Supervised Learning - Project

In this Project, we are going to perform a full unsupervised learning machine learning project on a "Wholesale Data" dataset. The dataset refers to clients of a wholesale distributor. It includes the annual spending in monetary units (m.u.) on diverse product categories

Kaggle Link

Part I: EDA - Exploratory Data Analysis & Pre-processing

The given dataset seems to be a grocery sales dataset containing information about various products sold by a grocery store. To perform an exploratory data analysis (EDA) on this dataset, we can perform the following tasks:

- Data Import: Import the dataset into a statistical software tool such as Python or R.
- Data Cleaning: Check the dataset for any missing or incorrect data and clean the dataset
 accordingly. This may involve removing or imputing missing data or correcting any
 obvious errors. Data Description: Generate summary statistics such as mean, median,
 and standard deviation for each column of the dataset. This will help in understanding
 the distribution of data in each column.
- Data Visualization: Create various visualizations such as histograms, box plots, scatter plots, and heatmaps to understand the relationships and trends between the different variables in the dataset. For example, we can create a scatter plot between the "Fresh" and "Milk" variables to see if there is any correlation between them.
- Outlier Detection: Check for any outliers in the dataset and determine whether they are valid or erroneous data points.
- Correlation Analysis: Calculate the correlation between different variables in the dataset
 to determine which variables are highly correlated and which ones are not. For example,
 we can calculate the correlation between "Grocery" and "Detergents_Paper" to see if
 there is any relationship between these two variables.
- Data Transformation: If necessary, transform the data by standardizing or normalizing the variables to make them comparable across different scales.
- Feature Selection: Identify the most important features or variables that contribute the
 most to the overall variance in the dataset. This can be done using various feature
 selection techniques such as principal component analysis (PCA) or random forest
 regression.

import numpy as np
from scipy.stats import pearsonr
from sklearn import preprocessing
from sklearn.cluster import KMeans
import plotly.express as px
from sklearn.model_selection import cross_validate
from sklearn.cluster import AgglomerativeClustering
from sklearn.decomposition import PCA

In []: df = pd.read_csv("Wholesale_Data.csv")
 df.head()

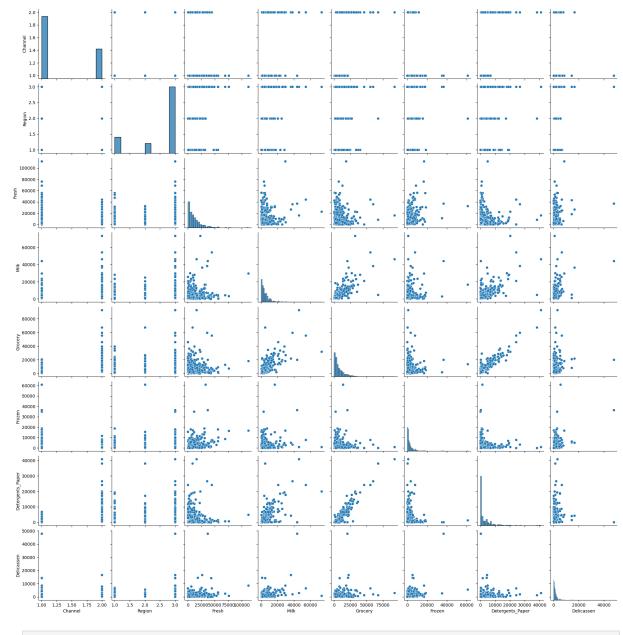
Out[]: Channel Region Fresh Milk Grocery Frozen Detergents_Paper Delicassen 3 12669 9656 7057 9810 6353 8808 3 13265 1196 3 22615 5410

In []: df.describe()

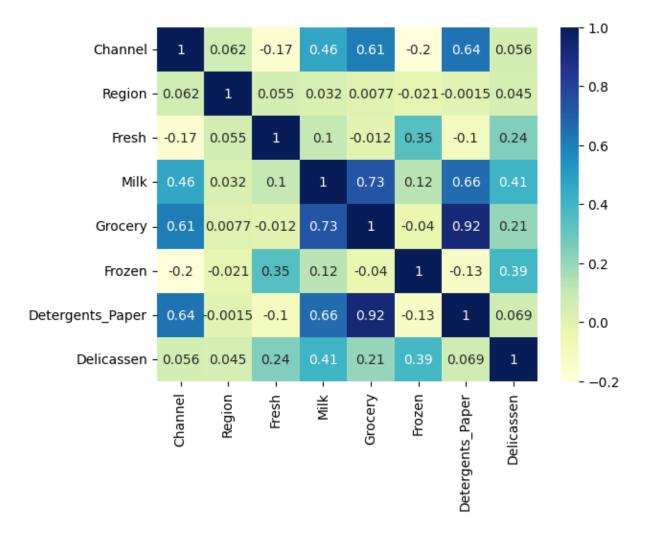
]:		Channel	Region	Fresh	Milk	Grocery	Frozen	D
	count	440.000000	440.000000	440.000000	440.000000	440.000000	440.000000	
	mean	1.322727	2.543182	12000.297727	5796.265909	7951.277273	3071.931818	
	std	0.468052	0.774272	12647.328865	7380.377175	9503.162829	4854.673333	
	min	1.000000	1.000000	3.000000	55.000000	3.000000	25.000000	
	25%	1.000000	2.000000	3127.750000	1533.000000	2153.000000	742.250000	
	50%	1.000000	3.000000	8504.000000	3627.000000	4755.500000	1526.000000	
	75%	2.000000	3.000000	16933.750000	7190.250000	10655.750000	3554.250000	
	max	2.000000	3.000000	112151.000000	73498.000000	92780.000000	60869.000000	

In []: # all integers
df.info()

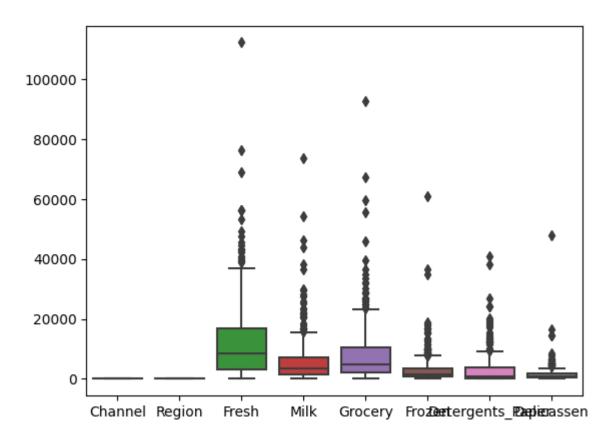
```
<class 'pandas.core.frame.DataFrame'>
       RangeIndex: 440 entries, 0 to 439
       Data columns (total 8 columns):
           Column
                            Non-Null Count Dtype
       --- -----
                            -----
       0
           Channel
                            440 non-null
                                            int64
       1
           Region
                            440 non-null
                                            int64
       2
           Fresh
                            440 non-null
                                            int64
       3
           Milk
                            440 non-null
                                            int64
       4
           Grocery
                            440 non-null
                                            int64
       5
           Frozen
                            440 non-null
                                            int64
       6
           Detergents_Paper 440 non-null
                                            int64
       7
           Delicassen
                            440 non-null
                                            int64
       dtypes: int64(8)
       memory usage: 27.6 KB
In [ ]: # no missing data
        df.isnull().sum()
Out[]: Channel
                           0
        Region
                           0
        Fresh
                           0
        Milk
                           0
        Grocery
                           0
                           0
        Frozen
        Detergents_Paper
                           0
        Delicassen
                           0
        dtype: int64
In [ ]: sns.pairplot(df)
        plt.show()
```



```
In [ ]: df.corr()
    dataplot = sns.heatmap(df.corr(), cmap="YlGnBu", annot=True)
    plt.show()
```



There is a strong correlation between grocery and detergrnts_paper, grocery and milk



```
In []: # data transformation
    scaler = preprocessing.MinMaxScaler()
    columns=df.columns
    norm = scaler.fit_transform(df)

    norm=pd.DataFrame(norm,columns=columns)
    norm.head()
```

Out[]:		Channel	Region	Fresh	Milk	Grocery	Frozen	Detergents_Paper	Delicassen
	0	1.0	1.0	0.112940	0.130727	0.081464	0.003106	0.065427	0.027847
	1	1.0	1.0	0.062899	0.132824	0.103097	0.028548	0.080590	0.036984
	2	1.0	1.0	0.056622	0.119181	0.082790	0.039116	0.086052	0.163559
	3	0.0	1.0	0.118254	0.015536	0.045464	0.104842	0.012346	0.037234
	4	1.0	1.0	0.201626	0.072914	0.077552	0.063934	0.043455	0.108093

Part II - KMeans Clustering

The objective of the analysis is to group similar products together into clusters based on their attributes such as fresh, milk, grocery, frozen, detergents_paper, and delicatessen. To perform the k-means clustering analysis, you will need to pre-process the dataset, determine the optimal number of clusters, initialize the centroids, assign data points to clusters, update the centroids, and repeat until convergence.

```
In []:
    elbow_results=[]
    for i in range(2,10):
        kmeans=KMeans(init='k-means++' , n_clusters=i, random_state=0)
        results=cross_validate(kmeans, norm, cv=5)
        elbow_results.append(results['test_score'].mean()*-1)
    plt.plot(range(2,len(elbow_results)+2) , elbow_results)
    plt.title('WSS - Elbow number of clusters test')
    plt.xlabel('Number of Clusters')
    plt.ylabel('Within Clusters Sum of Squares')
    plt.show()
```

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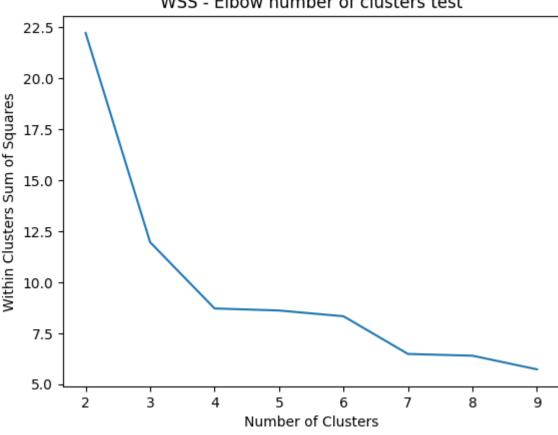
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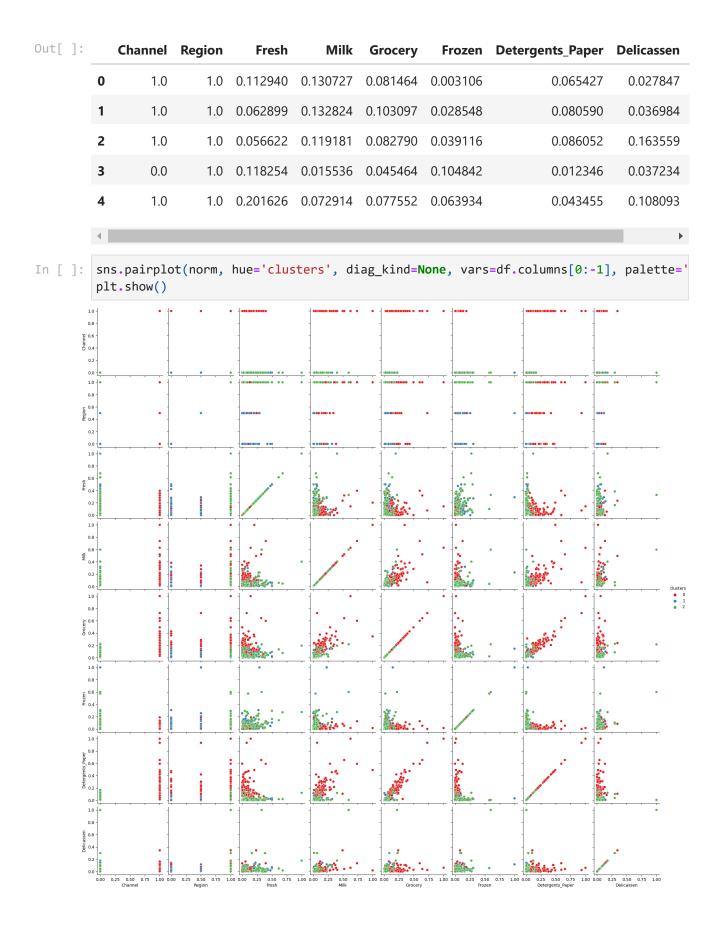


WSS - Elbow number of clusters test

best cluster number is 3 In []: kmeans=KMeans(init='k-means++' , n_clusters=3, random_state=0) cluster model=kmeans.fit(norm) norm['clusters']=cluster model.predict(norm) norm.head()

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Part III - Hierarchical Clustering

Hierarchical clustering is a popular unsupervised machine learning algorithm that is used to identify patterns and group similar data points together in a hierarchy. The algorithm works by iteratively merging or splitting clusters based on a similarity measure until a dendrogram is formed.

To perform hierarchical clustering analysis, you will need to pre-process the dataset, determine the optimal number of clusters using techniques such as dendrogram.

Part IV - PCA

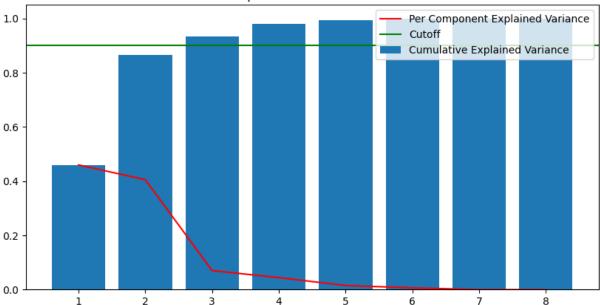
In this section you are going to perform principal component analysis (PCA) to draw conclusions about the underlying structure of the wholesale customer data. Since using PCA on a dataset calculates the dimensions which best maximize variance, we will find which compound combinations of features best describe customers.

```
In [ ]: norm.head()
Out[]:
            Channel Region
                                Fresh
                                           Milk
                                                Grocery
                                                            Frozen Detergents_Paper Delicassen
         0
                 1.0
                         1.0 0.112940 0.130727 0.081464 0.003106
                                                                            0.065427
                                                                                       0.027847
                                                                                       0.036984
         1
                 1.0
                         1.0 0.062899 0.132824 0.103097 0.028548
                                                                            0.080590
         2
                 1.0
                         1.0 0.056622 0.119181 0.082790 0.039116
                                                                            0.086052
                                                                                       0.163559
                 0.0
                                                                                       0.037234
         3
                         1.0 0.118254 0.015536 0.045464 0.104842
                                                                            0.012346
         4
                 1.0
                         1.0 0.201626 0.072914 0.077552 0.063934
                                                                            0.043455
                                                                                       0.108093
In [ ]: pca=PCA(n_components=len(norm.columns)-1)
        pca.fit(df.iloc[:,:-1])
```

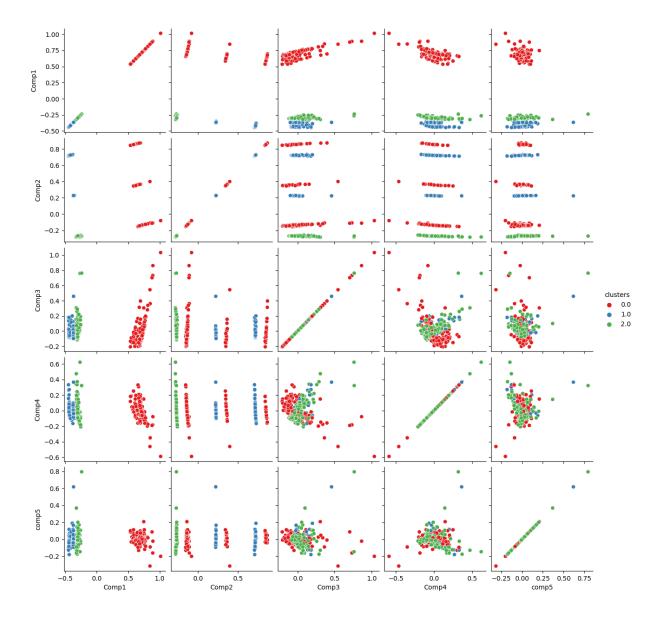
```
pca.explained_variance_ratio_
Out[]: array([4.59613616e-01, 4.05172267e-01, 7.00300803e-02, 4.40234434e-02,
               1.50221159e-02, 6.13847509e-03, 1.65918973e-09, 3.39997724e-10])
In [ ]:
        plt.figure(figsize=(10,5))
        plt.plot(range(1,9),pca.explained_variance_ratio_, c='red', label='Per Component Ex
        plt.bar(range(1,9), height=np.cumsum(pca.explained_variance_ratio_), label='Cumulat
        plt.axhline(y=0.9, c='g', label='Cutoff')
        plt.title('Explained variance in PCA')
        plt.xticks(range(1,9))
        plt.legend(loc=1)
```



plt.show()



```
In [ ]: # we need only 5 componenets
        pca=PCA(n components=5)
        reduced=pca.fit_transform(norm.iloc[:,:-1])
        reduced=pd.DataFrame(np.column_stack([reduced, norm.clusters]), columns=['Comp1','C
        sns.pairplot(reduced, hue='clusters', diag_kind=None, vars=reduced.columns[0:-1], p
        plt.show()
```



Part V - Conclusion

From the model you developed and the exploratory data analysis (EDA) conducted, generate four bullet points as your findings.

- Dataset has no missing value.
- Dataset has a valid outliers.
- Best cluster number as per the elbow technique is 3.
- we are able to redcuce the dimenstion to 5 only by using PCA.
- There is strong correlation between Milk, Grocery and Detergent paper.