

PART I

1. Import necessary libraries and read the provided dataset(online_sales.csv).

For this project I imported numpy, pandas for data manipulation operations; matplotlib, seaborn — for visualization

2. Check top 5 and random 5 samples of the dataframe.

	InvoiceNo	StockCode	Description	Quantity	InvoiceDate	UnitPrice	CustomerID	Country
0	536365	85123A	WHITE HANGING HEART T-LIGHT HOLDER	6	12/1/10 8:26	2.55	17850.0	United Kingdom
1	536365	71053	WHITE METAL LANTERN	6	12/1/10 8:26	3.39	17850.0	United Kingdom
2	536365	84406B	CREAM CUPID HEARTS COAT HANGER	8	12/1/10 8:26	2.75	17850.0	United Kingdom
3	536365	84029G	KNITTED UNION FLAG HOT WATER BOTTLE	6	12/1/10 8:26	3.39	17850.0	United Kingdom
4	536365	84029E	RED WOOLLY HOTTIE WHITE HEART.	6	12/1/10 8:26	3.39	17850.0	United Kingdom

	InvoiceNo	StockCode	Description	Quantity	InvoiceDate	UnitPrice	CustomerID	Country
98570	544681	22078	RIBBON REEL LACE DESIGN	1	2/22/11 16:28	4.13	NaN	United Kingdom
96539	C544570	22625	RED KITCHEN SCALES	-2	2/21/11 12:59	8.50	12471.0	Germany
185044	552727	21314	SMALL GLASS HEART TRINKET POT	8	5/11/11 10:32	2.10	14920.0	United Kingdom
229599	557064	21871	SAVE THE PLANET MUG	1	6/16/11 15:07	1.25	13263.0	United Kingdom
106570	545334	85187	S/12 MINI RABBIT EASTER	1	3/1/11 16:34	1.65	15750.0	United Kingdom

In the sample dataframe, rows are selected randomly from all dataset

3. Check info of the dataframe and write your observations. Comment on datatypes and shape of the dataset.

Dataset has 8 columns and 240,007 rows

The dataset consist float, int, and object data types. However, InvoiceDate is consider to be datatype.

```
<class 'pandas.core.frame.DataFrame'>
RangeIndex: 240007 entries, 0 to 240006
Data columns (total 8 columns):
#   Column          Non-Null Count  Dtype
---  -
0   InvoiceNo        240007 non-null object
1   StockCode        240007 non-null object
2   Description      239106 non-null object
3   Quantity         240007 non-null int64
4   InvoiceDate      240007 non-null object
5   UnitPrice        240007 non-null float64
6   CustomerID       172782 non-null float64
7   Country          240007 non-null object
dtypes: float64(2), int64(1), object(5)
memory usage: 14.6+ MB
```

The dataset provided is for about 2-year invoice cycle period.

Minimum values of Quantity fields have negative values. This seems to be an wrong invoice.

In dataset were 1970 duplicates, and I have successfully delete them.

	Quantity	UnitPrice	CustomerID
count	240007.000000	240007.000000	172782.000000
mean	9.277646	5.124265	15274.819941
std	223.061608	119.992279	1725.093177
min	-74215.000000	0.000000	12346.000000
25%	1.000000	1.250000	13842.000000
50%	3.000000	2.100000	15132.000000
75%	10.000000	4.210000	16814.000000
max	74215.000000	38970.000000	18287.000000

4. Check for null values and report the percentage of null values of each column. And drop the rows having null values in it.

28, 23 % - CustomerID

0.37 % - Description

There are 28, 23 % of missing values in column CustomerID, and 0, 37 % in column Description. I consider 28% of data is valuable for analysis. Maybe the NaN CustomerID is not registered Customer, so we are analysing only registered users.

However, the Description data could be filled with values which have the same **StockCode**.

