

OmniMart Retailers

Customer & Business Insights Report

Team: ByteMe

Parameters Analysed

Customer Parameters

- **RFM (Recency, Frequency, Monetary):**
The 3D lens to see customer value — who buys often, who spends big, and who might be drifting away.
- **CLV (Customer Lifetime Value):**
The total wallet a customer brings over time — proof that keeping a customer is 10x more valuable than chasing a new one.
- **Churn Risk:**
The early warning siren — tells us how many customers are about to walk out the door if we don't act.
- **Top Customers by CLV:**
The “whales” — a handful of customers who make or break the revenue curve.

Product & Sales Parameters

- **Product Category Profitability (Treemap):**
Reveals the cash cows vs. the underdogs — where revenue is really coming from.
- **Sales Volume by Category:**
Confirms that it's not just what customers buy, but how often — volume is the kingmaker.
- **Monthly Sales Trend:**
The business heartbeat — peaks, troughs, and sudden shocks that reveal seasonality and risks.
- **Customer Ratings Distribution:**
The voice of the customer — a quick read on whether we're delighting, just satisfying, or disappointing.
- **Cross-Selling Affinity (Heatmap):**
Shows if customers treat us like a one-stop shop or just a single-purpose store — the untapped CLV goldmine.

Market & Behavior Parameters

- **Revenue by Country:**
Where the money is really coming from — and whether we're too dependent on one market.
- **Preferred Payment Methods:**
The checkout compass — showing how customers want to pay, and where friction might kill a sale.

Customer Segmentation: RFM Analysis

Diagram Analysis

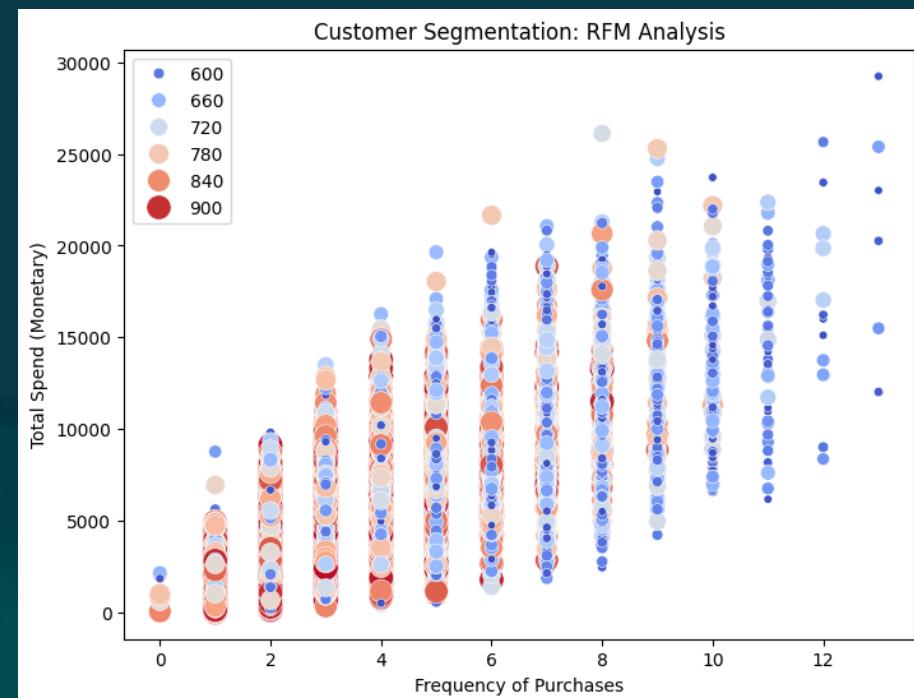
- Scatter plot maps Frequency (X) vs Monetary Spend (Y), with Recency shown by color/size.
- Clear positive correlation: higher frequency customers also spend more overall.
- Large, red dots = recent, high-value customers; small, blue dots = inactive, low-value customers.

Business Insights

- High-Value Champions:** Frequent, high-spend, recent buyers = VIPs driving top revenue.
- At-Risk Customers:** Low frequency/recency, some previously high spenders → churn risk.
- Growth Opportunities:** Frequent low spenders (upsell) & infrequent high spenders (increase cadence).

Improvements to Be Done

- Segment customers and run **targeted campaigns** for each group.
- Reward Champions with exclusive VIP loyalty programs.
- Re-engage At-Risk customers with **personalized “we miss you” offers**.



