Retail Sales Forecasting

Contents

		2
		3
	libraries	3
	Load data	3
	Training data	3
	Stores	4
	Items	5
	Transactions	5
	Oil	6
	Holidays	6
	Missing values	7
	Extract time series features	8
	Holiday Events, convert character features to factors	8
	Joining item data with train data ————	10
	Joining stores and transactions data for analysis	10
	transactions_stores, convert character features to factors	11
D	ata Storytelling	11
	count of perishable items	11
	top 20 item families	12
	top item families and their class	12
	difference between holiday and non holiday sales	13
	variation of sales by holiday type	13
	perishable vs non perishable sales	14
	promotion vs non promotion avg sales - promotion has significant impact on sales	14
	transactions by city	15
	transactions by store cluster	16
	transactions by store type	17
	transactions by store	18
	top 20 items by sales	19
	sales by day of the month	20
	weekly sales trend	21

Introduction

The training data includes dates, store and item information, whether that item was being promoted, as well as the unit sales. Additional files include supplementary information that may be useful in building your models.

File Descriptions and Data Field Information

train.csv

- Training data, which includes the target unit_sales by date, store_nbr, and item_nbr and a unique id to label rows.
- The target unit_sales can be integer (e.g., a bag of chips) or float (e.g., 1.5 kg of cheese). Negative values of unit sales represent returns of that particular item.
- The onpromotion column tells whether that item_nbr was on promotion for a specified date and store nbr.
- Approximately 16% of the onpromotion values in this file are NaN.
- NOTE: The training data does not include rows for items that had zero unit_sales for a store/date combination. There is no information as to whether or not the item was in stock for the store on the date, and teams will need to decide the best way to handle that situation. Also, there are a small number of items seen in the training data that aren't seen in the test data.

stores.csv

- Store metadata, including city, state, type, and cluster.
- cluster is a grouping of similar stores.

items.csv

- Item metadata, including family, class, and perishable.
- NOTE: Items marked as perishable have a score weight of 1.25; otherwise, the weight is 1.0.

transactions.csv

• The count of sales transactions for each date, store_nbr combination. Only included for the training data timeframe.

oil.csv

• Daily oil price. Includes values during both the train and test data timeframe. (Ecuador is an oil-dependent country and it's economical health is highly vulnerable to shocks in oil prices.)

holidays_events.csv

- Holidays and Events, with metadata
- NOTE: Pay special attention to the transferred column. A holiday that is transferred officially falls on that calendar day, but was moved to another date by the government. A transferred day is more like a normal day than a holiday. To find the day that it was actually celebrated, look for the corresponding row where type is Transfer. For example, the holiday Independencia de Guayaquilwas transferred from 2012-10-09 to 2012-10-12, which means it was celebrated on 2012-10-12. Days that are type Bridge are extra days that are added to a holiday (e.g., to extend the break across a long weekend). These are frequently made up by the type Work Day which is a day not normally scheduled for work (e.g., Saturday) that is meant to payback the Bridge.

- Additional holidays are days added a regular calendar holiday, for example, as typically happens around Christmas (making Christmas Eve a holiday).
- Additional Notes
- Wages in the public sector are paid every two weeks on the 15 th and on the last day of the month. Supermarket sales could be affected by this.
- A magnitude 7.8 earthquake struck Ecuador on April 16, 2016. People rallied in relief efforts donating water and other first need products which greatly affected supermarket sales for several weeks after the earthquake.

Data Wrangling

libraries

```
library('ggplot2')
library('dplyr')
library('readr')
library('data.table')
library('tibble')
library('tidyr')
library('stringr')
library('forcats')
library('lubridate')
library('reshape2')
```

Load data

training data is 4.7 GB in size with 126 million rows. 10% of this data is sampled for exploratory analysis.

```
set.seed(32)
train_data <- sample_frac(as.tibble(fread('../data/raw/train.csv')),0.1)
stores <- as.tibble(fread('../data/raw/stores.csv'))
items <- as.tibble(fread('../data/raw/items.csv'))
transactions <- as.tibble(fread('../data/raw/transactions.csv'))
oil <- as.tibble(fread('../data/raw/oil.csv'))
holidays_events <- as.tibble(fread('../data/raw/holidays_events.csv'))</pre>
```

