

THE IDEAL CUSTOMER

OUTLINE

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ABSTRACT.

AHG is a company that sells bikes and accessories to end users from different parts of the world through online stores. We seek to gain insight on where our online customers come from based on historic transactions by their income, educational qualification and the influence of customer income segmentation and number of children on revenue. In order to understand customer activities and design a new customer profile for targeted marketing and sales.

VARIABLES

There are several variables in this analysis that will be considered to derive insights from our results, they include:

- English name country:
 - United Kingdom
 - Germany
 - Australia
 - France
 - United States of America
- Sales Amount: The amount generated from the sale of goods.
- Order Quantity: The number of items requested in an order.
- Yearly Income: Salary of customers within AHG.

VARIABLES

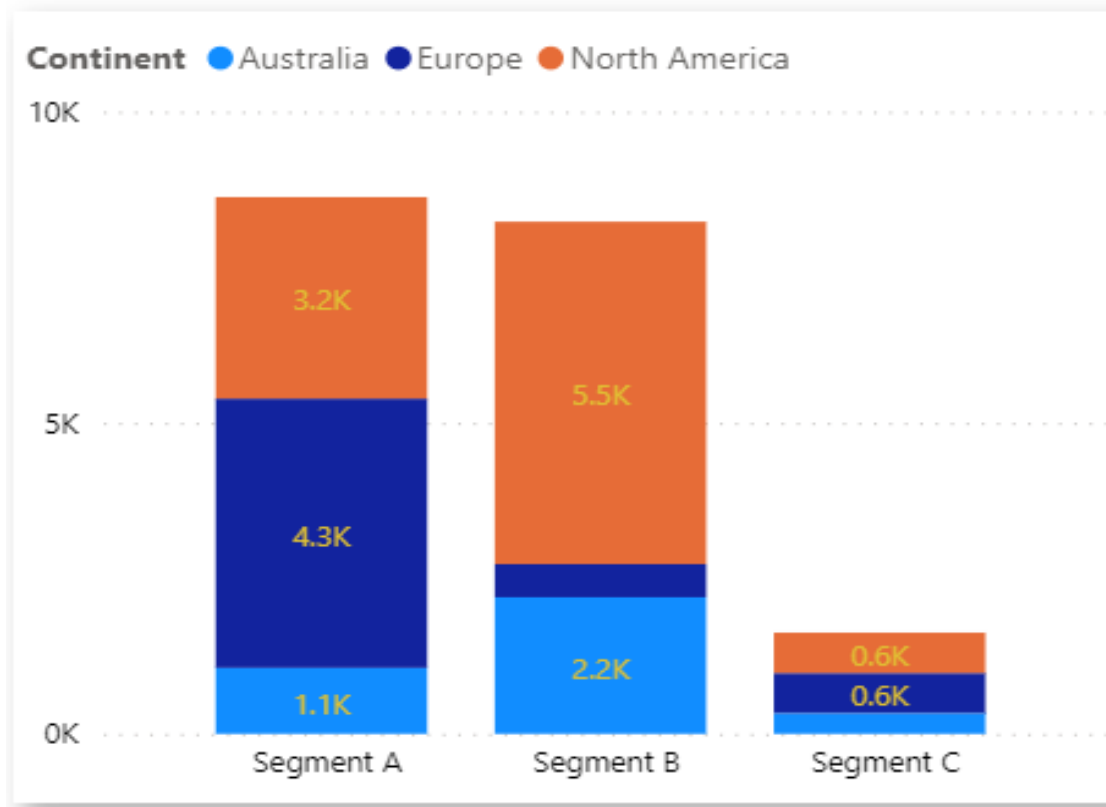
- Total Children: The number of children in the home of customers.
 - Low (0-1)
 - Moderate (2-3)
 - High (4-5)
- English Education: The highest level of education attained by customers.
 - Bachelors
 - Graduate degree
 - High school
 - Partial college
- Partial High School. Salary Segment: Income of online customers in the business.
 - Segment A (\$10,000 - \$50,000)
 - Segment B (\$50,001 - \$100,000)
 - Segment C (above \$100,000)

OBJECTIVE.

Design of a new customer profile through customer activities for targeted marketing and sales.

