

TheAnalyticsTeam

Sprocket Central Pty Ltd

Data analytics approach

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Agenda

1. Introduction

2. Data Exploration

- Discover distributions and features of previous & new customers

3. Model Development

- Customer classification to target high value customers

4. Interpretation

- Marketing strategies based on customer characteristics

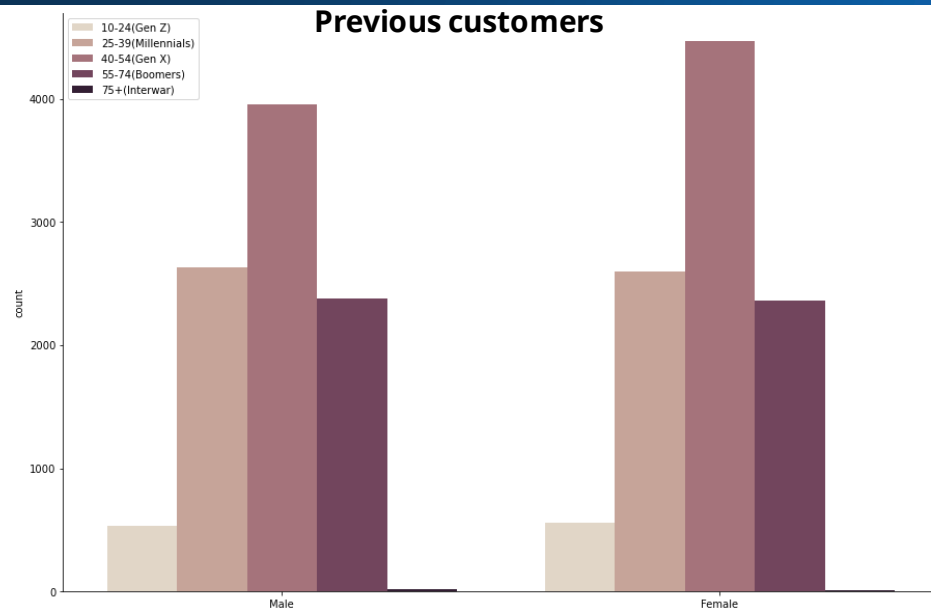
Introduction

Customer analysis

The following features are used in previous & new customer analysis:

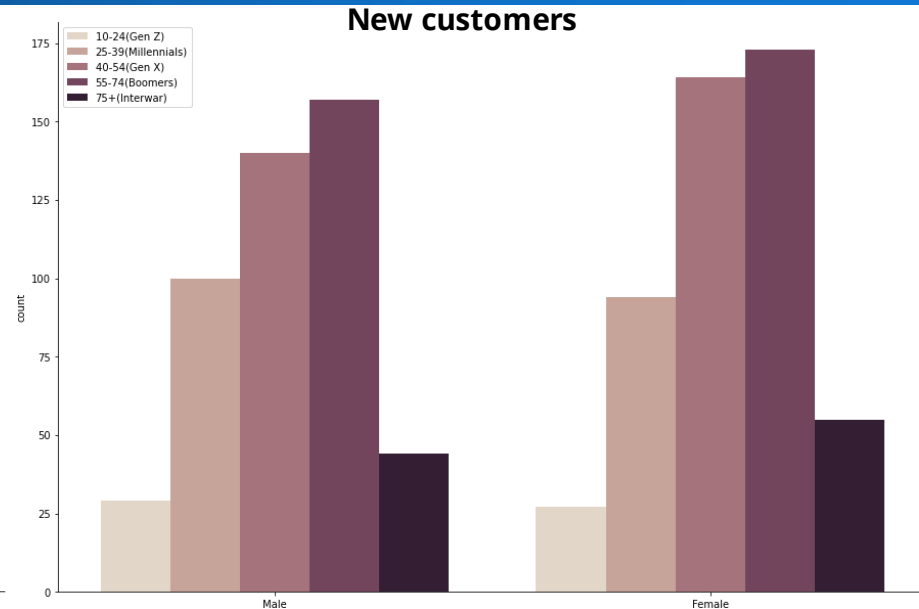
- Age & gender distribution
- Job industry category distribution
- Wealth segments distribution
- Number of bike related purchases in 3 years
- Number of car owners in different states