Generalized Customer Lifetime Value (CLV) Analysis

Diagram Analysis

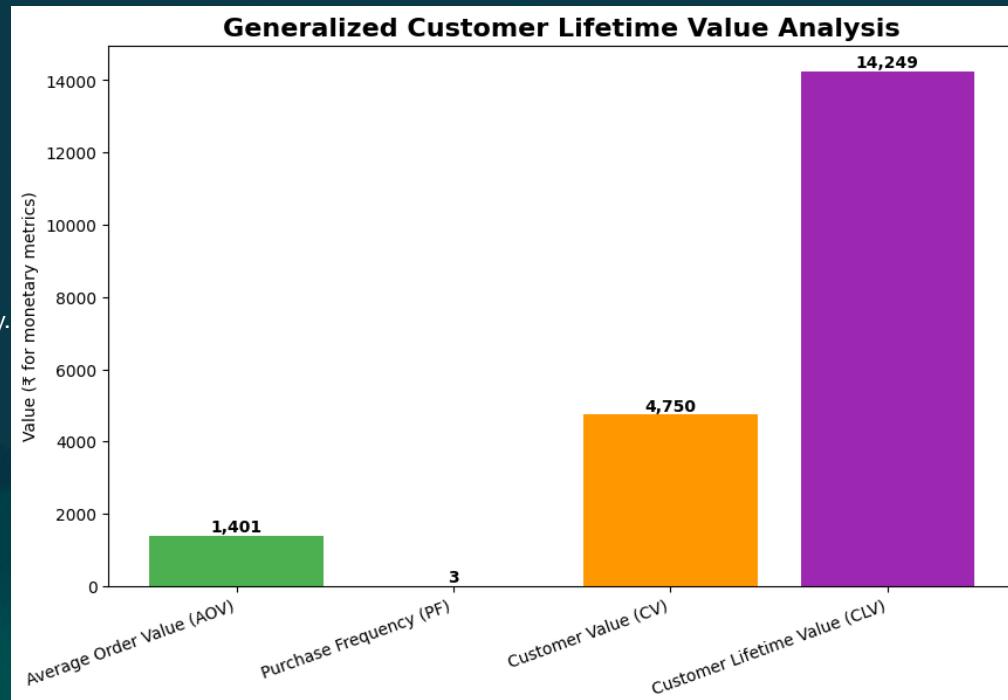
- Bar chart breaks down CLV components: AOV = ₹1,401, PF = 3, CV = ₹4,750, CLV = ₹14,249.
- CLV is calculated as Customer Value × Average Customer Lifespan.
- Visual highlights how small improvements in AOV or frequency multiply total CLV.

Business Insights

- Retention is Key:** CLV (~₹14.2k) is 10x a single purchase, showing repeat buyers drive profitability.
- Growth Levers:** Two main levers → raise AOV or increase purchase frequency.
- Acquisition Benchmark:** CAC must stay well below ₹14.2k to ensure profitable growth.

Improvements to Be Done

- Double down on **retention programs** (loyalty tiers, personalized engagement).
- Boost AOV with bundling, volume discounts, and smart recommendations.
- Continuously track CAC vs CLV to **optimize acquisition spend**.



Customer Churn Risk

Diagram Analysis

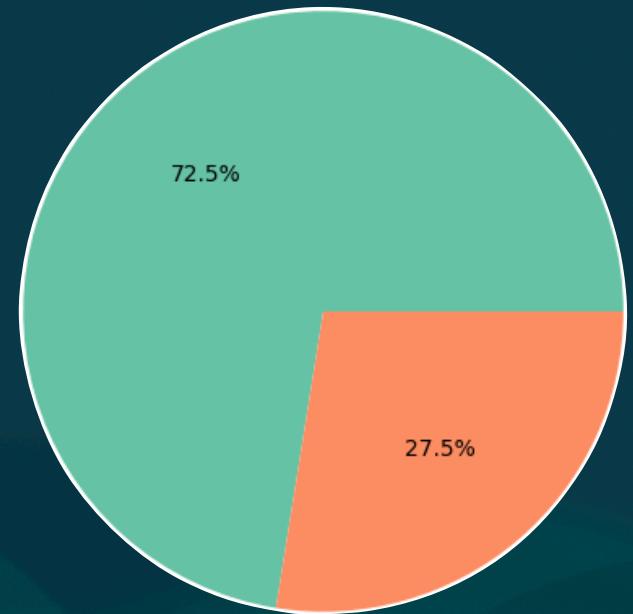
- Pie chart divides customers: **Active (72.5%)** vs **At Risk (27.5%)**.
- Nearly **1 in 4 customers** is at risk of leaving.
- Simple visualization but highlights a significant retention gap.

