

KPMG VIRTUAL EXPERIENCE PROGRAM

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The Customer: Sprocket Central Pty Ltd

- Background information: “Sprocket Central Pty Ltd is a long-standing KPMG client whom specializes in high-quality bikes and accessible cycling accessories to riders.” They have “given us a new list of 1000 potential customers with their demographics and attributes. However, these customers do not have prior transaction history with the organization.”
- The task: “Using the existing 3 datasets (Customer demographic, customer address and transactions) (...), please recommend which of these 1000 new customers should be targeted to drive the most value for the organization.”

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Data Assessment and Cleaning



Data Assessment and Cleaning

Key Issues for Data Quality Assessment

- **Accuracy:** correct values
- **Completeness:** data fields with values
- **Consistency:** values free from contradiction
- **Currency:** values up to date
- **Relevancy:** data items with value (meta-data)
- **Validity:** data containing allowable values
- **Uniqueness:** records that are duplicated

Summary Table

	Accuracy	Completeness	Consistency	Currency	Relevancy	Validity
Customer Demographic	DOB: inaccurate date filtered out	DOB: blanks	Gender: fixed inconsistencies	Deceased customers: filtered out	Default: deleted whole column <i>Age: added</i>	
Customer Address			States: fixed inconsistencies			
Transactions					Cancelled status orders: filtered out <i>Profit: added</i>	List price: fixed format Product sold date: fixed format

A more in depth analysis was sent via e-mail

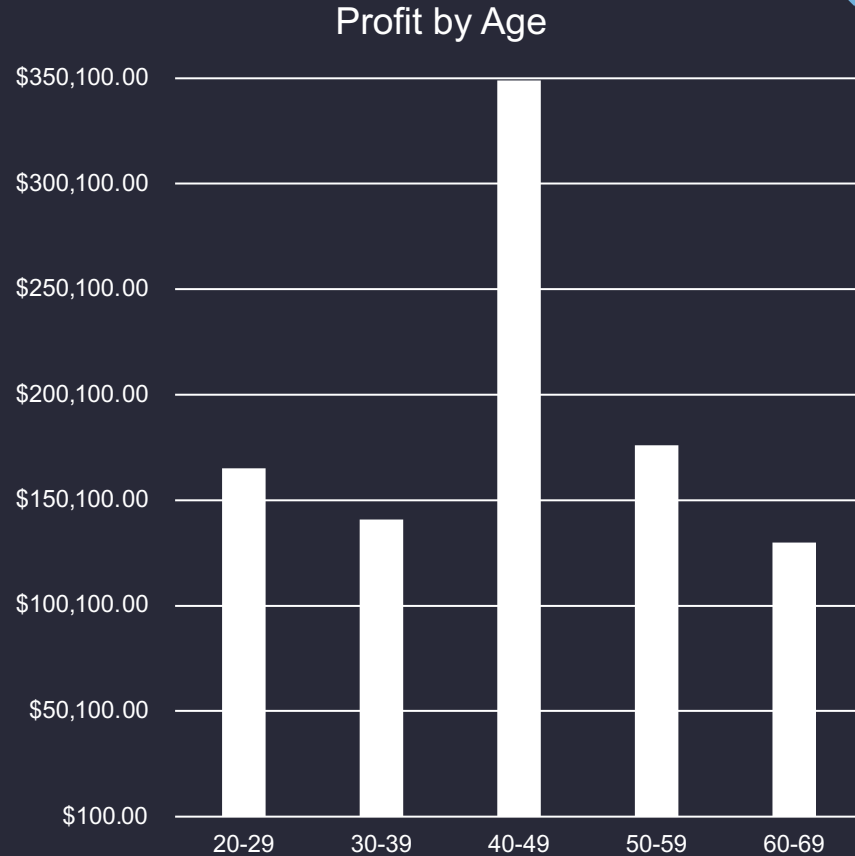
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Data Exploration



