

TheAnalyticsTeam

Sprocket Central Pty Ltd

Data analytics approach

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Agenda

1. Introduction
2. Data Exploration
3. Model Development
4. Interpretation

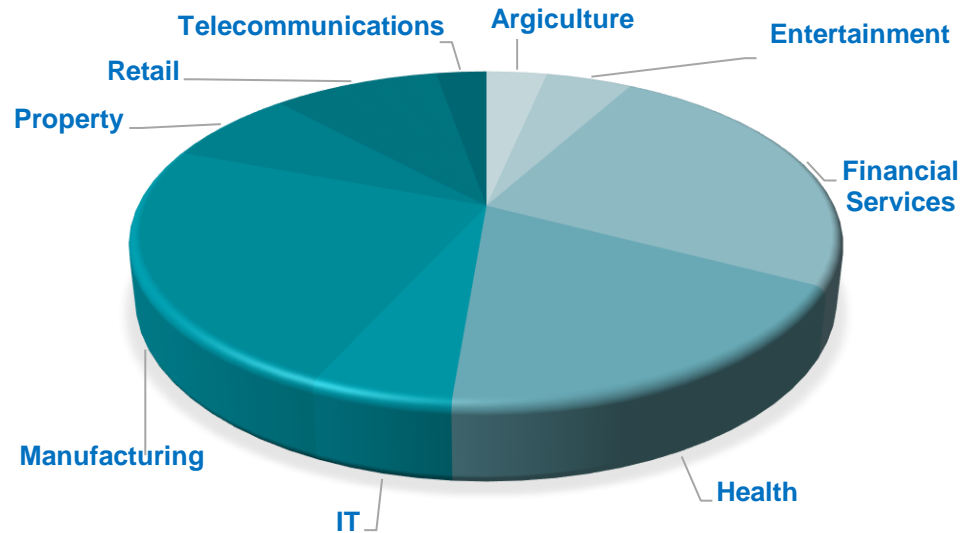
Introduction

- Sprocket Central Pty Ltd is a long-standing KPMG client who specializes in high-quality bikes and accessible cycling accessories to riders. Their marketing team is looking to boost business by analyzing their existing customer dataset to determine customer trends and behavior.
- Using the existing 3 datasets, the task was to recommend which of these 1000 new customers should be targeted to drive the most value for the organization.
- In this PowerPoint will be three sections Data exploration, Model development, and Interpretation.

Data Exploration

Sum Tenure by Sector

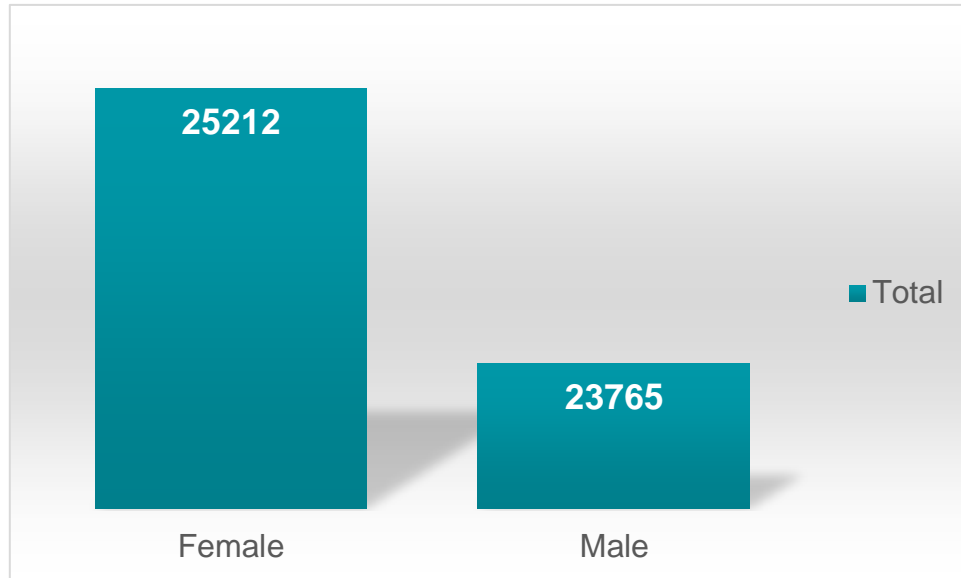
- Tenure is the number of cars.
- Financial Services, Manufacturing and Health are the one with the largest percentage.



