

SETTING

OpenDataBC had provided a public data on all products currently sold by BC Liquor Stores

This provides a great opportunity to understanding liquor by utilizing data

THE DATA

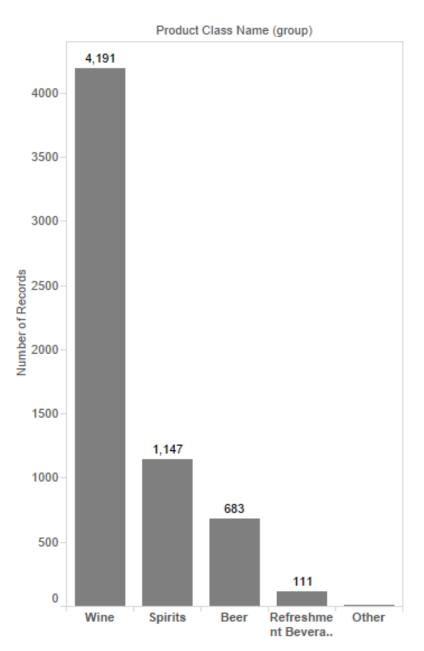
Data provided extracted on January 21, 2012 containing product listing of 6144 items

1	PRODUCT	PRODUCT	PRODUCT	PRODUCT	PRODUCT	PRODUCT	PRODUCT_LONG_NAME	PRODUCT	PRODUCT	PRD_CON	PRODUCT	CURRENT	SWEETNESS_CODE
2	LIQUOR	WINE	TABLE WI	TABLE WI	CANADA	198267	COPPER MOON - MALBEC	4.82E+10	3	1	. 14	30.99	0
3	LIQUOR	WINE	TABLE WI	TABLE WI	CANADA	305375	DOMAINE D'OR - DRY	4.82E+10	4	1	11.5	32.99	0
4	LIQUOR	WINE	TABLE WI	TABLE WI	CANADA	53017	SOMMET ROUGE	5.9E+10	4	1	. 12	29.99	0
5	LIQUOR	WINE	TABLE WIN	TABLE WIN	CANADA	215525	MISSION RIDGE - PREMIUM DRY WHITE	7.8E+11	4	1	. 11	33.99	1

PRICE IS RIGHT CHALLENGE

Based on the data given, what are the heuristics used for best-guessing prices currently set by BC Liquor?

WHAT TYPE OF LIQUOR ARE SOLD?

