

Google Analytics 360 Case Study

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Analytics Procedure Overview

4. K-Means Clustering



Deriving better customer segments: Davies Bouldin index 0

2. Exploratory Data Analysis



Sampling strategies, frequency distributions, correlation matrix

04

05

03

02

01



5. Conclusion

Recommendations



3. Association Analysis

Advanced analytic queries to derive rule-based models



1. Introduction

Problem definition, purpose statement and proposed methodology.

Objective

Derive “interesting” user insights from GA360 data that contribute to higher business revenue

Problem statement: Deriving interesting user insights

In this business case

- The dataset provides **12 months (August 2016 to August 2017) of Google Analytics 360 data** for Google's merchandise e-commerce site
- The data includes Traffic source data, **Content data**, and Transactional data
- The **Content data** contains information about the **behavior of users** on the site, such as URLs of pages that visitors look at, how they interact with content, etc.
- The goal of this exploration is to **derive interesting user insights**, some of which may be our previous customers, and therefore our focus for EDA will be on the Content data within GA360 sessions.

Exploratory Data Analysis

EDA Tasks

The goal of this EDA is to look at the **901,097 Visits** and **12,070 transactions** and report high level customer information. The task will involve developing basic queries that analyze the following:

1. Total unique customers
2. Average business revenue per visitor
3. Average transactions per year
4. Buyer vs Non-buyer characterization

How many unique
users visited
the site in the past
year?

58570 users

What is the
average amount
of revenue gained
per session?

\$120

What is the
average number
of transactions
per purchaser
within the year?

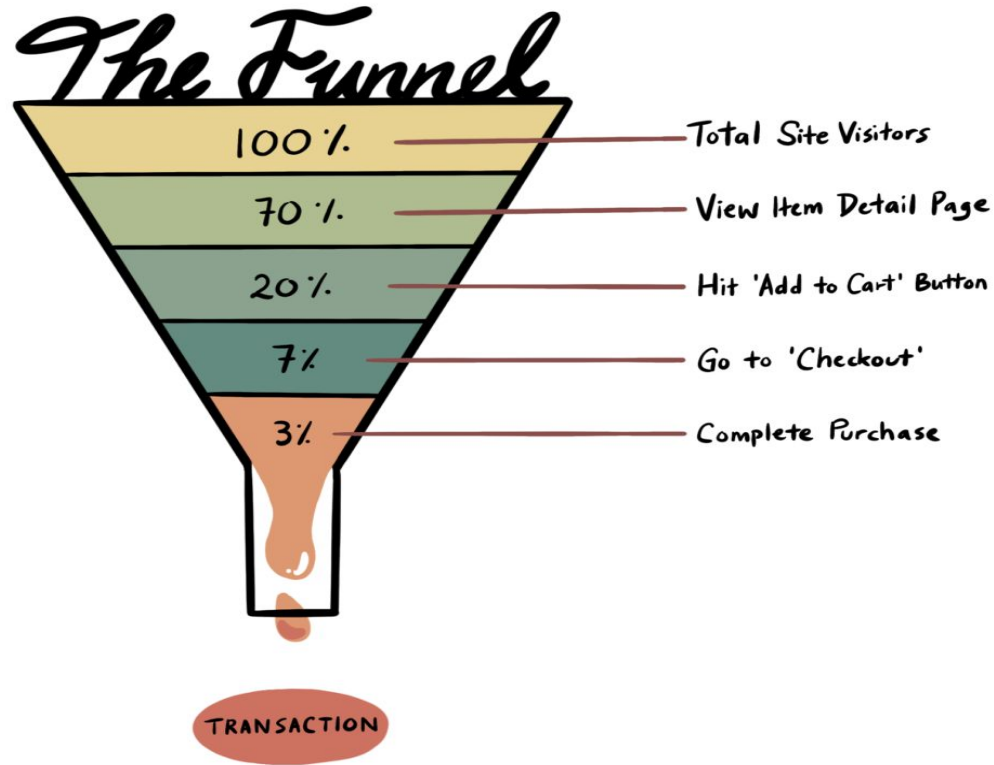
1 transaction per purchaser

Buyers

On average these visitors had
27 product pageviews (6x more
than non-buyers)