Training data

```
summary(train_data)
```

```
##
         id
                           date
                                            store_nbr
                                                            item_nbr
                       Length: 12549704
                                          Min. : 1.00
                                                                : 96995
  Min.
  1st Qu.: 31400001
                       Class :character
                                          1st Qu.:12.00
                                                         1st Qu.: 522721
##
## Median : 62754887
                       Mode :character
                                          Median :28.00
                                                         Median: 959500
                                               :27.47
## Mean : 62761157
                                          Mean
                                                         Mean : 972698
```

```
3rd Qu.: 94146149
                                              3rd Qu.:43.00
                                                               3rd Qu.:1353969
##
    Max.
           :125497031
                                              Max.
                                                      :54.00
                                                                       :2127114
                                                               Max.
                         onpromotion
##
      unit sales
##
           :-1768.000
                         Mode :logical
   \mathtt{Min}.
##
    1st Qu.:
                 2.000
                         FALSE:9603856
##
   Median :
                 4.000
                         TRUE: 782413
                         NA's :2163435
   Mean
                 8.557
##
    3rd Qu.:
                 9.000
    Max.
           :20748.000
```

glimpse(train_data)

- There is a unique *id* to label our observations.
- The store numbers are integers (*store_nbr*) ranging from 1 to 54. Item numbers (*item_nbr*) are integers.
- *onpromotion* is a logical feature, describing whether the item in question had been assigned a special promotion pricing at the time in the specific store. This feature contains many NA values.
- unit_sales is our target feature. Negative values mean that this particular item was returned (source).

Stores

summary(stores)

```
##
      store_nbr
                        city
                                          state
                                                               type
##
          : 1.00
                    Length:54
                                       Length:54
                                                          Length:54
   Min.
   1st Qu.:14.25
##
                    Class :character
                                       Class :character
                                                           Class : character
   Median :27.50
                    Mode :character
                                                          Mode :character
                                       Mode :character
           :27.50
##
   Mean
##
   3rd Qu.:40.75
##
   Max.
           :54.00
       cluster
##
          : 1.000
##
  Min.
##
   1st Qu.: 4.000
## Median: 8.500
## Mean
          : 8.481
##
   3rd Qu.:13.000
## Max.
          :17.000
```

glimpse(stores)

- Stores are identified by their *city* (e.g. "Quito") and *state* (e.g. "Pichincha"), according to their *store_nbr* which connects this information to the *train* data. Along with the *type* of the store, these should be encoded as factors.
- cluster describes a "grouping of similar stores" (source).

Items

summary(items)

```
##
       item_nbr
                          family
                                               class
                                                            perishable
##
          : 96995
                       Length:4100
                                                  :1002
                                                                  :0.0000
    Min.
                                          Min.
                                                          Min.
                                          1st Qu.:1068
##
    1st Qu.: 818111
                       Class : character
                                                          1st Qu.:0.0000
##
   Median :1306198
                       Mode : character
                                          Median:2004
                                                          Median :0.0000
##
   Mean
           :1251436
                                          Mean
                                                  :2170
                                                          Mean
                                                                  :0.2405
    3rd Qu.:1904918
                                          3rd Qu.:2990
                                                          3rd Qu.:0.0000
   Max.
           :2134244
                                          Max.
                                                  :7780
                                                          Max.
                                                                  :1.0000
```

glimpse(items)

- The *items* are grouped into a broad *family* (e.g. "BREAD/BAKERY") and an integer *class* column. Once more, these will be factors.
- perishable, an identifier whether the item will go bad over time. It is encoded as an integer but would work better as a logical feature, since the only values appear to be "0 vs 1": perishable (e.g. milk) vs not perishable (e.g. DVDs).
- item_nbr is the key column relating this data set to train

Transactions

summary(transactions)

```
store_nbr
##
        date
                                       transactions
##
   Length:83488
                      Min. : 1.00
                                      Min. : 5
   Class : character
                      1st Qu.:13.00
                                      1st Qu.:1046
##
   Mode :character
                      Median :27.00
                                      Median:1393
                                             :1695
##
                      Mean
                              :26.94
                                      Mean
##
                      3rd Qu.:40.00
                                      3rd Qu.:2079
##
                      Max.
                             :54.00
                                      Max.
                                             :8359
```

glimpse(transactions)

• This data set gives us an additional total number of transactions per *store_nbr* for a given *date*. This information is only available for the training data.

