss improved from 0.37644 to 0.37478, saving model to Sales.h5
7/7 [==========] - 2s 285ms/step - loss: 0.3748 - val loss: 0.5063 -
lr: 0.0010
Epoch 46/200
Epoch 46: loss improved from 0.37478 to 0.36887, saving model to Sales.h5
lr: 0.0010
Epoch 47/200
Epoch 47: loss did not improve from 0.36887
7/7 [============ ] - 2s 290ms/step - loss: 0.3733 - val loss: 0.5465 -
lr: 0.0010
Epoch 48/200
Epoch 48: loss did not improve from 0.36887
7/7 [=========== ] - 2s 286ms/step - loss: 0.3775 - val loss: 0.5125 -
lr: 0.0010
Epoch 49/200
Epoch 49: loss did not improve from 0.36887
Epoch 49: ReduceLROnPlateau reducing learning rate to 0.00020000000949949026.
7/7 [==========] - 2s 286ms/step - loss: 0.3743 - val loss: 0.5079 -
lr: 0.0010
Epoch 50/200
Epoch 50: loss improved from 0.36887 to 0.35663, saving model to Sales.h5
lr: 2.0000e-04
Epoch 51/200
7/7 [========= - - ETA: 0s - loss: 0.3521
Epoch 51: loss improved from 0.35663 to 0.35215, saving model to Sales.h5
7/7 [============ ] - 2s 349ms/step - loss: 0.3521 - val_loss: 0.5084 -
lr: 2.0000e-04
Epoch 52/200
Epoch 52: loss did not improve from 0.35215
1r: 2.0000e-04
Epoch 53/200
```

```
Epoch 53: loss improved from 0.35215 to 0.34878, saving model to Sales.h5
lr: 2.0000e-04
Epoch 54/200
Epoch 54: loss improved from 0.34878 to 0.34760, saving model to Sales.h5
7/7 [==========] - 2s 272ms/step - loss: 0.3476 - val loss: 0.5042 -
lr: 2.0000e-04
Epoch 55/200
Epoch 55: loss improved from 0.34760 to 0.34632, saving model to Sales.h5
lr: 2.0000e-04
Epoch 56/200
Epoch 56: loss improved from 0.34632 to 0.34546, saving model to Sales.h5
lr: 2.0000e-04
Epoch 57/200
Epoch 57: loss improved from 0.34546 to 0.34444, saving model to Sales.h5
7/7 [==========] - 2s 303ms/step - loss: 0.3444 - val loss: 0.4919 -
lr: 2.0000e-04
Epoch 58/200
Epoch 58: loss improved from 0.34444 to 0.34385, saving model to Sales.h5
7/7 [============= ] - 2s 300ms/step - loss: 0.3439 - val loss: 0.4816 -
lr: 2.0000e-04
Epoch 59/200
Epoch 59: loss did not improve from 0.34385
7/7 [========== ] - 2s 262ms/step - loss: 0.3443 - val loss: 0.4807 -
lr: 2.0000e-04
Epoch 60/200
Epoch 60: loss improved from 0.34385 to 0.34314, saving model to Sales.h5
7/7 [=============== ] - 2s 273ms/step - loss: 0.3431 - val_loss: 0.4866 -
lr: 2.0000e-04
Epoch 61/200
Epoch 61: loss improved from 0.34314 to 0.34239, saving model to Sales.h5
7/7 [==========] - 2s 293ms/step - loss: 0.3424 - val loss: 0.4998 -
lr: 2.0000e-04
Epoch 62/200
Epoch 62: loss improved from 0.34239 to 0.34146, saving model to Sales.h5
lr: 2.0000e-04
Epoch 63/200
7/7 [=========] - ETA: 0s - loss: 0.3463
Epoch 63: loss did not improve from 0.34146
lr: 2.0000e-04
Epoch 64/200
7/7 [========] - ETA: 0s - loss: 0.3441
Epoch 64: loss did not improve from 0.34146
1r: 2.0000e-04
Epoch 65/200
```

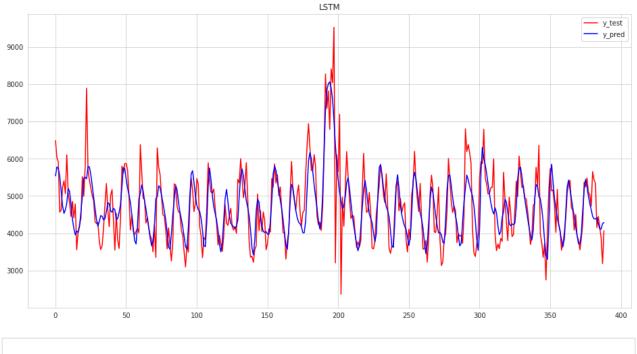
```
7/7 [========= ] - ETA: 0s - loss: 0.3417
Epoch 65: loss did not improve from 0.34146
Epoch 65: ReduceLROnPlateau reducing learning rate to 4.0000001899898055e-05.
7/7 [============ ] - 2s 274ms/step - loss: 0.3417 - val loss: 0.5110 -
lr: 2.0000e-04
Epoch 66/200
Epoch 66: loss improved from 0.34146 to 0.33964, saving model to Sales.h5
7/7 [==========] - 2s 288ms/step - loss: 0.3396 - val loss: 0.5102 -
lr: 4.0000e-05
Epoch 67/200
Epoch 67: loss improved from 0.33964 to 0.33896, saving model to Sales.h5
7/7 [============ ] - 2s 274ms/step - loss: 0.3390 - val loss: 0.5098 -
lr: 4.0000e-05
Epoch 68/200
Epoch 68: loss improved from 0.33896 to 0.33855, saving model to Sales.h5
7/7 [==========] - 2s 284ms/step - loss: 0.3386 - val loss: 0.5071 -
lr: 4.0000e-05
Epoch 69/200
Epoch 69: loss improved from 0.33855 to 0.33802, saving model to Sales.h5
7/7 [============ ] - 2s 279ms/step - loss: 0.3380 - val loss: 0.5034 -
lr: 4.0000e-05
Epoch 70/200
Epoch 70: loss improved from 0.33802 to 0.33702, saving model to Sales.h5
7/7 [==========] - 2s 285ms/step - loss: 0.3370 - val loss: 0.5022 -
lr: 4.0000e-05
Epoch 71/200
Epoch 71: loss improved from 0.33702 to 0.33661, saving model to Sales.h5
lr: 4.0000e-05
Epoch 72/200
Epoch 72: loss improved from 0.33661 to 0.33641, saving model to Sales.h5
7/7 [==========] - 2s 273ms/step - loss: 0.3364 - val_loss: 0.5004 -
lr: 4.0000e-05
Epoch 73/200
7/7 [========= ] - ETA: 0s - loss: 0.3364
Epoch 73: loss did not improve from 0.33641
Epoch 73: ReduceLROnPlateau reducing learning rate to 8.000000525498762e-06.
7/7 [============ ] - 2s 270ms/step - loss: 0.3364 - val loss: 0.4982 -
lr: 4.0000e-05
Epoch 74/200
7/7 [========== ] - ETA: 0s - loss: 0.3358
Epoch 74: loss improved from 0.33641 to 0.33584, saving model to Sales.h5
lr: 8.0000e-06
Epoch 75/200
Epoch 75: loss improved from 0.33584 to 0.33583, saving model to Sales.h5
lr: 8.0000e-06
Epoch 76/200
```

