



Artikel

# Data Mining Implementation on Choosing Potential Customers Using K-Means Algorithm on PT. Koba Metal Indonesia

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## A B S T R A C T

PT. Koba metal Indonesia. is one of roll-reforming cooperations who produce light-steel stuffs which is growing rapidly nowadays. One of the important thing in customer management is how a cooperation be able to preserve their customers. the effort of preserving customers becomes important for PT. Koba metal Indonesia. considering of plenty companies who commits at the same sector. To prevent the displacement of customers, knowing the potential group of customers is important, so that the company could preserve those potential customers by giving excellent service, etc. the implication of data mining could assist the company to analyze the received data from sales transaction to gain potential customers data. Therefore, a designed application which could implement the data mining for choosing potential customers by clustering and algorithm K-means method is arranged. Then, the information performs with groups who is categorized into potential customers. Besides, rapminder application is also used to examine the data's accuracy of this built application design. Hereinafter, this application design is expected to assist companies to choose their potential customers and preserve them to advance their business.

## INTRODUCTION

One of the important things of customer management is how a company be able to preserve their owned customers. In this case, PT. Koba metal Indonesia. as a roll-forming cooperate or the proses of building light-steel into ready-to-use utensils in development section, starts to realize to preserve their

customers, considering on the growth of roll-forming business who sells same products as them. To prevent the displacement of customers, knowing the potential group of customers is important, so that the company could preserve those potential customers by giving excellent service or prizes. The prizes could be souvenirs that given to their customers annually. PT. Koba metal

Indonesia. is one of the companies that realize the importance of the connection between loyal customers and the success of company's business.

## I. METHODS

K-means is an algorithm that be used in partial classification that separate datas into different groups. This algorithm is able to minimalize the gap between data to its cluster. Basically, the application of this algorithm in the clustering process depends on the received datas and the conclusions that expected to be achieved in the end of the process. So in k-means algorithm application, there are precepts, such as:

- a. How many clusters that needed to be inserted.
- b. Only have numeric type attribute.

Basically k-means algorithm only takes a piece of those plenty components that is received to become the center of the beginning cluster. After that, the k-means algorithm will examine each of the component in that data population and mark that component into one of defined cluster center depend on the minimum gap between cluster's center to another center. After that, the cluster's center's position will be counted

until all of the data components is classified into each of clusters and at last, new cluster will be built.

Data mining is a data analyse to discover an obvious relation and conclude the unknown with the current method that useful and understood by the owner.

Clustering or classifying is a method that is used to divide data circuits into some groups based on their similarity which has determined before. Cluster is a group of similar data in the same, cluster, and dissimilar to other cluster's object. Object will be classified into one or more clusters, so that objects in a cluster have substantial similarity between one and another.

## II. RESULTS

The image below is an applied k-means algorithm method's layout on rapidminer. This process starts in Read excel step, which is an excel files in clustering data are processed with k-means algorithm, after that, these datas will be on apply model stage, to adjust these k-means algorithm clusterised data to enter performance stage. On performance stage, these datas will be processed to produce PerformaceVector, cluster model, and example set output.

