

Business Insights :

On a Lookalike model combining both Customer and Product dataset's

Insight 1 :

1. Regional Product Preferences

- Customers across different regions tend to purchase products from distinct categories.
- For instance, North America shows a higher preference for electronics and clothing, while South America leans more toward books and home decor. By analyzing regional preferences, businesses can tailor marketing strategies to highlight the most popular products in each region.
- Understanding these trends can help with inventory management and product recommendations specific to regional tastes, ultimately improving sales and customer satisfaction.

Insight 2 :

2. Product Category Trends

- The dataset reveals that certain categories such as **Clothing** and **Electronics** dominate in terms of price range and volume of purchases.
- Products like smartwatches, rugs, and T-shirts are purchased more frequently, showing a consistent trend of customer interest in personal accessories and home improvement items.
- This insight can guide businesses to focus on popular categories, streamline production, and develop promotions based on high-demand products to drive revenue growth and reduce excess inventory.

Insight 3 :

3. Purchase Frequency and Signup Timing

- Customers who signed up earlier (e.g., in 2022) tend to have higher transaction counts, suggesting a possible link between customer loyalty and time since signup.
- Newer customers, particularly those who signed up in late 2023 or 2024, show fewer transactions. Businesses can leverage this information to create loyalty programs targeting newer customers, encouraging repeat purchases and boosting long-term customer retention.
- Tailored marketing campaigns based on signup date could also optimize customer engagement by offering special deals to incentivize repeat purchases.

Insight 4 :

3. Price Sensitivity by Category

- The dataset shows that customers are generally more willing to spend on products in certain categories like **Electronics** and **Clothing**, where the average price point is higher.
- For instance, electronics such as smartwatches and headphones have higher prices compared to books or home decor.
- By segmenting customers based on their price sensitivity within these categories, businesses can create personalized pricing strategies, offering discounts or promotional offers to price-sensitive customers while maximizing profits from customers willing to pay more for premium items.

Insight 5 :

5 : Cross-Selling Opportunities

- Analyzing product combinations purchased by the same customer reveals potential cross-selling opportunities. For example, customers purchasing items in the **Books** category often buy products in **Home Decor** and **Electronics**, such as Bluetooth speakers and lamps.
- Understanding these product pairings allows businesses to implement bundle offers or targeted cross-selling strategies to increase average order value.
- Personalized recommendations based on previous purchases can significantly enhance the customer experience, leading to more comprehensive product offerings and boosting overall sales.

These insights can help businesses optimize marketing, inventory, and customer engagement strategies.