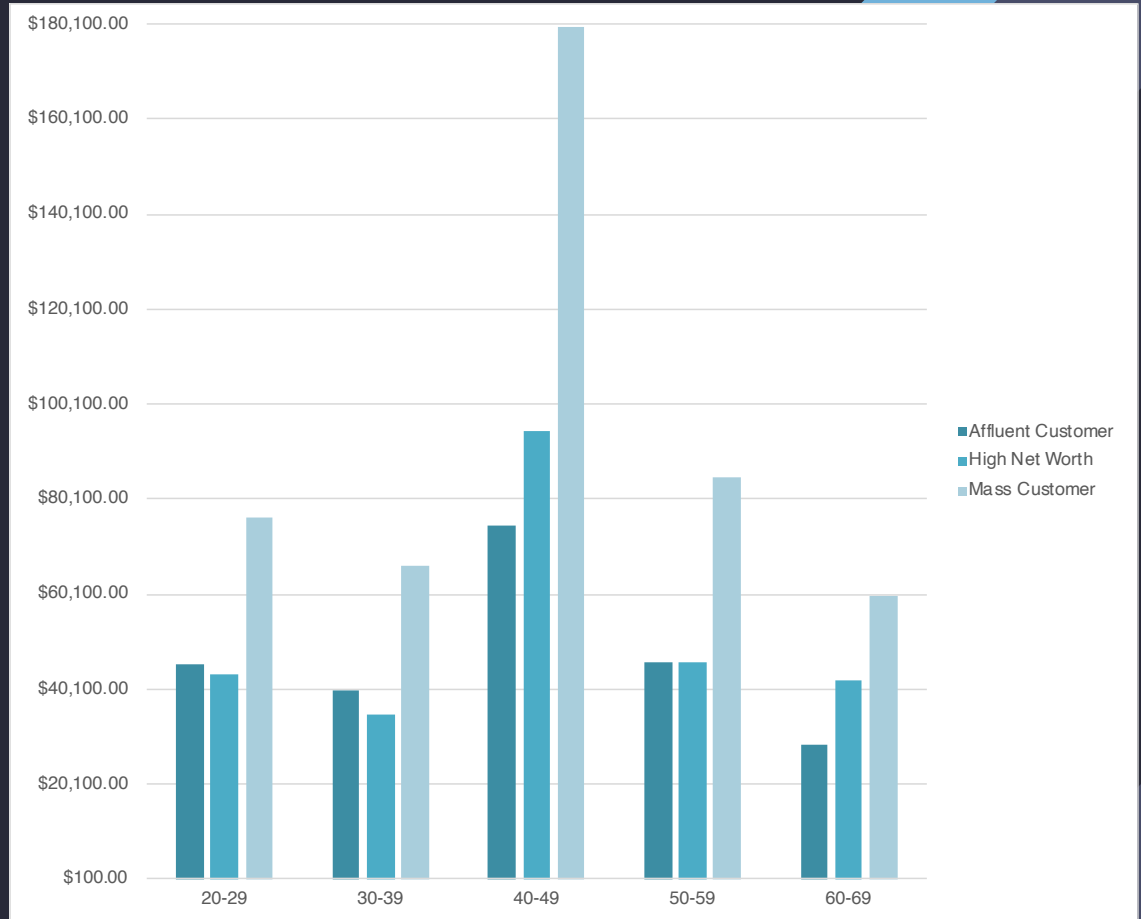
Age

- Based on the provided transaction data, the age group 40-49 brought in significantly more profit than other age groups