Business Insights

- **Revenue Threat:** Losing 27.5% of the base could cut future revenue substantially.
- **Retention Priority:** Retaining is cheaper and more profitable than acquiring new customers.
- **KPI Benchmark:** 27.5% churn risk sets a measurable baseline for tracking retention strategy success.

Improvements to Be Done

- **Identify & Segment:** Pinpoint at-risk customers using RFM data (low recency/frequency).
- **Re-engagement Campaigns:** Deploy “we miss you” offers, personalized emails, and product nudges.
- **Collect Feedback:** Use surveys to understand lapses and fix root causes (service, pricing, or product quality).



Top 10 Customers by Estimated Lifetime Value

Diagram Analysis

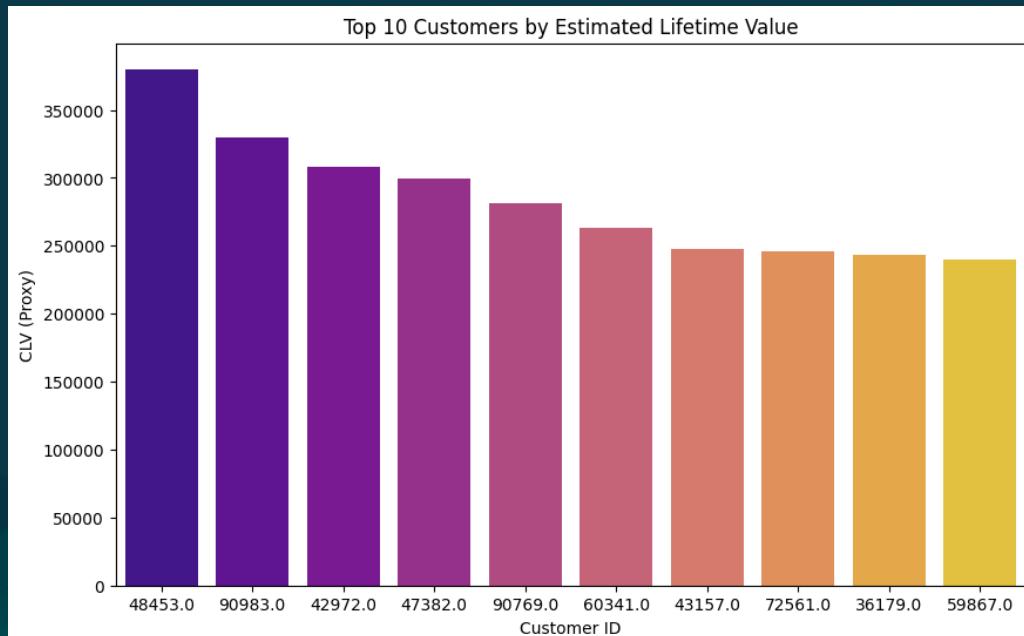
- Bar chart displays the **Top 10 customers by CLV**, ranging from ~₹240K to ₹375K+.
- Top customer's CLV is **26x higher** than the average customer.
- Strong visual emphasis on the outsized contribution of a small segment.

Business Insights

- VIP Concentration:** A handful of customers generate disproportionate revenue.
- Retention Sensitivity:** Losing just one top customer would cause significant financial impact.
- Strategic Leverage:** These customers serve as both revenue anchors and models for targeting similar profiles.

Improvements to Be Done

- VIP Program:** Provide exclusive perks, priority service, and personal account management.
- Risk Mitigation:** Monitor satisfaction of top customers with proactive service touchpoints.
- Lookalike Acquisition:** Build digital ad segments based on VIP traits to attract similar high-value customers.



