



Prepared by Kharytyna Tumak

Customer and Sales Insights for Strategic Growth

Enhancing Product Sales Strategy of GiftNest Company

29 May, 2025



GiftNest Company Overview*

- GiftNest is UK-based online retail business specializing in household goods and unique all-occasion gift-ware.
- Main customer base in the UK, with a growing international presence.
- Strong seasonal demand, high return rates on some product lines.
- Current focus: improving customer retention and increasing average order value (AOV).

*For the purpose of this analysis, we refer to the company as 'GiftNest'.



Expectation from Consultants



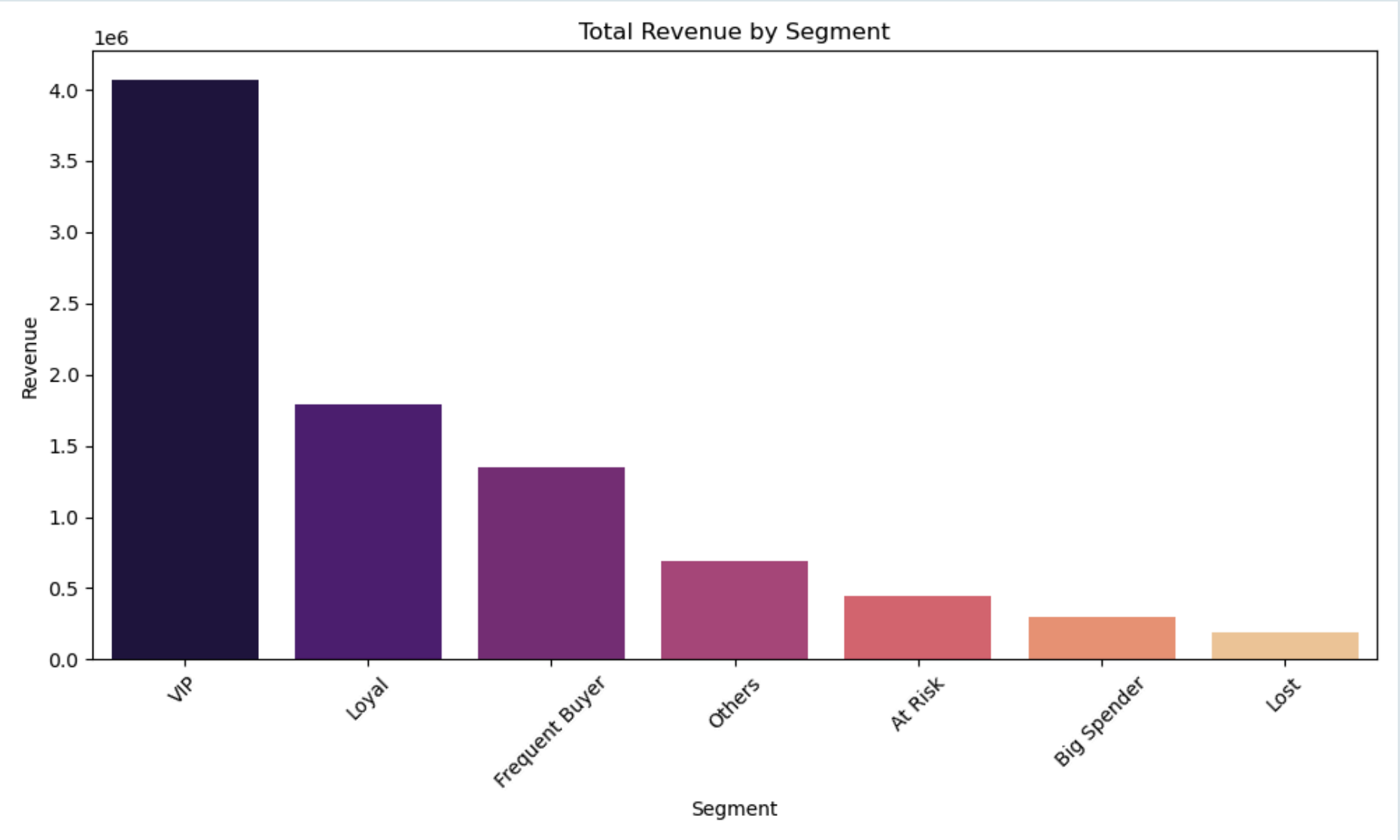
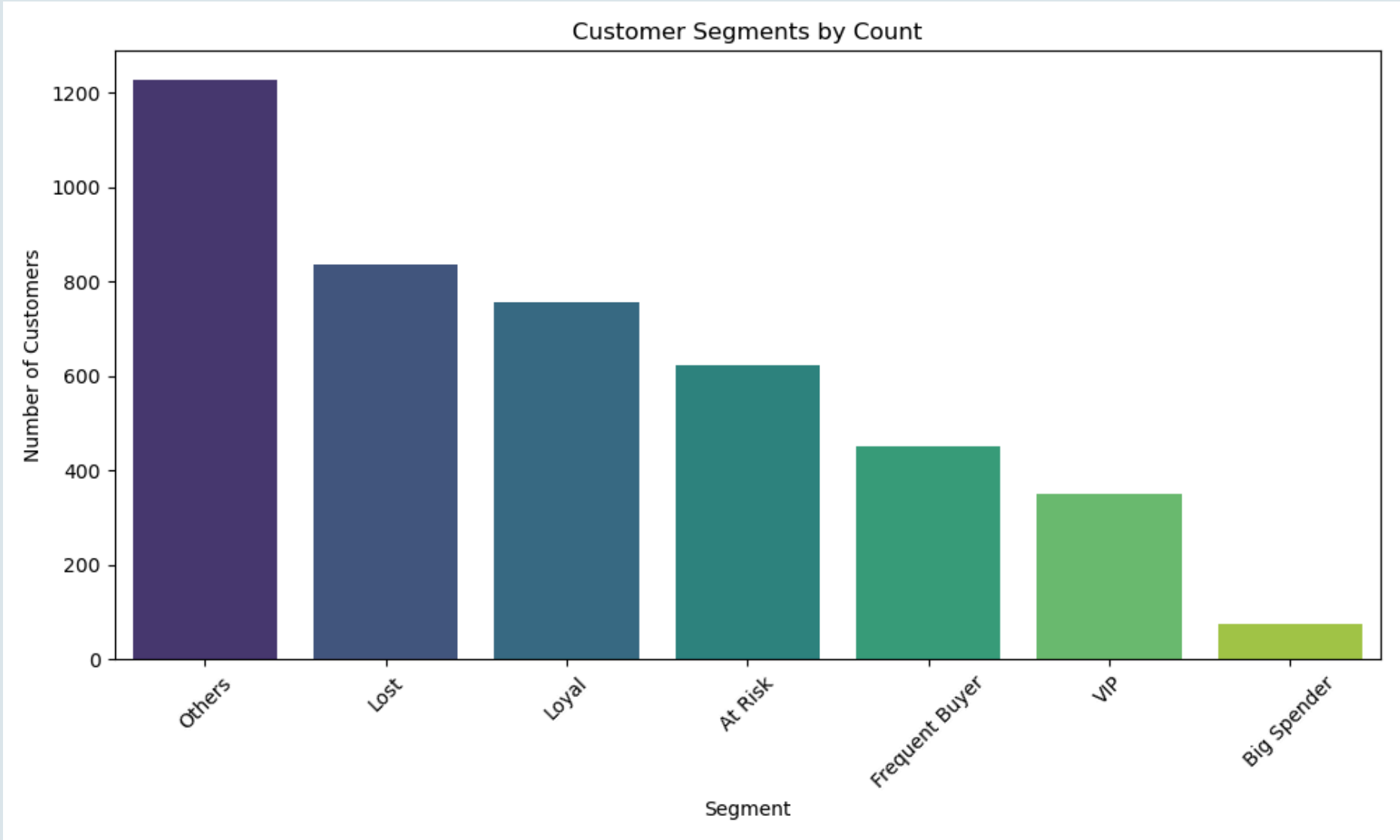
-
- Identify key customer segments and their value.
 - Analyse buying behaviors and churn risk.
 - Recommend actionable strategies for revenue growth and retention.

