

E-Commerce Customer Retention Campaign Analysis

Introduction

This project focuses on analyzing the performance of an **E-Commerce 75% discount On First Purchase campaign launched on April 1st, 2025**, targeting loyal customers. The campaign aimed to boost customer engagement and repeat purchases through a strategic loyalty discount offer. The marketing team sought to evaluate the campaign's effectiveness by examining key performance indicators such as conversion rate, customer response, revenue impact, and engagement across different regions and customer segments.

To fulfill this objective, a comprehensive data analysis was conducted using **Power BI**. The analysis includes metrics such as total campaign reach, response rate, post-campaign revenue, and segment-wise performance breakdowns. The insights derived from this analysis are intended to inform future marketing strategies and help optimize campaign targeting for improved business outcomes.

Dataset Used

For this analysis, two structured datasets were used:

April 2025 Campaign Data: This dataset contains campaign interaction and response data for 800 customers who were part of the loyalty discount offer launched in April 2025. It includes variables such as campaign reach, customer response, revenue generated, and customer attributes across different regions.

June 2024 Campaign Data: This dataset similarly contains information for 800 customers from an earlier loyalty campaign conducted in June 2024. It serves as a benchmark for comparing customer behavior, conversion patterns, and segment-wise engagement over time.

Both datasets represent **clustered samples of 800 customers each**, drawn from a significantly larger customer population. They provide a basis for evaluating the performance and impact of loyalty campaigns across different time periods.

Tools & Techniques

Power BI is a powerful data visualization tool by Microsoft that transforms raw data into interactive and insightful dashboards. In this project, Power BI was used to create a dynamic dashboard featuring KPIs, charts, and filters. It enabled clear data interpretation, trend analysis, and year-over-year comparisons, helping in effective decision-making through visually appealing and easily accessible reports.

Version **2.143.878.0**

Power BI Desktop

File Size (x86): **736.5 MB**

Objectives

The primary objective of this project is to analyze the effectiveness of the April 2025 customer retention campaign aimed at re-engaging inactive customers through targeted loyalty offers. Key

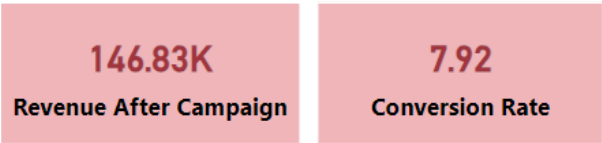
goals include identifying the targeted customer group, calculating the campaign's conversion rate, and measuring changes in customer behavior post-campaign. The project also evaluates revenue impact, customer segmentation performance, comparing with last year campaign. Additionally, it aims to uncover which marketing channels and customer segments responded best, enabling data-driven decisions to optimize future campaigns and improve long-term customer retention.

Insights Got From 2025 April Customer Retention Campaign

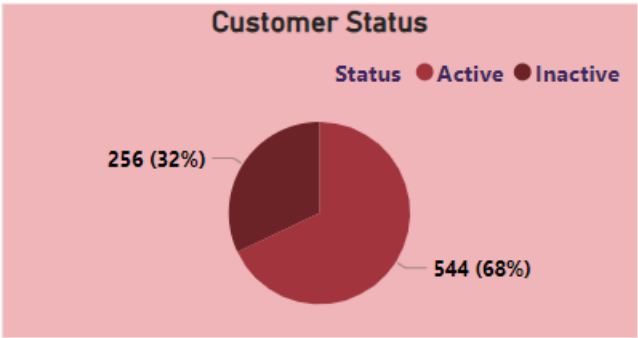
After receiving the mail from the Marketing Lead, I created a Power BI dashboard to analyze the April 2025 campaign data. Based on this analysis, I generated key insights and answered specific business questions posed by the Marketing Lead to evaluate the campaign's effectiveness.



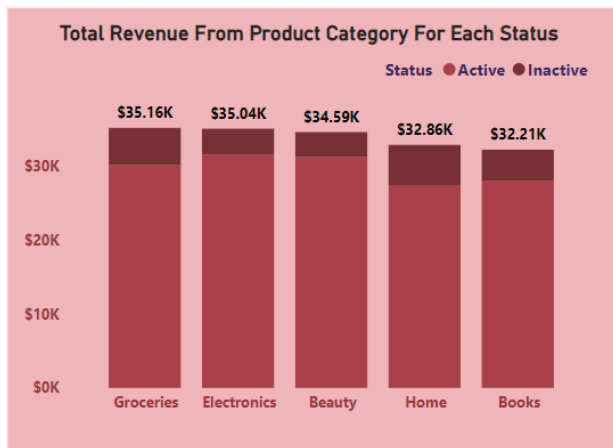
Out of a sample of **800** customers, **659** received the campaign offer. Among them, **522** customers accepted the offer and made a purchase, demonstrating a strong engagement rate and indicating the campaign's effectiveness in driving customer action.



The campaign achieved an impressive conversion rate of **79.2%**, reflecting strong customer engagement. This positive response indicates that the offer was well-received and effectively attracted attention. Additionally, a noticeable increase in revenue after the campaign confirms its success in encouraging purchases and driving customer interest.