Treemap of Product Category Profitability

Diagram Analysis

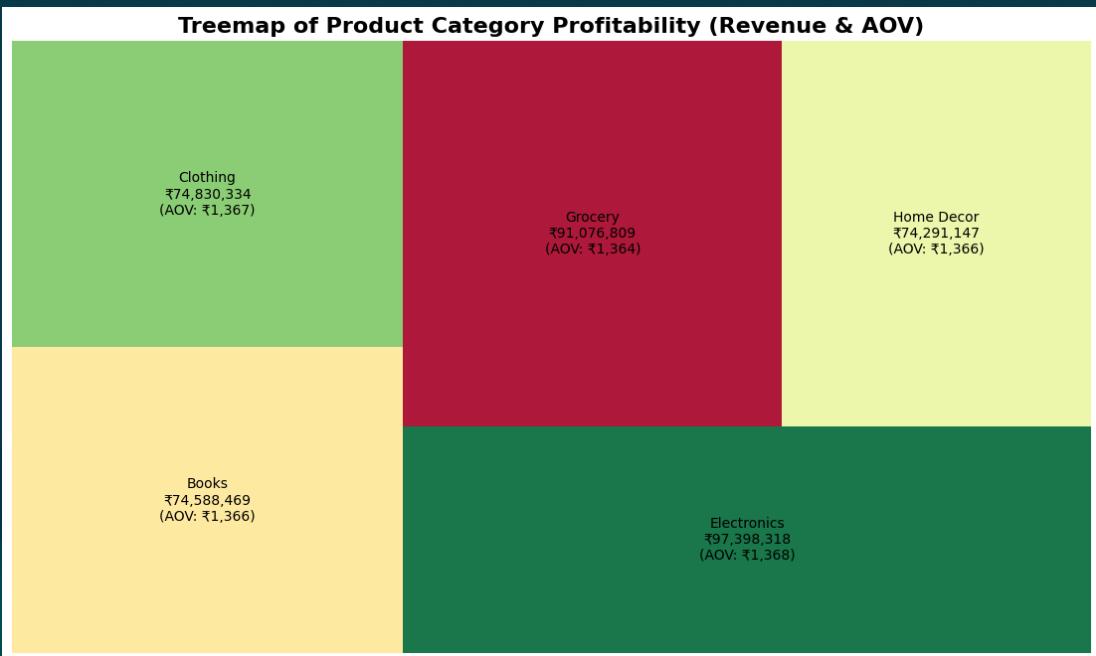
- Treemap shows revenue share by category, sized proportionally.
- Electronics (₹97.4M)** and **Grocery (₹91.1M)** dominate total revenue.
- Average Order Value (AOV) is consistent across categories (~₹1,366).

Business Insights

- Volume-Driven Revenue:** Similar AOV means transaction volume is the real differentiator.
- Predictable Basket Size:** Spending behavior appears capped by a common threshold (e.g., shipping limits or psychological pricing).
- Category Imbalance:** Clothing, Books, and Home Decor underperform compared to leaders.

Improvements to Be Done

- Boost Underperformers:** Use targeted promotions, bundles, and cross-selling to lift weaker categories.
- Experiment with AOV:** Test raising free shipping thresholds to nudge larger baskets.
- Leverage Leaders:** Use Electronics & Grocery traffic to promote secondary categories via on-site and email campaigns.



Top 10 Product Categories by Sales Volume

Diagram Analysis

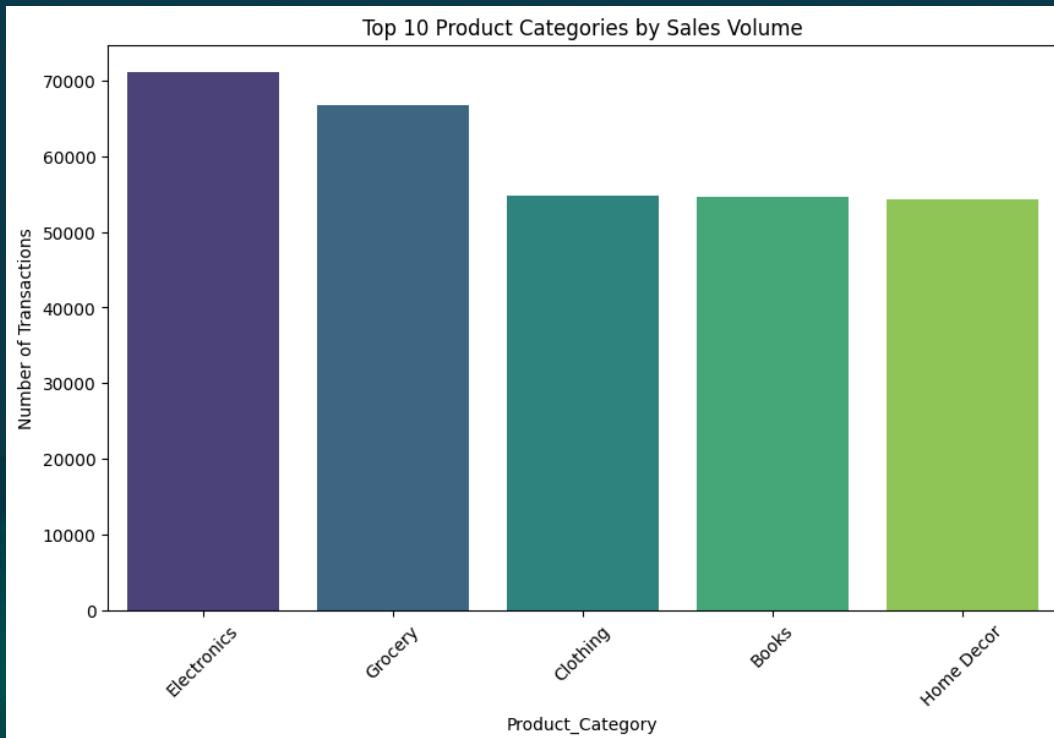
- Bar chart ranks categories by **transaction count**.
- Electronics** leads, followed by **Grocery**.
- Clothing, Books, Home Decor** cluster together with lower volumes.

