**MODUL\_2: KPMG**

1. **Background information**

**Sprocket Central Pty Ltd has given us a new list of 1000 potential customers**

The marketing team at Sprocket Central Pty Ltd is sure that, if correctly analysed, the data would reveal useful customer insights which could help optimise resource allocation for targeted marketing. Hence, improve performance by focusing on high value customers.

1. Sprocket Central Pty Ltd is a long-standing KPMG client, their marketing team is looking to boost business by analyzing their existing customer dataset to determine customer trends and behavior.
2. Using the existing 3 datasets (Customer demographic, customer address and transactions) as a labelled dataset, please recommend **which of these 1000 new customers** should be targeted to drive the most value for the organization.
3. In building this recommendation, we need to start with a PowerPoint presentation which outlines the approach which we will be taking. The client has agreed on a 3-week scope with the following 3 phases as follows - Data Exploration; Model Development and Interpretation.

**Data Exploration**: It is the process of going through the dataset, **understanding its characteristic**s and discovering any **possible relationships** between the data elements. You may also look to external, but relevant, datasets to augment this data to make the data more **valuable**.

1. Prepare a detailed approach for completing the analysis including activities – i.e. understanding the data distributions, feature engineering, data transformations, modelling, results interpretation and reporting. This detailed plan needs to be presented to the client to get a sign-off. Please advise what steps you would take.
2. Please ensure your PowerPoint presentation includes a detailed approach for our strategy behind each of the 3 phases including activities involved in each - i.e. understanding the data distributions, feature engineering, data transformations, modelling, results interpretation and reporting. This detailed plan needs to be presented to the client to get a sign-off.

**NOTE:** Tips: Raw data fields may be transformed into other calculated fields for modelling purposes (i.e. converting D.O.B to age or age groups).  Tips: You may source external data from the ABS / Census to add additional variables that may help support your model

APPROACH methods to better understand customer analytics:

1. If you’re not sure where to start with customer analytics, take some time to calculate your [customer acquisition cost](https://www.nachoanalytics.com/blog/customer-acquisition-cost/) (CAC) and the [lifetime value](https://mixpanel.com/topics/how-to-calculate-lifetime-value/) LTV of your customers.

Those numbers are often going to be the basis for many of the customer analytics questions that you have. For example, say you want to know where you should be spending the bulk of your advertising dollars. Basing that decision just on the number of customers who came in from a specific ad platform isn’t good enough. Maybe Facebook ads have given you a lot of customers, but if your CAC is high and the LTV is low on that platform, it could be a waste of money.

## Understand your customers with customer analytics

## Today’s most well-known brands have a serious understanding of their customer analytics. If you want to take your company to the next level by creating a better experience for your customers, you need to take the time to build a customer analytics stack.

## Customer analytics can make a huge difference to your company’s bottom line. Even though Glossier was already a successful company before implementing customer analytics, the insight that customer analytics provides allows the beauty brand to have a [much closer connection](https://segment.com/industry/customers/glossier/) with their customers

1. **Top customers with most purchases in 3 years**

**Graphical user interface, text, application, email

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1. **Analysis of top customers purchases on past 3 years based on Wealth segment:**

After creating graph we can understand that there is no significant co-relation between the customers segmented by ‘wealth\_segment’ and ‘purchases made within 3 years period’.

**A picture containing table

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1. Customers with Property valuation higher than 2 with the purchases made within 3 year period

Calendar

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After analyzing the records of top customers with property valuation higher than 2. We can see the large number of purchases made by customers who has the property valuation between 5 and 10

1. Classification of AGE group based on purchases made within three-year time frame.

* Findings:
  + Age group below 1970
  + Age group above 1970 and below 1990
  + Age group above 1990

Chart, scatter chart

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