

---

---

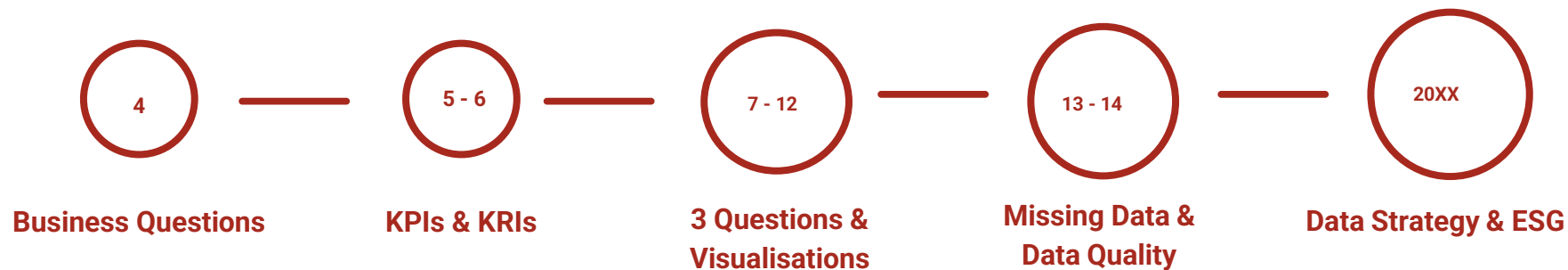
# **Empowering EQUO: A data-driven future**

---

---

# Introduction

CIYK\_INSIGHTS



# BUSINESS QUESTIONS

1. What location should Alex open the shop in?
2. What is the return rate per product category?
3. What marketing Campaign is the main source of orders and revenue?



# KPIs

1. The percentage of returned items should be less than 20%.
1. Implement a customer sentiment analysis with ML to reach a 90% customer satisfaction.
1. Increase revenue from Social Campaigns by 20% by end of year and increase revenue from email campaigns by 30% by end of year.

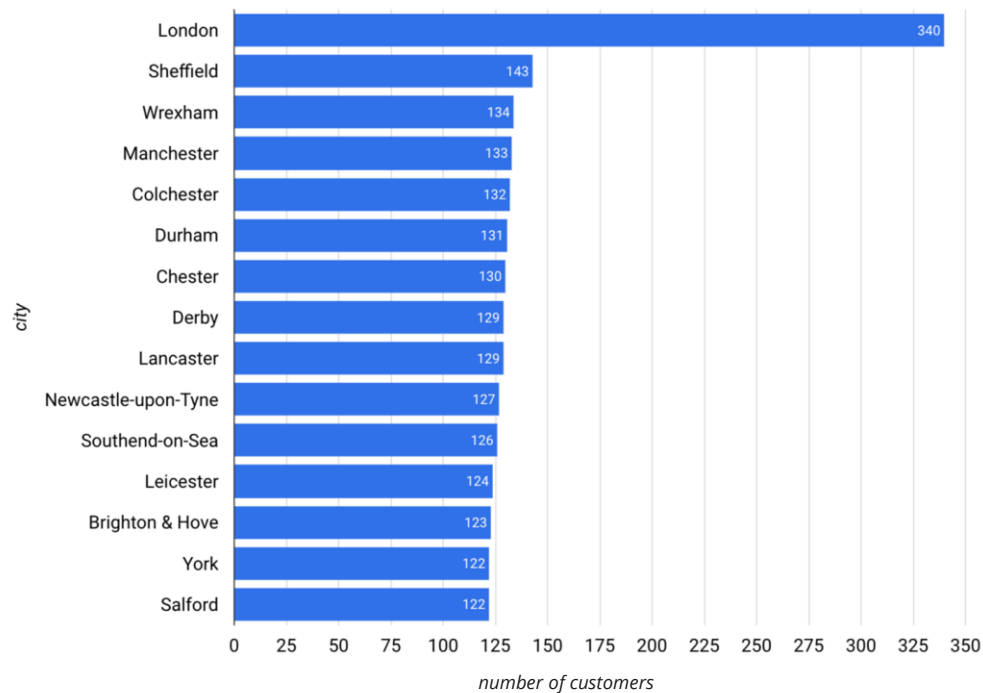
# KRIs

1. Return rate is reduced by 10%.
1. Percentage increase in customer satisfaction scores which drives revenue.
1. Increase revenue generated by Marketing campaigns by 50% by end of H2.

