Market Basket Magic: Extracting Insights for Retail Success

Customer segmentation is a crucial aspect of retail and marketing strategy. Mall Customer Segmentation is a common data analysis project that involves categorizing mall customers into distinct groups or segments based on various characteristics and behaviors. This segmentation is valuable for tailoring marketing efforts, optimizing store layouts, and enhancing customer experiences.es.s

UNSUPERVISED LEARNING

```
import pandas as pd
import numpy as np
import matplotlib.pyplot as plt
import seaborn as sns

df=pd.read_csv(r"D:\MachineLearning\DataScienceCourse\
Mall_Customers.csv")
df
```

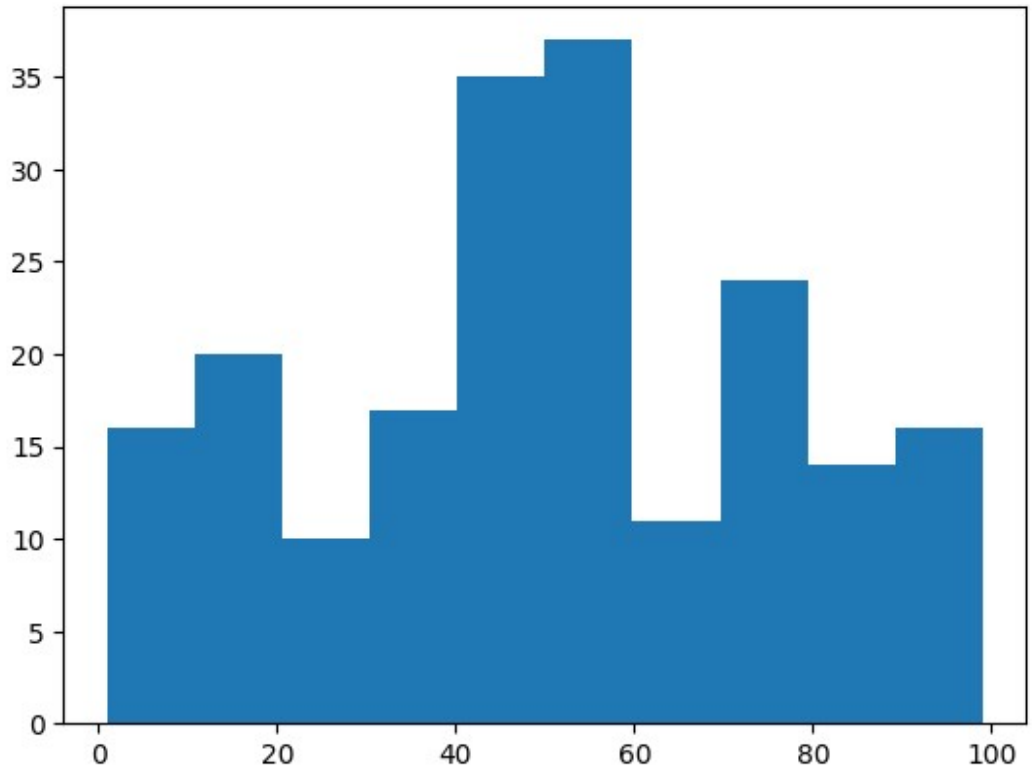
```
     CustomerID  Gender  Age  Annual Income (k$)  Spending Score (1-
100)
0             1    Male   19                  15
39
1             2    Male   21                  15
81
2             3  Female   20                  16
6
3             4  Female   23                  16
77
4             5  Female   31                  17
40
..          ...     ...  ...                 ...                    .
..
195         196  Female   35                 120
79
196         197  Female   45                 126
28
197         198    Male   32                 126
74
198         199    Male   32                 137
18
199         200    Male   30                 137
83

[200 rows x 5 columns]
```

```
df.info()
```

```
<class 'pandas.core.frame.DataFrame'>
RangeIndex: 200 entries, 0 to 199
Data columns (total 5 columns):
 #   Column                  Non-Null Count  Dtype
---  ------                  --------------  -----
 0   CustomerID              200 non-null    int64
 1   Gender                  200 non-null    object
 2   Age                     200 non-null    int64
 3   Annual Income (k$)      200 non-null    int64
 4   Spending Score (1-100)  200 non-null    int64
dtypes: int64(4), object(1)
memory usage: 7.9+ KB
```

