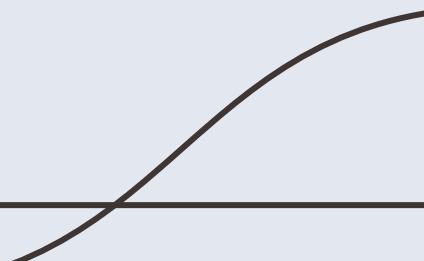




# Home World Loyalty Program Analysis

Analysis of Retail Outlet Store from 12/01/2016 - 02/28/2017

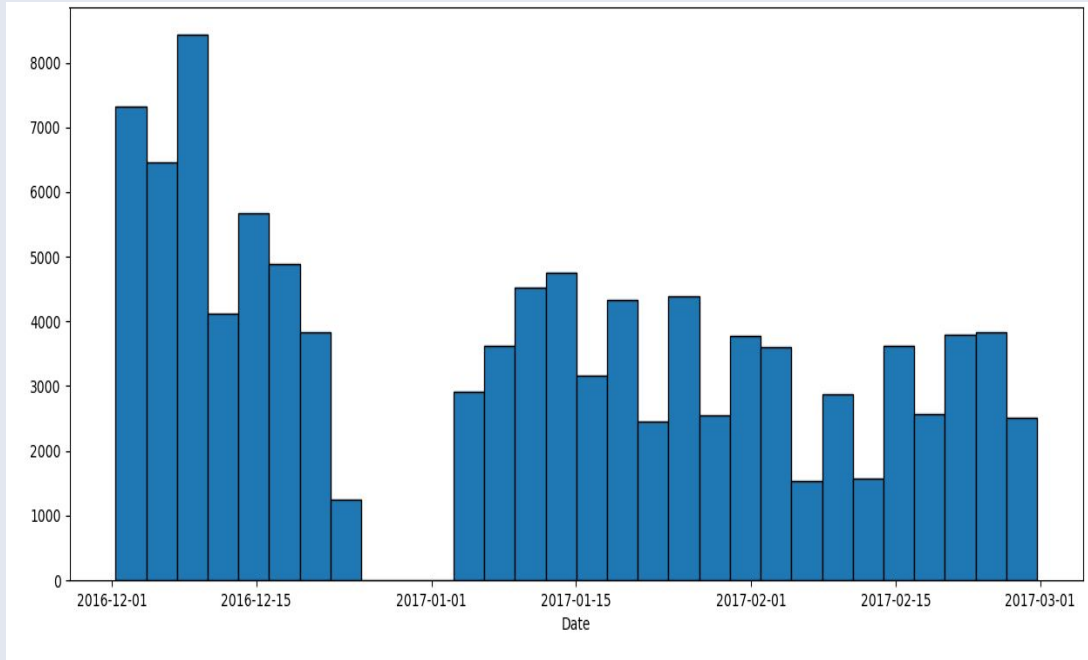
Presented by: Michelle Le  
Presentation Date: 05/29/2023  
Contact: [hi.michelle.le@gmail.com](mailto:hi.michelle.le@gmail.com)



# General Conclusions

- There are about 30 shops.
- During this time, there were 22.45% of members in the loyalty program and 77.55% of members not enrolled in the loyalty program.
- The percent difference between loyal and non-loyal purchases is 37.8%.
- The difference in order size between loyal and non-loyal members is 120 items.
- The overall total revenue for this period was \$975446.06.
  - \$261,525.61 from loyalty members
  - \$713,920.45 from non-loyalty members
- There is no statistical difference in churn for loyalty and non-loyalty members.
- There is a statistical difference between loyal and non-loyal member revenue.

