Customer Shopping Behavior Analysis Report

1. Business Problem Statement

A leading retail company wants to better understand its customers' shopping behavior in order to improve sales, customer satisfaction, and long-term loyalty. The management team has noticed changes in purchasing patterns across demographics, product categories, and sales channels (online vs. offline). They are particularly interested in uncovering which factors, such as discounts, reviews, seasons, or payment preferences, drive consumer decisions and repeat purchases.

You are tasked with analyzing the company's consumer behavior dataset to answer the following overarching business question:

"How can the company leverage consumer shopping data to identify trends, improve customer engagement, and optimize marketing and product strategies?"

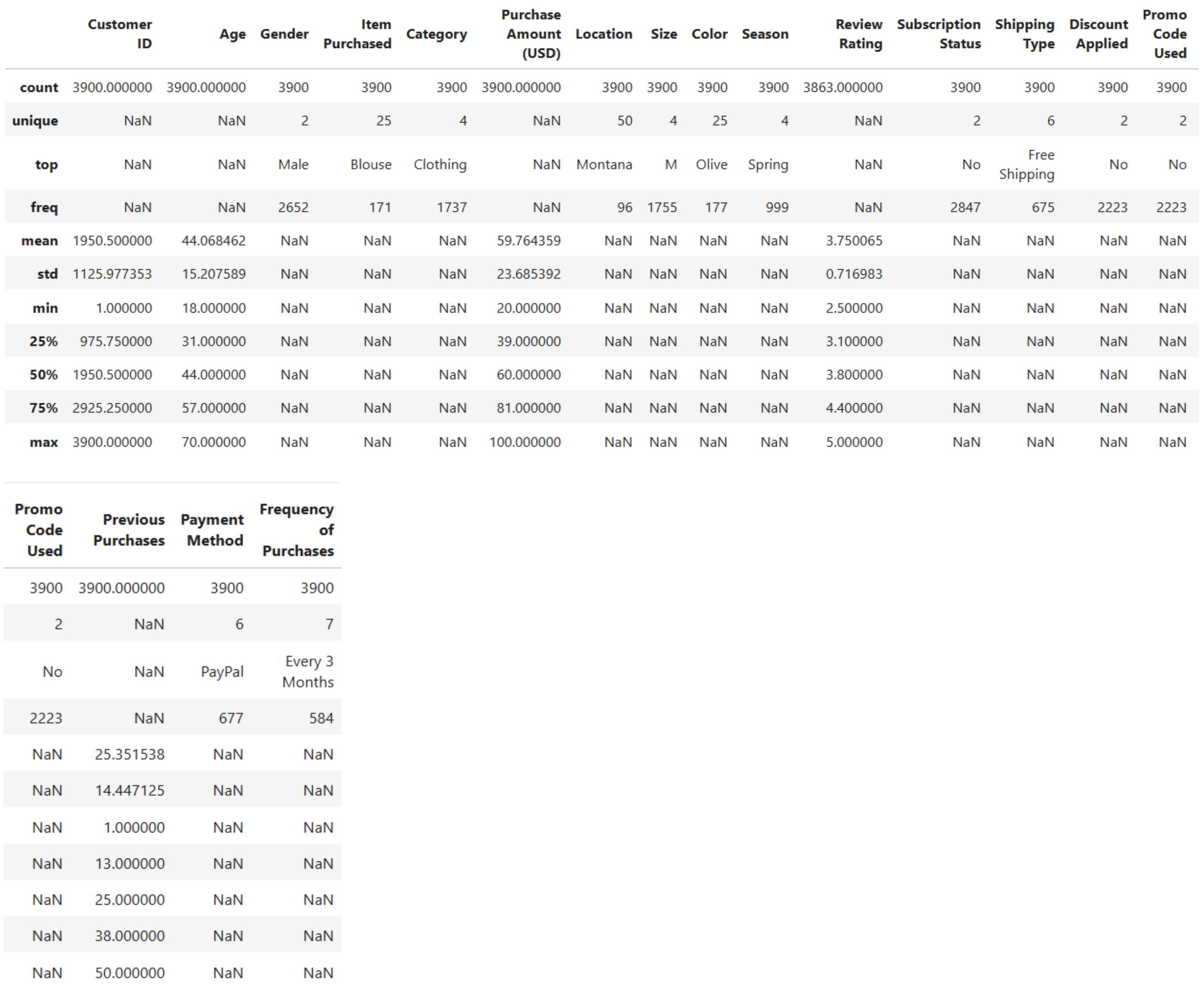
2. Dataset Summary

- **Rows**: 3,900
- **Columns**: 18
- **Key Features**:
  - Customer demographics (Age, Gender, Location, Subscription Status)
  - Purchase details (Item Purchased, Category, Purchase Amount, Season, Size, Color)
  - Shopping behavior (Discount Applied, Promo Code Used, Previous Purchases, Frequency of Purchases, Review Rating, Shipping Type)
  - Missing Data: 37 values in Review Rating column