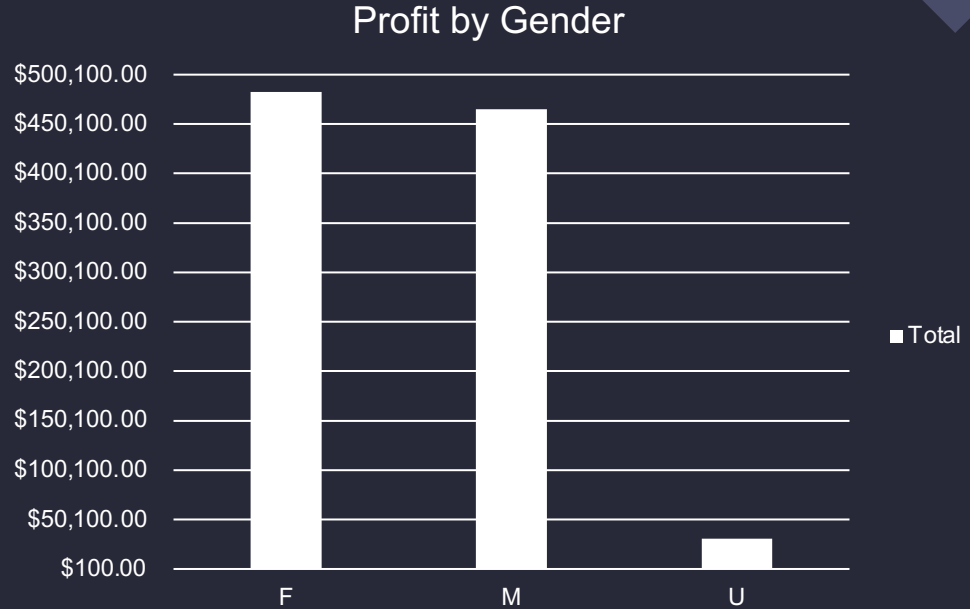
Wealth Segment

- Based on the provided transaction data, the wealth segment “mass customer” brought in the most profit across all age groups