Customer Segmentation Using RFM Scores

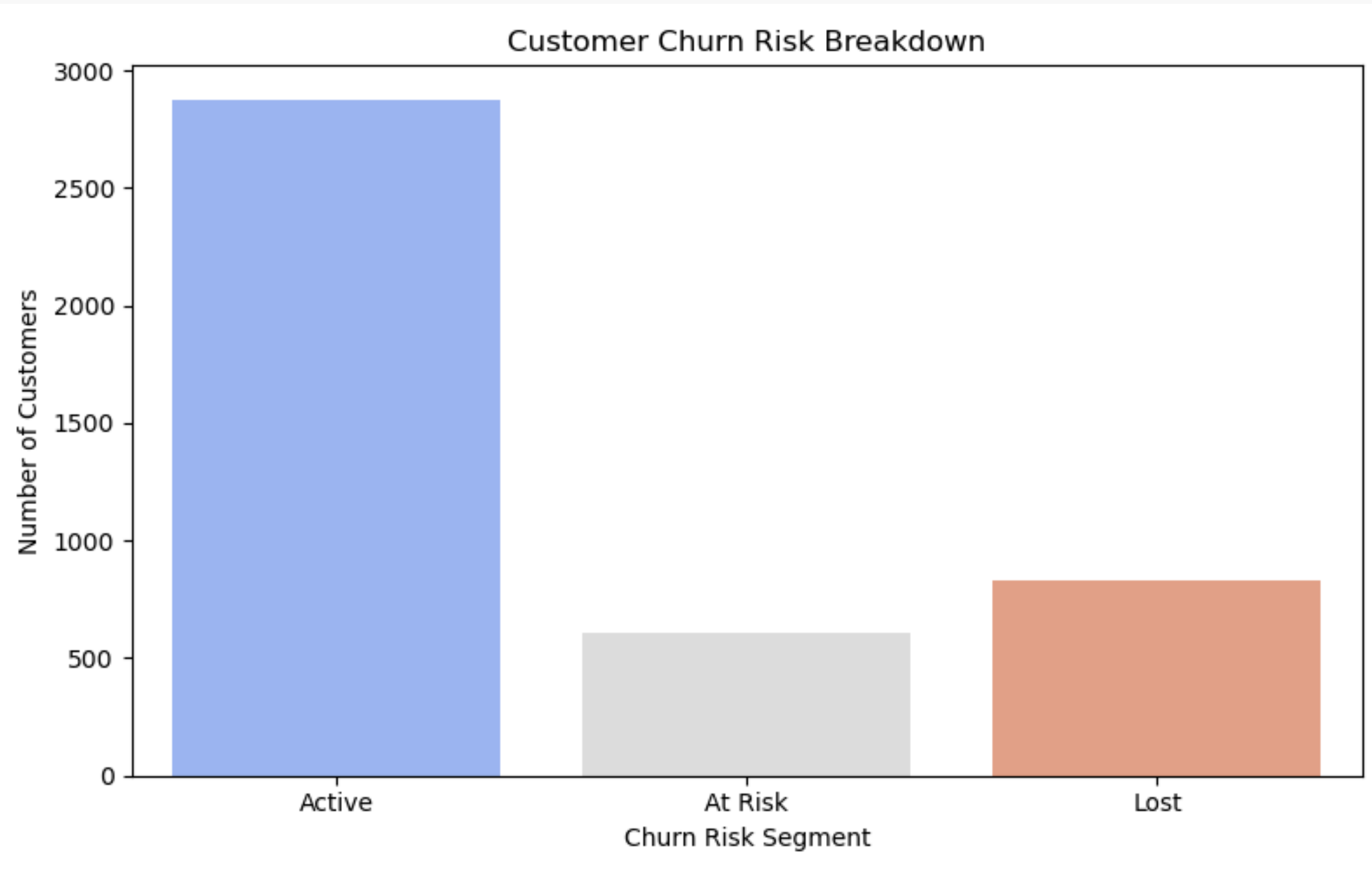
- 5x5x5 segmentation using quintiles.
- Scored customers based on how recently, frequently, and how much they spent.
- **VIP:** Top in all 3 dimensions (Recency, Frequency, Monetary = 5)
- **Loyal:** High recency and frequency (still buying often and recently)
- **Frequent Buyers:** Frequent and moderate-to-high spending, even if not very recent
- **Big Spenders:** High spender regardless of recency or frequency
- **At Risk:** Low recency (hasn't bought recently), regardless of past value
- **Lost:** Low in all dimensions — no longer engaged
- **Others:** Everyone else — no strong pattern

Customer Segmentation and Revenue by Segment

While the largest groups by count are ‘Others’ and ‘Lost’, the highest revenue comes from smaller, more engaged segments like VIPs, Loyal, and Frequent Buyers.