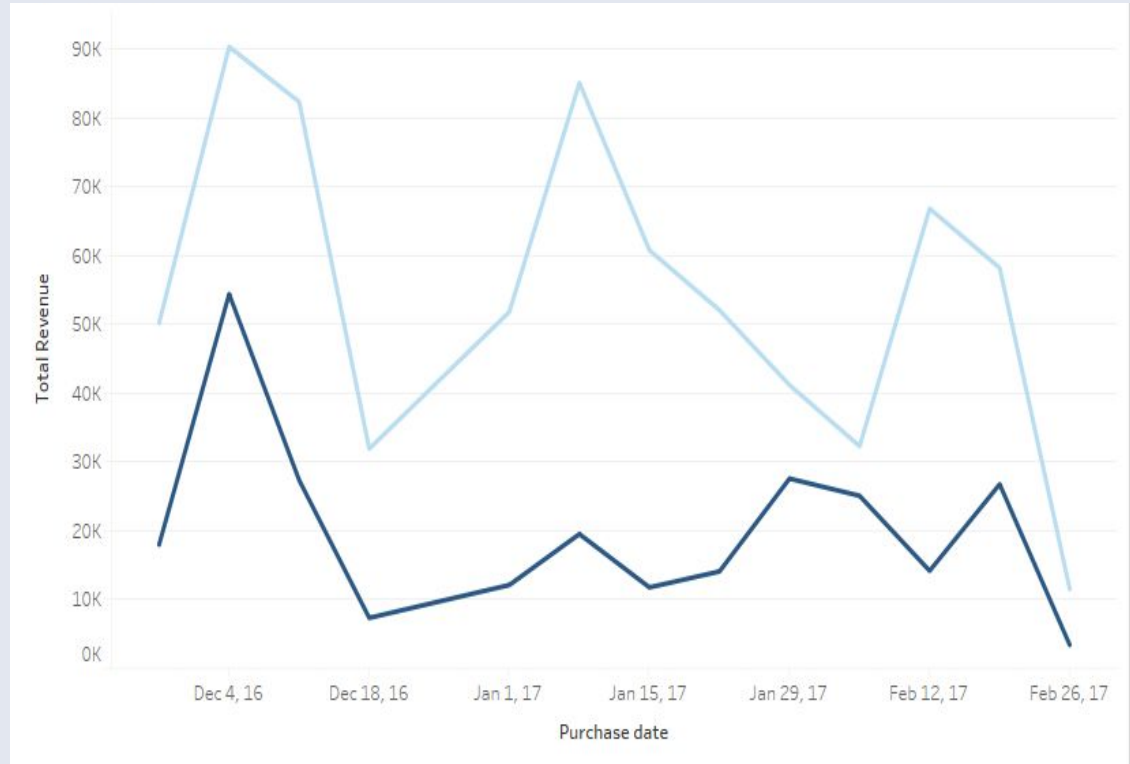
# Distribution of Dates



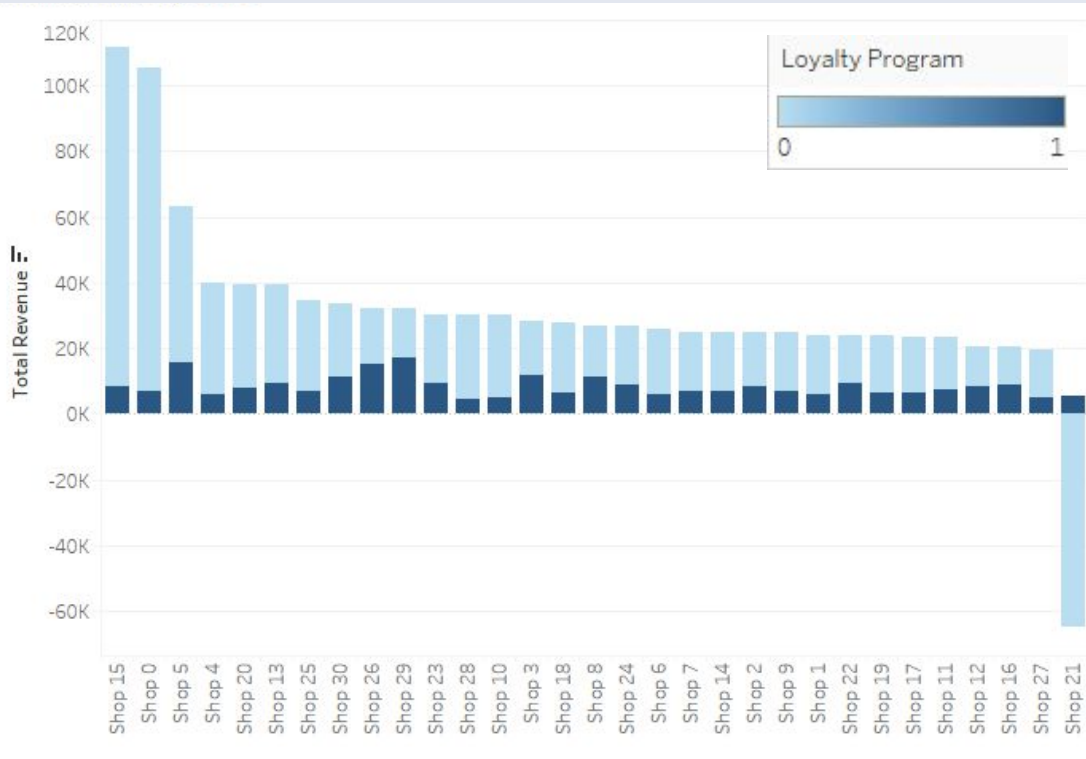
- The study contains data over the course of about 3 months.
- The dates/ purchases that occur the most are around beginning of December.
- There is a break at the end of December to beginning of January where there are no purchases.
- The dates/ purchases that occur the least are about mid February period.