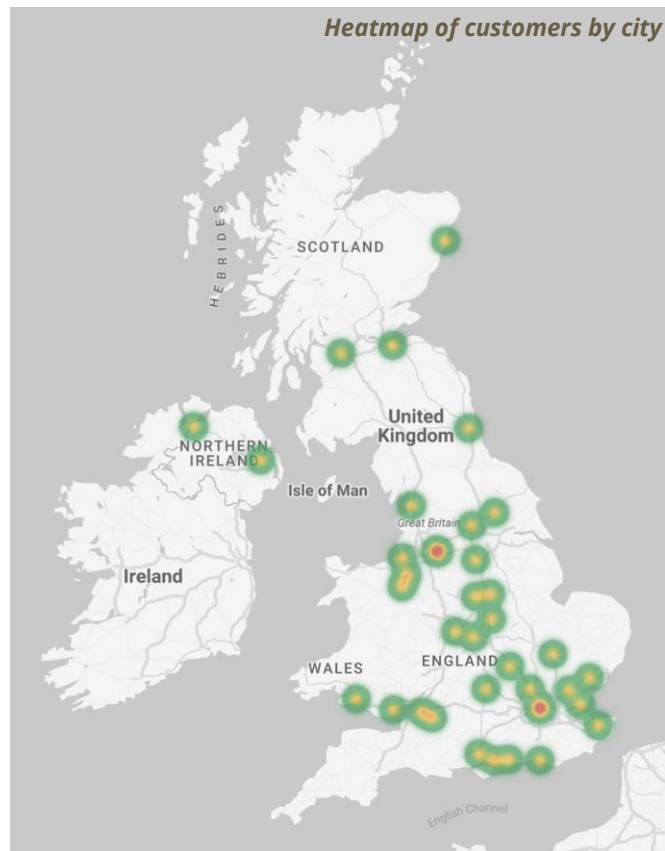


# What location should EQUO open a physical store in?

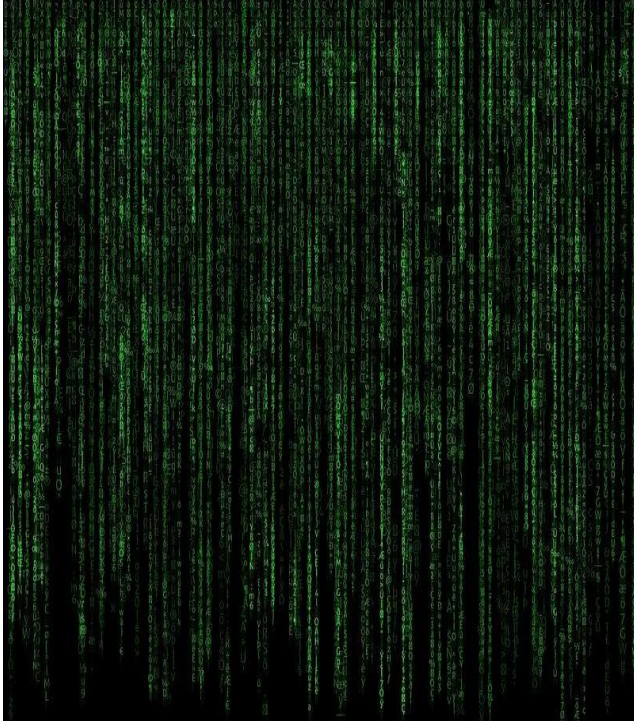
Majority of EQUO customers are based in London