3. Exploratory Data Analysis

We began with data preparation and cleaning in Python:

- **Data Loading:** Imported the dataset using pandas.
- **Initial Exploration:** Used df.info() to check structure and df.describe() for summary statistics.



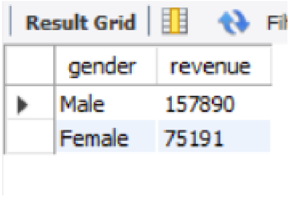
	Customer ID	Age	Gender	Item Purchased	Category	Purchase Amount (USD)	Location	Size	Color	Season	Review Rating	Subscription Status	Shipping Type	Discount Applied	Promo Code Used	Promo Code Used	Previous Purchases	Payment Method	Frequency of Purchases
count	3900.000000	3900.000000	3900	3900	3900	3900.000000	3900	3900	3900	3900	3863.000000	3900	3900	3900	3900	3900	3900.000000	3900	3900
unique	NaN	NaN	2	25	4	NaN	50	4	25	4	NaN	2	6	2	2	2	NaN	6	7
top	NaN	NaN	Male	Blouse	Clothing	NaN	Montana	M	Olive	Spring	NaN	No	Free Shipping	No	No	No	NaN	PayPal	Every 3 Months
freq	NaN	NaN	2652	171	1737	NaN	96	1755	177	999	NaN	2847	675	2223	2223	2223	NaN	677	584
mean	1950.500000	44.068462	NaN	NaN	NaN	59.764359	NaN	NaN	NaN	NaN	3.750065	NaN	NaN	NaN	NaN	NaN	25.351538	NaN	NaN
std	1125.977353	15.207589	NaN	NaN	NaN	23.685392	NaN	NaN	NaN	NaN	0.716983	NaN	NaN	NaN	NaN	NaN	14.447125	NaN	NaN
min	1.000000	18.000000	NaN	NaN	NaN	20.000000	NaN	NaN	NaN	NaN	2.500000	NaN	NaN	NaN	NaN	NaN	1.000000	NaN	NaN
25%	975.750000	31.000000	NaN	NaN	NaN	39.000000	NaN	NaN	NaN	NaN	3.100000	NaN	NaN	NaN	NaN	NaN	13.000000	NaN	NaN
50%	1950.500000	44.000000	NaN	NaN	NaN	60.000000	NaN	NaN	NaN	NaN	3.800000	NaN	NaN	NaN	NaN	NaN	25.000000	NaN	NaN
75%	2925.250000	57.000000	NaN	NaN	NaN	81.000000	NaN	NaN	NaN	NaN	4.400000	NaN	NaN	NaN	NaN	NaN	38.000000	NaN	NaN
max	3900.000000	70.000000	NaN	NaN	NaN	100.000000	NaN	NaN	NaN	NaN	5.000000	NaN	NaN	NaN	NaN	NaN	50.000000	NaN	NaN

- **Missing Data Handling:** Checked for null values and imputed missing values in the Review Rating column using the median rating of each product category.
- **Column Standardization:** Renamed columns to snake case for better readability and documentation.
- **Feature Engineering:**
  - Created age_group column by binning customer ages.
  - Created purchase_frequency_days column from purchase data.
- **Data Consistency Check:** Verified if discount_applied and promo_code_used were redundant; dropped promo_code_used.
- **Database Integration:** Connected Python script to PostgreSQL and loaded the cleaned DataFrame into the database for SQL analysis.