```
Epoch 76: loss improved from 0.33583 to 0.33576, saving model to Sales.h5
lr: 8.0000e-06
Epoch 77/200
Epoch 77: loss did not improve from 0.33576
Epoch 77: ReduceLROnPlateau reducing learning rate to 1.6000001778593287e-06.
7/7 [============= ] - 2s 262ms/step - loss: 0.3359 - val_loss: 0.4973 -
lr: 8.0000e-06
Epoch 78/200
Epoch 78: loss improved from 0.33576 to 0.33568, saving model to Sales.h5
7/7 [=========== ] - 2s 300ms/step - loss: 0.3357 - val loss: 0.4974 -
lr: 1.6000e-06
Epoch 79/200
Epoch 79: loss did not improve from 0.33568
lr: 1.6000e-06
Epoch 80/200
Epoch 80: loss improved from 0.33568 to 0.33566, saving model to Sales.h5
Epoch 80: ReduceLROnPlateau reducing learning rate to 3.200000264769187e-07.
lr: 1.6000e-06
Epoch 81/200
Epoch 81: loss improved from 0.33566 to 0.33565, saving model to Sales.h5
7/7 [============ ] - 2s 290ms/step - loss: 0.3357 - val loss: 0.4974 -
lr: 3.2000e-07
Epoch 82/200
Epoch 82: loss improved from 0.33565 to 0.33565, saving model to Sales.h5
7/7 [========== ] - 2s 283ms/step - loss: 0.3356 - val loss: 0.4974 -
lr: 3.2000e-07
Epoch 83/200
Epoch 83: loss improved from 0.33565 to 0.33565, saving model to Sales.h5
Epoch 83: ReduceLROnPlateau reducing learning rate to 6.400000529538374e-08.
7/7 [==========] - 2s 335ms/step - loss: 0.3356 - val loss: 0.4974 -
lr: 3.2000e-07
Epoch 84/200
Epoch 84: loss improved from 0.33565 to 0.33564, saving model to Sales.h5
lr: 6.4000e-08
Epoch 85/200
Epoch 85: loss improved from 0.33564 to 0.33564, saving model to Sales.h5
7/7 [============ ] - 2s 296ms/step - loss: 0.3356 - val_loss: 0.4974 -
lr: 6.4000e-08
Epoch 86/200
Epoch 86: loss improved from 0.33564 to 0.33564, saving model to Sales.h5
Epoch 86: ReduceLROnPlateau reducing learning rate to 1.2800001059076749e-08.
7/7 [==========] - 2s 303ms/step - loss: 0.3356 - val_loss: 0.4974 -
```

```
1r: 6.4000e-08
Epoch 87/200
Epoch 87: loss improved from 0.33564 to 0.33564, saving model to Sales.h5
7/7 [============ ] - 2s 293ms/step - loss: 0.3356 - val loss: 0.4974 -
lr: 1.2800e-08
Epoch 88/200
Epoch 88: loss improved from 0.33564 to 0.33564, saving model to Sales.h5
7/7 [==========] - 2s 291ms/step - loss: 0.3356 - val loss: 0.4974 -
lr: 1.2800e-08
Epoch 89/200
Epoch 89: loss improved from 0.33564 to 0.33564, saving model to Sales.h5
Epoch 89: ReduceLROnPlateau reducing learning rate to 2.5600002118153498e-09.
7/7 [==========] - 2s 299ms/step - loss: 0.3356 - val loss: 0.4974 -
lr: 1.2800e-08
Epoch 90/200
7/7 [========== ] - ETA: 0s - loss: 0.3356
Epoch 90: loss improved from 0.33564 to 0.33564, saving model to Sales.h5
lr: 2.5600e-09
Epoch 91/200
Epoch 91: loss did not improve from 0.33564
7/7 [==========] - 2s 292ms/step - loss: 0.3356 - val_loss: 0.4974 -
lr: 2.5600e-09
Epoch 92/200
Epoch 92: loss did not improve from 0.33564
Epoch 92: ReduceLROnPlateau reducing learning rate to 5.1200004236307e-10.
7/7 [==========] - 2s 285ms/step - loss: 0.3356 - val loss: 0.4974 -
lr: 2.5600e-09
Epoch 93/200
7/7 [========== ] - ETA: 0s - loss: 0.3356
Epoch 93: loss did not improve from 0.33564
lr: 5.1200e-10
Epoch 94/200
7/7 [========] - ETA: 0s - loss: 0.3356
Epoch 94: loss did not improve from 0.33564
7/7 [============ ] - 2s 262ms/step - loss: 0.3356 - val loss: 0.4974 -
lr: 5.1200e-10
Epoch 95/200
Epoch 95: loss did not improve from 0.33564
Epoch 95: ReduceLROnPlateau reducing learning rate to 1.0240001069306004e-10.
7/7 [============ ] - 2s 276ms/step - loss: 0.3356 - val loss: 0.4974 -
lr: 5.1200e-10
Epoch 96/200
Epoch 96: loss did not improve from 0.33564
lr: 1.0240e-10
Epoch 97/200
Epoch 97: loss did not improve from 0.33564
```

```
7/7 [==========] - 2s 275ms/step - loss: 0.3356 - val loss: 0.4974 -
lr: 1.0240e-10
Epoch 98/200
7/7 [======== - - ETA: 0s - loss: 0.3356
Epoch 98: loss improved from 0.33564 to 0.33564, saving model to Sales.h5
Epoch 98: ReduceLROnPlateau reducing learning rate to 2.0480002416167767e-11.
7/7 [==========] - 2s 277ms/step - loss: 0.3356 - val loss: 0.4974 -
lr: 1.0240e-10
Epoch 99/200
Epoch 99: loss did not improve from 0.33564
lr: 2.0480e-11
Epoch 100/200
Epoch 100: loss did not improve from 0.33564
lr: 2.0480e-11
Epoch 101/200
Epoch 101: loss did not improve from 0.33564
Epoch 101: ReduceLROnPlateau reducing learning rate to 4.096000622011431e-12.
7/7 [============= ] - 2s 273ms/step - loss: 0.3356 - val loss: 0.4974 -
lr: 2.0480e-11
Epoch 102/200
Epoch 102: loss did not improve from 0.33564
7/7 [========== ] - 2s 268ms/step - loss: 0.3356 - val loss: 0.4974 -
lr: 4.0960e-12
Epoch 103/200
7/7 [========== ] - ETA: 0s - loss: 0.3356
Epoch 103: loss did not improve from 0.33564
lr: 4.0960e-12
Epoch 104/200
7/7 [========== ] - ETA: 0s - loss: 0.3356
Epoch 104: loss did not improve from 0.33564
Epoch 104: ReduceLROnPlateau reducing learning rate to 8.192000897078167e-13.
7/7 [==========] - 2s 291ms/step - loss: 0.3356 - val loss: 0.4974 -
lr: 4.0960e-12
Epoch 105/200
7/7 [======== - - ETA: 0s - loss: 0.3356
Epoch 105: loss did not improve from 0.33564
7/7 [============ ] - 2s 269ms/step - loss: 0.3356 - val loss: 0.4974 -
lr: 8.1920e-13
Epoch 106/200
7/7 [======== - - ETA: 0s - loss: 0.3356
Epoch 106: loss did not improve from 0.33564
lr: 8.1920e-13
Epoch 107/200
Epoch 107: loss did not improve from 0.33564
Restoring model weights from the end of the best epoch: 98.
Epoch 107: ReduceLROnPlateau reducing learning rate to 1.6384001360475466e-13.
7/7 [==========] - 2s 284ms/step - loss: 0.3356 - val_loss: 0.4974 -
```

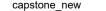
```
lr: 8.1920e-13
         Epoch 107: early stopping
In [124...
          train_predict = model.predict(x_train)
          test predict = model.predict(x test)
In [125...
          #train_predict = std.inverse_transform(train_predict)
          train predict = train predict.reshape(len(train predict))
          #test predict = std.inverse transform(test predict)
          test predict = test predict.reshape(len(test predict))
In [126...
          # inversion of normalisation
          train_predict = train_predict*std.values + mean.values
          test predict = test predict*std.values + mean.values
          y train = y train*std.values + mean.values
          y_test = y_test*std.values + mean.values
In [127...
          RMSE_LSTM = math.sqrt(mean_squared_error(y_train,train_predict))
          RMSE LSTM
         591.3372080725682
Out[127...
In [128...
          RMSE_LSTM = math.sqrt(mean_squared_error(y_test,test_predict))
          RMSE LSTM
         719.8649163443836
Out[128...
In [135...
          plt.figure(figsize = (16,8))
          plt.plot(y_train, label = 'y_test',color ='r')
          plt.plot(train_predict,label = 'y_pred',color='b')
          plt.title('LSTM')
          plt.legend()
          plt.show()
```

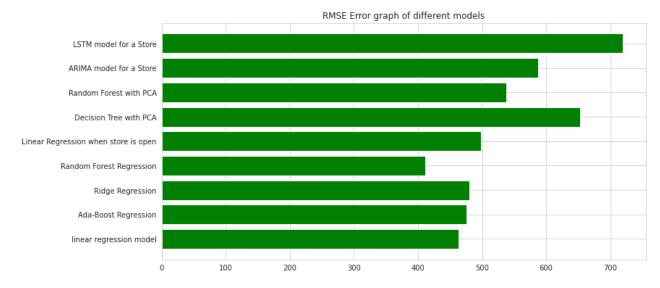


In [136... # Conclusion : The time series model performs better than the LSTM model

2. Comment on the behavior of all the models you have built so far