Visualisations made in Looker Studio



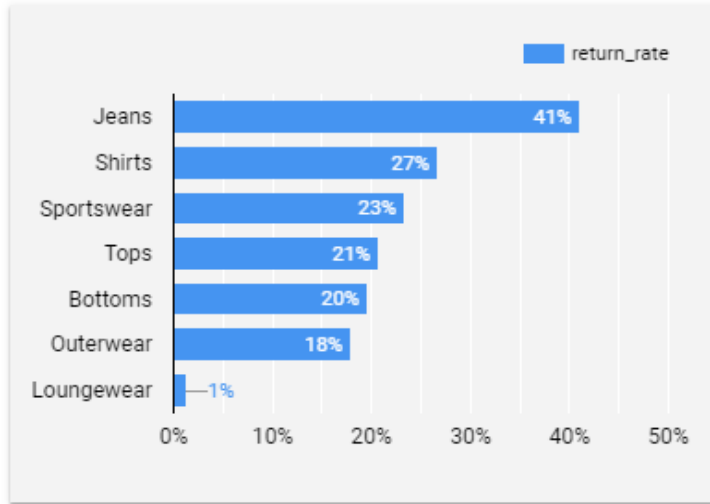
# Using machine learning to find a location for opening the shop



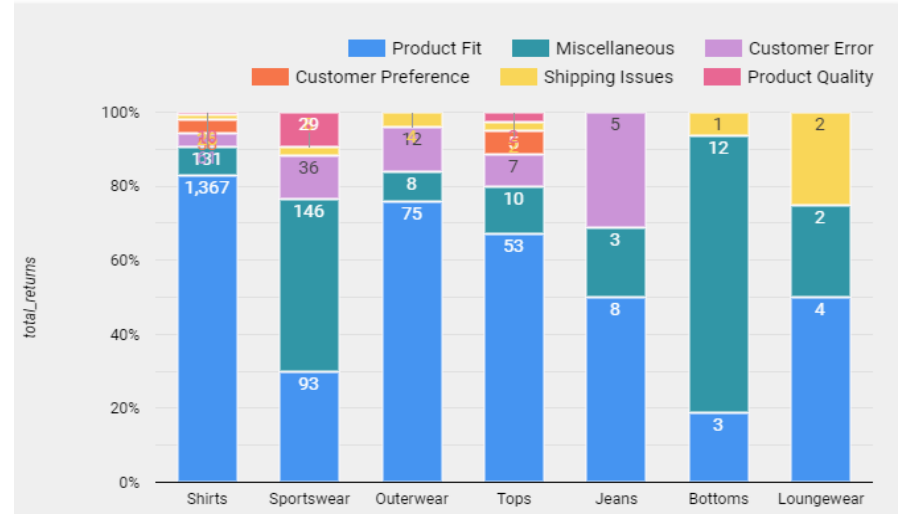
1. Linear regression - can be used to model the relationship between shop rent prices (dependent variable) and one or more independent variables (like location, foot traffic).
1. K-means clustering - can be used to identify areas with high potential based on demographic data, customer behavior, and competitor locations.

# What product category gets returned the most & the top reason for returns?

Return Rate % By Product Category (Jan 2024 to July 2024)