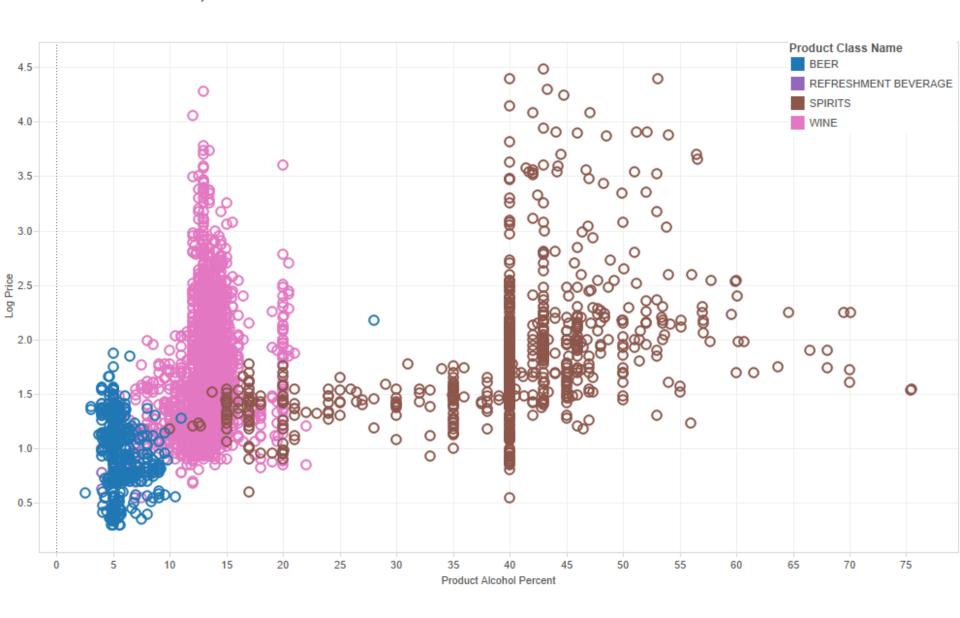


Four major category amongst product in stock

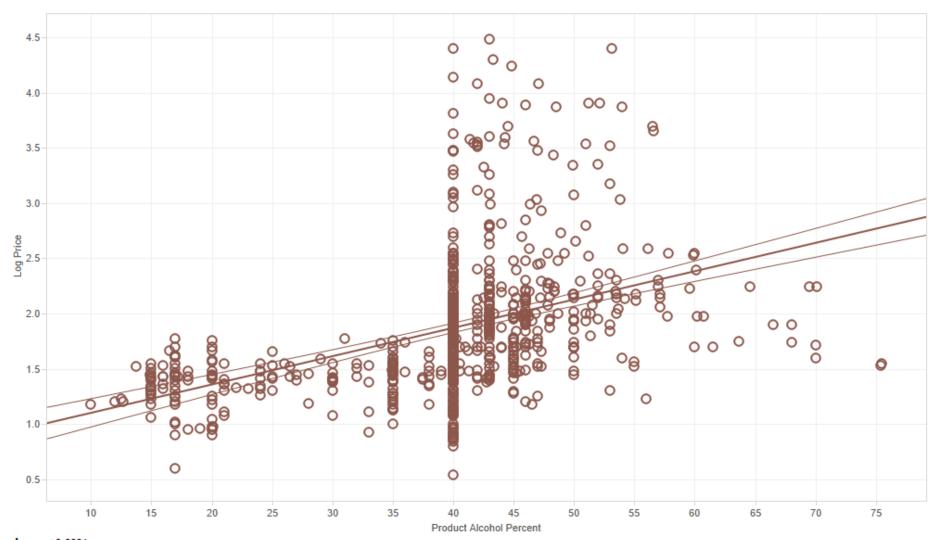
Wine has the greatest product variety with over 4,000 unique products sold.

Other Category contains primarily of dealcoholized wines and beers

LIQUOR TYPE, ALCOHOL PERCENT AND PRICE



VARIABLE EFFECT ON SPIRITS



P-value: < 0.0001

Equation: Log Price = 0.0256506*Product Alcohol Percent + 0.844677

Coefficients

 Term
 Value
 StdErr
 t-value
 p-value

 Product Alcohol Percent intercept
 0.0256506
 0.0020697
 12.3932
 < 0.0001</td>

 0.844677
 0.0850704
 9.92916
 < 0.0001</td>

Product Class Name

BEER

REFRESHMENT BEVERAGE

SPIRITS

WINE

VARIABLE EFFECT ON WINES



Equation: Log Price = 0.0427722*Product Alcohol Percent + 1.1414

Coefficients

 Term
 Value
 StdErr
 t-value
 p-value

 Product Alcohol Percent
 0.0427722
 0.0057639
 7.42068
 < 0.0001</td>

 intercept
 1.1414
 0.0780753
 14.6192
 < 0.0001</td>

Product Class Name

BEER

REFRESHMENT BEVERAGE

SPIRITS
WINE

LIQUOR TYPE, ALCOHOL PERCENT AND PRICE

ALCOHOL PERCENT AND LIQUOR TYPE

Liquor with Alcohol Percent greater than 25% can immediately be classified as "Spirit"