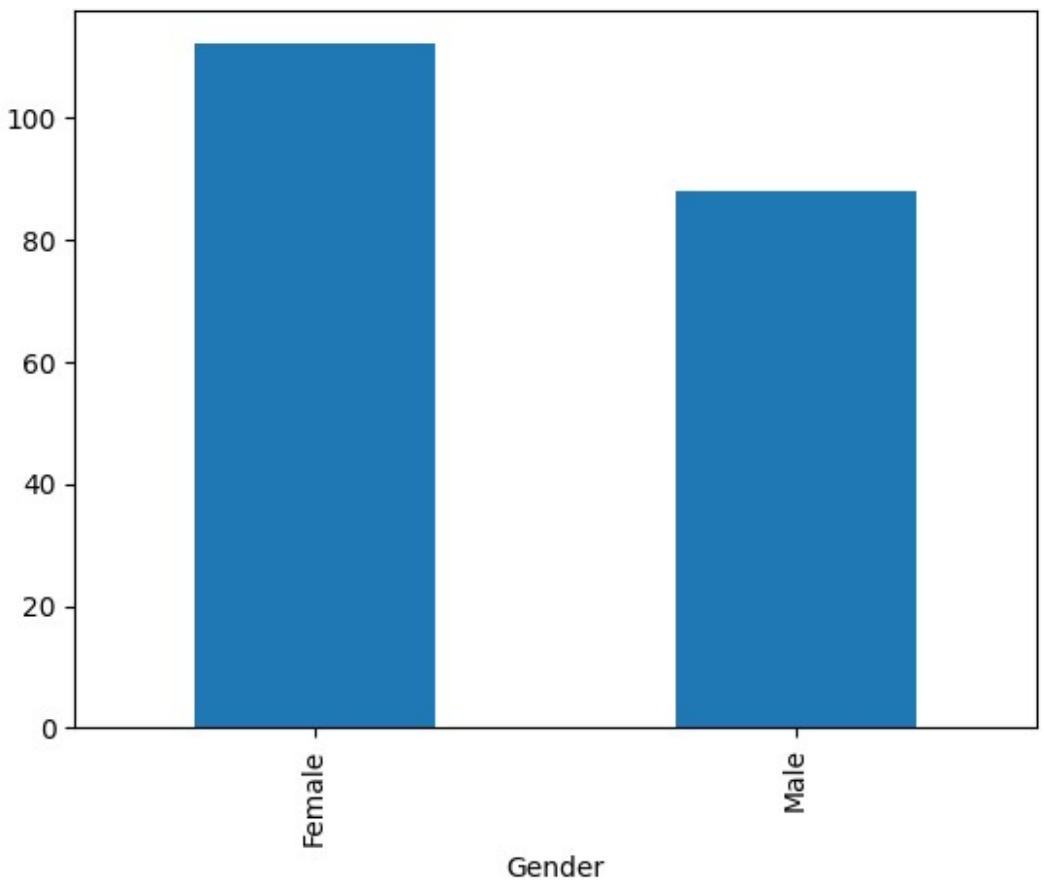
```
plt.hist(df["Spending Score (1-100)"], bins=10)
```

```
(array([16., 20., 10., 17., 35., 37., 11., 24., 14., 16.]),
 array([ 1. , 10.8, 20.6, 30.4, 40.2, 50. , 59.8, 69.6, 79.4, 89.2,
99. ]),
 <BarContainer object of 10 artists>)
```




```
df['Gender'].value_counts().plot(kind='bar')
```

```
<Axes: xlabel='Gender'>
```



Female customers are more !!

```
# encoding
df['Gender']=df['Gender'].replace({'Male':1,'Female':0})

df.head(5)
```