Business Insights

- Core Categories:** Electronics and Grocery generate the majority of sales activity.
- Revenue Alignment:** Volume ranking matches revenue ranking, confirming sales volume as the main driver.
- Growth Gap:** Lower-volume categories show room for expansion if engagement increases.

Improvements to Be Done

- Inventory Optimization:** Maintain strong stock levels for Electronics and Grocery to avoid lost sales.
- Cross-Selling:** Leverage traffic from Electronics/Grocery to promote underperforming categories.
- Targeted Campaigns:** Run offers and recommendations to push Clothing, Books, and Home Decor.



Monthly Sales Trend

Diagram Analysis

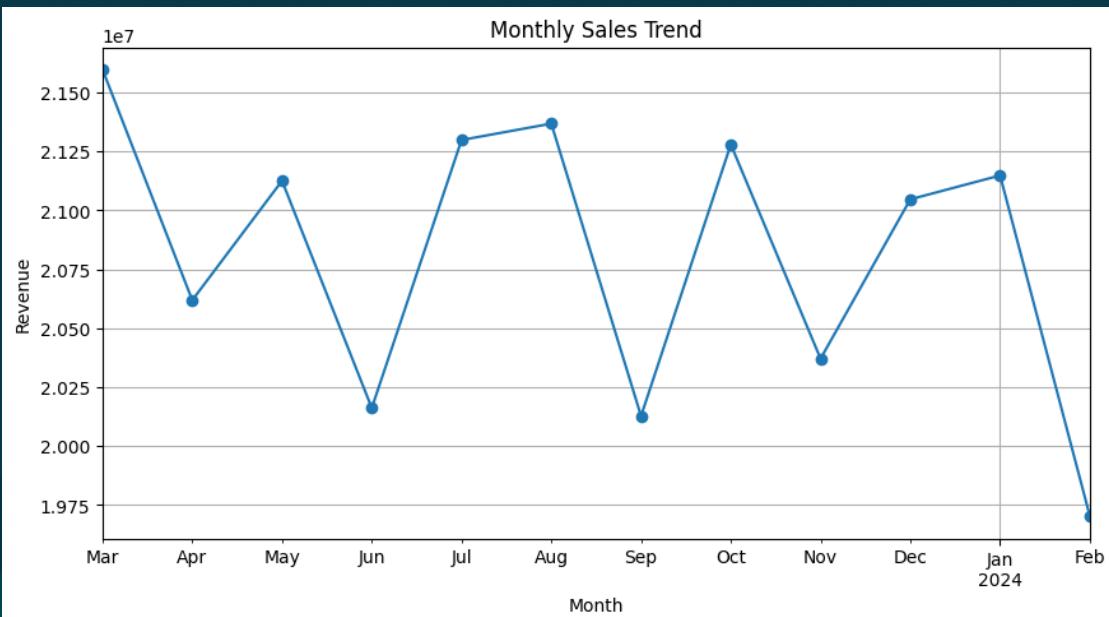
- Line chart shows revenue from **Mar 2023 – Feb 2024**.
- Clear **seasonality**: peaks in **Aug & Oct**, troughs in **Jun & Nov**.
- Sharp **drop in Feb 2024** after Jan, marking an anomaly.

Business Insights

- Seasonal Dependence:** Sales cycles align with festivals/promotions (e.g., Diwali).
- Revenue Volatility:** Consistent ups and downs indicate reliance on seasonal peaks.
- Red Flag:** Feb 2024 collapse suggests operational, competitive, or marketing issues.