```
In [138...
          models_error = [[error_output_lr.RMSE.mean(), 'linear regression model']] # Linear regr
          models_error.append([error_output_ada.RMSE.mean(),'Ada-Boost Regression']) # Ada-Boost
          models error.append([error output rdg.RMSE.mean(), 'Ridge Regression']) # Ridge Regressi
          models_error.append([error_output_rdm.RMSE.mean(),'Random Forest Regression']) # Random
          models_error.append([error_output_lrc.RMSE.mean(),'Linear Regression when store is open
          models error.append([error output dt pca.RMSE.mean(),'Decision Tree with PCA'])
          models_error.append([error_output_rdm_pca.RMSE.mean(),'Random Forest with PCA'])
          models error.append([RMSE ARIMA, 'ARIMA model for a Store'])
          models error.append([RMSE LSTM, 'LSTM model for a Store'])
In [139...
          models error = pd.DataFrame(models error)
In [141...
          plt.figure(figsize=(12,6))
          plt.barh(models error[1],models error[0], color = "g")
          plt.title('RMSE Error graph of different models')
          plt.show()
```





```
In [142... # Conclusion : This gives us the idea that the Random Forest is the best amonst all the

In [143... # Finding how many clusters are possible
```

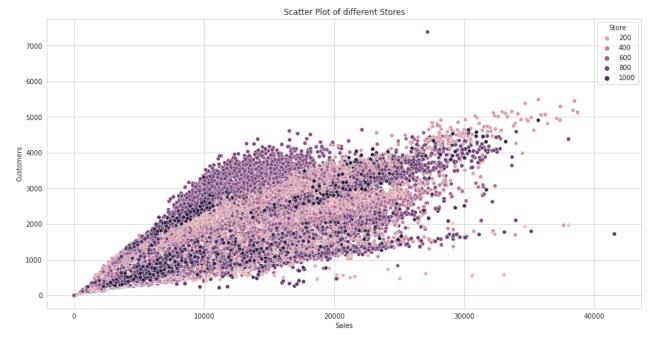
3. Cluster stores using sales and customer visits as features. Find out how many clusters or groups are possible. Also visualize the results.

```
cluster_data = train_data[train_data.Open==1]
    cluster_data = cluster_data[['Store', 'Sales', 'Customers']]
    cluster_data.head()
```

Out[144		Store	Sales	Customers
	0	1	5735	568
	1	2	9863	877
	2	3	13261	1072
	3	4	13106	1488
	4	5	6635	645

```
In [ ]:
In [145...

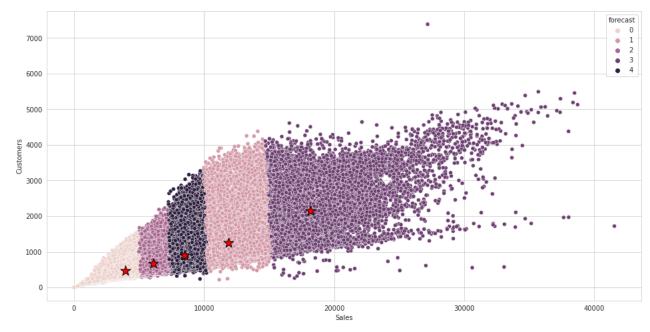
plt.figure(figsize=(16,8))
    sns.scatterplot(data=cluster_data,x='Sales',y='Customers', hue = 'Store')
    plt.title('Scatter Plot of different Stores')
    plt.show()
```



```
kmeans = KMeans(n_clusters=5, random_state=24).fit(np.array(cluster_data[['Sales','Cust
cluster_data['forecast'] = kmeans.predict(np.array(cluster_data[['Sales','Customers']])
cluster_data.head()
```

```
Out[146...
              Store
                      Sales Customers forecast
           0
                      5735
                                   568
                                               2
                  1
           1
                  2
                      9863
                                   877
                                               4
           2
                  3 13261
                                  1072
           3
                    13106
                                  1488
                  4
                  5
                      6635
                                   645
                                               2
```

```
In [147...
          kmeans.labels_
          kmeans.cluster_centers_
         array([[ 3927.10606094, 465.94338323],
Out[147...
                 [11874.9189934 , 1259.72065898],
                 [ 6120.57968859,
                                   674.83040976],
                 [18198.68233558, 2146.44714376],
                 [ 8526.27176071,
                                    897.11022624]])
In [148...
          plt.figure(figsize=(16,8))
          sns.scatterplot(data=cluster_data,x='Sales',y='Customers', hue = 'forecast')
          plt.scatter(
              kmeans.cluster_centers_[:, 0], kmeans.cluster_centers_[:, 1],
              s=250, marker='*',
              c='red', edgecolor='black',
              label='centroids'
          plt.show()
```



In [26]: # Lets separate the prediction models for each clusters.

4. Is it possible to have separate prediction models for each cluster? Compare results with the previous models.

```
cluster_data = train_data[train_data.Open == 1]
cluster_data.drop('Open',axis=1,inplace=True)
kmeans = KMeans(n_clusters=5, random_state=24).fit(np.array(cluster_data[['Sales','Cust
cluster_data['forecast'] = kmeans.predict(np.array(cluster_data[['Sales','Customers']])
cluster_data.head()
```

```
Out[150...
              Store DayOfWeek
                                 Sales Customers Promo StateHoliday SchoolHoliday forecast
           0
                                  5735
                                               568
                                                                                              2
                                  9863
                                              877
                                                                                              4
                                 13261
                                             1072
                                 13106
                                             1488
                                                                                              2
                                  6635
                                              645
```

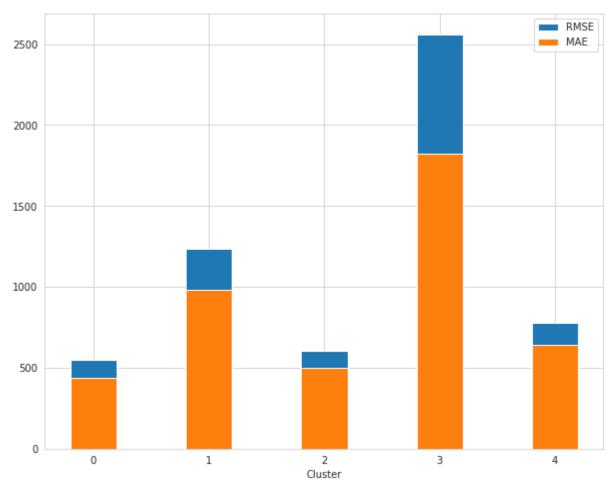
```
cluster_data.drop('Store',axis=1,inplace=True)
RMSE_cluster_rdm = []
MAE_cluster_rdm=[]
for clust in range(5):
    data = cluster_data[cluster_data.forecast==clust]
    data.drop('forecast',axis=1,inplace=True)
    y=np.array(data['Sales'])
    x=np.array(data.drop('Sales',axis=1))
    y_test,y_pred = random_forest(np.array(x),np.array(y))
```

```
RMSE_1,MAE_1 = error_cal(y_test,y_pred)
RMSE_cluster_rdm.append(RMSE_1)
MAE_cluster_rdm.append(MAE_1)
```

```
cluster = [0,1,2,3,4]
error_output_cluster_rdm = pd.DataFrame()
error_output_cluster_rdm['cluster'] = cluster
error_output_cluster_rdm['RMSE'] = RMSE_cluster_rdm
error_output_cluster_rdm['MAE'] = MAE_cluster_rdm
error_output_cluster_rdm
```

```
Out[152...
              cluster
                            RMSE
                                          MAE
           0
                       548.076478
                                    436.845845
                                    982.949886
           1
                   1 1234.593415
           2
                       601.942714
                                    498.720675
           3
                   3 2562.038866
                                   1826.680012
                       777.805035
                                    640.092054
```

```
plt.figure(figsize=(10,8))
  plt.bar(x=error_output_cluster_rdm.cluster,height=error_output_cluster_rdm.RMSE,label =
    plt.bar(x=error_output_cluster_rdm.cluster,height=error_output_cluster_rdm.MAE,label =
    plt.xlabel('Cluster')
    plt.legend()
    plt.show()
```



In [154...

#since data is not suitable for clustring, we can not separate data into different clus #so while predicting sales based on clusters, it shows unpredictible result (RMSE, and

Applying ANN:

- 1. Use ANN (Artificial Neural Network) to predict Store Sales. a) Fine-tune number of layers,
 - b) Number of Neurons in each layers.
 - c) Experiment in batch-size.
 - d) Experiment with number of epochs. Carefully observe the loss and accuracy? What are the observations?
 - e) Play with different Learning Rate variants of Gradient Descent like Adam, SGD, RMS-prop.
 - f) Which activation performs best for this use case and why?
 - g) Check how it performed in the dataset, calculate RMSE.

In [156	t	train_data.head()									
Out[156		Store	DayOfWeek	Sales	Customers	Open	Promo	StateHoliday	SchoolHoliday		
	0	1	2	5735	568	1	1	0	0		
	1	2	2	9863	877	1	1	0	0		

Store DayOfWeek