Oil

summary(oil)

```
##
        date
                         dcoilwtico
##
  Length: 1218
                       Min. : 26.19
   Class : character
                       1st Qu.: 46.41
   Mode :character
                       Median : 53.19
##
##
                       Mean
                              : 67.71
##
                       3rd Qu.: 95.66
##
                       Max.
                              :110.62
##
                       NA's
                              :43
```

glimpse(oil)

Holidays

```
summary(holidays_events)
```

```
##
       date
                                           locale
                         type
                                        Length:350
##
  Length:350
                     Length:350
                     Class : character
  Class :character
                                        Class : character
## Mode :character Mode :character
                                        Mode :character
##
   locale_name
                      description
                                        transferred
## Length:350
                     Length:350
                                        Mode :logical
                                        FALSE:338
## Class :character
                      Class : character
                                        TRUE:12
## Mode :character
                     Mode :character
```

glimpse(holidays_events)

- Holidays and special events also come in the shape of a time series with a date column.
- There is a *type* of the holiday, a qualifier whether it's regional (*locale*) and in which region it applies (*locale_name*), as well as the name of the holiday in the feature *description*.
- transferred is a logical column indicating whether this specific holiday was moved to a different day that year.

Missing values

[1] 43

```
sum(is.na(train_data))
## [1] 2163435

sum(is.na(stores))
## [1] 0

sum(is.na(items))
## [1] 0

sum(is.na(transactions))
## [1] 0

sum(is.na(transactions))
```

```
sum(is.na(holidays_events))

## [1] 0

sum(is.na(stores))

## [1] 0

• train_data contains the majority of NAs in the onpromotion feature.

• oil contains 43 NAs.
```

Extract time series features

```
train_data$date <- ymd(train_data$date)</pre>
train_data <- train_data %>%
   mutate(year = year(date), month = month(date), day = day(date),
           weekday = wday(date), week_of_year = week(date))
glimpse(train data)
## Observations: 12,549,704
## Variables: 11
## $ id
                 <int> 25073733, 118143635, 115930312, 15194656, 7381890...
                 <date> 2014-06-08, 2017-06-07, 2017-05-17, 2013-12-09, ...
## $ date
## $ store_nbr
                 <int> 31, 4, 23, 6, 46, 33, 33, 46, 50, 42, 51, 39, 38,...
## $ item_nbr
                 <int> 258376, 1963265, 1457411, 1239795, 1113847, 12963...
## $ unit_sales <dbl> 1, 3, 1, 4, 5, 2, 10, 1, 3, 5, 1, 12, 15, 1, 18, ...
## $ onpromotion <1g1> FALSE, FALSE, FALSE, NA, FALSE, NA, FALSE, FALSE,...
## $ year
                  <dbl> 2014, 2017, 2017, 2013, 2016, 2013, 2016, 2016, 2...
## $ month
                  <dbl> 6, 6, 5, 12, 3, 6, 5, 2, 5, 7, 4, 11, 5, 2, 12, 6...
## $ day
                  <int> 8, 7, 17, 9, 19, 26, 9, 4, 3, 15, 25, 17, 1, 26, ...
## $ weekday
                 <dbl> 1, 4, 4, 2, 7, 4, 2, 5, 3, 7, 3, 5, 1, 1, 7, 3, 2...
## $ week_of_year <dbl> 23, 23, 20, 49, 12, 26, 19, 5, 18, 28, 17, 46, 18...
```

