

TheAnalyticsTeam

# Sprocket Central Pty Ltd

Data analytics approach

[Division Name] - [Engagement Manager], [Senior Consultant], [Junior Consultant]

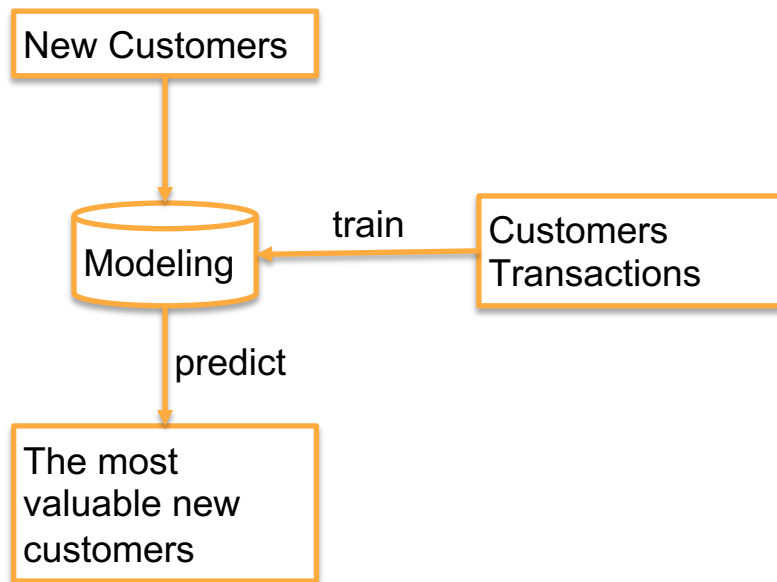
# Agenda

1. Introduction
2. Data Exploration
3. Model Development

# Introduction

## Goal:

Recommend the most valuable customers from the 1000 new customers.



# Introduction

## Two Tables:

- Transactions
- Customers

```
<class 'pandas.core.frame.DataFrame'>
Int64Index: 19445 entries, 0 to 19999
Data columns (total 14 columns):
 #   Column                Non-Null Count  Dtype
---  -
 0   transaction_id        19445 non-null  int64
 1   product_id            19445 non-null  int64
 2   customer_id           19445 non-null  int64
 3   transaction_date       19445 non-null  datetime64[ns]
 4   online_order           19445 non-null  float64
 5   order_status           19445 non-null  object
 6   brand                  19445 non-null  object
 7   product_line           19445 non-null  object
 8   product_class          19445 non-null  object
 9   product_size           19445 non-null  object
10   list_price             19445 non-null  float64
11   standard_cost           19445 non-null  float64
12   product_first_sold_date 19445 non-null  datetime64[ns]
13   margins                 19445 non-null  float64
dtypes: datetime64[ns](2), float64(4), int64(3), object(5)
memory usage: 2.2+ MB
```

# Introduction

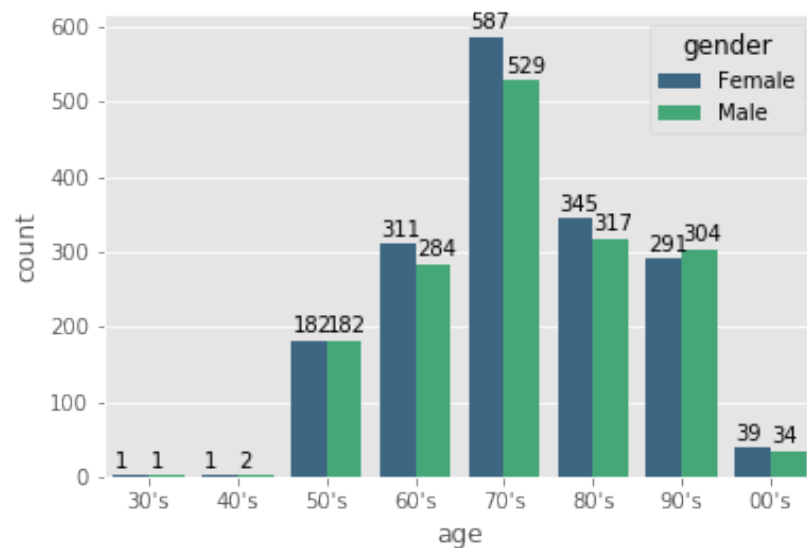
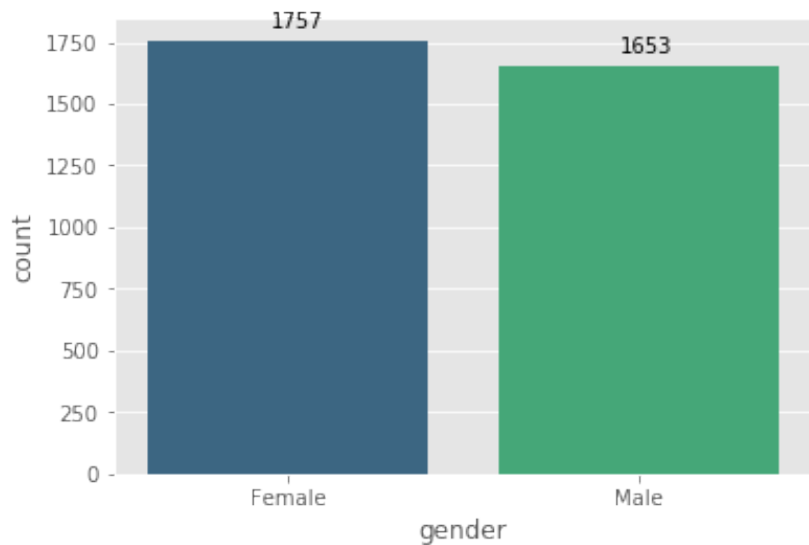
## Two Tables:

