

Numeric Banding Wizard – Pareto Banding

2018 Q1

Summary

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For more information on the Pareto Principle see the Wikipedia article:

https://en.wikipedia.org/wiki/Pareto_principle

Within Market Insight this option can help in answering questions such as – ‘Select all customers responsible for 10% of the total spend’. In this case a variable would be created with 10 quantile bands based on a cumulative sum of the numeric/currency variable being banded. See the worked example below:

- Open the **Numeric Banding** wizard
- Source: Drag the currency variable **Customer Level Revenue** onto the drop zone. Click **Next**
- Banding Type: Click on the **Quantiles and Pareto** radio button
- Bands: Change the **Bands have equal** drop list to show **Sum of Banding Variable (Pareto)**. Click **Next**
- Selection: Leave blank to use all records available. Click **Next**
- Folder: Select the System folder in which the variable will be created. Click **Next**
- Add Notes: Add notes if required. Click **Next**
- Name: Enter a **Description** e.g. **10% People Bands of Customer Level Revenue**. Click **Next**
- Finish: Click **Finish**

To see the results:

- Open a **Cube** on a blank **Selection** window set to the **People** table level
- Drag the variable **10% Bands of Customer Level Revenue** onto the vertical drop zone
- Drag the **Customer Level Revenue** variable into the centre of the **Cube**
- Click the **Build** button

The screenshot shows a software window titled "Cube" with a table of data. The table has three columns: "Customers", "Sum(Customer Level Revenue)", and a third column with values. The rows represent 10 Pareto deciles and a total row. A vertical drop zone on the left is labeled "10% Bands of Customer Level Revenue".

	Customers	Sum(Customer Level Revenue)
1st Pareto decile [to 10%]	42,383	£74,479,061.67
2nd Pareto decile [to 20%]	4,502	£74,481,258.00
3rd Pareto decile [to 30%]	2,336	£74,500,429.00
4th Pareto decile [to 40%]	1,474	£74,455,035.88
5th Pareto decile [to 50%]	1,018	£74,532,470.87
6th Pareto decile [to 60%]	751	£74,450,138.29
7th Pareto decile [to 70%]	574	£74,493,332.04
8th Pareto decile [to 80%]	449	£74,533,247.66
9th Pareto decile [to 90%]	354	£74,364,282.91
10th Pareto decile [to 100%]	283	£74,460,961.35
TOTAL	54,124	£744,750,217.67