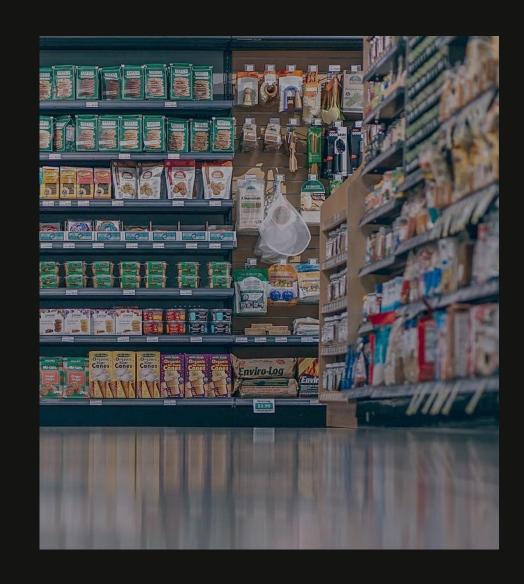


· Eichelkaffee



MINI PROJECT

Connecting with Customers in a Dynamic Market

- 1. The "Marketplace of Flavors" Vision
 - "high-quality food and beverages for the Market"
- 2. The Engagement Opportunity
 - "deep understanding of our customers"
- 3. Data as Our Customer Compass
 - "leverage dataset as a valuable resource"





INTRODUCTION

'Marketplace of Flavors,' aims to offer a curated selection of high-quality food and beverage products, catering to diverse tastes and preferences in a competitive market.

HIGHLIGHTS

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UNVEILING OUR CUSTOMERS: A DIVERSE CUSTOMER PROFILE



OVERVIEW

This dataset of 2240 customer profiles with 30 attributes each, aims to provide rich information for understanding customer behavior. Including transactions across product categories.



DATASET OVERVIEW

2240 customers, each with a unique profile comprised of 30 key attributes

PRODUCT CATEGORIES

'Coke,' 'Fruits,' 'Meat,' 'Fish,' 'Sweets,' and 'Gold'

DATA TYPES

Mix of numerical data (e.g., age, income, spending) and categorical data (e.g., education, marital status)

DATA INTEGRITY

No duplicates, ensuring the accuracy of our findings

FEATURE ENGINEERING



Flavors



01 Understanding how age influences purchasing decisions and product preferences.

Total Children

02 Recognizing the impact of family size on shopping habits and purchase frequency.

Total Spending

03 Analyzing spending across product categories to identify customer preferences and value.

Total Transactions

Q4 Analyzing transactions across all channels to measure overall customer engagement.

Conversion Rate

05 Evaluating the effectiveness of our online marketing campaigns.

VISUALIZATION

Age Distribution

Who are our primary customer segments by age?

There's a peak around the late 40s to early 50s age range, indicating a concentration of customers in this demographic as well as drop off in customers in the older age ranges.



