



Customer analytics

Performance fabric menswear brand

- Identified strategies to generate higher customer lifetime value by analyzing customers behavior, purchase trends, order value, product-mix, online vs. offline transactions and purchase frequency
- Provided recommendations on promotion events and discounting strategies that drive higher sales or repeat purchases

Menswear brand needs to strategies to increase customer lifetime value

Picture this...

You're looking to evaluate customer behavior by analyzing purchase trends, average order value (AOV), product-mix, online vs. offline transactions, purchase frequency etc., and provide insights to tailor marketing efforts and promotions based on customer profile and generate higher customer lifetime value (CLTV).

You turn to Accordion.

We partner with your team to identify strategies to generate higher customer lifetime value by analyzing customers behavior and provide recommendations on promotional events and discounting strategies that drive higher sales or repeat purchases, including:

- 1) Analyzing trends of orders, sales, order value, and new customers, by sales channel to understand the business and customer behavior; evaluated the product mix by sales channel to study customer journeys
- 2) Evaluating customer lifetime value (CLTV) by various drivers and identifying sales channels and customer journeys of high value customers
- 3) Estimating churn rates and evaluating impact of gap between purchases, on customer lifetime value, and identifying potential reasons for customers making a repeat purchase or a higher value purchase
- 4) Analyzing the baskets of high value customers and creating a sales funnel to study the purchase pattern of the customers based on preferred category or sub-category of the product portfolio
- 5) Evaluating correlation between purchase trends, AOV, product-mix, online vs. offline transactions, purchase frequency etc. and the customer LTV to identify factors that drive high LTV

Your value is enhanced.

- Sales channel analysis helped you understand the value generated by omni channel customers, and customize the marketing strategy to drive offline customers to make online purchases
- You have identified that the higher CLTV is more often driven by transaction volume rather than higher ticket size and have recommended offers to push for more transactions rather than increasing the ticket size
- You have visibility into the promotions that work well, and the discount strategies that can drive higher sales

KEY RESULT

VALUE LEVERS PULLED

- Customer LTV analysis
- Correlation between purchase trends, AOV, product-mix, online vs. offline transactions, purchase frequency
- Estimating churn rates

Customer analytics for an apparel brand

Situation

- Need for better understanding of customers to tailor marketing efforts and promotions based on customer profile, and to drive higher customer lifetime value (CLTV)
- Partnered with client to evaluate customer behavior by analyzing purchase trends, average order value (AOV), product-mix, online vs. offline transactions, purchase frequency etc., and provide insights to generate higher CLTV

Accordion Value Add

- Analyzed trends of orders, sales, order value, and new customers, by sales channel to understand the business and customer behavior; evaluated the product mix by sales channel to study customer journeys
- Evaluated customer lifetime value (CLTV) by various drivers and identified sales channels and customer journeys of high value customers
- Estimated churn rates and evaluated impact of gap between purchases, on customer lifetime value, and identified potential reasons for customers making a repeat purchase or a higher value purchase
- Analyzed the baskets of high value customers and created a sales funnel to study the purchase pattern of the customers based on preferred category or sub-category of the product portfolio
- Evaluated correlation between purchase trends, AOV, product-mix, online vs. offline transactions, purchase frequency etc. and the customer LTV to identify factors that drive high LTV

Impact

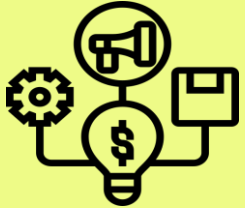
- Sales channel analysis helped understand the value generated by omni channel customers, and customize marketing strategy to drive offline customers to make online purchases
- Identified that the higher CLTV is more often driven by transaction volume rather than higher ticket size and recommended the client to design offers to push for more transactions than increasing the ticket size
- Provided visibility into the promotions that work well, and the discount strategies that drive higher sales

Methodology/ Approach



SALES TRENDS

- **Estimated sales, volume, order value, frequency of customers** by calendar year by sales and acquisition channel to understand the historical trends of the business
- **Analyzed sales metrics** by quarterly and yearly cohorts to evaluate performance variation in cohorts
- **Created frequency plots of average time period between orders and average number of orders per customer** for various sales channels



