Purchase Behavior Analysis

Network Security Products Firm

- Built dynamic models to understand the purchase behavior of the firm's partners, leveraging the consolidated POS sales data

- Analyzed the purchase history to evaluate revenue trends and products performance, and analyzed churn, cross-sell opportunities, Partner Segments etc.

Purchase behavior analysis

Situation

- Client has a 2-tier distribution system - client sells the software to distributors and the distributor in turn sells to Partners, who then sell/install the software to the end customer. The client did not have much visibility into the purchase behavior of the Partners.

- Partnered with the client to understand Partners behavior as a proxy for end-customer behavior and analyzed the trends for revenues, products performance, churn, cross-sell and cohort performance.

Accordion Value Add

- Leveraged the consolidated POS sales (between the Distributor and Partner) data at a quarter level to build dynamic models to understand the Partners behavior. Provided flexibility in the model to view the insights at a region, area, or territory levels, by Partner groupings such as Strategic Partners, Top-200 etc.

- Segmented the partners based on the average revenue per quarter and purchase frequency, and analyzed the behavior patterns across the segments

- Evaluated the performance of the newly launched products and analyzed the impact of cross-sell and cannibalization of new products on the existing products to provide insights into the shift in purchase patterns

Impact

- The client has enhanced visibility into Partner Churn and is able to understand the Churn trends across the business

- The cross-sell analyses helped identify the attractive product combinations and helped inform the right sales strategies

- Strong feedback from Management team – "Never looked at our business as you did, and it helped us learn a lot".

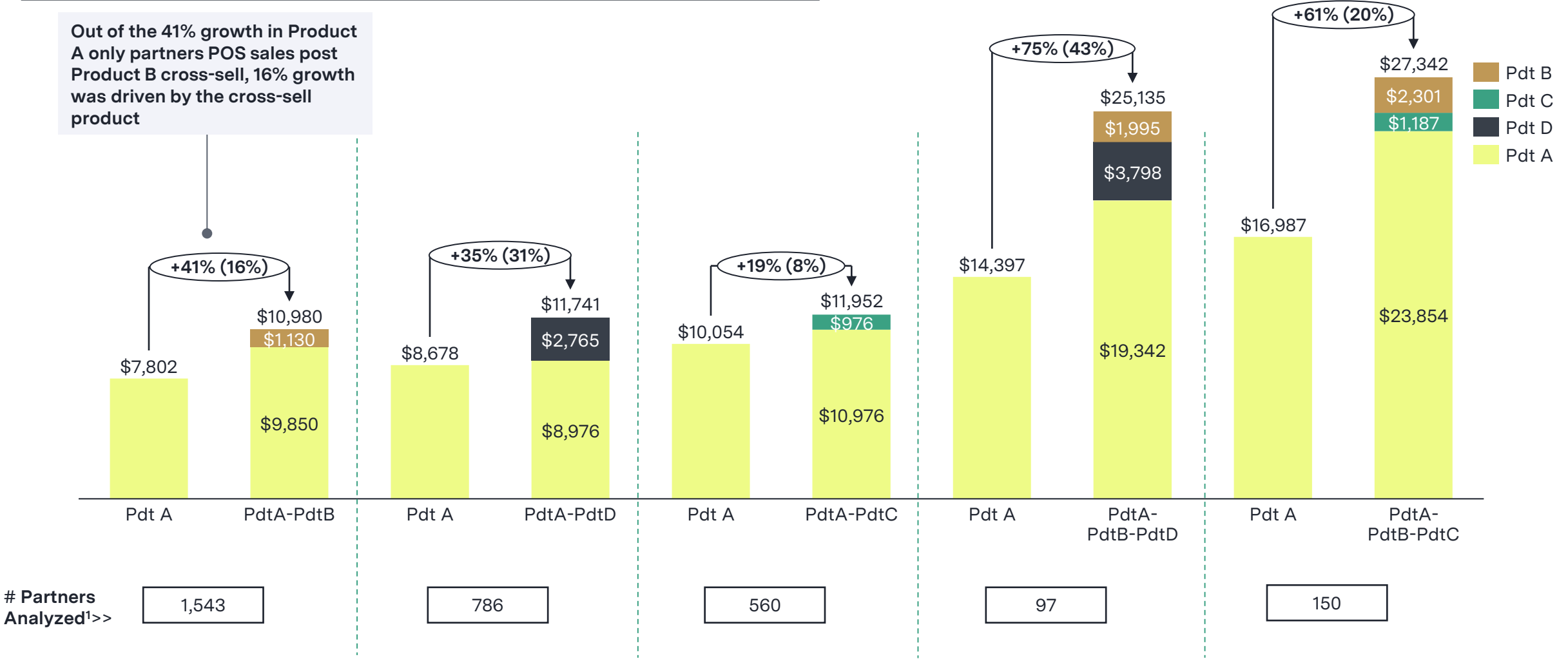# Churn across the business by partner type

