# Customer Insights for marketing strategies

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# The questions we investigated

- What are the demographic characteristics of our customer base?
- Are there any notable trends or patterns?
- What are the customer purchase habits?
-  Are there any patterns or trends in the purchase behaviour
- Can we identify any clusters of customers or segments to create a targeting strategy?

# Demographic characteristics of our customer base?

- The average age is 52
- Average income is $51,958
- They are either families of 3 or couples with no kids
- More likely to be Postgraduate or graduates



Age Distribution



Family dynamics
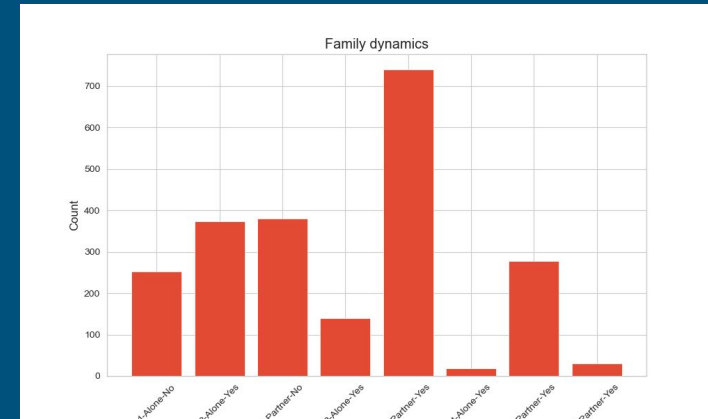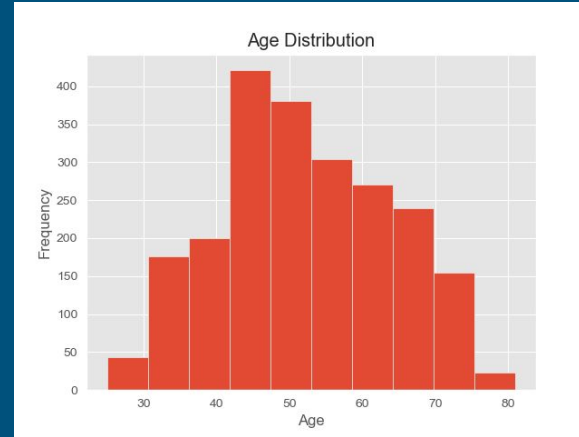
# Notable demographic trends or patterns?

- 75% of customers income is under $68,000 with the distribution 40,000 to 60,000
- The median age is 51 with the range falling between 25 and 60
- 64.6% are couples in a relationship and 36.4% are alone



Living Situation

Partner

64.6%

35.4%

Alone



Income Distribution
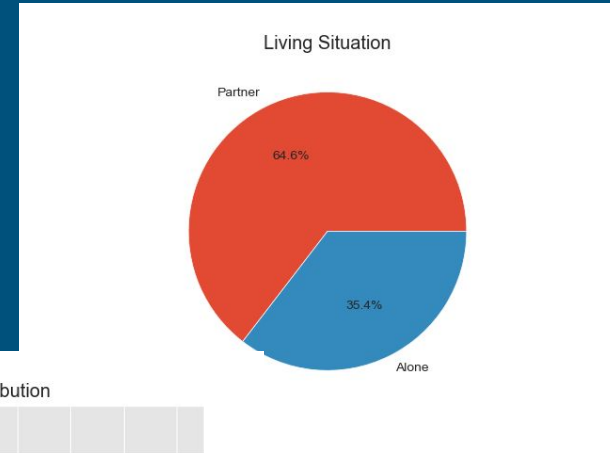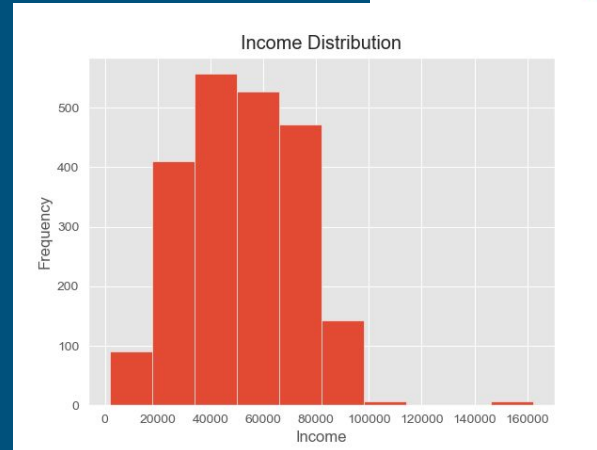
# A comparison of Living Situation vs. Revenue

On average, customers who do not live with descendants spend significantly

more per capita than those who do, with a difference of $695.51.