Wines generally range from 5% to 22% Alcohol Percentage

Beers will always have alcohol percentage below 10%

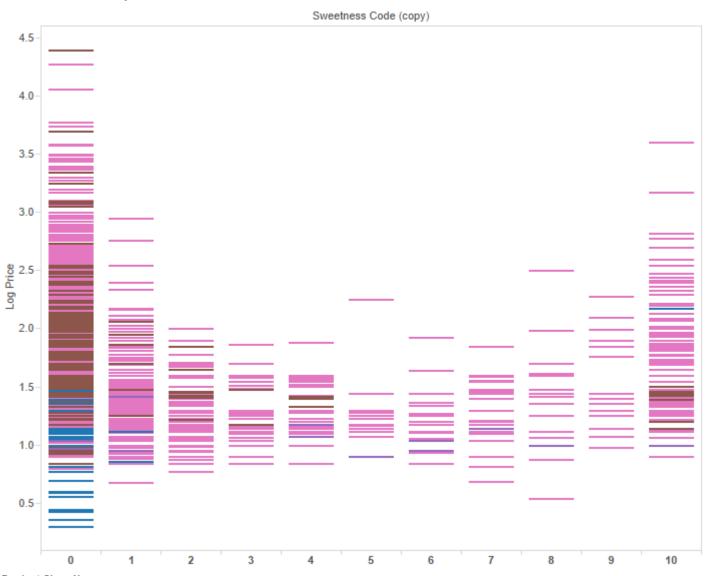
ALCOHOL PERCENT AND PRICE

For Spirits, alcohol percent and price behaves linearly. For every incremental increase in alcohol percentage, you can expect a rough increase by \$1

Similarly, incremental increase in alcohol percent roughly increases Table Wine prices by \$1

High variance can be observed for Spirits beyond 40% alcohol and 12% alcohol for Wine. This can be due to the effect of brand, origin and other factors.

LIQUOR, SWEETNESS AND PRICE



Largest variance in sweetness is seen in Wine Category

Code	Description	Grams Sugar/L				
0	Very Dry	0-5				
1-2	Off-Dry	5-25				
3-4	Medium	25-45				
5-6	Sweet	45-65				
7-10	Very Sweet	65-105+				