```
2
                3
                              13261
                                         1072
                                                  1
                                                          1
                                                                      0
                                                                                    1
          3
                           2 13106
                                         1488
                                                          1
                                                                      0
                                                                                    0
                4
                                                  1
          4
                5
                           2
                               6635
                                          645
                                                          1
                                                                      0
                                                                                    0
                                                  1
 In [ ]:
In [157...
          train data = train data[train data.Store<=100]</pre>
          train data = train data[train data.Open == 1]
          train data.reset index(drop=True, inplace=True)
          y = train data['Sales']
          x = train_data.drop(['Sales','Open'],axis=1)
          std = StandardScaler()
          x = std.fit transform(x)
In [158...
          x train,x test,y train,y test = train test split(np.array(x),np.array(y),random state=4
In [159...
          model_1 = Sequential()
          model 1.add(layers.Dense(32, activation='elu', input shape = (x train.shape[1],)))
          model 1.add(layers.Dense(64, activation='elu'))
          model 1.add(layers.Dense(64, activation='elu'))
          model 1.add(layers.BatchNormalization())
          ## block 2
          model 1.add(layers.Dense(128, activation='elu'))
          model 1.add(layers.Dense(128, activation='elu'))
          model 1.add(layers.BatchNormalization())
          ## block 3
          model 1.add(layers.Dense(256, activation='elu'))
          model 1.add(layers.Dense(256, activation='elu'))
          model 1.add(layers.BatchNormalization())
          ## block 4
          model_1.add(layers.Dense(128, activation='elu'))
          model 1.add(layers.Dense(128, activation='elu'))
          model 1.add(layers.BatchNormalization())
          ## block 5
          model_1.add(layers.Dense(64, activation='elu'))
          model 1.add(layers.Dense(64, activation='elu'))
          model 1.add(layers.Dense(32, activation='elu'))
          model 1.add(layers.Dense(1))
In [160...
          model 1.compile(loss='mse',optimizer = Adam(learning rate=0.001), metrics=['mae'])
In [161...
          checkpoint = ModelCheckpoint('Sales ann.h5',
          monitor='loss',
          mode=min,
          save best only=True,
           verbose=1)
          early stopping = EarlyStopping(monitor='loss',
          patience=9,
```

Sales Customers Open Promo StateHoliday SchoolHoliday

```
min_delta=0,
  restore_best_weights=True,
  verbose=1)
Reduce_ler_rate = ReduceLROnPlateau(monitor='loss',
  factor=0.2,
  patience=3,
  verbose=1,
  min_delta=0.001)
  callback = [checkpoint,early_stopping,Reduce_ler_rate]
```

WARNING:tensorflow:ModelCheckpoint mode <built-in function min> is unknown, fallback to auto mode.

```
In [162... history = model_1.fit(x_train,y_train,epochs=100,batch_size=20,verbose=1,callbacks=call
```

```
Epoch 1/100
Epoch 1: loss improved from inf to 4811496.50000, saving model to Sales ann.h5
533.4656 - lr: 0.0010
Epoch 2/100
Epoch 2: loss improved from 4811496.50000 to 2294520.50000, saving model to Sales ann.h5
33.1794 - lr: 0.0010
Epoch 3/100
Epoch 3: loss improved from 2294520.50000 to 2040060.75000, saving model to Sales ann.h5
68.4197 - lr: 0.0010
Epoch 4/100
Epoch 4: loss improved from 2040060.75000 to 1848382.50000, saving model to Sales ann.h5
23.4998 - lr: 0.0010
Epoch 5/100
Epoch 5: loss improved from 1848382.50000 to 1749494.62500, saving model to Sales ann.h5
7.0168 - lr: 0.0010
Epoch 6/100
Epoch 6: loss improved from 1749494.62500 to 1712476.87500, saving model to Sales ann.h5
6.1966 - lr: 0.0010
Epoch 7/100
Epoch 7: loss improved from 1712476.87500 to 1674769.87500, saving model to Sales_ann.h5
2.5356 - lr: 0.0010
Epoch 8/100
```

```
Epoch 8: loss improved from 1674769.87500 to 1641398.37500, saving model to Sales ann.h5
3.4650 - lr: 0.0010
Epoch 9/100
Epoch 9: loss improved from 1641398.37500 to 1621098.50000, saving model to Sales ann.h5
5.4664 - lr: 0.0010
Epoch 10/100
Epoch 10: loss improved from 1621098.50000 to 1602030.25000, saving model to Sales_ann.h
7.5041 - lr: 0.0010
Epoch 11/100
Epoch 11: loss improved from 1602030.25000 to 1579421.00000, saving model to Sales ann.h
0.8808 - lr: 0.0010
Epoch 12/100
Epoch 12: loss improved from 1579421.00000 to 1554666.87500, saving model to Sales ann.h
3.5635 - lr: 0.0010
Epoch 13/100
Epoch 13: loss improved from 1554666.87500 to 1536294.87500, saving model to Sales ann.h
5.6436 - lr: 0.0010
Epoch 14/100
Epoch 14: loss improved from 1536294.87500 to 1525366.25000, saving model to Sales ann.h
3.1331 - lr: 0.0010
Epoch 15/100
Epoch 15: loss improved from 1525366.25000 to 1490681.87500, saving model to Sales ann.h
2.2600 - lr: 0.0010
Epoch 16/100
Epoch 16: loss improved from 1490681.87500 to 1486318.37500, saving model to Sales ann.h
0.3878 - lr: 0.0010
Epoch 17/100
```

```
Epoch 17: loss improved from 1486318.37500 to 1475963.50000, saving model to Sales ann.h
7.4292 - lr: 0.0010
Epoch 18/100
Epoch 18: loss improved from 1475963.50000 to 1448035.00000, saving model to Sales ann.h
6.5024 - lr: 0.0010
Epoch 19/100
Epoch 19: loss improved from 1448035.00000 to 1444953.62500, saving model to Sales ann.h
5.2623 - lr: 0.0010
Epoch 20/100
Epoch 20: loss improved from 1444953.62500 to 1417305.62500, saving model to Sales ann.h
8.3780 - lr: 0.0010
Epoch 21/100
Epoch 21: loss improved from 1417305.62500 to 1406796.25000, saving model to Sales ann.h
3.1383 - lr: 0.0010
Epoch 22/100
Epoch 22: loss improved from 1406796.25000 to 1393998.37500, saving model to Sales ann.h
0.6060 - lr: 0.0010
Epoch 23/100
Epoch 23: loss improved from 1393998.37500 to 1378346.12500, saving model to Sales_ann.h
4.7028 - lr: 0.0010
Epoch 24/100
Epoch 24: loss improved from 1378346.12500 to 1361911.62500, saving model to Sales ann.h
8.6603 - lr: 0.0010
Epoch 25/100
Epoch 25: loss improved from 1361911.62500 to 1341399.00000, saving model to Sales_ann.h
```

```
4.1943 - lr: 0.0010
Epoch 26/100
Epoch 26: loss improved from 1341399.00000 to 1323508.87500, saving model to Sales ann.h
8.4783 - lr: 0.0010
Epoch 27/100
Epoch 27: loss improved from 1323508.87500 to 1312221.62500, saving model to Sales_ann.h
5.0746 - lr: 0.0010
Epoch 28/100
Epoch 28: loss improved from 1312221.62500 to 1306531.37500, saving model to Sales ann.h
1.7335 - lr: 0.0010
Epoch 29/100
Epoch 29: loss improved from 1306531.37500 to 1290178.12500, saving model to Sales_ann.h
4.9556 - lr: 0.0010
Epoch 30/100
Epoch 30: loss improved from 1290178.12500 to 1282788.75000, saving model to Sales ann.h
4.6745 - lr: 0.0010
Epoch 31/100
Epoch 31: loss improved from 1282788.75000 to 1260311.62500, saving model to Sales_ann.h
4.9750 - lr: 0.0010
Epoch 32/100
Epoch 32: loss improved from 1260311.62500 to 1255763.75000, saving model to Sales ann.h
2.5312 - lr: 0.0010
Epoch 33/100
Epoch 33: loss improved from 1255763.75000 to 1236572.75000, saving model to Sales_ann.h
6.6063 - lr: 0.0010
Epoch 34/100
```