# Total Revenue Over Time

- The highest amount of sales occur in December, which coincides with the larger distribution around this time.
- There is a second peak in mid January.
- Sales really dip at the end of the graph which coincides with the last week of February being the week with the lowest amount of sales.

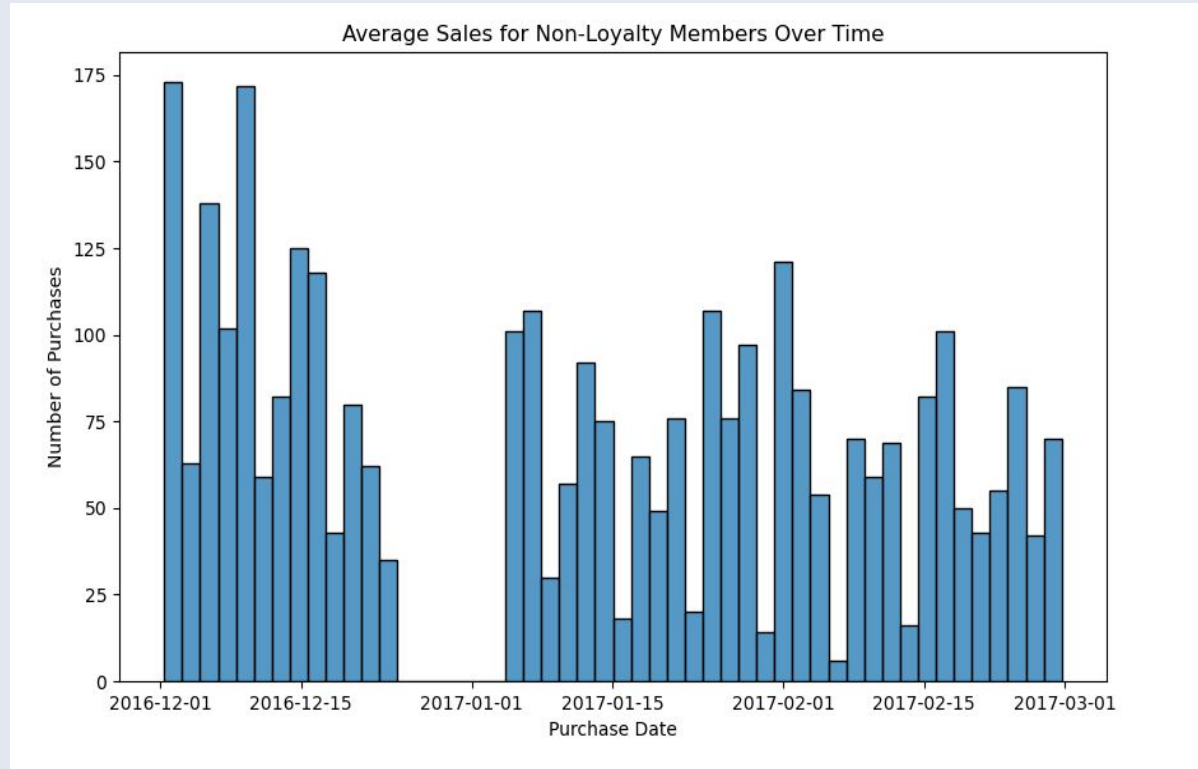


# Total Revenue per Store

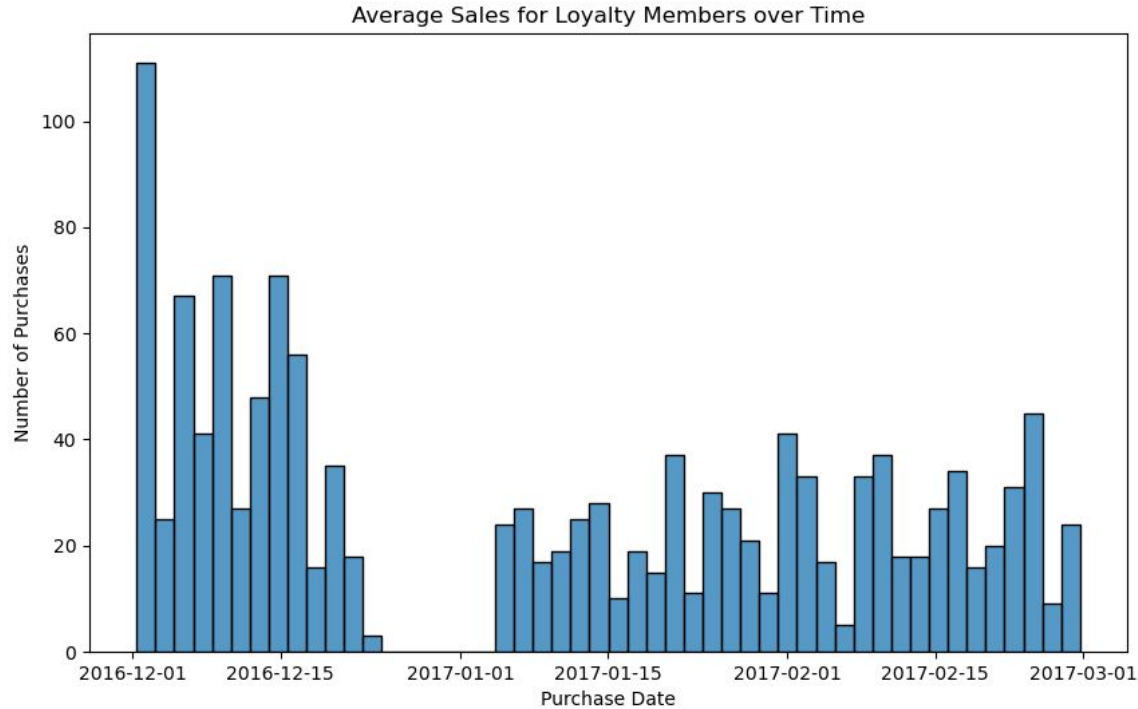


- Shops 15, 0, and 5 have the highest revenue overall.
- Shop 21 is the only shop in the negative.
- We can visually see that non-loyalty members have a higher revenue than loyalty members.

