Universal Plus

G12 Consultancy Services Presentation

Group 12

December 2022
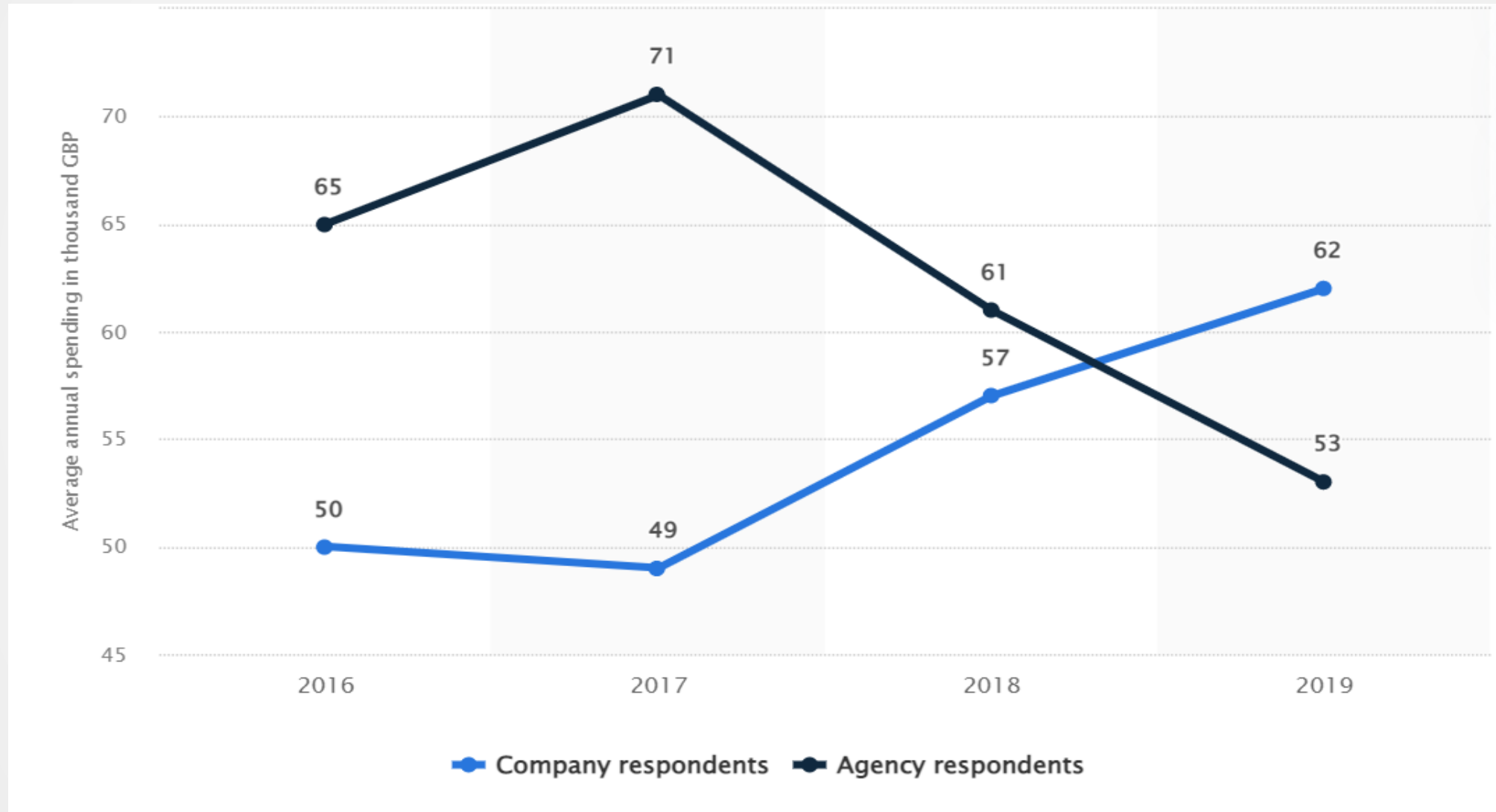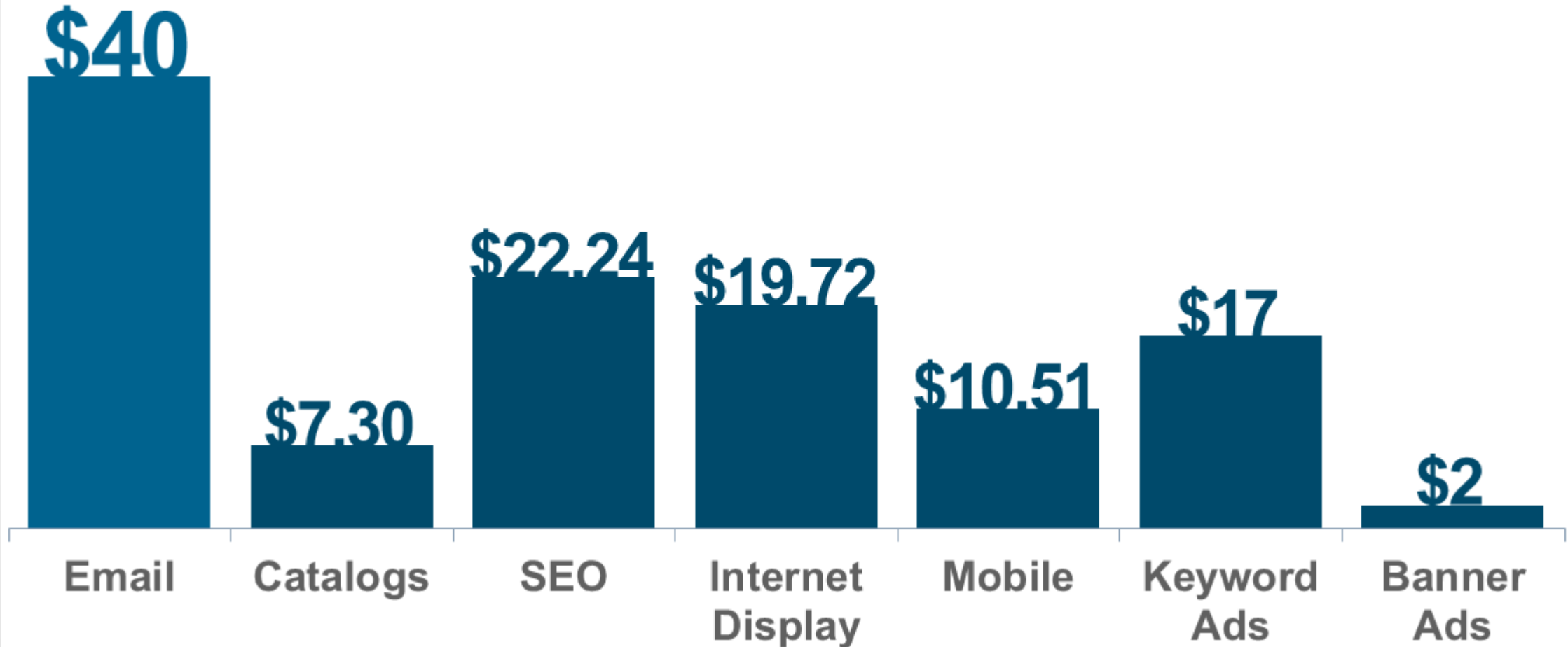
CONTENTS