5. Check statistical summary of the dataset.

	count	unique	top	freq	mean	std	min	25%	50%	75%	max
InvoiceNo	170836	10436	547063	281	NaN	NaN	NaN	NaN	NaN	NaN	NaN
StockCode	170836	3282	85123A	1153	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Description	170836	3374	WHITE HANGING HEART T-LIGHT HOLDER	1153	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Quantity	170836.0	NaN	NaN	NaN	12.35249	259.358465	-74215.0	2.0	6.0	12.0	74215.0
InvoiceDate	170836	9735	5/22/11 13:01	291	NaN	NaN	NaN	NaN	NaN	NaN	NaN
UnitPrice	170836.0	NaN	NaN	NaN	3.807575	101.643556	0.0	1.25	1.95	3.75	38970.0
CustomerID	170836.0	NaN	NaN	NaN	15268.556423	1725.892594	12346.0	13821.0	15125.0	16813.0	18287.0
Country	170836	37	United Kingdom	151687	NaN	NaN	NaN	NaN	NaN	NaN	NaN

On 22th of May 2011 there was the highest number of sales 291.

6. Drop the instances having quantity less than zero.

	count	unique	top	freq	mean	std	min	25%	50%	75%	max
InvoiceNo	170836	10436	547063	281	NaN	NaN	NaN	NaN	NaN	NaN	NaN
StockCode	170836	3282	85123A	1153	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Description	170836	3374	WHITE HANGING HEART T- LIGHT HOLDER	1153	NaN	NaN	NaN	NaN	NaN	NaN	NaN
Quantity	170836.0	NaN	NaN	NaN	12.35249	259.358465	-74215.0	2.0	6.0	12.0	74215.0
InvoiceDate	170836	9735	5/22/11 13:01	291	NaN	NaN	NaN	NaN	NaN	NaN	NaN
UnitPrice	170836.0	NaN	NaN	NaN	3.807575	101.643556	0.0	1.25	1.95	3.75	38970.0
CustomerID	170836.0	NaN	NaN	NaN	15268.556423	1725.892594	12346.0	13821.0	15125.0	16813.0	18287.0
Country	170836	37	United Kingdom	151687	NaN	NaN	NaN	NaN	NaN	NaN	NaN

There were 4090 instances with Quantity less than zero and they were successfully deleted

7. Check unique values of the country and report then ame of the country that hast he highest number of instances.

Unique values of the 'Country' :

United Kingdom', 'France', 'Australia', 'Netherlands', 'Germany',
 'Norway', 'EIRE', 'Switzerland', 'Spain', 'Poland', 'Portugal',
 'Italy', 'Belgium', 'Lithuania', 'Japan', 'Iceland',
 'Channel Islands', 'Denmark', 'Cyprus', 'Sweden', 'Finland',
 'Austria', 'Greece', 'Singapore', 'Lebanon',
 'United Arab Emirates', 'Israel', 'Saudi Arabia', 'Czech Republic',
 'Canada', 'Unspecified', 'Brazil', 'USA', 'European Community', 'Bahrain', 'Malta', 'Unit'

United Kingdom - 148 130

8. Create a new column with the name as 'sales' havingtotal sales. The total salesis defined as Quantity*UnitPrice.

Top 5 values of df with the highest sales

	InvoiceNo	StockCode	Description	Quantity	InvoiceDate	UnitPrice	CustomerID	Country	sales
36527	541431	23166	MEDIUM CERAMIC TOP STORAGE JAR	74215	2011-01-18 10:01:00	1.04	12346.0	United Kingdom	77183.60
153601	556444	22502	PICNIC BASKET WICKER 60 PIECES	60	2011-06-10 15:28:00	649.50	15098.0	United Kingdom	38970.00
116879	551697	POST	POSTAGE	1	2011-05-03 13:46:00	8142.75	16029.0	United Kingdom	8142.75
108215	550461	21108	FAIRY CAKE FLANNEL ASSORTED COLOUR	3114	2011-04-18 13:20:00	2.10	15749.0	United Kingdom	6539.40
32204	540815	21108	FAIRY CAKE FLANNEL ASSORTED COLOUR	3114	2011-01-11 12:55:00	2.10	15749.0	United Kingdom	6539.40

9. Report the top 5 countries in terms of sales.

9.1 Consider the size of sales.

Top 5 countries in terms of size of sales

	Quantity	UnitPrice	CustomerID	sales
Country				
United Kingdom	1828421	464706.251	2.302341e+09	3158747.931
Netherlands	88881	2859.740	1.629839e+07	125816.110
Germany	53280	14259.350	4.990668e+07	106113.540
EIRE	48912	14600.640	3.888221e+07	101386.020
France	49637	13150.790	4.510949e+07	89336.880