4. Data Analysis using SQL (Business Transactions)

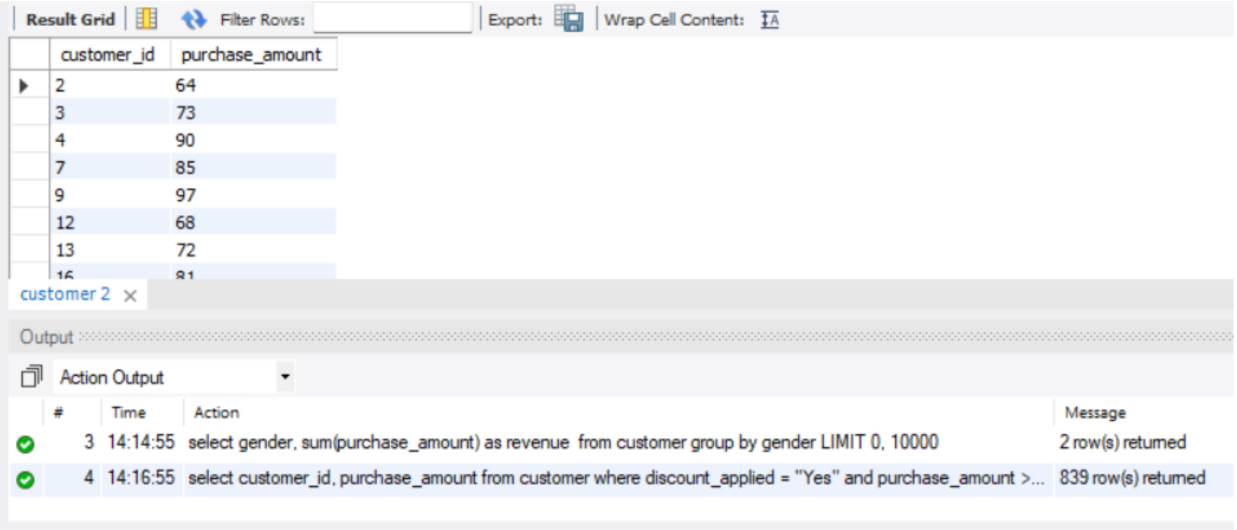
We performed structured analysis in PostgreSQL to answer key business questions:

1. **Revenue by Gender** – Compared total revenue generated by male vs. female customers.



gender	revenue
Male	157890
Female	75191

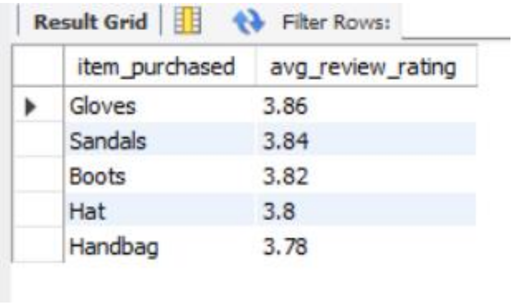
2. **High-Spending Discount Users** – Identified customers who used discounts but still spent above the average purchase amount.



customer_id	purchase_amount
2	64
3	73
4	90
7	85
9	97
12	68
13	72
16	81

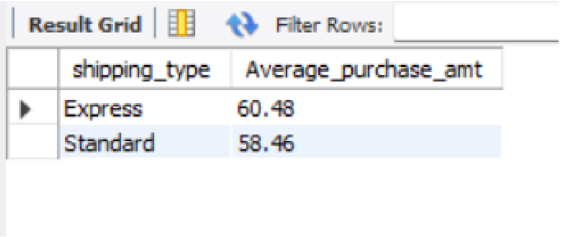
```
#  Time      Action                                                                                      Message
3  14:14:55  select gender, sum(purchase_amount) as revenue  from customer group by gender LIMIT 0, 10000    2 row(s) returned
4  14:16:55  select customer_id, purchase_amount from customer where discount_applied = "Yes" and purchase_amount >...  839 row(s) returned
```

3. **Top 5 Products by Rating** – Found products with the highest average review ratings.



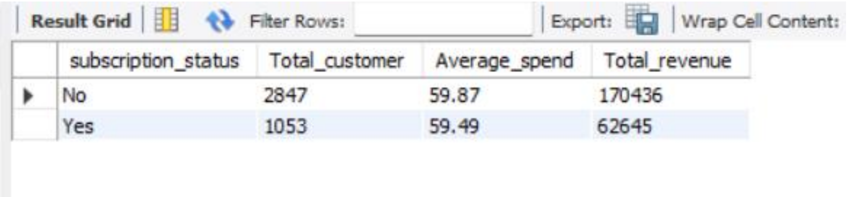
item_purchased	avg_review_rating
Gloves	3.86
Sandals	3.84
Boots	3.82
Hat	3.8
Handbag	3.78

4. **Shipping Type Comparison** – Compared average purchase amounts between Standard and Express shipping.



