The transactions made by a UK-based, registered, non-store online retailer between December 1, 2010, and December 9,2011, are all included in the transnational data set known as online retail. The company primarily offer one-of-a-kind gifts for every occasion. The company has a large number of wholesalers as clients.Company ObjectiveUsing the global online retail dataset, we will design a clustering model and select the ideal group of clients for the business to target.

In [1]:
```
import pandas as pd
from matplotlib import pyplot as plt
%matplotlib inline
```

In [2]:
```
df=pd.read_csv(r"C:\Users\Downloads\Online Retail.csv")
df
```

Out[2]:

	InvoiceNo	StockCode	Description	Quantity	InvoiceDate	UnitPrice	CustomerID	Cou
0	536365	85123A	WHITE HANGING HEART T-LIGHT HOLDER	6	01-12-2010 08:26	2.55	17850.0	Ur Kingc
1	536365	71053	WHITE METAL LANTERN	6	01-12-2010 08:26	3.39	17850.0	Ur Kingc
2	536365	84406B	CREAM CUPID HEARTS COAT HANGER	8	01-12-2010 08:26	2.75	17850.0	Ur Kingc
3	536365	84029G	KNITTED UNION FLAG HOT WATER BOTTLE	6	01-12-2010 08:26	3.39	17850.0	Ur Kingc
4	536365	84029E	RED WOOLLY HOTTIE WHITE HEART.	6	01-12-2010 08:26	3.39	17850.0	Ur Kingc
...	...	...	...	...	...	...	...	
541904	581587	22613	PACK OF 20 SPACEBOY NAPKINS	12	09-12-2011 12:50	0.85	12680.0	Fra
541905	581587	22899	CHILDREN'S APRON DOLLY GIRL	6	09-12-2011 12:50	2.10	12680.0	Fra
541906	581587	23254	CHILDRENS CUTLERY DOLLY GIRL	4	09-12-2011 12:50	4.15	12680.0	Fra
541907	581587	23255	CHILDRENS CUTLERY CIRCUS PARADE	4	09-12-2011 12:50	4.15	12680.0	Fra
541908	581587	22138	BAKING SET 9 PIECE RETROSPOT	3	09-12-2011 12:50	4.95	12680.0	Fra

541909 rows × 8 columns

DATA CLEANING AND PREPROCESSING

In [3]:
```
df.head()
```

Out[3]:

	InvoiceNo	StockCode	Description	Quantity	InvoiceDate	UnitPrice	CustomerID	Country
0	536365	85123A	WHITE HANGING HEART T-LIGHT HOLDER	6	01-12-2010 08:26	2.55	17850.0	United Kingdom
1	536365	71053	WHITE METAL LANTERN	6	01-12-2010 08:26	3.39	17850.0	United Kingdom
2	536365	84406B	CREAM CUPID HEARTS COAT HANGER	8	01-12-2010 08:26	2.75	17850.0	United Kingdom
3	536365	84029G	KNITTED UNION FLAG HOT WATER BOTTLE	6	01-12-2010 08:26	3.39	17850.0	United Kingdom
4	536365	84029E	RED WOOLLY HOTTIE WHITE HEART.	6	01-12-2010 08:26	3.39	17850.0	United Kingdom

In [4]:
```
df.tail()
```

Out[4]:

	InvoiceNo	StockCode	Description	Quantity	InvoiceDate	UnitPrice	CustomerID	Cou
541904	581587	22613	PACK OF 20 SPACEBOY NAPKINS	12	09-12-2011 12:50	0.85	12680.0	Fra
541905	581587	22899	CHILDREN'S APRON DOLLY GIRL	6	09-12-2011 12:50	2.10	12680.0	Fra
541906	581587	23254	CHILDRENS CUTLERY DOLLY GIRL	4	09-12-2011 12:50	4.15	12680.0	Fra
541907	581587	23255	CHILDRENS CUTLERY CIRCUS PARADE	4	09-12-2011 12:50	4.15	12680.0	Fra
541908	581587	22138	BAKING SET 9 PIECE RETROSPOT	3	09-12-2011 12:50	4.95	12680.0	Fra