Industry Overview

(I) Average e-mail marketing spending at companies from 2016 to 2019

Industry Overview

(II) Return on Investment

ROI (per $1 spent)

- Email: $40
- Catalogs: $7.30
- SEO: $22.24
- Internet Display: $19.72
- Mobile: $10.51
- Keyword Ads: $17
- Banner Ads: $2

Current Email System
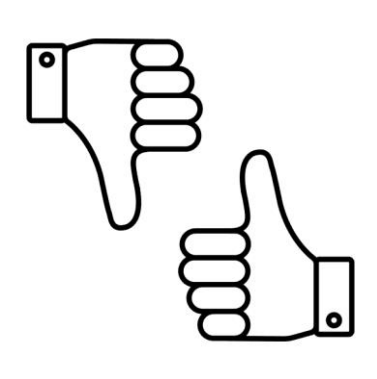
- Rule of Thumb. is a business valuation method that is based on common sense and experience.

- Random Selection It attempts to achieve an unbiased representation of the total population.

Current Email System

(II) SWOT Analysis

S

Strengths

- Registered Customers
- Detailed Data

W

Weaknesses

- Old Methodology

SWOT
Analysis

O

Opportunities

- Ready Market
- Target Audience

T

Threats

- Cost
- Data Storage
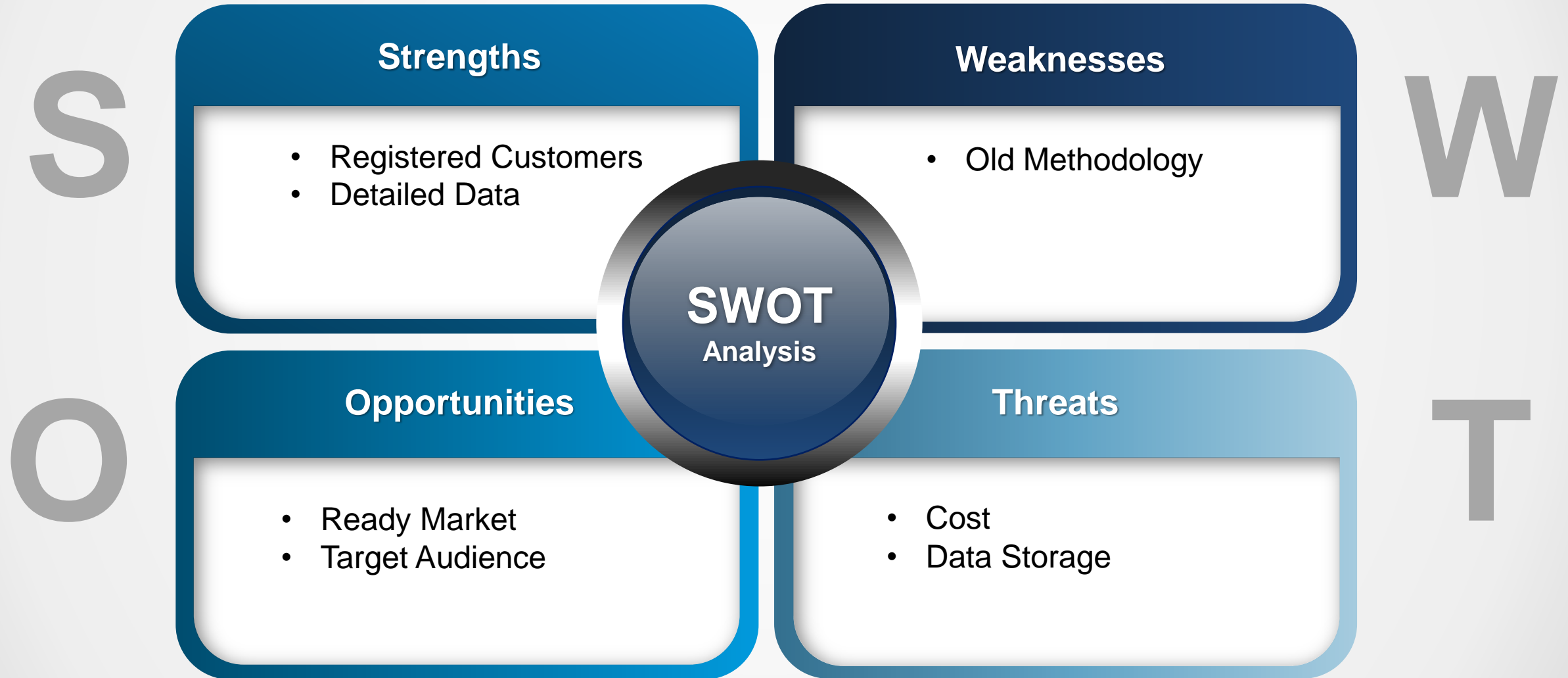
Key Insights Before Marketing Campaign
(I) Overall