	CustomerID	Gender	Age	Annual Income (k$)	Spending Score (1-100)
0	1	1	19	15	39
1	2	1	21	15	81
2	3	0	20	16	6
3	4	0	23	16	77
4	5	0	31	17	40

```
# Selecting 3rd and 4th column as a numpy array
x = df.iloc[:, [3, 4]].values

x
```

```
array([[ 15,  39],
       [ 15,  81],
       [ 16,   6],
       [ 16,  77],
       [ 17,  40],
```

```
       [ 17,  76],
       [ 18,   6],
       [ 18,  94],
       [ 19,   3],
       [ 19,  72],
       [ 19,  14],
       [ 19,  99],
       [ 20,  15],
       [ 20,  77],
       [ 20,  13],
       [ 20,  79],
       [ 21,  35],
       [ 21,  66],
       [ 23,  29],
       [ 23,  98],
       [ 24,  35],
       [ 24,  73],
       [ 25,   5],
       [ 25,  73],
       [ 28,  14],
       [ 28,  82],
       [ 28,  32],
       [ 28,  61],
       [ 29,  31],
       [ 29,  87],
       [ 30,   4],
       [ 30,  73],
       [ 33,   4],
       [ 33,  92],
       [ 33,  14],
       [ 33,  81],
       [ 34,  17],
       [ 34,  73],
       [ 37,  26],
       [ 37,  75],
       [ 38,  35],
       [ 38,  92],
       [ 39,  36],
       [ 39,  61],
       [ 39,  28],
       [ 39,  65],
       [ 40,  55],
       [ 40,  47],
       [ 40,  42],
       [ 40,  42],
       [ 42,  52],
       [ 42,  60],
       [ 43,  54],
       [ 43,  60],
```

```
       [ 43,  45],
       [ 43,  41],
       [ 44,  50],
       [ 44,  46],
       [ 46,  51],
       [ 46,  46],
       [ 46,  56],
       [ 46,  55],
       [ 47,  52],
       [ 47,  59],
       [ 48,  51],
       [ 48,  59],
       [ 48,  50],
       [ 48,  48],
       [ 48,  59],
       [ 48,  47],
       [ 49,  55],
       [ 49,  42],
       [ 50,  49],
       [ 50,  56],
       [ 54,  47],
       [ 54,  54],
       [ 54,  53],
       [ 54,  48],
       [ 54,  52],
       [ 54,  42],
       [ 54,  51],
       [ 54,  55],
       [ 54,  41],
       [ 54,  44],
       [ 54,  57],
       [ 54,  46],
       [ 57,  58],
       [ 57,  55],
       [ 58,  60],
       [ 58,  46],
       [ 59,  55],
       [ 59,  41],
       [ 60,  49],
       [ 60,  40],
       [ 60,  42],
       [ 60,  52],
       [ 60,  47],
       [ 60,  50],
       [ 61,  42],
       [ 61,  49],
       [ 62,  41],
       [ 62,  48],
       [ 62,  59],
```

```
       [ 62,  55],
       [ 62,  56],
       [ 62,  42],
       [ 63,  50],
       [ 63,  46],
       [ 63,  43],
       [ 63,  48],
       [ 63,  52],
       [ 63,  54],
       [ 64,  42],
       [ 64,  46],
       [ 65,  48],
       [ 65,  50],
       [ 65,  43],
       [ 65,  59],
       [ 67,  43],
       [ 67,  57],
       [ 67,  56],
       [ 67,  40],
       [ 69,  58],
       [ 69,  91],
       [ 70,  29],
       [ 70,  77],
       [ 71,  35],
       [ 71,  95],
       [ 71,  11],
       [ 71,  75],
       [ 71,   9],
       [ 71,  75],
       [ 72,  34],
       [ 72,  71],
       [ 73,   5],
       [ 73,  88],
       [ 73,   7],
       [ 73,  73],
       [ 74,  10],
       [ 74,  72],
       [ 75,   5],
       [ 75,  93],
       [ 76,  40],
       [ 76,  87],
       [ 77,  12],
       [ 77,  97],
       [ 77,  36],
       [ 77,  74],
       [ 78,  22],
       [ 78,  90],
       [ 78,  17],
       [ 78,  88],
```

```
       [ 78,  20],
       [ 78,  76],
       [ 78,  16],
       [ 78,  89],
       [ 78,   1],
       [ 78,  78],
       [ 78,   1],
       [ 78,  73],
       [ 79,  35],
       [ 79,  83],
       [ 81,   5],
       [ 81,  93],
       [ 85,  26],
       [ 85,  75],
       [ 86,  20],
       [ 86,  95],
       [ 87,  27],
       [ 87,  63],
       [ 87,  13],
       [ 87,  75],
       [ 87,  10],
       [ 87,  92],
       [ 88,  13],
       [ 88,  86],
       [ 88,  15],
       [ 88,  69],
       [ 93,  14],
       [ 93,  90],
       [ 97,  32],
       [ 97,  86],
       [ 98,  15],
       [ 98,  88],
       [ 99,  39],
       [ 99,  97],
       [101,  24],
       [101,  68],
       [103,  17],
       [103,  85],
       [103,  23],
       [103,  69],
       [113,   8],
       [113,  91],
       [120,  16],
       [120,  79],
       [126,  28],
       [126,  74],
       [137,  18],
       [137,  83]], dtype=int64)
```