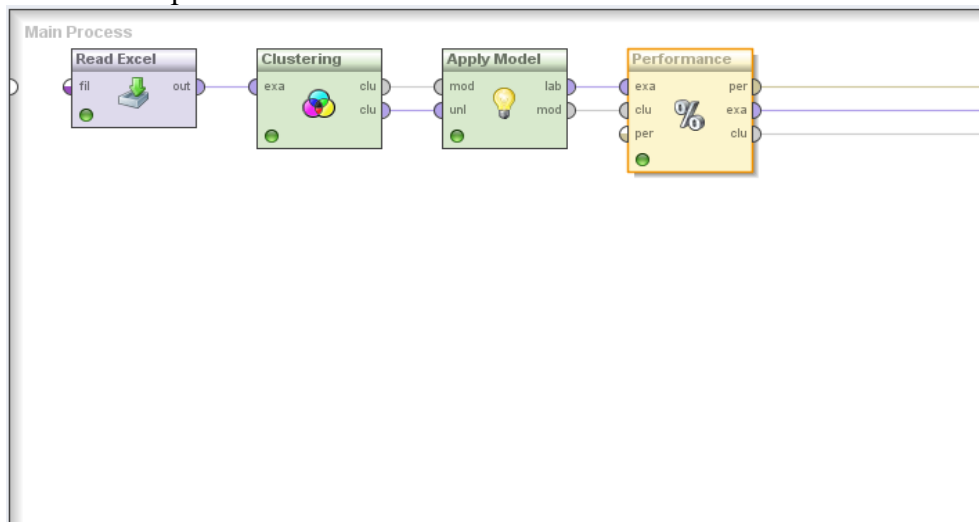
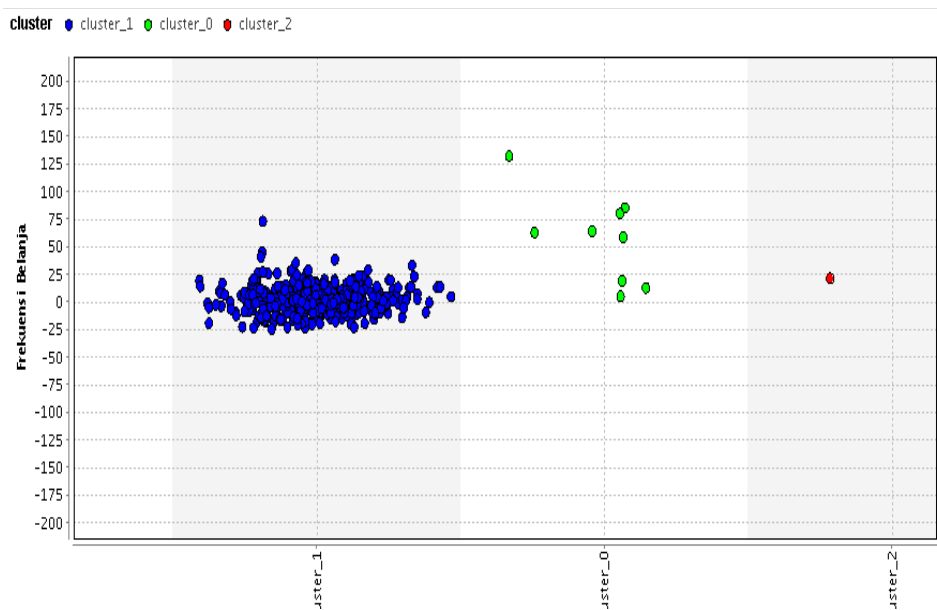


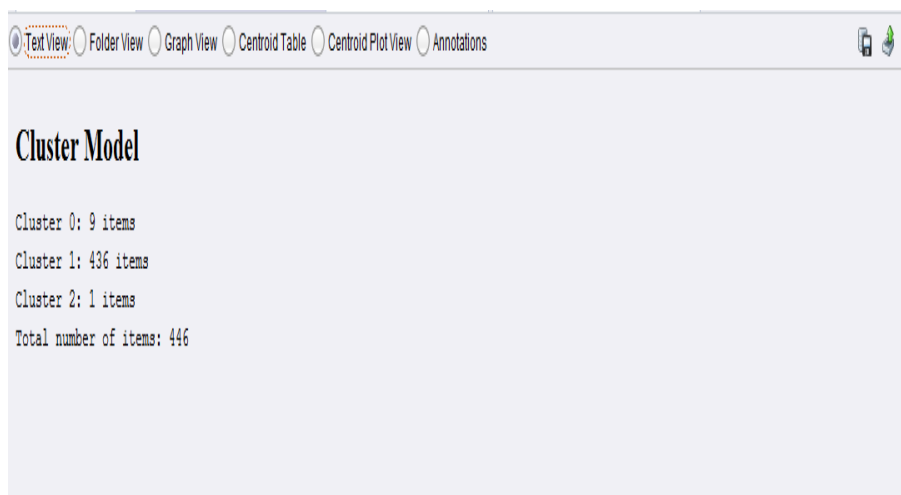
Image 1: Algorithm K-Means Application on Rapidminer



