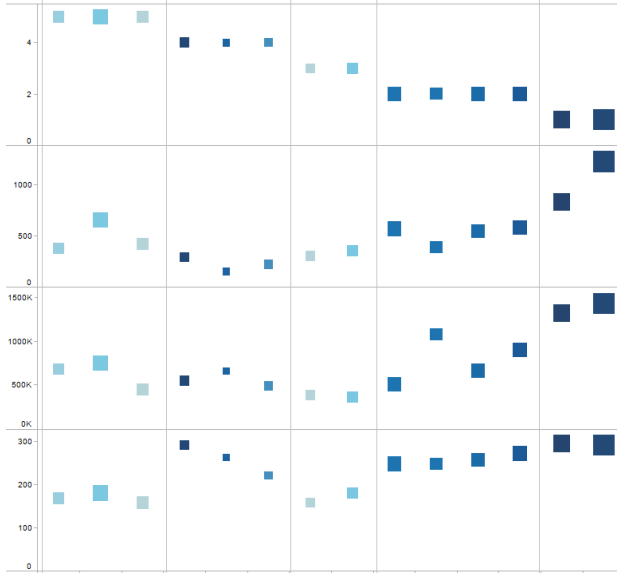
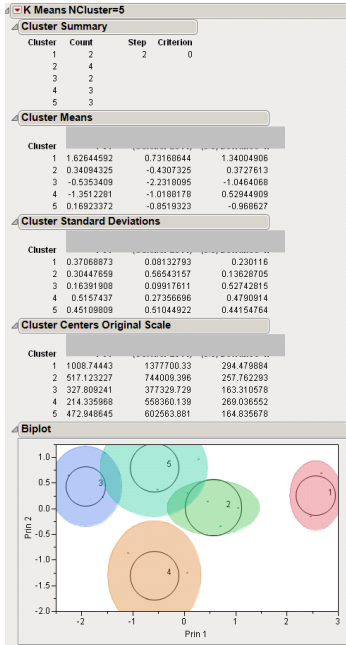


Business Case: Developing an online pricing model using digital and non-digital attributes.



Situation

A vertical leader needs assistance to develop a pricing model using a combination of site search data along with other vertical specific factors which are non-digital.

Challenges

The model needs to be build from units of measures that are not on the same scale. In addition, the site search data is not neatly categorized and needs to be mined and aggregated.

Objective

Develop a model that is reflective of all inputs which weighs non-standardized unit similarly. Web data needed to be mined from web analytic tool separately and search needed to be grouped by specific criteria.

Solution

Use K-means to determine different pricing cluster and measure cluster on different dimension by category.

Results

Pricing clusters produced were highly correlated to individual variable performance in multiple categories.

Take Away

K-means cluster are a good way to standardize, weight and group data which have different scales.