In [5]:
```
df['InvoiceNo'].value_counts()
```

Out[5]:
```
573585     1114
581219      749
581492      731
580729      721
558475      705
           ...
554023        1
554022        1
554021        1
554020        1
C558901       1
Name: InvoiceNo, Length: 25900, dtype: int64
```

In [6]:
```
df['CustomerID'].value_counts()
```

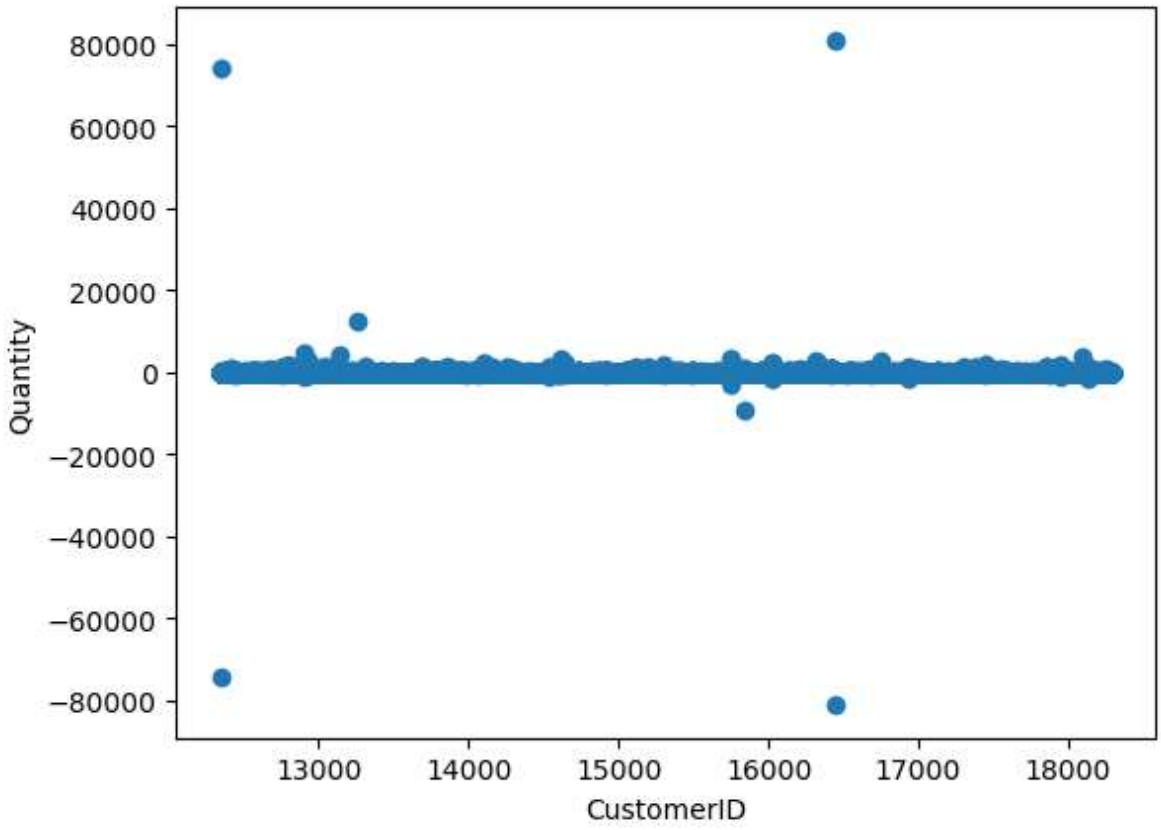
Out[6]:
```
17841.0    7983
14911.0    5903
14096.0    5128
12748.0    4642
14606.0    2782
           ...
15070.0       1
15753.0       1
17065.0       1
16881.0       1
16995.0       1
Name: CustomerID, Length: 4372, dtype: int64
```

In [7]:
```
df['Quantity'].value_counts()
```

Out[7]:
```
 1        148227
 2         81829
 12        61063
 6         40868
 4         38484
           ...
-472           1
-161           1
-1206          1
-272           1
-80995         1
Name: Quantity, Length: 722, dtype: int64
```

In [8]:
```
plt.scatter(df["CustomerID"],df["Quantity"])
plt.xlabel("CustomerID")
plt.ylabel("Quantity")
```