Recency

Most of the customers have purchased in the previous month before the campaign

Zip Area

People in the suburban areas are more likely to visit the store

Credit Card

Most customers have registered their card details

Age Factor

People between the age 24-35 shop the most than compared to others.

Customer Relationships

Customers have doubled than the previous year

Channels

Most purchases are done using Phone and Web Services.

Other Insights

High number of customers are employed and have registered their phone

Merchandise Segment

Men's and Women's Merchandise segments hold almost equal value in both count and sales.
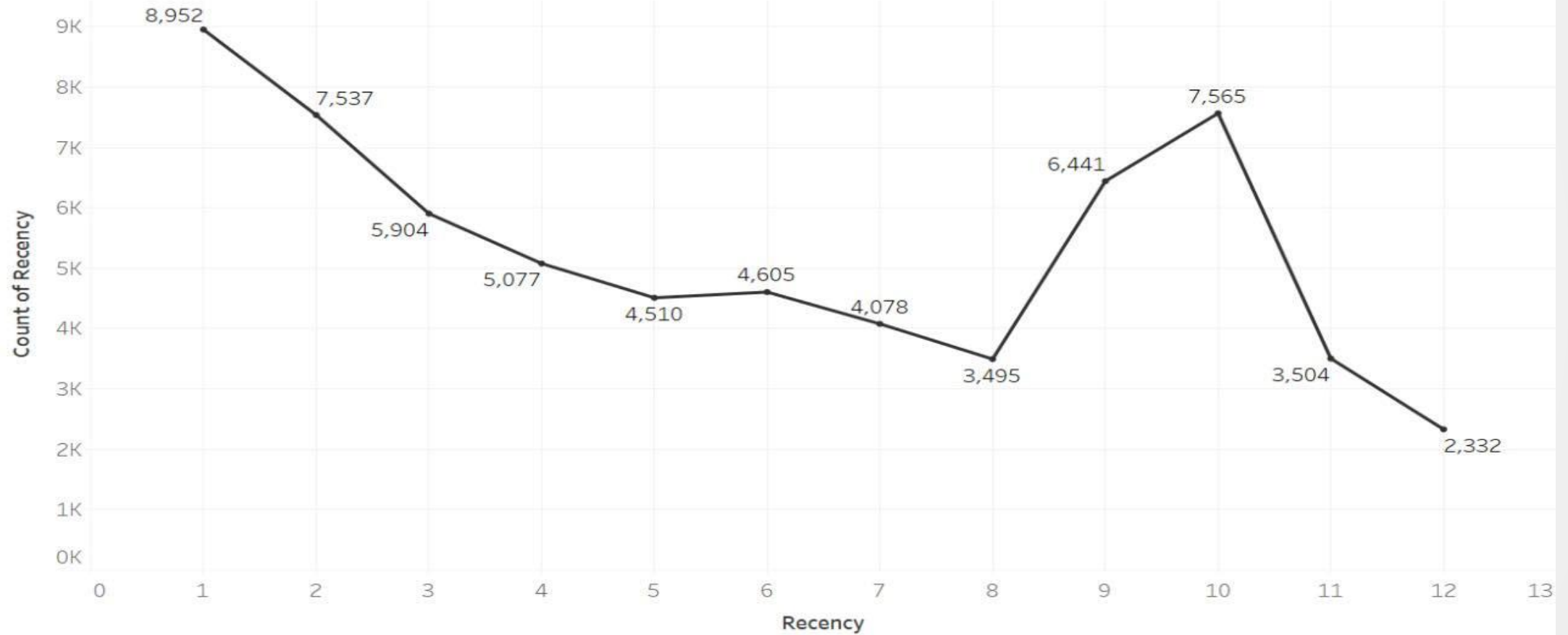
Purchase Segments