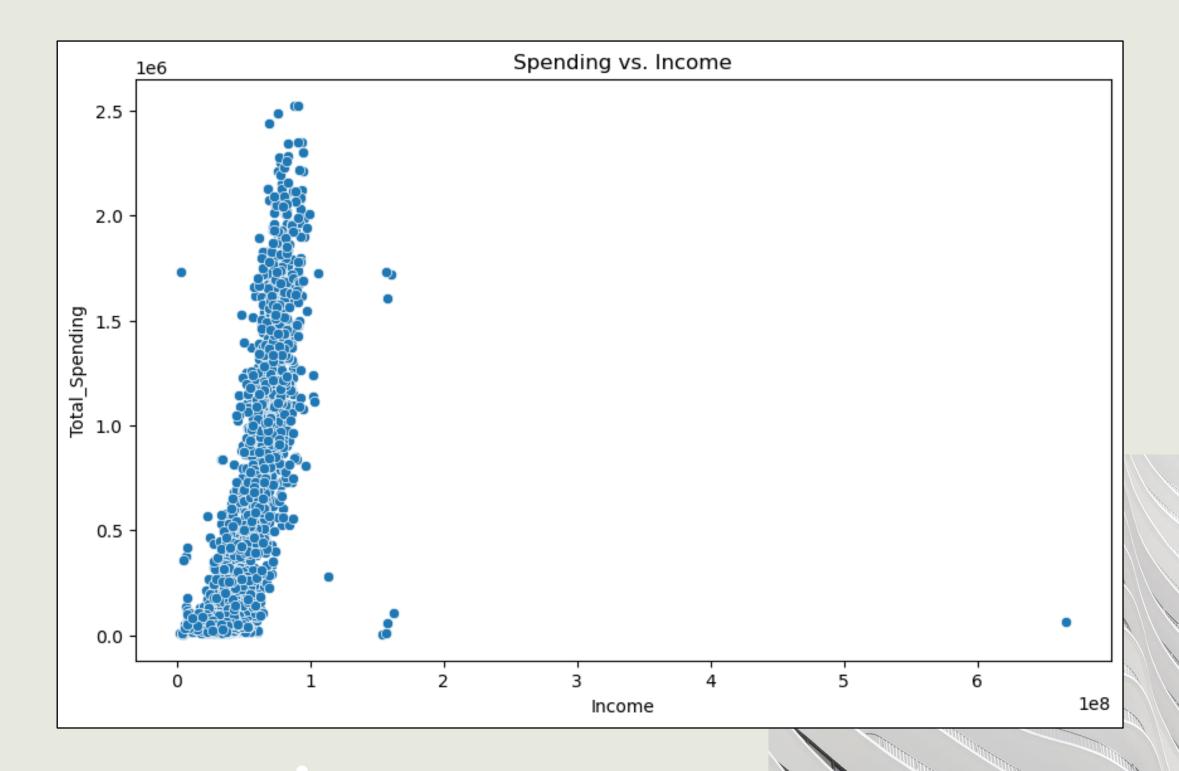


VISUALIZATION

Total Spending Distribution

How does customer spending relate to their income?

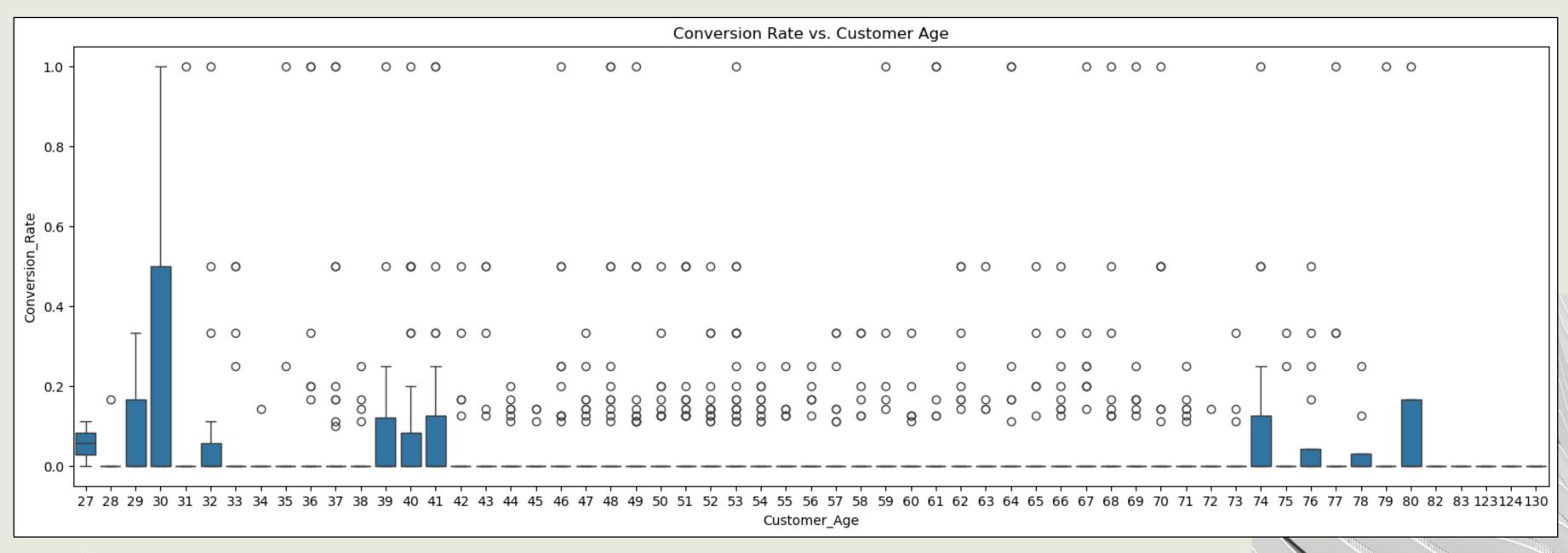
Customer spending exhibits a clear positive correlation with income, indicating that wealthier customers tend to spend more; however, some high-income customers show lower spending.