Gross Churn in # Partners by Single vs. Multi-Product Active Partners by Quarter, %
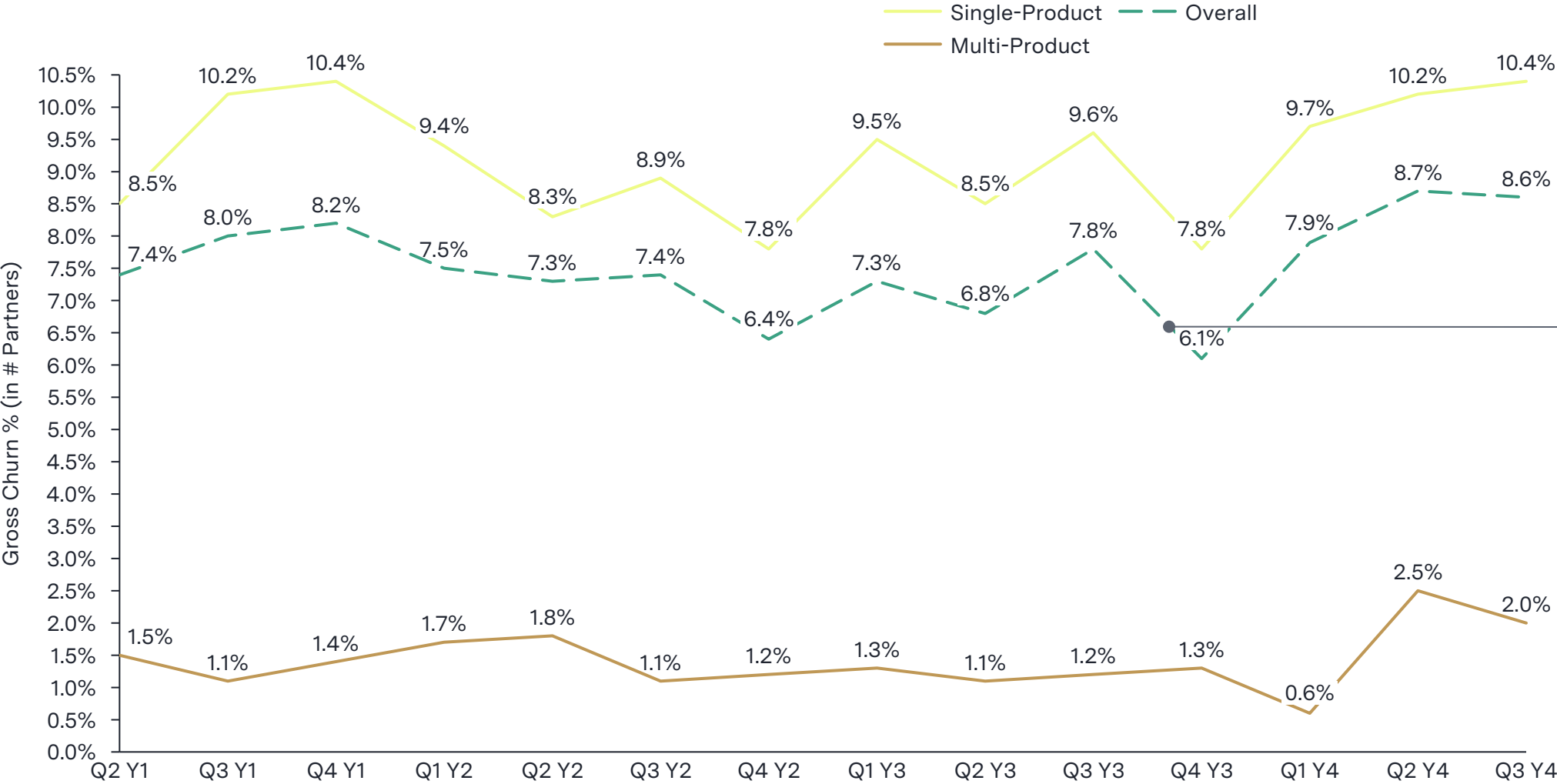
Provides visibility into Partner churn, as well as the split of single product purchase partners and multi-product purchase partners

Impact of cross-sell on average revenue per quarter

Total sales growth post cross-sell, and contribution from cross-sell products, %

Out of the 41% growth in Product A only partners POS sales post Product B cross-sell, 16% growth was driven by the cross-sell product

Legend:
- Pdt B
- Pdt C
- Pdt D
- Pdt A

+41% (16%)

Pdt A: $7,802
PdtA-PdtB: $10,980 ($1,130 / $9,850)

+35% (31%)

Pdt A: $8,678
PdtA-PdtD: $11,741 ($2,765 / $8,976)

+19% (8%)

Pdt A: $10,054
PdtA-PdtC: $11,952 ($976 / $10,976)

+75% (43%)

Pdt A: $14,397
PdtA-PdtB-PdtD: $25,135 ($1,995 / $3,798 / $19,342)

+61% (20%)

Pdt A: $16,987
PdtA-PdtB-PdtC: $27,342 ($2,301 / $1,187 / $23,854)

 # Partners Analyzed[1]>>

1,543	786	560	97	150

Average sales trend by partner cohort

Avg. POS Sales per Active Partner by Cohort[1] over Lifetime quarters, $

Acquisition cohort
— 2017 Q1
— 2018 Q1
— 2019 Q1
— 2020 Q1

Average POS Sales per Active Partner trends based on the acquisition cohort of the Partner