Data Exploration

Last 3 Years Purchases by Gender

- Most of the purchases of the last 3 years were made by the Female gender, by a large margin.



Data Exploration

Past 3 Years Purchases by State

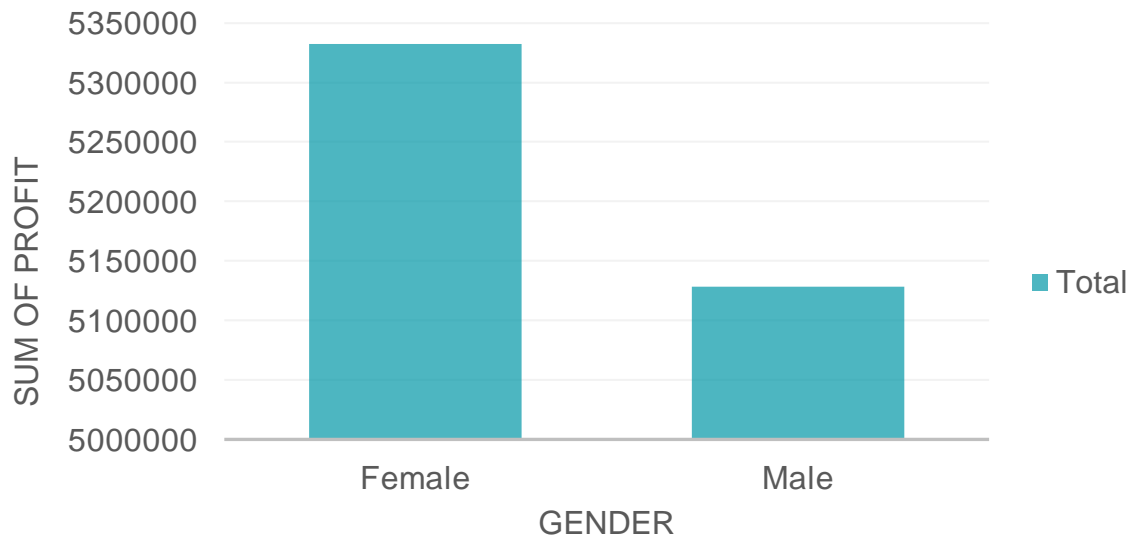
- The state that has the most purchases in the last 3 years is New South Wales.
- Followed by Queensland and Victoria state.