ANALYSIS

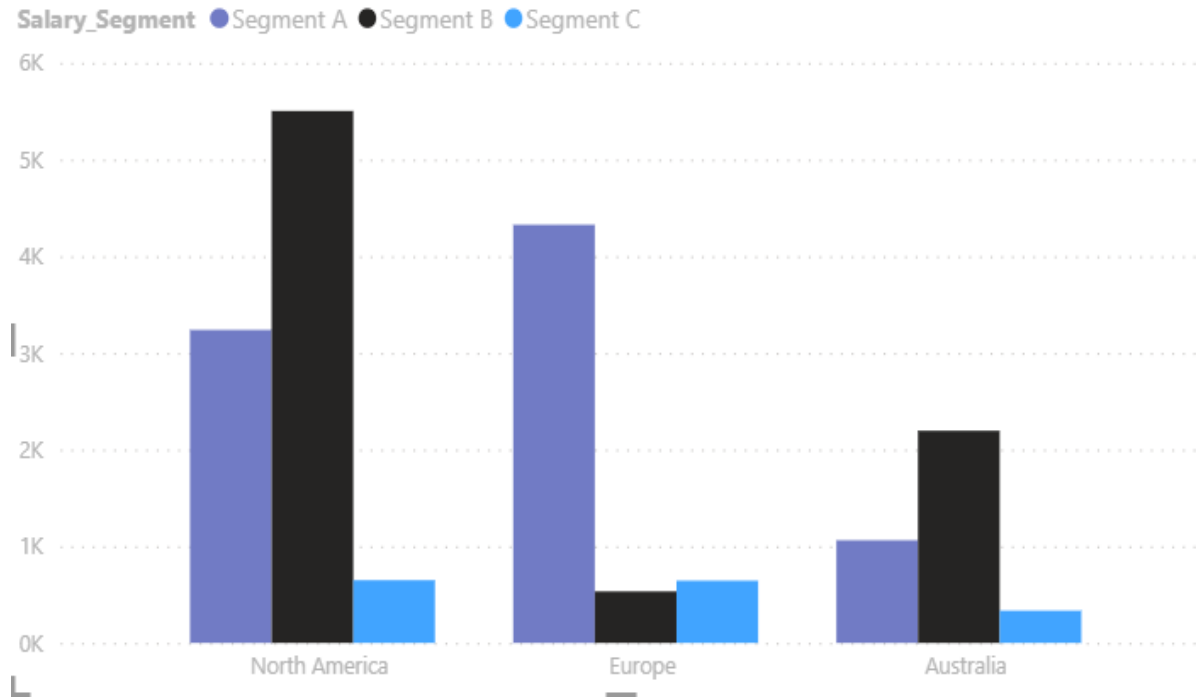
Customer segment by Continents



AHG recorded 60,398 orders from 18,484 online customers from different countries and continents. North America accounts for 50.80% of these customers, while 29.77% and 19.43% are from Europe and Australia, respectively. Segment A 8626 (46.67%) and segment B 8331(44.53%) records the largest number of customers while segment C only accounts for less than 10% of customers. Segment A is predominant in Europe and north America with both having over 90%(7564) customers, while Segment B has heavy presence in the continents of Australia and North America accounting for over 95%(7698) of AHG customers.