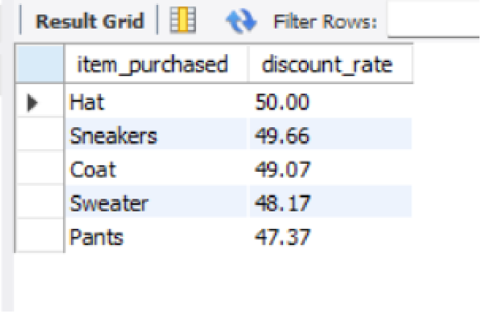
shipping_type	Average_purchase_amt
Express	60.48
Standard	58.46

5. **Subscribers vs. Non-Subscribers** – Compared average spend and total revenue across subscription status.



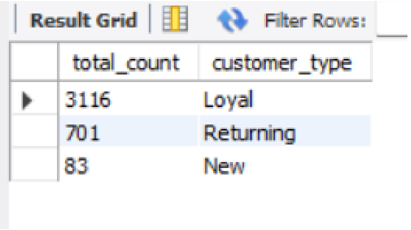
subscription_status	Total_customer	Average_spend	Total_revenue
No	2847	59.87	170436
Yes	1053	59.49	62645

6. **Discount-Dependent Products** – Identified 5 products with the highest percentage of discounted purchases.



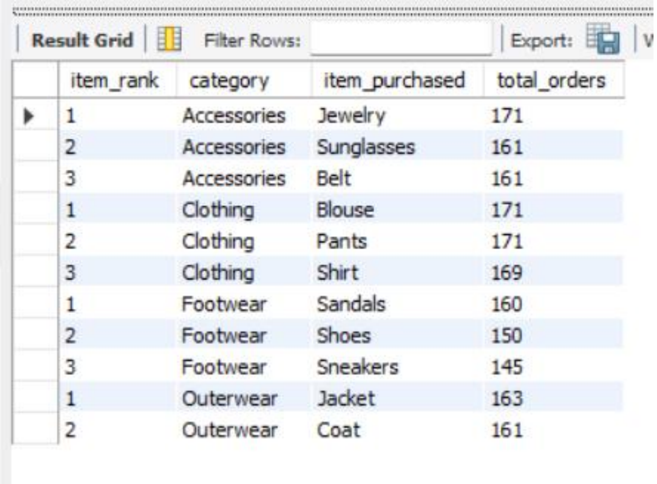
item_purchased	discount_rate
Hat	50.00
Sneakers	49.66
Coat	49.07
Sweater	48.17
Pants	47.37

7. **Customer Segmentation** – Classified customers into New, Returning, and Loyal segments based on purchase history.



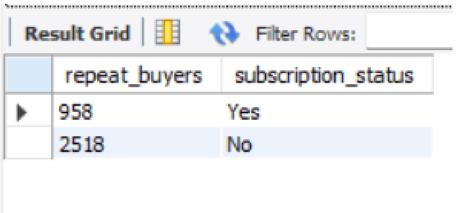
total_count	customer_type
3116	Loyal
701	Returning
83	New

8. **Top 3 Products per Category** – Listed the most purchased products within each category.



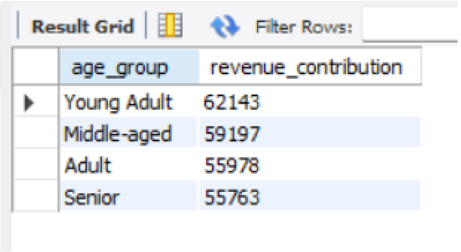
item_rank	category	item_purchased	total_orders
1	Accessories	Jewelry	171
2	Accessories	Sunglasses	161
3	Accessories	Belt	161
1	Clothing	Blouse	171
2	Clothing	Pants	171
3	Clothing	Shirt	169
1	Footwear	Sandals	160
2	Footwear	Shoes	150
3	Footwear	Sneakers	145
1	Outerwear	Jacket	163
2	Outerwear	Coat	161

9. **Repeat Buyers & Subscriptions** – Checked whether customers with >5 purchases are more likely to subscribe.



