

Customer Targeting for a Retail Company



Team Introduction



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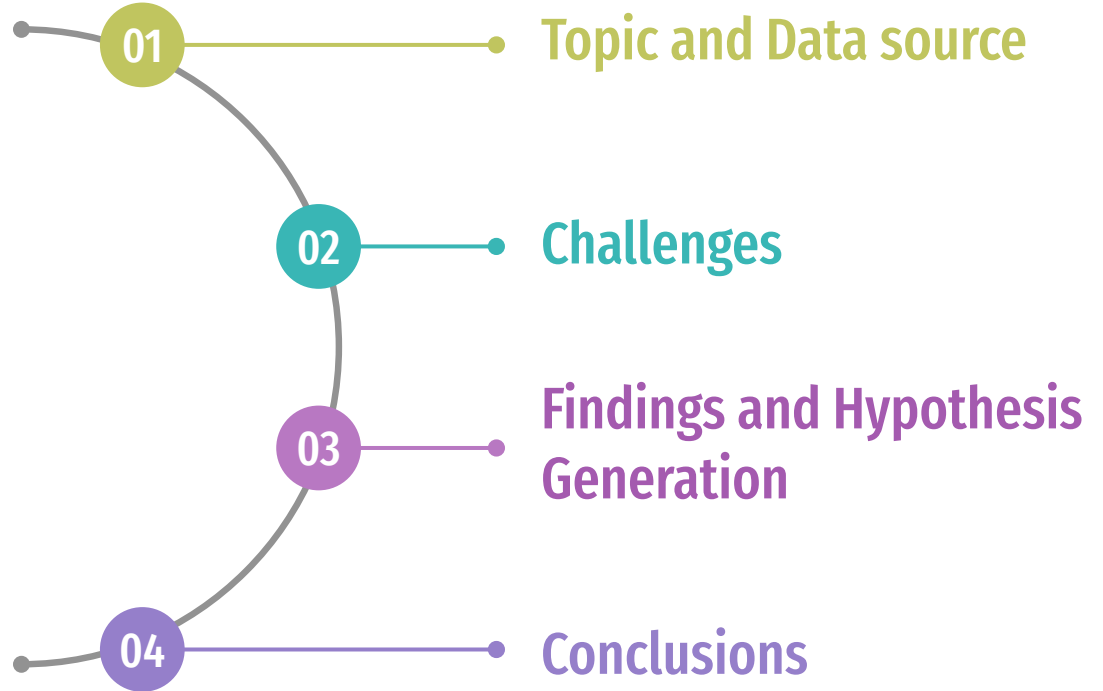


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Outline



Topic and Data Source

- Our project objective is to perform a detailed analysis of a company's ideal customers
- It assists firms to better understand its target customers and makes it easier for them to tailor promotions according to the specific needs, behaviours and concerns of different types of customers
- For this analysis, we have obtained our dataset from Kaggle, which gives us information about
 - Customer Demographics
 - Various Shopping Channels
 - Different Product Types with Amount Spent



Challenges

1

The data for each user category is not balanced which might affect our inferences

2

There are no details given about the different promotions due to which no actionable insights could be generated