More purchases in segment 200-300 pounds, followed by 500-350 pounds segments

Key Insights Before Marketing Campaign

(II) By Recency

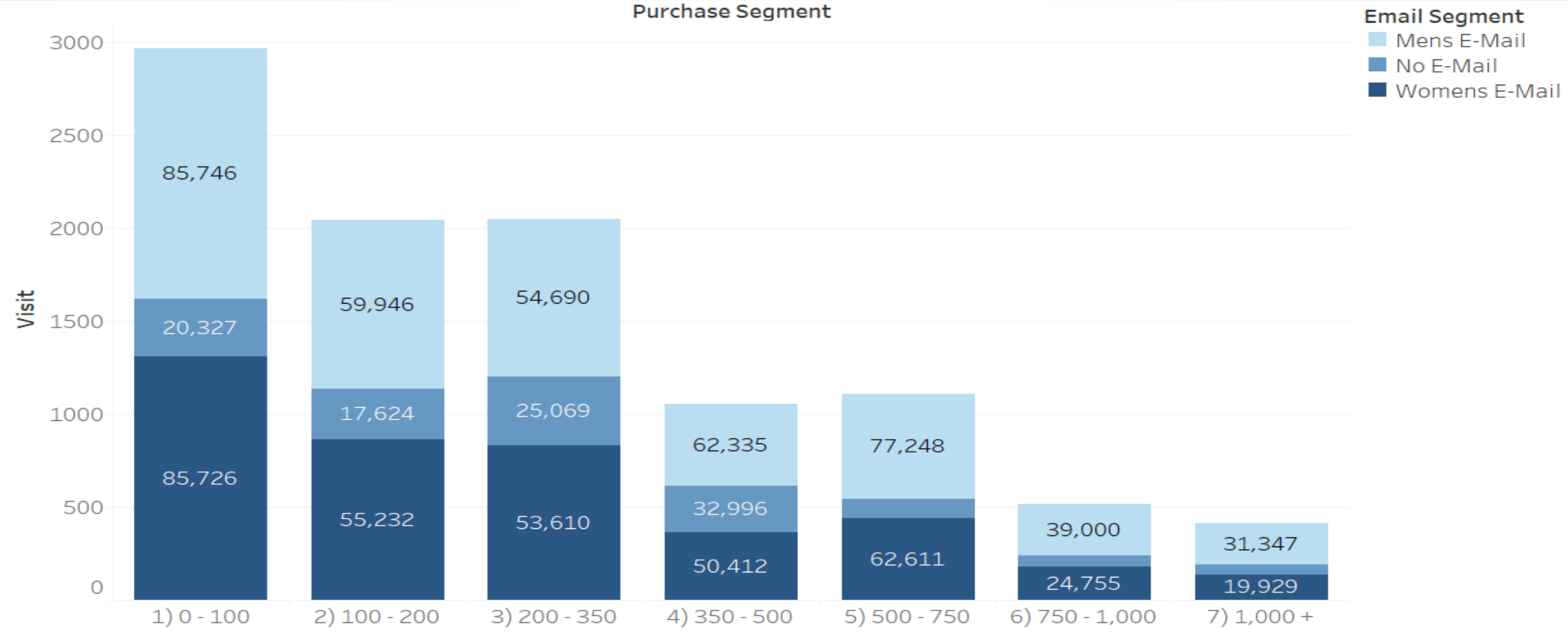

Purchases made just before a marketing campaign

- Most of the purchases are done in the previous month when compared to all other months of the year

Key Insights Before Marketing Campaign
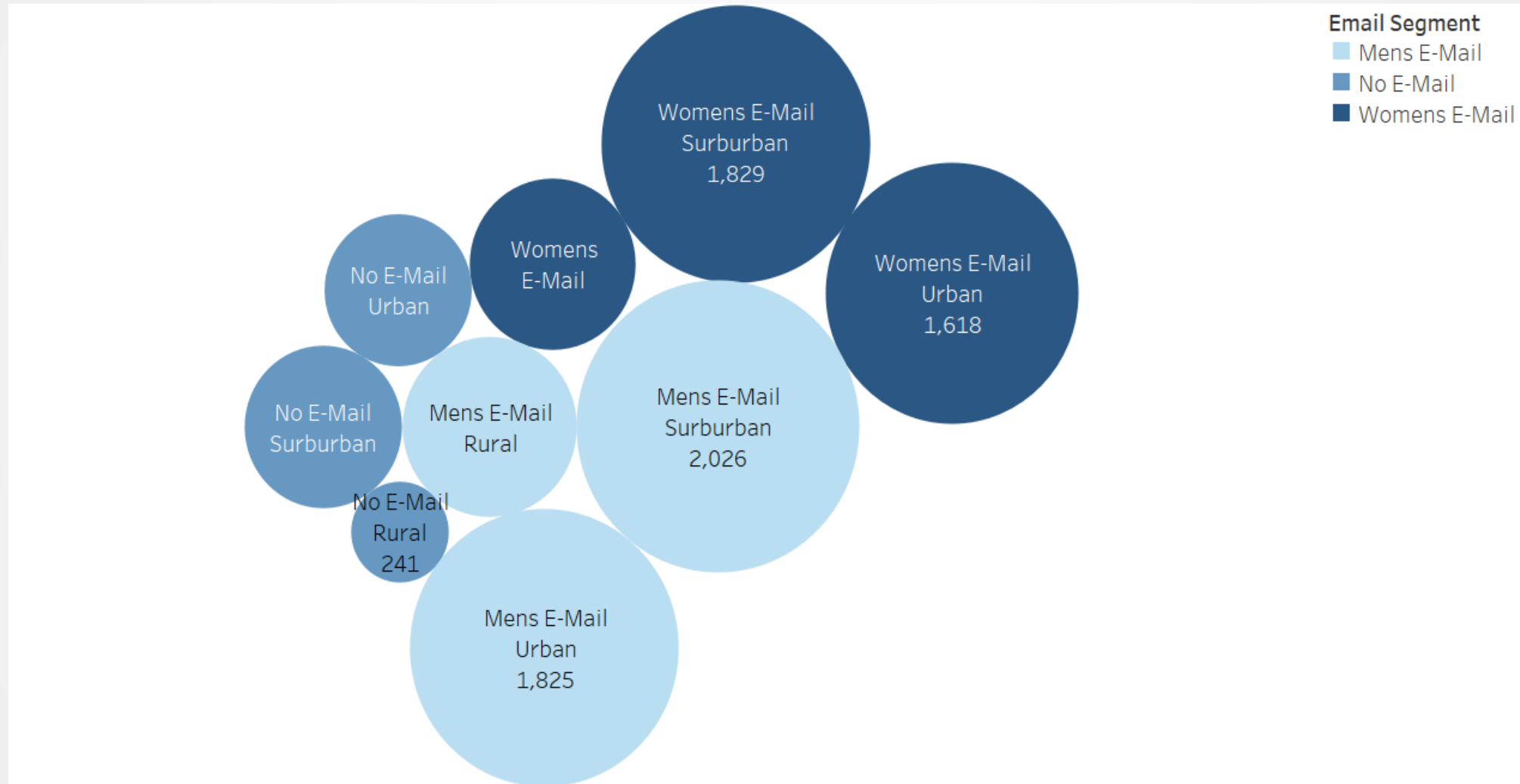
(III) By Men vs. Women