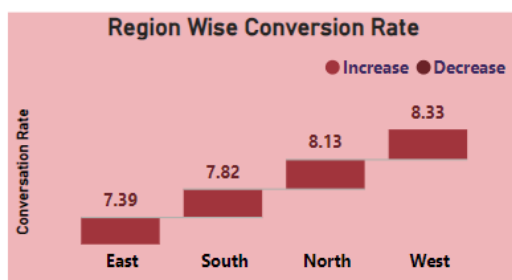
Out of the **800** customers analyzed, **68%** remained active following the offer campaign. This indicates a significant level of sustained engagement, suggesting that the campaign not only encouraged initial purchases but also contributed to reactivating and retaining a large portion of the customer base effectively.



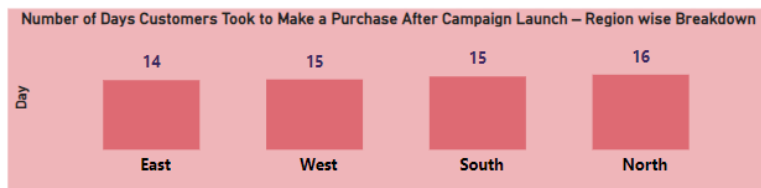
The chart illustrates that the **Groceries** category achieved the highest total revenue at **35.16K**, closely followed by Electronics and Beauty. In all categories, active customers contributed the majority of the revenue, reflecting strong engagement post-campaign. Even in categories like Books and Home, inactive users showed notable participation, indicating broad campaign impact.



It shows the number of customers reached by each campaign type across different product categories. As we can see, **App Notifications** performed best overall, especially for **Groceries** product, which had the highest customer engagement. **SMS Reminders** also did quite well, particularly for the **Beauty** and **Books** categories. Meanwhile, **Loyalty Offers** and **Emails** showed steady performance across all categories, indicating they're reliable methods for broader reach. This chart helps us understand which campaign types work best for specific product categories, and can guide us in optimizing future marketing strategies.



It's clear that the **West** region achieved the highest conversion rate at **8.33**, indicating that customers in this zone responded most positively to the offer. The **North** also performed well at **8.13**, followed by the **South** and **East**. These insights suggest that customers in the West were the most engaged and had the strongest purchasing response, highlighting a key opportunity for future regional targeting and campaign optimization.



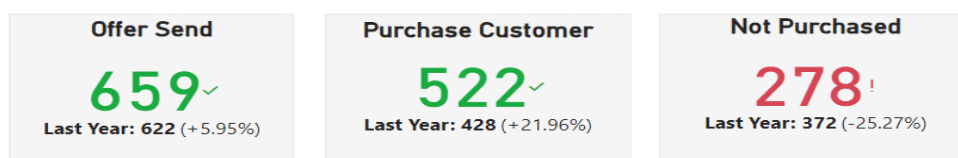
This chart shows the average number of days customers took to make a purchase after receiving the campaign message, broken down by region. The **East** region demonstrated the quickest response, with customers making purchases in an average of **14** days. In comparison, customers in the **West** and **South** regions took around **15** days, while those in the **North** averaged **16** days. This suggests that customers in the **East** zone were more prompt and responsive to the offer, indicating stronger urgency or interest. These insights can help in tailoring future campaign timings and follow-up strategies for each region.



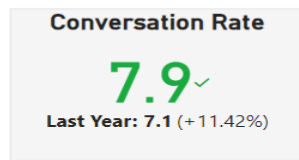
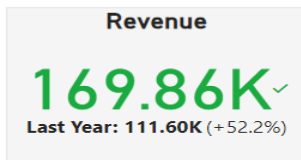
The yearly **signup** chart clearly shows a significant upward trend from the **2025** campaign. Customer signups have increased rapidly, indicating the growing effectiveness of marketing efforts and stronger customer engagement. This positive trajectory reflects successful campaign execution and rising brand loyalty.

Growth Comparison with Last Year's Retention Campaign

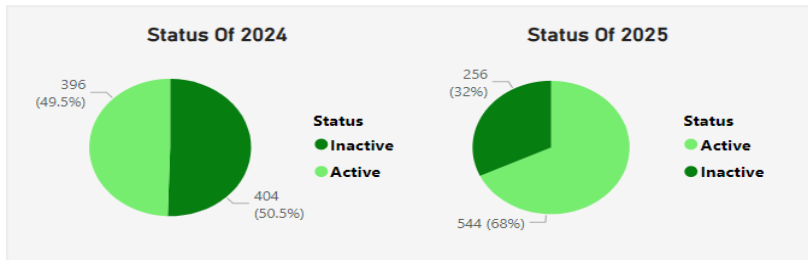
Let's compare the June 2024 retention campaign with this year's April 2025 campaign to evaluate growth in customer retention. The analysis reveals a noticeable increase in both customer engagement and overall market reach. This upward trend highlights the growing impact of our campaigns and reflects stronger customer loyalty and improved marketing effectiveness year over year.



