

Understanding Churn

- Context: retail sales

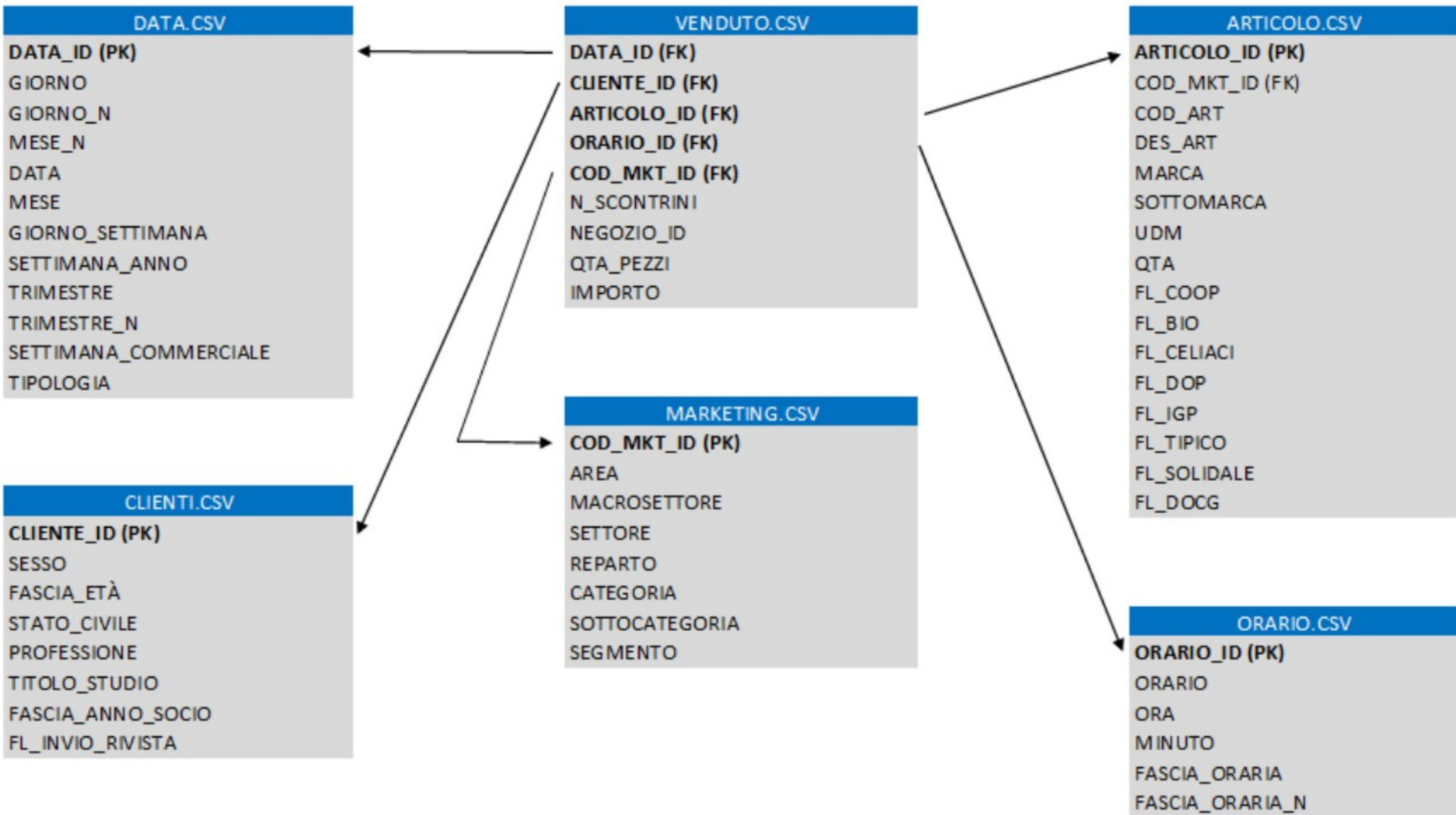


Understanding Churn Dataset

- Real data describing customers and transactions
 - Several department stores
 - Purchases performed over several years
 - Includes product details, customer ID
- articolo.csv
 - textual description of the products (in Italian)
- cliente.csv
 - basic information about customers (in Italian)
- data.csv
 - translation table for date coding
- marketing.csv
 - marketing hierarchy of products (in Italian)
- venduto.csv
 - transactions, a line for each product sold