3

Certain user demographic data labels do not have a clear definition

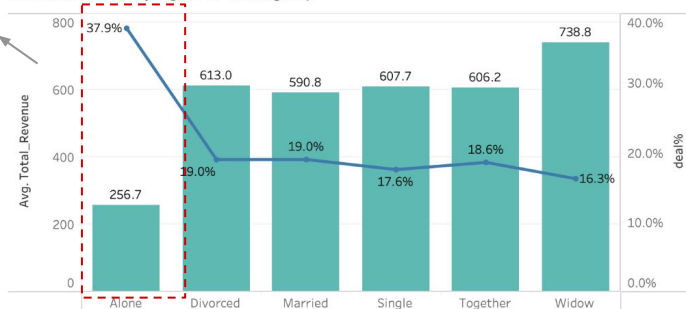
Analysis Flow



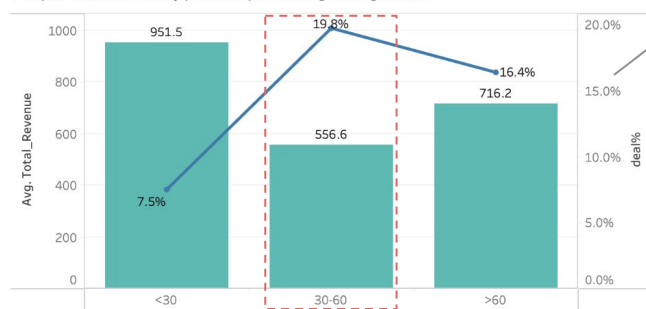
Analyzing different customer segments based on Average Amount Spent and % of Deal Purchases

Focus on Alone group as %Deals Purchase is Erroneously High

Deal% is erroneously higher for Alone group

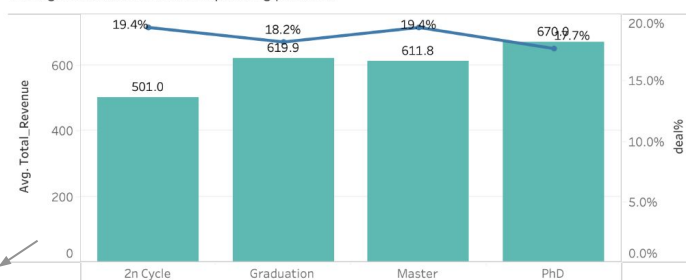


People <30 are not very prone to purchasing through Deals



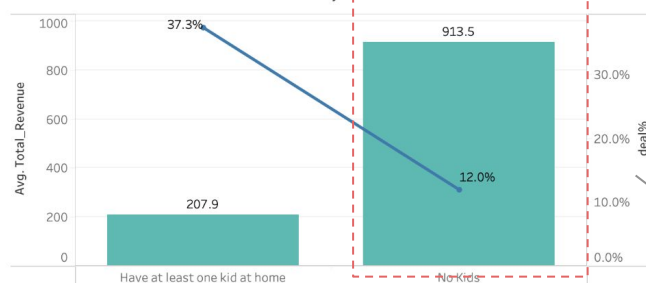
People from different age groups have different response rate to deals

No significant difference in spending patterns



Education Level Doesn't have any significant impact on spending patterns

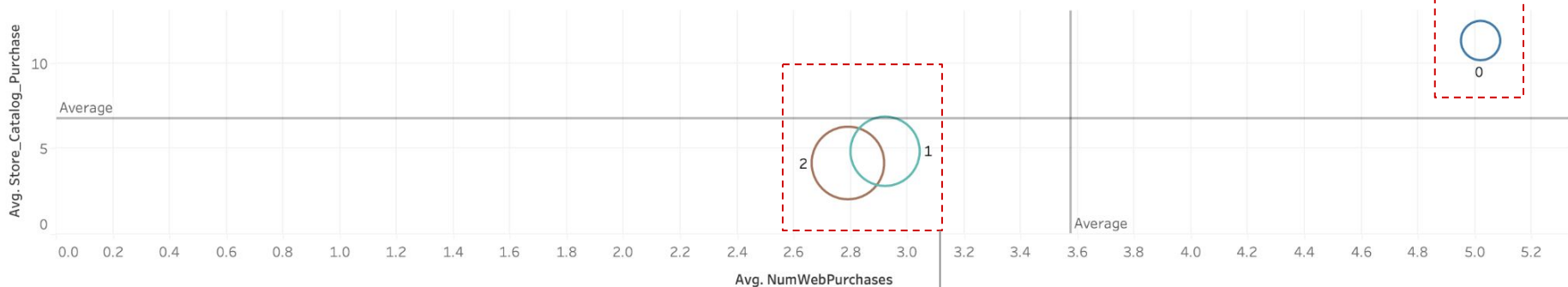
Households with Kids tend to be influenced by Deals