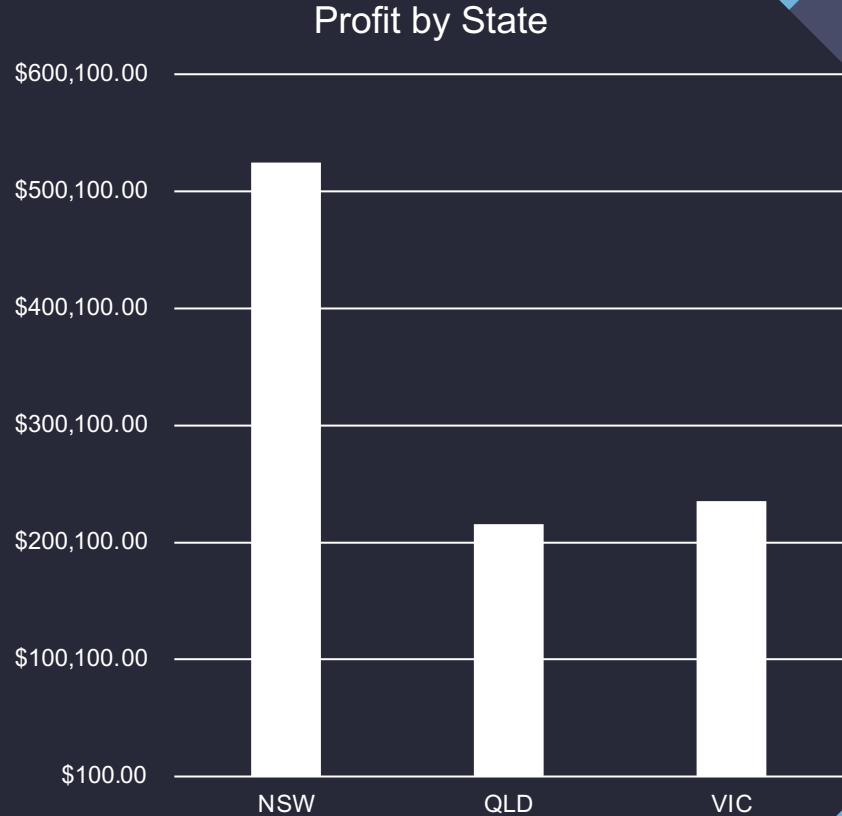
Gender

- Based on the provided transaction data, females brought in the most profit



State

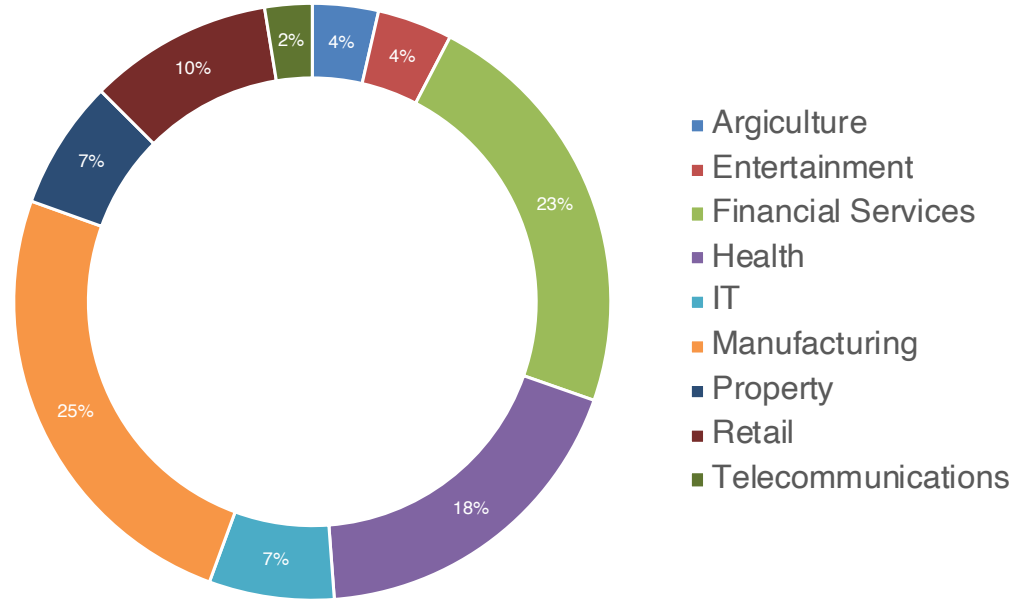
- Based on the provided transaction data, New South Wales brought in the most profit



Job Industry

- Based on the provided transaction data, the job industry “manufacturing” brought in the most profit

Profit by Job Industry



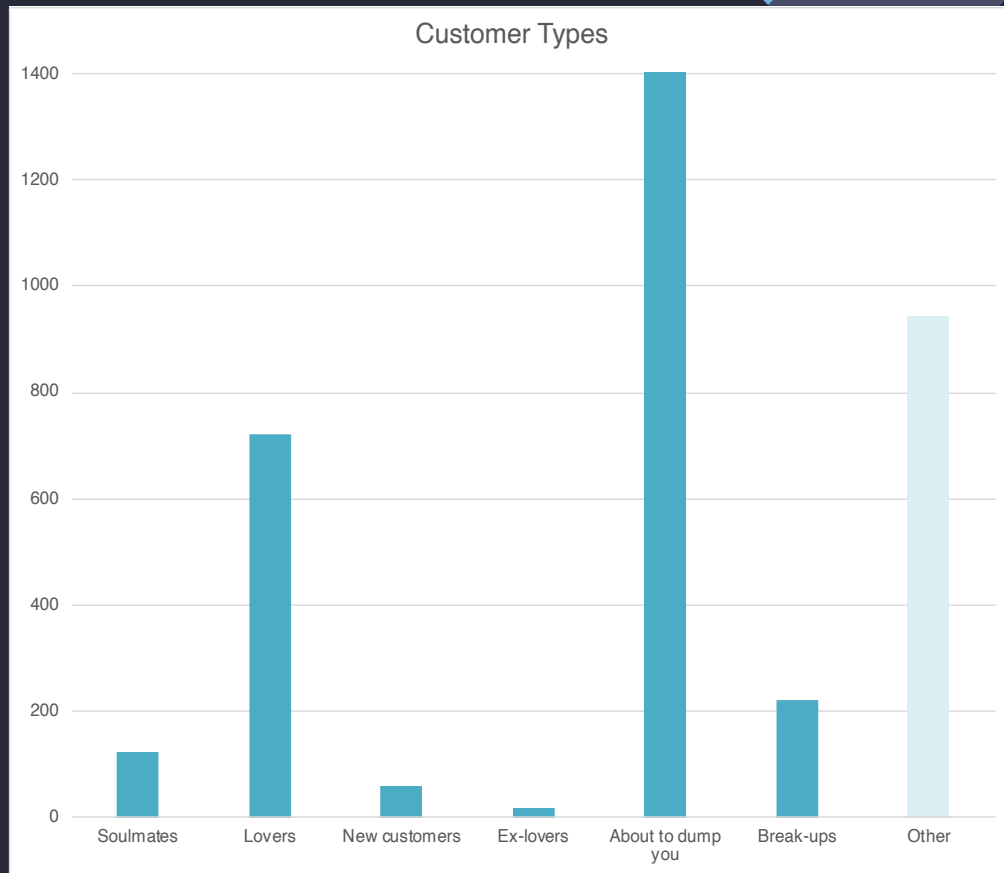
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Model Development



