**SOAR Report: Sales by Customer Retention**

**Specify the Question**

The business question addressed in this data set is: How do returning customers contribute to overall order quantity compared to new customer?

The primary goal of this analysis is to access customer retention by analyzing the growth of returning customers over time. This provides insight into how customer retention influences overall sales performance. High customer retention can also highlight the success of specific products and customer satisfaction.

**Obtain the Data**

The data base used for this analysis was retrieved from the AdventureWorks database. The new variables used in this worksheet are Order Date and Order Quantity. I also created a calculated field titled Customer Type using Customer ID and Order Date to identify whether a customer purchased for the first time, or if they are returning customer.

A screenshot of a computer

AI-generated content may be incorrect.The tables used are Sales Order Detail (providing information regarding products associated with a specific sales order) and Sales Order Header (offering general sales order information). The data from these tables were joined using the Product ID field, providing a cohesive dataset for analysis.

**Analyze the Data**

The stacked bar chart breaks down sales by new customers (pink) and returning customers (grey) over each quarter from 2011-2014. Returning customers consistently contribute to overall sales at a higher rate than new customers. Although new customers play a role in driving sales, they are less consistent than returning customers.

A significant growth in order quantity is noted between Q3 2012 and Q3 2013 which was primarily driven by returning customers. In Q3 2013 sales peaked, but the rate of new customers declined after that period. Returning customers continue to engage each quarter.

**Report the Results**

Based on the analysis, a few recommendations are as follows:

Returning customers drive long-term growth. Most of the order volume comes from returning customers which emphasizes the importance of retention strategies. Sustaining engagement with these customers is crucial to success. The decline in overall order quantity after Q3 2013 could signal future retention issues. Investigating what led to the peak in Q3 2013 could help determine what factors can be replicated for future success.

Growth in new customers is inconsistent and does not follow a steady upward trend. It may be worth allocating recourses to gain customer feedback and identify reasons for the inconsistent growth and adjust marketing strategies accordingly. Focusing on customer loyalty programs could help sustain high engagement and prompt customers to return.

**Appendix**

A graph of sales and returning customers

AI-generated content may be incorrect.**Tableau Visualization of Sales by New and Returning Customers**