

The Alignment of Product Variables to **Ecommerce Niches**

Data Mining for Business

ISGB/BYGB 7967

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Abstract

Problem Statement

How can small scale online retailers utilize
 Amazon data of product prices, numeric
 ratings and written reviews to determine what
 combination of attributes best aligns with their
 business model?

Methods

- Data Mining Techniques
 - Cluster Analysis
 - Association Analysis
 - Sentiment Analysis

Data: Amazon

- Data on approximately 9,000 products
- Key Variables include the product category, manufacturer, price, average review rating, and written customer review

Results

- Retailers should focus on manufacturer relationships, which is linked to customer's satisfaction, rather than product categories
- Retailers can benefit most from selling "Playmobil" products (the highest sentiment rating and clustering group)

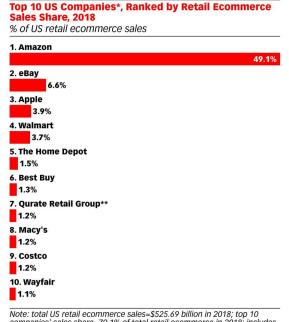


Introduction

Online Retail Market

Harder to compete for small-shop online retailers:

- Amazon is ranked #1 for online sales
- Amazon created high barriers of entry to the online retail market for small players
- COVID accelerated shift of Brick-and-Mortar stores online







Note: total US retail ecommerce sales=\$525.69 billion in 2018; top 10 companies' sales share=70.1% of total retail ecommerce in 2018; includes products or services ordered using the internet, regardless of the method of payment or fulfillment; excludes travel and event tickets; *excludes privately held companies; **includes ecommerce sales for QVC, HSN and zulily as of 2018; prior years included QVC only Source: eMarketer. July 2018

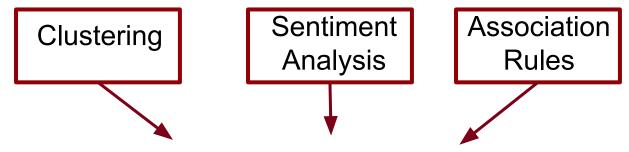


Introduction

Use of Machine Learning for effective product offering online

Use of Amazon Reviews:

- To determine which type of manufacturers and category of product will bring the most profit
- To which price range of products from each manufacturer to offer in their online store.



Analysing what customers are looking for in each manufacturer can help small online retailers to create an efficient strategy of product selection and pricing.



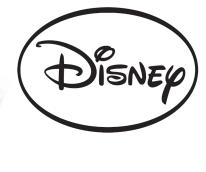
Data Description

- The dataset used was initially parsed by PromptCloud's in-house web-crawling service and uploaded to data.world
- The dataset originally contained around 10,000 different products
- Key variables include product category, manufacturer (ie Disney, Hasbro, Playmobil),
 price, average review rating and written review
- We focused our analysis on the products of the top 16 manufacturers (by frequency), which totals to approximately 1,500 products









Dataset sample:

The following represents the first entry of our data set:

ID	Product Name	Manufacturer	Price	Avg. Rating	Categories	Customer Also Bought	Description	Product Info	Product Description	Items Customers Buy After Viewing This Items	Customer Reviews
eac7e fa5db d3d66 7f26e b3d3a b5044 64	Hornby 2014 Catalogue	Hornby	3.42	4.9	Hobbies	http://www.ama zon.co.uk/Horn by-R8150-Cata logue-2015/dp/ B00S9SUUBE http://www.ama zon.co.uk/Horn by-Book-Model -Railways-Editi on/dp/1844860 957 http://www.ama zon.co.uk/Horn by-Book-Sceni c-Railway-Mod elling/dp/18448 61120 http://www.ama zon.co.uk/Peco -60-Plans-Book /dp/B002QVL1 6I http://www.ama zon.co.uk/Horn by-Gloucester http://www.ama zon.co.uk/Airfix -50144297819 02	Product Description Hornby 2014 Catalogue Box Contains 1 x one catalogue	Technical Details Item Weight640 g Product Dimensions 29.6 x 20.8 x 1 cm Manufacturer recommended age:6 years and up Item model number R8148 (Note: More info under the data excel file)	Product Description Homby 2014 Catalogue Box Contains 1 x one catalogue	http://www.amazon.c o.uk/Hornby-R8150-C atalogue-2015/dp/B0 0S9SUUBE http://www.amazon.c o.uk/Hornby-Book-Mo del-Railways-Edition/ dp/1844860957 http://www.amazon.c o.uk/Peco-60-Plans-B ook/dp/B002QVL161 http://www.amazon.c o.uk/Newcomers-Gui de-Model-Railways-S tep/dp/1857943295	Worth Buying For The Pictures Alone (As Ever) // 4.0 // 6 April 2014 // By Copnovelist on 6 April 2014 // Part of the magic for me growing up as a boy was to buy (or be given) the new Hornby catalogue every year, even if it included 90% of the same products as the previous year. I've still got my old ones dating back to the 70s and 80s somewhere. These days the catalogue is especially informative in that it tells you the vintage of the rolling stock which is useful if you are dedicating your railway to one particular era and train company. Amazing detail fabulous photography. // 5.0 // 11 April 2015 // By richard (Note: More reviews under the data excel file)

Problem Statement

The Big Question:

 How can small scale online retailers utilize Amazon data of product prices, numeric ratings and written reviews to determine what combination of attributes best aligns with their business model?

Research Steps:

- 1. Perform Cluster Analysis, Association Analysis, and Sentiment Analysis on top 16 manufacturers
- 2. Analyze the correlation of the product attributes (price, review content, review ratings) with categories and manufacturers
- 3. Inform retailers on which manufacturers to partner or product categories to pursue



Methodology: System Design

Problem Identification

Data Processing

Analysis Model

Compare and Contrast

Identify Business
Problem

Perform Industry
Analysis

Design Problem
Statement

Select Variables

Clean data



Clustering Model

Association Analysis vs. Clustering Model

Manually Label Categories

Select Top 16 Most Frequent Manufacturers



Association Analysis

Sentiment Analysis

Sentiment Analysis vs. Association Analysis

Sentiment Analysis vs.
Clustering Model

Results + Conclusion



Methodology: Data Collection

Analysis Model	Variables
Cluster Analysis	Unique ID, Product Name, Manufacturer, Price, Number Available in Stock, Number of Reviews, Average Review Rating, General Categories, Categories
Association Analysis	Unique ID, Product Name, Manufacturer, Price, Number Available in Stock, Number of Reviews, Number of Answered Questions, Average Review Rating, General Categories, Categories, 16 Manufacturers breaking down in binary data.
Sentiment Analysis	Reviews, Rating, Manufactures, General Categories

Methodology: Data Preprocessing

Data Preprocessing

- We performed initial cleaning in Excel, including extracting a substring of the written reviews, removing redundant characters from HTML links and creating a broader General Categories for our products to be grouped into
- We utilized Python & Pandas to narrow our data down to the top 16 manufacturers



Methodology: Variable Selection

Key Variables

- The dataset began with 17 attributes, however we identified 7 to be key in our analysis:
 - manufacturer
 - general category (which we generated)
 - category
 - price

- average review rating
- customer reviews
- customer reviews substring (which we also generated)

product_name manufacturer	price	number_available_	_number_of_reviews	number_of_answered_questions	average_review_	general category	categories	subcategories	customer_reviews_substring
Hornby 2014 Cat Hornby	3.42	2 5	15	1	4.9	Toy	Hobbies	Model Trains & Railway Sets	Worth Buying For The Pictures Alone (As Ever)
HORNBY Coach FHornby	39.99)	1	2	5	Тоу	Hobbies	Model Trains & Railway Sets	I love it
Hornby 00 Gauge Hornby	32.19)	3	2	4.7	Toy	Hobbies	Model Trains & Railway Sets	Birthday present
Hornby 00 Gauge Hornby	24.99)	2	1	4.5	Toy	Hobbies	Model Trains & Railway Sets	High standard model, well worth the wait. Rep
Hornby Santa's E Hornby	69.93	3	36	7	4.3	Toy	Hobbies	Model Trains & Railway Sets	Beautiful set
Hornby Gauge W Hornby	235.58	3 4	1	1		Тоу	Hobbies	Model Trains & Railway Sets	Five Stars
Hornby Gauge RaHornby	27.49	6	1	1	5	Тоу	Hobbies	Model Trains & Railway Sets	steaming good engine!
Hornby 00 Gauge Hornby	119.5	5 2	3	1	5	Тоу	Hobbies	Model Trains & Railway Sets	Gods Wonderful Railway.
Hornby R2981 LcHornby		2	. 4	1	4.3	Тоу	Hobbies	Model Trains & Railway Sets	Olympic Gold



Methodology: Model Building

Cluster Analysis

- Group data based on commonalities then analyze each cluster to discover patterns specific to that group
- K-Means Algorithm

Association Rule Mining

- K-Means results were used as a way to preprocess the data (generated clusters) to then perform Association Rule Mining
- Find interesting relationships between attributes to create rules

Sentiment Analysis

- Utilized VADER (Valence Aware Dictionary and sentiment Reasoner) on the text reviews
- Focused on lexicons of sentiment related words, each lexicon being rating either positive, negative neutral or compound

Methodology: Evaluation

Cluster Analysis

- Relied on Silhouette, or the measure of consistency within clusters
- Manually grouped categories data resulted in 0.4 silhouette
- Model based on Amazon Categories generated clusters resulted in 0.2 silhouette

Association Rule Mining

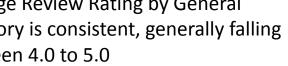
- 17 rules were generated
- Ranges of Key Metrics
 - Support: 1.94% 66.45%
 - Confidence: 2.38% 84.30%
 - Lift: 1.01 1.39

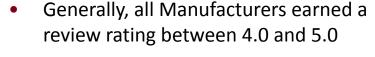
Sentiment Analysis

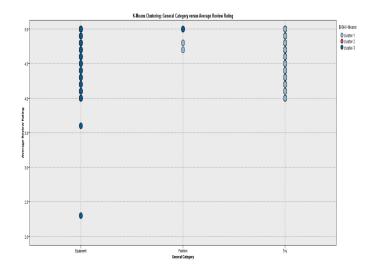
• The compound value is normalized between -1 (most extreme negative) and +1 (most extreme positive) to receive a unidimensional measure sentiment for a review

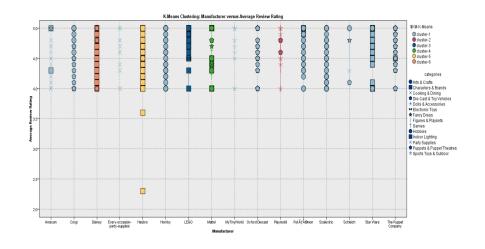
Clustering Result

Average Review Rating by General Category is consistent, generally falling between 4.0 to 5.0









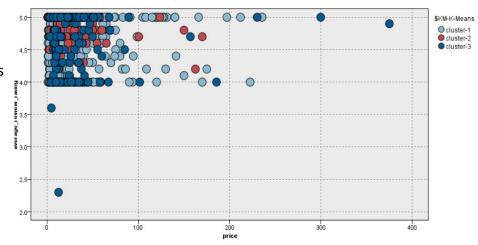
Takeaway: K-means was most useful as a way to preprocess the data, to prepare for Association Rule Mining



Association Result

					other Evaluation Statis	ucs	
Rule ID	Condition	Prediction	Sorted By Confidence(%)	Condition Support (%)	Rule Support (%)	Lift	Deployability (%)
1	price ≤ 75.552 average_review_rating > 4.460	\$KM-K-Means = cluster-1	84.30	63.80	53.78	1.03	10.02
2	price ≤ 75.552 \$KM-K-Means = cluster-2	average_review_rating > 4.460	83.95	5.24	4.40	1.07	0.84
13	price ≤ 75.552 \$KM-K-Means = cluster-3	3.920 ≤ average_review_rating < 4.460	29.37	8.14	2.39	1.39	5.75
14	\$KM-K-Means = cluster-3	3.920 ≤ average_review_rating < 4.460	28.25	11.44	3.23	1.34	8.21
15	3.920 ≤ average_review_rating < 4.460	\$KM-K-Means = cluster-3	15.34	21.07	3.23	1.34	17.84
16	price ≤ 75.552 3.920 ≤ average_review_rating < 4.460	\$KM-K-Means = cluster-3	15.16	15.77	2.39	1.33	13.38

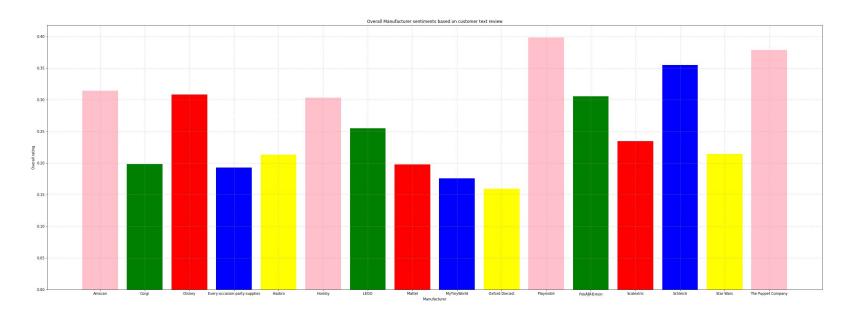
- Cluster 1 and 2: The lower the prices the higher the reviews
- Cluster 3: The lower the prices the lower the reviews



Other Evaluation Statistics



Sentiment Result



- The figure indicates that for most manufacturer's reviews based on lexicon rating were overall positive
- Playmobil has the highest mean compound value based on reviews



Models Comparison

Comparison Metrics		Clustering Analysis	Association Analysis	Sentiment Analysis	
Average Review Rating	3 General Categories	Between 4 and 5 stars (with exception of 2 outliers)		Positive Rating of approx. 0.25 (out of 1)	
	16 Manufacturers	Between 4 and 5 stars (with exception of 2 outliers)	Rating < 4.46 is considered to be "low"	Varies from 0.15 to 0.4 Highest Rating Manufacturer: PlayMobil Second Highest Rating Manufacturer: The Puppet Company	
Manufacturers	Ranking	Most frequent manufacturer: 1. Cluster 1: Disney 2. Cluster 2: Playmobil 3. Cluster 3: Hasbro	Most frequent manufacturer: 1. Cluster 1: Disney 2. Cluster 2: Playmobil 3. Cluster 3: Hasbro	Highest Review Rating Manufacturer: 1. PlayMobil 2. The Puppet Company	
Price + Rating Hypothesis	Cluster group and Categories Prediction: Cluster 1: mostly Toy + some Fashion Cluster 2: Some Equipment Cluster 3: Mostly Equipment + some Fashion	 Cluster 1: Price < <p>174 (except some outliers) </p> Cluster 3: Price < <p>100 (except some outliers) </p> Cluster 1 and 2: 4 < <p>Rating < 5 (except some outliers)</p> 	Prices < 75.55 is considered to be "low" ■ Price < 75 and Rating > 4.46 → Cluster 1 or Cluster 2 ■ 3.92 < Rating < 4.46 and Price < 75 → Cluster 3	Rating for all categories > 0.25 (out of 1)	



Conclusion

Overall Observation

- Cluster 1(mostly Toy)(mostly Disney): The lower the prices, the higher the reviews for manufacturers
- Cluster 2 (some Equipment)(mostly Hasbro): The lower the prices, the higher the reviews -> in general, this group has higher prices and thus, lower review ratings
- Cluster 3 (mostly Equipment)(mostly Playmobil): Better reviews for most expensive products

Recommendation

- Retailers should focus on manufacturer relationships, which is linked to customer's satisfaction
- Retailers can benefit most from selling only more expensive products from "Playmobil" (the highest sentiment rating and clustering group), and only less expensive products from manufacturers that belong to Cluster 1 and 2 such as Disney and Hasbro

Thank You



Appendix

Model Methodology



Full Description of Source Node

Data Source: https://data.world/promptcloud/fashion-products-on-amazon-com

Description					
ID for each product					
Name for each product					
Manufacturer who creates the product					
Price listed for each product					
Number of Product Available on Shelve					
Number of Reviews scraped for each Products					
The number of Questions Answered for each product					
Average Rating out of 5 stars for each product					
Manual Labelled General Categories for each product based on Amazon Categories.					
Amazon define the product's categories					
A list of reviews for each product in each cell					

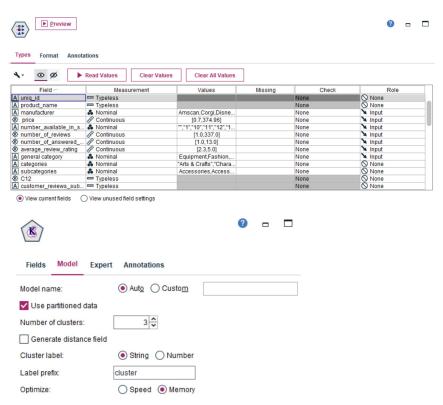
Variables EXCLUDED from Analysis	Description
subcategory	Amazon defined subcategories after main categories for each product We decided not use this variable because we have general categories.
customers_who_bought_this_item_also_bought description	List of links to the of products that the same customer purchased after buying the product listed We decided not to use this variable because this variable does not support our analysis
product_information	The information of the product (weights, length, Materials, etc.) We decided not using hi
product_description	The description of the products based on the
items_customers_buy_after_viewing_this_item	Links to the items that were bought after viewing given product
customer_questions_and_answers	List of questions that customers had before buying the product
sellers	The list of sellers for the product



K-Means Cluster by 3 General Categories

Type Node - used to define each variable's role. This model was derived from the "general category" therefore the other category fields are marked none.

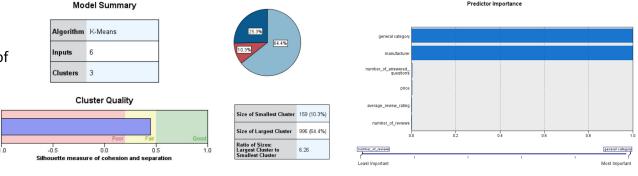
K-Means Node - used to select the desired cluster size. We chose 3 since there are 3 general categories





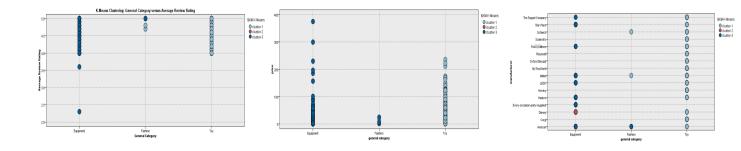
K-Means Cluster by 3 General Categories (continued)

K-Means Nugget - shows the results of our model, including cluster sizes, silhouette and predictor importance



Cluster Sizes

Plot Nodes - used to graph our results

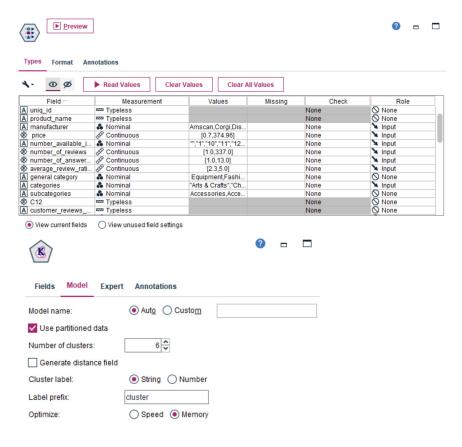




K-Means Cluster by Amazon Categories

Type Node - used to define each variable's role. This model was derived from the categories of the original dataset, therefore "general category" which was our manually grouping was given the role none

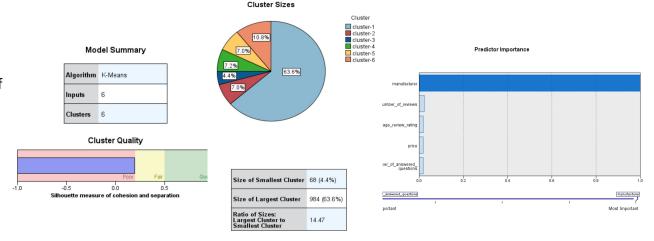
K-Means Node - used to select the desired cluster size. We chose 6 since 6 clusters gave the highest silhouette



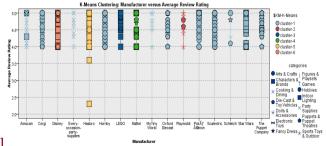


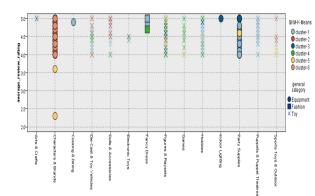
K-Means Cluster by Amazon Categories (continued)

K-Means Nugget - shows the results of our model, including cluster sizes, silhouette and predictor importance



Plot Nodes - used to graph our results



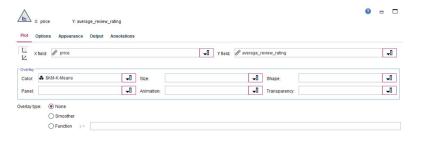




Full Description of the Association Rules Node

Clustering manufacturers into three groups

Used 1% as minimum Support and Confidence to see all the possible results



Price	Continuous	Target and Input
Average_Review _Rating	Continuous	Target and Input
\$KN-K-Means (Cluster)	Nominal	Target and Input

Measurements	Minimum	Maximum	Mean	Standard Deviation
Condition Support (%)	2.33	81.58	48.62	34.08
Confidence (%)	2.38	84.30	63.23	30.56
Rule Support (%)	1.94	66.45	33.89	30.31
Lift	1.01	1.39	1.10	0.14
Deployability (%)	0.39	79.64	14.73	17.64

Build Settingsa Maximum Number of 1.000 Rules Minimum Condition 0.01 Support Minimum Confidence 0.01 Minimum Rule Support 0.01 Minimum Lift 1.00 Maximum Number of 10 Items in a Rule Maximum Number of 5 Items in a Condition Maximum number of Items in a Prediction Use only True Value for True Flag Fields Allow Rules without False

 a. The specified maximum number of items in a rule was not reached due to insufficient number of frequent itemsets at previous levels.

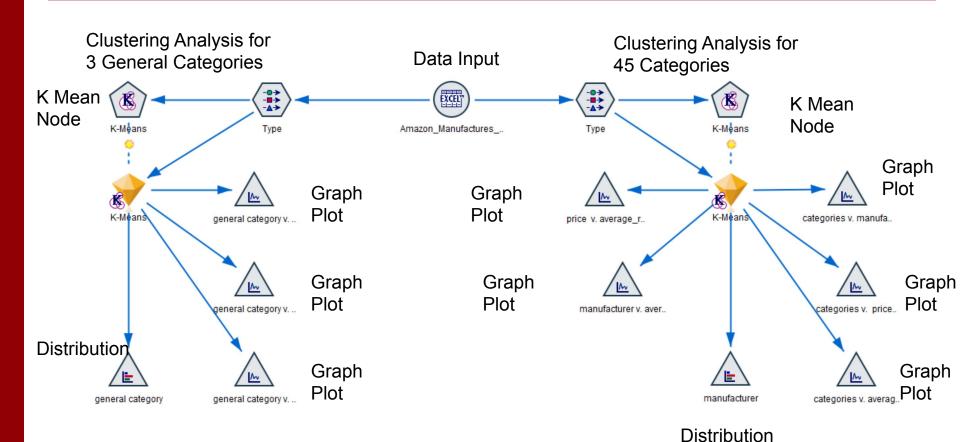
Confidence

Conditions
Evaluation Measure

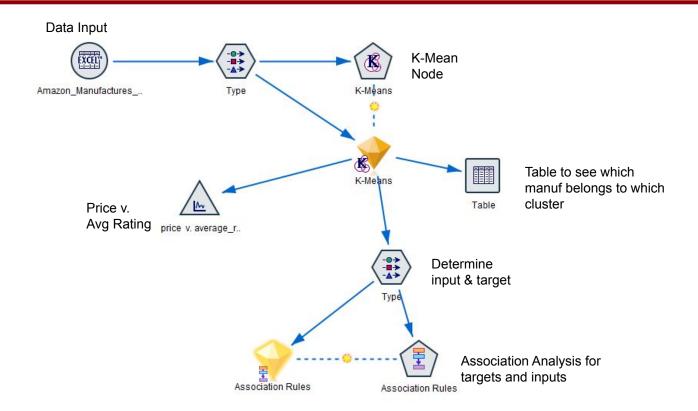
Sorting the Rules



K-Mean Model Analysis:



Association Analysis



Sentiment Analysis

Code for Manufacturer

```
# -*- coding: utf-8 -*-
 Created on Sun Nov 29 19:49:43 2020
 Qauthor: himit
import numpy as np
import matplotlib.pyplot as plt
from datetime import datetime
from datetime import datetime
import time
import nind
import nind
from collections import defaultdict
import seaborn as most
from nollections import defaultdict
import seaborn as most
from nollections import defaultdict
 nltk.download('wader_lexicon')
nltk.download('punkt')
 sentences = pd.read_excel(r"C:\Users\himit\Desktop\Fall 2020\Data Mining\Project\Amazon_Manufactures_GenCategories.xlsx", index_col= 0)
 sid = SentimentIntensityAnalyser()
 # Array to hold sentiment
 # Declare variables for sentiments
 sentences.isnull().sum(
 sentences up=sentences.dropna(subset=['qustomer reviews substring'])
 bodies = sentences_up('customer_reviews_substring'].to_list()
names = sentences_up('mamfacturer').to_list()
categories = sentences_up('general category').to_list()
 sentences_up.isnull().sum()
 for index.body in enumerate(bodies):
      neg " sid.polarity_scores(body)['neg']
      neu = sid.polarity_scores(body)['neu']
      x=(("Mame": names[index], "Body":body, "Compound": compound
                               "Positive": pos,
"Negative": neu,
"Neutral": neg))
      sentiments.append(x.copy())
 print(sentiments)
sentiments_pd = pd.DataFrame.from_dict(sentiments)
sentiments_pd.to_cav("Results_manufactures.csv")
sentiments_pd.bead()
sent = sentiments_pd.pivot_table(index = 'Name', values = 'Compound', aggfunc = np.mean) sent
# Bar Graph
plot*plt.bar(sent.index.values, sent["Compound"], color*colors, alpha*1, align*"edge")
 plt.title("Overall Manufacturer sentiments based on customer text review"
 plt.xlabel("Manufacturer")
plt.vlabel("Overall rating")
```

Code for categories

```
# -*- coding: usf-8 -*-
Created on Fri Dec 4 19:12:20 2020
Sauthor: himit
import numpy as np
import matplotlib.pyplot as plt
from datetine import datetime
import time
import nitk
from nitk sentiment.vader import SentimentIntensitvanslyser
sentences = pd.read_excel(r"C:\Users\himit\Desktop\Fall 2020\Data Mining\Project\Amazon_Manufactures_GenCategories.xlsx", index_col= 0) sentences.head()
sid = SentimentIntensityAnalyzer(
# Array to hold sentiment
sentiments cat = []
# Declare variables for sentiments
compound_list = [
positive list = [
from nltk import sentiment
from nltk import word_tokenise
sentences_up=sentences.dropns(subset=['customer_reviews_substring'])
bodies = sentences_up('customer_reviews_substring').to_list()
categories = sentences_up('general category').to_list()
sentences up.isnull().sum()
for index.body in enumerate (bodies):

foody = bodies ('body')

compound = sid-polarity_scores(body)('compound')

por = sid.polarity_scores(body)('por')

nog = sid.polarity_scores(body)('por')

nou = sid.polarity_scores(body)('rea')
      sentiments_cat.append(x.copy())
print(sentiments_cat)
sentiments_cat = pd.DataFrame.from_dict(sentiments_cat)
sentiments_cat.bc_cav("Results_cat.csv")
sentiments_cat.head()
sentiments cat Category unique
# ploting the results
sent_cat = sentiments_cat.pivot_table(index = 'Category', values = 'Compound', aggfunc = np.mean)
colors = ["pink", "green", "red"]

x_axis = np.arange(las(sent_car.index.values))
tick_locations = [value-0] for value in x_axis]
figs_axspls_subploss(figsiss=[10,71)
pit.xxisk(tota)[coations, sent_car.index.values, rotation="Norizontal")
plot=plot.bar(sent_cat.index.values, sent_cat["Compound"), color=colors, slpha=1, slign="edge" plt.grid()
plt.title("Overall category sentiments based on customer text review" )
plt.ylabel("Overall rating"
ax.grid(linestyle="dotted")
plt.show()
```