- In the last two weeks, there have been a lot of spends and visits, and the graph shows the purchases based on email segments and emails sent in different purchase segments
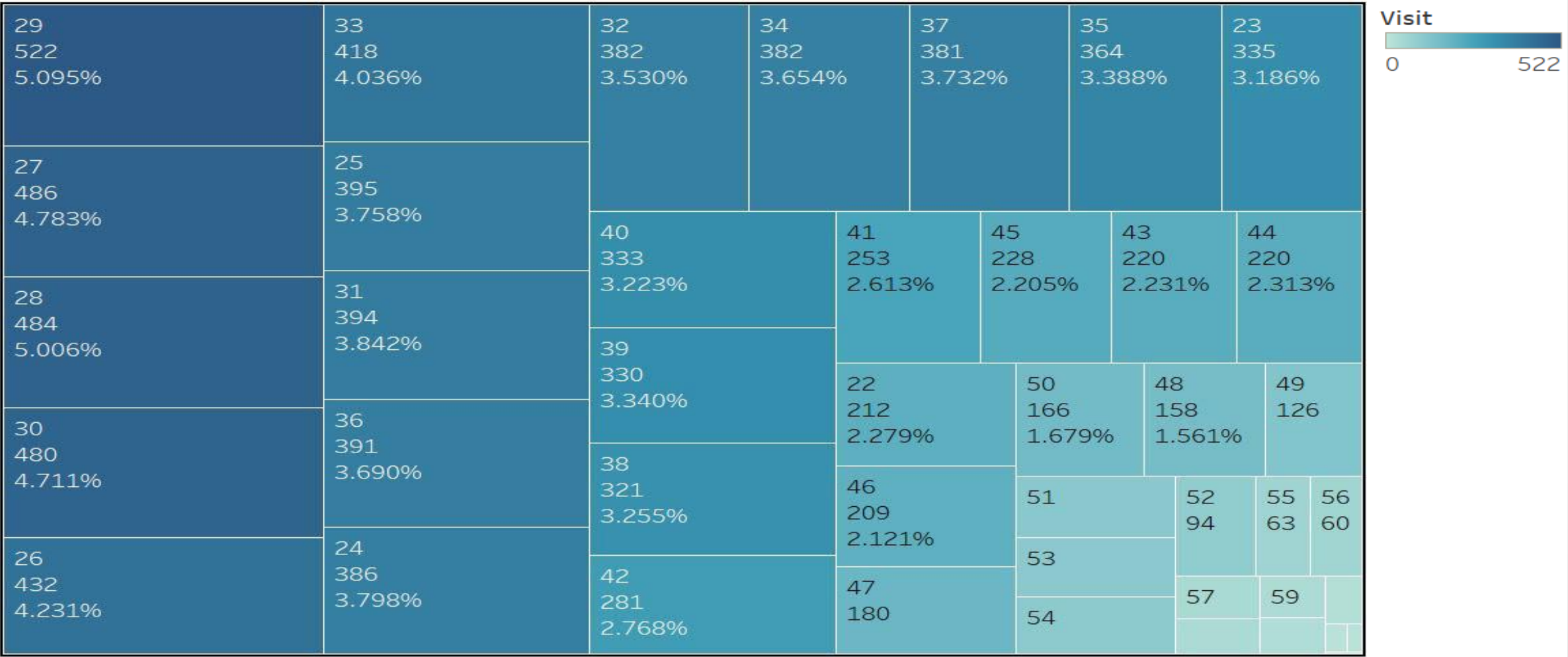
Key Insights Before Marketing Campaign
(IV) By Area

- The graph depicts the number of visits made by men and women email segments in different areas over the last two weeks.

