

TheAnalyticsTeam

*Sprocket Central
Pty Ltd*

Data analytics appraoch

Introduction

Outline Business Problem

- Sprocket Central is a company specializes in high quality bike and accessories.
- Marketing team is looking to boost Profits.
- Identify potential customers from a list of 1000 customers that will bring the highest value to the business.

Approach for data analysis

- Audit the data.
- Perform RFM analysis and create customer segments.
- Identify the Characterstics of profitable customer.
- Give recommendation based on the same.

Customer segmentation with RFM analysis

RFM Analysis

R - Recency

· Recency - Days since last transaction for each customer.

F-Frequency

· Frequency - Total number of Transactions for each customer.

M- Monetry

· Monetry - Total amount spent by each customer.

RFM Score

Segment	25%ile	50%ile	75%ile	100%ile
Criteria				
Recency	17	44	85	353
Frequency	4	6	7	14
Monetry	4198.39	6026.8	8208.84	19071.32
RFM	211	311	411	444

Customer Segment based on percentile of RFM score

0 to 25th percentile - Bronze

50th - 75th percentile - Gold

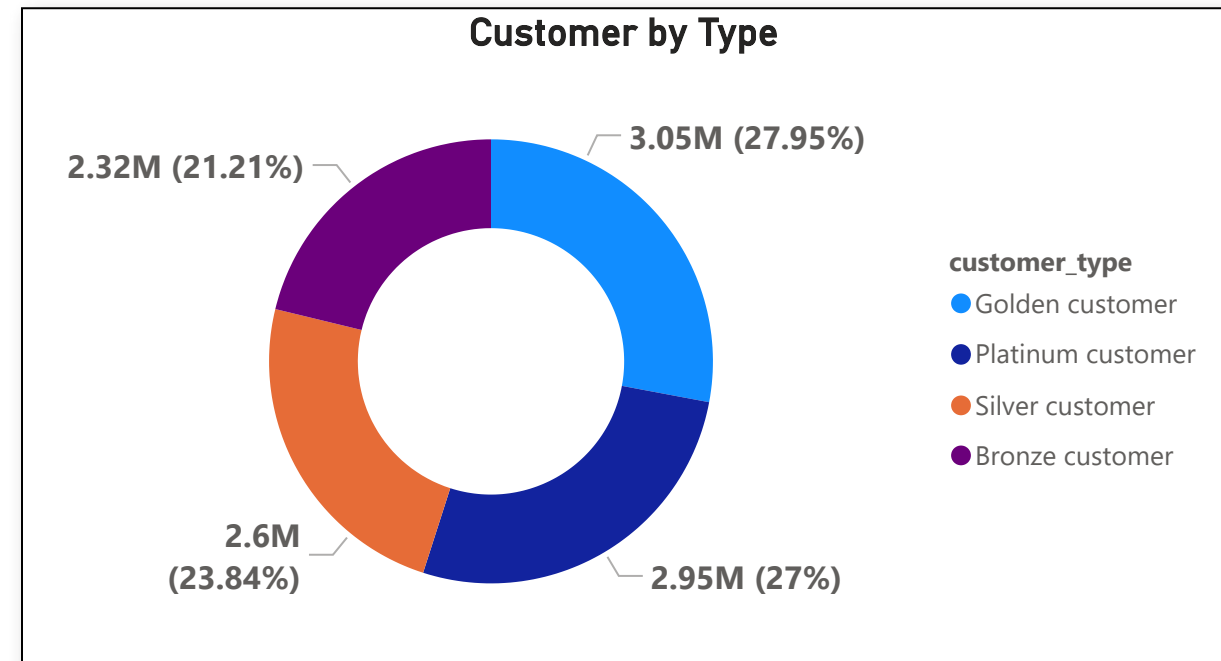
25th- 50th

- Silver

75th percentile and beyond - Platinum

Customer segment Analysis

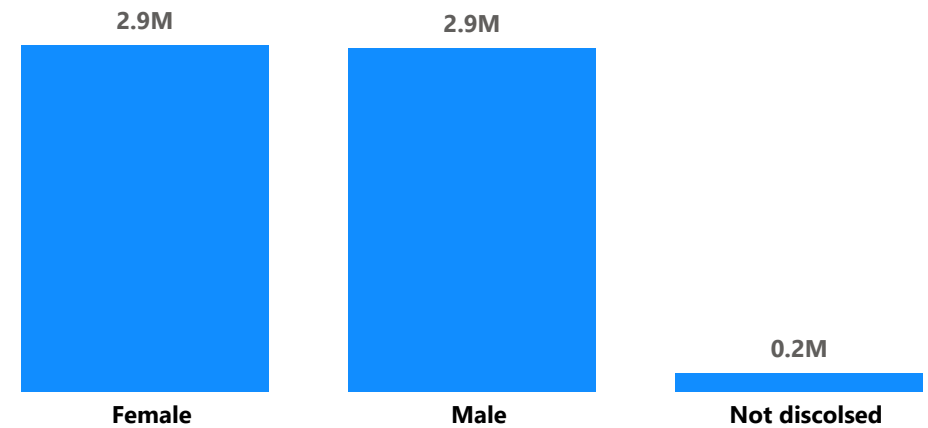
- At first glance, **contribution** of each customer type is very much **similar** to each other.
- However, the **average profit** for each customer type is **2.72 million**.
- Customer similar to '**Platinum**' and '**Golden**' customer should be **targeted first**.
- **Bronze** customers can be **ignored**.
- Customers in **Silver** type are **border line** case as they just fell shy of passing the overall average cut off . They Should be kept at **third priority ,only approach when Platinum and Gold are not providing the desired result**.
- **Key Take Away - prioritize Platinum and Golden customers over others. Keep Silver as a means to meet the required target.**



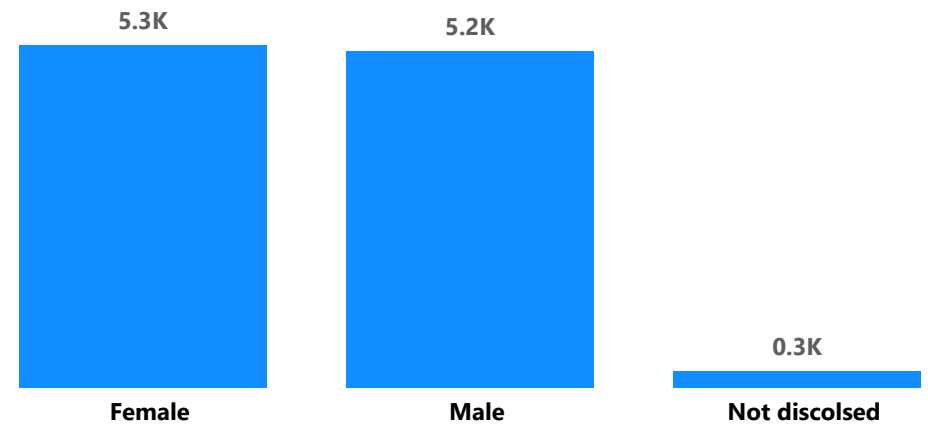
Gender Analysis

- Total profit by **gender** in **Female or Male** is **more than than 3000%** when **compared** to '**Not Disclosed**'.
- This can be explained by the number of customers in each gender type.
- Contribution of both gender is similar.
- It is only logical to **target both** female and male customers to look for ideal customers.
- We cannot ignore any gender other than 'not disclosed'.
- **Key Take Away - focus on female and male customer.**