Customer Types

- Soulmates:
 - RFM score: 5,5,5
 - These are the perfect customers. They bought recently, buy frequently, and spend a lot. Keep making these customers happy!
- Lovers:
 - 4-5, 3-5, 3-5
 - These are great customers. The company can put in effort to bump up these customers to soulmates, but they bought recently, buy pretty frequently, and spend quite a bit.
- New customers:
 - 5, 1, X
 - These customers bought recently and have not had the chance to buy frequently or spend a lot because they are first time buyers.
- About to dump you:
 - 2-3, 1-5, 1-5
 - These customers haven't bought in a while, but there is a chance to change something and keep them as customers.
- Ex-lovers:
 - 1, 5, 5
 - These customers used to buy frequently and spend a lot, but you have lost these customers.
- Break-ups:
 - 1, 1-2, 1
 - You have lost these customers, but it is not an important loss as they did not buy frequently or spend a lot anyway.



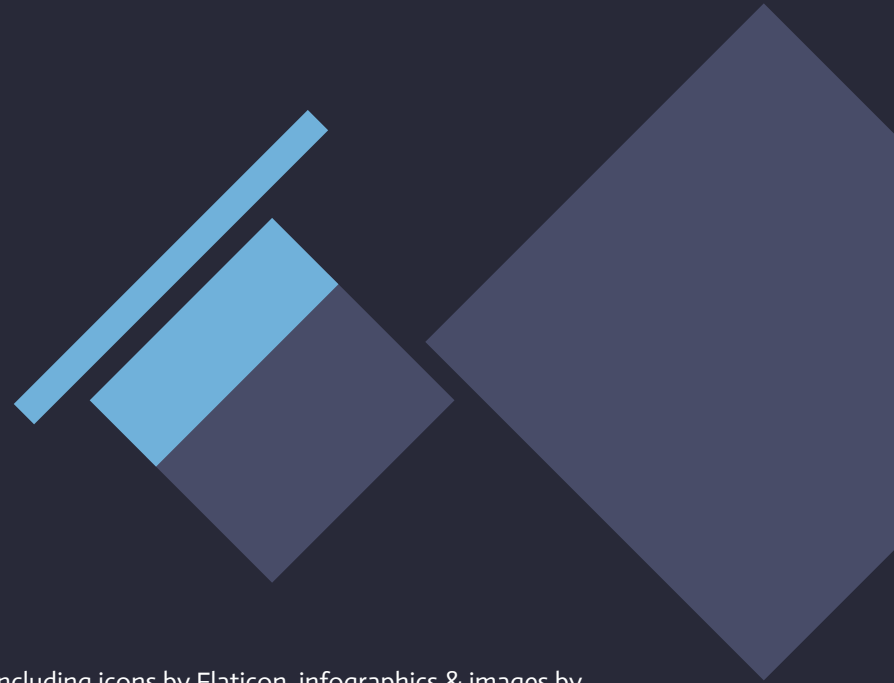
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Interpretation



Top Customers

- Top customers:
 - 40-49 years old
 - Mass customers
 - Female
 - New South Wales
 - Manufacturing



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