Key table

Understanding Churn Dataset



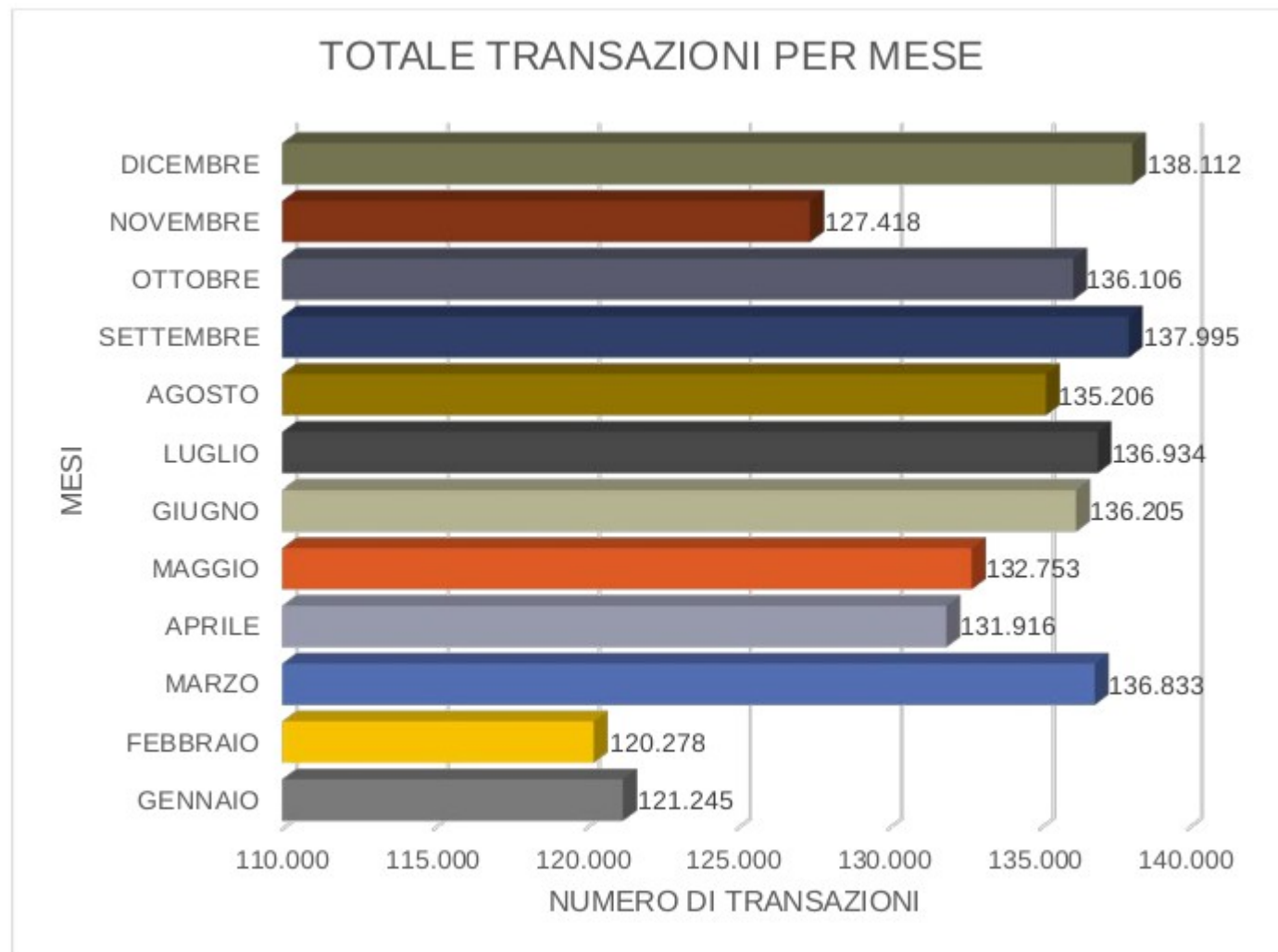
Understanding Churn

Data understanding



Understanding Churn

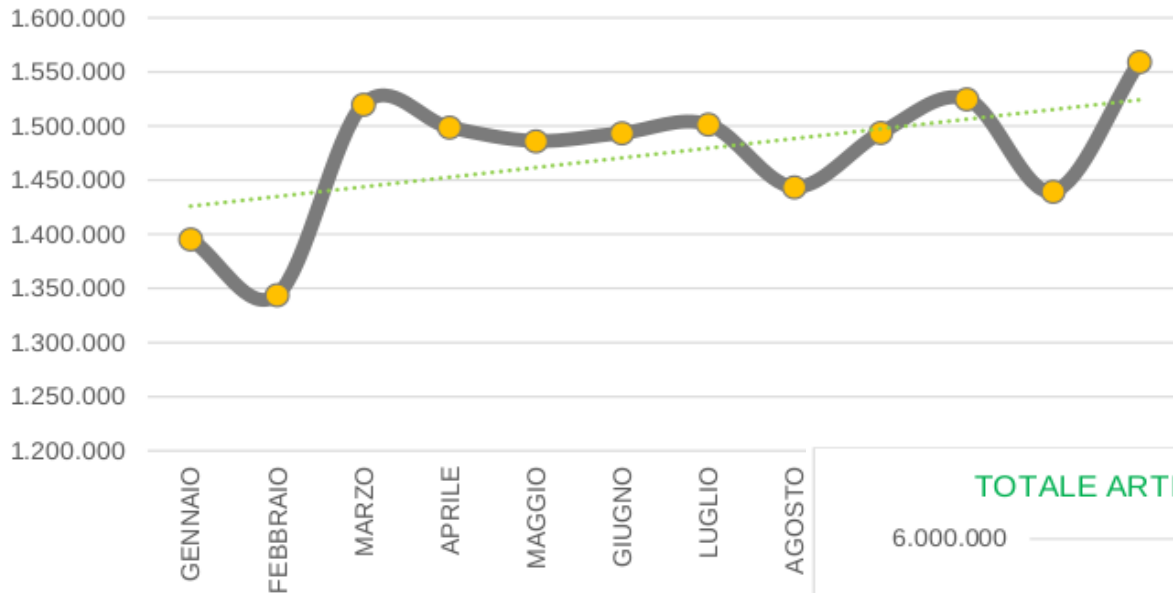
Data understanding



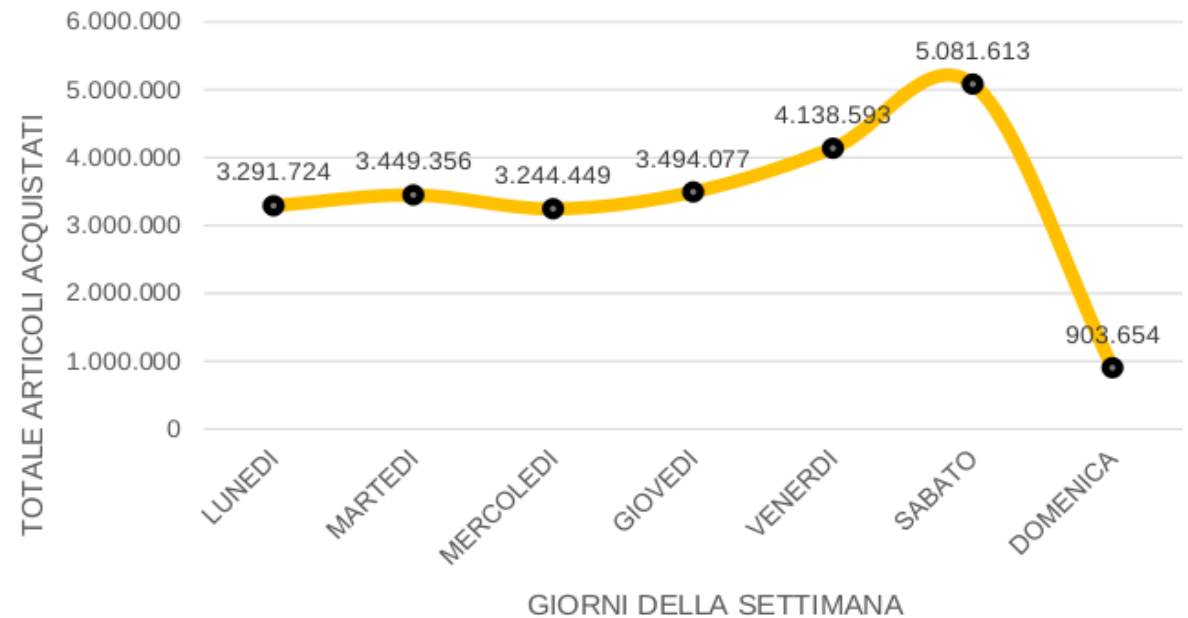