Total Profits by Gender



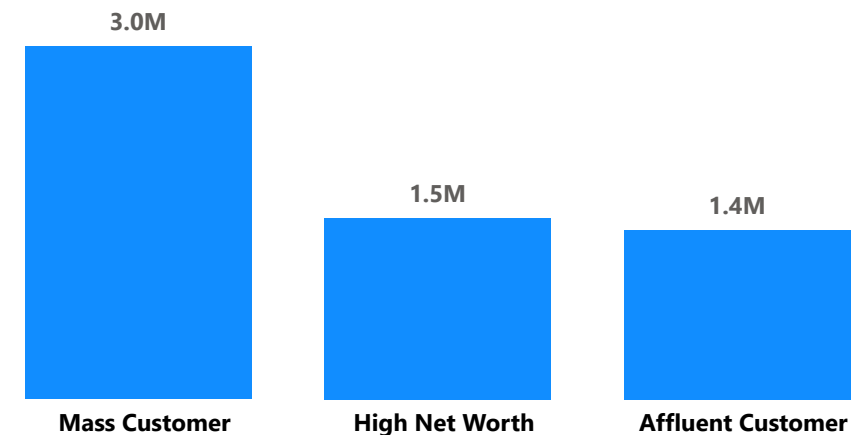
Customer in each Gender



Wealth Segment Analysis

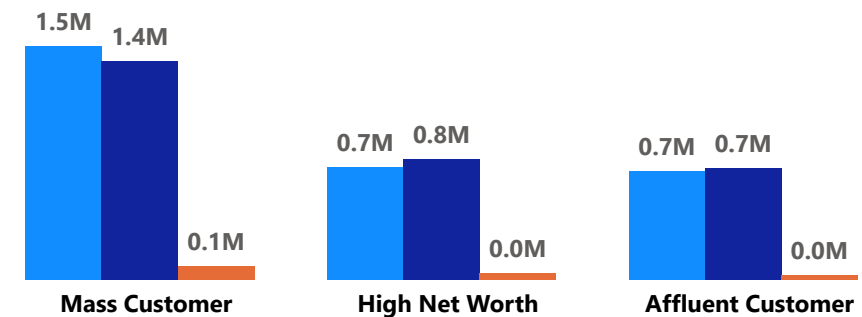
- **Mass customer** contribute **50%** in the entire **profit**. This contribution is almost **twice** the contribution of **remaining segments** compared **individually**.
- **Key take away** - **Focus on mass category and both the gender**

Total Profits by Gender



Total Profits by Gender

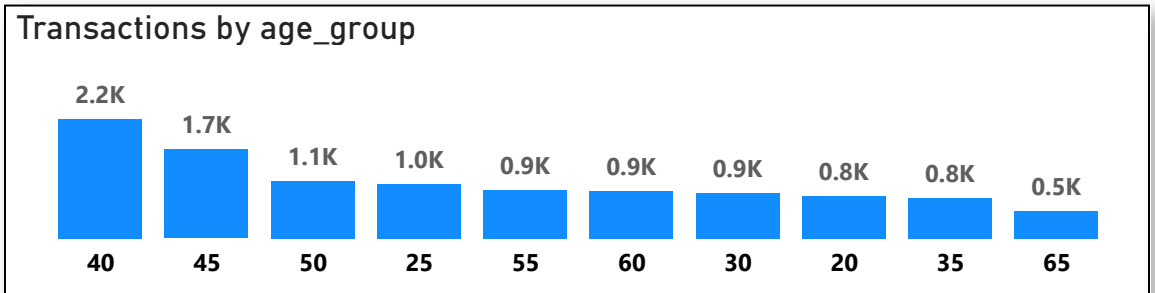
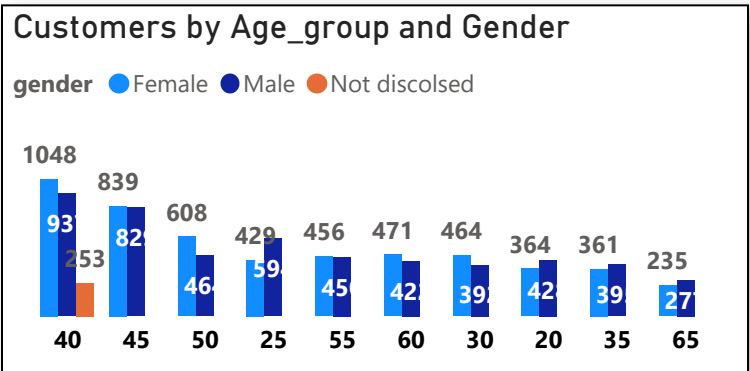
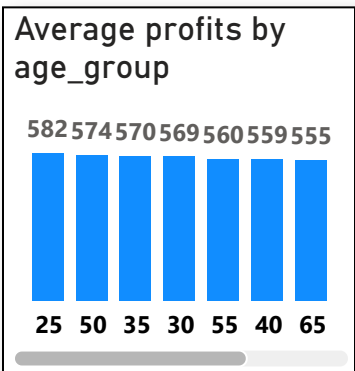
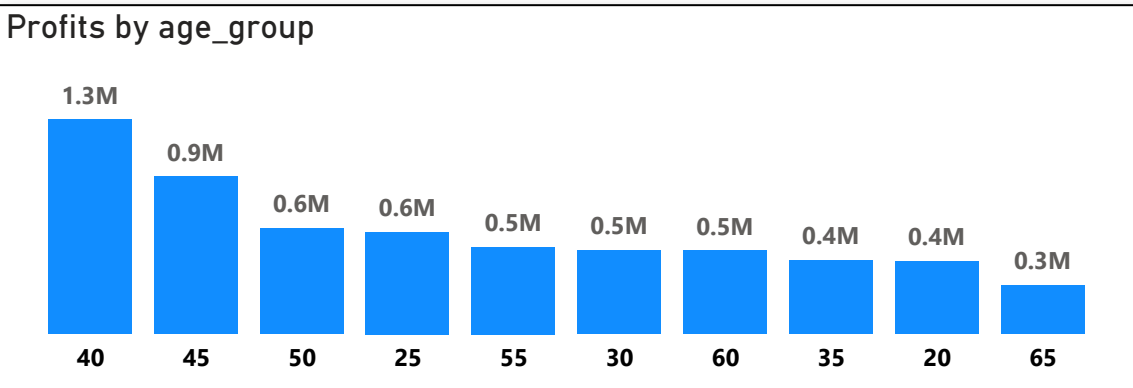
gender ● Female ● Male ● Not disclosed



