

Unsupervised Learning Project

Windows or Mac?

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Insight 1:

This analysis found that Macbook users are more loyal to Apple than Windows laptop users are to Microsoft. Of the current Macbook users, 91% said their next laptop would be a Macbook, compared to 77% of Windows users who said they'd buy a Windows laptop next. Microsoft should avoid targeting Macbook users heavily as the chances of converting them are low. Instead, they should focus on retargeting their own customers to decrease churn and to create cross-sell or upsell opportunities. Customers who currently own a Windows laptop correspond to 49% of the collected sample.

Insight 2:

Hult DNA consists of 4 leadership skills: growth mindset, thinking, communicating and team building. 66% of current Windows users exhibited a weak tendency towards these traits, further convincing us again that they are more self-thinkers. This leads us to believe that in their purchasing decisions, they tend to be self-opinionated and are less swayed by opinions of others. Windows users consider price, usage and reliability in their purchase decisions and take less consideration to immeasurable brand attributes such as "coolness" (Nevid, 2014). Functionality is important for these users. Microsoft should consider emphasizing functionality in their product design and marketing.

Insight 3:

In general, Windows users are more closed than others. They tend to be less talkative, sympathetic, organized, relaxed or open.

However, more detailed analysis revealed two distinct groups within Windows users. Loyal customers (with low risk to churn) are more extroverted, more agreeable, less conscious, and more emotionally stable, compared to the customers at risk to change.

As a group of loyal Windows customers is bigger (77%), Microsoft might focus on increasing retention rate, by approaching loyal customers in a manner tailored to this group's personalities. For instance, less conscious extroverts might incline towards compulsive buying (Ercis & Unalan, 2017).

Recommendation:

Microsoft should focus on increasing the retention rate of its own customers, instead of pursuing the ones who are loyal to Apple. The bigger group within Windows customers, who are very likely to stay with the company, represents people who are more extroverted and less conscious, compared to the ones at risk. Microsoft's marketing efforts should be directed towards customers who are more talkative and energetic, but at the same time less organized/thorough.

Characteristics of Microsoft buyers direct towards below recommendations for the company:

1. Increase human interaction with customers in brick and mortar and over the phone, as extroverted Windows users will be willing to talk more with employees through a consultative selling process (Castillo, 2017).
2. Offer other features or bundles that will gratify the customers immediately (such as additional software), as customers might incline towards compulsive buying. It is also recommended to follow up with the customers, for example by monthly email to offer them additional features / updates.
3. Work on expanding offers for applications, but also work with potential partners to build a more complex ecosystem of services for the users. Offers should highlight the functionality of products, as their customers care less about design.

References

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