Improvements to Be Done

- Root Cause Analysis:** Investigate Feb dip → check inventory, marketing, payment, and competitor activity.
- Peak Planning:** Scale inventory & campaigns before expected high-demand months.
- Revenue Smoothing:** Run special promotions in low-demand months to stabilize sales.



Distribution of Customer Ratings

Diagram Analysis

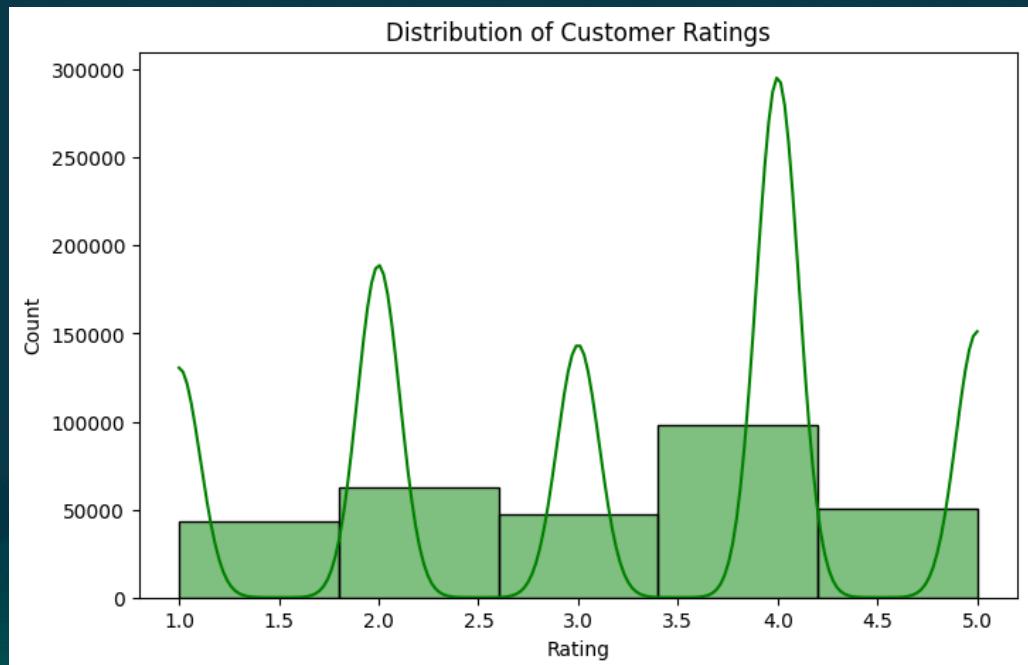
- Histogram shows ratings skewed toward **4 stars** (most common).
- Noticeable share of **2-3 star ratings** indicating dissatisfaction.
- Very few 5-star ratings → lack of strong customer delight.

Business Insights

- Satisfied, Not Delighted:** Majority are content but not advocates (risk of churn if competition offers better).
- Experience Gaps:** High volume of 2-3 star reviews reveals unresolved pain points.
- Feedback Value:** Low ratings are direct signals for improvement opportunities.

Improvements to Be Done

- Deep Dive Analysis:** Text mining of low ratings to extract recurring complaints.
- Operational Fixes:** Tackle top issues (e.g., delivery delays, product defects, packaging).
- Customer Recovery:** Engage unhappy customers with service recovery offers and follow-ups.