VISUALIZATION

Conversion Rate vs. Age





How does 'Conversion Rate' vary across different 'Customer Age' groups?

Conversion rates are generally low across all age groups, clustering near zero, with younger age ranges showing some outliers of higher conversion, and significant variability within each age group.

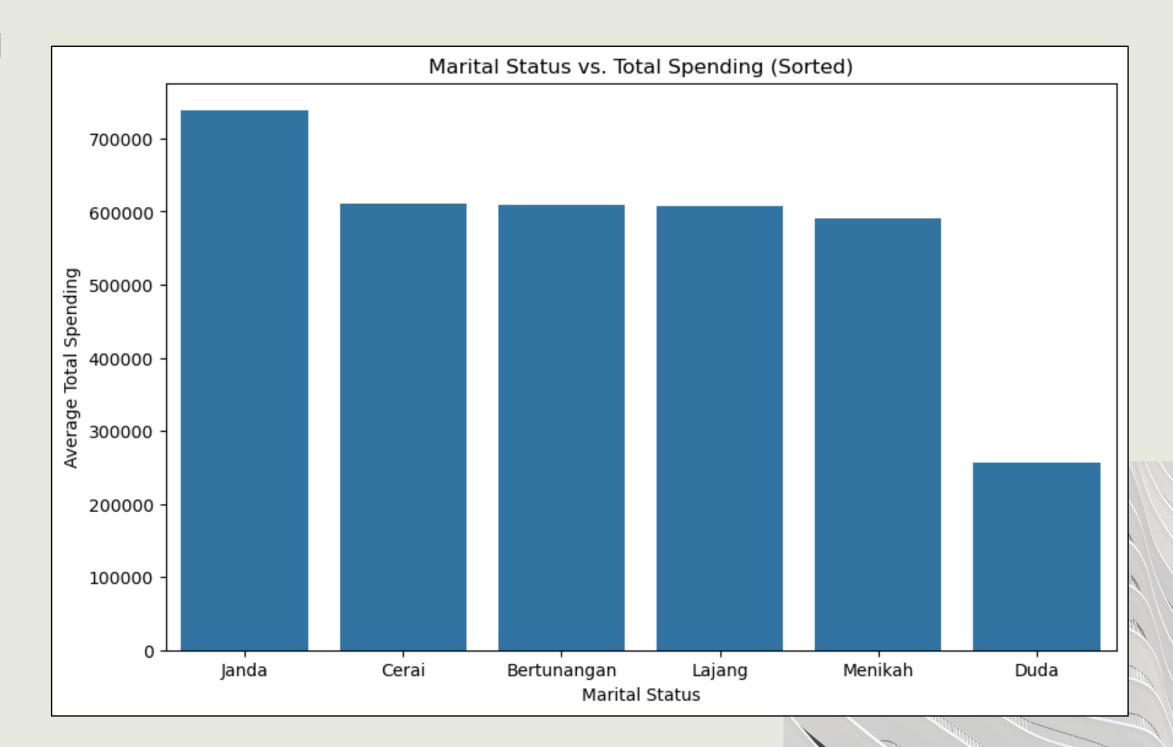


VISUALIZATION

Marital Status vs. Total Spending

How does marital status influence customer spending?