Out[8]:
```
Text(0, 0.5, 'Quantity')
```



In [9]:
```
df.info()
```

```
<class 'pandas.core.frame.DataFrame'>
RangeIndex: 541909 entries, 0 to 541908
Data columns (total 8 columns):
 #   Column       Non-Null Count   Dtype  
---  ------       --------------   -----  
 0   InvoiceNo    541909 non-null  object 
 1   StockCode    541909 non-null  object 
 2   Description  540455 non-null  object 
 3   Quantity     541909 non-null  int64  
 4   InvoiceDate  541909 non-null  object 
 5   UnitPrice    541909 non-null  float64
 6   CustomerID   406829 non-null  float64
 7   Country      541909 non-null  object 
dtypes: float64(2), int64(1), object(5)
memory usage: 33.1+ MB
```

In [10]:
```
df.isnull().sum()
```

Out[10]:
```
InvoiceNo          0
StockCode          0
Description     1454
Quantity           0
InvoiceDate        0
UnitPrice          0
CustomerID     135080
Country            0
dtype: int64
```

In [11]:
```
df.fillna(method='ffill',inplace=True)
```

In [12]:
```
df.isnull().sum()
```

Out[12]:
```
InvoiceNo      0
StockCode      0
Description    0
Quantity       0
InvoiceDate    0
UnitPrice      0
CustomerID     0
Country        0
dtype: int64
```

In [13]:
```
from sklearn.cluster import KMeans
km=KMeans()
km
```

Out[13]:
```
KMeans()
```

In a Jupyter environment, please rerun this cell to show the HTML representation or trust the notebook.
On GitHub, the HTML representation is unable to render, please try loading this page with nbviewer.org.

In a Jupyter environment, please rerun this cell to show the HTML representation or trust the notebook.

On GitHub, the HTML representation is unable to render, please try loading this page with nbviewer.org.

In [14]:
```
y_predicted=km.fit_predict(df[["CustomerID","Quantity"]])
y_predicted
```

```
C:\Users\Y.Saranya\anaconda3\lib\site-packages\sklearn\cluster\_kmeans.py:87
0: FutureWarning: The default value of `n_init` will change from 10 to 'auto'
in 1.4. Set the value of `n_init` explicitly to suppress the warning
  warnings.warn(
```

Out[14]:
```
array([2, 2, 2, ..., 1, 1, 1])
```

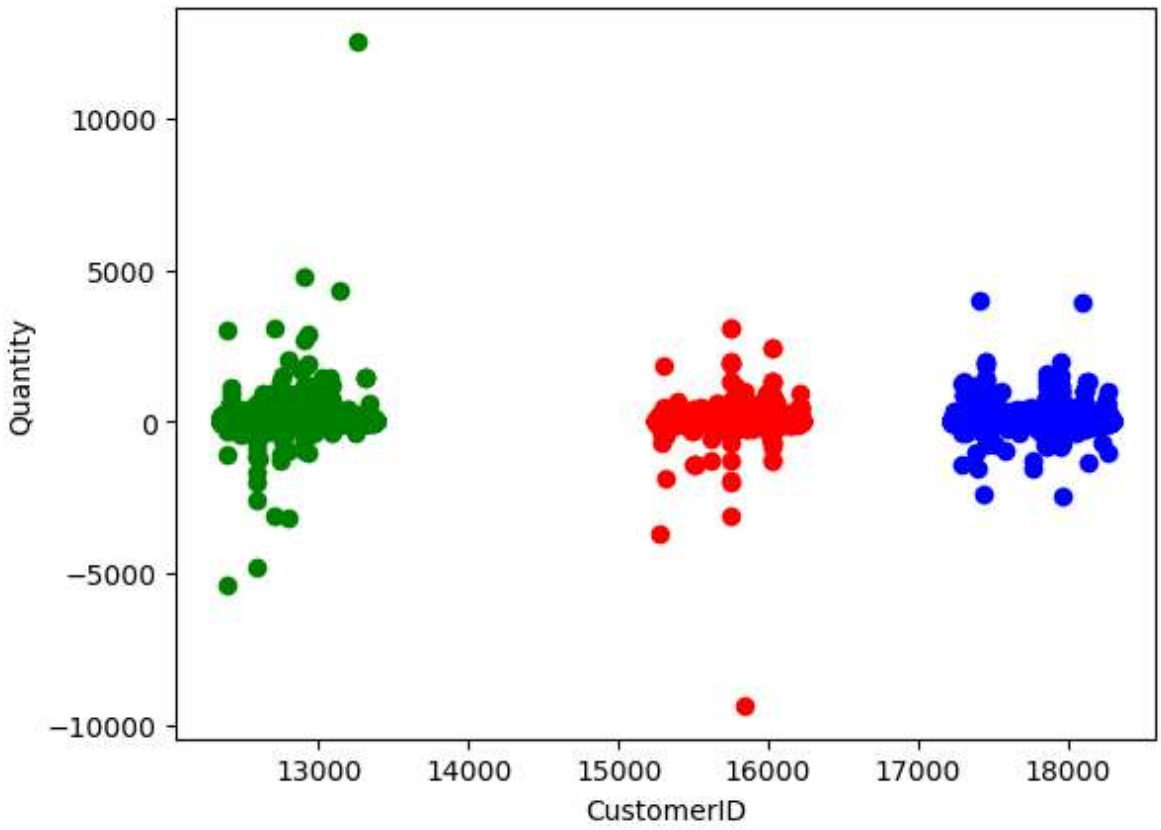
In [15]:
```
df["cluster"]=y_predicted
df.head()
```