Image 2: Cluster Model on Rapidminer



Gambar 3: K-Means Diagram on Rapidminer



Gambar 4: Cluster Model on Rapidminer

**Table 1. Comparison Value on 3 Algorithm Methods**

	<i>K-Means</i>	<i>Naïve Bayes</i>	<i>Algoritma C45</i>
<i>Accuracy</i>	93%	90.06%	84.30%
<i>Data Source</i>	<i>PT. Koba Metal Indonesia Sales Data</i>	<i>PT. Koba Metal Indonesia Sales Data</i>	<i>PT. Koba Metal Indonesia Sales Data</i>
<i>Secondary Algorithm</i>			

These variables consist of 3 fuzzy compilations, such as low, medium, and high, which is showed on image 2 and 3. Each of compilation's affiliation's functions are formulated as follows: Based on table above, can be known that Naïve Bayes accuracy value is 90.06%, 84,30% for C4.5, and 93% for K-Means. These 3 methods above examine PT. Kobe metal Indonesia.'s sales data. For K-Means accuracy value is obtained

### III. DISCUSSION

Decision making is started by cluster determination stage, which is done based on the aim of data mining process. On this case, data that is aimed to be generated is potential customer's data, with 3 categories, such as potential, less potential, and not potential. Can be concluded that the built clusters are 3/c=3. the cluster central point could be decided independently or by find out the high value (c1), average value(c2), and lowest value (c3). Here is data example with 40 datas taken.

by manual calculation with the formula as follows:

$$Accuracy = \frac{TP + TN}{TP + TN + FP + FN}$$

From algorithm k-means process' result's data, could be indicated 9 on potential customer category, 1 for less potential customers, and 436 for not potential customers. Compared with the raw data (have not been processed with k-means algorithm) has been predicted 16 potential customers, 20 less potential customers, and 410 not potential customers. These type of data later gained the values that will be used to count the accuracy value, as the table follows:

**Table 2. Accuracy Point**

TP (True Positif)	FP (False Positif)
415	31
FN (False Negatif)	TN (True Negatif)
0	0

**Table 3. Sales Data Sample on PT. KMI**

NO	CUSTOMER	FREKUENSI BELANJA	TOTAL BELANJA
1	3 SAUDARA,TE	1	4,800,000
2	AAN SUTARYA,BPK	2	2,112,500
3	AAN,BPK	3	1,551,900
4	AAANG,BPK	8	50,922,500
5	AAT,BPK	4	7,336,000
6	ABADI JAYA	6	25,945,450
7	ABDUL KODIR GRAHAM	2	74,500,000
8	ACEP TRALIS CITRA	1	256,250
9	ACEP,BPK	4	21,334,000
10	ACIM,BPK	3	21,175,500
11	ACONG,BPK	2	48,226,150
12	ADANG,BPK	3	6,366,930
13	ADE SAPUTRA,BPK	8	53,004,000
14	ADE,BPK	8	83,664,000
15	ADI,BPK	5	54,771,940
16	ADH,BPK	5	12,507,250
17	ADDN,BPK	4	55,035,000
18	ADDNO,BPK	1	375,000
19	AEP,BPK	1	12,185,000
20	AFANG,BPK	2	12,973,000
21	AFIN,BPK	1	1,764,000
22	AGI /ADDN,PT	1	29,475,000
23	AGUS LAS,BPK	8	6,448,475
24	AGUS SUHAEMI,BPK	1	1,570,000
25	AGUS,BPK	7	16,732,200
26	AHMAD,BPK	4	12,697,500
27	AHMID,BPK/IBU LIA	1	9,552,500
28	AHOK,BPK	2	32,675,600
29	AKUR REHA,CV	5	33,253,600
30	ALAN,BPK	3	15,400,000
31	ALAY,BPK	1	7,872,975
32	ALDI,BPK	1	888,000
33	ALEX,BPK	1	5,923,800
34	ALFA MIDI	1	4,630,500
35	ALFAUZAN,TE	2	10,380,000
36	ALI,BPK / IRON GALERY TK	2	10,374,900
37	ALNO,TE	1	14,500,600
38	ALUNG,BPK	3	27,975,500
39	AMAN,BPK	5	5,479,000
40	AMANAH PRIMA D'DONESIA,PT	3	6,490,040

Cluster center point:

C1=highest value (shopping frequency, total expenditure)

C1=(8,83664000)

C2=average value (shopping frequency, total expenditure)

$$C2=(3.15,20078664)$$

C3=lowest value (shopping frequency, total expenditure)

$$C3=(1,256250)$$

Calculate the gap between data to cluster central point.