Holiday Events, convert character features to factors

```
str(holidays_events)
## Classes 'tbl_df', 'tbl' and 'data.frame':
                                            350 obs. of 6 variables:
               : chr "2012-03-02" "2012-04-01" "2012-04-12" "2012-04-14" ...
## $ date
                : chr "Holiday" "Holiday" "Holiday" "...
## $ type
              : chr "Local" "Regional" "Local" "Local" ...
## $ locale
## $ locale_name: chr "Manta" "Cotopaxi" "Cuenca" "Libertad" ...
## $ description: chr "Fundacion de Manta" "Provincializacion de Cotopaxi" "Fundacion de Cuenca" "Can
## $ transferred: logi FALSE FALSE FALSE FALSE FALSE ...
## - attr(*, ".internal.selfref")=<externalptr>
holidays_events$date <- ymd(holidays_events$date)
holidays_events <- holidays_events %>%
   mutate(
     type
                = as_factor(type),
     locale = as_factor(locale),
     locale_name = as_factor(locale_name)
   )
head(holidays events)
## # A tibble: 6 x 6
##
    date type
                      locale locale_name description
                                                               transferred
    <date>
              <fct>
                      <fct>
                             <fct>
                                                               <1g1>
## 1 2012-03-02 Holiday Local
                             Manta
                                         Fundacion de Manta
                                                               FALSE
## 2 2012-04-01 Holiday Region~ Cotopaxi
                                         Provincializacion de ~ FALSE
## 3 2012-04-12 Holiday Local Cuenca
                                       Fundacion de Cuenca
                                                              FALSE
## 4 2012-04-14 Holiday Local Libertad
                                        Cantonizacion de Libe~ FALSE
## 5 2012-04-21 Holiday Local Riobamba
                                        Cantonizacion de Riob~ FALSE
## 6 2012-05-12 Holiday Local Puyo
                                         Cantonizacion del Puyo FALSE
summary(holidays_events)
##
        date
                               type
                                            locale
                                                        locale_name
## Min.
         :2012-03-02
                       Holiday :221
                                       Local :152
                                                     Ecuador :174
## 1st Qu.:2013-12-23
                      Transfer : 12
                                                            : 13
                                       Regional: 24
                                                     Quito
## Median :2015-06-08 Additional: 51
                                       National:174
                                                     Riobamba: 12
                                                     Guaranda: 12
## Mean :2015-04-24
                       Bridge
                              : 5
## 3rd Qu.:2016-07-03
                       Work Day : 5
                                                     Latacunga: 12
## Max. :2017-12-26
                       Event
                                : 56
                                                     Ambato : 12
##
                                                     (Other) :115
## description
                    transferred
## Length:350
                     Mode :logical
## Class:character FALSE:338
## Mode :character TRUE :12
##
##
##
##
```

```
holidays_events %>% group_by(type) %>% count() %>% arrange(desc(n))
## # A tibble: 6 x 2
## # Groups:
              type [6]
    type
                   n
    <fct>
               <int>
## 1 Holiday
                 221
## 2 Event
## 3 Additional
                  51
## 4 Transfer
                  12
## 5 Bridge
                   5
## 6 Work Day
                   5
Joining item data with train data -
train_data_items_holidays <- train_data %>%
   left_join(items) %>%
   left_join(holidays_events, by = "date")
head(train_data_items_holidays)
## # A tibble: 6 x 19
##
        id date
                      store_nbr item_nbr unit_sales onpromotion year month
##
      <int> <date>
                     <int>
                                   <int>
                                              <dbl> <lgl>
                                                                <dbl> <dbl>
## 1 2.51e7 2014-06-08
                          31
                                  258376
                                                  1 FALSE
                                                                 2014
## 2 1.18e8 2017-06-07
                             4 1963265
                                                  3 FALSE
                                                                 2017
                                                                          6
## 3 1.16e8 2017-05-17
                            23 1457411
                                                  1 FALSE
                                                                 2017
                                                                          5
                              6 1239795
## 4 1.52e7 2013-12-09
                                                  4 NA
                                                                 2013
                                                                         12
## 5 7.38e7 2016-03-19
                             46 1113847
                                                                 2016
                                                  5 FALSE
                                                                          3
## 6 7.49e6 2013-06-26
                             33
                                 129635
                                                  2 NA
                                                                 2013
## # ... with 11 more variables: day <int>, weekday <dbl>,
      week_of_year <dbl>, family <chr>, class <int>, perishable <int>,
      type <fct>, locale <fct>, locale_name <fct>, description <chr>,
## #
## #
      transferred <lgl>
```

Joining stores and transactions data for analysis

4

5

5 2013-01-02

6 2013-01-02

```
transactions_stores <- transactions %>%
                          left_join(stores)
head(transactions)
## # A tibble: 6 x 3
##
     date
               store_nbr transactions
##
     <chr>>
                    <int>
                                 <int>
## 1 2013-01-01
                      25
                                   770
## 2 2013-01-02
                       1
                                  2111
## 3 2013-01-02
                       2
                                  2358
## 4 2013-01-02
                       3
                                  3487
```