```
Epoch 34: loss improved from 1236572.75000 to 1226149.62500, saving model to Sales ann.h
23.2411 - lr: 0.0010
Epoch 35/100
Epoch 35: loss improved from 1226149.62500 to 1211868.62500, saving model to Sales_ann.h
8.5053 - lr: 0.0010
Epoch 36/100
Epoch 36: loss improved from 1211868.62500 to 1197065.87500, saving model to Sales ann.h
0.9139 - lr: 0.0010
Epoch 37/100
Epoch 37: loss improved from 1197065.87500 to 1194462.12500, saving model to Sales ann.h
0.4910 - lr: 0.0010
Epoch 38/100
Epoch 38: loss improved from 1194462.12500 to 1175667.12500, saving model to Sales ann.h
1.6624 - lr: 0.0010
Epoch 39/100
Epoch 39: loss improved from 1175667.12500 to 1170809.25000, saving model to Sales_ann.h
0.3691 - lr: 0.0010
Epoch 40/100
Epoch 40: loss improved from 1170809.25000 to 1156876.75000, saving model to Sales ann.h
2.1372 - lr: 0.0010
Epoch 41/100
Epoch 41: loss improved from 1156876.75000 to 1146776.62500, saving model to Sales ann.h
9.9762 - lr: 0.0010
Epoch 42/100
Epoch 42: loss improved from 1146776.62500 to 1138768.50000, saving model to Sales ann.h
```

```
4.1927 - lr: 0.0010
Epoch 43/100
Epoch 43: loss improved from 1138768.50000 to 1129542.87500, saving model to Sales ann.h
3.0735 - lr: 0.0010
Epoch 44/100
Epoch 44: loss improved from 1129542.87500 to 1126799.25000, saving model to Sales ann.h
81.1249 - lr: 0.0010
Epoch 45/100
Epoch 45: loss improved from 1126799.25000 to 1116290.12500, saving model to Sales ann.h
76.8010 - lr: 0.0010
Epoch 46/100
Epoch 46: loss improved from 1116290.12500 to 1100991.37500, saving model to Sales_ann.h
9.5712 - lr: 0.0010
Epoch 47/100
Epoch 47: loss improved from 1100991.37500 to 1091543.12500, saving model to Sales ann.h
6.4042 - lr: 0.0010
Epoch 48/100
Epoch 48: loss did not improve from 1091543.12500
8.0084 - lr: 0.0010
Epoch 49/100
Epoch 49: loss did not improve from 1091543.12500
4.5656 - lr: 0.0010
Epoch 50/100
Epoch 50: loss improved from 1091543.12500 to 1084221.25000, saving model to Sales ann.h
0.6738 - lr: 0.0010
Epoch 51/100
Epoch 51: loss improved from 1084221.25000 to 1078238.62500, saving model to Sales ann.h
```

```
7.9117 - lr: 0.0010
Epoch 52/100
Epoch 52: loss improved from 1078238.62500 to 1068678.50000, saving model to Sales ann.h
4.9467 - lr: 0.0010
Epoch 53/100
Epoch 53: loss improved from 1068678.50000 to 1062827.25000, saving model to Sales_ann.h
1.3953 - lr: 0.0010
Epoch 54/100
Epoch 54: loss improved from 1062827.25000 to 1060949.12500, saving model to Sales ann.h
2.5190 - lr: 0.0010
Epoch 55/100
Epoch 55: loss improved from 1060949.12500 to 1045755.31250, saving model to Sales_ann.h
3.6920 - lr: 0.0010
Epoch 56/100
Epoch 56: loss improved from 1045755.31250 to 1045446.81250, saving model to Sales ann.h
3.6687 - lr: 0.0010
Epoch 57/100
Epoch 57: loss improved from 1045446.81250 to 1035556.87500, saving model to Sales ann.h
1.9596 - lr: 0.0010
Epoch 58/100
Epoch 58: loss improved from 1035556.87500 to 1026385.18750, saving model to Sales ann.h
6.7125 - lr: 0.0010
Epoch 59/100
Epoch 59: loss did not improve from 1026385.18750
2552/2552 [=============== ] - 15s 6ms/step - loss: 1029799.6875 - mae: 73
7.2744 - lr: 0.0010
Epoch 60/100
```

```
Epoch 60: loss improved from 1026385.18750 to 1018250.12500, saving model to Sales ann.h
2.4562 - lr: 0.0010
Epoch 61/100
Epoch 61: loss did not improve from 1018250.12500
3.4089 - lr: 0.0010
Epoch 62/100
Epoch 62: loss improved from 1018250.12500 to 1013146.00000, saving model to Sales_ann.h
1.8661 - lr: 0.0010
Epoch 63/100
Epoch 63: loss improved from 1013146.00000 to 1003790.50000, saving model to Sales ann.h
7.3329 - lr: 0.0010
Epoch 64/100
Epoch 64: loss improved from 1003790.50000 to 993414.31250, saving model to Sales_ann.h5
4.0286 - lr: 0.0010
Epoch 65/100
Epoch 65: loss improved from 993414.31250 to 987162.43750, saving model to Sales_ann.h5
1.2048 - lr: 0.0010
Epoch 66/100
Epoch 66: loss improved from 987162.43750 to 986433.06250, saving model to Sales_ann.h5
9.9966 - lr: 0.0010
Epoch 67/100
Epoch 67: loss improved from 986433.06250 to 983116.75000, saving model to Sales ann.h5
7.5283 - lr: 0.0010
Epoch 68/100
Epoch 68: loss improved from 983116.75000 to 972133.68750, saving model to Sales ann.h5
3.0720 - lr: 0.0010
Epoch 69/100
Epoch 69: loss improved from 972133.68750 to 960254.93750, saving model to Sales ann.h5
1.4229 - lr: 0.0010
Epoch 70/100
Epoch 70: loss did not improve from 960254.93750
9.2504 - lr: 0.0010
Epoch 71/100
```

```
Epoch 71: loss improved from 960254.93750 to 957091.00000, saving model to Sales ann.h5
2552/2552 [=============== - 17s 7ms/step - loss: 957091.0000 - mae: 71
0.6564 - lr: 0.0010
Epoch 72/100
Epoch 72: loss improved from 957091.00000 to 949227.87500, saving model to Sales ann.h5
3.5972 - lr: 0.0010
Epoch 73/100
Epoch 73: loss improved from 949227.87500 to 939247.18750, saving model to Sales ann.h5
0.9122 - lr: 0.0010
Epoch 74/100
Epoch 74: loss improved from 939247.18750 to 930318.81250, saving model to Sales ann.h5
8.1081 - lr: 0.0010
Epoch 75/100
Epoch 75: loss improved from 930318.81250 to 925813.18750, saving model to Sales_ann.h5
5.1445 - lr: 0.0010
Epoch 76/100
Epoch 76: loss improved from 925813.18750 to 915041.87500, saving model to Sales_ann.h5
1.0904 - lr: 0.0010
Epoch 77/100
Epoch 77: loss improved from 915041.87500 to 910256.12500, saving model to Sales_ann.h5
8.4750 - lr: 0.0010
Epoch 78/100
Epoch 78: loss improved from 910256.12500 to 903389.18750, saving model to Sales ann.h5
6.3627 - lr: 0.0010
Epoch 79/100
Epoch 79: loss improved from 903389.18750 to 892919.00000, saving model to Sales ann.h5
2.1385 - lr: 0.0010
Epoch 80/100
Epoch 80: loss improved from 892919.00000 to 883706.81250, saving model to Sales ann.h5
7.4731 - lr: 0.0010
Epoch 81/100
Epoch 81: loss improved from 883706.81250 to 872908.93750, saving model to Sales ann.h5
4.2249 - lr: 0.0010
Epoch 82/100
Epoch 82: loss did not improve from 872908.93750
4.7444 - lr: 0.0010
Epoch 83/100
```

