



## Luxury Makeup Cosmetics Brand

(Customer Analytics)


Analyzed the key purchase trends of customers in each region to **identify the customer segments with low acquisition rates and sentiment** that the company should focus on with customized marketing programs

# CUSTOMER ANALYTICS


## ABOUT THE CLIENT

Client is a US-based luxury cosmetics manufacturer. Company observed a decline in sales in some key markets and wanted to understand the key trends driving the change


### SITUATION

- 
- Each market has a dedicated CRM team that works with the Marketing team to **design customized marketing initiatives** based on customer behavior and demographics
  - Merilytics closely partnered with the CRM and Marketing teams of the client to **deep dive into the purchasing trends of the customers** over the past three years and identify key customer groups that the company should focus on

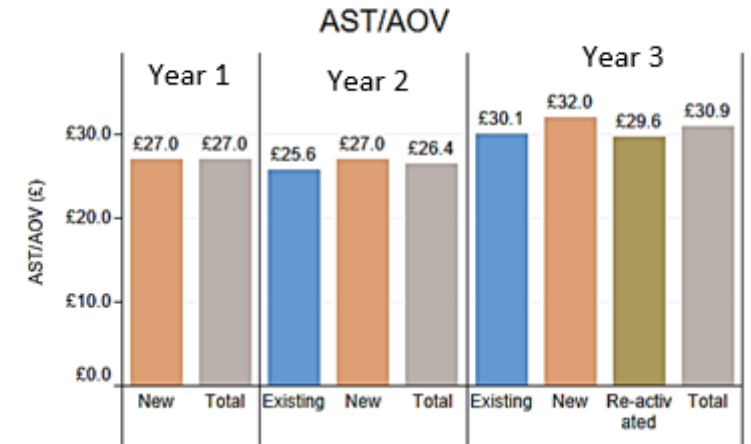
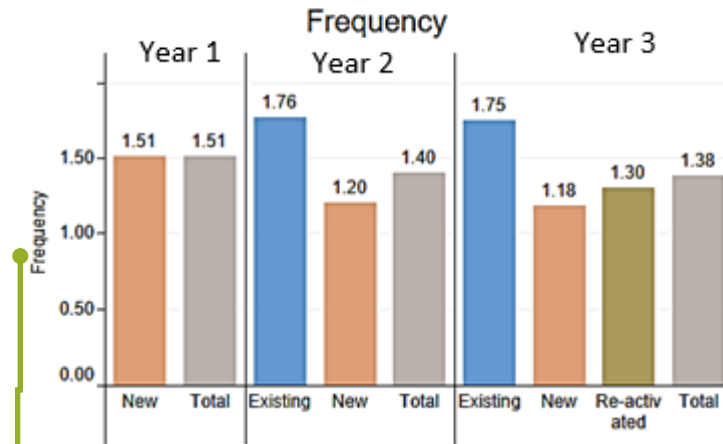
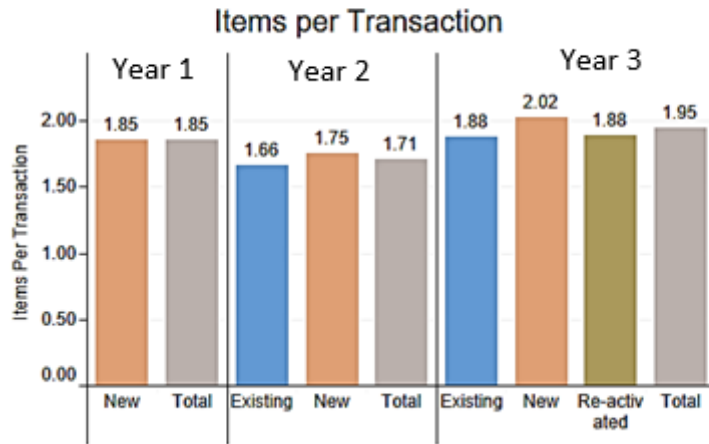
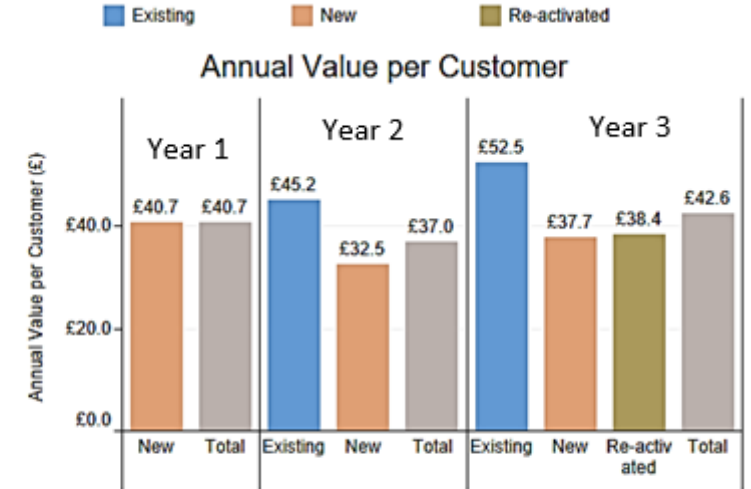
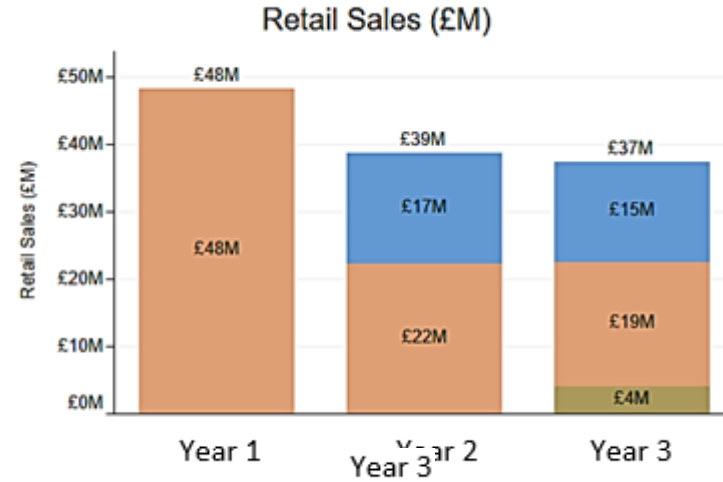
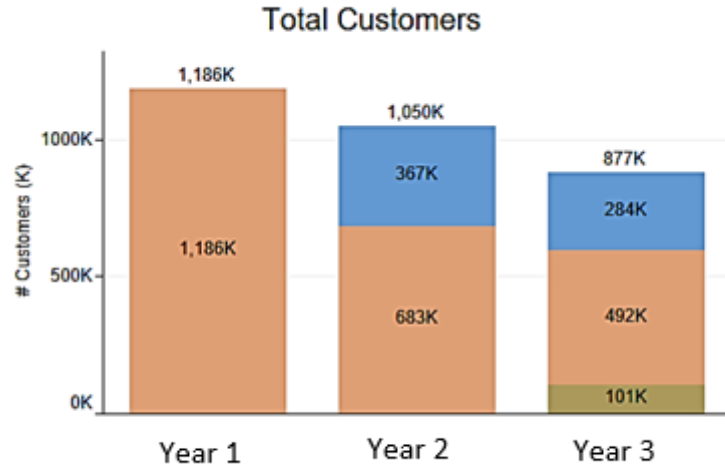
### VALUE ADDITION