repeat_buyers	subscription_status
958	Yes
2518	No

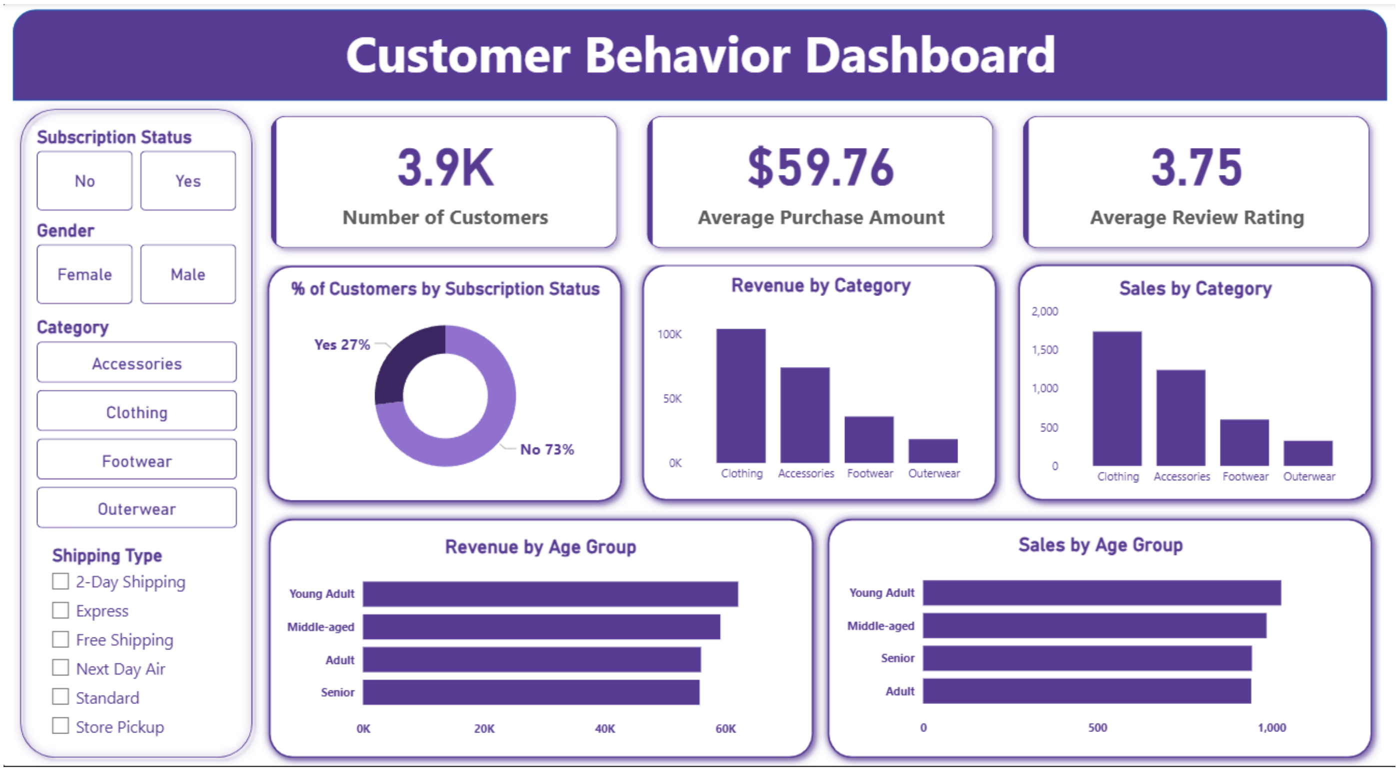
10. **Revenue by Age Group** – Calculated total revenue contribution of each age group.



age_group	revenue_contribution
Young Adult	62143
Middle-aged	59197
Adult	55978
Senior	55763

5. Dashboard in Power BI

Finally, we built an interactive dashboard in **Power BI** to present insights visually.



6. Business Recommendations

- **Boost Subscriptions** – Promote exclusive benefits for subscribers.
- **Customer Loyalty Programs** – Reward repeat buyers to move them into the “Loyal” segment.
- **Review Discount Policy** – Balance sales boosts with margin control.
- **Product Positioning** – Highlight top-rated and best-selling products in campaigns.
- **Targeted Marketing** – Focus efforts on high-revenue age groups and express-shipping users.