Age group Anlaysis

- Customer between the age **35 - 45** contributed **36%** in total profit. age group 40-45 contributed 1.5 million dollars.
- Other than the age range 35-45 . All the age groups are very much similar in profit contribution.
- **Average profit** of each age group is **similar**. Number of transactions of age group 35-45 are higher than other age group. Further analysis revealed that, the **higher profit** share of customer between the age of 35 to 45 is mainly due to their **more number of customer** , compared to other age category.

Key take away is Profit of age group 35 to 45 is high because there are more customer in that age group

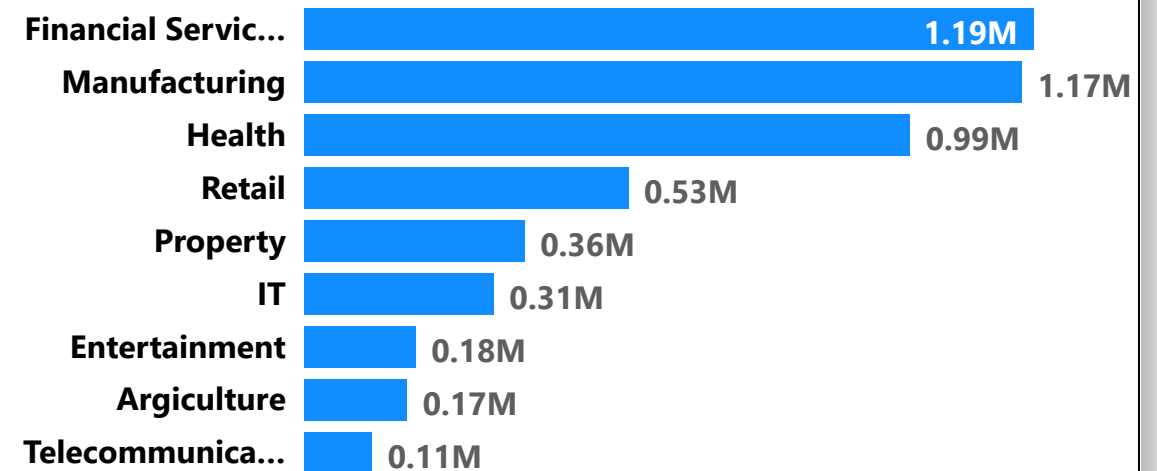


Wealth Segment Analysis

- Manufacturing, Financial Services, Health are the top 3 industry in terms of profit
- Manufacturing and financial services makes more profit because the customers in this industries are more than the other customers
- **Avg profit for job industry is .566 million. Only Manufacturing, Financial Services, Health meet this threshold.**

Key take away - Appropriate industry to look for customers are manufacturing, Financial Services, Health ,Retail

