

TheAnalyticsTeam

# Sprocket Central Pty Ltd

Data analytics approach

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# Agenda

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

# Introduction

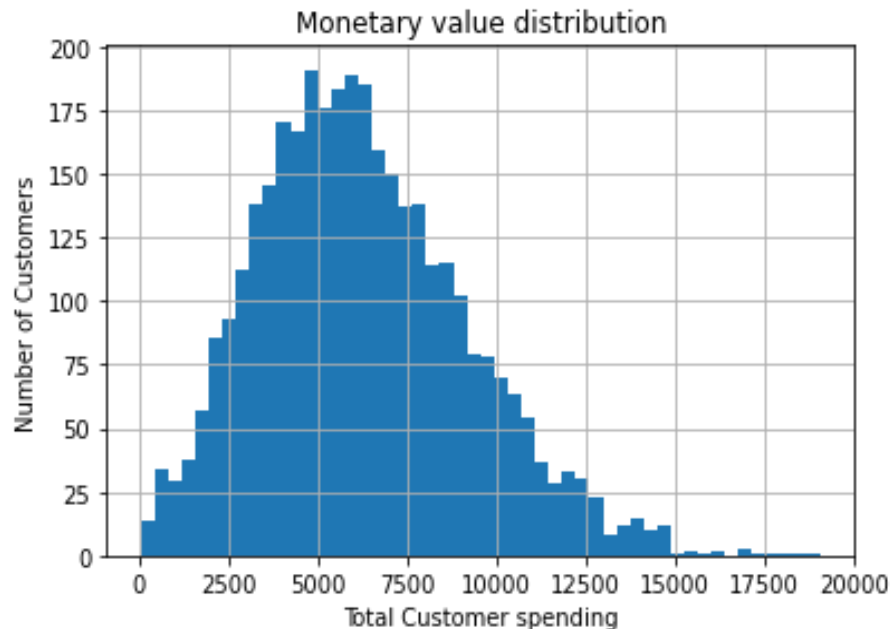
## Objective of this Presentation

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

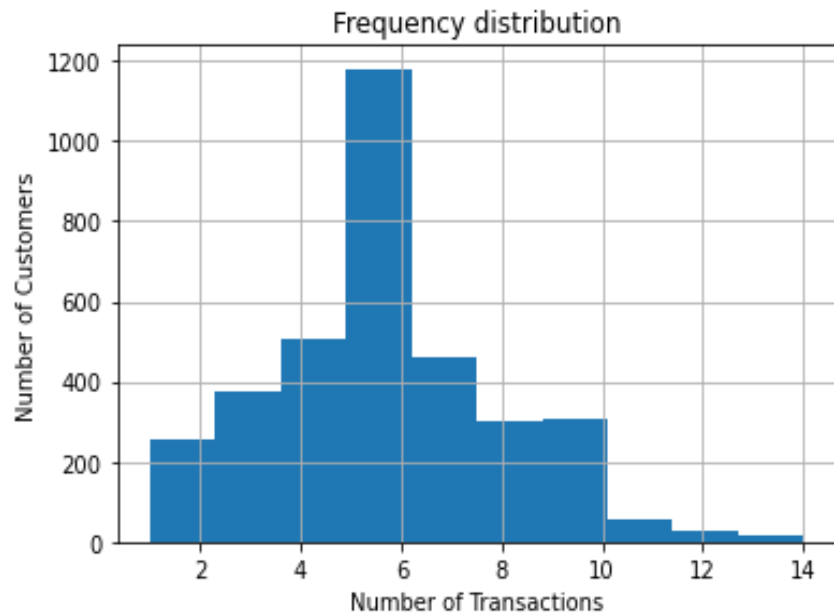
# Data Exploration

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

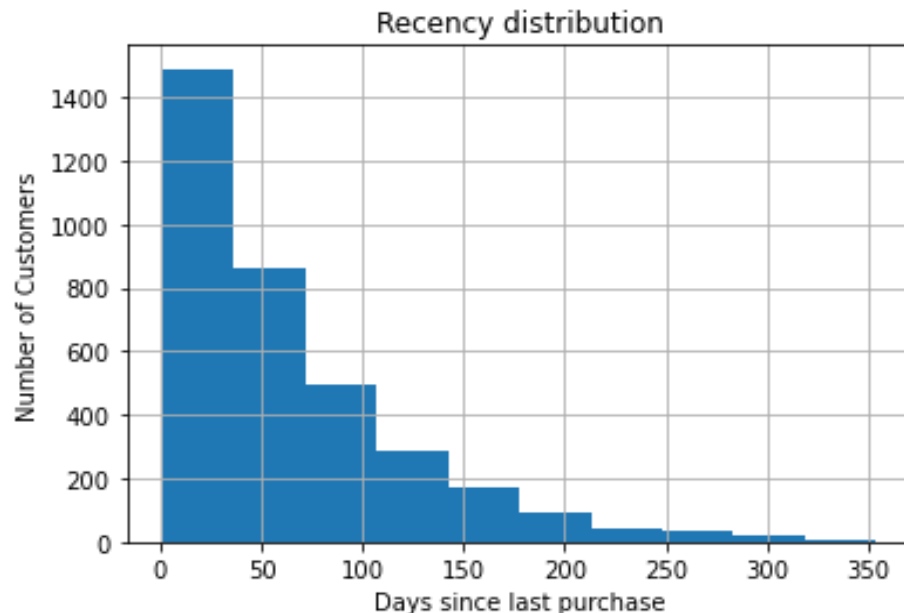
Most customers have spent about \$5,000 and \$6,000. Less than 25 have spent more than \$12,500



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

Excluding job industry category, there are 18 potential high value customers marketing can target. Their names and list ID are as follows:

56	Briant Ladley	546	Sammy Borsi
92	Andromache Bonafacino	574	Harlene Nono
221	Kort Disley	607	Ajay Worham
253	Celeste Fretson	608	Jamison Cashin
366	Daisi Tinwell	721	Jaimie Lancaster
421	Etan Prinett	724	Calida Schaben
490	Alexina Mabley	741	Sinclair Wark
531	Amabel	808	Davie Blay
		905	Olia O' Mullan