1922

1903

head(transactions_stores)

```
## # A tibble: 6 x 7
    date store_nbr transactions city
                                          state
                                                          type cluster
                      <int> <chr>
            <int>
                                          <chr>>
    <chr>
                                                          <chr>>
                                                                 <int>
                25
## 1 2013-01~
                            770 Salinas
                                          Santa Elena
                                                                    1
## 2 2013-01~
                                          Pichincha
                 1
                           2111 Quito
                                                          D
                                                                    13
                 2
                          2358 Quito
## 3 2013-01~
                                          Pichincha
                                                          D
                                                                    13
                 3
                          3487 Quito
                                          Pichincha
## 4 2013-01~
                                                          D
                                                                    8
                 4
                                                          D
                                                                    9
## 5 2013-01~
                           1922 Quito
                                          Pichincha
                  5
## 6 2013-01~
                           1903 Santo Do~ Santo Domingo de~ D
                                                                     4
```

transactions_stores, convert character features to factors

```
## # A tibble: 6 x 7
          store_nbr transactions city
##
    date
                                                state
                                                                type cluster
##
    <date>
              <int> <int> <fct>
                                                <fct>
                                                                <fct> <fct>
                   25
## 1 2013-01-01
                                770 Salinas Santa Elena D
                                                                      1
                     1
                               2111 Quito
## 2 2013-01-02
                                                Pichincha
                                                              D
                                                                      13
                2 2358 Quito Pichincha D
3 3487 Quito Pichincha D
4 1922 Quito Pichincha D
5 1903 Santo Do~ Santo Domingo ~ D
## 3 2013-01-02
                                                               D
                                                                      13
## 4 2013-01-02
                                                               D
                                                                      8
## 5 2013-01-02
                                                                D
                                                                      9
## 6 2013-01-02
```

Data Storytelling

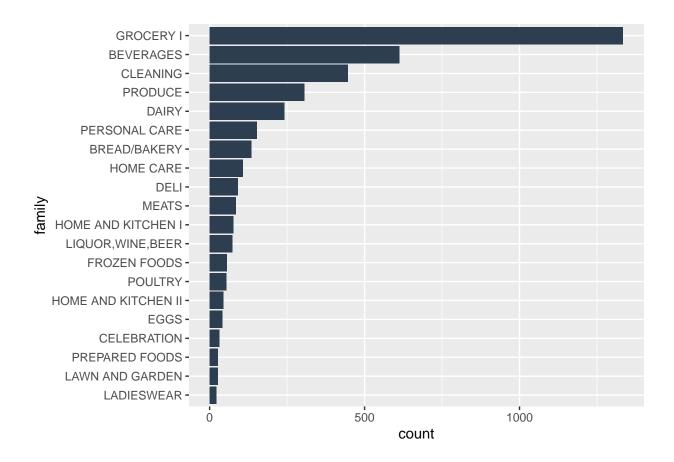
count of perishable items

```
items %>%
    group_by(perishable) %>%
    count()

## # A tibble: 2 x 2
## # Groups: perishable [2]
## perishable n
## <int> <int>
## 1 0 3114
## 2 1 986
```

top 20 item families

```
items %>% group_by(family) %>%
    summarise(count = n()) %>%
   top_n(20) %>%
   mutate(family = family %>% as_factor() %>% fct_reorder(count)) %>%
   ggplot(aes(family, count)) +
   geom_col(fill = "#2c3e50") +
    coord_flip()
```



top item families and their class

110

```
items %>% group_by(class, family) %>%
   summarise(count = n()) %>%
   arrange(desc(count))
## # A tibble: 337 x 3
## # Groups: class [337]
##
     class family
                     count
     <int> <chr>
##
                     <int>
## 1 1016 GROCERY I
                       133
## 2 1040 GROCERY I
```

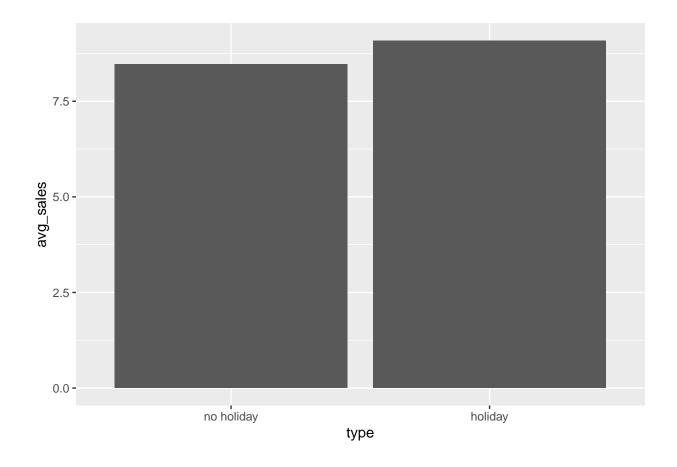
```
3 1124 BEVERAGES
##
                       100
##
   4 1034 GROCERY I
                        98
##
  5 1122 BEVERAGES
                        81
  6 1072 GROCERY I
                        70
##
##
      1032 GROCERY I
##
  8 1148 BEVERAGES
                        62
  9 1120 BEVERAGES
                        61
## 10 3020 CLEANING
                        60
## # ... with 327 more rows
```