Key Insights Before Marketing Campaign

(V) By Age

- The chart shows the percentage of visits made by each age group over the course of the previous two weeks as well as how much money they spent overall

Overview of CRISP-DM Methodology

1

Business Understanding

- Business objective: Direct email campaign to target group of customers to make them visit the shop
- Save on costs, increase sales

2

Data Understanding

- Understood the strengths and limitations
- Explored the data and verified its quality

3

Data Preparation

- Transformed the data to be ready for modelling
- Format and clean data

4

Modelling

- Selected 3 modelling techniques to predict customer visits
- Generated test design
- Assessed models to find best one

5

Evaluation

- Assessed and evaluated the results in terms of business success criteria

6

Deployment

- Use evaluation results to determine a strategy for deployment

OUR MODEL – RANDOM FOREST

In simple words, Random Forest is a machine learning algorithm which learns to map data (e.g. temperature today) to outputs (temperature tomorrow) by learns any relationships between the data. Advantages include:

Ease of understanding

It produces good predictions that can be understood easily.

Large Datasets

It can handle large datasets efficiently

Higher accuracy

The algorithm provides a higher level of accuracy in predicting target customers who will visit the shop compared to other models

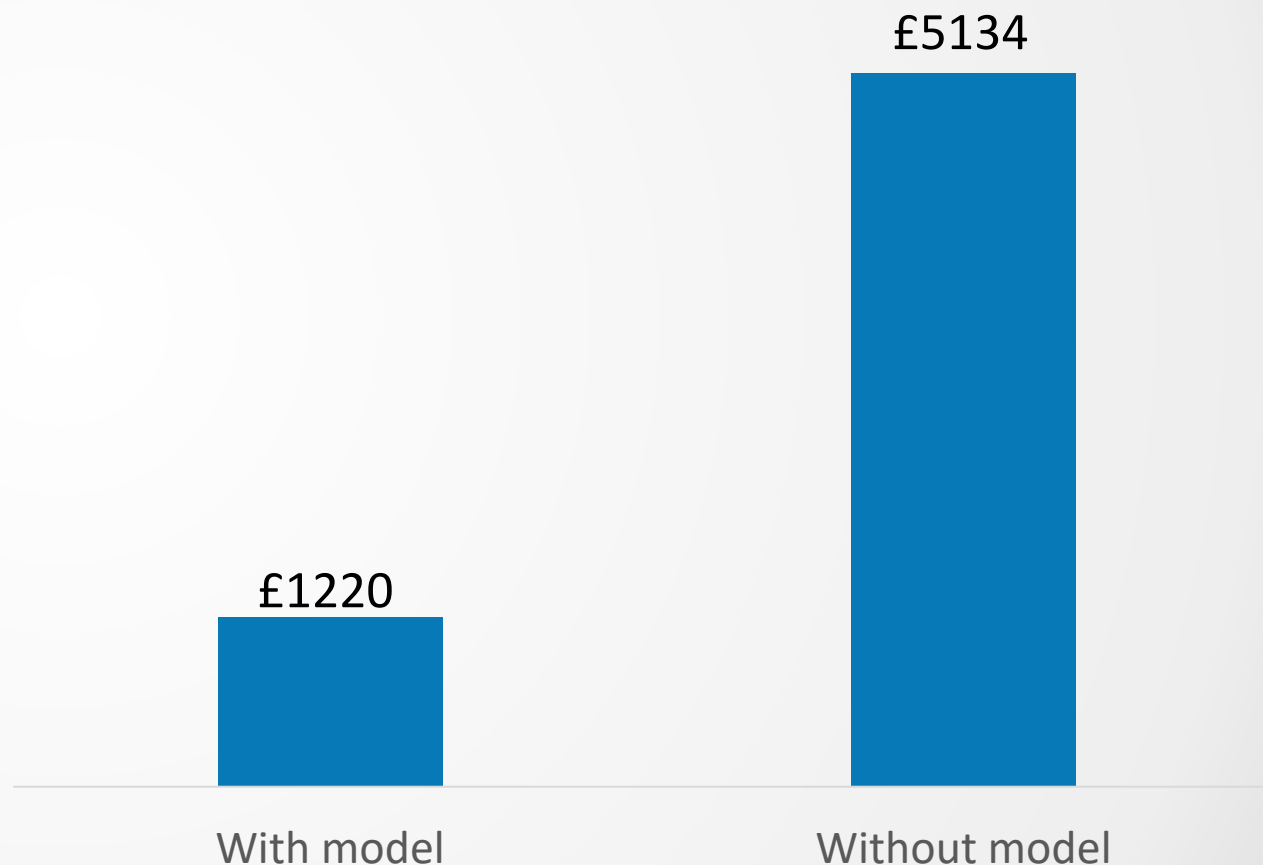| Model Name	Precision	Recall	Accuracy
Random Forest	86.24%	40.86%	89.56%

SAVING YOUR MONEY

CURRENT EMAILS

- Average Cost of one email: £0.12

- Total cost: 0.12 * 42782 = **£5134**

GOAL WITH OUR MODEL

- Precision of our model: 86.24%

- Emails to be sent to achieve same number of visits: 8764 /0.8624 = 10,162

- Total cost = 0.12 * 10162 = **£1220**

SAVINGS = £3914

Email Marketing Costs

£5134

£1220

With model

Without model

*Cost of email 12p taken from data source: https://www.approvedindex.co.uk/email-marketing/email-marketing-prices#:~:text=Typical%20prices%20range%20from%200.5,per%20month%20on%20a%20contract).