Out[15]:

	InvoiceNo	StockCode	Description	Quantity	InvoiceDate	UnitPrice	CustomerID	Country	cl
0	536365	85123A	WHITE HANGING HEART T-LIGHT HOLDER	6	01-12-2010 08:26	2.55	17850.0	United Kingdom	
1	536365	71053	WHITE METAL LANTERN	6	01-12-2010 08:26	3.39	17850.0	United Kingdom	
2	536365	84406B	CREAM CUPID HEARTS COAT HANGER	8	01-12-2010 08:26	2.75	17850.0	United Kingdom	
3	536365	84029G	KNITTED UNION FLAG HOT WATER BOTTLE	6	01-12-2010 08:26	3.39	17850.0	United Kingdom	
4	536365	84029E	RED WOOLLY HOTTIE WHITE HEART.	6	01-12-2010 08:26	3.39	17850.0	United Kingdom	

In [16]:
```
df1=df[df.cluster==0]
df2=df[df.cluster==1]
df3=df[df.cluster==2]
plt.scatter(df1["CustomerID"],df1["Quantity"],color="red")
plt.scatter(df2["CustomerID"],df2["Quantity"],color="green")
plt.scatter(df3["CustomerID"],df3["Quantity"],color="blue")
plt.xlabel("CustomerID")
plt.ylabel("Quantity")
```

Out[16]:
```
Text(0, 0.5, 'Quantity')
```



In [17]:
```
from sklearn.preprocessing import MinMaxScaler
scaler=MinMaxScaler()
scaler.fit(df[["Quantity"]])
df["Quantity"]=scaler.transform(df[["Quantity"]])
df.head()
```

Out[17]:

	InvoiceNo	StockCode	Description	Quantity	InvoiceDate	UnitPrice	CustomerID	Country	c
0	536365	85123A	WHITE HANGING HEART T-LIGHT HOLDER	0.500037	01-12-2010 08:26	2.55	17850.0	United Kingdom	
1	536365	71053	WHITE METAL LANTERN	0.500037	01-12-2010 08:26	3.39	17850.0	United Kingdom	
2	536365	84406B	CREAM CUPID HEARTS COAT HANGER	0.500049	01-12-2010 08:26	2.75	17850.0	United Kingdom	
3	536365	84029G	KNITTED UNION FLAG HOT WATER BOTTLE	0.500037	01-12-2010 08:26	3.39	17850.0	United Kingdom	
4	536365	84029E	RED WOOLLY HOTTIE WHITE HEART.	0.500037	01-12-2010 08:26	3.39	17850.0	United Kingdom	

In [18]:
```
scaler.fit(df[["CustomerID"]])
df["CustomerID"]=scaler.transform(df[["CustomerID"]])
df.head()
```

Out[18]:

	InvoiceNo	StockCode	Description	Quantity	InvoiceDate	UnitPrice	CustomerID	Country	c
0	536365	85123A	WHITE HANGING HEART T-LIGHT HOLDER	0.500037	01-12-2010 08:26	2.55	0.926443	United Kingdom	
1	536365	71053	WHITE METAL LANTERN	0.500037	01-12-2010 08:26	3.39	0.926443	United Kingdom	
2	536365	84406B	CREAM CUPID HEARTS COAT HANGER	0.500049	01-12-2010 08:26	2.75	0.926443	United Kingdom	
3	536365	84029G	KNITTED UNION FLAG HOT WATER BOTTLE	0.500037	01-12-2010 08:26	3.39	0.926443	United Kingdom	
4	536365	84029E	RED WOOLLY HOTTIE WHITE HEART.	0.500037	01-12-2010 08:26	3.39	0.926443	United Kingdom	

kmeans clustering

In [19]:
```
km=KMeans()
y_predicted=km.fit_predict(df[["CustomerID","Quantity"]])
y_predicted
```

```
C:\Users\Y.Saranya\anaconda3\lib\site-packages\sklearn\cluster\_kmeans.py:87
0: FutureWarning: The default value of `n_init` will change from 10 to 'auto'
in 1.4. Set the value of `n_init` explicitly to suppress the warning
  warnings.warn(
```

Out[19]:
```
array([0, 0, 0, ..., 3, 3, 3])
```

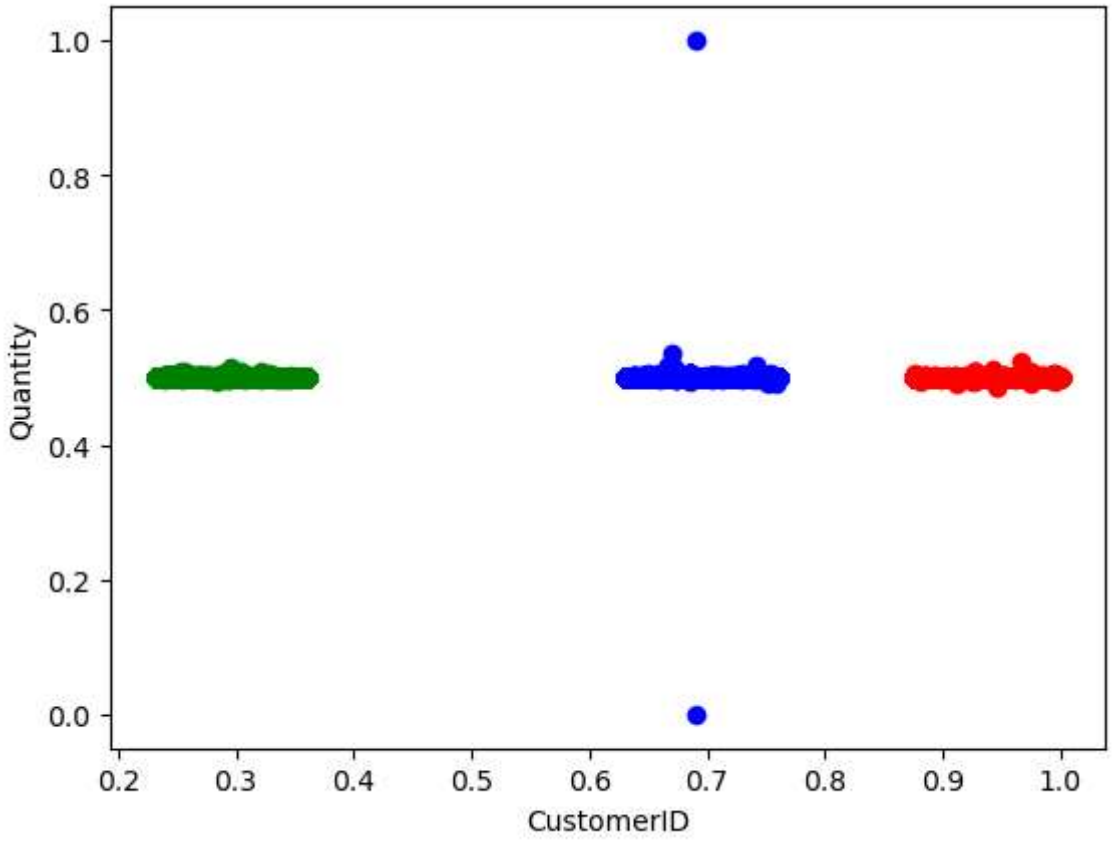
In [20]:
```
df["New Cluster"]=y_predicted
df.head()
```