9.2 Consider the mean value of sales.

Top 5 countries in terms of mean of sales

	Quantity	UnitPrice	CustomerID	sales
Country				
Australia	79.117647	3.428188	12464.344992	126.771526
Netherlands	78.034241	2.510746	14309.388938	110.461905
Japan	79.000000	1.950217	12756.065217	100.181609
Singapore	21.946903	57.363805	12744.000000	90.819912
Sweden	83.358974	3.846718	14841.671795	86.532205

UK has the highest sum of sales, but it is not in top five with mean of sales.
According to number of sales, UK has about 1.8 million and Australia 79.

10. Report the top 5 products which bring the highest sales. Use StockCode for product information.

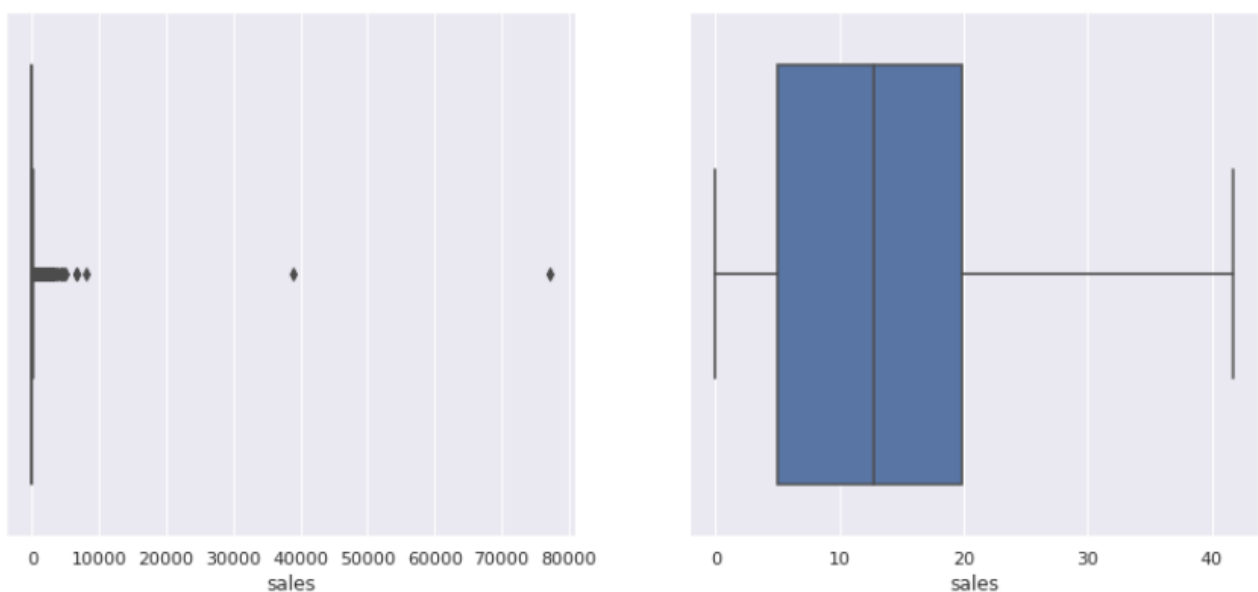
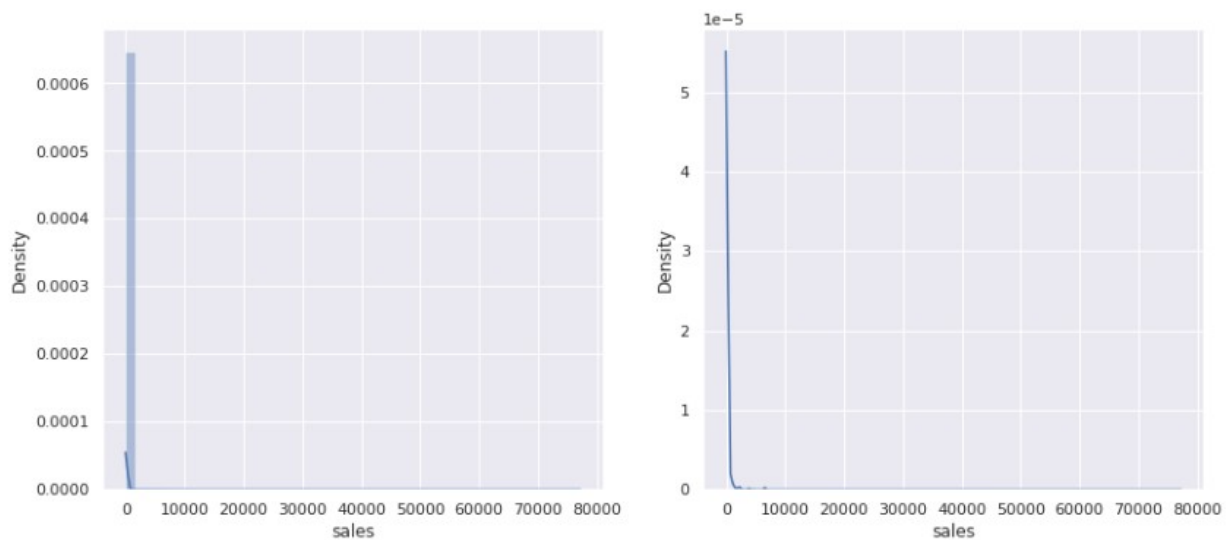
StockCode
22423
23166
85123A
22502
47566