WHY US?

What Universal Plus Need

Direct email marketing system

➢ Identify which customers to target to visit the shops

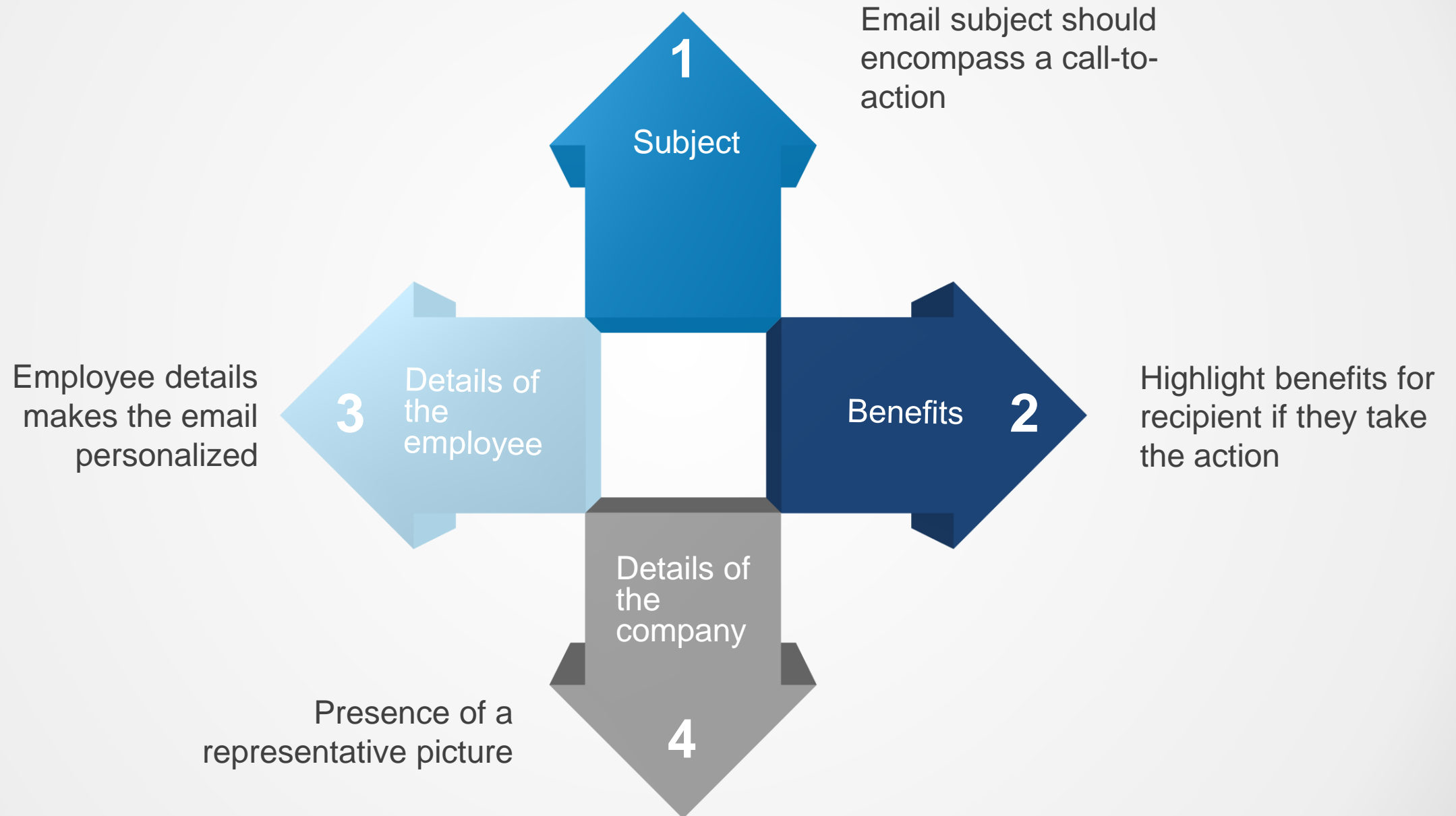➢ Decrease costs, and increase sales

What We Can Do

Build a complete project

➢ Create a tailor-made system

➢ Target right customers: Predict customers with our model of 89.56% accuracy

➢ Model leading to huge decrease in costs

➢ Analysis of data and providing managerial insights

➢ Show concrete and transparent results

➢ Ongoing monitoring post deployment of system

➢ Improve model consistently to drive profitability

Suggestions for email templates

1 **Subject**

Email subject should encompass a call-to-action

2 **Benefits**

Highlight benefits for recipient if they take the action

3 **Details of the employee**