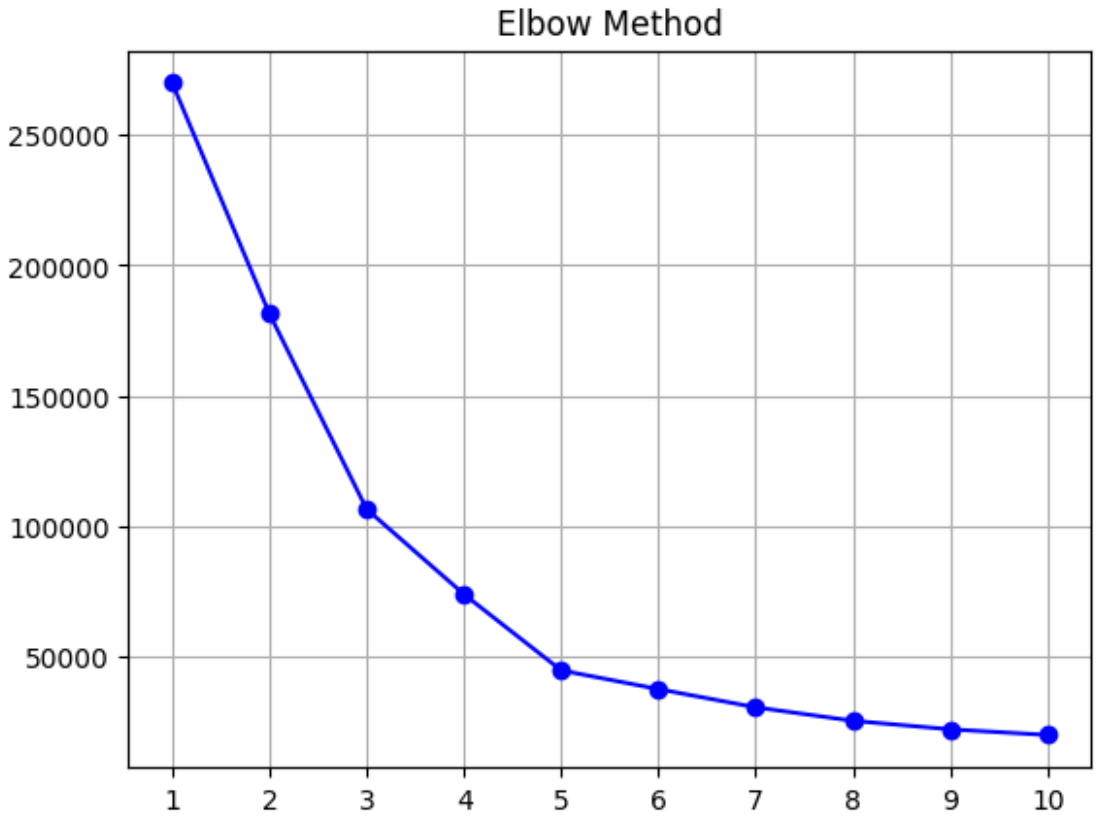
Elbow Method

```
from sklearn.cluster import KMeans
k_values=range(1,11)

wcss=[]
for i in k_values:
    model=KMeans(n_clusters=i)
    model.fit(x)
    wcss.append(model.inertia_)
```

```
C:\Users\Vidul\AppData\Local\Programs\Python\Python311\Lib\site-packages\sklearn\cluster\_kmeans.py:1412: 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
  super()._check_params_vs_input(X, default_n_init=10)
C:\Users\Vidul\AppData\Local\Programs\Python\Python311\Lib\site-packages\sklearn\cluster\_kmeans.py:1412: 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
  super()._check_params_vs_input(X, default_n_init=10)
C:\Users\Vidul\AppData\Local\Programs\Python\Python311\Lib\site-packages\sklearn\cluster\_kmeans.py:1412: 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
  super()._check_params_vs_input(X, default_n_init=10)
C:\Users\Vidul\AppData\Local\Programs\Python\Python311\Lib\site-packages\sklearn\cluster\_kmeans.py:1412: 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
  super()._check_params_vs_input(X, default_n_init=10)
C:\Users\Vidul\AppData\Local\Programs\Python\Python311\Lib\site-packages\sklearn\cluster\_kmeans.py:1412: 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
  super()._check_params_vs_input(X, default_n_init=10)
C:\Users\Vidul\AppData\Local\Programs\Python\Python311\Lib\site-packages\sklearn\cluster\_kmeans.py:1412: 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
  super()._check_params_vs_input(X, default_n_init=10)
C:\Users\Vidul\AppData\Local\Programs\Python\Python311\Lib\site-packages\sklearn\cluster\_kmeans.py:1412: 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
  super()._check_params_vs_input(X, default_n_init=10)
C:\Users\Vidul\AppData\Local\Programs\Python\Python311\Lib\site-packages\sklearn\cluster\_kmeans.py:1412: 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
```

```
  super()._check_params_vs_input(X, default_n_init=10)
C:\Users\Vidul\AppData\Local\Programs\Python\Python311\Lib\site-
packages\sklearn\cluster\_kmeans.py:1412: 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
  super()._check_params_vs_input(X, default_n_init=10)
C:\Users\Vidul\AppData\Local\Programs\Python\Python311\Lib\site-
packages\sklearn\cluster\_kmeans.py:1412: 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
  super()._check_params_vs_input(X, default_n_init=10)
```

```
plt.plot(k_values,wcss,marker='o',linestyle='-',color='b')

# Set the x-ticks to display values from 1 to 10
plt.xticks(range(1, 11))
plt.title('Elbow Method')
plt.grid(True)
```