Beer, Refreshment and Spirits tend to have low sugar content

Product Class Name

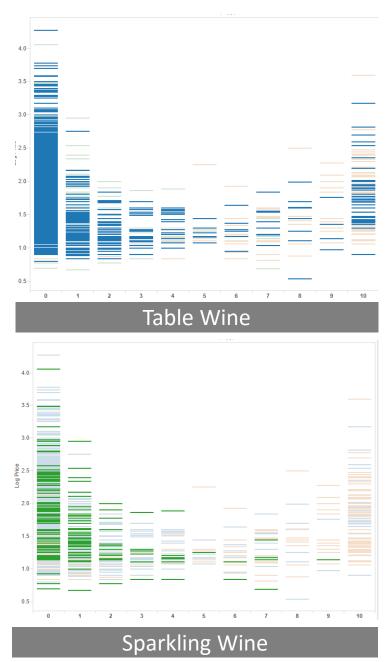
BEER

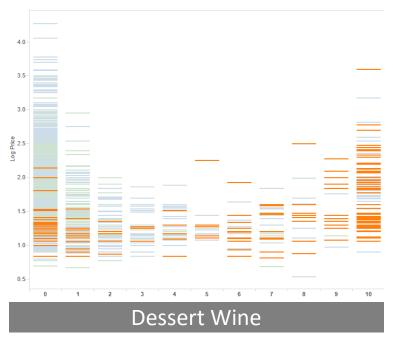
REFRESHMENT BEVERAGE

SPIRITS

WINE

TABLE WINE SWEETNESS AND PRICE

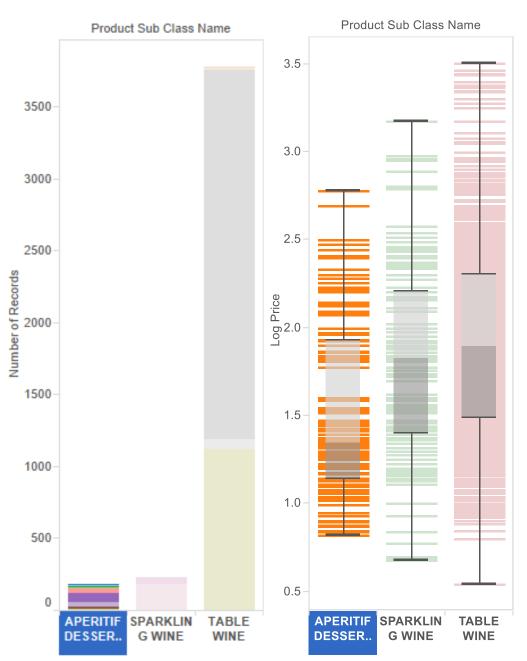




Sweetness has a positive relationship with Price for Dessert Wines

Sweetness has a negative relationship with Price for Sparkling Wines

FURTHER UNDERSTANDING WINE



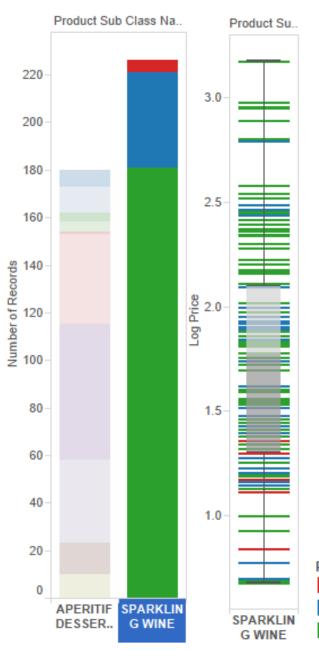
Wine is broken into three classes: Dessert, Sparkling and Table Wine

For three categories of wine exhibit right-skew in price distribution, so log price is used for comparison

Dessert Wine has the largest variety as exhibited by the array of different color-coded minor product type on the left

In examining distribution of products over price points, Dessert Wine tend to be more centralized at ~\$18. (log 1.25)

SPARKLING WINE VS. DESSERT WINE



First, how does sparkling wine differ from the dessert wine category?

By definition sparkling wine would be considered as a dessert wine. However, sparking wine in particular is carbonated while the common dessert wine is not

Separate categorization is likely due to the volume and variety of sparkling wine imported

Sparkling wine is broken down by Red, Rose and White wine. However, this factor does not appear to affect price

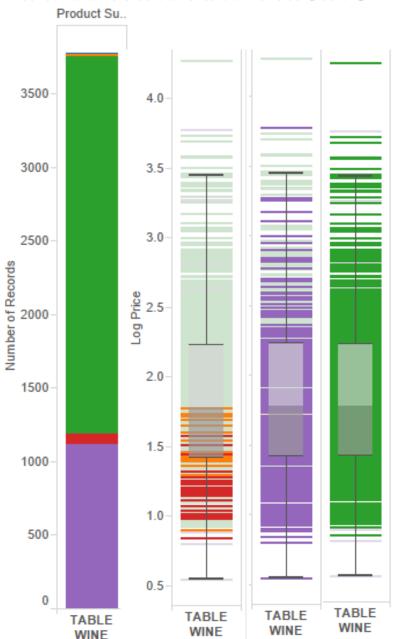
Product Minor Class Name

SPARKLING WINE RED

SPARKLING WINE ROSE

SPARKLING WINE WHITE

TABLE WINE AND PRICING



Under Table Wine category, we primarily see white and red wine products evenly distributed across all price points.