Households without kids have higher average spending and lower %Deal Purchases - Deep Dive

Analyzing different customer segments based on Average Amount Spent and % of Deal Purchases

Households with no Kids have higher Avg Store and Web Purchases



People with no kids have higher average Store/Catalog and Web purchases

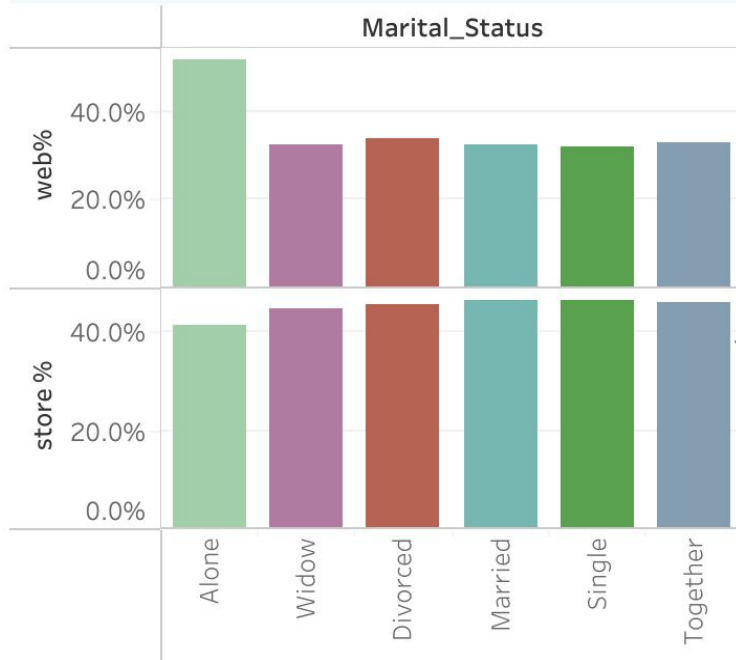
Households with Kids, on a average make more Deal purchase but have lower average store/catalog and Web Purchases

Analysing % of Deal Purchases (Size of the bubble) split by number of kids at a household and by average no. of store/catalog and web purchases