Widowed and widower customers show the highest average spending, with widower spending also showing high variability; single, engaged, and married customers have similar average spending, and divorced customers fall in the mid-range.





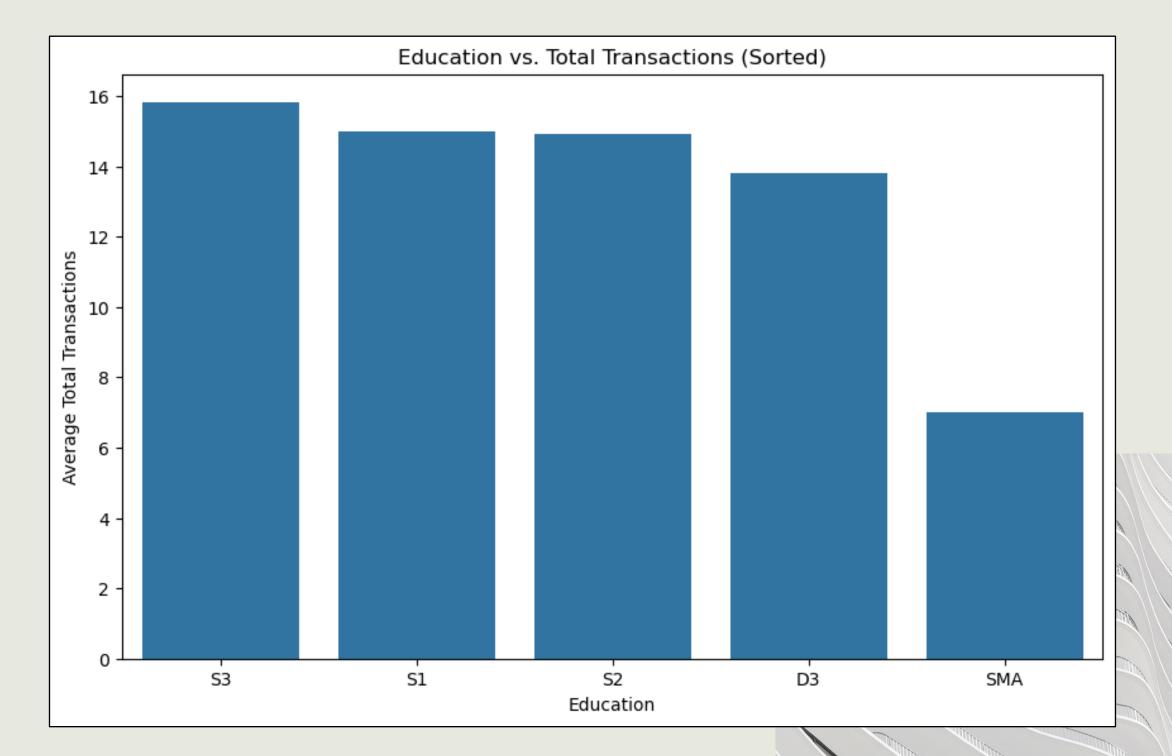
Source code

VISUALIZATION

Education vs. Transactions

How does education level relate to the number of customer transactions?

