



Growth Opportunities and Strategy --Growth Analytics

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Agenda

Merchants & Users Profile

Strategy recommendation and further improvements



Merchants & Users Feature

Merchants

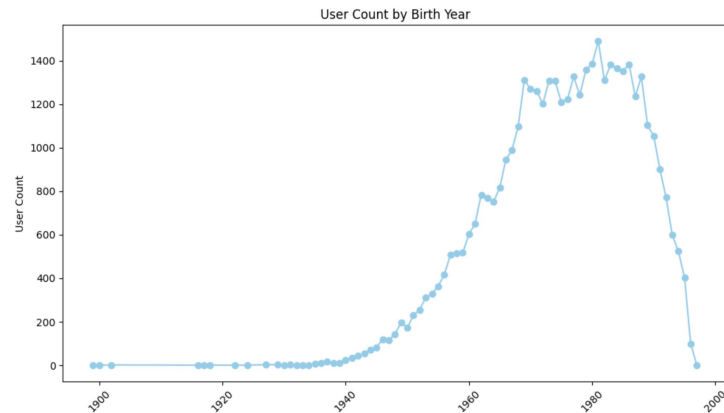
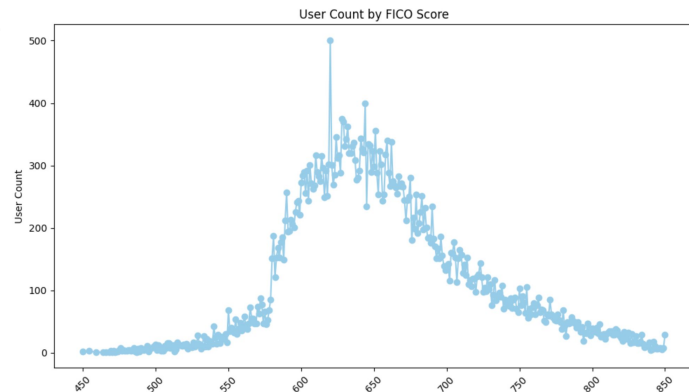
- 18 merchants from 4 industry(Apparel, Furniture, Jewelry, Music)

Funnel (2016-01-01 to 2016-04-01)

- 4-step funnel:
 - "Checkout Loaded" (192299 users)
 - → "Loan Terms Run" (66% of all users)
 - → "Loan Terms Approved" (32% of all users)
 - → "Checkout Completed" (21% of all users)

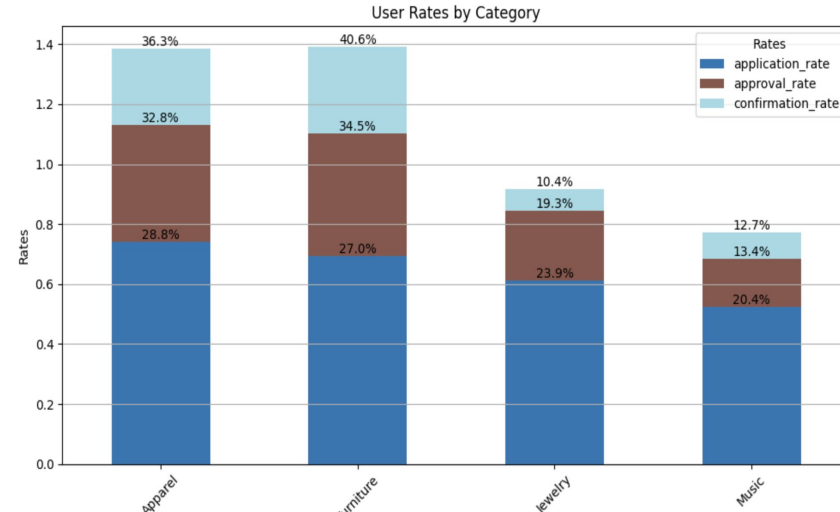
Loans & User Profile

- **Age Range**: Majority born between 1970's and 1990's
- **FICO Score**: The average score is 649
- **Loan details**:
 - Users chose 1-18 months loan length
 - More than 75% didn't give down payment
 - 44% are repeat users



Industry Breakdown

- **Apparel** industry is the dominant market and has high growth opportunity:
 - Almost half of users (49%) came from Apparel
 - Conversion Rate (around 30%) in each funnel and revenue (1 million+) are only lower than Furniture industry
- **Music** industry has high exposure but lowest conversion rate:
 - Second leading acquisition channel (28%)
 - Only 13% customers completed the loans process, and contributed 7.5% revenue
- **Furniture** industry generates highest revenue with low customer volume:
 - 19% customers came from Furniture
 - 41% customers completed the process and accounted for 55% of total revenue.
- **Jewelry** industry doesn't show obvious growth potential



Recommendations and further improvements

- Apparel is the dominant industry with most users
- Furniture is the leading revenue-sourcing industry.

Expanding the exposure to these two industry will bring more value.