- Transactions
- Customers

| #   | Column                              | Non-Null Count |          | Dtype    |
|-----|-------------------------------------|----------------|----------|----------|
| --- | -----                               | -----          |          | -----    |
| 0   | customer_id                         | 3908           | non-null | int64    |
| 1   | gender                              | 3908           | non-null | object   |
| 2   | past_3_years_bike_related_purchases | 3908           | non-null | int64    |
| 3   | wealth_segment                      | 3908           | non-null | object   |
| 4   | owns_car                            | 3908           | non-null | object   |
| 5   | tenure                              | 3908           | non-null | int64    |
| 6   | address                             | 3908           | non-null | object   |
| 7   | postcode                            | 3908           | non-null | float64  |
| 8   | state                               | 3908           | non-null | object   |
| 9   | property_valuation                  | 3908           | non-null | float64  |
| 10  | age                                 | 3908           | non-null | category |

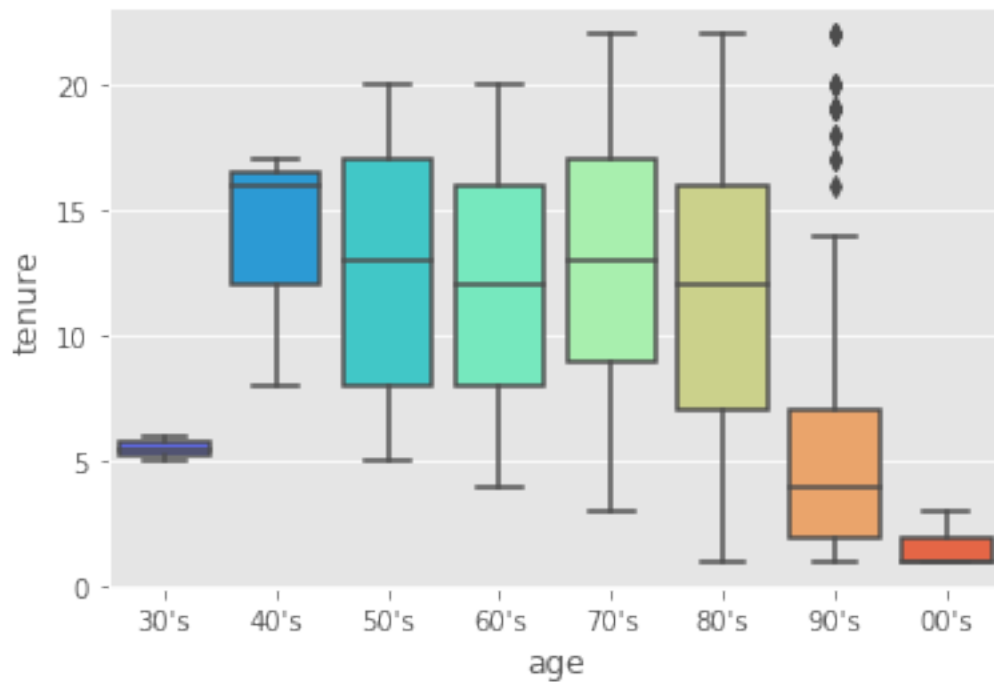
# Data Exploration

Is data skewed by gender or age?