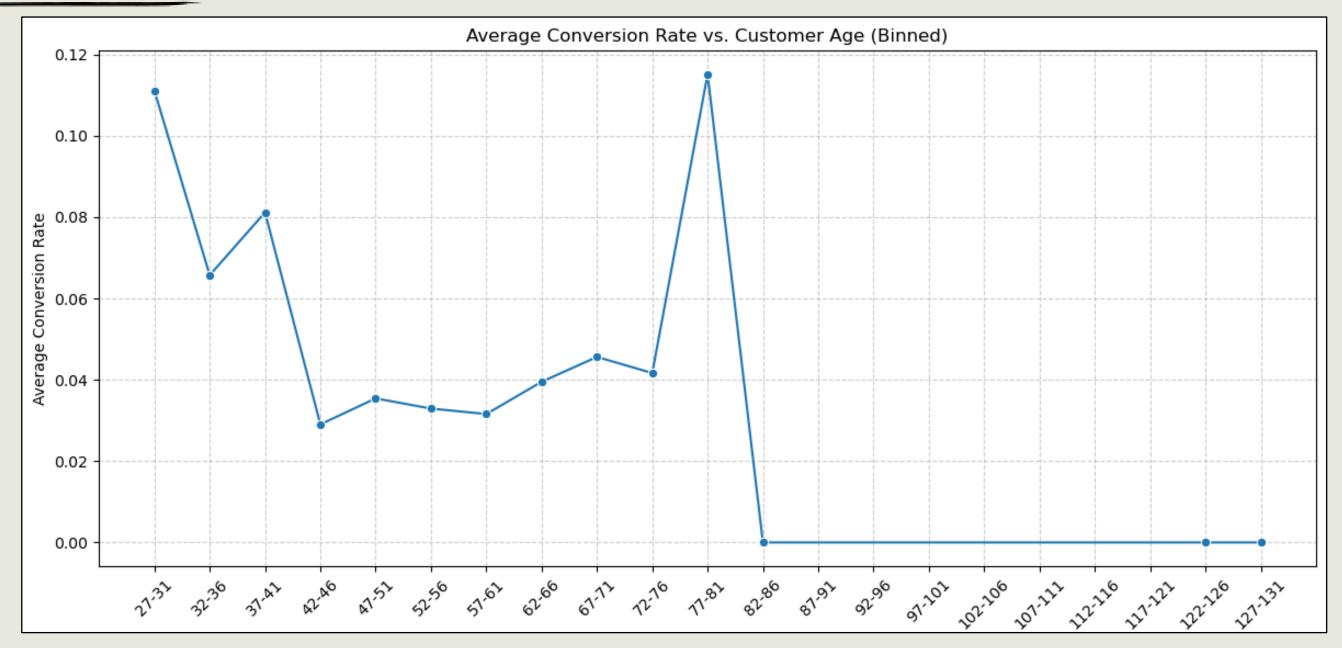
Customers with bachelor's and PhD degrees have the highest average number of transactions; master's degree and high school graduates are slightly lower, and diploma holders have the lowest number of transactions, with similar variability across all education levels.





"CUSTOMER AGE" DEEP DIVE

How does customer age group influence conversion rates, and what are the implications for our marketing strategies?



27 - 46

42 - 76

77 - 81

82

The "Volatile" Youngsters

"Low" but, "Consistent"

"High", but raises "Question"

Errors? Irrelevance?

AMESS



Flavors

PRE-PROCESSING

1

Raw data is often messy - incomplete, inconsistent, and in the wrong format.

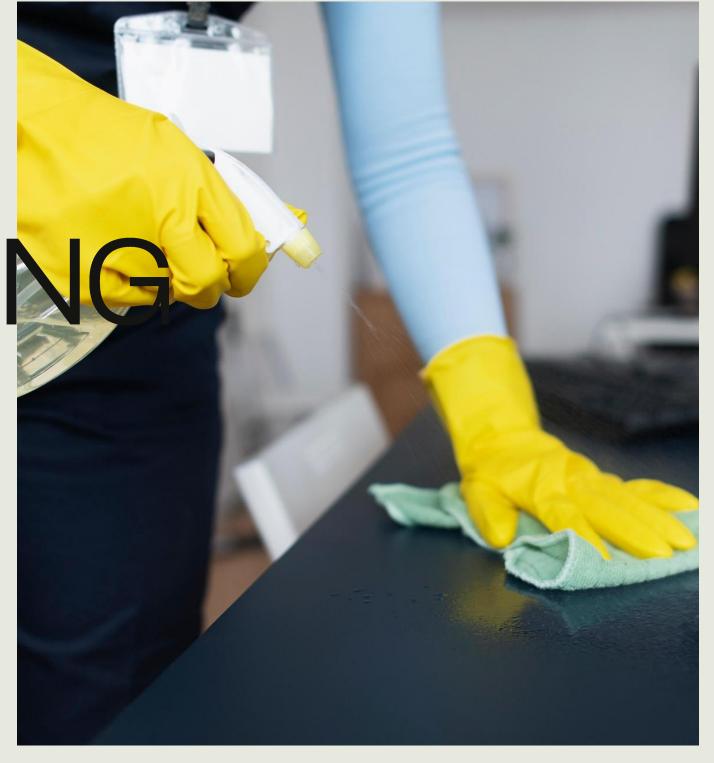
2

Data cleaning and pre-processing are essential steps to ensure data quality and suitability for analysis.