Top 10 Countries by Revenue

Diagram Analysis

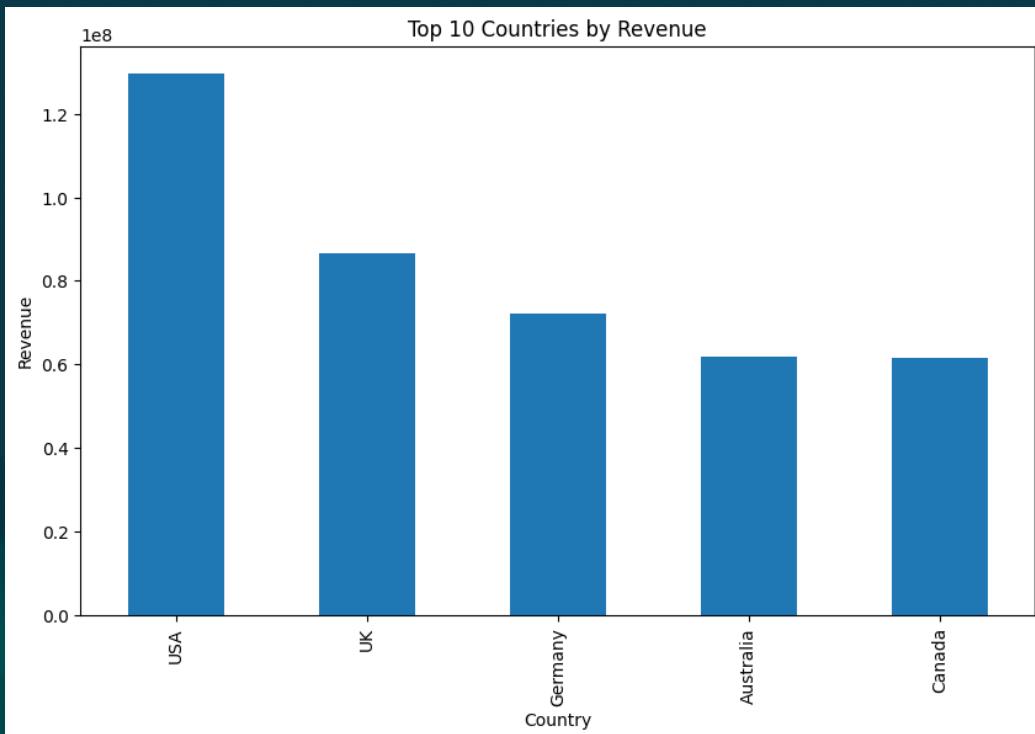
- Bar chart ranks USA as the dominant market, far ahead of others.
- Secondary contributors: UK, Germany, Australia, Canada with moderate revenue.
- Clear visualization of **geographic imbalance** in revenue share.

Business Insights

- Strong Core Markets:** Business is anchored in mature Western economies.
- Concentration Risk:** Over-reliance on the US makes revenue vulnerable to market shocks.
- Growth Potential:** Secondary markets are underleveraged but have room to expand.

Improvements to Be Done

- Geographic Diversification:** Enter additional promising regions to spread revenue risk.
- Localized Strategies:** Tailor campaigns by culture, holidays, and consumer behavior per country.
- Market Penetration:** Invest in deeper engagement within UK, Germany, Australia, and Canada.



Preferred Payment Methods

Diagram Analysis

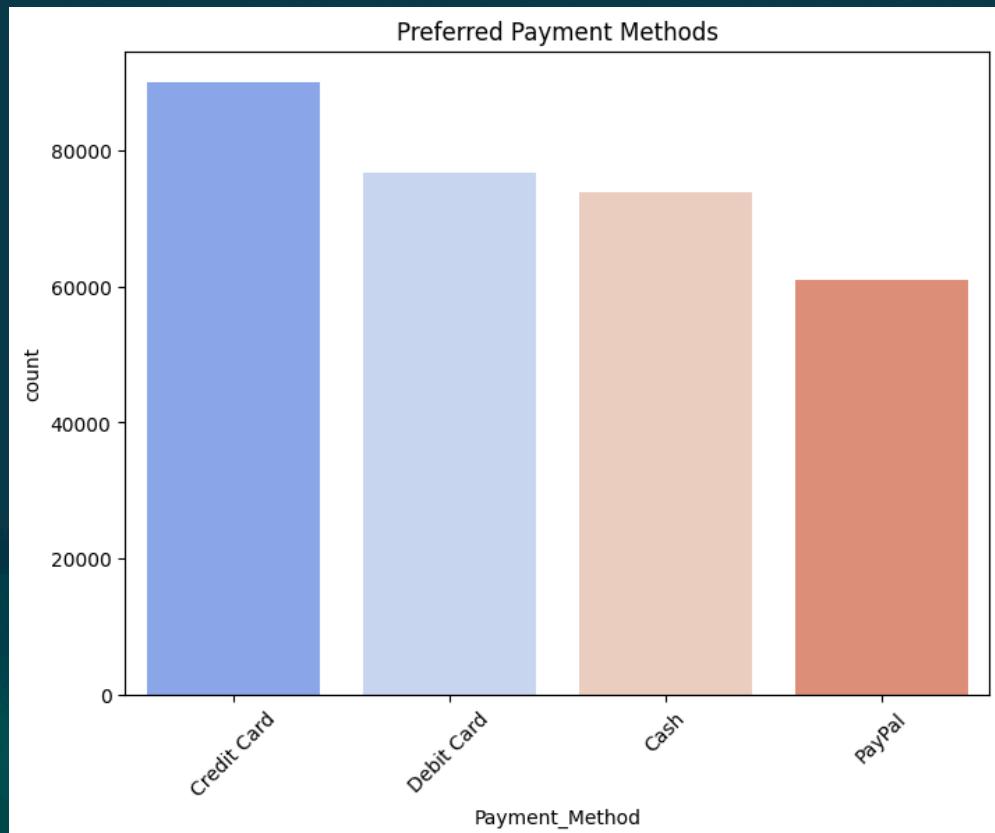
- Chart shows **Credit Card** as the top payment choice, followed closely by **Debit Card**.
- **Cash** usage remains high, indicating reliance on COD or in-person transactions.
- **PayPal** adoption is minimal compared to other methods.