However, customers who live with descendants still represent almost half of our

 revenue, with a proportion of spending at 48.05%.

Meanwhile, customers who do not live with descendants represent 51.95% of our

revenue.

Per capita spending by customers who live with descendants: $408.55

Per capita spending by customers who do not live with descendants: $1104.06



Proportion of Revenue by Customers

With Descendants 48.1%  51.9% Without Descendants
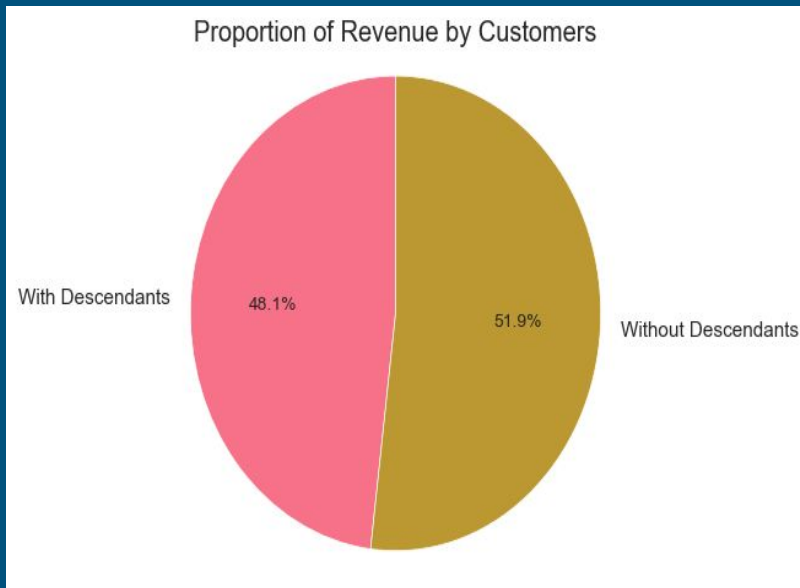
# Living Situation vs. Products

- Customers without children have a higher tendency to spend more overall, especially in categories such as wine and meat.

- The analysis showed that although customers without children tend to have higher spending in certain categories, the majority of our customers (71.4%) have descendants. This suggests that volume alone may not always be a reliable indicator of revenue.



Mean Consumption of Different Products by Living With Descendants
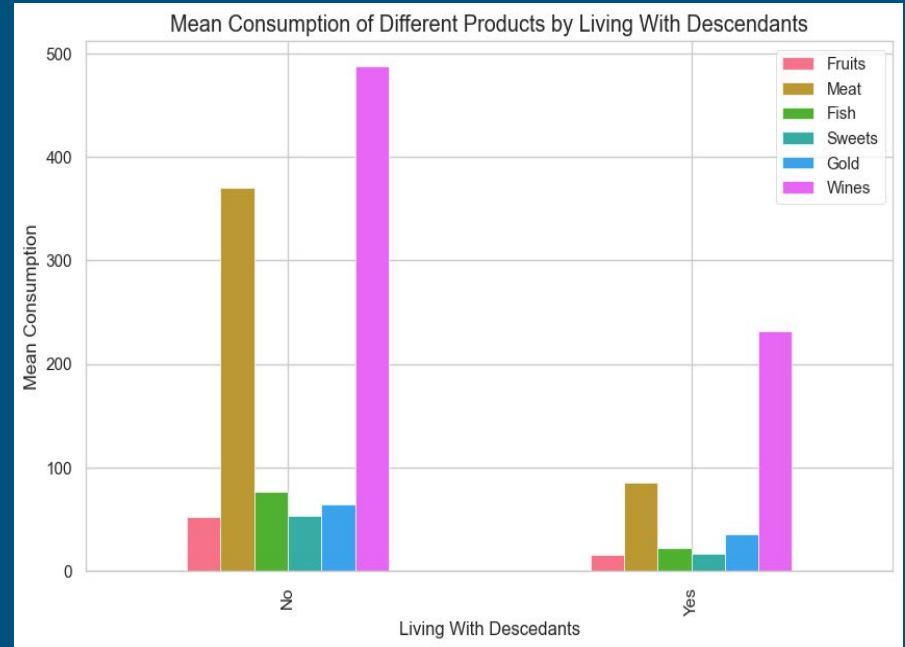
# Family size and products purchase

