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Machine Learning - DAT-5303 - FMSBA3

<u>Assignment 3: Unsupervised Learning Write Up</u>

Actionable Recommendation:

Microsoft is currently losing to Apple in the extroverts' market for laptops. Of our respondents, 20% are extroverts that would choose to buy a Macbook for their next laptop. Extroverts love to interact with others and would likely flock towards the product which they perceive will allow them to best do that.

Due to these personality qualities, Microsoft should run advertising campaigns featuring Microsoft products bringing people together in order to attract this market. They should also emphasize specific services they provide which can do this. For example, Apple often features Facetime in their advertisements, a video chatting application which brings people together (Etherington, 2020). Microsoft could feature its rival service, Skype, to try to better capture this extroverted audience. Apple also features Family Sharing, which is an app service that enables six people to share iTunes, iBooks, and purchases from the App Store. Microsoft should add a similar family sharing function to the Windows store in order to compete with Apple amongst extroverts.

Insight 1:

Microsoft is also losing to Apple in customer retention rates. Over twice as many users would switch from a Windows laptop to a Macbook than vice versa. Additionally, only 77% of Windows laptop users in our sample would stay with Windows, whereas almost 90% of Macbook users would stay. Microsoft needs to incentivize customers to stay.

One incentive for Macbook users to stay is the interconnectedness of the entire Apple product line, including apps such as AirDrop, HandOff, and iCloud. Microsoft should add similar interconnected features between their laptops, phones, tablets, and smart TVs.

Insight 2:

Large percentages of windows owners which are in clusters 2 (calm and tranquil extraverted individuals), 3 (people with the personality trait of being careful or diligent) and 5 (people with kind, sympathetic, cooperative personalities), intend to switch to MacBook computers.

However, in cluster 4 people want to move from Mac to Windows. This cluster includes personalities that enjoy being around people, participating in social gatherings, and are full of energy. People in cluster 4 are an opportunity for Microsoft to gain new customers by tapping this niche market with targeted advertising themed around social gatherings and connections.

Insight 3:

Windows laptops currently dominate the free-spirited personality market. This is likely because of the less confined and guided operating system that Windows offers. Free-spirited individuals often wish to use their computers for non-work related applications, such as gaming. Windows computers have historically been the preference for the gaming market because of enhanced compatibility and computing power. Microsoft should continue targeting this group with advertisements to maintain the strong preference that this group currently has.

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