Business Insights

- **Digital Cards Dominate:** Credit and Debit are the backbone of transactions.
- **COD Significance:** Cash indicates customer trust issues with digital or presence in offline/last-mile contexts.
- **Conversion Driver:** Broader, frictionless payment options can improve checkout completion.

Improvements to Be Done

- **Checkout Optimization:** Simplify and secure the card payment experience, especially for mobile.
- **Add Wallets:** Introduce Apple Pay, Google Pay, and local e-wallets to expand choice.
- **Promote Digital Use:** Incentivize customers to shift from COD to digital for efficiency and reduced risk.



Cross-Selling Opportunities: Category Affinity Heatmap

Diagram Analysis

- Heatmap diagonal (red = 1.0) shows each category aligns only with itself.
- All off-diagonal cells are dark blue, indicating **near-zero cross-category correlation**.
- Customers purchase from **one category only**, not exploring others.

Business Insights

- **No Cross-Sell Behavior:** Customers don't mix categories (Electronics ≠ Books, Grocery ≠ Clothing).
- **Siloed Shopping:** Store is seen as multiple niche shops instead of a unified marketplace.
- **Untapped Revenue:** Cross-selling could significantly lift CLV with minimal acquisition cost.

Improvements to Be Done

- **Recommendation Engine:** Deploy "Customers Also Bought" & "Frequently Bought Together" across categories.
- **Cross-Category Bundles:** Design multi-category offers (e.g., Movie Night Pack: Electronics + Grocery + Home Decor).
- **Targeted Email Marketing:** Promote unexplored categories to customers based on their primary purchase behavior.



Summaries

Stage 1: Diagnosis

- Customer base split into Champions, At-Risk, and Growth segments.
- Average CLV = ₹14.2K, proving retention > acquisition.
- Electronics & Grocery dominate revenue; weak categories underperform.
- Sales show strong seasonality, with Feb 2024 crash a major anomaly.
- Ratings skew to 4 stars, but too many 2-3 star reviews highlight service/product gaps.
- Heavy reliance on US market and male shoppers; limited cross-category buying.

Stage 2: Risks

- 27.5% customers are “At Risk” of churn.
- Loss of top 10 VIP customers would cause outsized revenue damage.
- Geographic concentration in USA exposes revenue to macro shocks.
- Sales volatility tied to seasonality, plus unexplained Feb decline.
- Customer dissatisfaction signals risk of negative word of mouth.

Stage 3: Opportunities

- Boost retention with loyalty, win-back, and upsell programs.
- Expand weaker categories via bundles and cross-category promotions.
- Activate cross-selling to unlock new CLV growth.
- Target female shoppers for incremental revenue.
- Diversify markets beyond the US into UK, Germany, Australia, and Canada.

Stage 4: Actions

- **Immediate:** Investigate Feb dip, run re-engagement for at-risk customers, fix checkout/payment friction.
- **Short-Term:** Launch VIP program, optimize inventory, pilot cross-category bundles.
- **Mid-Term:** Deploy recommendation engines, raise shipping thresholds, localize marketing.
- **Long-Term:** Build predictive churn models, expand loyalty programs, pursue new geographies.

Key Takeaways

Key Takeaways

1. **Retention is the growth engine** — CLV is 10x a single order, so reducing churn (27.5%) must be top priority.
2. **Revenue is volume-driven** — Electronics & Grocery lead; weaker categories need cross-sell and promotion.
3. **Customer experience gaps** are holding growth back — delivery, product quality, and service must be fixed.
4. **Revenue is concentrated** — too dependent on US market, male shoppers, and siloed purchase behavior.
5. **Opportunities are clear** — cross-selling, geographic expansion, female segment targeting, and loyalty programs can deliver sustainable growth.