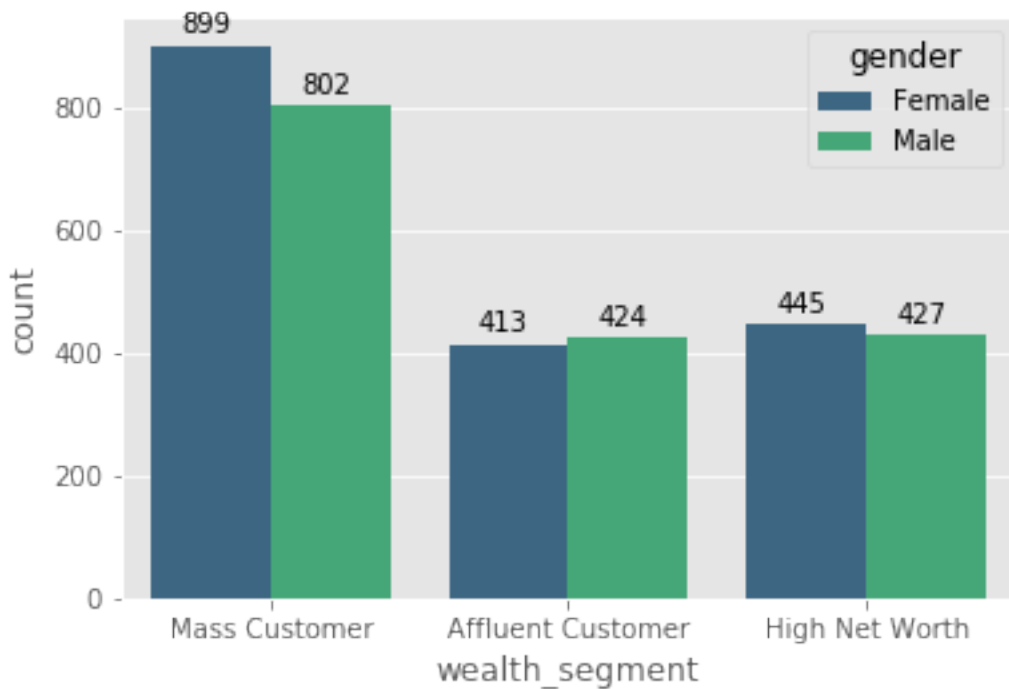
# Data Exploration

## tenure and age



# Data Exploration

## Segment of wealth

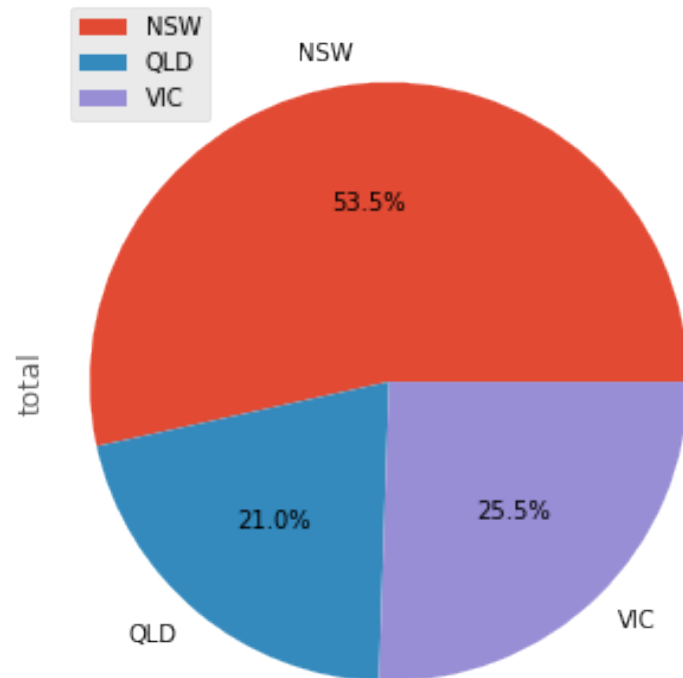




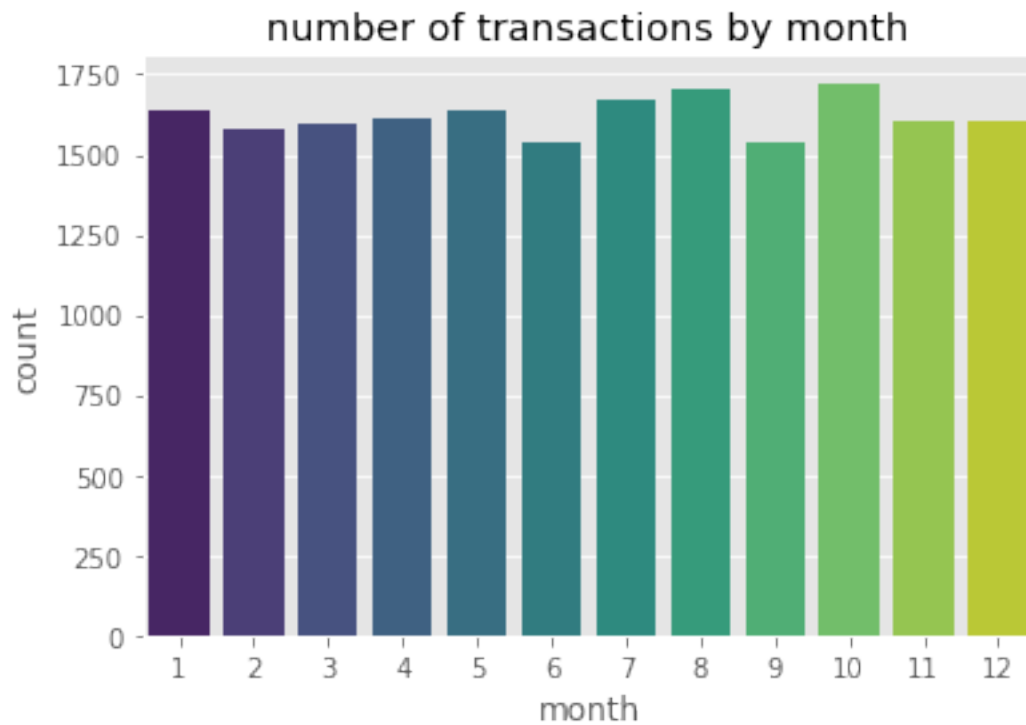