Data Exploration – Age & gender distribution



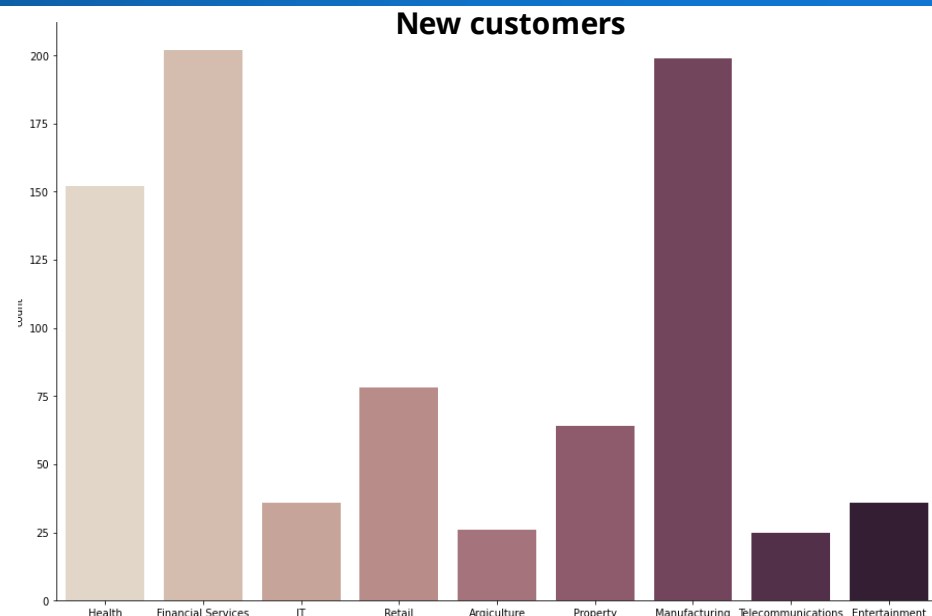
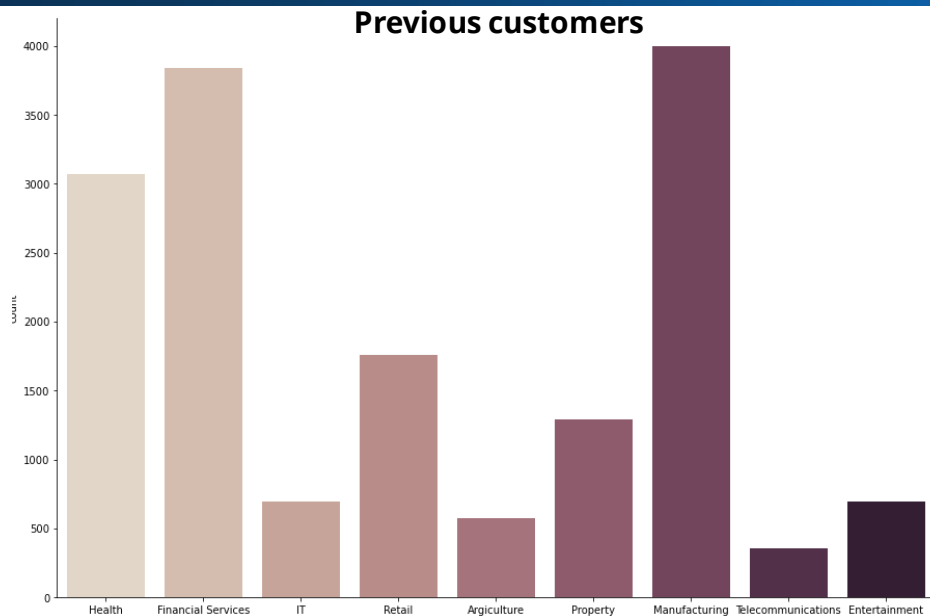
Previous customers:

- Age 40 – 54 (Gen X) with more females (1st)
- Age 25 – 39 (Millennials) with similar shares of male vs. female (2nd)
- Age 55 – 74 (Boomers) with similar shares of male vs. female (3rd)



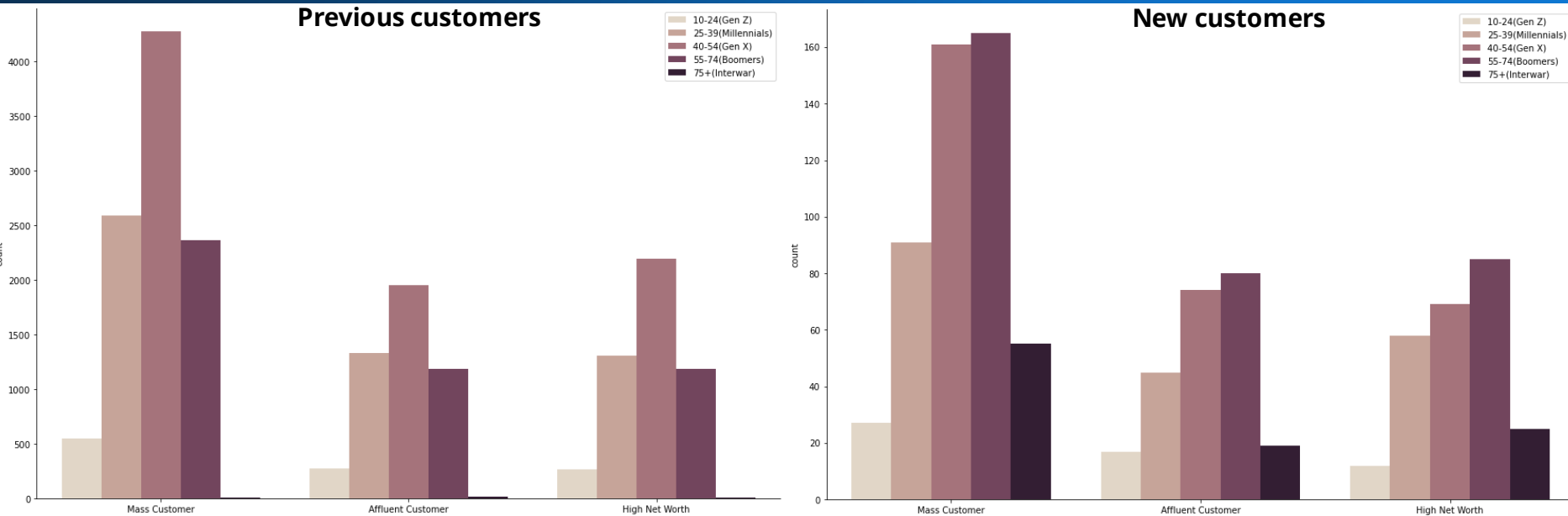
- New customers:
- Age 55 – 74 (Boomers) with more females (1st)
- Age 40 – 54 (Gen X) with more females (2nd)
- Age 25 – 39 (Millennials) with similar shares of male vs. female (3rd)
- More from age 55 + compared with previous customers

Data Exploration - Job industry category distribution



- Previous customers: top 3 industry profiles from Manufacturing (1st), Financial Services (2nd), Health (3rd)
- New customers: top 3 industry profiles from Financial Services (1st), Manufacturing (2nd), Health (3rd)
- Overall similar customer industry profiles between previous and new customers