PRODUCT MIX

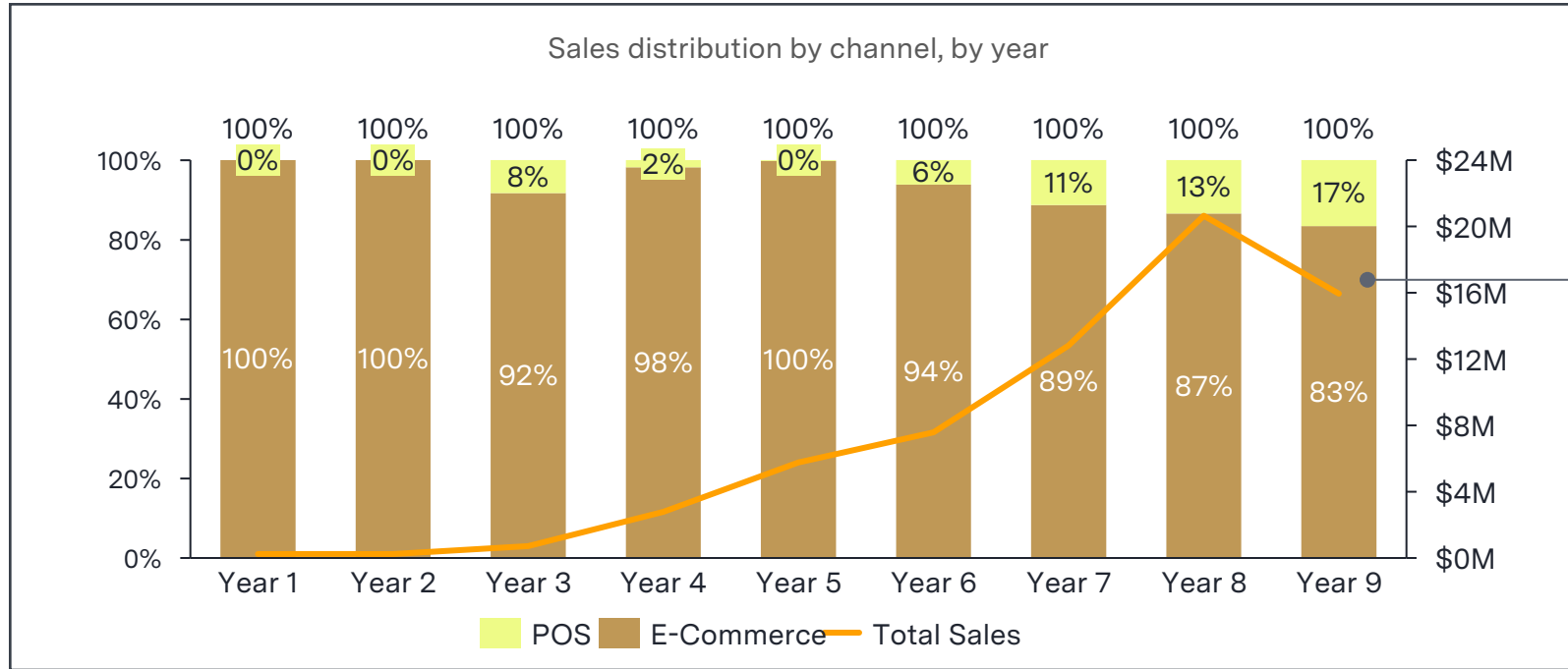
- **Evaluated product mix at a category and sub-category level** based on sales and volume to understand change in the mix of products by sales channels historically
- **Created a funnel of products purchased by the customers in the 1st, 2nd and 3+ orders** to understand the journey of the customers
- **Evaluated product mix for high value and low value customers by 1st, 2nd and 3+ orders** to identify correlation between product mix and the value of customers



CLTV

- **Evaluated the churn criteria as 12 months** based on the frequency plot between consecutive purchases
- **Estimated retention rate, repeat purchase rate and tenure by various acquisition cohorts** of the customers to understand the customer behavior
- **Calculated CLTV** based on churned customers for various channels by quarterly and yearly acquisition cohorts
- **Projected CLTVs** for the latest quarters based on historical share of CLTV by tenure