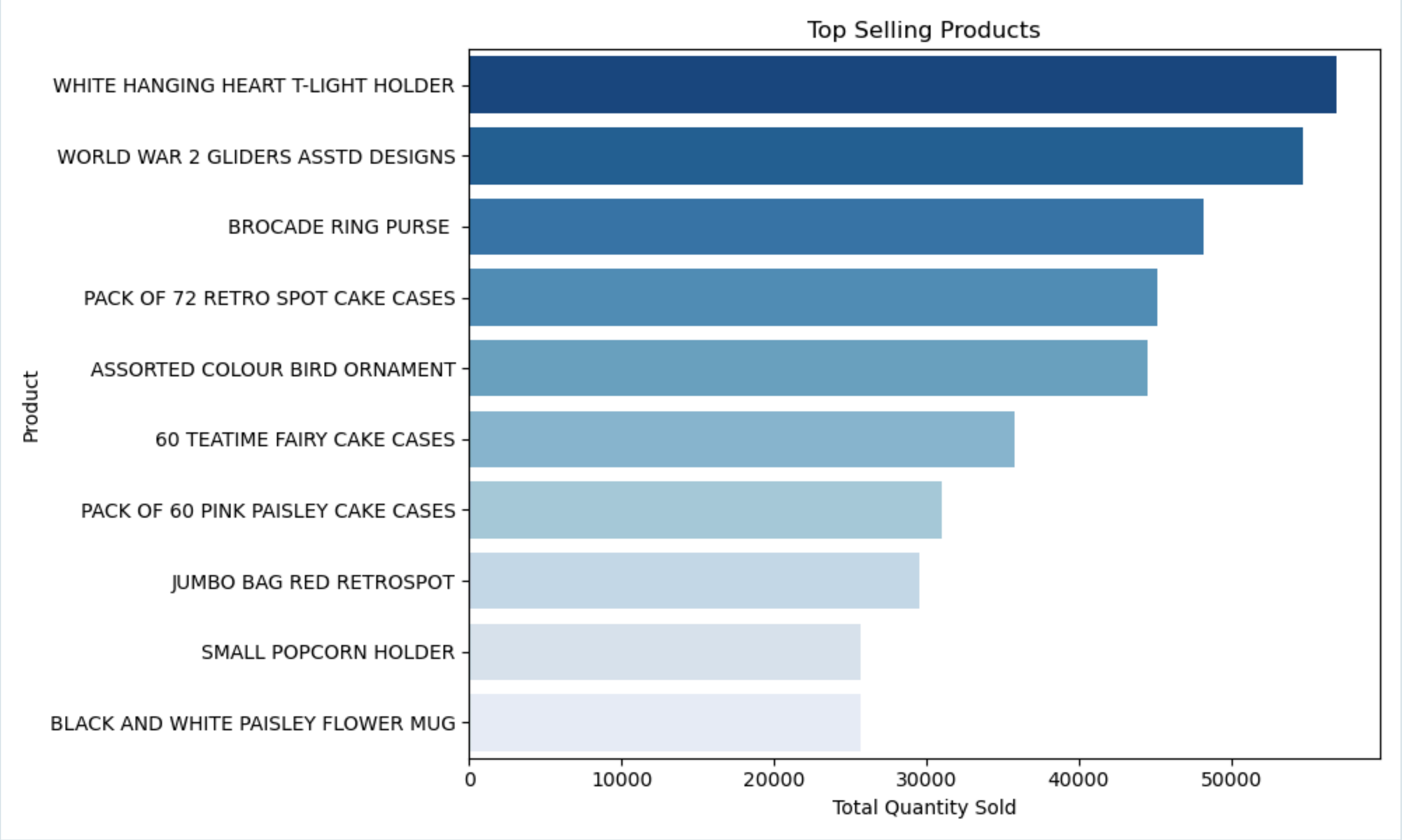
Customer Churn Distribution



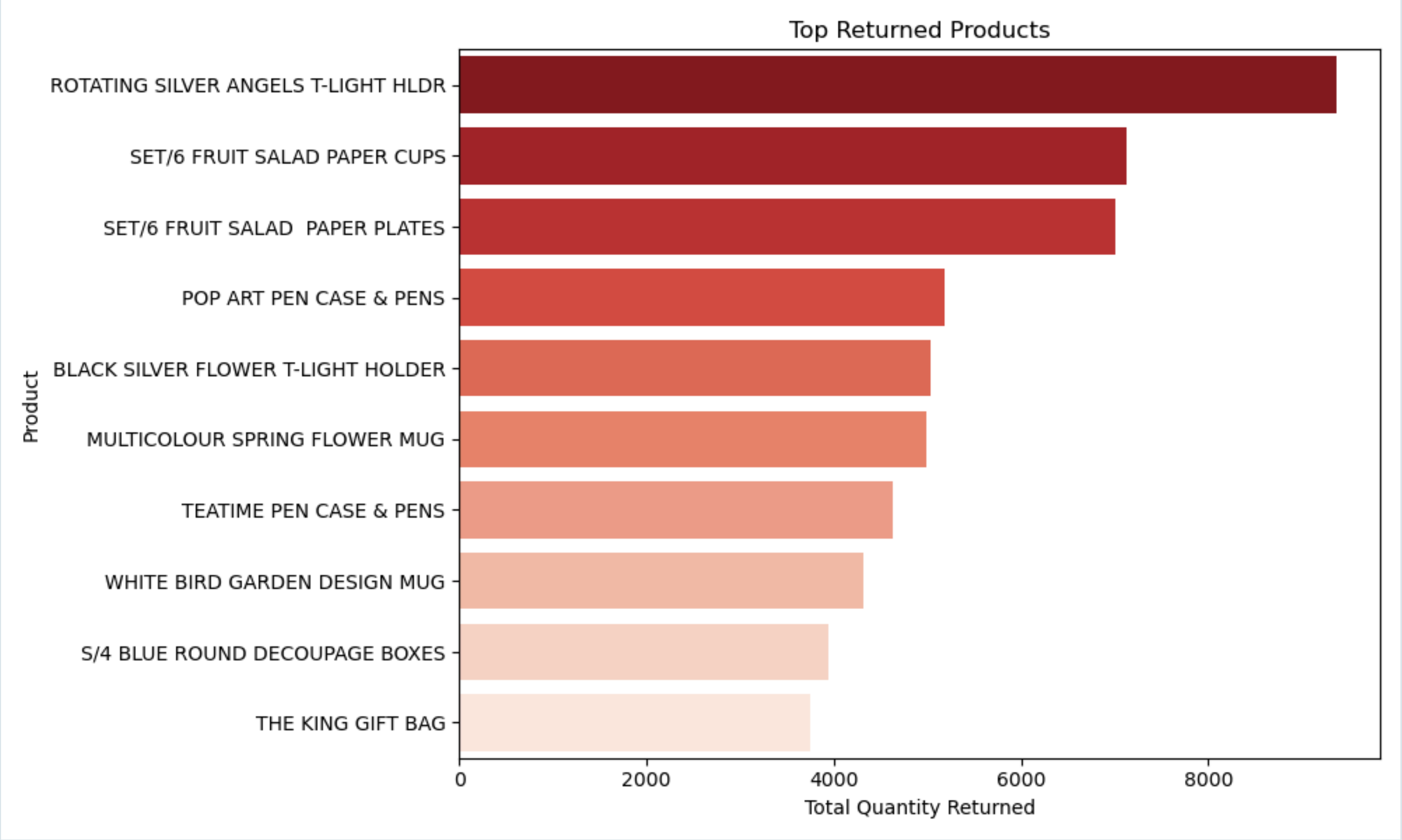
Over one-third of customers are
‘At Risk’ or ‘Lost,’ posing a
significant threat to future
revenue.