- Smaller families spend more on meat and wine products than larger families.
- This trend is driven by the larger proportion of families with fewer than three members.
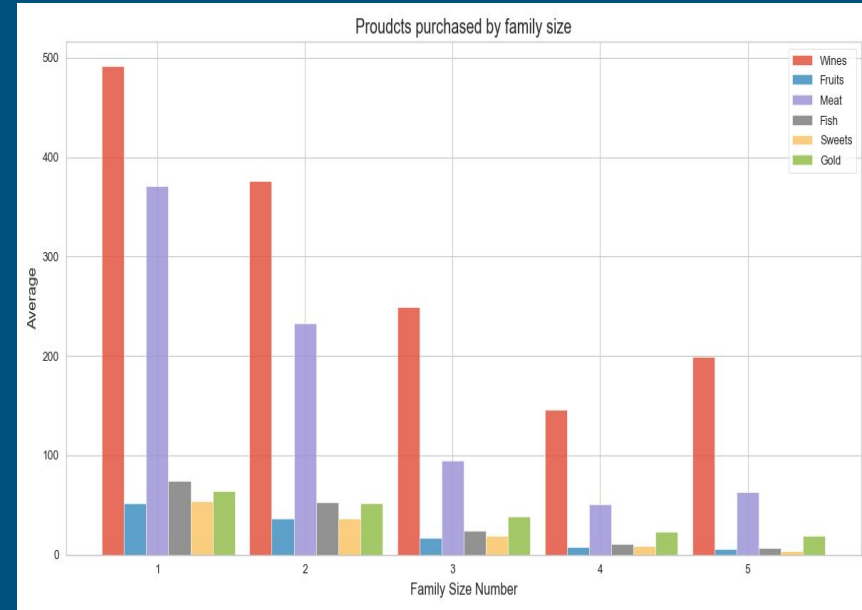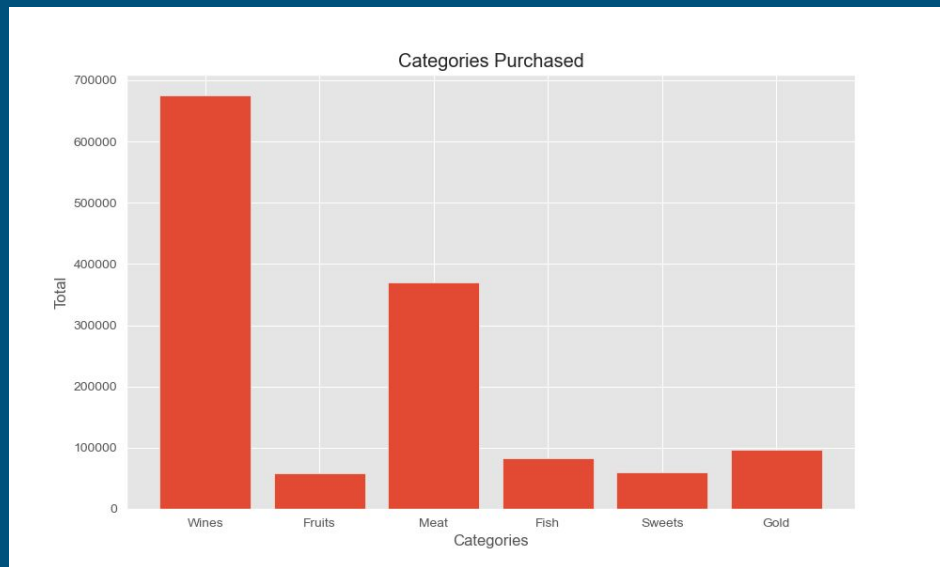
# Purchase frequencies

- Families purchase items more frequently than individuals without children.
- Customers made an average of 14 purchases over a 2-year period.



Number of Customers by Total Purchases

# What are their purchase habits?

- Wines and meat make up the majority of purchases followed by Gold.
- Average Lifetime value is $607.

# Income vs. Spending

A correlation of 0.79 between income and spending indicates a strong positive relationship between the two variables. As income increases, spending tends to increase as well, and vice versa. The strength of the correlation indicates that there is a high degree of association between the two variables, and that they are moving in the same direction. Therefore, this suggests that there is a significant influence of income on spending, and it can be useful for predicting spending behaviour based on income levels.
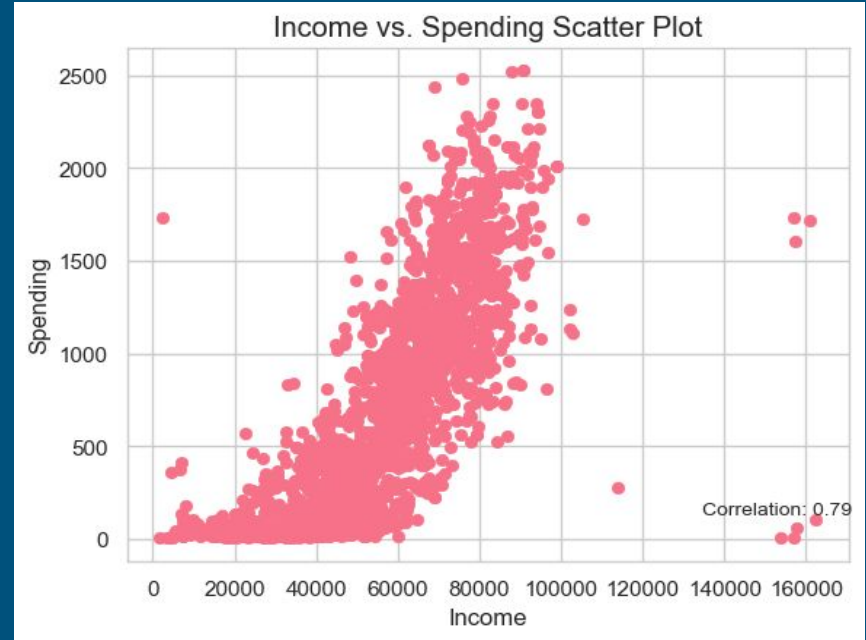
# Trends income v amount spent in each category