difference between holiday and non holiday sales

```
train_data_items_holidays <- train_data_items_holidays %>%
   mutate(type = as_factor(ifelse(is.na(locale), "no holiday", "holiday")))
head(train_data_items_holidays)
## # A tibble: 6 x 19
##
         id date
                      store_nbr item_nbr unit_sales onpromotion year month
##
      <int> <date>
                       <int>
                                   <int>
                                           <dbl> <lgl>
                                                                <dbl> <dbl>
## 1 2.51e7 2014-06-08
                                  258376
                                                  1 FALSE
                                                                 2014
                            31
## 2 1.18e8 2017-06-07
                              4 1963265
                                                  3 FALSE
                                                                 2017
                                                                          6
## 3 1.16e8 2017-05-17
                             23 1457411
                                                  1 FALSE
                                                                 2017
                                                                          5
## 4 1.52e7 2013-12-09
                              6 1239795
                                                                 2013
                                                                         12
                                                  4 NA
## 5 7.38e7 2016-03-19
                             46 1113847
                                                  5 FALSE
                                                                 2016
                                                                          3
                             33
## 6 7.49e6 2013-06-26
                                 129635
                                                  2 NA
                                                                 2013
                                                                          6
## # ... with 11 more variables: day <int>, weekday <dbl>,
      week_of_year <dbl>, family <chr>, class <int>, perishable <int>,
      type <fct>, locale <fct>, locale_name <fct>, description <chr>,
## #
      transferred <lgl>
```

variation of sales by holiday type

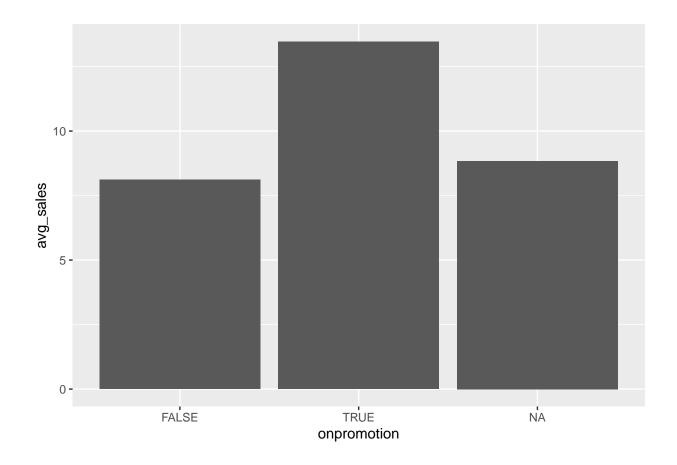
```
train_data_items_holidays %>%
    group_by(type) %>%
    summarise(avg_sales = mean(unit_sales)) %>%
    ggplot() +
    geom_col(aes(x = type, y = avg_sales))
```



perishable vs non perishable sales

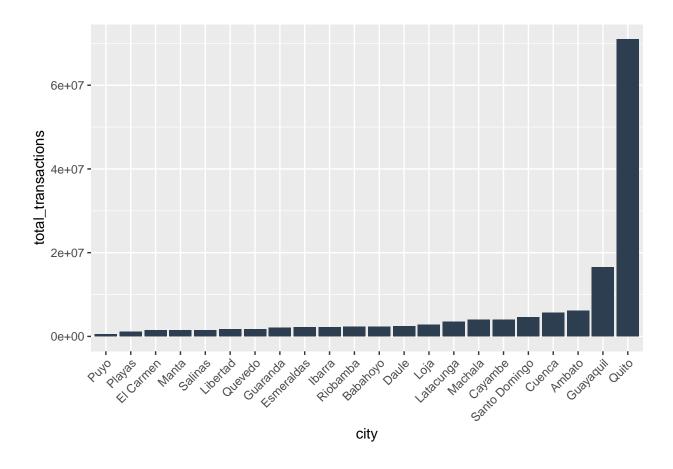
promotion vs non promotion avg sales - promotion has significant impact on sales.

```
train_data_items_holidays %>%
   group_by(onpromotion) %>%
   summarise(avg_sales = mean(unit_sales)) %>%
   ggplot() +
   geom_col(aes(x = onpromotion, y = avg_sales))
```