Understanding Churn

Data understanding

TOTALE ARTICOLI (unici) ACQUISTATI PER MESE

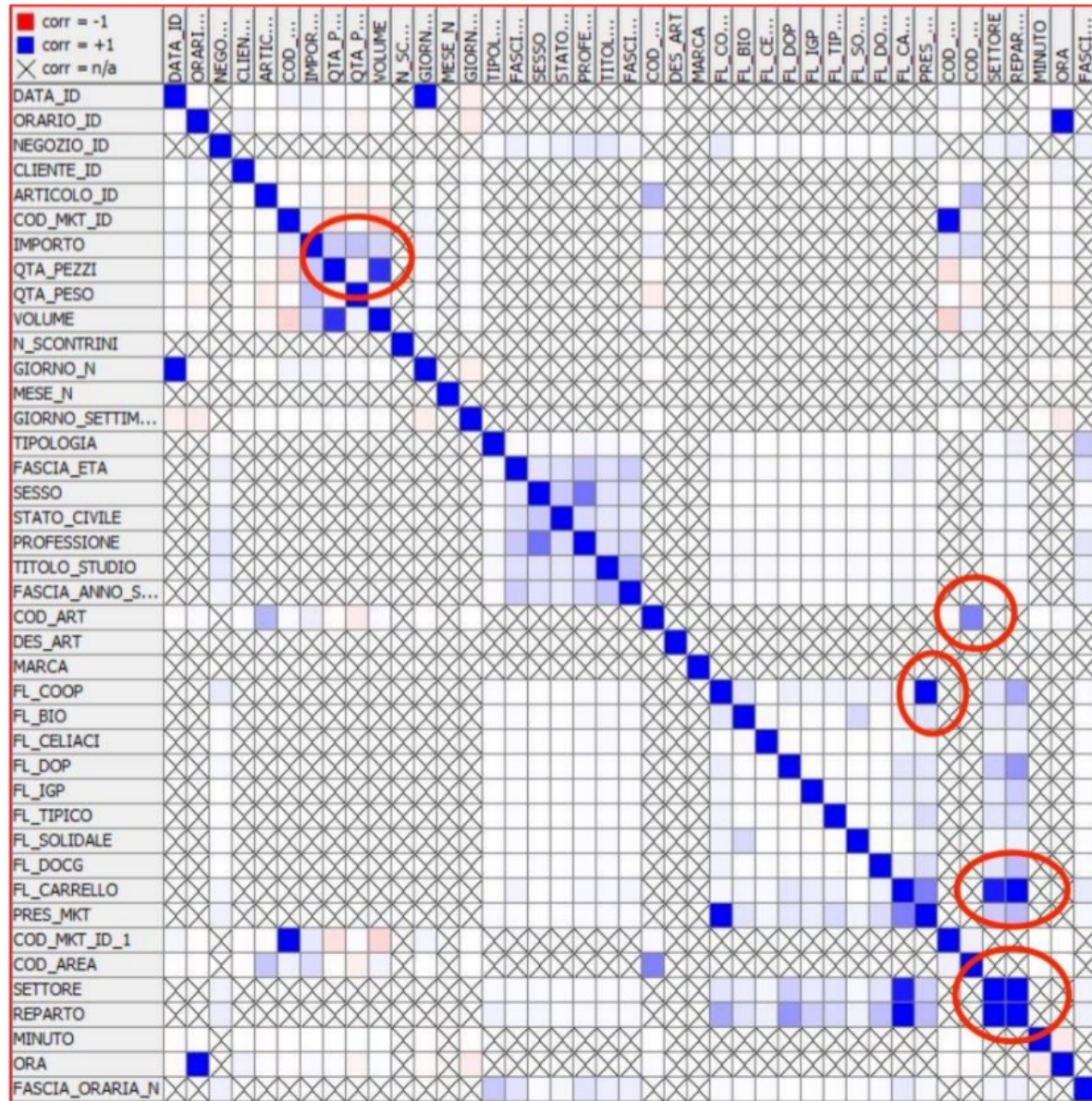


TOTALE ARTICOLI (*QTA_Pezzi) ACQUISTATI PER GIORNO



Understanding Churn

Data understanding



