TheAnalyticsTeam

Sprocket Central Pty Ltd

Data analytics approach

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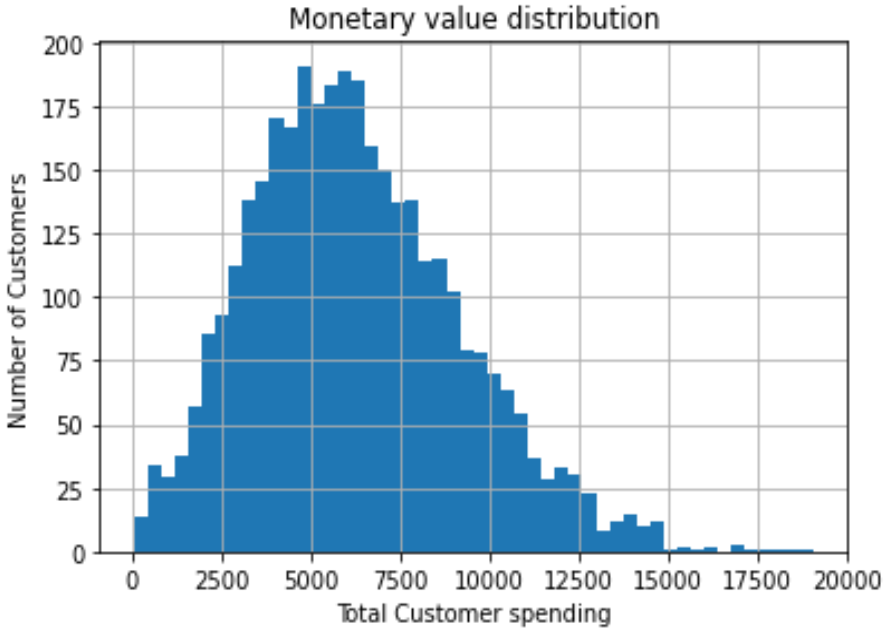
Agenda

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

Data Exploration

RFM ANALYSIS: A general distribution of recency, frequency and monetary value among customers

Most customers have spent about $5,000 and $6,000. Less than 25 have spent more than $12,500