Ice White Wine and Rose Table Wine tends have a lower priced

Product Minor Class Name

ICE WINE RED

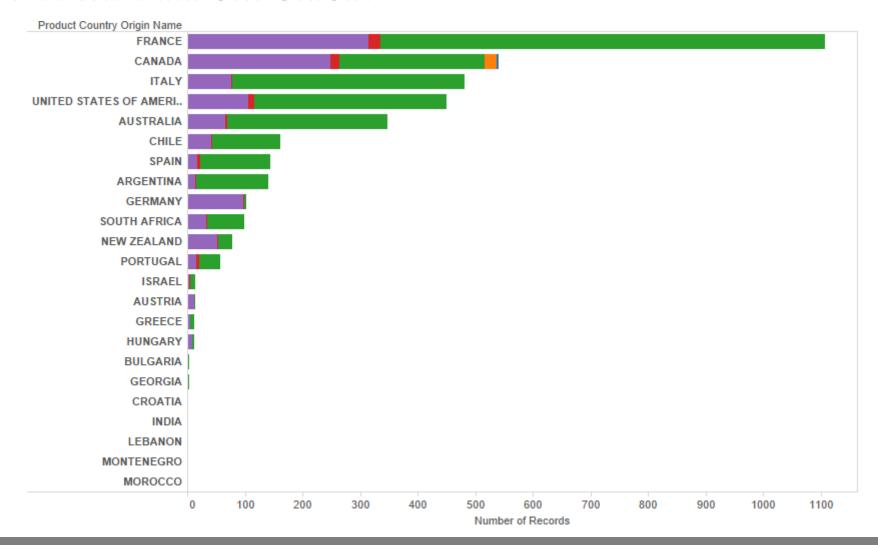
ICE WINE WHITE

TABLE WINE RED

TABLE WINE ROSE

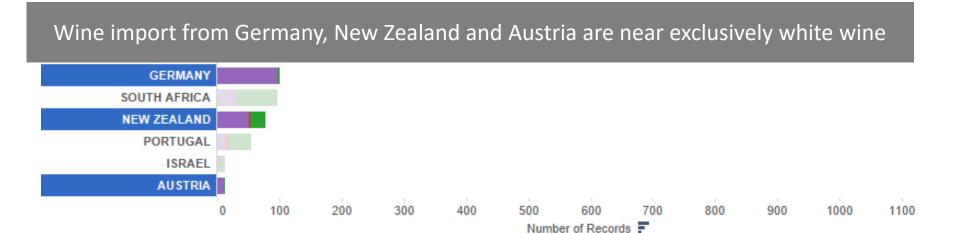
TABLE WINE WHITE

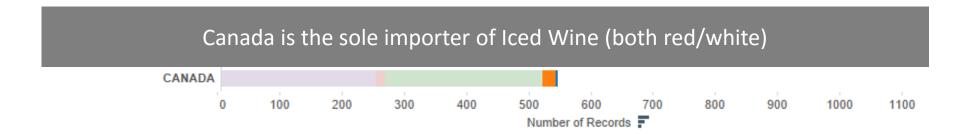
TABLE WINE IMPORT ORIGIN



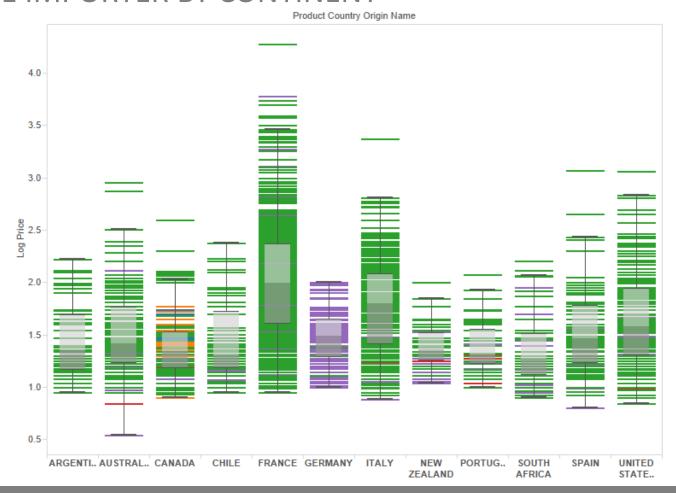
Highest varieties of wine is imported from France

EXCLUSIVE WINE CLASS IMPORTERS





RED WINE IMPORTER BY CONTINENT



Using log 2.5 as cut-off (~\$300), wine will generally come from Australia, France, Italy, Spain or United States. (Mainly European importers)