Invest more in Apparel & Furniture

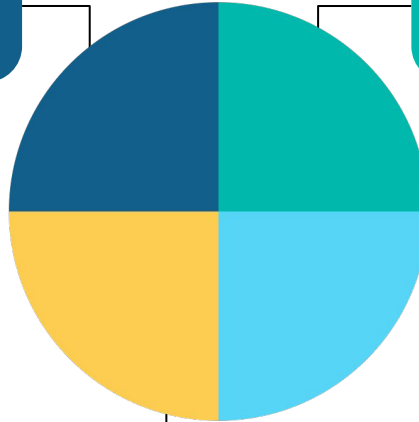
Increase the conversion in Music

As the second important acquisition channel, music industry doesn't perform great conversion rate and revenue.

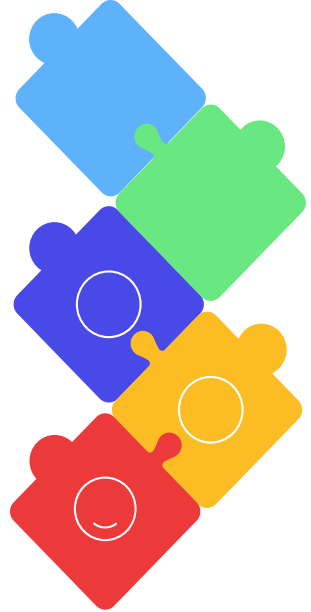
We can take actions to investigate the reasons, such as from customer feedback or user profile.

Deep dive into correlation to user demographic

More effort could be put into. User profile already gave us many information, but we can deep dive into the **correlation** between (FICO score, recency and birth year) and conversion rate in each channel and revenue, to increase the performance of them. Or we can create a model to capture the most important features which contributes to improvements of KPIs.



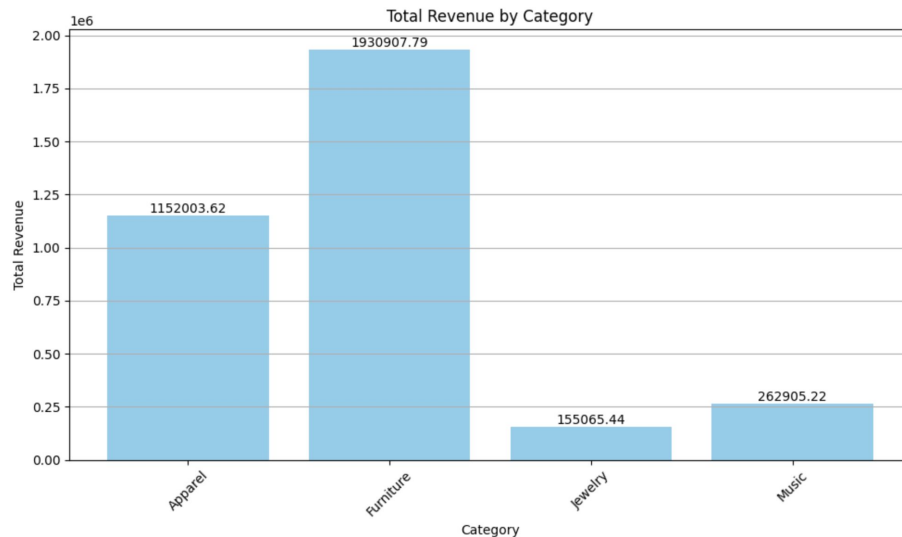
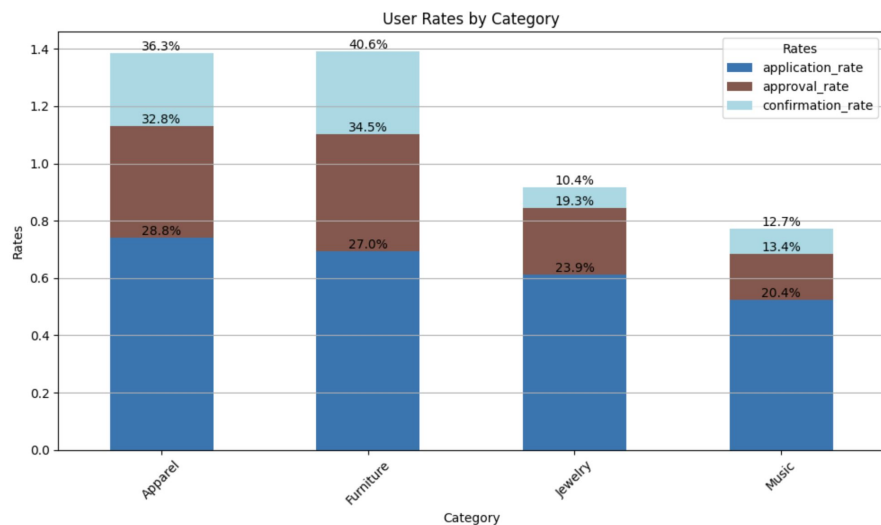
Thanks!
Any questions or ideas?



Appendix

The following two charts show conversion rates and revenue by industries.

For details of data exploration and code, please refer to [google colab](#)



Appendix - anomalies

1. Feb 22 to Feb 28 data in funnel table is missing
2. 559 records in loans table have no FICO score
3. There are some abnormal birth year (born before 1940) -- delete them in related analysis or categorize birth year buckets.
4. Roquefort NYC merchant has two merchant_id. Here I assume two merchants have same name, but it's better to confirm again.