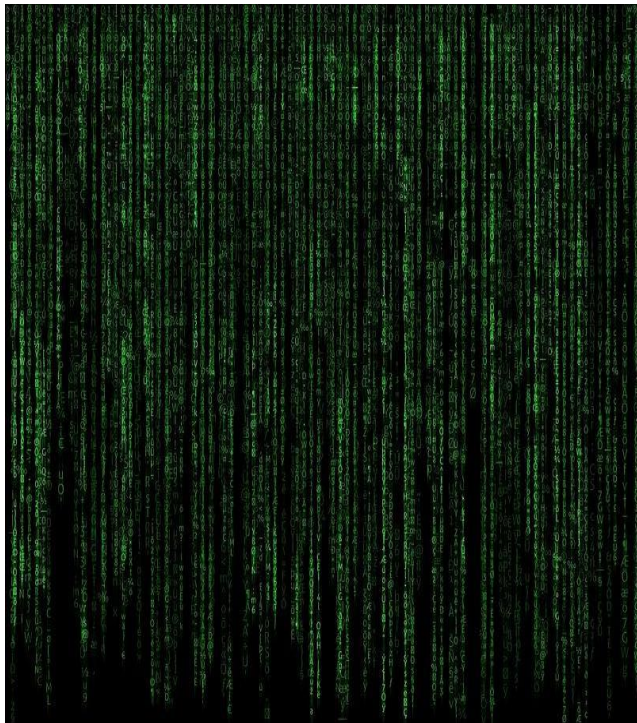


Distribution of Product Returns by Category and Reason



- The return rate for loungewear(1%) and outerwear(18%) are relatively low, indicating high customer satisfaction and product quality.
- By removing the outlier i.e; Jeans & Loungewear, we get the average return rate is **21.8%** which is not bad for fashion business.
- **'Product fit'** is identified as the primary reason for returns.

# Using Machine Learning to reduce returns



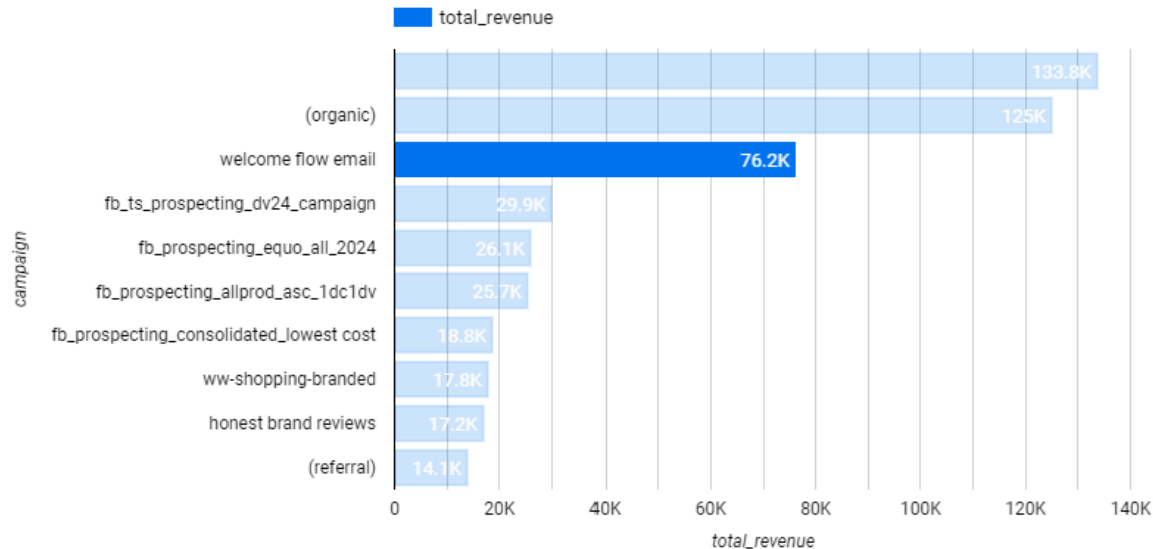
To Predict Return Likelihood and Return Reasons

1. Analyse customer reviews using Sentiment Analysis ( NLP techniques such as BERT, GPT-3).
1. Predicting Return Probability using Logistic Regression.
1. Recommended score: Precision, Recall, and F1 Score.



# What Marketing Campaign generates the most orders and revenue?

Welcome Flow Email Campaigns generate the most revenue



	campaign	total_orders ▾	total_revenue
1.	null	1,976	133,844.87
2.	(organic)	1,867	124,999.77
3.	welcome flow email	1,198	76,222.38
4.	fb_ts_prospecting_dv...	471	29,910.55
5.	fb_prospecting_allpro...	390	25,670.19
6.	fb_prospecting_equo_...	390	26,101.49
7.	fb_prospecting_conso...	292	18,822.16
8.	ww-shopping-branded	254	17,819.56
9.	honest brand reviews	243	17,236.91
10.	(referral)	221	14,142.48
11.	linkin.bio_shopequo	146	9,623.98

1 - 35 / 35 < >

- Welcome Flow email generated the most orders & Revenue after Organic.
- Facebook appears to be the only Social Channel being used in Marketing campaigns.