11. Convert the 'InvoiceDate' into a date format and report the month on which the maximum sales occur?

	Quantity	UnitPrice	CustomerID	sales
InvoiceDate				
5	372948	101500.91	427293897.0	677355.15

In May there was 677 355 total sales and also the highest quantity of sales.

12. Check statistical summary of the sales and use an appropriate plot to display the distribution of sales and write your inferences.



'sales' has outliers in upper values.

```

count      166746.000000
mean       23.267779
std        224.850893
min         0.000000
25%        5.040000
50%       12.750000
75%       19.800000
max       77183.600000
Name: sales, dtype: float64

```

sales ranges from a minimum of 0 to maximum of 77 183

75% of the sales have less than or equal to 19, 8 of sales

Mean sale of customers is 23.26 which is higher than the median value indicating that the distribution is right tailed

13. Submit a business report including your findings and interpretations of the above project. Please refer to the do's and don't document for more information.

I found features that had missing values, bad data which had to be cleaned. I also found negative quantity and duplicates in the data based on the business context which had to be deleted.

The dataset provided is for about 2-year invoice cycle period.

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Several statistical measurements and distributions corresponding to categorical and numeric features. This can be useful in choosing an appropriate technique to build the classification model which is the next step.

Frequency and distribution of the features. This will help us validate the assumptions that are made before implementing a technique.

PART II

1. Import necessary libraries.

For this project I imported numpy, pandas for data manipulation operations; matplotlib, seaborn — for visualization, KNNImputer for fillin NaN data, StandardScaler — for scaling ‘Income’ column

2. Load the file and display the first 5 and last5 instances.

Fist 5 rows

```
df1 = pd.read_csv("marketing_data.csv")
df1.head()
```

	ID	Year_Birth	Education	Marital_Status	Income	Kidhome	Teenhome	Dt_Customer	Recency	MntWines	...	NumStorePurchases	NumWebVisits
0	1826	1970	Graduation	Divorced	\$84,835.00	0	0	6/16/14	0	189	...	6	
1	1	1961	Graduation	Single	\$57,091.00	0	0	6/15/14	0	464	...	7	
2	10476	1958	Graduation	Married	\$67,267.00	0	1	5/13/14	0	134	...	5	
3	1386	1967	Graduation	Together	\$32,474.00	1	1	5/11/14	0	10	...	2	
4	5371	1989	Graduation	Single	\$21,474.00	1	0	4/8/14	0	6	...	2	