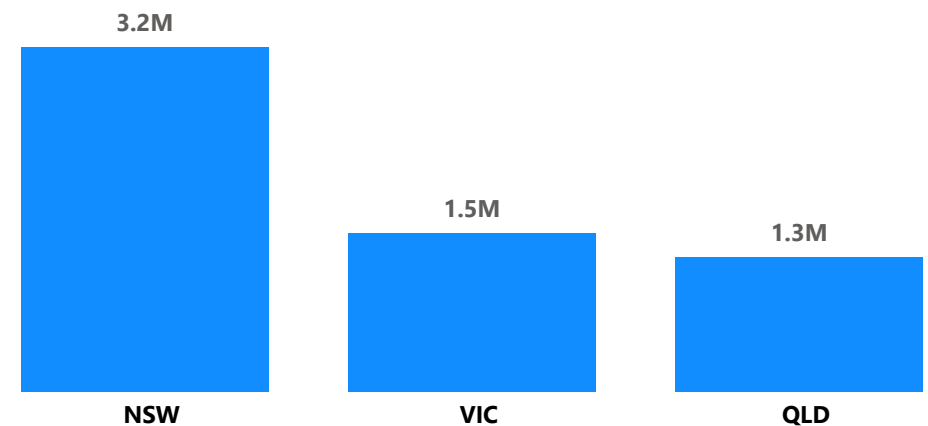
Total Profits by Gender



State Wise Anlaysis

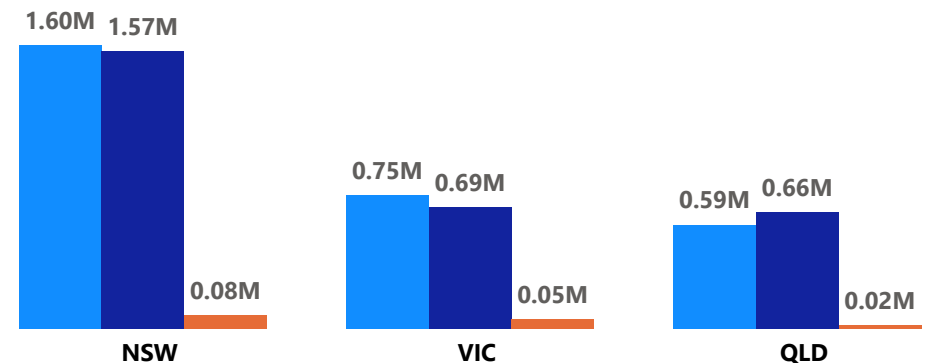
- **NSW** has a total **profit** of 3.2 million dollar. It is approximately **Twice that of VIC or QLD.**
- Both male and female gender contribute similarly in the profit in this state
- **Key take away - NSW is the state to look for customer. Both gender same**

Total Profits by Gender



Total Profits by Gender

gender ● Female ● Male ● Not discolsed



Recommendation

After analysing the given data and creating customer segments using RFM analysis, below mentioned recommendations to be followed when finding new customer similar to the Platinum and Golden customer in the existing data:

1. Prioritize Customer having similar **profile** to **Platinum and Golden customers** as their overall profit is above the the average profit.
2. Focus more on **Male and Female** customer because both have more or less similar contribution in total customers
3. **State** to target with priority is **NSW**
4. **Three Industry** to target are Financial services, Manufacturing, and Health as they are **above the average profit** by industry value
5. Customer's **Wealth segment** to target is **Mass Customer** because it generates 50% revenue while other two contribute 25% each
6. **Age range** to Target **25 to 50**.

Customers List to Target

filterd based on recommendation

After applying the mentioned recommendations, the given list of customers as contains details of 86 potential customer to target.