We can see optimal value of k as 5 here !!

Kmeans()

```
model=KMeans(n_clusters=5, init='k-means++', random_state=42)
y_pred=model.fit_predict(x)
```

```
C:\Users\Vidul\AppData\Local\Programs\Python\Python311\Lib\site-
packages\sklearn\cluster\_kmeans.py:1412: 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
  super()._check_params_vs_input(X, default_n_init=10)
```

```
y_pred
```

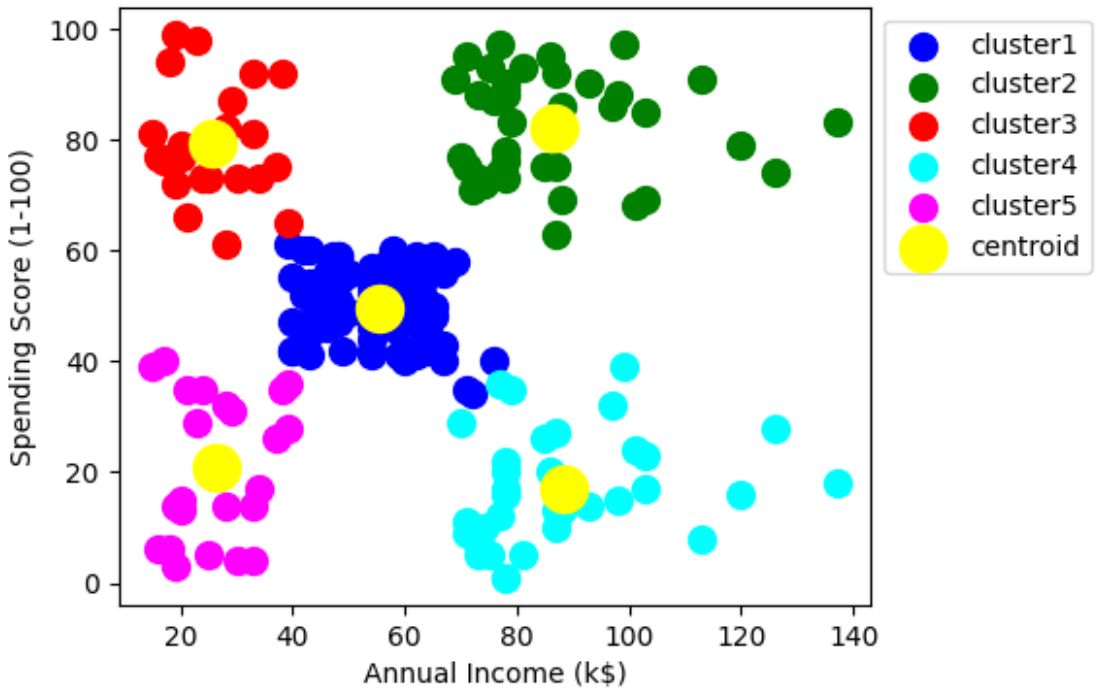
```
array([4, 2, 4, 2, 4, 2, 4, 2, 4, 2, 4, 2, 4, 2, 4, 2, 4, 2, 4,
2,
       4, 2, 4, 2, 4, 2, 4, 2, 4, 2, 4, 2, 4, 2, 4, 2, 4, 2, 4,
0,
       4, 2, 0, 0, 0, 0, 0, 0, 0, 0, 0, 0, 0, 0, 0, 0, 0, 0, 0,
0,
       0, 0, 0, 0, 0, 0, 0, 0, 0, 0, 0, 0, 0, 0, 0, 0, 0, 0, 0,
0,
       0, 0, 0, 0, 0, 0, 0, 0, 0, 0, 0, 0, 0, 0, 0, 0, 0, 0, 0,
0,
       0, 0, 0, 0, 0, 0, 0, 0, 0, 0, 0, 0, 0, 1, 3, 1, 0, 1, 3, 1, 3,
1,
       0, 1, 3, 1, 3, 1, 3, 1, 3, 1, 0, 1, 3, 1, 3, 1, 3, 1, 3, 1, 3,
1,
       3, 1, 3, 1, 3, 1, 3, 1, 3, 1, 3, 1, 3, 1, 3, 1, 3, 1, 3, 1, 3,
1,
       3, 1, 3, 1, 3, 1, 3, 1, 3, 1, 3, 1, 3, 1, 3, 1, 3, 1, 3, 1, 3,
1,
       3, 1])
```