Data Exploration

Profit by Gender

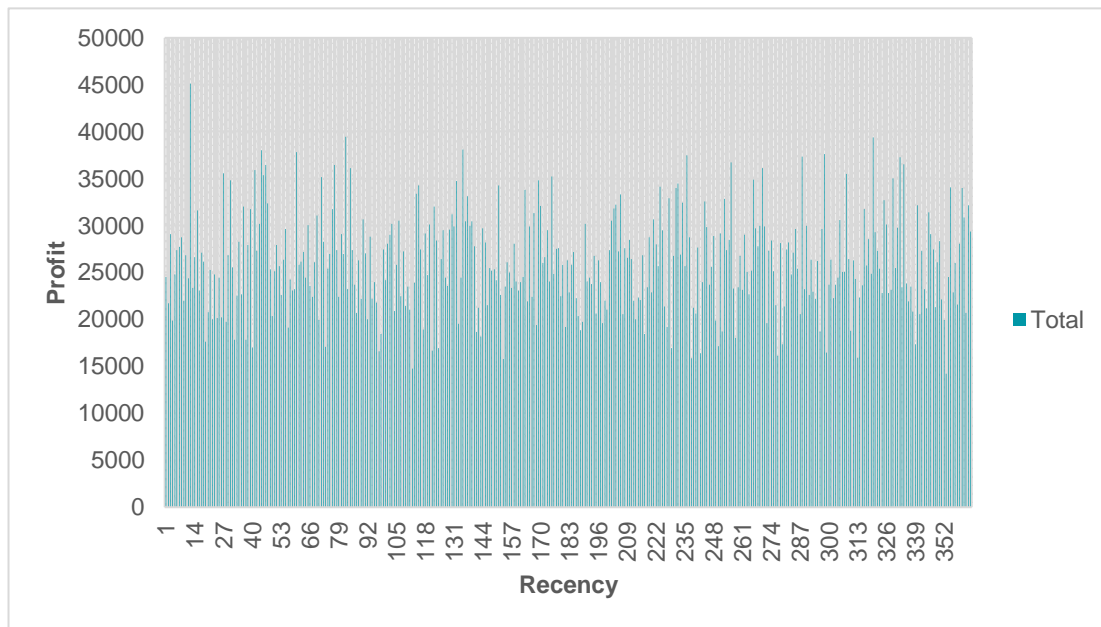
- Most profit was made from Female customers.



Data Exploration

Profit by Recency

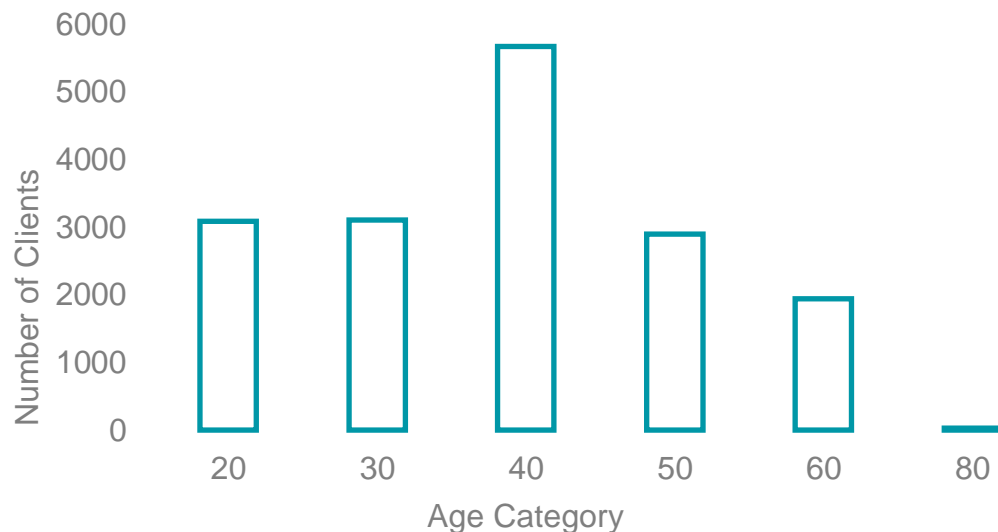
- The distribution of Profit by Recency is even.
- But there is a noticeable pike at 14 day.



Data Exploration

Distribution of New Clientes by Age Category

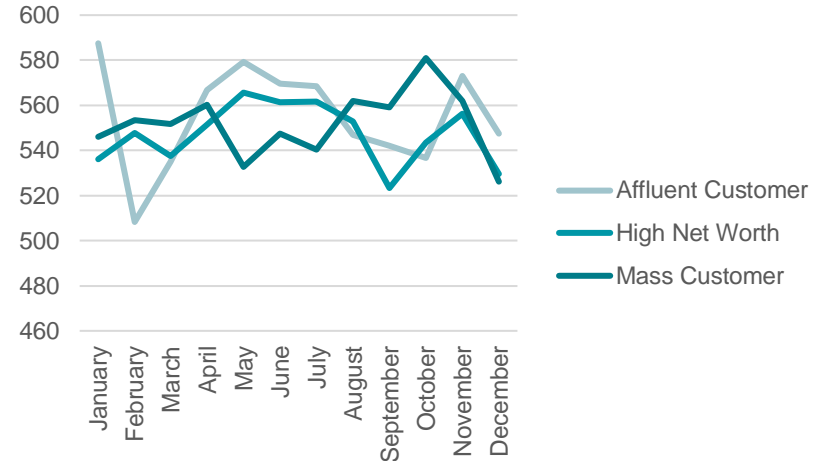
- Most of the new clients are in the age of 40.
- There is a little percentage of new clients in the age of 80.