```
Epoch 83: loss improved from 872908.93750 to 864798.62500, saving model to Sales ann.h5
0.1506 - lr: 0.0010
Epoch 84/100
Epoch 84: loss improved from 864798.62500 to 851730.25000, saving model to Sales ann.h5
5.5047 - lr: 0.0010
Epoch 85/100
Epoch 85: loss improved from 851730.25000 to 844183.93750, saving model to Sales ann.h5
4.8978 - lr: 0.0010
Epoch 86/100
Epoch 86: loss improved from 844183.93750 to 833389.68750, saving model to Sales ann.h5
9.4217 - lr: 0.0010
Epoch 87/100
Epoch 87: loss improved from 833389.68750 to 827912.31250, saving model to Sales_ann.h5
5.8937 - lr: 0.0010
Epoch 88/100
Epoch 88: loss improved from 827912.31250 to 809662.62500, saving model to Sales_ann.h5
0.9487 - lr: 0.0010
Epoch 89/100
Epoch 89: loss improved from 809662.62500 to 807842.12500, saving model to Sales_ann.h5
7.5612 - lr: 0.0010
Epoch 90/100
Epoch 90: loss did not improve from 807842.12500
2552/2552 [=============== ] - 17s 7ms/step - loss: 811963.3750 - mae: 64
8.9825 - lr: 0.0010
Epoch 91/100
Epoch 91: loss improved from 807842.12500 to 790625.56250, saving model to Sales ann.h5
2.5236 - lr: 0.0010
Epoch 92/100
Epoch 92: loss did not improve from 790625.56250
1.6472 - lr: 0.0010
Epoch 93/100
Epoch 93: loss improved from 790625.56250 to 783670.87500, saving model to Sales ann.h5
8.7047 - lr: 0.0010
Epoch 94/100
Epoch 94: loss improved from 783670.87500 to 778694.18750, saving model to Sales ann.h5
6.1363 - lr: 0.0010
Epoch 95/100
```

```
Epoch 95: loss improved from 778694.18750 to 769910.75000, saving model to Sales ann.h5
      2552/2552 [=============== - 15s 6ms/step - loss: 769910.7500 - mae: 63
      2.4765 - lr: 0.0010
      Epoch 96/100
      2552/2552 [=============== ] - ETA: Os - loss: 768505.1250 - mae: 633.6362
      Epoch 96: loss improved from 769910.75000 to 768505.12500, saving model to Sales ann.h5
      2552/2552 [=============== - 17s 7ms/step - loss: 768505.1250 - mae: 63
      3.6362 - lr: 0.0010
      Epoch 97/100
      Epoch 97: loss improved from 768505.12500 to 753251.37500, saving model to Sales ann.h5
      6.3411 - lr: 0.0010
      Epoch 98/100
      Epoch 98: loss did not improve from 753251.37500
      7.3859 - lr: 0.0010
      Epoch 99/100
      Epoch 99: loss improved from 753251.37500 to 752461.56250, saving model to Sales_ann.h5
      4.7696 - lr: 0.0010
      Epoch 100/100
      Epoch 100: loss did not improve from 752461.56250
      8.5262 - lr: 0.0010
In [163...
      model 1 = load model('Sales ann.h5')
      y pred = model 1.predict(x test)
In [164...
      RMSE = math.sqrt(mean squared error(y test,y pred))
      RMSE
      1575.3432393623336
Out[164...
In [172...
      #importing testing data
      test_data = pd.read_csv(r'test_data_hidden.csv')
      test data.head()
Out[172...
       Store DayOfWeek
                      Date
                         Sales Customers Open Promo StateHoliday SchoolHoliday
      0
          1
                 5 2015-07-31
                          5263
                                           1
                                                  0
                                                           1
                                 555
      1
          2
                 5 2015-07-31
                          6064
                                 625
                                                           1
      2
          3
                 5 2015-07-31
                          8314
                                           1
                                 821
      3
          4
                 5 2015-07-31 13995
                                1498
                                           1
                                                           1
          5
                 5 2015-07-31
                          4822
                                 559
                                      1
                                           1
                                                  0
                                                           1
In [173...
      test_data.drop('Date',axis = 1, inplace=True)
```

test_data.loc[test_data.StateHoliday==0,'StateHoliday'] = '0'

5/18/22, 4:43 PM

```
capstone_new
           labelencoder= LabelEncoder()
           test data.StateHoliday = labelencoder.fit transform(test data['StateHoliday'])
           test_data = test_data[test_data.Store<=100]</pre>
           test_data = test_data[test_data.Open == 1]
           test data.reset index(drop=True, inplace=True)
           y = test_data['Sales']
           x = test data.drop(['Sales','Open'],axis=1)
           std = StandardScaler()
           x = std.fit_transform(x)
In [174...
           y pred = model 1.predict(x)
           math.sqrt(mean_squared_error(y,y_pred))
          883,9005694611457
Out[174...
In [175...
           plt.figure(figsize=(16,8))
           plt.plot(y_pred[:100],label = 'sales forecast')
           plt.plot(y[:100],label = 'Actual sales')
           plt.legend()
           plt.title('Actual vs Forecasted Sales\nModel trained on 100 Stores')
          Text(0.5, 1.0, 'Actual vs Forecasted Sales\nModel trained on 100 Stores')
Out[175...
                                                    Actual vs Forecasted Sales
                                                    Model trained on 100 Stores
                                                                                                  sales forecast
                                                                                                   Actual sales
          14000
          10000
           8000
           6000
           4000
```

In [176... # Comparing Model performance with the traditional ML based Prediction Models

2. Use Dropout for ANN and find the optimum number of clusters (clusters formed considering the features: sales and customer visits). Compare model performance with traditional ML based prediction models

```
In [177...
          train data = train data[train data.Store<=100]</pre>
          train data = train data[train data.Open == 1]
          train data.reset index(drop=True, inplace=True)
          y = train data['Sales']
          x = train_data.drop(['Sales','Open'],axis=1)
          std = StandardScaler()
          x = std.fit transform(x)
          x_train,x_test,y_train,y_test = train_test_split(np.array(x),np.array(y),random_state=4
In [178...
          model 2 = Sequential()
          model_2.add(layers.Dense(32, activation='elu', input_shape = (x_train.shape[1],)))
          model 2.add(layers.Dense(64, activation='elu'))
          model 2.add(layers.Dense(64, activation='elu'))
          model_2.add(layers.BatchNormalization())
          ## block 2
          model 2.add(layers.Dense(128, activation='elu'))
          model 2.add(layers.Dense(128, activation='elu'))
          model 2.add(layers.BatchNormalization())
          ## block 3
          model 2.add(layers.Dense(256, activation='elu'))
          model 2.add(layers.Dense(256, activation='elu'))
          model 2.add(layers.BatchNormalization())
          model 2.add(layers.Dropout(0.8))
          ## block 4
          model_2.add(layers.Dense(128, activation='elu'))
          model 2.add(layers.Dense(128, activation='elu'))
          model 2.add(layers.BatchNormalization())
          model_2.add(layers.Dropout(0.8))
          ## block 5
          model 2.add(layers.Dense(64, activation='elu'))
          model 2.add(layers.Dense(64, activation='elu'))
          model_2.add(layers.Dense(32, activation='elu'))
          model 2.add(layers.Dropout(0.8))
          model 2.add(layers.Dense(1))
In [179...
          model 2.compile(loss='mse',
          optimizer = Adam(learning_rate=0.001),
          metrics=['mae'])
In [180...
          checkpoint = ModelCheckpoint('Sales ann with dropout.h5',
          monitor='loss',
          mode=min,
          save best only=True,
          verbose=1)
          early stopping = EarlyStopping(monitor='loss',
          patience=9,
          min_delta=0,
                                          restore best weights=True,
          verbose=1)
          Reduce ler rate = ReduceLROnPlateau(monitor='loss',
          factor=0.2,
          patience=3,
          verbose=1,
```

```
min_delta=0.001)
callback = [checkpoint,early_stopping,Reduce_ler_rate]
```

WARNING:tensorflow:ModelCheckpoint mode <built-in function min> is unknown, fallback to auto mode.