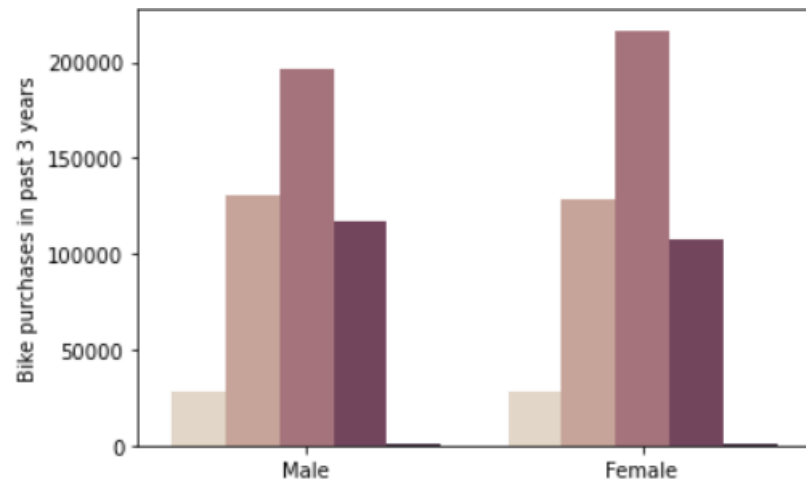
Data Exploration - Wealth segments distribution



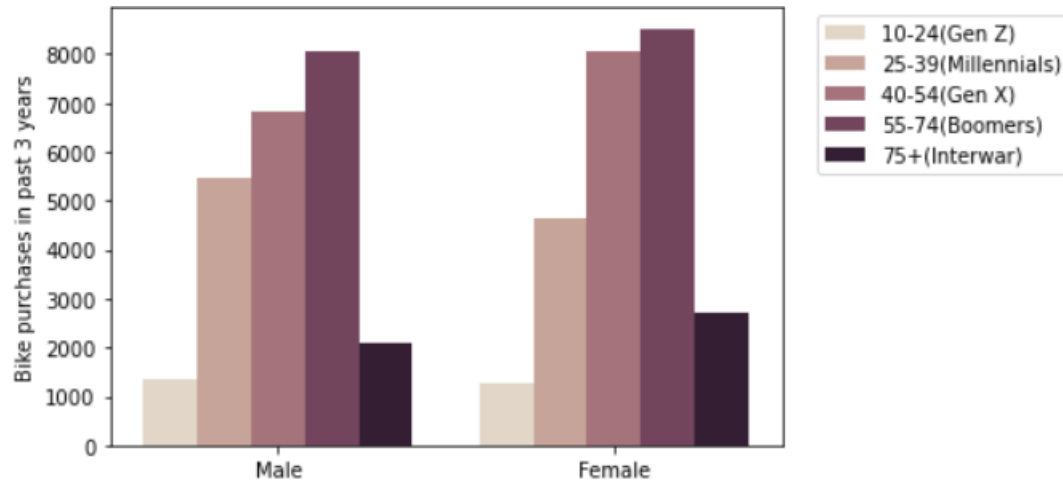
- Most customers from Mass Customer group in both previous & new customers
- More new customers from Age 55+ in all wealth segments compared to previous customers