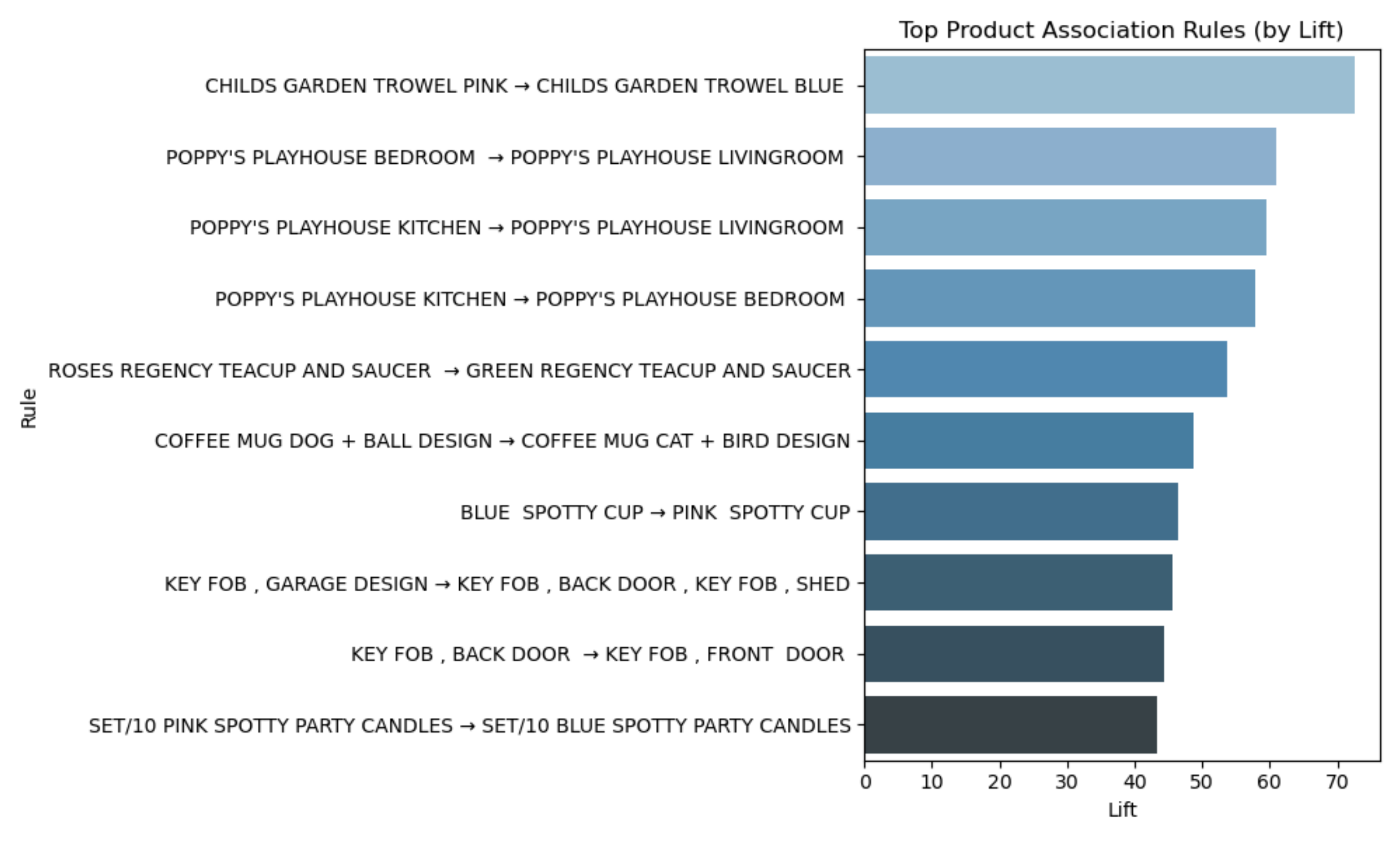
Product Performance: Top Products



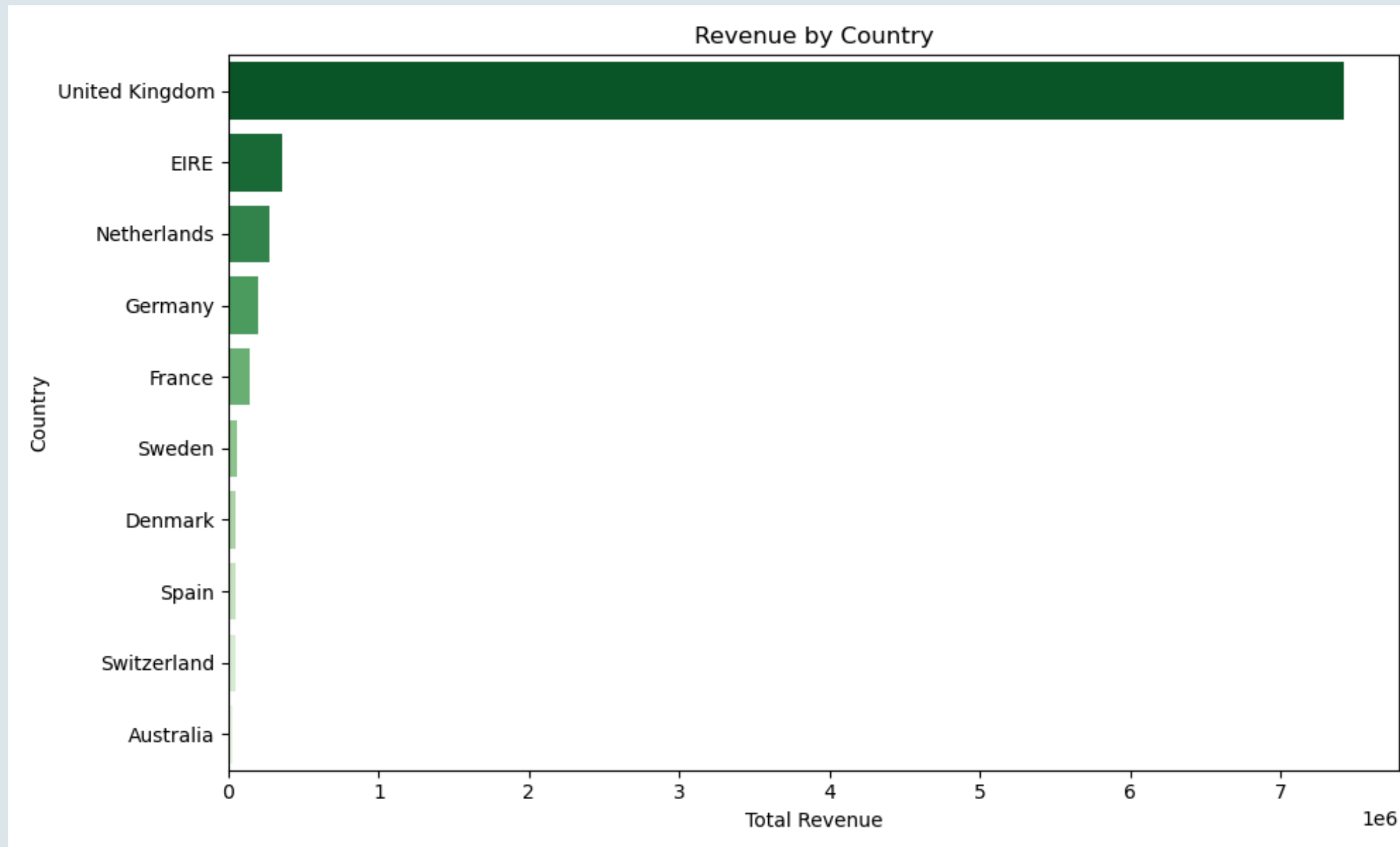
Product Performance: Top Returns



Association Rules: Bundling Opportunities



Geographic Insights



While the UK remains the primary revenue source, opportunities exist in Ireland (EIRE), the Netherlands, Germany, and France to further expand market presence and increase sales.

Strategic Recommendations



Product Bundling:

Use rules to create pre-packed sets or discounts.

Product Portfolio Optimization:

Drop or improve frequently returned items to reduce costs and enhance the customer experience.



Win-Back Campaigns:

Target At Risk & Lost with discounts or reminders.

Loyalty Program:

Reward frequent purchases (esp. Loyal and Frequent Buyers)

Local Campaigns:

Focus on high-potential countries like Germany and Ireland.





Thank you