3

In this section, we'll cover the steps taken to prepare our customer data for the 'Marketplace of Flavors' analysis.

SOME CLEANING



Flavors

PRE-PROCESSING

1

Imputed median on the 'Income' feature to fill in the missing values.

2

Dropped some rows that has null 'Conversion_Rate'.

3

Dropped Unnecessary Features such as: 'Unnamed', 'ID', 'Dt_Customer', 'Z_CostContact', 'Z_Revenue', and 'Age_Bin'.



4

Education was Ordinal encoded by mapping each level to a numerical value.

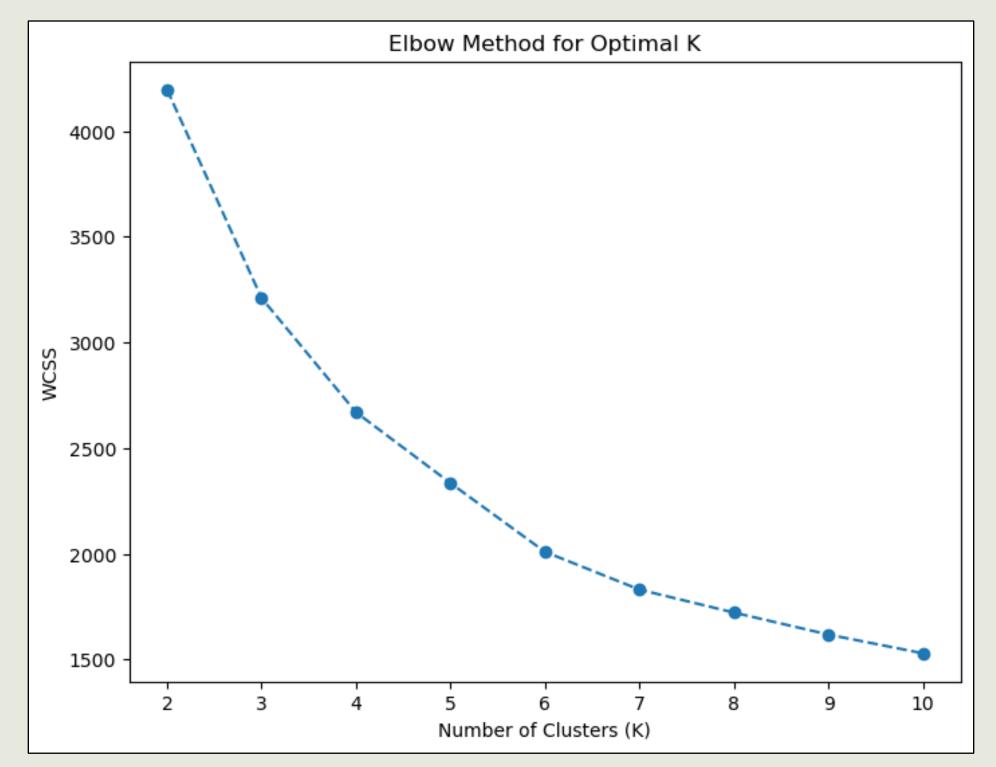
5

Marital_Status was One-Hot encoded to create separate binary columns for each marital status.

Flavors

PRE-PROCESSING

PICK A NUMBER



Flavors

CLUSTERING

Important

WCSS (Within-Cluster Sum of Squares), let's just call it the "dots" on the curve

Elbow Point

The "elbow" is the point where the rate of decrease in slope on the "dots" starts to slow down considerably.