Data Exploration - Number of bike related purchases in 3 years

Previous customers

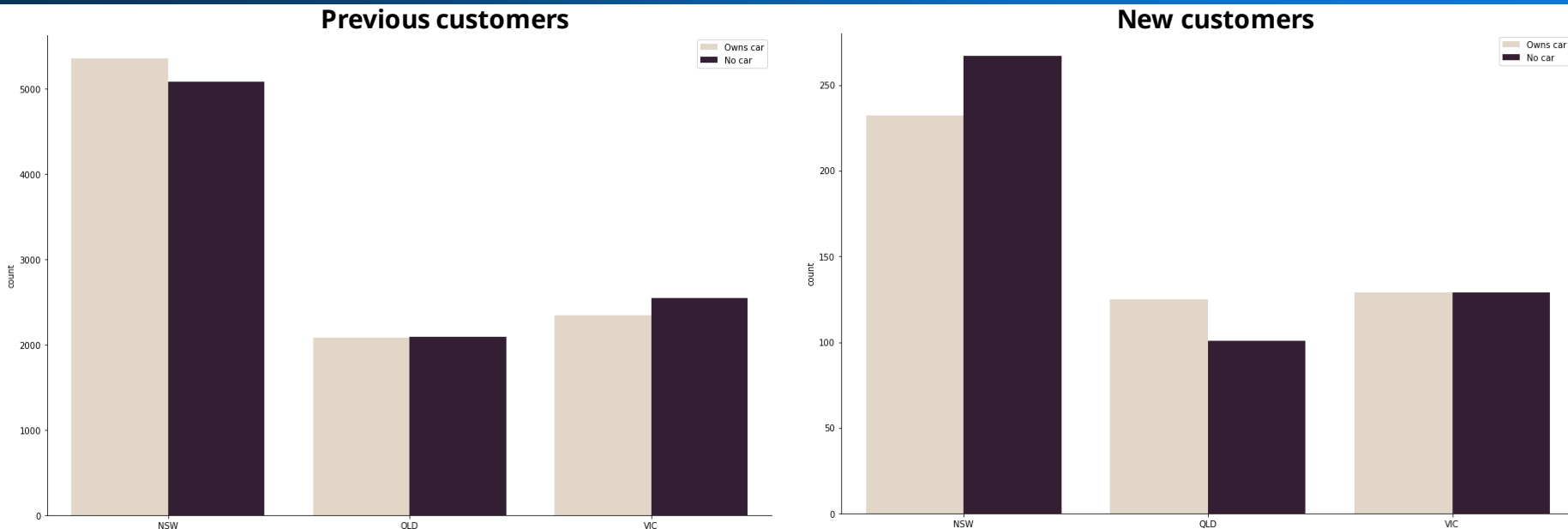


New customers



- Age 40 – 54 (Gen X) group in previous customers made highest amount of bike related purchases in the past 3 years. Females in this group made more purchases than males.
- Age 40 – 54 (Gen X) group in new customers still made high amount of bike related purchases in the past 3 years with more female vs. males.
- Age 55+ groups in new customers made significant more bike related purchases in the past 3 years compared to previous customers. Females in these groups also made more purchases than males. Could be emerging market.

Data Exploration - Number of car owners in different states



- More new customers living in New South Wales (NSW) don't own cars. NSW could be primary market.
- Most previous customers living in NSW compared to QLD and VIC.
- New customers have more car owners living in QLD vs. people without cars in new customers. Relatively equal proportion car owners vs. people without cars in VIC.

Model Development - Two target customer groups

High value customers sharing characteristics similar to previous customer groups

New customers' classification matching the following features:

- Age: 40-54 (Gen X)
- Female
- Working in Manufacturing, Financial Services or Health
- Wealth segment in Mass Customer
- Living in New South Wales (NSW)

Model Development - Two target customer groups

High value customers in emerging customer groups

New customers' classification matching the following features:

- Age: 55+, including 55-74 (Boomers) & 75+ (Interwar)
- Female
- Working in Manufacturing, Financial Services or Health
- Wealth segment in Mass Customer
- Living in New South Wales (NSW)

Interpretation

Marketing strategies based on different customer groups

■ Females will be primary target customers

- Use female cyclists' photos and videos in commercials and company's social media posts
- Provide more appearance customization options of bicycles at the stores

■ Targeted marketing and multi-channel sales process for different age groups

- Marketing to age group 40-54 (Gen X) focuses on work-life balance and some tech aspects
- Marketing to age group 55+ focuses on easy access, good customer service and personalized experience
- Multi-channel sales including online and offline (e.g., physical stores, phone calls and catalogs)

■ Location-based marketing

- Marketing products based on specific need in a state, such as local weather and geographical characters related needs.

Appendix

Appendix

This is an optional slide where you may place any supporting items.