Wine with price greater than \$1000 (log 3) comes primarily from France

A QUICK REGRESSION OUTPUT

call:

lm(formula = LogPrice ~ SWEETNESS_CODE + PRODUCT_COUNTRY_ORIGIN_NAME +
 PRODUCT_ALCOHOL_PERCENT, data = wine)

Residuals:

Min 1Q Median 3Q Max -2.1977 -0.5574 -0.1378 0.4182 5.4584

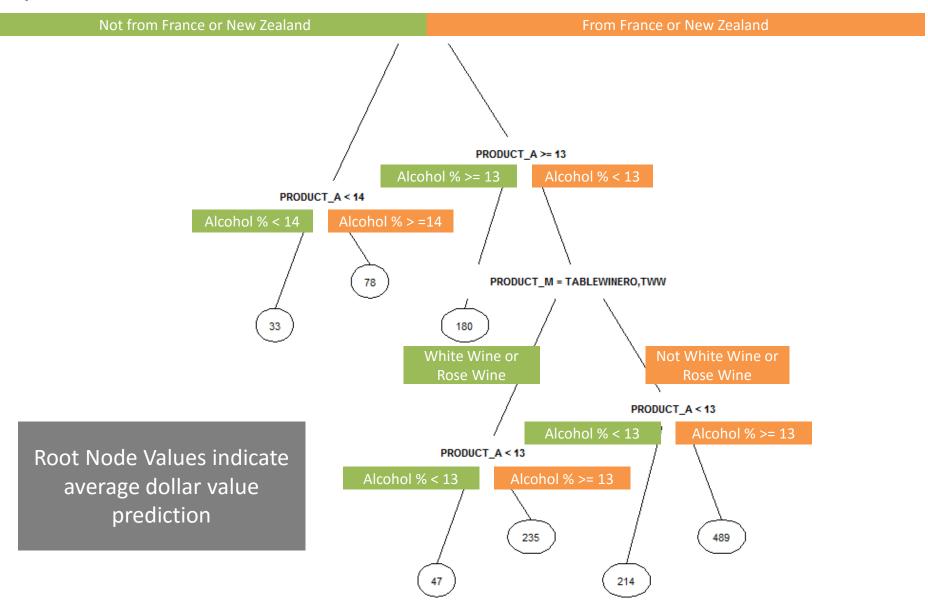
Coefficients:

	Estimate	Std. Error	t value I	Pr(> t)	
(Intercept)	-0.36147	0.22159	-1.631	0.102914	
SWEETNESS_CODE	0.06121	0.01094	5.596	2.36e-08 ***	1
PRODUCT_COUNTRY_ORIGIN_NAMEAUSTRALIA	0.15388	0.09157	1.680	0.092951 .	
PRODUCT_COUNTRY_ORIGIN_NAMEAUSTRIA	0.63770	0.26579	2.399	0.016479 *	
PRODUCT_COUNTRY_ORIGIN_NAMEBULGARIA	-0.04042	0.53383	-0.076	0.939650	
PRODUCT_COUNTRY_ORIGIN_NAMECANADA	0.32123	0.08853	3.629	0.000289 ***	,
PRODUCT_COUNTRY_ORIGIN_NAMECHILE	0.13231	0.10544	1.255	0.209608	
PRODUCT_COUNTRY_ORIGIN_NAMECROATIA	0.97515	0.91824	1.062	0.288315	
PRODUCT_COUNTRY_ORIGIN_NAMEFRANCE	1.63543	0.08240	19.848	< 2e-16 ***	1
PRODUCT_COUNTRY_ORIGIN_NAMEGEORGIA	-0.05753	0.53403	-0.108	0.914222	
PRODUCT_COUNTRY_ORIGIN_NAMEGERMANY	0.97705	0.12861	7.597	3.82e-14 ***	1
PRODUCT_COUNTRY_ORIGIN_NAMEGREECE	0.34787	0.26637	1.306	0.191642	
PRODUCT_COUNTRY_ORIGIN_NAMEHUNGARY	0.23562	0.26815	0.879	0.379619	
PRODUCT_COUNTRY_ORIGIN_NAMEINDIA	-0.06434	0.91824	-0.070	0.944138	
PRODUCT_COUNTRY_ORIGIN_NAMEISRAEL	0.18756	0.25648	0.731	0.464658	
PRODUCT_COUNTRY_ORIGIN_NAMEITALY	0.90243	0.08778	10.280	< 2e-16 ***	,
PRODUCT_COUNTRY_ORIGIN_NAMELEBANON	1.33580	0.91825	1.455	0.145832	
PRODUCT_COUNTRY_ORIGIN_NAMEMONTENEGRO	-0.16089	0.91825	-0.175	0.860925	
PRODUCT_COUNTRY_ORIGIN_NAMEMOROCCO	0.61571	0.91819	0.671	0.502536	
PRODUCT_COUNTRY_ORIGIN_NAMENEW ZEALAND	0.30098	0.12944	2.325	0.020117 *	
PRODUCT_COUNTRY_ORIGIN_NAMEPORTUGAL	0.34486	0.14511	2.377	0.017523 *	
PRODUCT_COUNTRY_ORIGIN_NAMESOUTH AFRICA	0.00977	0.12035	0.081	0.935303	
PRODUCT_COUNTRY_ORIGIN_NAMESPAIN	0.36201	0.10842	3.339	0.000849 ***	l
PRODUCT_COUNTRY_ORIGIN_NAMEUNITED STATES OF AMERICA	0.51163	0.08833	5.792	7.54e-09 ***	!
PRODUCT_ALCOHOL_PERCENT	0.23999	0.01507	15.928	< 2e-16 ***	

```
Residual standard error: 0.9149 on 3669 degrees of freedom
(81 observations deleted due to missingness)
Multiple R-squared: 0.3369, Adjusted R-squared: 0.3325
```

Multiple R-squared: 0.3369, Adjusted R-squared: 0.3325 F-statistic: 77.66 on 24 and 3669 DF, p-value: < 2.2e-16

QUICK REGRESSION TREE PREDICTION



TEXT MINING AND PRODUCT NAME

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In the given dataset, Product Long Name contains features that could likely increase prediction accuracy, especially for wines.

Ideal features include: brand, vineyard name and importantly, grape variety

Challenge 1

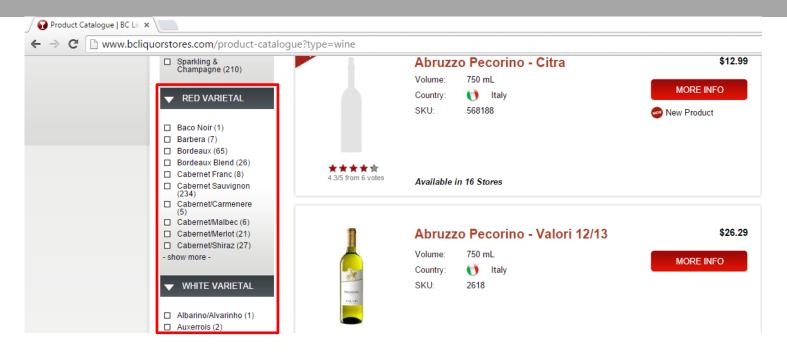
However, not every product label include all of these factors yield large number of records with NULL values

Challenge 2

From text-mining, a term frequency matrix is the output. However, Tableau visualizations require normalized format. To fully visualize text data, custom-scripting will be required