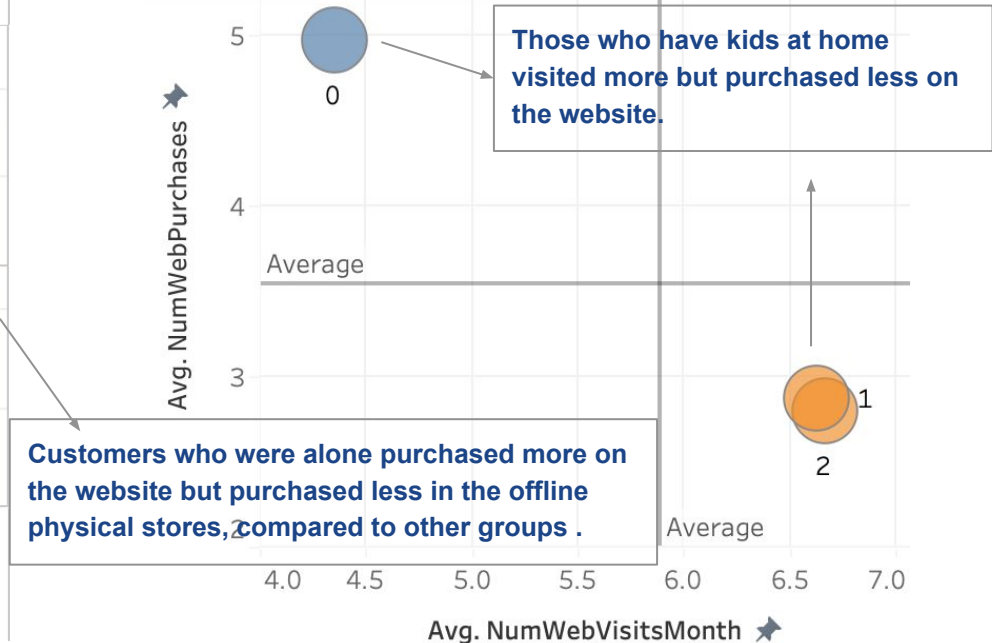
Shopping Channel Analysis

Finding #1: Different customer segments behave differently online and offline