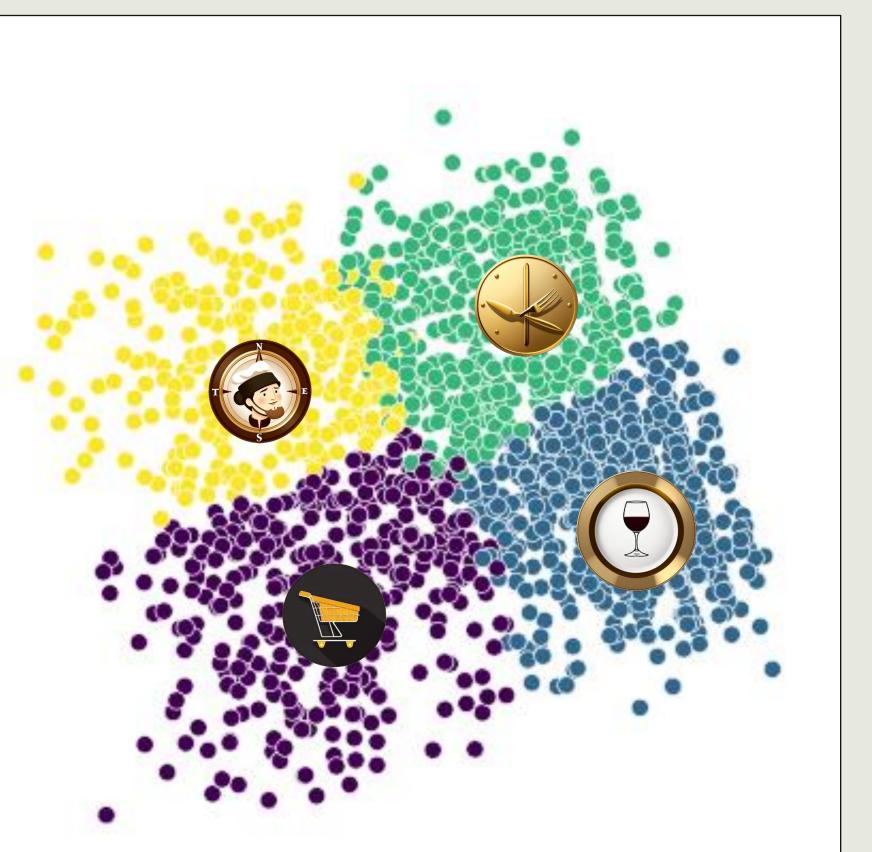
The Number

After K=4, the decrease in the slope is less dramatic, suggesting diminishing returns from adding more clusters.

More Reasons

Beyond K=4, the curve becomes relatively flatter. Adding clusters beyond this point doesn't explain much more variance in the data

VISUALIZATION



KNOWING THE CLUSTERS

Flavors

WHY CLUSTERING?

The answer lies in the power of personalization. In today's market, customers expect tailored experiences. Clustering allows us to move away from a 'one-size-fits-all' approach, which is often inefficient and ineffective.



"Gourmet Explorer"

Younger, High Spenders



"Digital Diner"

Younger, Low Spenders



"Premium Palate"

Older, High Spenders



"Classic Connoisseur"

Older, Moderate Spenders

TAILORING THE EXPERIENCE

Flavors

Each of these profile are as represented by the numbers of clusters we choose, as well as a source of information which you could find "here".



Gourmet Explorer

Segment Focus: Younger, High Spenders Objective: Maintain loyalty, cross-selling



Digital Diner

Segment Focus: Younger, High Web Engagement, Low Spenders Objective: Increase purchase value, conversion rate



Classic Connoisseurs

Segment Focus: Older, Moderate Spenders, Moderate Web Activity Objective: Increase spending



Premium Palates

Segment Focus: Older, High Spenders, Low Web Interaction

Objective: Maintain loyalty, premium service







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NUMBERS



NUMBERS AND METRICES

A key to understanding the clusters, this includes the silhouette score, and the cluster summary table.

Silhouette Score

0.313

Clusters are moderately well-separated

Cluster Summary

Cluster	Customer Age	Total Spending	NumWebVisitsMonth
0	45.25	1,280,267	3.27
1	46.02	184,636	6.89
2	64.93	351,909	5.84
3	66.86	1,299,852	3.02