ANALYSIS

salary segment Distribution by Continent



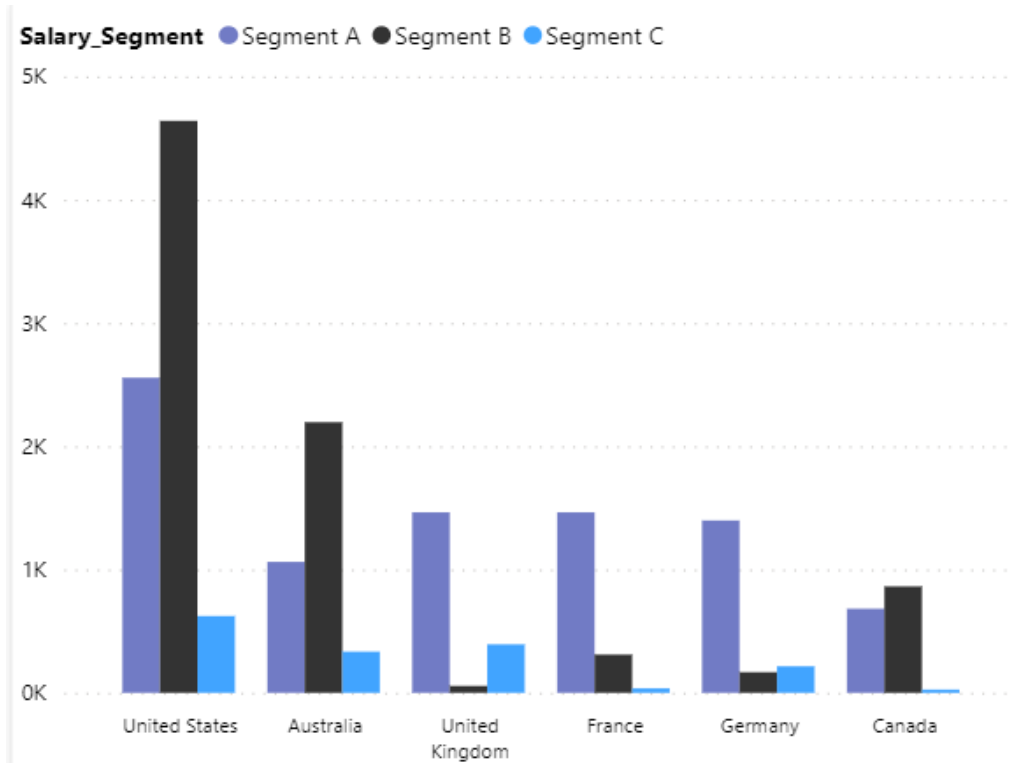
Segment B is the segment having the highest number of customers with 58.60% more than segment A and Segment C combined (41.39%) in the continent of north America.

A similar distribution is observed in the continent of Australia with segment B recording 61.13% while segment A and segment C having a total of 38.87. A slightly different pattern is observed in the European continent where segment A is dominant with 78.61% with segment B and segment C averaging of 10%.

ANALYSIS

A breakdown of the different segments is further analysed by the countries where orders are made to further understand income distribution.