**Table 4. Iteration 1 Process Result**

NO	CUSTOMER	FREKUENSI BELANJA	TOTAL BELANJA	C1	C2	C3
1	3 SAUDARA, TB	1	4,800,000			*
2	AAN SUTARYA, BPK	2	2,112,500			*
3	AAN, BPK	3	1,551,900			*
4	AAANG, BPK	8	50,922,500			*
5	AAT, BPK	4	7,336,000			*
6	ABADI JAYA	6	25,945,450			*
7	ABDUL KODIR GRAHAM	2	74,500,000	*		
8	ACEP TRALIS CITRA	1	256,250			*
9	ACEP, BPK	4	21,334,000			*
10	ACIM, BPK	3	21,175,500			*
11	ACONG, BPK	2	48,226,150			*
12	ADANG, BPK	3	6,366,930			*
13	ADE SAPUTRA, BPK	8	53,004,000	*		
14	ADE, BPK	8	83,664,000	*		
15	ADI, BPK	5	54,771,940	*		
16	ADIH, BPK	5	12,507,250			*
17	ADIN, BPK	4	55,035,000	*		
18	ADINO, BPK	1	375,000			*
19	AEP, BPK	1	12,185,000			*
20	AFANG, BPK	2	12,973,000			*
21	AFIN, BPK	1	1,764,000			*
22	AGI / ADIN, PT	1	29,475,000			*
23	AGUS LAS, BPK	8	6,448,475			*
24	AGUS SUHAEMI, BPK	1	1,570,000			*
25	AGUS, BPK	7	16,752,200			*
26	AHMAD, BPK	4	12,697,500			*
27	AHMID, BPK/IBU LIA	1	9,552,500			*
28	AHOK, BPK	2	32,675,600			*
29	AKUR REHA, CV	5	33,253,600			*
30	ALAN, BPK	3	15,400,000			*
31	ALAY, BPK	1	7,872,975			*
32	ALDI, BPK	1	888,000			*
33	ALEX, BPK	1	5,923,800			*
34	ALFA MIDI	1	4,630,500			*
35	ALFAUZAN, TB	2	10,380,000			*
36	ALI, BPK / IRON GALERY TK.	2	10,374,900			*
37	ALNO, TB	1	14,500,600			*
38	ALUNG, BPK	3	27,975,500			*
39	AMAN, BPK	5	5,479,000			*
40	AMANAH PRIMA INDONESIA, PT	3	6,490,040			*

Calculate the cluster center again with the current cluster's membership. The new cluster center is the average of all datas/objects in certain group.

Finding the new C1

$$C_{11} = \frac{(2+8+8+5+4)}{5} = 5.4$$

$$C_{12} = \frac{(74500000 + 53004000 + 83664000 + 54771940 + 55035000)}{4} = 64194988$$

So the new C1 center is = 5.4,64194988

$$C_{21} = \frac{61}{18} = 3.4$$

$$C_{22} = \frac{408753750}{18} = 22708541.67$$

So the new C2 center is = 3.4,22708541.67

$$C_{31} = \frac{38}{17} = 2.2$$

$$C_{32} = \frac{73417870}{17} = 4318698.24$$

So the new C3 center is = 2.2,4318698.24

After getting the new cluster result, count the gap between data and the new cluster center's point, and categorize again the cluster. Repeat those stage all over again until cluster's position on the cluster grouping stage will not change anymore.