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- Harmonized the customer data collected from different markets by channel** and combined it with the customer level sales data to create a consolidated dataset
  - Identified **key customer parameters** such as age, ethnicity, geography etc. and **looked at sales growth for past three years** within each segment
  - Compared the revenue per customer, acquisition rate, retention rate, cross-channel purchases, replenishment rate for each segment for the past three-year period to **identify the segments that experienced a decline**
  - Set up an automated process to repeat the analysis on a regular basis in order to highlight the focus areas and related metrics
  - Created a **dynamic and interactive cloud based BI reporting dashboard** for consumption by the Management

### IMPACT

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- The analysis helped the CRM team to **understand the customer purchase behavior at a granular level** and the impact of attrition on the overall growth
  - Client was able to **identify the customer segments with low acquisition rates and sentiment**, and design customized marketing programs to attract those segments
  - The BI dashboard provided an executive view of all the markets and key trends, with the ability to drill down on specific markets

# CUSTOMER ANALYTICS



This view displays the trends of various metrics in the last three years that enables the marketing team to decide area/s of focus (Pricing / Customer Lifetime value / No. of customers / Customer loyalty) to improve the sales.

Age Vs Ethnicity Distribution (%YoY vs Year 1)

			Ethnicity									
			Black	Chinese /East ..	Eastern Europ..	Hispani c	Jewish/ Armen..	Other Muslim	South Asian	UK White	Wester n Euro..	Grand Total
			£0.5M	£0.1M	£0.3M	£0.2M	£0.1M	£0.5M	£1.6M	£16.1M	£0.9M	£20.2M
Age	Age 18-25	£2.6M	-36.6%	-42.7%	-39.3%	-37.3%	-22.3%	-41.5%	-39.0%	-38.3%	-40.3%	-38.5%
	Age 26-30	£3.8M	-36.4%	-33.5%	-30.6%	-33.3%	-49.9%	-37.0%	-36.3%	-33.4%	-33.0%	-33.8%
	Age 31-35	£2.8M	-29.7%	-28.0%	-32.5%	-38.4%	-12.6%	-33.5%	-38.1%	-32.2%	-27.2%	-32.7%
	Age 36-40	£2.3M	-26.1%	-39.4%	-31.4%	-28.2%	-9.4%	-31.0%	-31.7%	-28.4%	-23.7%	-28.7%
	Age 41-45	£1.8M	-27.6%	-31.8%	-31.4%	-37.0%	-13.9%	-37.5%	-31.1%	-29.0%	-30.5%	-29.5%
	Age 46-50	£2.1M	-23.2%	-30.1%	-35.0%	-33.6%	-26.6%	-23.9%	-32.5%	-30.9%	-27.2%	-30.6%
	Age 51-55	£1.7M	-29.8%	-31.1%	-37.7%	-29.1%	-17.4%	-26.4%	-34.3%	-29.7%	-28.3%	-29.9%
	Age 56+	£3.1M	-24.6%	-39.1%	-31.8%	-26.4%	-29.4%	-34.3%	-31.3%	-30.3%	-30.8%	-30.4%
	Total	£20.2M	-30.3%	-35.3%	-33.0%	-33.5%	-26.7%	-34.5%	-35.0%	-32.0%	-30.5%	-32.2%

Age Vs Ethnicity Distribution (%YoY vs Year 2')

			Ethnicity									
			Black	Chinese /East ..	Eastern Europ..	Hispani c	Jewish/ Armen..	Other Muslim	South Asian	UK White	Wester n Euro..	Grand Total
			£0.5M	£0.1M	£0.3M	£0.2M	£0.1M	£0.4M	£1.5M	£14.9M	£0.9M	£18.9M
Age	Age 18-25	£2.2M	-14.1%	-21.8%	-11.7%	-2.4%	7.7%	-11.6%	-7.7%	-16.2%	-6.9%	-15.0%
	Age 26-30	£3.4M	-3.2%	-8.2%	-12.6%	-8.0%	0.6%	-5.5%	-2.9%	-11.7%	-8.9%	-10.3%
	Age 31-35	£2.7M	1.9%	0.3%	-6.2%	-4.8%	-12.2%	-3.2%	-2.5%	-6.9%	-6.7%	-5.9%
	Age 36-40	£2.3M	10.3%	-14.6%	-4.5%	-8.9%	-24.3%	4.4%	-1.1%	-4.0%	3.4%	-2.8%
	Age 41-45	£1.8M	2.2%	6.0%	-5.6%	-3.9%	-4.0%	-0.5%	-2.1%	-3.1%	2.1%	-2.6%
	Age 46-50	£2.0M	-5.7%	20.1%	-4.2%	3.9%	35.0%	-3.2%	-2.6%	-4.0%	0.7%	-3.4%
	Age 51-55	£1.6M	2.9%	3.5%	-0.5%	0.5%	-23.2%	6.5%	0.3%	-4.9%	-3.9%	-4.2%
	Age 56+	£3.0M	5.5%	-3.9%	-8.3%	-8.4%	2.3%	2.1%	-10.0%	-5.4%	-1.6%	-5.3%
	Grand Total	£18.9M	0.0%	-5.5%	-7.7%	-5.0%	-2.9%	-2.4%	-3.3%	-7.6%	-3.2%	-6.7%

The view displays the YoY% of the sales of each 'Age-Ethnicity' sub-group.