Out[20]:

	InvoiceNo	StockCode	Description	Quantity	InvoiceDate	UnitPrice	CustomerID	Country	c
0	536365	85123A	WHITE HANGING HEART T-LIGHT HOLDER	0.500037	01-12-2010 08:26	2.55	0.926443	United Kingdom	
1	536365	71053	WHITE METAL LANTERN	0.500037	01-12-2010 08:26	3.39	0.926443	United Kingdom	
2	536365	84406B	CREAM CUPID HEARTS COAT HANGER	0.500049	01-12-2010 08:26	2.75	0.926443	United Kingdom	
3	536365	84029G	KNITTED UNION FLAG HOT WATER BOTTLE	0.500037	01-12-2010 08:26	3.39	0.926443	United Kingdom	
4	536365	84029E	RED WOOLLY HOTTIE WHITE HEART.	0.500037	01-12-2010 08:26	3.39	0.926443	United Kingdom	

In [21]:
```
df1=df[df["New Cluster"]==0]
df2=df[df["New Cluster"]==1]
df3=df[df["New Cluster"]==2]
plt.scatter(df1["CustomerID"],df1["Quantity"],color="red")
plt.scatter(df2["CustomerID"],df2["Quantity"],color="green")
plt.scatter(df3["CustomerID"],df3["Quantity"],color="blue")
plt.xlabel("CustomerID")
plt.ylabel("Quantity")
```