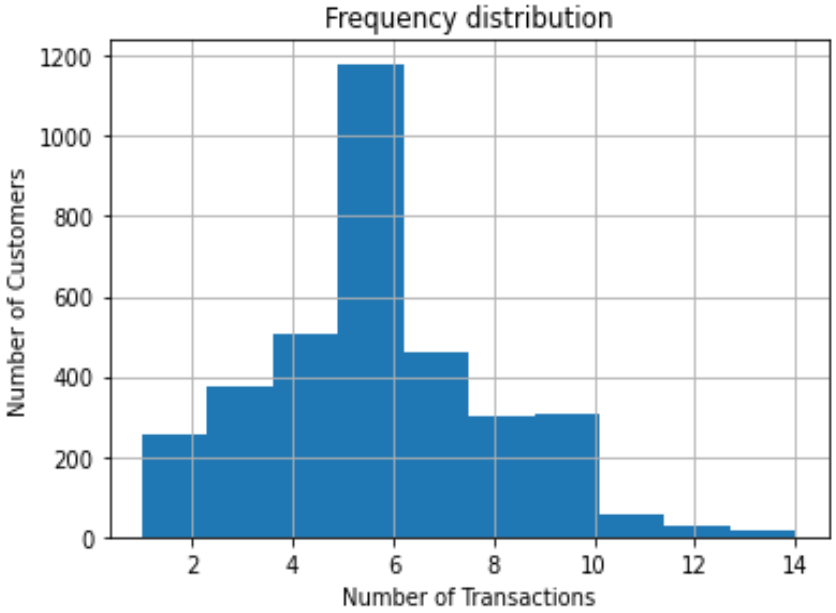


Introduction

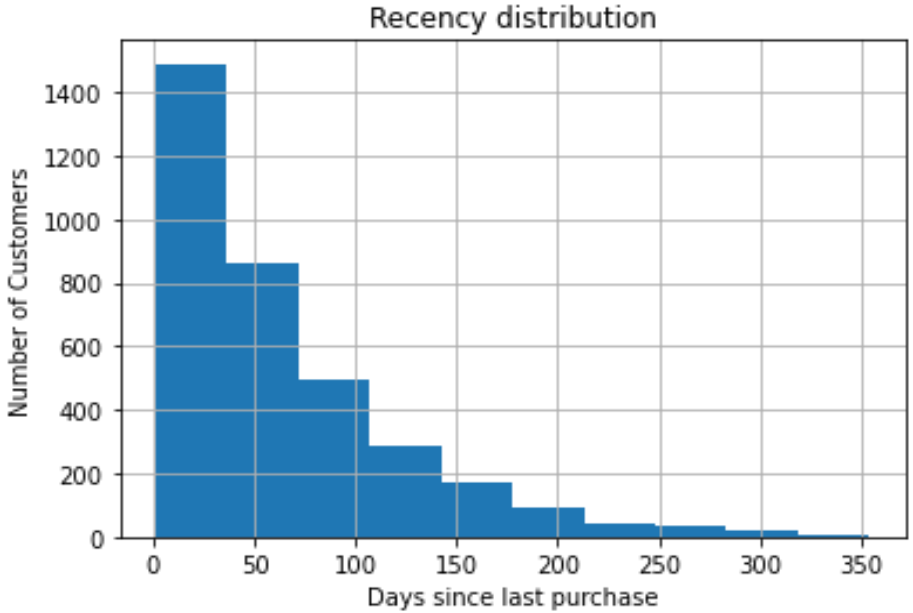
Objective of this Presentation

1. Share key insights on the value of customers through RFM Analysis
2. Explain model used to determine potential high value customers i.e. variable selected for the model
3. Provide recommendations of potential customers marketing should target

Data Exploration: cont'd



Most customers have made an average of 5 to 6 purchases during the year



Most customers made their most recent purchase within the last 50 days. As the recency increases, so does the number of customers

Model Development

Variables to consider in model development

1. State (NSW, VIC, QLD)
2.Gender (Male, Female, U)
3.Job industry Category (Financial Services, Manufacturing, Health, Retail, Property, IT, Entertainment, Agriculture, and Telecommunications)
4.Wealth Segment (Mass customer, High Net Worth, Affluent customer)
5.Car ownership (Y/N
6.Age group (10-year gap)
7.Property Valuation
8.Tenure
9.Number of past 3 years bile related purchases

Interpretation

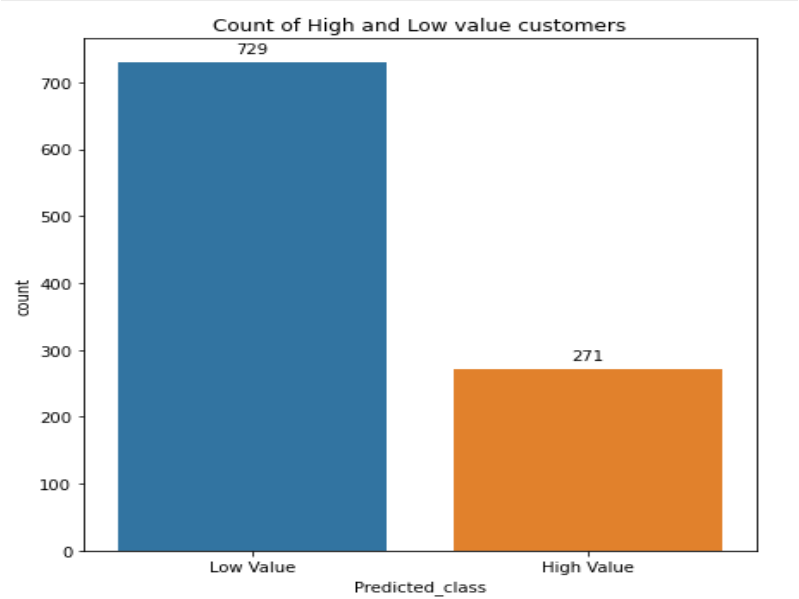
Determining which new customers segments the marketing team should target based on insights from transactions dataset

1.Target customers from NSW State since 53% of sales come from customers in that region
2.Target individuals between the ages of 30 and 50 since they bring in around 53% revenue collectively
3.Target Mass customers as they bring in 50% of total revenue
4.Target customers in Manufacturing, Finance, and Health job industries as they collectively contribute 70% of the revenue
5.Target customers who's property valuation is between 6.0 and 9.0
6.The mean, past bike related purchases is 48 so target customers with above average NB: Gender and whether one owns a bike or not does not affect revenues. The difference is insignificant (2% for car ownership and less than 1% for gender)

Interpretation: cont'd

Determining potential High Value customers with prediction model

The predictive model yielded 271 potential High Value customer from the 1000 customer pool



Sample list of High Value Customers

	name	gender	age_y	Predicted_class
3	Lucine Stutt	Female	38	High Value
6	Rutledge Hallt	Male	41	High Value
21	Gaston Dallaghan	Male	24	High Value
22	Otis Ottey	Male	19	High Value
23	Tabbatha Averill	Female	40	High Value
25	Rourke Gillbard	Male	72	High Value
34	Maisie Maddox	Female	40	High Value
41	Colene Fishleigh	Female	32	High Value
49	Thaxter Kingsbury	Male	67	High Value
64	Cristen Maroney	Female	18	High Value
70	Sherilyn Canero	Female	21	High Value