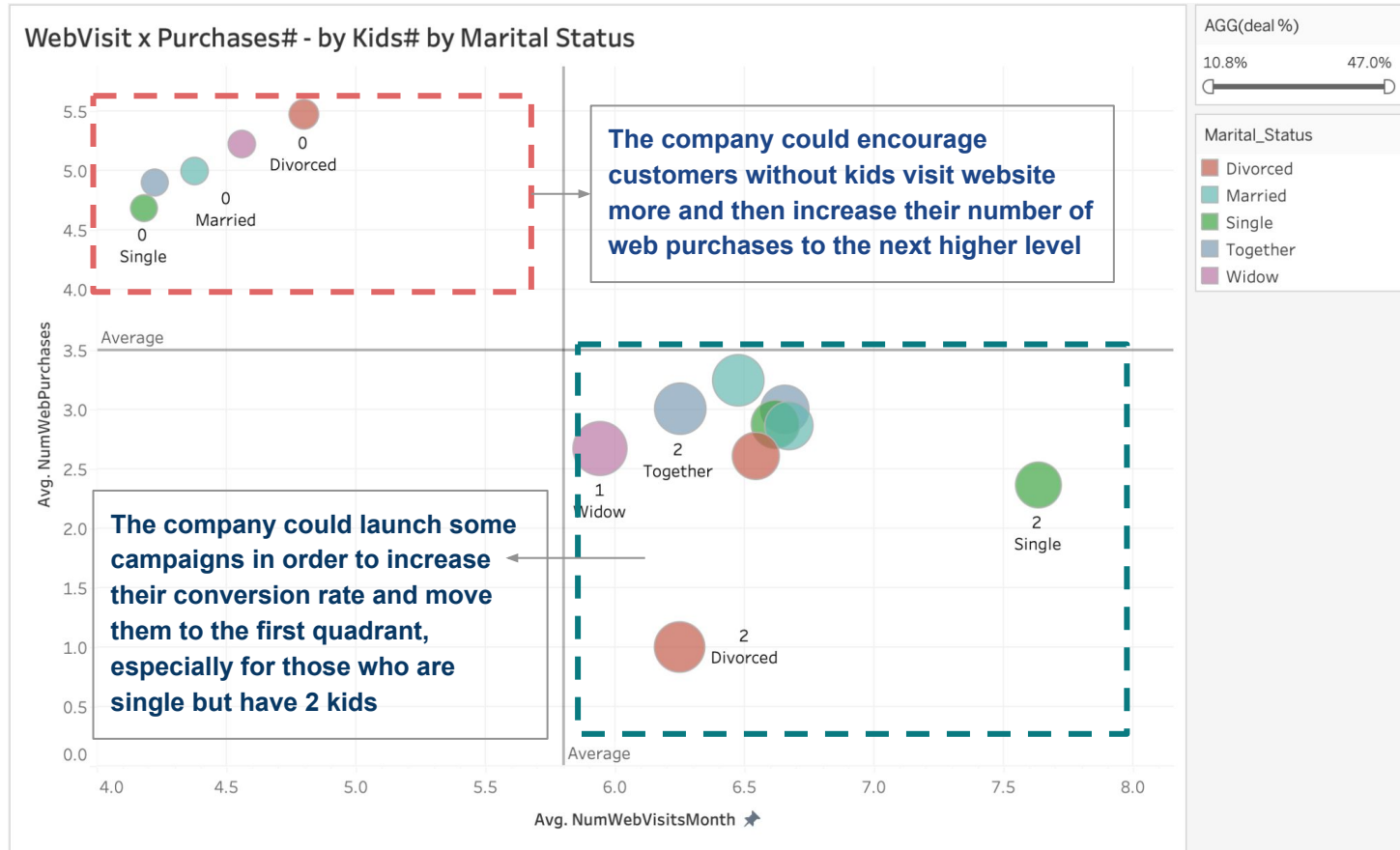
By Marital Status



Web Visits x Purchase# - by Kids#

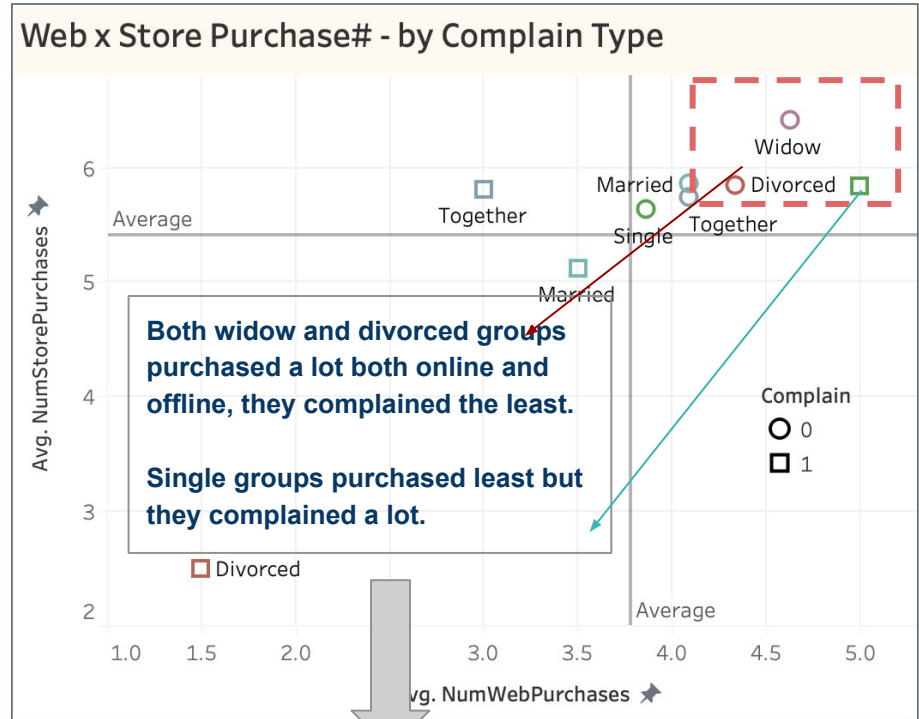
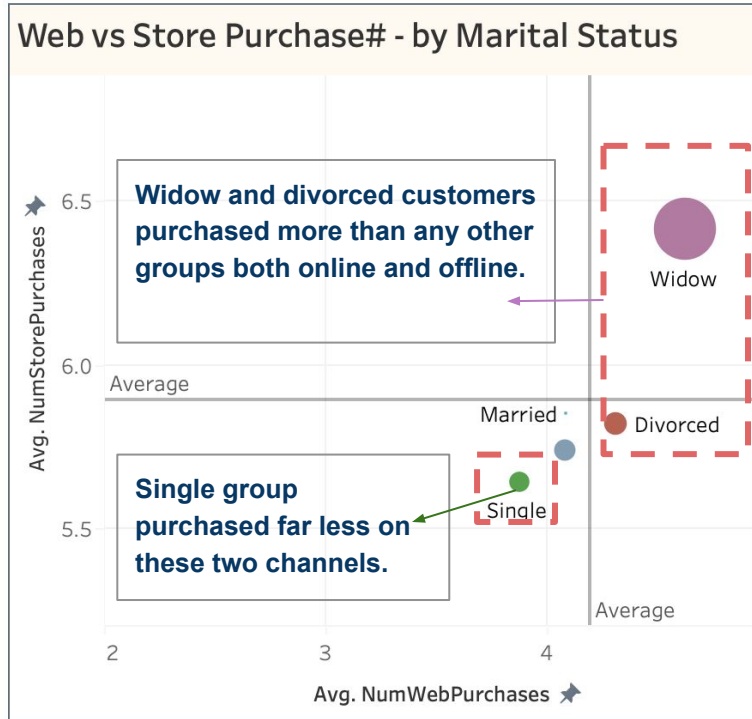


