

# Analysis of customer specific and store specific attributes to improve sales and increase loyal customers



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## Data Structure (269720 rows, 75 columns)

## Geographical variables

(city, province, country, store address, etc)

## Demographic variables

(income, occupation, no. of children, occupation, education)

#### Financial variables

(Store cost, sales, unit sales, etc.)

## Store specific variables

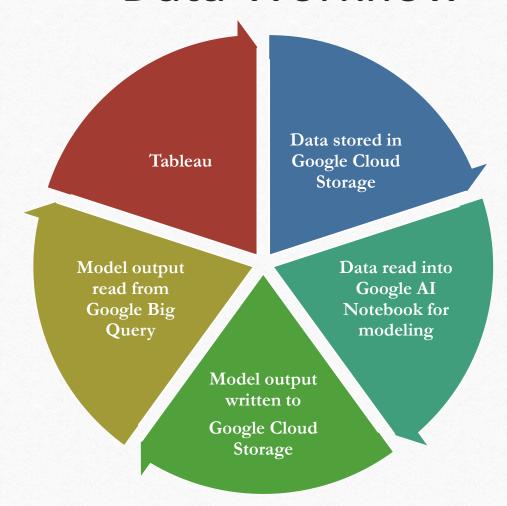
(Frozen area, Grocery sq. ft., Meat Sq. ft., etc)

### Product specific attributes

(category, subcategory, recyclable packaging, etc)

#### **Promotions**

#### **Data Workflow**



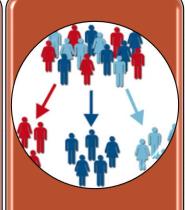
#### **Business Questions**



How does my business look like?



What items do customers buy together?



Are there any groups of customers with similar attributes?



Who are my Platinum and Gold customers?



How do I increase my Platinum and Gold customers?



How do I improve my store profit margins?

How can I apply Machine Learning to solve these problems?

```
def recommendations_using_Apriori(item):
    recommend = []
    for i in range(0,2646):
        if item == apriori_rules.iloc[i,0]:
            recommend.append(apriori_rules.iloc[i,1])
    return recommend
```

#### 10 recommendations for Big Time Frozen Cheese Pizza

```
product_name = { 'Big Time Frozen Cheese Pizza' }
recommentations=recommendations_using_Apriori(product_name)
print(*recommentations[0:10], sep = "\n")

frozenset({ 'Big Time Pancake Mix' })
frozenset({ 'Carrington Ice Cream' })
frozenset({ 'Fabulous Orange Juice' })
frozenset({ 'Framton City Map' })
frozenset({ 'Hermanos Squash' })
frozenset({ 'Hilltop Extra Moisture Shampoo' })
frozenset({ 'Hilltop Silky Smooth Hair Conditioner' })
```

#### 15 recommendations for Special Wheat Puffs.

```
product name = {'Special Wheat Puffs'}
recommentations=recommendations using Fpgrowth(product name)
print(*recommentations[0:15], sep = "\n")
frozenset({'Better Chicken Noodle Soup', 'Moms Potato Salad'})
frozenset({'Sunset Large Sponge'})
frozenset({'Fabulous Apple Juice'})
frozenset({'Hilltop Silky Smooth Hair Conditioner'})
frozenset({'Hermanos Potatos'})
frozenset({'Tell Tale Lettuce'})
frozenset({'Steady 200 MG Acetominifen', 'Hilltop Silky Smooth Hair Conditioner'})
frozenset({'Better Chicken Noodle Soup'})
frozenset({'Better Chicken Noodle Soup', 'ADJ Rosy Sunglasses'})
frozenset({'ADJ Rosy Sunglasses', 'Moms Potato Salad'})
frozenset({'Better Chicken Noodle Soup', 'ADJ Rosy Sunglasses', 'Moms Potato Salad'
frozenset({'Nationeel Grape Fruit Roll'})
frozenset({'Hermanos Potatos', 'Nationeel Grape Fruit Roll'})
frozenset({'Carrington Beef TV Dinner', 'Hilltop Mint Mouthwash'})
frozenset({'Fort West BBQ Potato Chips'})
```

## Market Basket Analysis

### **RFM Analysis**



How recently did the customer visit the store?



How frequently does the customer buy from the store?



Rank the customers based on the monetary value of their transactions.

Calculate the composite RFM score by combining the above features.

## K – Means Clustering



Demographic Variables



Product Specific Preferences



Store Specific Preferences



Time of purchase



RFM Loyalty Scores



#### **Model Accuracy: 78%**







Income, occupation,
house ownership,
number of cars,
number of children,
member card,
education, province,
city

Brand names, product packaging, weight of the product, category, product names

Weekday Month

Meat area, Grocery area, Frozen area, Coffee bar, Salad bar, prepared food, florist, SKU, SRP Predicting RFM levels

Type of promotion Media of promotion



#### **Model Accuracy: 69%**







Meat area, Grocery area, Frozen area, Coffee bar, Salad bar, prepared food, florist, SKU, SRP Brand names, product packaging, weight of the product, category, product names

> Type of promotion Media of promotion

Predicting
Store
Profit
Margin