TheAnalyticsTeam

Sprocket Central Pty Ltd

Data analytics approach

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Agenda

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

Introduction

Effectively targeting new customer segments

The goal of our process will be to create a model utilizing the existing customer set and implement it on 1,000 new customers, identifying key customer demographics that drive sales for Sprocket Inc.

We will use existing information and introduce additional data to strengthen insights and consumer trend analysis.

Place any supporting images, graphs, data or extra text here.

Data Exploration

Unpacking Customer Demographics will allow Sprocket to know their clients.

Using provided data, we will explore the data distributions and statistics, make any necessary corrections and transformations to the data, and gather external data to strengthen the analysis, gaining full understanding of existing customer segments.

We will document any assumptions and confirm with your team that our understanding of a good customer aligns with Sprocket's expertise.

E.g. age group by expected customer value
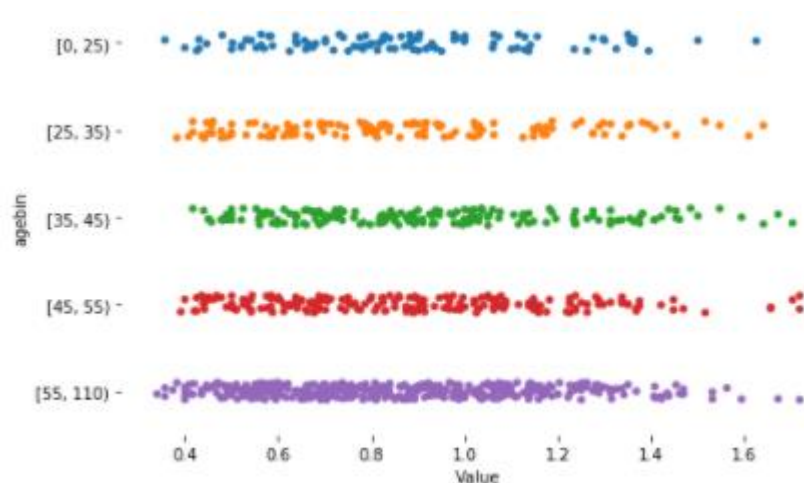
Model Development

Cluster analysis will unlock client insights

We will conduct segmentation analysis to determine statistically significant differences between customer demographic groups.

After determining key features, we will conduct ordinal k-means cluster analysis to determine ranked segments which marketing should target for additional sales.

Categorical Variables	Continuous Variables
- Age (binned) - Product line/class/size/brand - State - Online order - Season - Customer's industry - Wealth segment - Car ownership - Gender - Property valuation	- Tenure - No. Purchases in 2017 - No. Purchases in past 3 years - Transaction totals ($) in 2017

Interpretation

Efficient targeting will lead to increased ROI for Marketing costs

Our team will provide interactive tools for your Marketing team for their strategy development.

Leveraging a deeper understanding of clients' tenure and net spend allows Sprocket to expand into profitable markets with less risk and uncertainty.

Place any supporting images, graphs, data or extra text here.

Appendix

Appendix

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

- Assuming standard cost = COGS and List Price is the sale revenue

- Could bring in Multifactor Productivity Growth as a feature to understand how outside economic trends are setting the pace