Employee details makes the email personalized

4 **Details of the company**

Presence of a representative picture

Other Factors

5 Key Factors For Email Marketing Strategy Success.

Open rates and Click Through Rates

Valuable Content
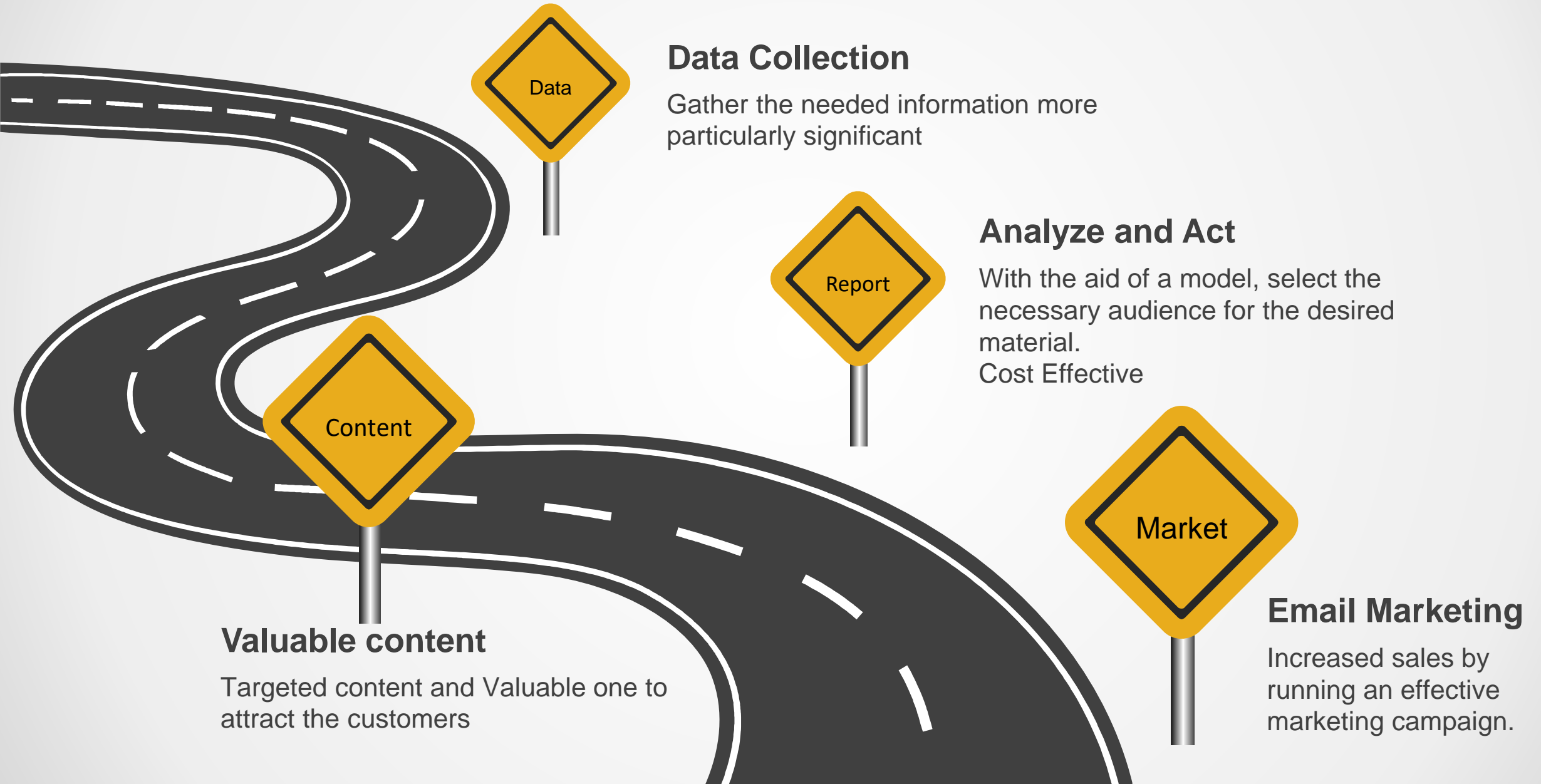
Email retargeting

Level 5

Level 4

Level 3

Level 2

Level 1
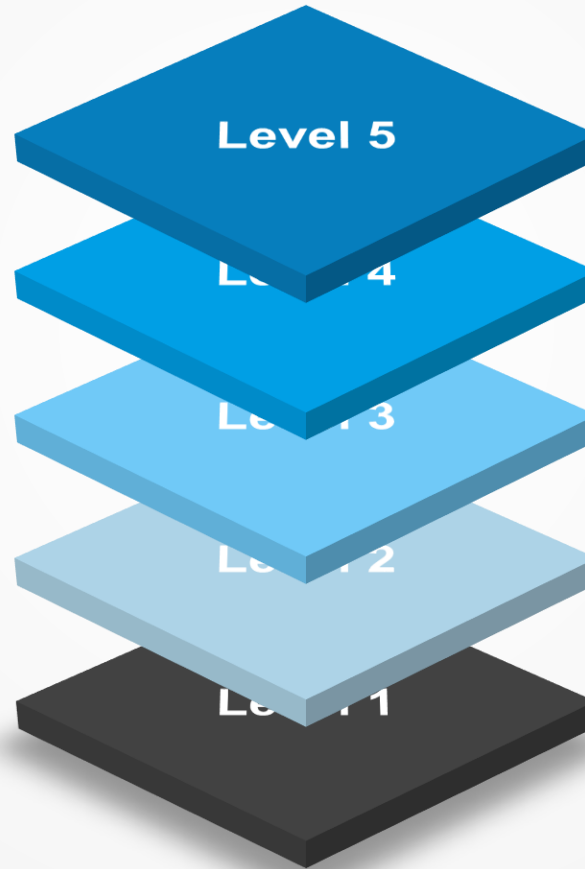
A/B Testing

Campaign Timing

Roadmap

Data Collection

Gather the needed information more particularly significant

Data

Analyze and Act

With the aid of a model, select the necessary audience for the desired material.
Cost Effective

Report

Valuable content

Targeted content and Valuable one to attract the customers

Content

Email Marketing

Increased sales by running an effective marketing campaign.

Market

THANK YOU!