[Created using Looker Studio](#)

# Using Machine Learning to support the Marketing team



1. Customer Segmentation using clustering (K-means).
1. Identify potential customers based off existing customer profiles using supervised learning (Lookalike Modelling).
1. Improve revenue forecasting using Classification Algorithms e.g. Random Forest.
1. Improve marketing channel performance by better understand marketing touchpoints and the customer journey using Multi-Touch Attribution (Markov Chains).

# Missing Data Issues

**Product Reviews and Ratings:** Valuable insights missing for product improvements.

**Return reason:** Return reasons are not specified properly.

**Customer demographics:** Lack of detailed customer profiles limits personalisation.

**Geographic Data:** Understanding regional preferences and shipping challenges.



# Data Quality Issues

**Product Reviews and Ratings:** If Equo lacks a good system for collecting and analysing customer reviews and ratings, valuable insights for product improvements may be missing.

**Marketing:** Lots of un-attributed revenue to marketing campaign.

**Revenue:** We know the sale price (incorrectly referenced in the data as the cost price) and quantity sold but not the cost of making each product line. We therefore can't work out the profit margin being made.



# Data Strategy

## Have a Vision

- Leverage data-driven insights
- Enhance product quality
- Optimise marketing efforts
- Build a sustainable, Customer-driven business.

## Analytics and Insights

- Utilise Jared's expertise in SEO and Paid Marketing.
- Customer attraction methods
- conversion rates.
- Campaign effectiveness.

## Data Points & Richness

- Collect detailed customer data.
- Collect product data.

## Technology

- Use advanced analytics tools.
- Visualise data and generate actionable insights.

## Process and governance

- Data Protection / GDPR
- Governance around the use of ML / AI.



# Data Strategy

## Customers and citizens

- Enhance customer experience
- Customer data privacy protection
- User-generated content analysis
- Predictive customer support

## Staff and suppliers

- Staff training and development
- Supplier chain optimisation
- Employee engagement

## ESG (Environmental social governance)

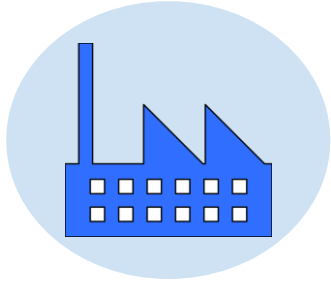
- Track and report on sustainability metrics such as carbon footprint, waste reduction, and ethical sourcing of our clothing materials

## Build trust in data

- Data transparency
- Clear data policy on the website
- Ethical data practices
- Regular data audits



# ESG



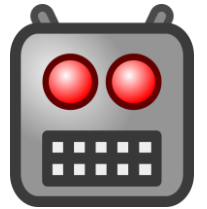
## Environmental



## Social



## Governance



# Let's summarise

## Marketing

**KRI: Increase revenue by 50% in H2**

KPI 1: Attribute all future revenue to a campaign.

KPI 2: Launch Instagram and Tiktok campaigns.

KPI 3: A/B test across social channels to determine which attracts the most new customers to the website.

## Operations

**KRI: Achieve 10% return rate or less by end of H2**

KPI 4: Implement a sizing chart on the website.

KPI 5: Build AI model for customers to try on items before buying.

## Product

**KRI: Product quality score of 90%**

KPI 6: Percentage increase in customer satisfaction scores which drives revenue.



A word cloud featuring the word "Questions" repeated multiple times. The words are arranged in a dense, irregular cluster. The colors used include red, black, grey, and blue. The sizes of the words vary, with some being significantly larger than others. The orientations are also varied, with some words written horizontally and others rotated 90 degrees or 180 degrees. The background is plain white.