# Highest Amount of Sales Occur in December

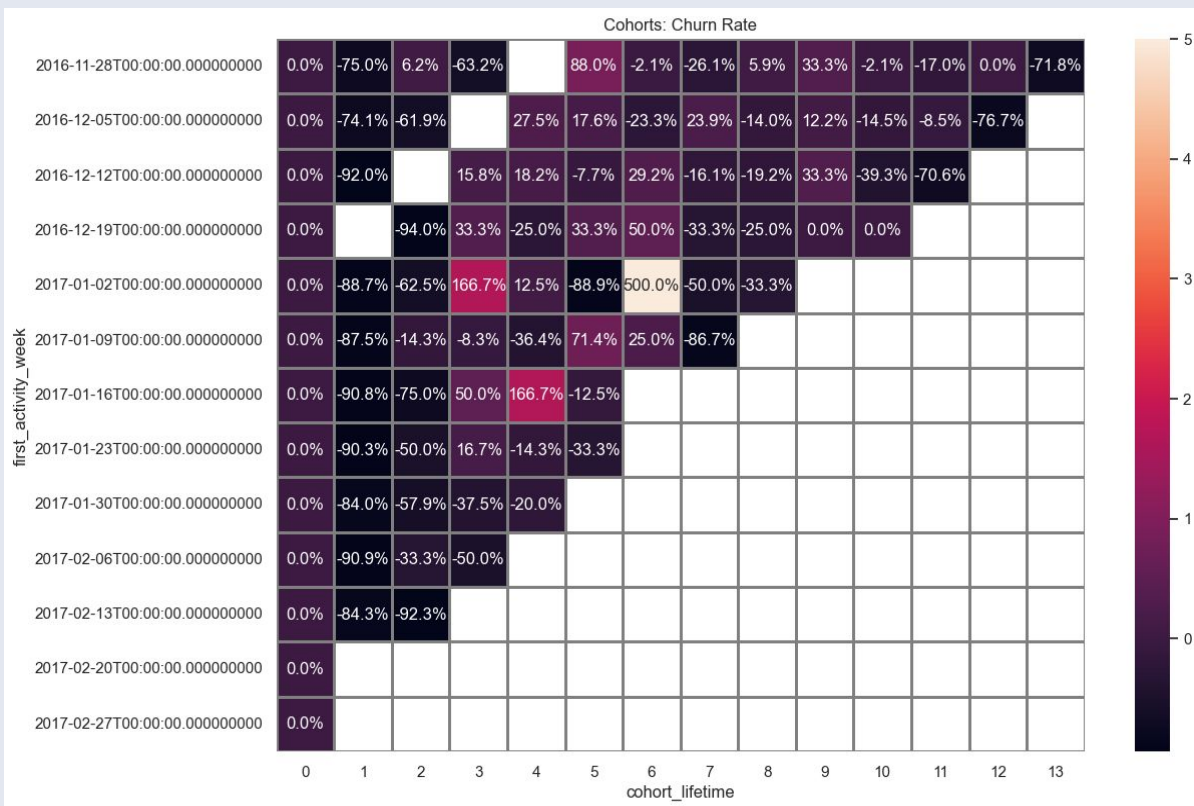


# Highest Amount of Sales Are Also in December



- However, the amount of purchases for loyalty members are lower.

# Cohort Results



- The first week the churn rate is very high.
- We start to see some positive numbers and less churn on the 4th week.
- It slowly starts to get better over time until we get to the 8th week, in which we start to see some churn even as high as 86.7 percent change.
- We should investigate what caused the sudden increase for the 4th week and what caused the sudden decrease in the 8th week.



# Conclusion

- The percent difference between loyal and non-loyal purchases is 37.8%.
- The overall total revenue for this period was \$975,446.06.
  - \$261,525.61 from loyalty members
  - \$713,920.45 from non-loyalty members
- There is no statistical difference in churn for loyalty and non-loyalty members.
- There is a statistical difference between loyal and non-loyal member revenue:
  - **The loyalty program does not boost an increase in revenue.**

# Recommendations

- We recommend to either implement some changes to the program to increase revenue or eliminate the program to save money.
  - Such changes can be offering more incentives, provide bundle deals, or provide some more sales and marketing tactics.
- We also suggest taking a closer look into Shop 21 as the majority of revenue during this time was negative.
  - It was also the only store with the negative sales for item\_id 23166. We also suggest looking in to the details of this item and see why it was possibly being returned or involved in this large negative transaction.
  - We would also recommend looking into ways of increasing sales for this store or determining if closing this store would save money in the long run.