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Scenario: **Affinity by Profitability and Gender Demographic**

**Application / Business Case Summary:** The director of advertising must understand what customer demographic to target to maximize the effectiveness of high-cost television advertising. Analyze the revenue and profit to see if there is a demographic to focus an advertising campaign on that will yield the maximum return for the business.

**Procedure:**

Step 1: Navigate to the Customer Analysis Module by clicking on “Customer Analysis Module”
Step 2: Navigate to Shared Reports.
Step 3: Click on “Profitability and Cross Sell Analysis” to display these reports.
Step 4: Click on “Customer Profitability” to display profitability reports.
Step 5: Click on “Customer Profitability – By Demographics” to run the report.
Step 6: Select “Customer Gender” and click the ➔ to add it to the ‘Selected’ list for Demographic attributes.
Step 7: Select “Customer Age Range” and click the ➔ to add it to the ‘Selected’ list for Demographic attributes
Step 8: Select ‘2001 Q4’ and click ➔ to add it to the ‘Selected’ list for ‘Quarter’.

Step 9: Click the “Execute Report” button
Step 10: View the displayed report. Proceed to the next step to add subtotals.
Step 11: Click on the ‘Data’ menu to open it and select ‘Totals’, ‘Total’, and select “All Subtotals”
Step 12: View the report. Note that the greatest majority of profit comes from Female customers.

**Insights / Conclusions:** We can see from this report that in the fourth quarter of 2001 females accounted for $35,732 in profit versus $28,913 for men, a 23% difference. An advertising campaign that focuses on the female consumer should result in a greater profits and revenues from that customer demographic. Advertising that targets females should result in higher profit sales.

In the course of our analysis we also sorted by age but there did not appear to be any statistical correlation between gender, age group, and profit.

**BONUS:** Continue on to the next page to see a convincing representation in a graphical form.
Visual Graph:

Step 1: Click on the “Report Refresh” button
Step 2: Select the age demographic and click the left facing arrow to remove it from the report.
Step 3: Execute the report again to see the new format
Step 4: Click on the graph function button to convert the new report into a visual graph.
Step 5: View the graph. This will give a visual representation showing the higher revenues and margins for sales to female customers.

The point of this exercise was to allow the business user to see visually what the numbers were already conveying. This could be crucial for a presentation and allows for a more impactful understanding of the data.