Sales trends

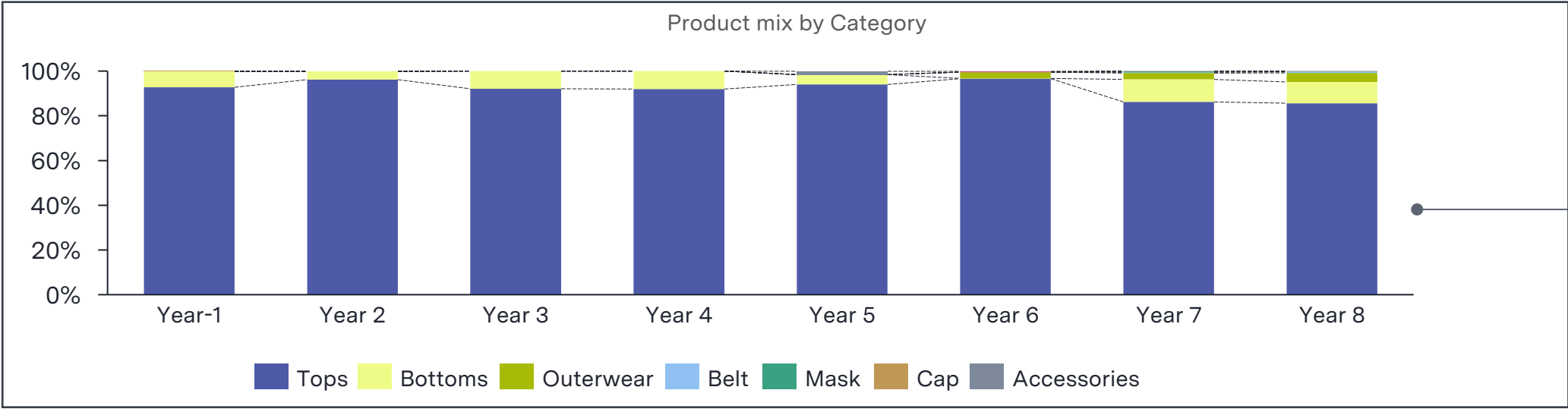
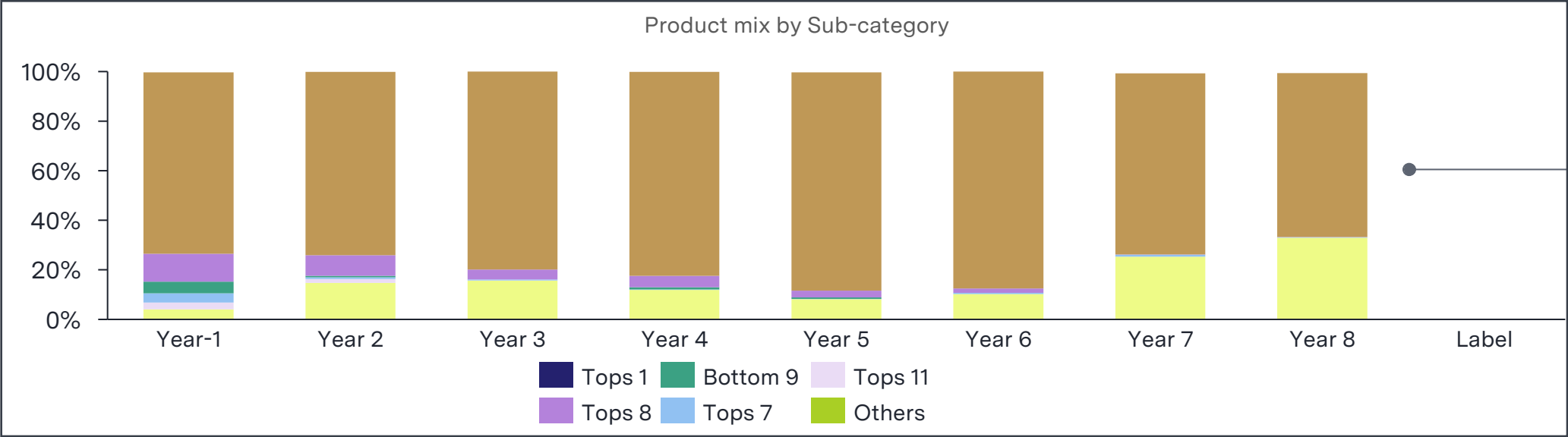


Sales trends by calendar year, for E-commerce and POS channels

Average Order Value by Cohort (in Years)										
Cohort	1	2	3	4	5	6	7	8	9	Grand Total
Year-1	\$16	\$26	\$24	\$27	\$30	\$24	\$19	\$22	\$16	\$21
Year-2	\$22	\$23	\$24	\$23	\$22	\$26	\$25	\$19	\$15	\$23
Year-3	\$20	\$24	\$25	\$23	\$20	\$22	\$19	\$18		\$21
Year-4	\$22	\$27	\$25	\$25	\$26	\$22	\$24			\$23
Year-5	\$25	\$24	\$24	\$24	\$19	\$20				
Year-6	\$23	\$23	\$24	\$20	\$26					
Year-7	\$21	\$23	\$20	\$20						
Year-8	\$23	\$20	\$21							
Year-9	\$20	\$20								\$20
Year-10	\$20									\$20
Grand Total	\$22	\$23	\$23	\$23	\$22	\$23	\$20	\$19	\$15	\$22

AOV by customer acquisition cohorts, by Tenure of the customers

Product mix analysis



CLTV analysis