First Name	Last Name	State	Wealth Segment	Job Industry Category	Job Title	Sum of Age	Sum of Bike Related Purchase in 3
Sammy	Borsi	NSW	Mass Customer	Financial Services	Accountant III	45	
Theresa	Cowper	NSW	Mass Customer	Manufacturing	Accountant III	41	
Wylie	Huntingdon	NSW	Mass Customer	Financial Services	VP Quality Control	51	
Calhoun	Mussington	NSW	Mass Customer	Health	Dental Hygienist	25	
Hasheem	Groucock	NSW	High Net Worth	Manufacturing	Budget/Accounting Analyst IV	43	
Kizzee	Agget	NSW	Affluent Customer	Manufacturing	Statistician II	41	
Selle	Casper	NSW	Mass Customer	Health	Social Worker	39	
Ferdinand	Billie	NSW	Mass Customer	Manufacturing	Chemical Engineer	52	
Geoff	Sitford	NSW	Mass Customer	Financial Services	Account Executive	52	
Guss	Karim	NSW	Mass Customer	Manufacturing	Senior Sales Associate	49	
Randall	Mason	NSW	Mass Customer	Health	Product Engineer	43	
Davie	Blay	NSW	Mass Customer	Financial Services	Financial Analyst	32	
Dorian	Emery	NSW	Mass Customer	Manufacturing	Professor	19	
Meade	McReedy	NSW	Affluent Customer	Financial Services	Safety Technician IV	49	
Eachelle	Noirel	NSW	Affluent Customer	Health	Registered Nurse	43	