To Visualize the clusters:

```
k=5
colors=['blue','green','red','cyan','magenta']
plt.figure(figsize=(5,4))

#To create scatter plot
for i in range(k):
    cluster_data=x[y_pred==i]
    plt.scatter(cluster_data[:,0],
                cluster_data[:,1],
                s=100,
                c=colors[i],
                label=f'cluster{i+1}')

plt.xlabel('Annual Income (k$)')
plt.ylabel('Spending Score (1-100)')
```

```
#To plot cluster centroids
plt.scatter(model.cluster_centers_[:,0],
            model.cluster_centers_[:,1],
            s=300,
            c='yellow',
            label='centroid')

plt.legend(loc='upper left', bbox_to_anchor=(1, 1))
```

```
<matplotlib.legend.Legend at 0x22064dff1d0>
```



Cluster 1 (Blue) : People who are average in terms of earning and spending

Cluster 2 (Green) : People who are earning high and also spending high
----------------> TARGET CUSTOMERS

Cluster 3 (Red) : People who are earning less but spending more

Cluster 4 (Cyan) : People who are earning high but spending less

Cluster 5 (Magenta) : People who are Earning less , spending less

Cluster 2 People are the target customers!!

```
y_pred
```

```
array([4, 2, 4, 2, 4, 2, 4, 2, 4, 2, 4, 2, 4, 2, 4, 2, 4, 2, 4, 2, 4,
2,
       4, 2, 4, 2, 4, 2, 4, 2, 4, 2, 4, 2, 4, 2, 4, 2, 4, 2, 4, 2, 4,
```

```
0,
       4, 2, 0, 0, 0, 0, 0, 0, 0, 0, 0, 0, 0, 0, 0, 0, 0, 0, 0, 0, 0,
0,
       0, 0, 0, 0, 0, 0, 0, 0, 0, 0, 0, 0, 0, 0, 0, 0, 0, 0, 0, 0, 0,
0,
       0, 0, 0, 0, 0, 0, 0, 0, 0, 0, 0, 0, 0, 0, 0, 0, 0, 0, 0, 0, 0,
0,
       0, 0, 0, 0, 0, 0, 0, 0, 0, 0, 0, 0, 0, 1, 3, 1, 0, 1, 3, 1, 3,
1,
       0, 1, 3, 1, 3, 1, 3, 1, 3, 1, 0, 1, 3, 1, 3, 1, 3, 1, 3, 1, 3,
1,
       3, 1, 3, 1, 3, 1, 3, 1, 3, 1, 3, 1, 3, 1, 3, 1, 3, 1, 3, 1, 3,
1,
       3, 1, 3, 1, 3, 1, 3, 1, 3, 1, 3, 1, 3, 1, 3, 1, 3, 1, 3, 1, 3,
1,
       3, 1])
```