Out[21]:
```
Text(0, 0.5, 'Quantity')
```

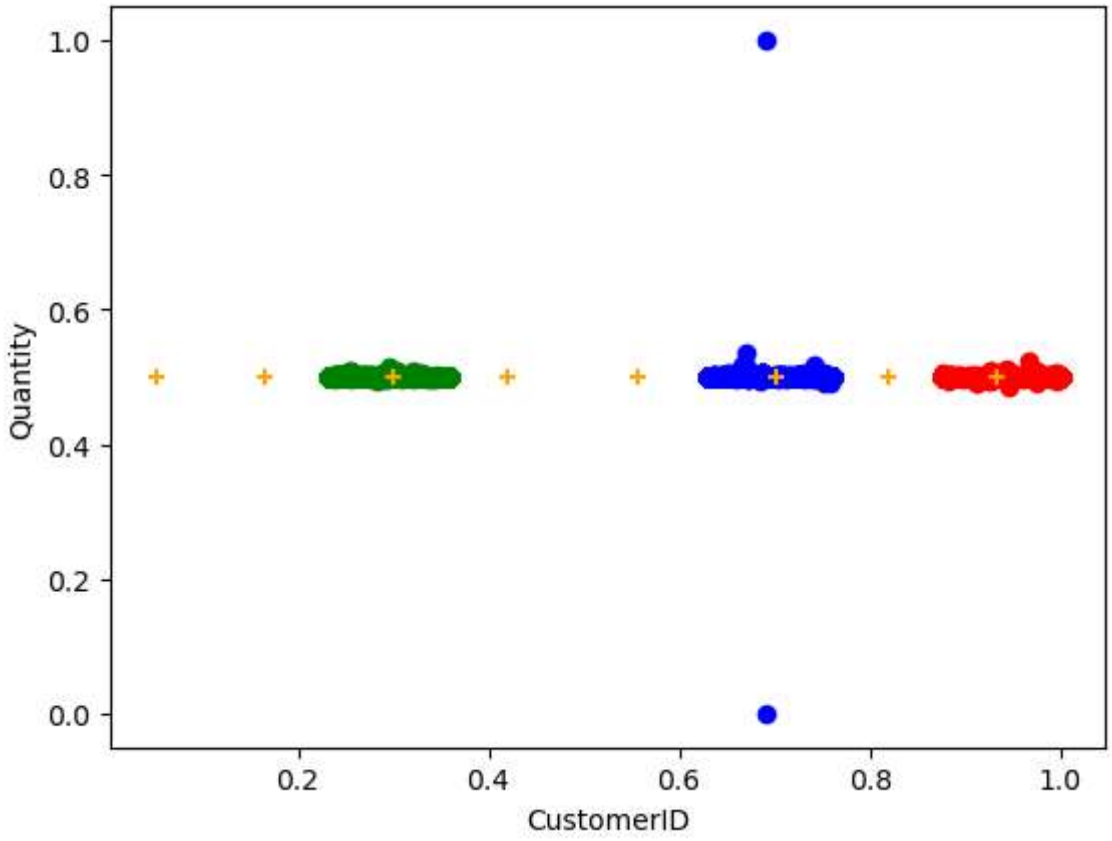


In [22]:
```
km.cluster_centers_
```

Out[22]:
```
array([[0.93301334, 0.50005098],
       [0.29887766, 0.50006072],
       [0.70173498, 0.50005811],
       [0.05156814, 0.50006705],
       [0.42034012, 0.50006104],
       [0.81846395, 0.50006031],
       [0.165866  , 0.50006058],
       [0.55740616, 0.50005319]])
```

In [23]:
```
df1=df[df["New Cluster"]==0]
df2=df[df["New Cluster"]==1]
df3=df[df["New Cluster"]==2]
plt.scatter(df1["CustomerID"],df1["Quantity"],color="red")
plt.scatter(df2["CustomerID"],df2["Quantity"],color="green")
plt.scatter(df3["CustomerID"],df3["Quantity"],color="blue")
plt.scatter(km.cluster_centers_[:,0],km.cluster_centers_[:,1],color="orange",m
plt.xlabel("CustomerID")
plt.ylabel("Quantity")
```