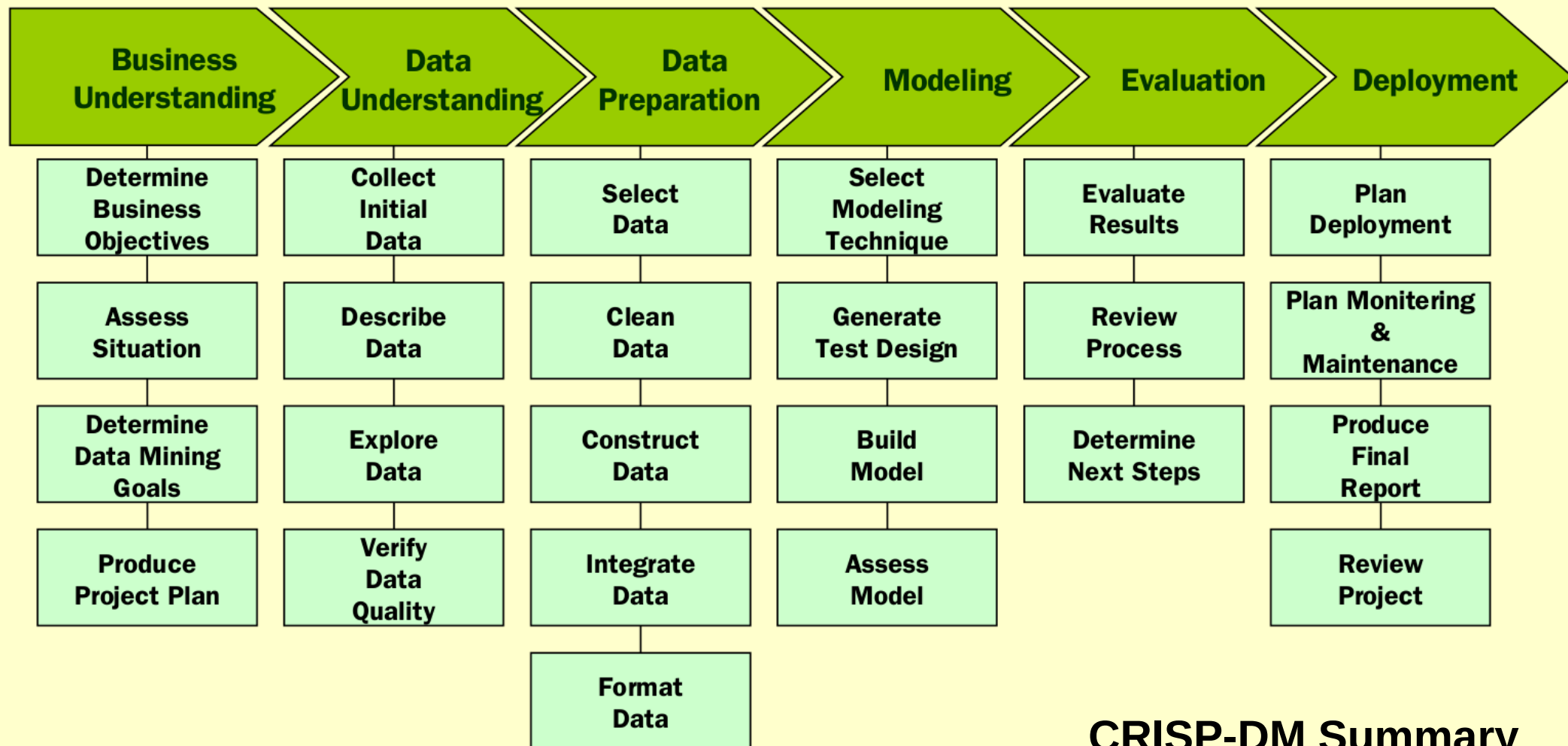
Understanding Churn

General objective

- The company realized that a large number of loyal customers of a shop are churning
 - Question 1: Who is churning ?
 - Question 2: Why ?
 - Question 3: What can we do about that ?
- Sketch a KDD project plan aimed to tackle the problem
 - Use CRISP-DM as guidelines
 - Make questions as you would to the company managers (your client)

Understanding Churn

General objective: Who is churning? Why? What can we do?



CRISP-DM Summary