Customer Segments by Countries

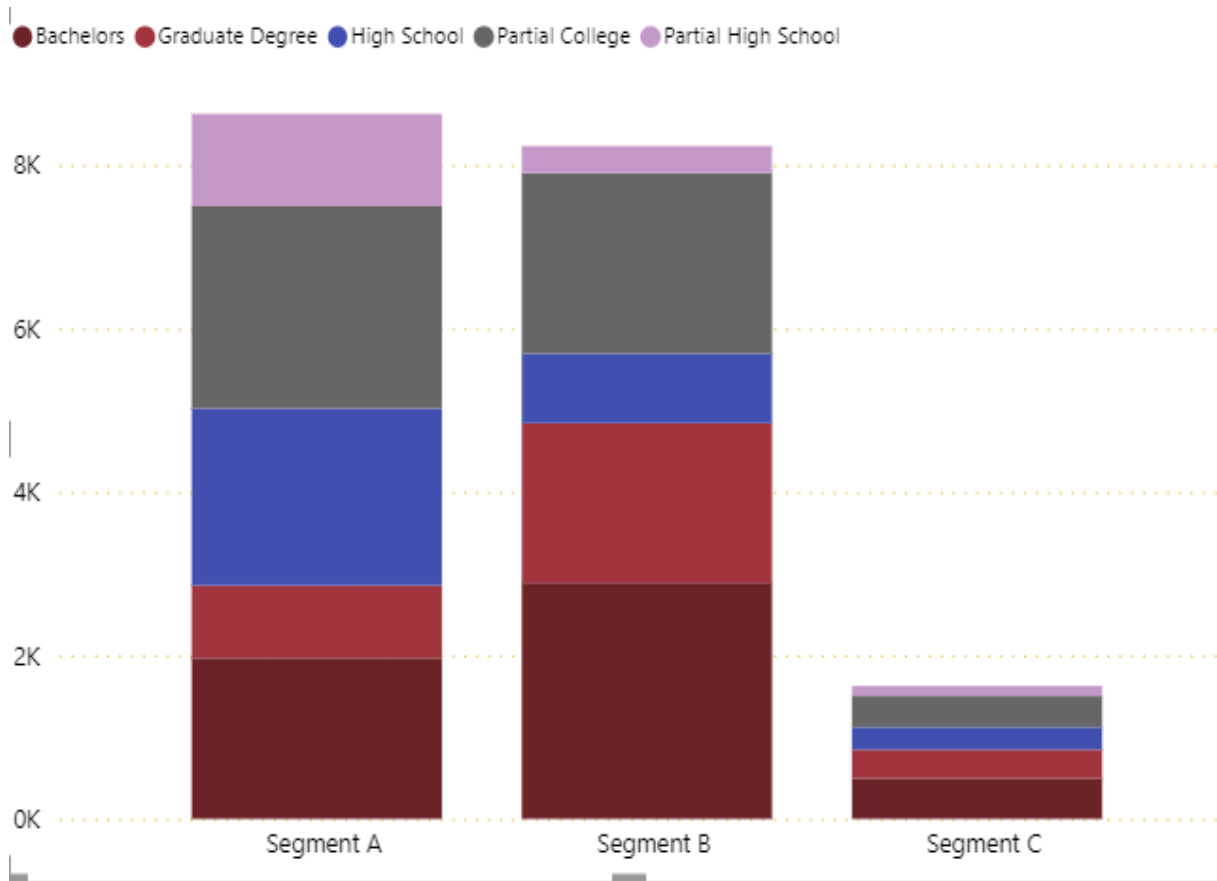


Segment B is the most dominant segment with 4640 (59.34%) in the United States where the highest amount of customers hail from 7819 (42.30%) amongst all countries, with Segment A and Segment C having 32.69% and 7.97% respectively.

A similar distribution is reflected in Australia with Segment B being dominant with 61.13% while Segment A and C trail with 29.57% and 9.30% respectively. Canada shows an almost even distribution between Segment A 628(43.41%) and Segment B 863(54.93%), while in Europe United Kingdom, France and Germany, Segment A has an almost uniform distribution of 76.53%, 80.88%, and 78.54% respectively.