# Data Exploration

## States where people from

percentage of customers from different states



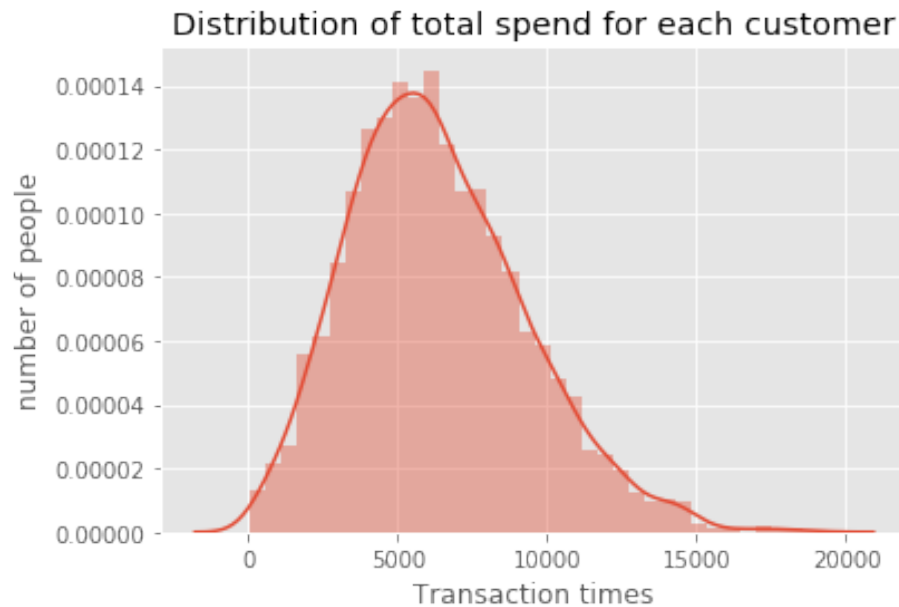
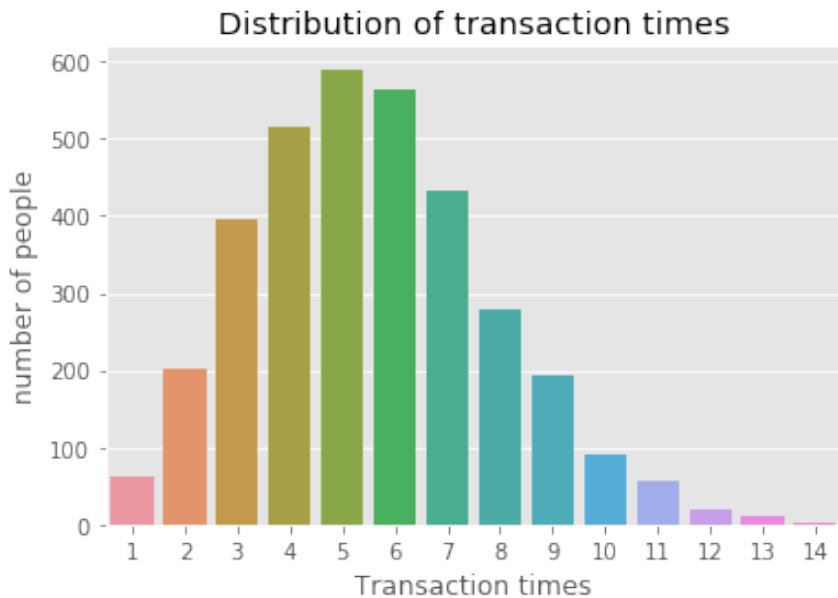
# Data Exploration