Out[23]:
```
Text(0, 0.5, 'Quantity')
```



In [24]:
```
k_rng=range(1,10)
sse=[]
```

In [25]:
```
for k in k_rng:
 km=KMeans(n_clusters=k)
 km.fit(df[["CustomerID","Quantity"]])
 sse.append(km.inertia_)
#km.inertia_ will give you the value of sum of square error
print(sse)
plt.plot(k_rng,sse)
plt.xlabel("K")
plt.ylabel("Sum of Squared Error")
```

```
C:\Users\Y.Saranya\anaconda3\lib\site-packages\sklearn\cluster\_kmeans.py:87
0: FutureWarning: The default value of `n_init` will change from 10 to 'auto'
in 1.4. Set the value of `n_init` explicitly to suppress the warning
  warnings.warn(
C:\Users\Y.Saranya\anaconda3\lib\site-packages\sklearn\cluster\_kmeans.py:87
0: FutureWarning: The default value of `n_init` will change from 10 to 'auto'
in 1.4. Set the value of `n_init` explicitly to suppress the warning
  warnings.warn(
C:\Users\Y.Saranya\anaconda3\lib\site-packages\sklearn\cluster\_kmeans.py:87
0: FutureWarning: The default value of `n_init` will change from 10 to 'auto'
in 1.4. Set the value of `n_init` explicitly to suppress the warning
  warnings.warn(
C:\Users\Y.Saranya\anaconda3\lib\site-packages\sklearn\cluster\_kmeans.py:87
0: FutureWarning: The default value of `n_init` will change from 10 to 'auto'
in 1.4. Set the value of `n_init` explicitly to suppress the warning
  warnings.warn(
C:\Users\Y.Saranya\anaconda3\lib\site-packages\sklearn\cluster\_kmeans.py:87
0: FutureWarning: The default value of `n_init` will change from 10 to 'auto'
in 1.4. Set the value of `n_init` explicitly to suppress the warning
  warnings.warn(
C:\Users\Y.Saranya\anaconda3\lib\site-packages\sklearn\cluster\_kmeans.py:87
0: FutureWarning: The default value of `n_init` will change from 10 to 'auto'
in 1.4. Set the value of `n_init` explicitly to suppress the warning
  warnings.warn(
C:\Users\Y.Saranya\anaconda3\lib\site-packages\sklearn\cluster\_kmeans.py:87
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in 1.4. Set the value of `n_init` explicitly to suppress the warning
  warnings.warn(
C:\Users\Y.Saranya\anaconda3\lib\site-packages\sklearn\cluster\_kmeans.py:87
0: FutureWarning: The default value of `n_init` will change from 10 to 'auto'
in 1.4. Set the value of `n_init` explicitly to suppress the warning
  warnings.warn(
C:\Users\Y.Saranya\anaconda3\lib\site-packages\sklearn\cluster\_kmeans.py:87
0: FutureWarning: The default value of `n_init` will change from 10 to 'auto'
in 1.4. Set the value of `n_init` explicitly to suppress the warning
  warnings.warn(

[46374.84553398474, 11336.065820169119, 4915.872675775512, 2723.519105189528
5, 1695.0487791393934, 1178.414425862023, 903.7739950782725, 683.514097492861
9, 530.5168701475541]
```
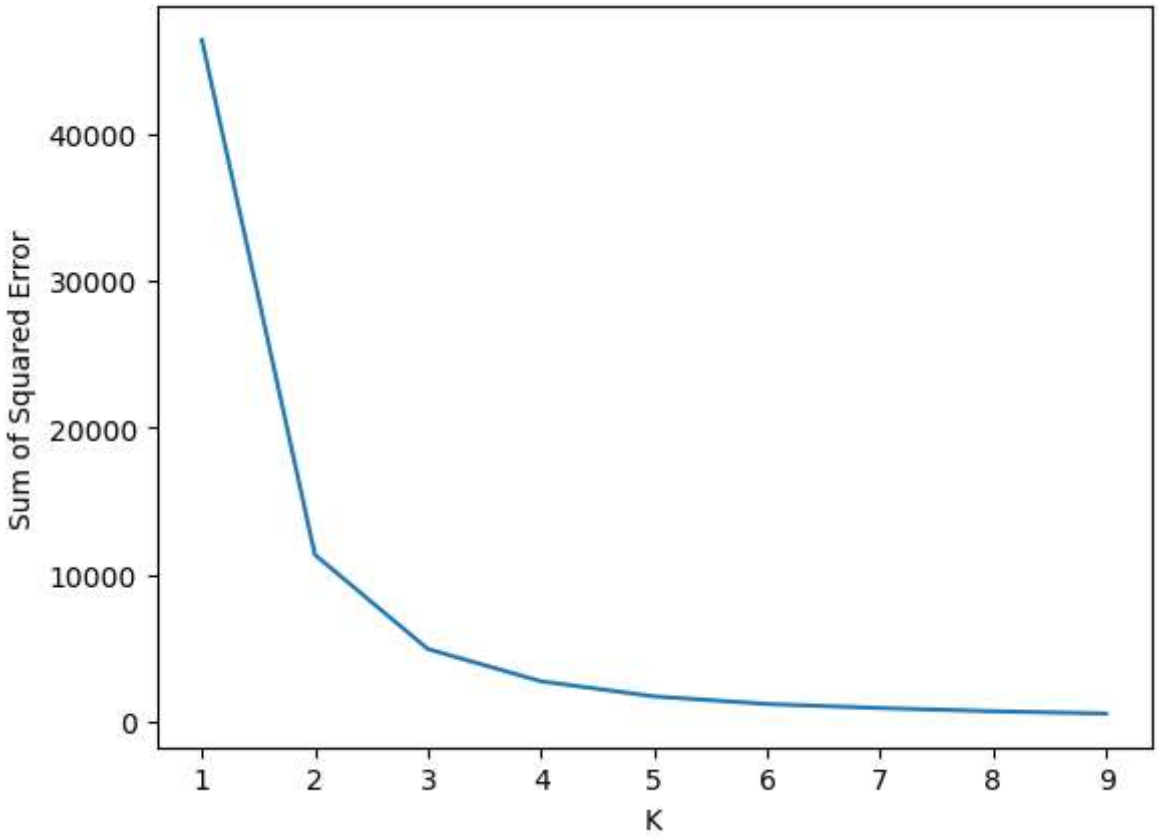

Out[25]:
```
Text(0, 0.5, 'Sum of Squared Error')
```



CONCLUSION

For the given dataset we use K-means Clustering and done the grouping based on the given data.In the above dataset we will take customer id and quantity based on that we make the clusters. When the K-value is low error rate is more and the K-value is high error rate is very high. So,finally we can Conclude the above dataset is bestfit for K-Means.

In [ ]: