

# THE CUSTOMER DATA ANALYSIS USING SEGMENTATION WITH SPECIAL REFERENCE MALL

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## ABSTRACT:-

To develop the business and marketing in an efficient and successful manner we need to analyze the customer data. For that process the grouping of customers into small segments of individuals who share the common interest & characteristics' are known as customer segmentation. To analyze more efficiently we need to segment the customers based upon various types of segmentation. 1. Demographic segmentation: Segmenting the market based upon Age, Gender, Income, Financial status, Education, Family status and so on. 2. Geographic segmentation: as the name itself suggested that this kind of segmentation is done based upon the physical location of person. 3. Behavioral segmentation, this kind of segmentation is based on the behavioral data of the customers like Purchasing habits, spending habits, Brand interaction are used in this type.

**Keywords:** Target customers, Spending Score, Unsupervised learning, clusters, visual data representation.

## I. INTRODUCTION

This project is based on real-world data. Data is one of the important features of every organization because it helps business leaders to make decisions based on facts, statistical numbers and trends. So in this project we are taking mall customers data which means

collecting the data from customers who are visiting the malls. Based on this data applying the segmentation process on it. This segmentation enables marketers to create targeted marketing messages for a specific group of customers which increases the chances of the person buying a product. It allows them to create and use specific communication channels to communicate with different segments to attract them. A simple example would be that the companies try to attract the younger generation through social media posts and older generation with maybe radio advertising. This helps the companies in establishing better customer relationships and their overall performance as an organization.

## II. EXISTING SYSTEM

In the existing system, for business all the data accumulation and handling are done manually. For knowing details about a customer, there is no proper means of collecting the data in the business. Even though if a business wants to cluster the data about their customers, then they need to manually go through all the customer purchase bills. By doing this the business can't derive any useful or meaningful data that can help the business. This type of data contains zero insights about the customer and makes difficult to extract useful data.

### III. PROPOSED SYSTEM

Learning methodologies are a great tool for analyzing customer data and finding insights and patterns. Artificially intelligent models are powerful tools for decision-makers. They can precisely identify customer segments, which is much harder to do manually or with conventional analytical methods. There are many machine learning algorithms, each suitable for a specific type of problem. One very common machine learning algorithm that's suitable for customer segmentation problems is the k-means clustering algorithm. The Advantages are: Whole process will be automated, so human error will be avoided

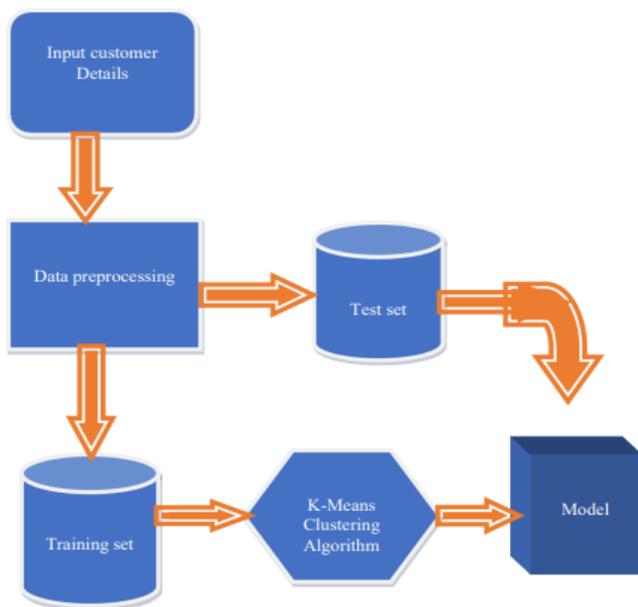


Fig.1 System Architecture

### K - Means Clustering Algorithm

K-Means Clustering is an unsupervised learning algorithm that is used to solve the clustering problems in machine learning or data

science. In this topic, we will learn what is K-means clustering algorithm, how the algorithm works, along with the Python implementation of k-means clustering. It allows us to cluster the data into different groups and a convenient way to discover the categories of groups in the unlabeled dataset on its own without the need for any training. It is a centroid-based algorithm, where each cluster is associated with a centroid. The main aim of this algorithm is to minimize the sum of distances between the data point and their corresponding clusters.

### IV. IMPLEMENTATION TECHNIQUES

#### Pre processing:

The data which was collected might contain missing values that may lead to inconsistency. To gain better results data need to be preprocessed so as to improve the efficiency of the algorithm. The outliers have to be removed and also variable conversion need to be done. In order to overcoming these issues we use map function.

#### Train model on training data set:

Now we will train the model on the training dataset and make predictions for the test dataset. But can we validate these predictions? One way of doing this is we can divide our train dataset into two parts: train and validation. We can train the model on this training part and using that make predictions for the validation part. In this way, we can validate our predictions as we have the true predictions for the validation part (which we do not have for the test dataset)

1	Custom	Gender	Age	Annual	Spending	Score (1-100)
2	1	Male	19	15	39	
3	2	Male	21	15	81	
4	3	Female	20	16	6	
5	4	Female	23	16	77	
6	5	Female	31	17	40	
7	6	Female	22	17	76	
8	7	Female	35	18	6	
9	8	Female	23	18	94	
10	9	Male	64	19	3	
11	10	Female	30	19	72	
12	11	Male	67	19	14	
13	12	Female	35	19	99	
14	13	Female	58	20	15	
15	14	Female	24	20	77	
16	15	Male	37	20	13	
17	16	Male	22	20	79	
18	17	Female	35	21	35	
19	18	Male	20	21	66	
20	19	Male	52	23	29	
21	20	Female	35	23	98	
22	21	Male	35	24	35	
23	22	Female	25	24	73	
24	23	Female	46	25	5	
25	24	Male	31	25	73	
26	25	Female	54	28	14	
27	26	Male	29	28	82	
28	27	Female	45	28	32	
29	28	Male	35	28	61	
30	29	Female	40	29	31	
31	30	Female	23	29	87	
32	31	Male	60	30	4	
33	32	Female	21	30	73	
34	33	Male	53	33	4	
35	34	Male	18	33	92	
36	35	Female	49	33	14	

Fig.2 Dataset - 1

A	B	C	D	E
69	Male	19	48	59
70	Female	32	48	47
71	Male	70	49	55
72	Female	47	49	42
73	Female	60	50	49
74	Female	60	50	56
75	Male	59	54	47
76	Male	26	54	54
77	Female	45	54	53
78	Male	40	54	48
79	Female	23	54	52
80	Female	49	54	42
81	Male	57	54	51
82	Male	38	54	55
83	Male	67	54	41
84	Female	46	54	44
85	Female	21	54	57
86	Male	48	54	46
87	Female	55	57	58
88	Female	22	57	55
89	Female	34	58	60
90	Female	50	58	46
91	Female	68	59	55
92	Male	18	59	41
93	Male	48	60	49
94	Female	40	60	40
95	Female	32	60	42
96	Male	24	60	52
97	Female	47	60	47
98	Female	27	60	50
99	Male	48	61	42
100	Male	20	61	49
101	Female	23	62	41
102	Female	49	62	48
103	Male	67	62	59
104	Male	26	62	55
105	Male	49	62	56
106	Female	21	62	42
107	Female	66	63	50
108	Male	54	63	46
109	Male	68	63	43
110	Male	66	63	48
111	Male	65	63	52
112	Female	19	63	54
113	Female	38	64	42
114	Male	19	64	46
115	Female	18	65	48
116	Female	19	65	50
117	Female	63	65	43
118	Female	49	65	59
119	Female	51	67	43
120	Female	50	67	57
121	Male	27	67	56
122	Female	38	67	40
123	Female	40	69	58
124	Male	39	69	91
125	Female	23	70	29
126	Female	31	70	77
127	Male	43	71	35
128	Male	40	71	95
129	Male	59	71	11
130	Male	38	71	75
131	Male	47	71	9
132	Male	39	71	75
133	Female	25	72	34
134	Female	31	72	71
135	Male	20	73	5
136	Female	29	73	88
137	Female	44	73	7
138	Male	32	73	73
139	Male	19	74	10
140	Female	35	74	72

Fig.3 Dataset - 2

A	B	C	D	E
141	Female	57	75	5
142	Male	32	75	93
143	Female	28	76	40
144	Female	32	76	87
145	Male	25	77	12
146	Male	28	77	97
147	Male	48	77	36
148	Female	32	77	74
149	Female	34	78	22
150	Male	34	78	90
151	Male	43	78	17
152	Male	39	78	89
153	Female	44	78	20
154	Female	38	78	76
155	Female	47	78	16
156	Female	27	78	89
157	Male	37	78	1
158	Female	30	78	78
159	Male	34	78	1
160	Female	30	78	73
161	Female	56	79	35
162	Female	29	79	83
163	Male	19	81	5
164	Female	31	81	93
165	Male	50	85	26
166	Female	36	85	75
167	Male	42	86	20
168	Female	33	86	95
169	Female	36	87	27
170	Male	32	87	63
171	Male	40	87	13
172	Male	28	87	75
173	Male	36	87	10
174	Male	36	87	92
175	Female	52	88	13
176	Female	30	88	86
177	Male	58	88	15
178	Male	27	88	69
179	Male	59	93	14
180	Male	35	93	90
181	Female	37	97	32
182	Female	32	97	86
183	Male	46	98	15
184	Female	29	98	88
185	Female	41	99	39
186	Male	30	99	97
187	Female	54	101	24
188	Male	28	101	68
189	Female	41	103	17
190	Female	36	103	85
191	Female	34	103	23
192	Female	32	103	69
193	Male	33	113	8
194	Female	38	113	91
195	Female	47	120	16
196	Female	35	120	79
197	Female	45	126	28
198	Male	32	126	74
199	Male	32	137	18
200	Male	30	137	83

Fig.4 Dataset - 3

**Correlating attributes;** - Based on the correlation among attributes it was observed more likely to pay back their loans. The attributes that are individual and significant can include Property area, education, loan amount, and lastly credit History, which is since by intuition it is considered as important. The correlation among attributes can be identified using corplot and boxplot in Python platform

**Algorithms:**

K-means algorithm is used in this project to analyze and form clusters of customers based on their income and spending score features.

**Model:**

K-means model is used and is hyper tuned parameters like n\_clusters=5 using elbow method to find the optimal number of clusters also init='k-means++' to avoid random initialization traps.

**Programming and Environment:**

Programming Language: Python 3.6  
 Environment (Libraries and Technologies):

Numpy, Pandas, Matplotlib, Seaborn, Jupyter Notebook, Google Colab

### Predicting the outcomes:

Using K-MEANS clustering algorithm, the outcomes of all applicant can get the result.

## V. RESULTS

Here we are clustering the customer data based on different criteria's and representing them using various visual data analysis techniques.

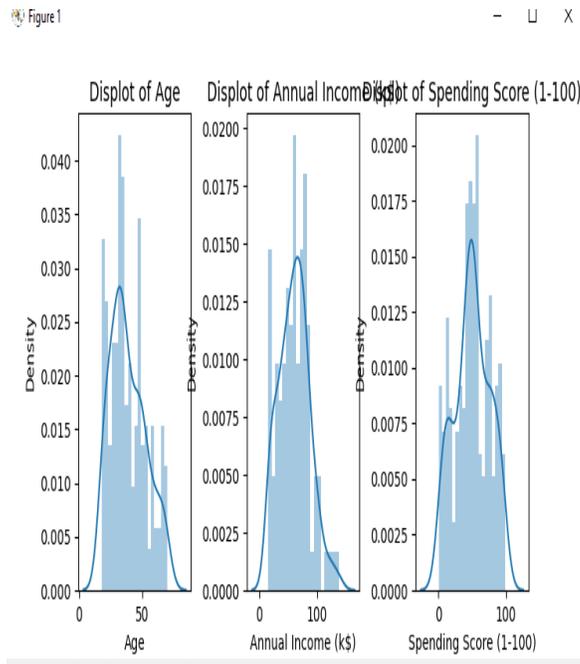


Fig.5 Displot of age, income and spending score

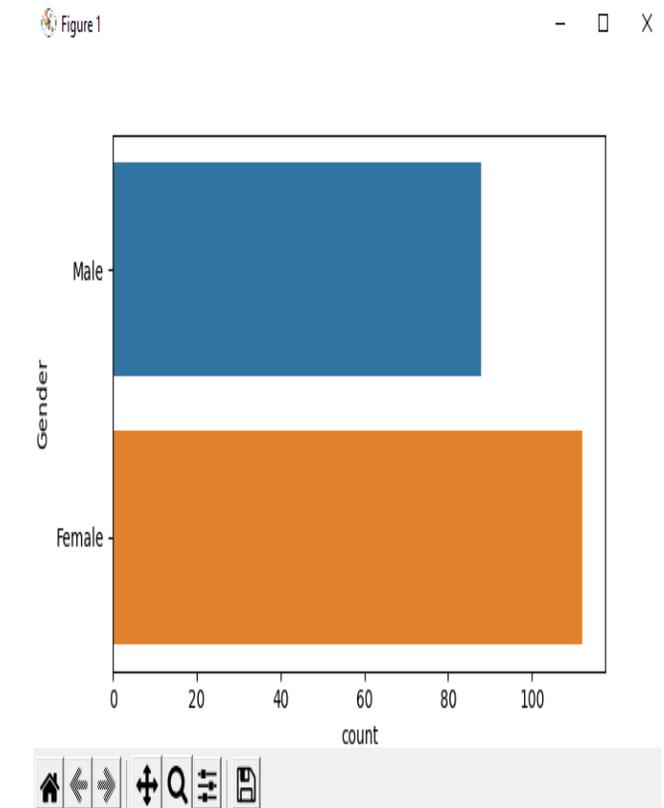
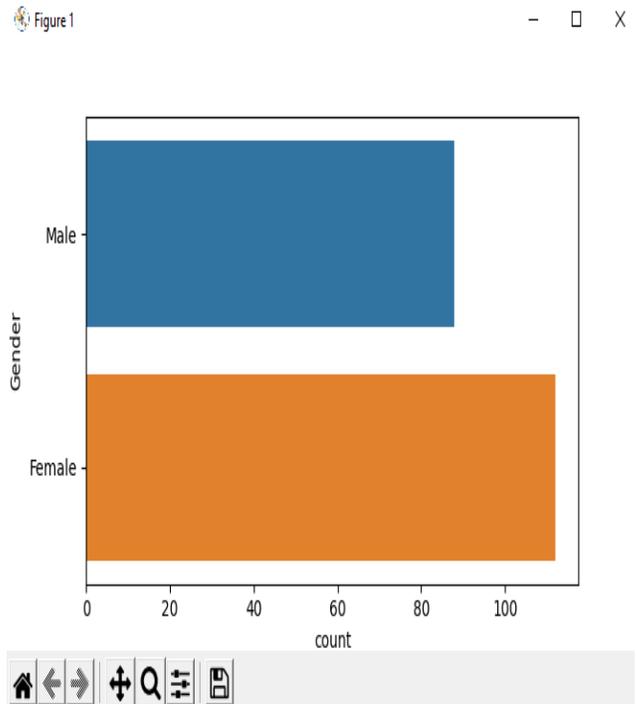


Fig.6 Gender to count graph

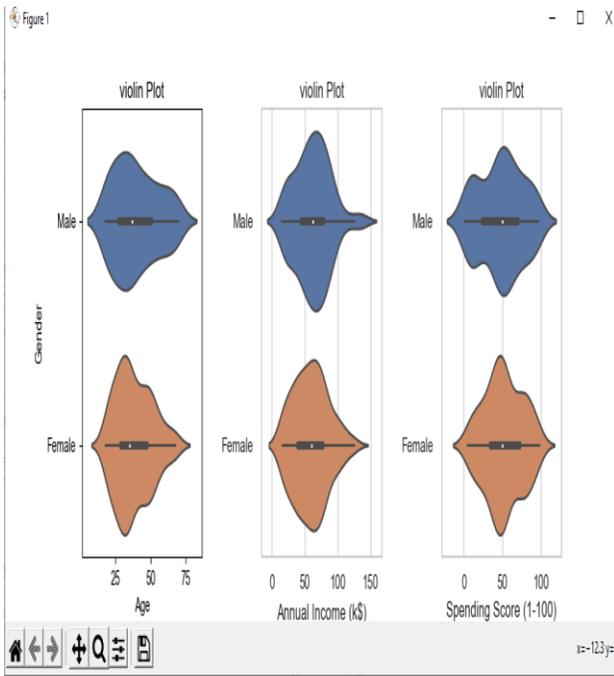


Fig.7 Violin plot for age, income and spending score

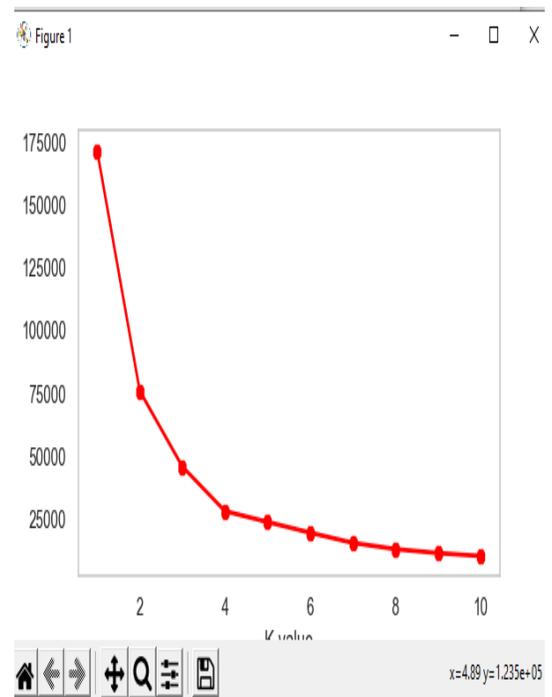


Fig. 9 K means elbow method

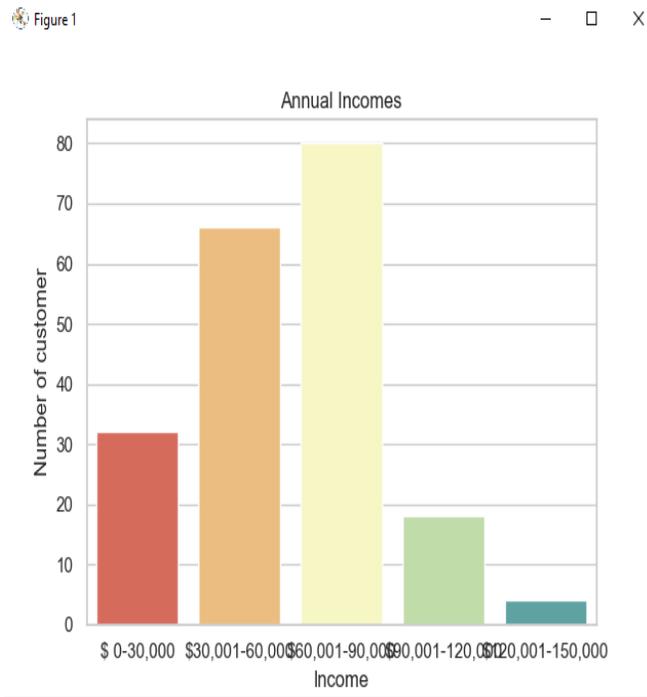


Fig. 8 Number of customers income

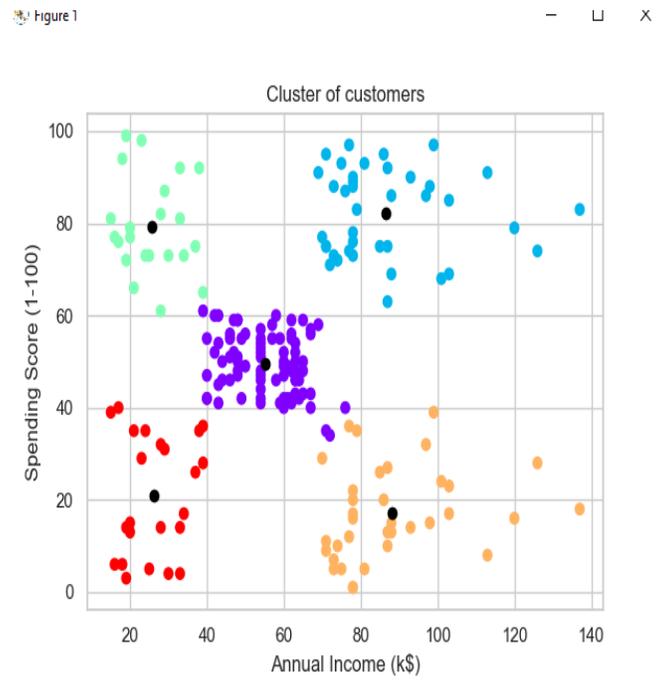


Fig.10 Scatter plot for customers income to spending score

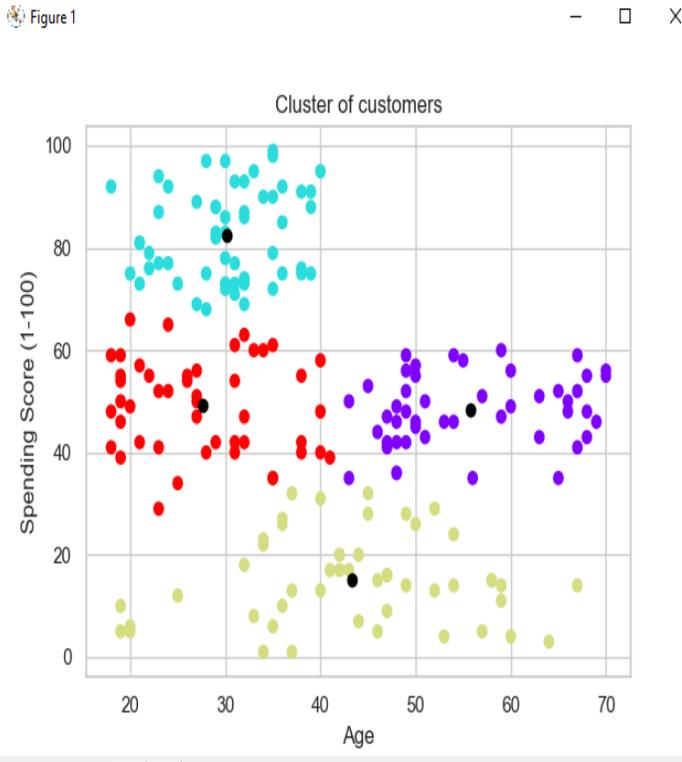


Fig .11 Scatter plot for customers age to spending score

## VI. CONCLUSION

In this project we have successfully segregated and represented the data for customers who are visiting mall. This project clusters the customer data based on different criteria and represents them using visual data analysis techniques. At present the Customer segmentation plays a vital role in business and marketing, we are using this customer segmentation mainly in higher levels of business & marketing, using this process we can derive meaningful and useful business insights of a company.

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