- With correlations of 0.69 indicates a moderate positive relationship between income and amount spent on wines and meat.
- The graph suggests that there is a significant influence of income on spending, with an increase occurring from $40k plus



Scatterplot: Income vs. Amount Spent on Product Categories
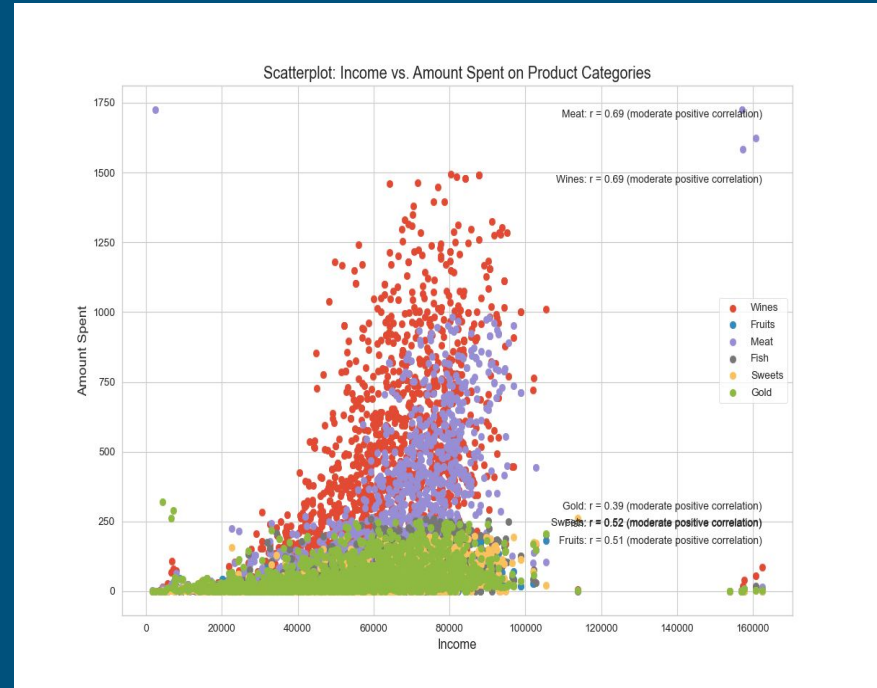
# Identifying clusters

- We have identified 2 key segments to target:
    - Couples with no kids, with a household income of $120k or more
    - Small families with 1-2 children
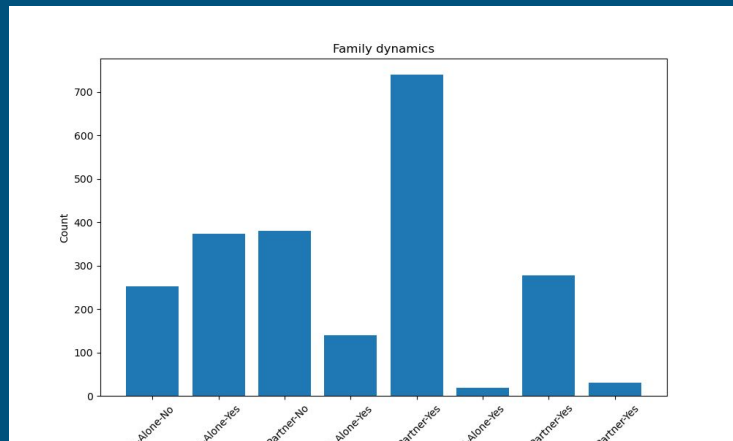
# Overall analysis findings & Implications

- Our overall findings suggest that:
    - There is a strong correlation between income and the amount spent
    - The volume of purchases does directly influence revenue
- However, we also found that:
    - Only the amount spent on each category was listed, and not the number which could impact the average amount the customers spent
    - There were missing values, which resulted in the data being smaller than the initial dataset