vs Non-Buyers

On average had 4 product page views

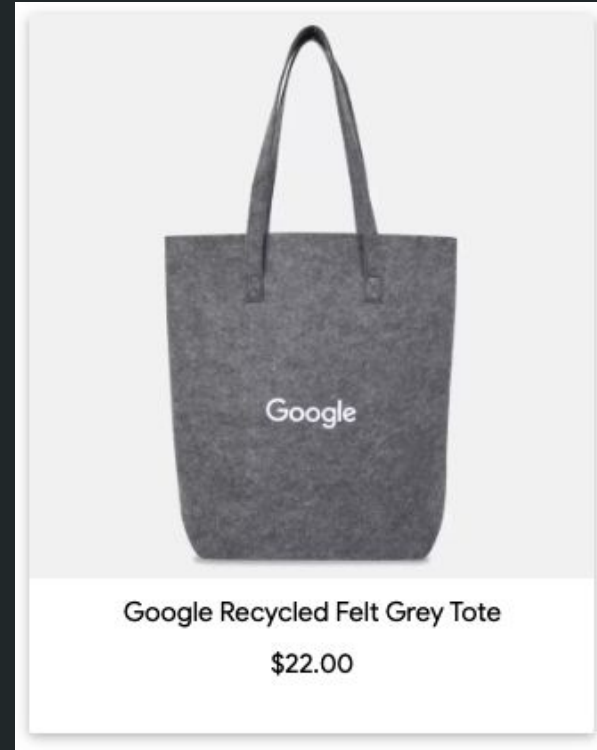


The Funnel Illustration

Association Analysis

Finding interesting frequent transactions in the GA360 dataset (basket data analysis)

Products purchased by a customer, who purchases eco-friendly products



Still developing insights...

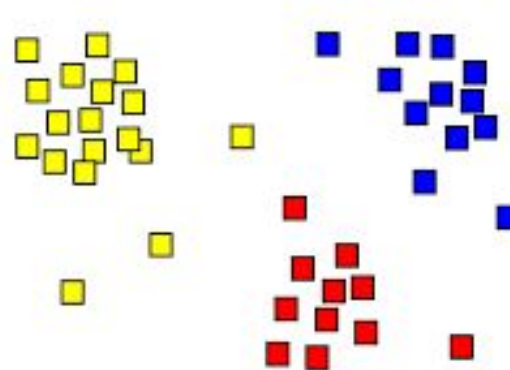
Customer Segmentation: K-Means Clustering

Building a k-means clustering model for market segmentation

Objectives

1. Determining themes in your consumer behavior, that can be **used to develop customer profiles or personas**
2. Explore features to understand what might be interesting for a clustering model
3. **Personalize your Ad campaigns** to customers by tailoring ads and other communications to them

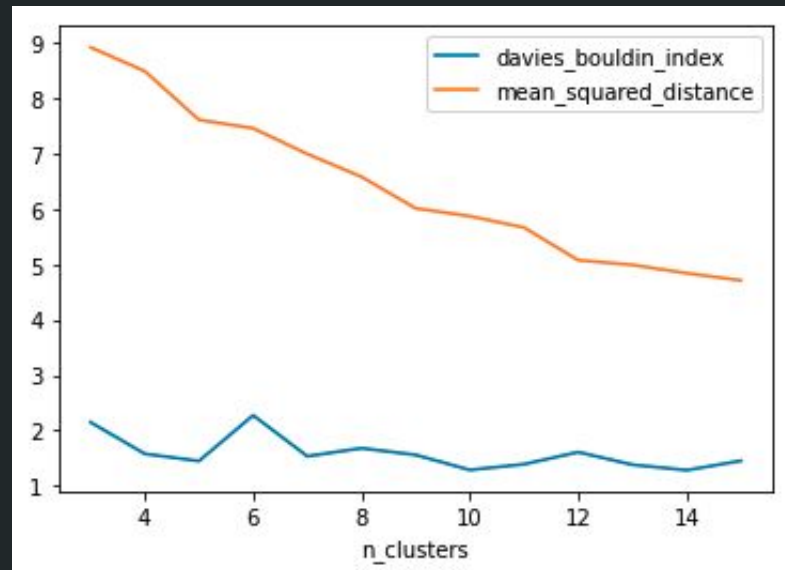
Clustering with high intra-class similarity, and low inter-class similarity



Cluster validity

- With 5 clusters, we see a score of ~ 1.4 , and only with $k > 9$, do we see better values wrt DB index.

Selecting k clusters which minimize DB index value



Cluster interpretation (k=5)

Cluster 1 - The apparel shopper, which also purchases more often than normal. This (although synthetic data) segment skews female.

Cluster 2 - Most likely to shop by brand, and interested in bags. This segment has fewer purchases on average than the first cluster, however, this is the highest value customer.

Cluster 3 - The most populated cluster, this one has a small amount of purchases and spends less on average. This segment is the one time buyer, rather than the brand loyalist.

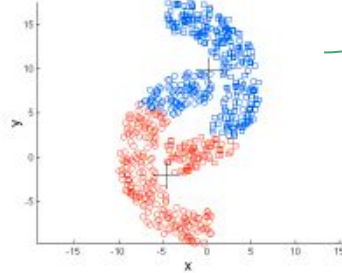
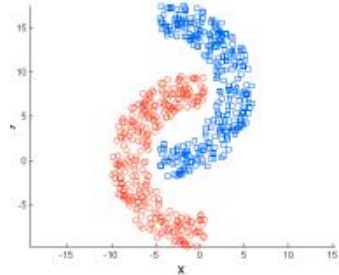
Cluster 4 - Most interested in accessories, does not buy as often as cluster 1 and 2, however buys more than cluster 3.