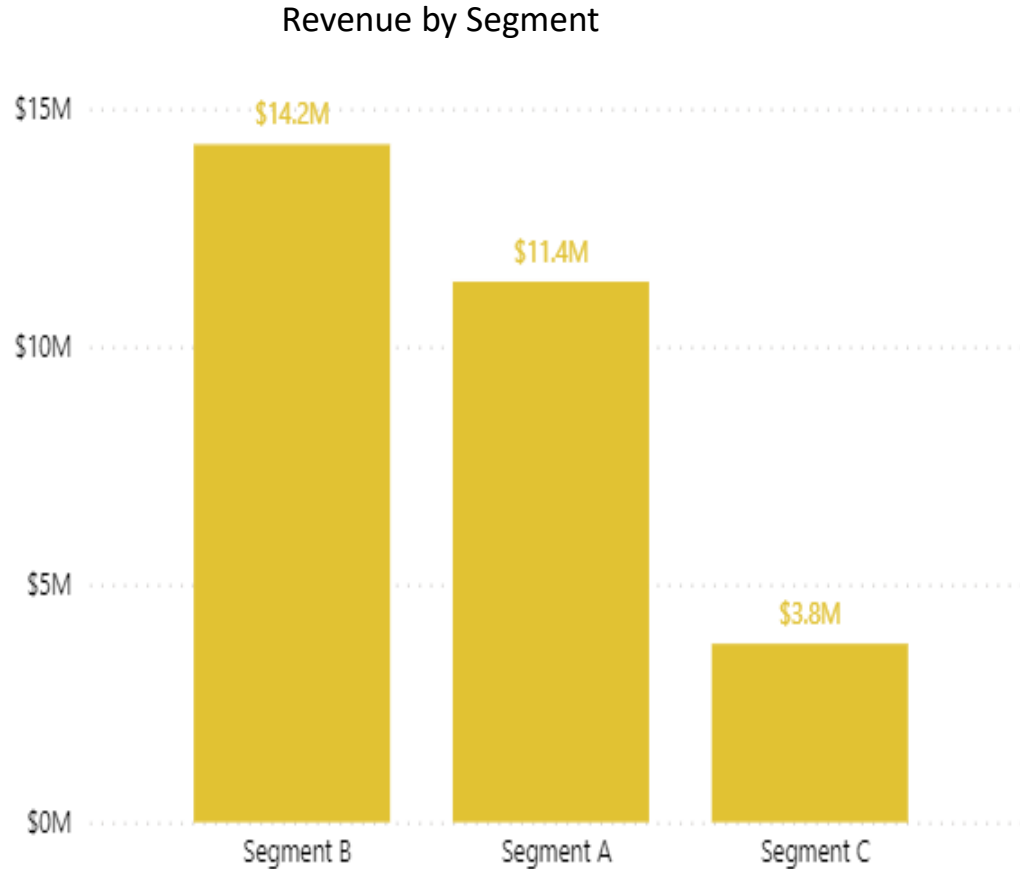
ANALYSIS

Educational qualification of customer segment



Partial college 2475 (28.69%) and High school 2167 (25.12%) are the highest levels of degree associated with Customers in segment A. 1968(22.18%) are educated to Bachelor's degree level with only 888(10.29%) customers in this segment gaining graduate degree education. 4841(58.81%) Customers in Segment B have either bachelors(23.69%) or graduate degree (35.12%) level education. Customers with partial education account for 26.85%(2475), while only 3.98% of customers have partial high school education.

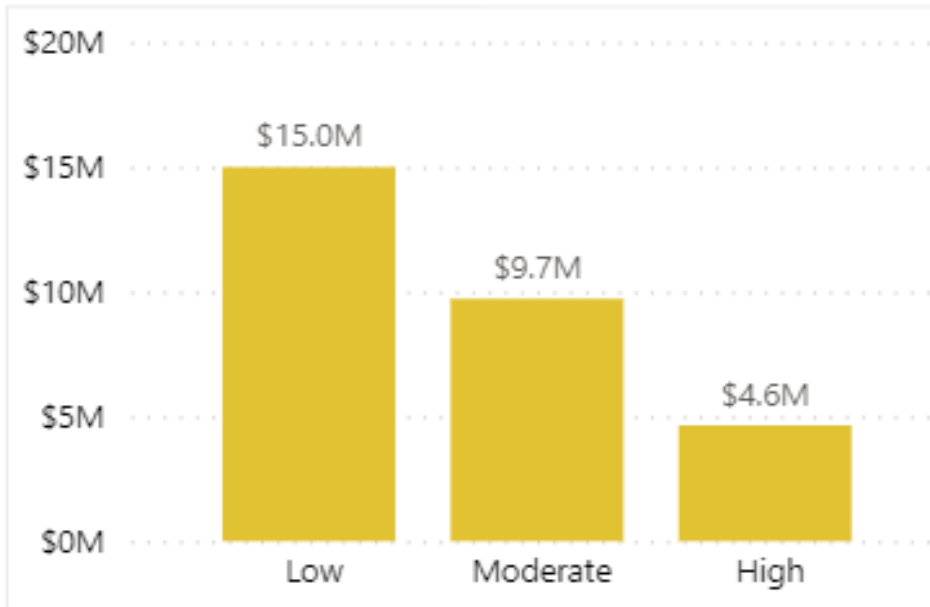
ANALYSIS



A total of \$29.00m as revenue was realised from online sales of products. Despite being the segment with the second largest number of customers, Segment B contributes the highest amount of revenue with \$14.2m and segment A contributing the second highest with \$11.4m. Customers in Segment B and segment A accounts for the segments influencing the revenue from the online sales of products.

ANALYSIS

Revenue by children category



The low (0-1) and moderate(2-3) children category returns the highest revenue. Customers with no children or with one child returns \$15.0m in revenue over \$5m more than customers with two or three children.

CONCLUSION

Historical data of customers in the online transaction of AGH business has recorded over 60,000 products ordered in three different continents North America, Europe and Australia generating over \$29million in revenue among three customer segments (A, B and C). Customers within segment A and segment B are predominant within the business with 8626 and 8231 respectively, 82% more than Segment C and are the highest drivers of profit generating over \$25million 86% of the total business revenue.

Customers found in Segment A are dominant in Canada, France Germany and united Kingdom, while Australia, Canada and united states boast of more customers from segment B.

Over 84% of customers in segment B have a degree ranging from a Partial college to a graduate degree while only 61% of customers in Segment A have an educational degree within the same level.

RECOMMENDATION

Segment A customers in the regions of Canada, France, Germany, and united kingdom and Segment B customers in the regions of Australia, Canada and united states are recommended for targeted marketing and sales as they are the ideal customers in the business having the highest rate of customer activities and generating the highest amount of revenue.

Customer Education Should also be carried out in respect to customer segment educational level, providing trainings on services and products to continually gain customer trust and loyalty.