```
In [181...
```

```
history = model_2.fit(x_train,y_train,epochs=50,batch_size=20,verbose=1,callbacks=callb
```

```
Epoch 1/50
Epoch 1: loss improved from inf to 16638317.00000, saving model to Sales ann with dropou
t.h5
259.3525 - lr: 0.0010
Epoch 2/50
Epoch 2: loss improved from 16638317.00000 to 13193533.00000, saving model to Sales_ann_
with_dropout.h5
844.3430 - lr: 0.0010
Epoch 3/50
Epoch 3: loss improved from 13193533.00000 to 12595341.00000, saving model to Sales ann
with dropout.h5
745.8708 - lr: 0.0010
Epoch 4/50
Epoch 4: loss improved from 12595341.00000 to 12237170.00000, saving model to Sales_ann_
with dropout.h5
693.2834 - lr: 0.0010
Epoch 5/50
Epoch 5: loss improved from 12237170.00000 to 11950460.00000, saving model to Sales ann
with dropout.h5
662.6177 - lr: 0.0010
Epoch 6/50
Epoch 6: loss improved from 11950460.00000 to 11815900.00000, saving model to Sales_ann_
with dropout.h5
639.8403 - lr: 0.0010
Epoch 7/50
Epoch 7: loss improved from 11815900.00000 to 11643045.00000, saving model to Sales ann
with dropout.h5
616.8389 - lr: 0.0010
Epoch 8/50
```

```
646
Epoch 8: loss improved from 11643045.00000 to 11592136.00000, saving model to Sales ann
with dropout.h5
610.4646 - lr: 0.0010
Epoch 9/50
578
Epoch 9: loss improved from 11592136.00000 to 11427590.00000, saving model to Sales ann
with dropout.h5
588.9824 - lr: 0.0010
Epoch 10/50
Epoch 10: loss improved from 11427590.00000 to 11377793.00000, saving model to Sales ann
with dropout.h5
580.7158 - lr: 0.0010
Epoch 11/50
Epoch 11: loss improved from 11377793.00000 to 11250971.00000, saving model to Sales ann
with dropout.h5
575.4297 - lr: 0.0010
Epoch 12/50
377
Epoch 12: loss did not improve from 11250971.00000
583.1377 - lr: 0.0010
Epoch 13/50
082
Epoch 13: loss did not improve from 11250971.00000
569.9495 - lr: 0.0010
Epoch 14/50
Epoch 14: loss improved from 11250971.00000 to 11110988.00000, saving model to Sales ann
with dropout.h5
557.6262 - lr: 0.0010
Epoch 15/50
897
Epoch 15: loss improved from 11110988.00000 to 10890640.00000, saving model to Sales ann
_with_dropout.h5
527.4873 - lr: 0.0010
Epoch 16/50
153
Epoch 16: loss did not improve from 10890640.00000
539.8979 - lr: 0.0010
Epoch 17/50
```

```
948
Epoch 17: loss improved from 10890640.00000 to 10833263.00000, saving model to Sales_ann
with dropout.h5
520.8528 - lr: 0.0010
Epoch 18/50
781
Epoch 18: loss improved from 10833263.00000 to 10814722.00000, saving model to Sales ann
with dropout.h5
510.5498 - lr: 0.0010
Epoch 19/50
559
Epoch 19: loss improved from 10814722.00000 to 10622481.00000, saving model to Sales ann
with dropout.h5
500.7559 - lr: 0.0010
Epoch 20/50
Epoch 20: loss improved from 10622481.00000 to 10597510.00000, saving model to Sales ann
with dropout.h5
491.2749 - lr: 0.0010
Epoch 21/50
951
Epoch 21: loss did not improve from 10597510.00000
483.9614 - lr: 0.0010
Epoch 22/50
417
Epoch 22: loss improved from 10597510.00000 to 10523759.00000, saving model to Sales ann
_with_dropout.h5
483.5627 - lr: 0.0010
Epoch 23/50
583
Epoch 23: loss did not improve from 10523759.00000
480.5632 - lr: 0.0010
Epoch 24/50
367
Epoch 24: loss improved from 10523759.00000 to 10392598.00000, saving model to Sales ann
_with_dropout.h5
467.9038 - lr: 0.0010
Epoch 25/50
546
Epoch 25: loss did not improve from 10392598.00000
472.7722 - lr: 0.0010
Epoch 26/50
```

```
725
Epoch 26: loss improved from 10392598.00000 to 10348185.00000, saving model to Sales_ann
with dropout.h5
459.8691 - lr: 0.0010
Epoch 27/50
327
Epoch 27: loss improved from 10348185.00000 to 10290537.00000, saving model to Sales ann
with dropout.h5
450.3838 - lr: 0.0010
Epoch 28/50
581
Epoch 28: loss improved from 10290537.00000 to 10227725.00000, saving model to Sales ann
with dropout.h5
439.4219 - lr: 0.0010
Epoch 29/50
472
Epoch 29: loss improved from 10227725.00000 to 10026678.00000, saving model to Sales ann
with dropout.h5
416.6936 - lr: 0.0010
Epoch 30/50
Epoch 30: loss did not improve from 10026678.00000
428.9985 - lr: 0.0010
Epoch 31/50
2552/2552 [=============== ] - ETA: 0s - loss: 10053265.0000 - mae: 2427.4
583
Epoch 31: loss did not improve from 10026678.00000
427.4583 - lr: 0.0010
Epoch 32/50
Epoch 32: loss improved from 10026678.00000 to 9948221.00000, saving model to Sales ann
with dropout.h5
06.1155 - lr: 0.0010
Epoch 33/50
Epoch 33: loss improved from 9948221.00000 to 9911204.00000, saving model to Sales ann w
ith dropout.h5
02.3933 - lr: 0.0010
Epoch 34/50
75
Epoch 34: loss improved from 9911204.00000 to 9742999.00000, saving model to Sales ann w
ith dropout.h5
78.8235 - lr: 0.0010
Epoch 35/50
```

```
43
Epoch 35: loss did not improve from 9742999.00000
91.1746 - lr: 0.0010
Epoch 36/50
Epoch 36: loss did not improve from 9742999.00000
77.9165 - lr: 0.0010
Epoch 37/50
51
Epoch 37: loss improved from 9742999.00000 to 9633756.00000, saving model to Sales ann w
ith dropout.h5
72.7249 - lr: 0.0010
Epoch 38/50
70
Epoch 38: loss did not improve from 9633756.00000
79.2712 - lr: 0.0010
Epoch 39/50
Epoch 39: loss did not improve from 9633756.00000
71.5308 - lr: 0.0010
Epoch 40/50
Epoch 40: loss improved from 9633756.00000 to 9603482.00000, saving model to Sales ann w
ith dropout.h5
63.3677 - lr: 0.0010
Epoch 41/50
Epoch 41: loss improved from 9603482.00000 to 9483205.00000, saving model to Sales ann w
ith dropout.h5
44.7612 - lr: 0.0010
Epoch 42/50
97
Epoch 42: loss did not improve from 9483205.00000
50.2097 - lr: 0.0010
Epoch 43/50
Epoch 43: loss improved from 9483205.00000 to 9417306.00000, saving model to Sales ann w
ith dropout.h5
33.8855 - lr: 0.0010
Epoch 44/50
```

```
Epoch 44: loss did not improve from 9417306.00000
    44.3813 - lr: 0.0010
    Epoch 45/50
    Epoch 45: loss improved from 9417306.00000 to 9387210.00000, saving model to Sales ann w
    ith dropout.h5
    33.9641 - lr: 0.0010
    Epoch 46/50
    Epoch 46: loss improved from 9387210.00000 to 9308550.00000, saving model to Sales_ann_w
    23.1963 - lr: 0.0010
    Epoch 47/50
    Epoch 47: loss improved from 9308550.00000 to 9230709.00000, saving model to Sales ann w
    ith dropout.h5
    18.6418 - lr: 0.0010
    Epoch 48/50
    Epoch 48: loss did not improve from 9230709.00000
    16.9446 - lr: 0.0010
    Epoch 49/50
    Epoch 49: loss did not improve from 9230709.00000
    14.8064 - lr: 0.0010
    Epoch 50/50
    Epoch 50: loss did not improve from 9230709.00000
    Epoch 50: ReduceLROnPlateau reducing learning rate to 0.000200000000949949026.
    05.8740 - lr: 0.0010
In [182...
    model_2 = load_model('Sales_ann_with_dropout.h5')
    y pred = model 2.predict(x test)
    math.sqrt(mean_squared_error(y_test,y_pred))
    1885.6955015453786
Out[182...
In [183...
    # This does not seem to be a good model . The RMSE increased
```

3. Find the best setting of neural net that minimizes the loss and can predict the sales

best. Use techniques like Grid search, crossvalidation and Random search.