5 rows × 28 columns

Last 5 rows

	ID	Year_Birth	Education	Marital_Status	Income	Kidhome	Teenhome	Dt_Customer	Recency	MntWines	...	NumStorePurchases	NumWebVisits
2235	10142	1976	PhD	Divorced	\$66,476.00	0	1	3/7/13	99	372	...	11	
2236	5263	1977	2n Cycle	Married	\$31,056.00	1	0	1/22/13	99	5	...	3	
2237	22	1976	Graduation	Divorced	\$46,310.00	1	0	12/3/12	99	185	...	5	
2238	528	1978	Graduation	Married	\$65,819.00	0	0	11/29/12	99	267	...	10	
2239	4070	1969	PhD	Married	\$94,871.00	0	2	9/1/12	99	169	...	4	

5 rows × 28 columns

3. Check the shape of the data (number of rows and column).

The dataset has 2240 rows and 28 columns

4. Generate pandas profiling report of the original data.

Dataset statistics

Number of variables	28
Number of observations	2240
Missing cells	24
Missing cells (%)	< 0.1%
Duplicate rows	0
Duplicate rows (%)	0.0%
Total size in memory	490.1 KiB
Average record size in memory	224.1 B

Variable types

Numeric	14
Categorical	14

```
df1.describe()
```

	ID	Year_Birth	Kidhome	Teenhome	Recency	MntWines	MntFruits	MntMeatProducts	MntFishProducts	MntSweetProducts
count	2240.000000	2240.000000	2240.000000	2240.000000	2240.000000	2240.000000	2240.000000	2240.000000	2240.000000	2240.000000
mean	5592.159821	1968.805804	0.444196	0.506250	49.109375	303.935714	26.302232	166.950000	37.525446	27.062946
std	3246.662198	11.984069	0.538398	0.544538	28.962453	336.597393	39.773434	225.715373	54.628979	41.280498
min	0.000000	1893.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
25%	2828.250000	1959.000000	0.000000	0.000000	24.000000	23.750000	1.000000	16.000000	3.000000	1.000000
50%	5458.500000	1970.000000	0.000000	0.000000	49.000000	173.500000	8.000000	67.000000	12.000000	8.000000
75%	8427.750000	1977.000000	1.000000	1.000000	74.000000	504.250000	33.000000	232.000000	50.000000	33.000000
max	11191.000000	1996.000000	2.000000	2.000000	99.000000	1493.000000	199.000000	1725.000000	259.000000	263.000000

8 rows × 23 columns

Minimum Year_Birth is 1893, that needs to be checks. We don't know exactly from which period of time data was collected or it might be input error.

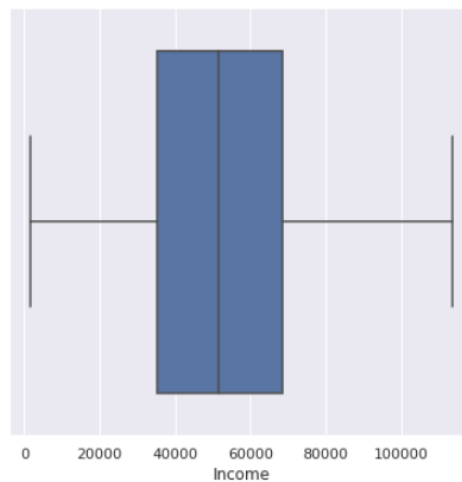
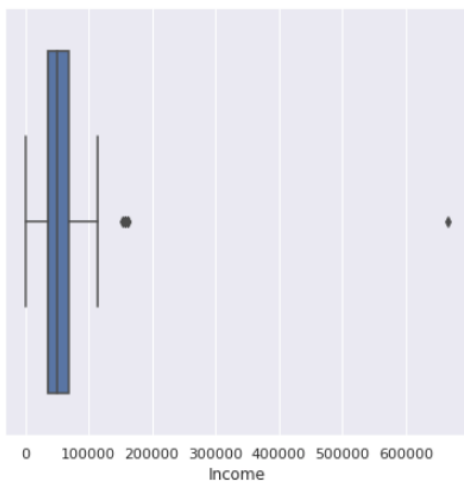
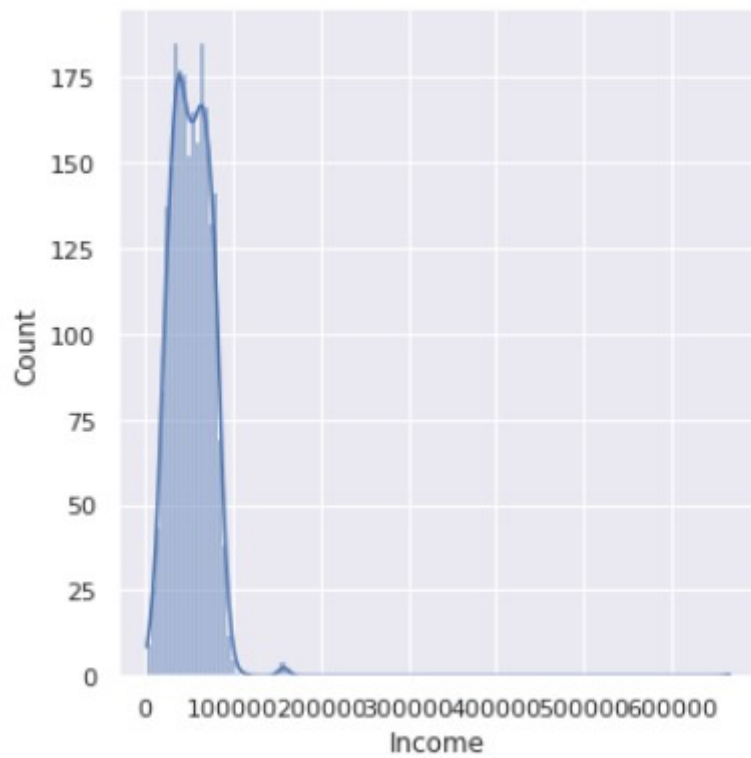
5. Check the dtype of values in column 'Income'.