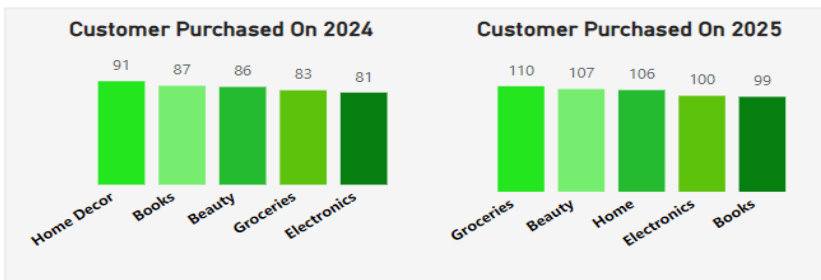
Compared to last year's campaign, we sent **5%** more offers this year. On the positive side, customer purchases increased by **21%**, indicating stronger engagement. Additionally, the number of customers who did not make a purchase decreased by **25%**, reflecting a significant improvement in campaign effectiveness and customer response.



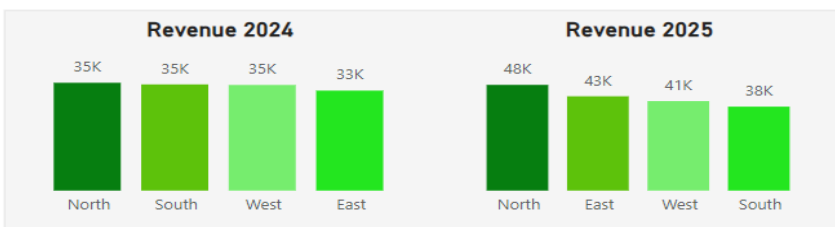
The conversion rate—representing the percentage of customers who made a purchase after receiving the offer—increased by **11%** compared to last year. Furthermore, post-campaign revenue saw a remarkable **50%** growth, highlighting a significant improvement in both customer response and overall campaign success year over year.



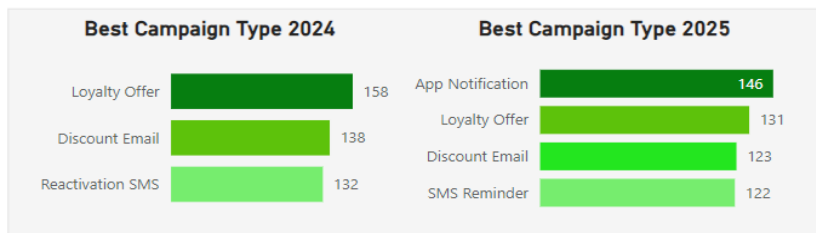
Compared to last year, the number of active users has increased by approximately **20%**. In the 2024 campaign, inactive users slightly outnumbered active ones, indicating weaker retention. However, this year's campaign led to a significant improvement, with **68%** of users remaining active post-campaign, demonstrating a much stronger customer retention outcome.



We observed a significant shift in purchasing behavior between product categories. In the 2024 campaign, customers primarily purchased **home décor** items during the offer period. However, in 2025, **groceries** became the top-selling category. This change is likely influenced by seasonal demand and the **rising prices** of essential goods, driving more practical purchases.



In the 2025 campaign, a new feature—**App Notifications**—was introduced to deliver the offer directly to customers, which proved to be highly effective and well-received. In contrast, the 2024 campaign saw **Loyalty Offers** as the most utilized method among frequent customers. Additionally, both years included **SMS** and **Email** communications to promote the campaign and ensure wider reach.



The revenue generated after the campaign significantly increased this year compared to last year. In both years, customers from the **North** region made the highest number of purchases, contributing the most to overall revenue. Notably, in 2025, the **East** region showed remarkable growth, emerging as a strong contributor to revenue generation.

Recommendations to Marketing Team

Dear Marketing Lead ,

I have analyzed the retention campaign data and got some insights. I have some recommendations to the marketing team

- Enhance Personalization and Targeting Consider dynamic messaging for different regions, such as promoting groceries more in the East where recent performance has improved significantly.

Launch some exciting campaign to attract the customers and increase the active of customers .

- Strengthen Campaign Channels Expand the use of **App Notifications**, which demonstrated high engagement and quick customer response in 2025.

Continue utilizing Loyalty Offers, especially for frequent buyers, as they were the most effective channel in the previous campaign.

Also engage with customers through out mails and **SMS** refining content, delivery timing, and subject lines to boost open and conversion rates.

- Focus on High-Performing Regions Prioritize campaign investments in the North, which consistently generated the highest revenue, and the East, which showed notable growth this year.
- Optimize Product Category Promotions Promote a mix of essentials and high-margin products to balance customer needs with business profitability.

Give Some Loyalty Offer some expensive items mainly Electronics products.

- Monitor and Optimize Campaign Performance Set clear KPIs for the campaign, such as conversion rate, revenue per user, repeat purchase rate, and active user percentage.

References

- Get The Dataset From Kaggle : <https://www.kaggle.com/datasets/arunabha9163/customer-retention-campaign>
- Get customer retention Strategies : <https://www.zendesk.com/in/blog/customer-retention/>
- Get Data Analytics Project Idea : <https://www.zendesk.com/in/blog/customer-retention/>