Data Exploration

Average Profit by Month according to the Wealth Segment

- It is visible an enormous down turn in February to the Affluent Customer Segment.
- And a fall in November/December in all segments.



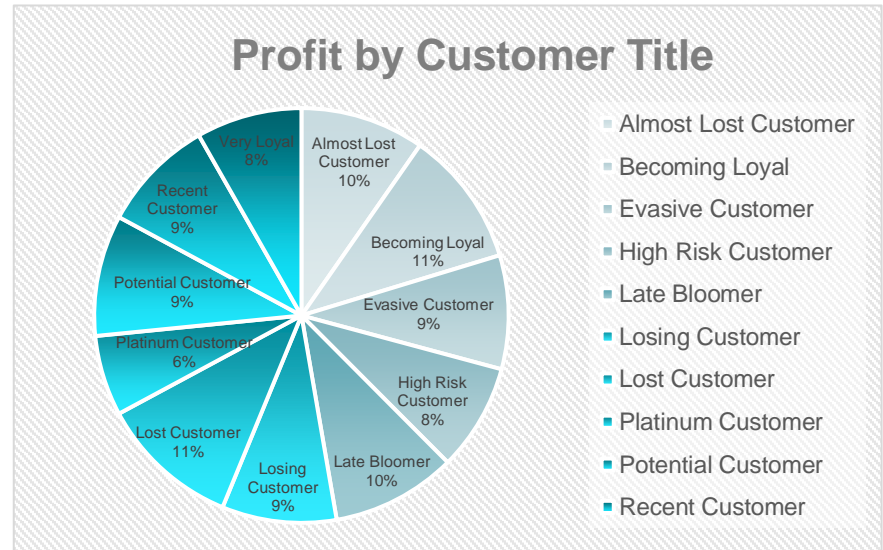
Data Exploration

Rank	Customer Title	Description	RFM Value
1	Platinum Customer	Most recent buy, buys often, most spent	444
2	Very Loyal	Most recent , buys often, spends large amount of money	433
3	Becoming Loyal	Relatevely recent, bought more than once, spends large amount of money	421
4	Recent Customer	Bought recently, not very often, averagemoney spent	344
5	Potential Customer	Bought recentlt, never bought before, spent small amount	323
6	Late bloomer	No purchases recently, but RFM value is larger than average	311
7	Losing Customer	Purchases was a while ago, bellow average RFM value	224
8	High Risk Customer	Purchase was a long time ago, frequency is quite high, amount spent is high	212
9	Almost Lost Customer	Very low recency, low frequency, but high amount spent	124
10	Evasive Customer	Very low recency, very low frequency, small amount spent	112
11	Lost Customer	Very low RFM	111

Model Development

RFM Analysis and Customer Classification

- RFM classification is used to determine which customers the business should focus to increase its current revenue and value.
- According to the RFM (Recency, Frequency and Monetary) model we will obtain various customer titles (shown in the table on the previous slide).
- The distribution is even.



Interpretation

Customer Target and Methodology

- In my opinion the most effective way to increase the revenue and value to the company is by focusing in the higher rank customers.
- If we can turn the customers in the last sections into customers that are in the top of the table, we are going to be able to achieve the goals of the company

Interpretation

Customer Target and Methodology

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Appendix