The dtype of values in column 'Income' is 'object'. For further analysis it should be numeric

6. Convert the values in the 'Income' column to numeric format.

I have changed column name ' Income ' to 'Income'. Than I've deleted all \$ and comas in string # and convert it to "float"

7. Check the distribution of the income column.



```
count      2216.000000
mean       52247.251354
std        25173.076661
min         1730.000000
25%        35303.000000
50%        51381.500000
75%        68522.000000
max        666666.000000
Name: Income, dtype: float64
```

Income ranges from a minimum of 1730 to maximum of 666 666

75% of the sales have less than or equal to 68522

Mean sale of customers is 52247 which is higher than the median value (51381) indicating that the distribution is right tailed

8. Check the presence of outliers in the feature 'Income'.

For checking the outliers it was used Z-Score.

It was found 8 outliers, having z-score greater than 3'

The value for Income if ZScore has to be 3 is equal to 127766.48

```
count      2216.000000
mean       51908.485939
std        21174.352145
min         1730.000000
25%        35303.000000
50%        51381.500000
75%        68522.000000
max        127766.480000
Name: Income, dtype: float64
```

After changing the value of outliers to 127766.48 the difference between 75% of data and the max value is about 60 000.

I consider we should continue treating outliers.

9. Encode categorical features to numerical.

9.1 Convert the column 'Education' from categorical to numerical format. Map them as Basic=1, Graduation=2, Master=3, PhD=4, Cycle=5

To convert 'Education' column I have used replace func

9.2 Check the number of unique values in the column "Country"

There are 8 unique countries.

SP appears in dataset 1095 times,
SA — 337,
CA — 268,
AUS — 160 ,
IND — 148,
GER — 120,
US — 109,
ME — 3.