Finding #2: Customers with kids at home all locates in the 4th quadrant (visit more but purchase less) vs without kids in 2nd quadrant



Finding #3:

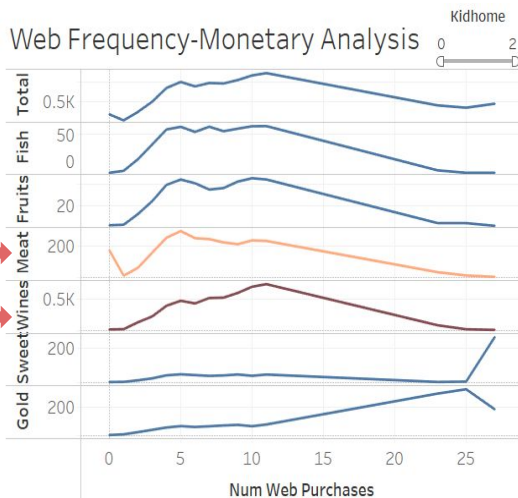
Significant differences between Widow/Divorced vs Single customers



Single people are younger and more selective; have less disposable income
=> Targeted marketing and campaigns

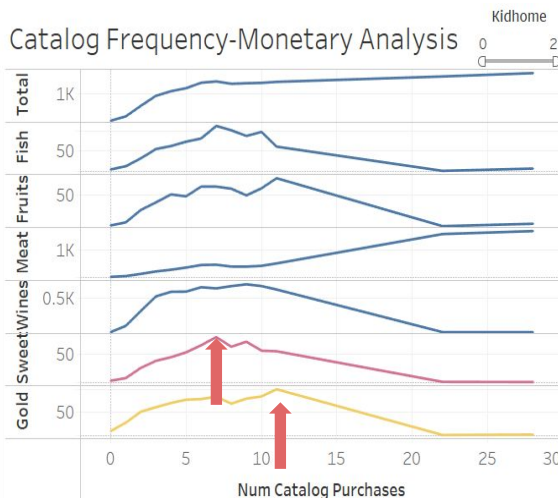
Product Frequency-Monetary Analysis

Finding #1: Customers prefer to purchase certain products at certain channels



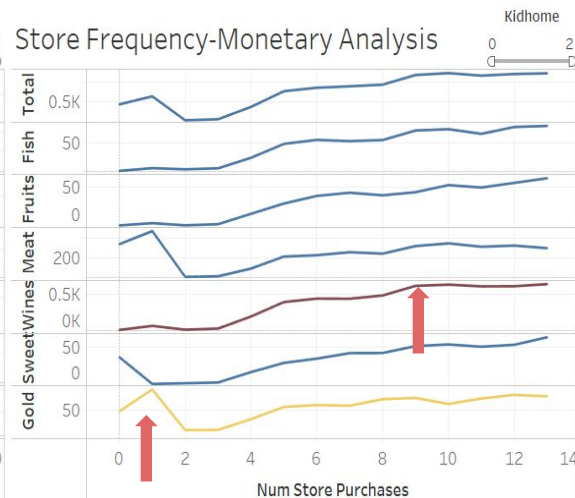
Web Channel Highlight:

- Meat
- Wine



Catalog Channel Highlight:

- Sweet
- Gold

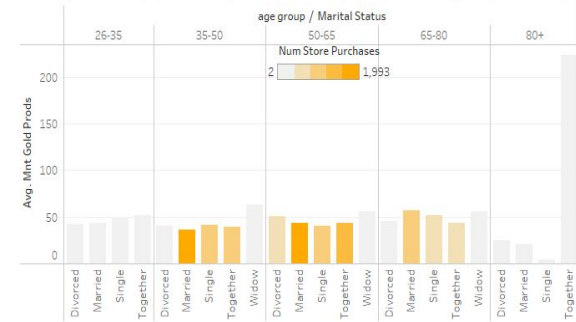
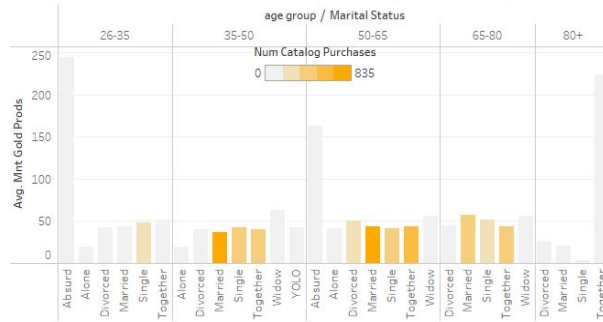
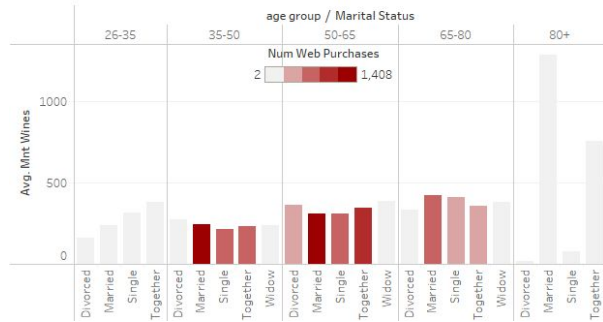
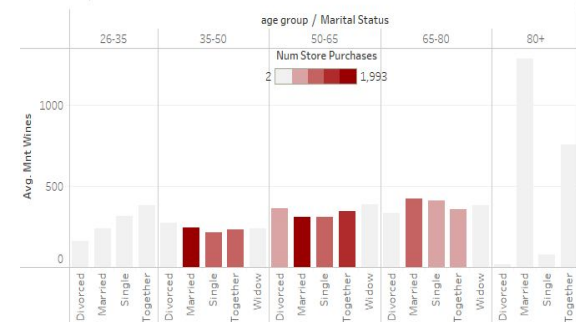
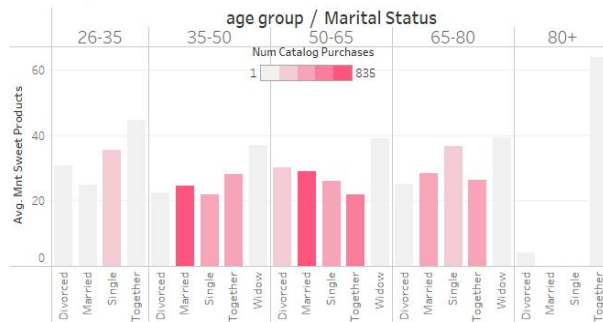
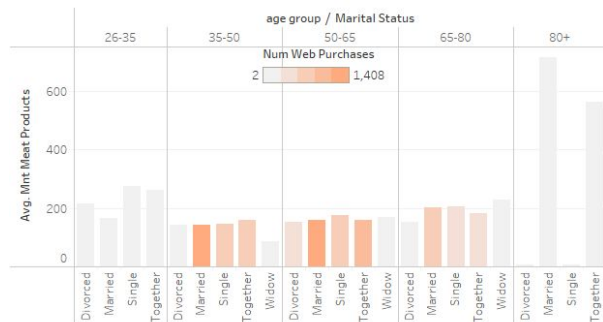


Store Channel Highlight:

- Wine
- Gold

Product Frequency-Monetary Analysis

Who are the target customers for highlighted products?