Customer Targeting Dashboard

Filtered based on recommendation

Age Group

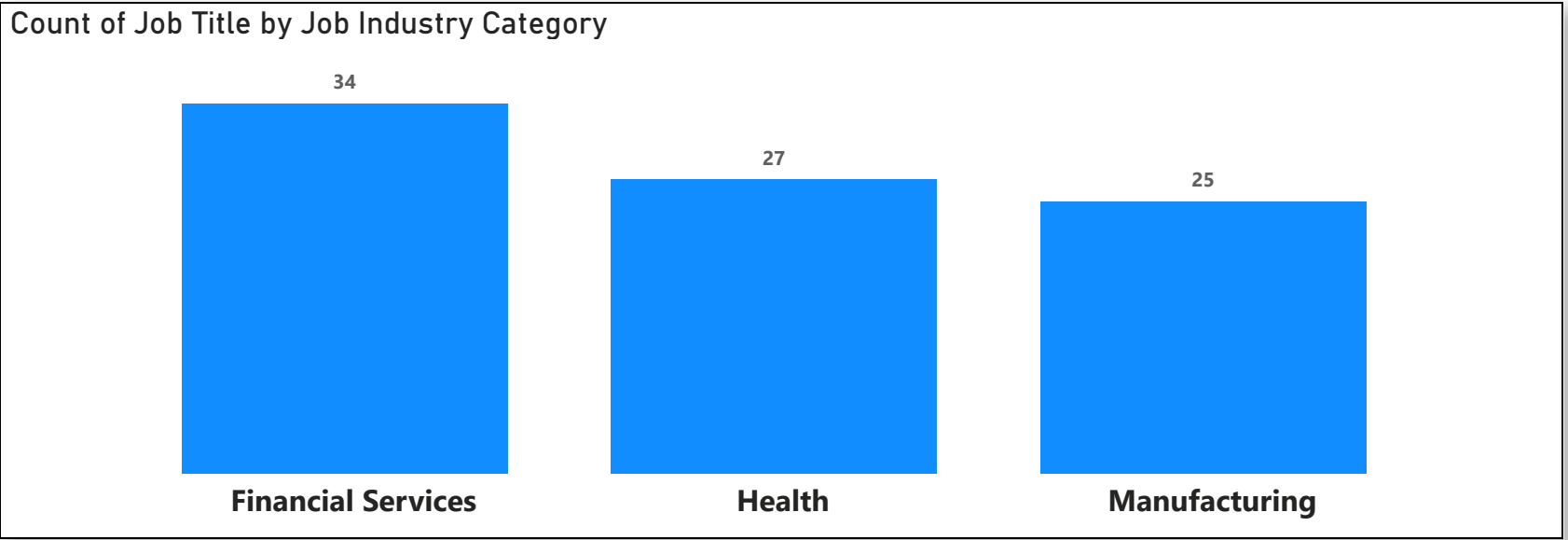
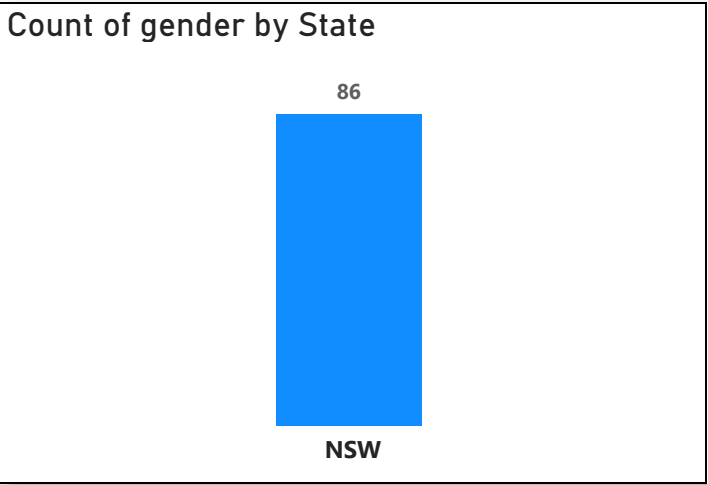
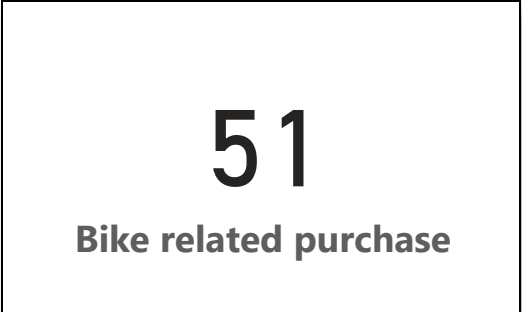
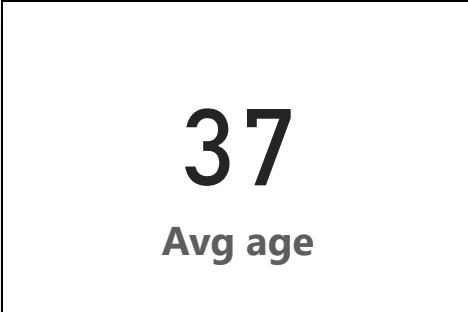
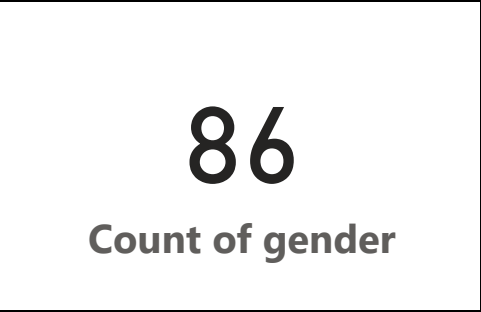
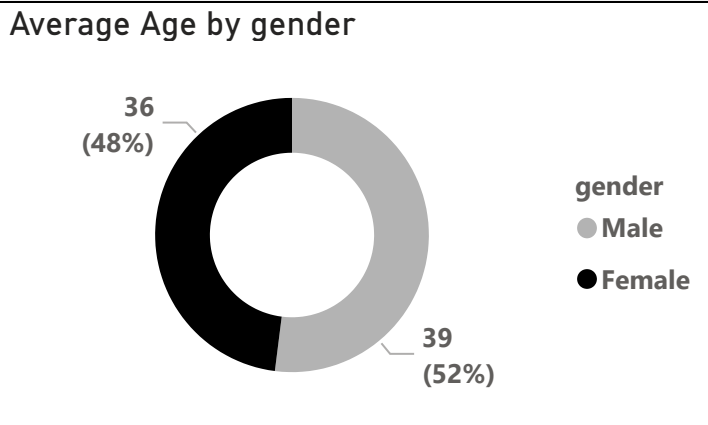
All

Job Industry Category

All

Wealth Segment

Mass Customer



First Name	Last Name	State	Wealth Segment	Job Industry Category	Job Title	Sum of Age	Sum of Bike Related Purchase in 3 years
Alexina	Mabley	NSW	Mass Customer	Manufacturing	Web Designer IV	42	72
Archibald	Blessed	NSW	Mass Customer	Financial Services	VP Sales	48	61
Feodor	Vickers	NSW	Mass Customer	Financial Services	VP Quality Control	28	60
Wylie	Huntingdon	NSW	Mass Customer	Financial Services	VP Quality Control	51	99
Jamison	Cashin	NSW	Mass Customer	Health	VP Product Management	47	70
Katleen	Arnoult	NSW	Mass Customer	Manufacturing	VP Product Management	41	6
Melba	Spellacy	NSW	Mass Customer	Health	VP Marketing	41	38