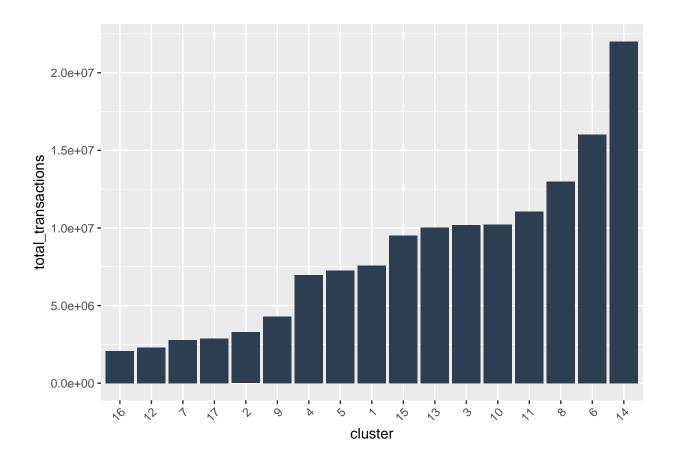
transactions by city

```
transactions_stores %>%
  group_by(city)%>%
  summarise(total_transactions = sum(transactions)) %>%
  mutate(city= city %>% as_factor() %>% fct_reorder(total_transactions)) %>%
  ggplot(aes(city, total_transactions)) +
  geom_col(fill = "#2c3e50") +
  theme(
    axis.text.x = element_text(angle = 45, hjust = 1)
)
```



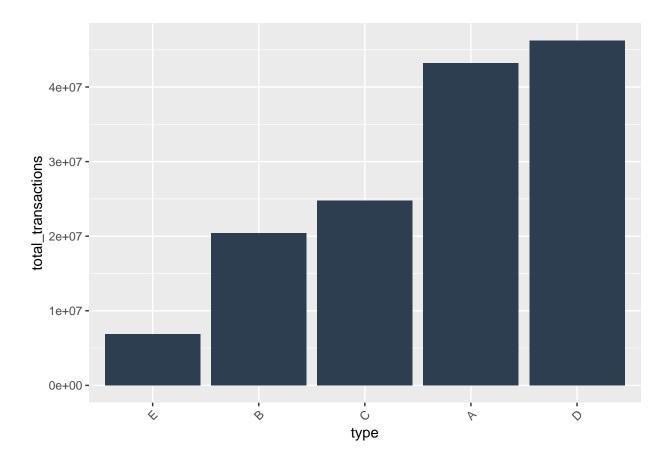
transactions by store cluster

```
transactions_stores %>%
  group_by(cluster) %>%
  summarise(total_transactions = sum(transactions)) %>%
  mutate(cluster = cluster %>% as_factor() %>% fct_reorder(total_transactions)) %>%
  ggplot(aes(cluster, total_transactions)) +
  geom_col(fill = "#2c3e50") +
  theme(
    axis.text.x = element_text(angle = 45, hjust = 1)
)
```



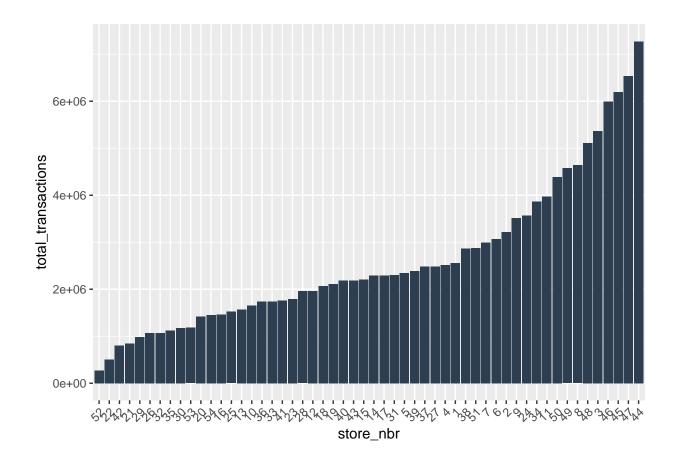
transactions by store type

```
transactions_stores %>%
  group_by(type)%>%
  summarise(total_transactions = sum(transactions)) %>%
  mutate(type = type %>% as_factor() %>% fct_reorder(total_transactions)) %>%
  ggplot(aes(type, total_transactions)) +
  geom_col(fill = "#2c3e50") +
  theme(
    axis.text.x = element_text(angle = 45, hjust = 1)
)
```