9.3 So we will one-hot encode these variables.

Since the column Country and Marital Status is Nominal

```

data columns (total 40 columns):
#   Column                                     Non-Null Count  Dtype
---  -
0    ID                                           2240 non-null   int64
1    Year_Birth                                   2240 non-null   int64
2    Education                                   2240 non-null   int64
3    Income                                       2216 non-null   float64
4    Kidhome                                     2240 non-null   int64
5    Teenhome                                    2240 non-null   int64
6    Dt_Customer                                 2240 non-null   object
7    Recency                                     2240 non-null   int64
8    MntWines                                   2240 non-null   int64
9    MntFruits                                  2240 non-null   int64
10   MntMeatProducts                            2240 non-null   int64
11   MntFishProducts                            2240 non-null   int64
12   MntSweetProducts                           2240 non-null   int64
13   MntGoldProds                               2240 non-null   int64
14   NumDealsPurchases                          2240 non-null   int64
15   NumWebPurchases                            2240 non-null   int64
16   NumCatalogPurchases                       2240 non-null   int64
17   NumStorePurchases                          2240 non-null   int64
18   NumWebVisitsMonth                          2240 non-null   int64
19   AcceptedCmp3                               2240 non-null   int64
20   AcceptedCmp4                               2240 non-null   int64
21   AcceptedCmp5                               2240 non-null   int64
22   AcceptedCmp1                               2240 non-null   int64
23   AcceptedCmp2                               2240 non-null   int64
24   Response                                   2240 non-null   int64
25   Complain                                   2240 non-null   int64
26   Marital_Status_Alone                       2240 non-null   uint8
27   Marital_Status_Divorced                    2240 non-null   uint8
28   Marital_Status_Married                     2240 non-null   uint8
29   Marital_Status_Single                      2240 non-null   uint8
30   Marital_Status_Together                    2240 non-null   uint8
31   Marital_Status_Widow                       2240 non-null   uint8
32   Marital_Status_YOLO                        2240 non-null   uint8
33   Country_CA                                 2240 non-null   uint8
34   Country_GER                                2240 non-null   uint8
35   Country_IND                                2240 non-null   uint8
36   Country_ME                                 2240 non-null   uint8
37   Country_SA                                 2240 non-null   uint8
38   Country_SP                                 2240 non-null   uint8
39   Country_US                                 2240 non-null   uint8
dtypes: float64(1), int64(24), object(1), uint8(14)
memory usage: 485.8+ KB

```

For One-Hot Encoding it was used `pd.get_dummies()`

After One-Hot Encoding there are 39 column is dataset

10. Convert the values in column 'Dt_Customer' to datetime.

10.1 After converting the values to datetime, convert it to numerical values

0	20140616
1	20140615
2	20140513
3	20140511
4	20140408
...	
2235	20130307
2236	20130122
2237	20121203
2238	20121129
2239	20120901

After applying all necessary function to convert to datetime the sample of column 'Dt_Customer' is int 20140616 (year+month+day)

11. Check the number of null values present in each column

Only 'Income' column has null values
There is 24 values to be filled.

12. Handle null values using the below given approaches.

12.1 1st Approach: Since the number of instances having null values is too less, we can drop the null instances. And drop the null instances and save it in a new DataFrame df2

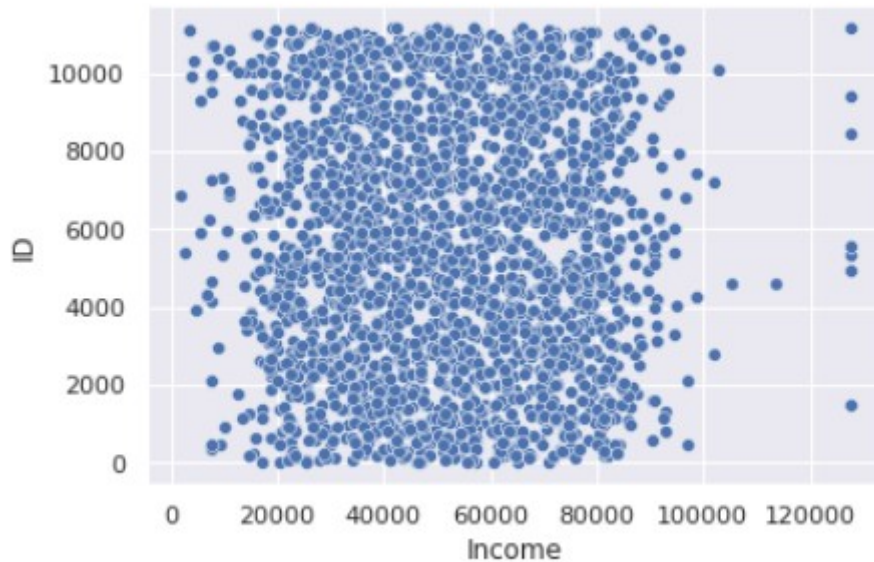
12.2 2nd Approach: Fill the null instances with median value and save it in new data frame df3 We are not using mean as the column contains some extreme values

12.3 3rd Approach: Use sklearn's KNNImputer to impute the data, and save it in dataframe df4

In my opinion the best way to treat missing values of column 'Income' is using KNNImputer, because it finds the rows in df with similar features and implement their values to missing ones.

