

Customer Behavior & Business Performance

Dashboard Insights – Executive Summary

1. Business Overview

Olist is a Brazilian e-commerce marketplace (2016–2018 dataset) connecting small and medium sellers to nationwide customers. The dataset covers the complete order lifecycle — purchase, payment, logistics, and delivery enabling deep insights into customer behaviour, sales performance, and operational patterns.

2. Key Performance Indicators (KPIs)

- **Total Sales:** ₹10.6 Crore
- **Orders Processed:** 19,959
- **Active Customers:** 4,339
- **Average Order Value:** ₹531
- **Timeframe:** 2016–2018



3. Customer Segmentation (RFM Model)

Customer behaviour was classified into four key cohorts:

- **Champions (≈44%)**

Highest spenders (≈₹6,000 average), frequent and recent buyers. Primary revenue drivers.

- **Loyal Customers (≈25%)**

Stable frequency and moderate spend (≈₹2,000). Represent long-term retention potential.

- **Potential Customers (≈14%)**

Newer customers with low spend but high opportunity for conversion.

- **Needs Attention (≈7%)**

High recency, low frequency; at clear churn risk.

Strategic Insight: ~69% of the customer base (Champions + Loyal) generates the majority of the revenue. Potential Customers offer the highest growth opportunity.

4. Revenue Concentration & Customer Value

- The top-performing customers follow a **Pareto pattern** : a small subset contributes disproportionately to sales.
- The **top 5 customers alone generate ₹9–10 lakh.**

Implication: High dependency on elite customers; retention and personalized engagement are critical.

5. Sales Trend & Seasonality

Sales show recurring peaks during:

- **Late November**
- **Early December**
- **Christmas season**

Daily sales activity remains consistent, with sharp increases during festive periods.

Strategic Insight: Holiday campaigns, targeted promotions, and inventory readiness in Q4 deliver the highest ROI.

6. Key Business Insights

- ✓ **Strong Core Customer Base**

Champions and Loyal Customers sustain revenue and show healthy purchasing patterns.

- ✓ **Seasonal Dependence**

Predictable peaks create opportunities for optimized campaign planning.

✓ **Risk of Customer Churn**

The Needs Attention segment reflects weakening engagement.

✓ **Untapped Upsell Opportunities**

Potential Customers can move into high-value segments via targeted onboarding.

7. Strategic Recommendations

A. Customer Strategy

- Launch **VIP loyalty programs** for Champions.
- Offer **subscription / membership benefits** to Loyal Customers.
- Convert Potential Customers through **welcome offers, bundles, and personalized onboarding**.
- Run **win-back campaigns** for Needs Attention using reminders and limited-time incentives.

B. Sales & Marketing Strategy

- Front-load marketing spend in **Q4 holiday periods**.
- Promote categories preferred by high-value segments.
- Optimize product recommendations using collaborative filtering.

C. Operational & Analytics Strategy

- Strengthen **demand forecasting and inventory planning**.
- Build **Customer 360 profiles** integrating RFM, geography, and behaviour.
- Deploy **churn prediction** and **CLV forecasting** models.

8. Conclusion

The analysis identifies a strong foundation of high-value customers, clear seasonal demand cycles, and significant opportunities to enhance retention and drive growth. With targeted interventions and improved analytics maturity, Olist can substantially increase long-term revenue, customer loyalty, and marketplace competitiveness.