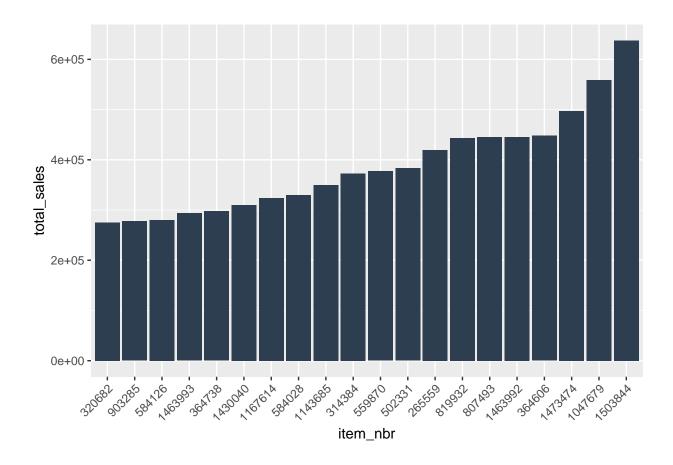
transactions by store

```
transactions_stores %>%
   group_by(store_nbr)%>%
   summarise(total_transactions = sum(transactions)) %>%
   mutate(store_nbr = store_nbr %>% as_factor() %>% fct_reorder(total_transactions)) %>%
   ggplot(aes(store_nbr, total_transactions)) +
   geom_col(fill = "#2c3e50") +
   theme(
       axis.text.x = element_text(angle = 45, hjust = 1)
   )
```



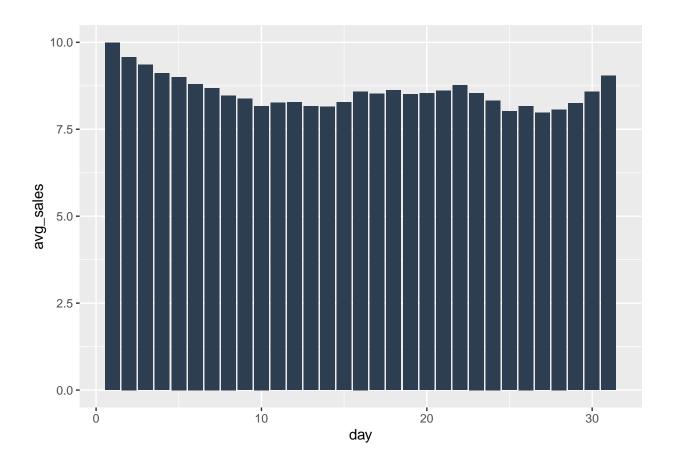
top 20 items by sales

```
train_data_items_holidays %>%
  group_by(item_nbr)%>%
  summarise(total_sales = sum(unit_sales)) %>%
  arrange(desc(total_sales)) %>%
  top_n(20) %>%
  mutate(item_nbr = item_nbr %>% as_factor() %>% fct_reorder(total_sales)) %>%
  ggplot(aes(item_nbr, total_sales)) +
  geom_col(fill = "#2c3e50") +
  theme(
    axis.text.x = element_text(angle = 45, hjust = 1)
)
```



sales by day of the month

```
train_data_items_holidays %>%
   group_by(day)%>%
   summarise(avg_sales = mean((unit_sales))) %>%
   ggplot() + geom_col(aes(x = day, y = avg_sales),fill = "#2c3e50")
```



weekly sales trend

```
train_data_items_holidays %>%
   group_by(weekday)%>%
   summarise(avg_sales = mean(unit_sales)) %>%
   ggplot() + geom_col(aes(x = weekday, y = avg_sales),fill = "#2c3e50") +
   ggtitle("weekly sales") +
   xlab("weekday") + ylab("avg sales")
```