# Model Development

## Labels

**valuable: transaction time  $\geq 6$  and total spend  $\geq 6000$**



# Model Development

## Features:

'gender', 'past\_3\_years\_bike\_related\_purchases',  
'wealth\_segment', 'owns\_car', 'tenure', 'state',  
'property\_valuation', 'age'

19.6% missing

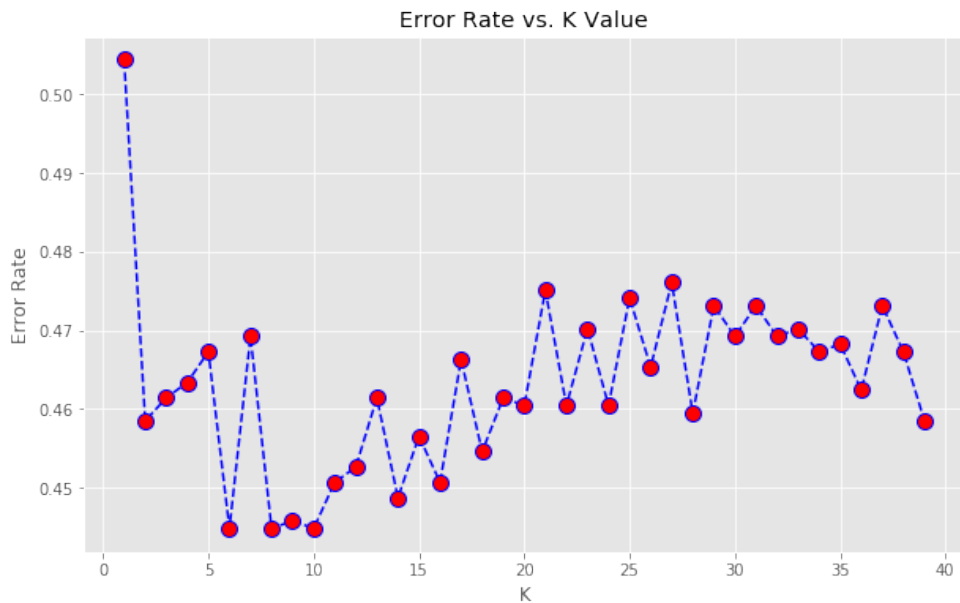
14.5% missing

|                                     |     |
|-------------------------------------|-----|
| customer_id                         | 0   |
| first_name                          | 0   |
| last_name                           | 125 |
| gender                              | 0   |
| past_3_years_bike_related_purchases | 0   |
| DOB                                 | 87  |
| job_title                           | 506 |
| job_industry_category               | 656 |
| wealth_segment                      | 0   |
| deceased_indicator                  | 0   |
| owns_car                            | 0   |
| tenure                              | 87  |
| address                             | 4   |
| postcode                            | 4   |
| state                               | 4   |
| country                             | 4   |
| property_valuation                  | 4   |
| dtype: int64                        |     |

Further work:

- 1) job\_title and job\_industry\_category
- 2) Remoteness of areas

# Model Development



WITH K=6

```
[[472 113]
 [342 96]]
```

|              | precision | recall | f1-score | support |
|--------------|-----------|--------|----------|---------|
| 0            | 0.58      | 0.81   | 0.67     | 585     |
| 1            | 0.46      | 0.22   | 0.30     | 438     |
| accuracy     |           |        | 0.56     | 1023    |
| macro avg    | 0.52      | 0.51   | 0.49     | 1023    |
| weighted avg | 0.53      | 0.56   | 0.51     | 1023    |