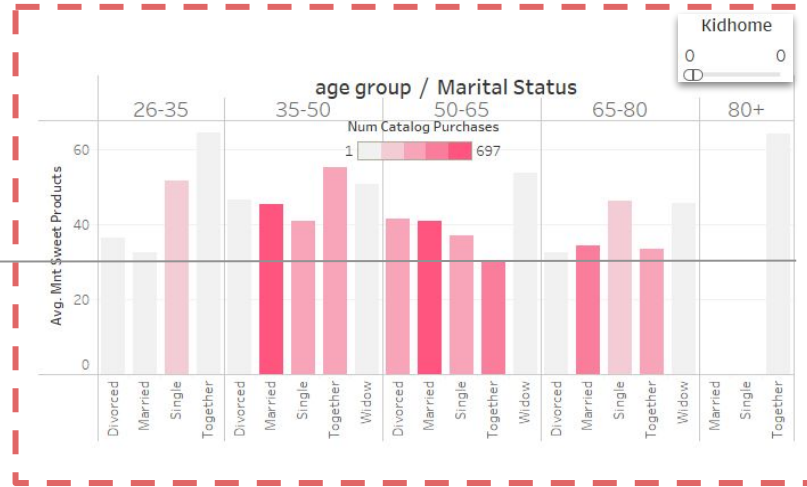
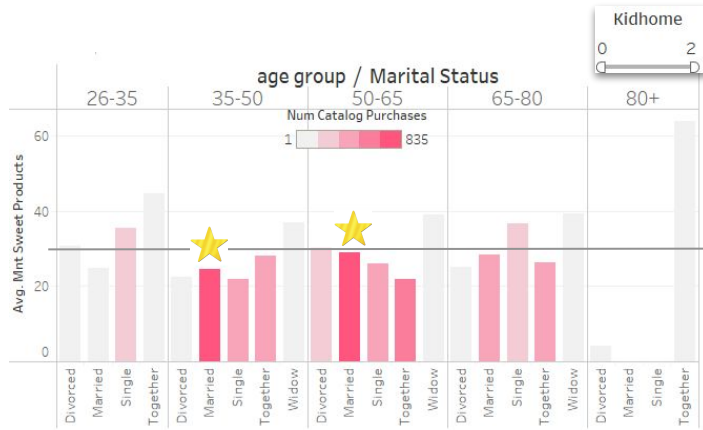
Web

Catalog

Shop

Product Frequency-Monetary Analysis

To further narrow down the target customers (example):



Catalog

Target Customer for Web Sales channel

Meat

Wine

Kids	\$Amount	Frequency	\$Amount	Frequency
0	35-50 together	35-65 married	35-80 married	35-50 married, 50-65 divorced, 65-80 single
1	35-50 together, 50-65 single	35-65 married	35-50 married, 50-65 divorced, 65-80 married	35-65 married
2	35-50 together, 50-65 single	35-65 married	35-50 married, 50-65 divorced, 65-80 married	35-65 married

Target Customer for Catalog Sales channel

Sweets

Gold

Kids	\$Amount	Frequency	\$Amount	Frequency
0	35-50 together, 50-65 divorced, 65-80 single	35-65 married	35-50 together, 50-65 divorced, 65-80 married	35-80 married
1	35-50 together, 50-65 divorced, 65-80 single	50-65 married	35-50 single, 50-65 divorced, 65-80 married	35-65 married
2	35-50 together, 50-65 divorced, 65-80 single	35-65 married	35-50 single, 50-65 divorced, 65-80 married	35-65 married

Target Customer for Store Sales channel

Wine

Gold

Kids	\$Amount	Frequency	\$Amount	Frequency
0	35-50 married, 50-65 divorced, 65-80 single	35-65 married	35-50 together, 50-65 divorced, 65-80 married	35-65 married
1	35-50 married, 50-65 divorced, 65-80 single	50-65 married	35-50 single, 50-65 divorced, 65-80 married	35-65 married
2	50-65 divorced, 65-80 married & single	35-80 married	35-50 single, 50-65 divorced, 65-80 married	35-80 married

Potential target customer



Web

Meat: 35-50 together, 35-65 married
Wine: 35-50 married



Catalog

Sweets: 35-65 married, 35-50 together
Gold: 35-65 married, 50-65 divorced



Store

Wine: 35-65 married, 50-65 divorced
Gold: 35-65 married, 50-65 divorced



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CHANNEL SALES**

Thank You