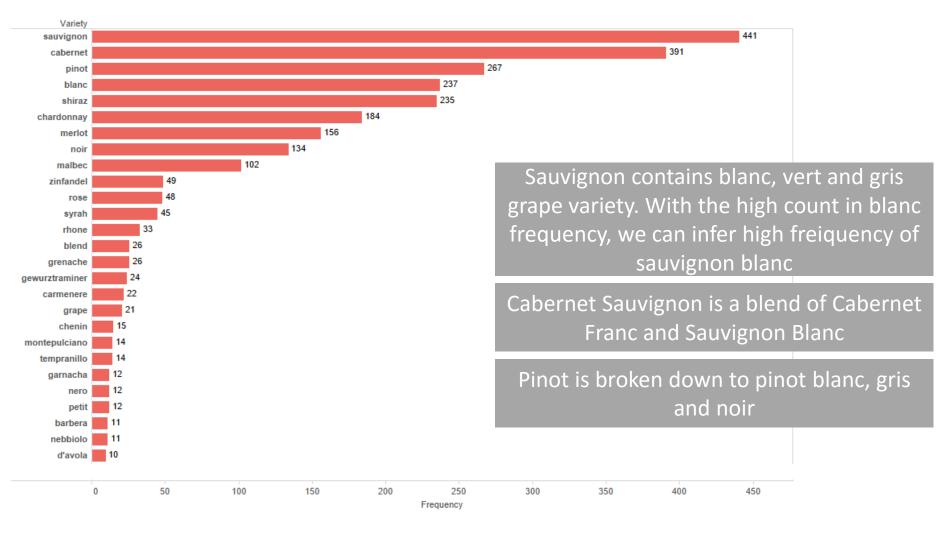
GRAPE VARIETY FREQUENCY

Grape variety keywords are scraped from BC Liquor Website



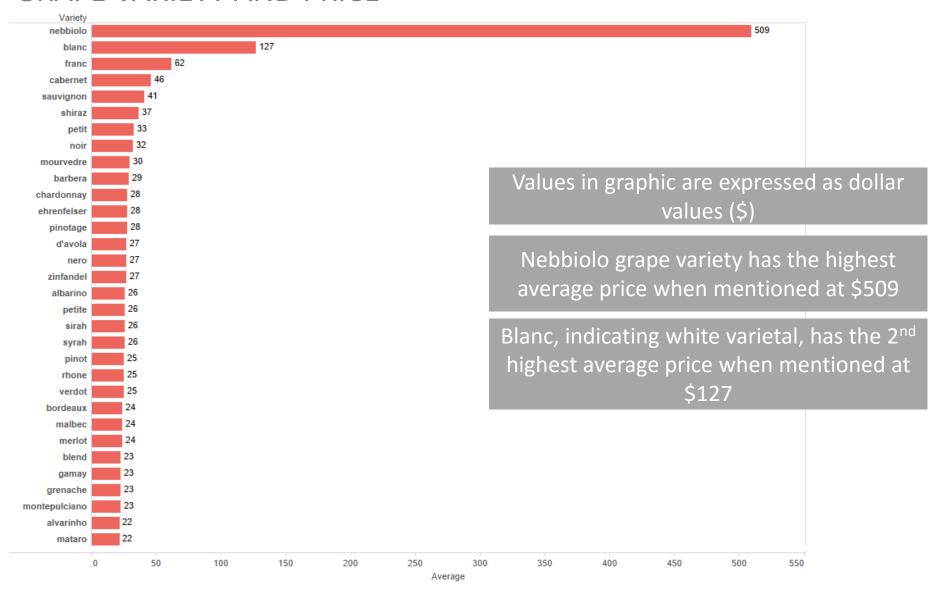
Of 3775 table wine records, 1955 records do not have grape variety stated within product title

GRAPE VARIETY FREQUENCY



Common grape variety amongst products include Sauvignon Blanc, Cabernet Sauvignon, Pinot Blanc/Noir, blends of Shiraz/Syrah and Chardonnay

GRAPE VARIETY AND PRICE



Updated findings for Grape Variety Text-Mining can be found here:

https://public.tableau.com/profile/rock.chi5163#!/vizhome/BCLiquor/Compiled

More of my work could be found at:

https://github.com/rockchi