Fill NaN with median values is also a good option.

13. Visualize the outliers using a scatter plot.



There are few outliers after Income 120 000

14. Handle the outlier values in the columnIncome.

14.1 1st Approach: Drop the instances where income is greater than 1,50,000, save it indf2

Max income 127766.48

Min income 1730.0

14.2 2nd Approach: Drop the instances which have outliervalue using the IQR, save it in df3

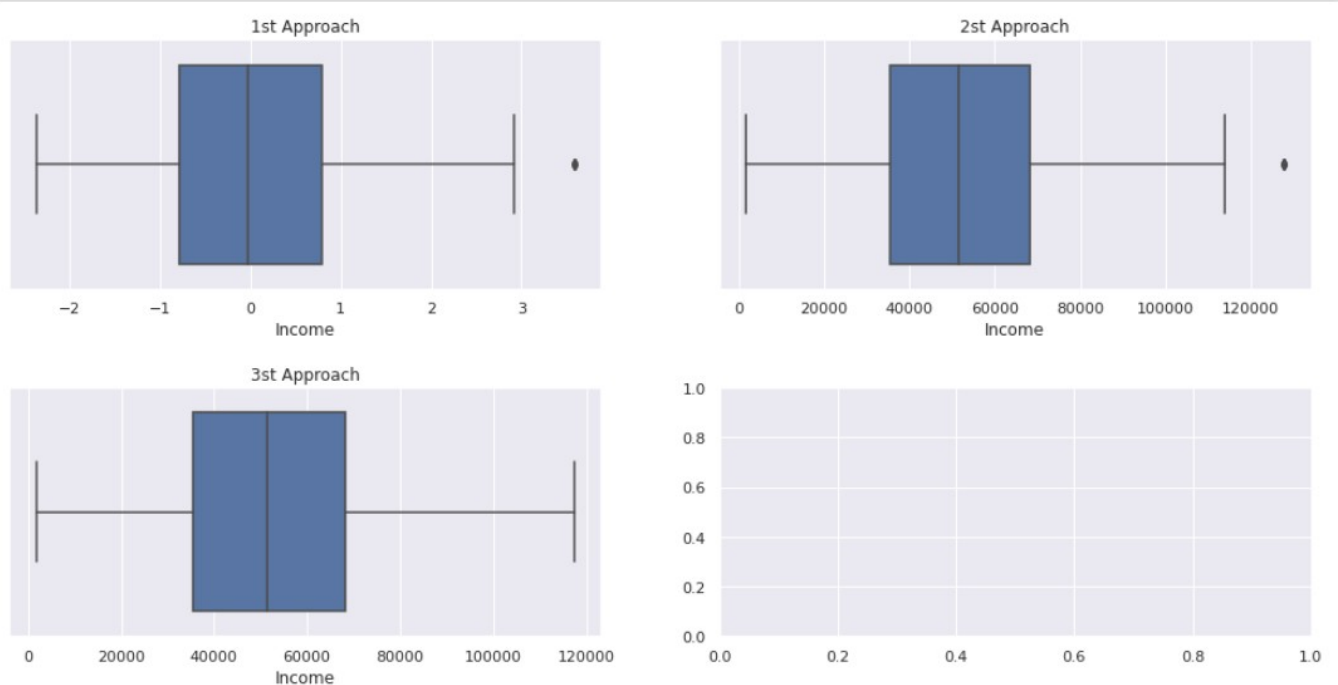
Max income 127766.48

Min income 1730.0

14.3 3rd Approach: Cap the instances to max or min value using the IQR, save it in df4

Max income 117416.25

Min income 1730.0



After 3d Approach there is no detected outliers in the boxplot, because of the maximum income of 117416 which is smaller than in approach 1 and 2

15. Scale the data in column 'Income' to have mean=0 and standard deviation = 1

For Scaling I have used sklearn.preprocessing StandardScaler.

Mean = -2.4048152157945628e-18

Standard deviation = 1.0

I have some trouble to scale data with output mean equals to 0