**Table 5. Iteration 2 Process Result**

NO	CUSTOMER	FREKUENSI BELANJA	TOTAL BELANJA	C1	C2	C3
1	3 SAUDARA, TB	1	4,800,000			*
2	AAN SUTARYA, BPK	2	2,112,500			*
3	AAN, BPK	3	1,551,900			*
4	AAANG, BPK	8	50,922,500	*		
5	AAT, BPK	4	7,336,000			*
6	ABADI JAYA	6	25,945,450			*
7	ABDUL KODIR GRAHAM	2	74,500,000	*		
8	ACEP TRALIS CITRA	1	256,250			*
9	ACEP, BPK	4	21,334,000			*
10	ACIM, BPK	3	21,175,500			*
11	ACONG, BPK	2	48,226,150	*		
12	ADANG, BPK	3	6,366,930			*
13	ADE SAPUTRA, BPK	8	53,004,000	*		
14	ADE, BPK	8	83,664,000	*		
15	ADI, BPK	5	54,771,940	*		
16	ADIH, BPK	5	12,507,250			*
17	ADIN, BPK	4	55,035,000	*		
18	ADINO, BPK	1	375,000			*
19	AEP, BPK	1	12,185,000			*
20	AFANG, BPK	2	12,973,000			*
21	AFIN, BPK	1	1,764,000			*
22	AGI / ADIN, PT	1	29,475,000			*
23	AGUS LAS, BPK	8	6,448,475			*
24	AGUS SUHAEMI, BPK	1	1,570,000			*
25	AGUS, BPK	7	16,752,200			*
26	AHMAD, BPK	4	12,697,500			*
27	AHMID, BPK/IBU LIA	1	9,552,500			*
28	AHOK, BPK	2	32,675,600			*
29	AKUR REHA, CV	5	33,253,600			*
30	ALAN, BPK	3	15,400,000			*
31	ALAY, BPK	1	7,872,975			*
32	ALDI, BPK	1	888,000			*
33	ALEX, BPK	1	5,923,800			*
34	ALFA MIDI	1	4,630,500			*
35	ALFAUZAN, TB	2	10,380,000			*
36	ALI, BPK / IRON GALERY TK.	2	10,374,900			*
37	ALNO, TB	1	14,500,600			*
38	ALUNG, BPK	3	27,975,500			*
39	AMAN, BPK	5	5,479,000			*
40	AMANAH PRIMA INDONESIA, PT	3	6,490,040			*

**Table 6. Iteration 3 Process Result**

NO	CUSTOMER	FREKUENSI BELANJA	TOTAL BELANJA	C1	C2	C3
1	3 SAUDARA, TB	1	4,800,000			*
2	AAN SUTARYA, BPK	2	2,112,500			*
3	AAN, BPK	3	1,551,900			*
4	AAANG, BPK	8	50,922,500	*		
5	AAT, BPK	4	7,336,000			*
6	ABADI JAYA	6	25,945,450		*	
7	ABDUL KODIR GRAHAM	2	74,500,000	*		
8	ACEP TRALIS CITRA	1	256,250			*
9	ACEP, BPK	4	21,334,000		*	
10	ACIM, BPK	3	21,175,500		*	
11	ACONG, BPK	2	48,226,150	*		
12	ADANG, BPK	3	6,366,930			*
13	ADE SAPUTRA, BPK	8	53,004,000	*		
14	ADE, BPK	8	83,664,000	*		
15	ADI, BPK	5	54,771,940	*		
16	ADIH, BPK	5	12,507,250			*
17	ADIN, BPK	4	55,035,000	*		
18	ADINO, BPK	1	375,000			*
19	AEP, BPK	1	12,185,000			*
20	AFANG, BPK	2	12,973,000			*
21	AFIN, BPK	1	1,764,000			*
22	AGI / ADIN, PT	1	29,475,000		*	
23	AGUS LAS, BPK	8	6,448,475			*
24	AGUS SUHAEMI, BPK	1	1,570,000			*
25	AGUS, BPK	7	16,752,200		*	
26	AHMAD, BPK	4	12,697,500			*
27	AHMID, BPK/IBU LIA	1	9,552,500			*
28	AHOK, BPK	2	32,675,600		*	
29	AKUR, REHA, CV	5	33,253,600		*	
30	ALAN, BPK	3	15,400,000			*
31	ALAY, BPK	1	7,872,975			*
32	ALDI, BPK	1	888,000			*
33	ALEX, BPK	1	5,923,800			*
34	ALFA MIDI	1	4,630,500			*
35	ALFAUZAN, TB	2	10,380,000			*
36	ALI, BPK / IRON GALERY TK.	2	10,374,900			*
37	ALNO, TB	1	14,500,600			*
38	ALUNG, BPK	3	27,975,500		*	
39	AMAN, BPK	5	5,479,000			*
40	AMANAH PRIMA INDONESIA, PT	3	6,490,040			*