```
In [184...
        # Lets do cross validation
In [186...
        def modelkf(x_train,y_train,x_test,y_test):
           model = Sequential()
           model.add(layers.Dense(32, activation='elu', input shape = (x train.shape[1],)))
           model.add(layers.Dense(64, activation='elu'))
           model.add(layers.Dense(64, activation='elu'))
           model.add(layers.BatchNormalization())
        ## block 2
           model.add(layers.Dense(128, activation='elu'))
           model.add(layers.Dense(128, activation='elu'))
           model.add(layers.BatchNormalization())
        ## block 3
           model.add(layers.Dense(256, activation='elu'))
           model.add(layers.Dense(256, activation='elu'))
           model.add(layers.BatchNormalization())
           model.add(layers.Dropout(0.8))
        ## block 4
           model.add(layers.Dense(128, activation='elu'))
           model.add(layers.Dense(128, activation='elu'))
           model.add(layers.BatchNormalization())
           model.add(layers.Dropout(0.8))
        ## block 5
           model.add(layers.Dense(64, activation='elu'))
           model.add(layers.Dense(64, activation='elu'))
           model.add(layers.Dense(32, activation='elu'))
           model.add(layers.Dropout(0.8))
           model.add(layers.Dense(1))
           model.compile(loss='mse',
           optimizer = Adam(learning rate=0.001),
           metrics=['mae'])
           model.fit(x_train,y_train,epochs=50,batch_size=20)
           y_pred = model.predict(x_test)
           return (math.sqrt(mean squared error(y test,y pred)))
In [189...
        score_kf_ann = []
        kf = StratifiedKFold(n splits=4)
        for train index,test index in kf.split(x,y):
           x_train,x_test,y_train,y_test = train_test_split(np.array(x),np.array(y),test_size
           score kf ann.append(modelkf(x train,y train,x test,y test))
        Epoch 1/50
        343.0298
        Epoch 2/50
        935.4629
        Epoch 3/50
        796.3650
       Epoch 4/50
```

```
733.9648
Epoch 5/50
694.4900
Epoch 6/50
676.4321
Epoch 7/50
675.8025
Epoch 8/50
663.9985
Epoch 9/50
636.1958
Epoch 10/50
623.4761
Epoch 11/50
621.0266
Epoch 12/50
587.4089
Epoch 13/50
590.0791
Epoch 14/50
581.9634
Epoch 15/50
581.0574
Epoch 16/50
557.6516
Epoch 17/50
545.3933
Epoch 18/50
2552/2552 [============] - 21s 8ms/step - loss: 11081266.0000 - mae: 2
543.3701
Epoch 19/50
536.9993
Epoch 20/50
526.4243
Epoch 21/50
527.5842
Epoch 22/50
500.9561
Epoch 23/50
506.0876
Epoch 24/50
```

```
497.7529
Epoch 25/50
474.3560
Epoch 26/50
474.4910
Epoch 27/50
470.2773
Epoch 28/50
448.3547
Epoch 29/50
446.9080
Epoch 30/50
453.6953
Epoch 31/50
432.2766
Epoch 32/50
412.3215
Epoch 33/50
423.9336
Epoch 34/50
418.8848
Epoch 35/50
96.8743
Epoch 36/50
376.0076
Epoch 37/50
394.7446
Epoch 38/50
381,4719
Epoch 39/50
392.2759
Epoch 40/50
72.7100
Epoch 41/50
58.1221
Epoch 42/50
347.4272
Epoch 43/50
341.7798
Epoch 44/50
```

```
333.3167
Epoch 45/50
317.5706
Epoch 46/50
316.7271
Epoch 47/50
320.5103
Epoch 48/50
306.2349
Epoch 49/50
02.5305
Epoch 50/50
80.8311
Epoch 1/50
325.1960
Epoch 2/50
2960.1816
Epoch 3/50
2923.7271
Epoch 4/50
871.3701
Epoch 5/50
834.8923
Epoch 6/50
811.8950
Epoch 7/50
788.0920
Epoch 8/50
759,6873
Epoch 9/50
746.8582
Epoch 10/50
727.6760
Epoch 11/50
714.6548
Epoch 12/50
695.0410
Epoch 13/50
701.5796
Epoch 14/50
```

```
670.4968
Epoch 15/50
678.1184
Epoch 16/50
636.7910
Epoch 17/50
637.2803
Epoch 18/50
634.0447
Epoch 19/50
611.5964
Epoch 20/50
595.6091
Epoch 21/50
601.4226
Epoch 22/50
580.7437
Epoch 23/50
563.2278
Epoch 24/50
569.4597
Epoch 25/50
560.3186
Epoch 26/50
2554.1104
Epoch 27/50
519.4119
Epoch 28/50
521,8633
Epoch 29/50
508.1306
Epoch 30/50
502.7805
Epoch 31/50
2502.0906
Epoch 32/50
478.8625
Epoch 33/50
483.0398
Epoch 34/50
```

```
478.6943
Epoch 35/50
468.8787
Epoch 36/50
440.6741
Epoch 37/50
2449.7058
Epoch 38/50
427.9324
Epoch 39/50
429.6443
Epoch 40/50
421.9255
Epoch 41/50
93.5261
Epoch 42/50
405.4097
Epoch 43/50
87.5205
Epoch 44/50
94.6750
Epoch 45/50
75.8181
Epoch 46/50
59.6445
Epoch 47/50
52.9683
Epoch 48/50
52.1152
Epoch 49/50
50.0366
Epoch 50/50
32.0300
Epoch 1/50
214.9995
Epoch 2/50
828.6345
Epoch 3/50
795.2195
Epoch 4/50
```

```
715.8303
Epoch 5/50
698.0278
Epoch 6/50
684.8418
Epoch 7/50
668.7341
Epoch 8/50
646.2361
Epoch 9/50
628.8562
Epoch 10/50
630.7393
Epoch 11/50
615.1216
Epoch 12/50
623.8645
Epoch 13/50
587.8625
Epoch 14/50
588.5999
Epoch 15/50
571.1438
Epoch 16/50
567.5564
Epoch 17/50
545.5149
Epoch 18/50
570.3164
Epoch 19/50
547.9827
Epoch 20/50
539.5027
Epoch 21/50
538.5010
Epoch 22/50
508.1516
Epoch 23/50
501.6479
Epoch 24/50
```

```
502.4998
Epoch 25/50
480.0256
Epoch 26/50
490.1160
Epoch 27/50
478.5930
Epoch 28/50
467.1204
Epoch 29/50
472.4507
Epoch 30/50
444.5034
Epoch 31/50
443.0759
Epoch 32/50
430.1614
Epoch 33/50
439.0403
Epoch 34/50
425.7888
Epoch 35/50
414.0151
Epoch 36/50
418.1458
Epoch 37/50
410.9358
Epoch 38/50
00.4077
Epoch 39/50
92.8547
Epoch 40/50
81.0325
Epoch 41/50
78.8726
Epoch 42/50
64.3215
Epoch 43/50
61.3779
Epoch 44/50
```

```
49.6831
Epoch 45/50
62.6877
Epoch 46/50
41.3247
Epoch 47/50
45.7485
Epoch 48/50
20.2959
Epoch 49/50
18.1101
Epoch 50/50
16.0906
Epoch 1/50
392.6123
Epoch 2/50
904.7654
Epoch 3/50
859.5750
Epoch 4/50
808.9026
Epoch 5/50
774.5454
Epoch 6/50
745.9656
Epoch 7/50
731.9524
Epoch 8/50
702,1763
Epoch 9/50
710.6641
Epoch 10/50
681.1543
Epoch 11/50
667.9905
Epoch 12/50
661.6218
Epoch 13/50
632.9817
Epoch 14/50
```

```
626.5359
Epoch 15/50
632.7588
Epoch 16/50
624.3752
Epoch 17/50
613.5486
Epoch 18/50
586.1296
Epoch 19/50
586.3301
Epoch 20/50
576.0852
Epoch 21/50
570.8123
Epoch 22/50
549.4702
Epoch 23/50
549.4070
Epoch 24/50
541.6335
Epoch 25/50
529.9597
Epoch 26/50
516.9983
Epoch 27/50
518.4656
Epoch 28/50
497,3428
Epoch 29/50
498.8352
Epoch 30/50
476.2480
Epoch 31/50
475.4375
Epoch 32/50
456.4539
Epoch 33/50
476.5273
Epoch 34/50
```

```
439.1357
  Epoch 35/50
  436.7268
  Epoch 36/50
  424.8713
  Epoch 37/50
  438.0811
  Epoch 38/50
  409.7625
  Epoch 39/50
  408.5225
  Epoch 40/50
  92.0588
  Epoch 41/50
  93.3252
  Epoch 42/50
  67.1489
  Epoch 43/50
  74.4990
  Epoch 44/50
  58.2114
  Epoch 45/50
  51.5410
  Epoch 46/50
  55.7195
  Epoch 47/50
  42.2375
  Epoch 48/50
  42,1260
  Epoch 49/50
  22.9670
  Epoch 50/50
  24.3860
In [190...
  score kf ann
  RMSE = sum(score kf ann)/len(score kf ann)
  RMSE
  1964.6614023809518
Out[190...
In [ ]:
```