Cluster 5 - This is an outlier as only 1 person belongs to this group.

Comments on the K-Means Model

Strengths

1. Our model gains more insight into **a holistic view of our customers**
2. Relatively efficient $O(tkn)$, where n is the number of objects, k is the number of clusters and t is the number of iterations



Weakness

1. Sensitive to initial clusters
2. Need to specify K
3. Sensitive to noise and outliers
4. Not suitable for non-convex shapes

Alternative

- K-Medoids (Partition around medoids) is more robust

Business Recommendations

Key takeaways and recommendations

What generates revenue?

- Sales from the google brands, and apparels
- Business should put in place strategies to build brand loyalty
- A mix of sales, developing leads for sales, and increasing page views are good indicators

What to do with observed frequent patterns?

- Place items frequently bought together close to each other to increase sales

Customer segmentation

- One time buyers
- Females have a tendency of purchasing more often than men
- Customers prefer shopping by brand, and this segment is the highest value

Visualizations artifacts



Marketing

SEO

Seasonality

Items Shown

Price

UX Quality

Product
description

of images

Ratings and
reviews

Calls to action

Promotions

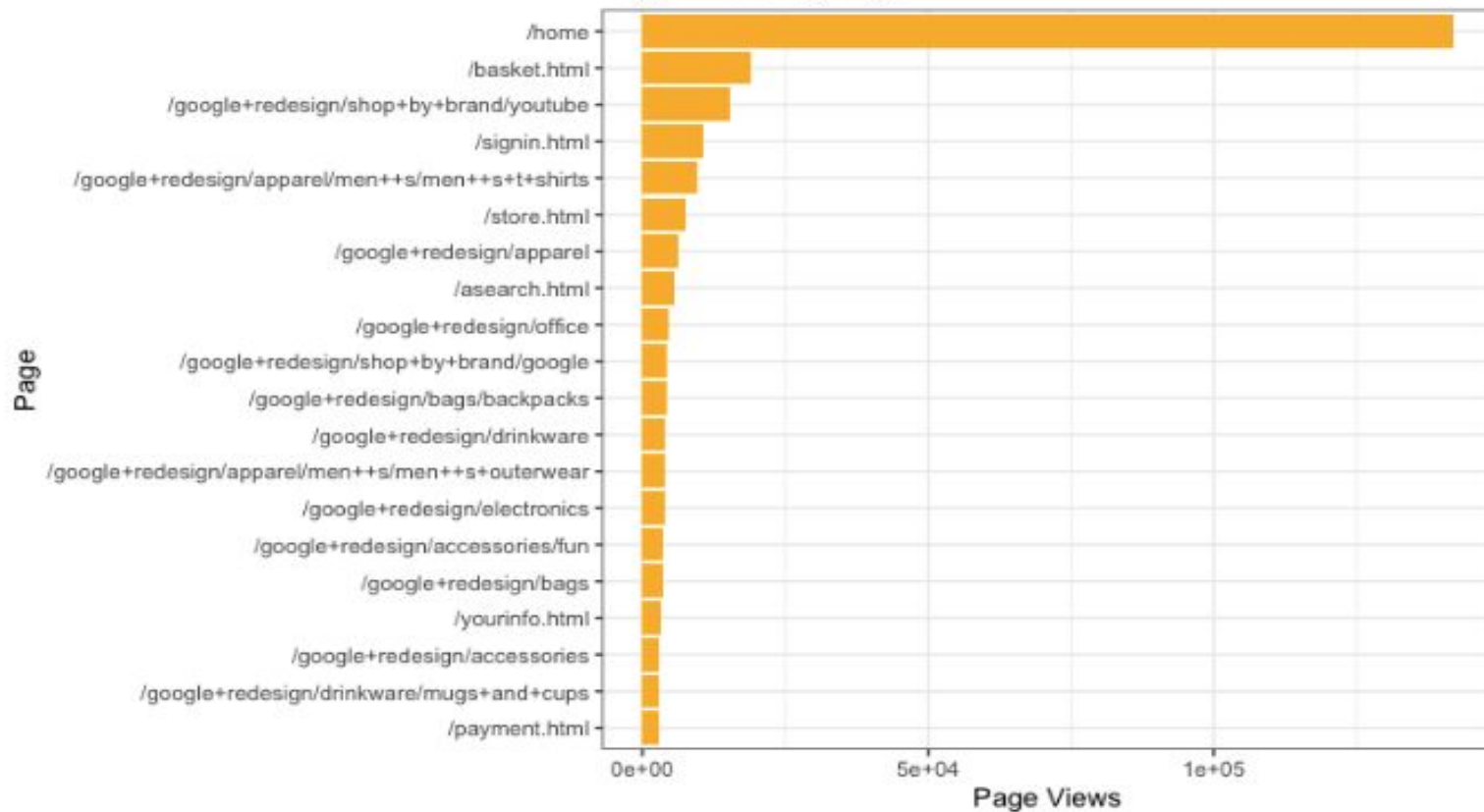
Card on file

of fields to
complete

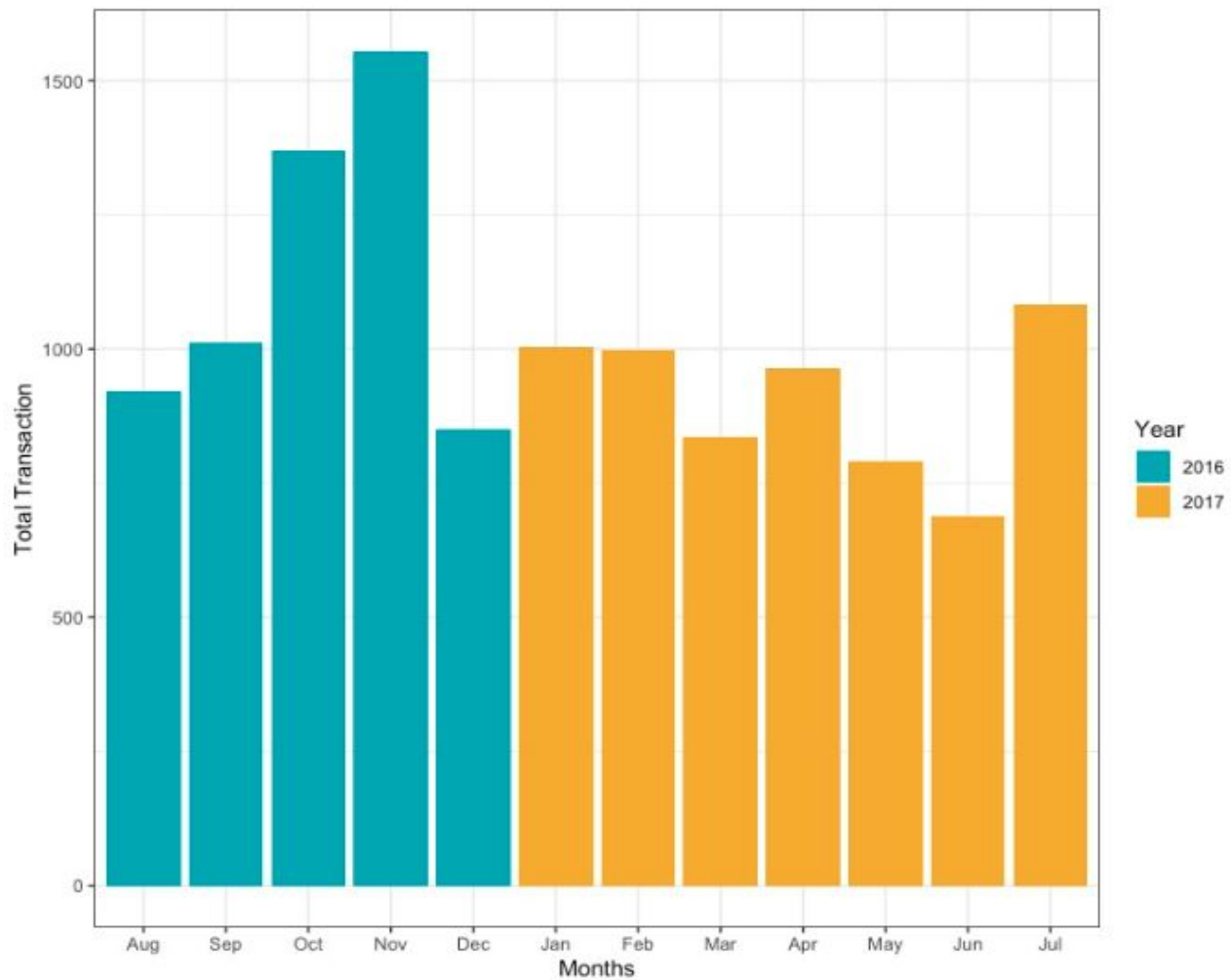
Registered
user vs guest

Popular pages by pageviews

Page Views by Page



Total transactions



References

References

[BigQuery Cookbook](#)

[Customer Segmentation with Python](#)

[K-means clustering models for market segmentation using BigQuery ML](#)

[Web analytics on Google online merch store](#)

Thank you