Table 7. Iteration 4 Process Result

NO	CUSTOMER	FREKUENSI BELANJA	TOTAL BELANJA	C1	C2	C3
1	3 SAUDARA, TB	1	4,800,000			*
2	AAN SUTARYA, BPK	2	2,112,500			*
3	AAN, BPK	3	1,551,900			*
4	AAANG, BPK	8	50,922,500	*		
5	AAT, BPK	4	7,336,000			*
6	ABADI JAYA	6	25,945,450		*	
7	ABDUL KODIR GRAHAM	2	74,500,000	*		
8	ACEP TRALIS CITRA	1	256,250			*
9	ACEP, BPK	4	21,334,000		*	
10	ACIM, BPK	3	21,175,500		*	
11	ACONG, BPK	2	48,226,150	*		
12	ADANG, BPK	3	6,366,930			*
13	ADE SAPUTRA, BPK	8	53,004,000	*		
14	ADE, BPK	8	83,664,000	*		
15	ADI, BPK	5	54,771,940	*		
16	ADIH, BPK	5	12,507,250			*
17	ADIN, BPK	4	55,035,000	*		
18	ADINO, BPK	1	375,000			*
19	AEP, BPK	1	12,185,000			*
20	AFANG, BPK	2	12,973,000			*
21	AFIN, BPK	1	1,764,000			*
22	AGI / ADIN, PT	1	29,475,000		*	
23	AGUS LAS, BPK	8	6,448,475			*
24	AGUS SUHAEMI, BPK	1	1,570,000			*
25	AGUS, BPK	7	16,752,200		*	
26	AHMAD, BPK	4	12,697,500			*
27	AHMID, BPK/IBU LIA	1	9,552,500			*
28	AHOK, BPK	2	32,675,600		*	
29	AKUR, REHA, CV	5	33,253,600		*	
30	ALAN, BPK	3	15,400,000			*
31	ALAY, BPK	1	7,872,975			*
32	ALDI, BPK	1	888,000			*
33	ALEX, BPK	1	5,923,800			*
34	ALFA MIDI	1	4,630,500			*
35	ALFAUZAN, TB	2	10,380,000			*
36	ALI, BPK / IRON GALERY TK.	2	10,374,900			*
37	ALNO, TB	1	14,500,600			*
38	ALUNG, BPK	3	27,975,500		*	
39	AMAN, BPK	5	5,479,000			*
40	AMANAH PRIMA INDONESIA, PT	3	6,490,040			*

Because on the 3<sup>rd</sup> and the 4<sup>th</sup> iteration has no change of the cluster position, then the process is stopped. It is known that on the 4<sup>th</sup> iteration,

cluster 1 central point is on (5.3,60017656). So that could be cluster central point concluded that cluster 1's customers are potential customers, for cluster 2's central point is on (3.9,26073356) categorized as less potential customers, and for the cluster 3's central point is on (2.3,6977445) categorized as not potential customers.

#### IV. CONCLUSION

Based on the research that has been done, it can be concluded as follows:

1. Agglomeration of the kmi co.'s sales data could be done by clustering model, with agglomerating those datas into categories basen on data's similarity in a category.
2. To get potential customers data by k-means algorithm is done by these stages as follows:
  - a. Decide the cluster's amount.
  - b. Decide the cluster's center point.
  - c. Calculate the gap between data to cluster's center point.
  - d. Agglomerate data into clusters depend on the shortest gap or the smallest.
  - e. Repeat step b-d, and compare the data position on every result. If the data position changes, repeat step b-d all over again. If the position co not change anymoe, the process is done.
  - f. The potential customer determination is seen by the biggest cluster's center poin from the built on the last stage when the data position on the cluster stays still.
3. Getting potential customer data with Rapidminer application is done by importing the first data to be processed can be in the form of an excel or csv module read excel if excel file and read csv if shaped csv file. The data processed includes the name of the customer (customer), shopping frequency, and total expenditure. after that input K-Means algortima module and also change the parameters such as the number of clusters desired. Then connect the module read

excel / csv to K-means algorithm module and forwarded to the endpoint that is already available. And if it is done, the next data can be processed by Rapidminer application that produces clusters with data that has been grouped and also displays the highest cluster central point value so that it can be determined which cluster into the category of potential customers.

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