Online Mall Customer Analysis

Wambũi Gitahi

Executive Summary

Objective: Identify the key factors influencing customer spending and define distinct customer segments.

The dataset is from a UK-based non-store online retailer, serving a diverse digital customer base, recorded transactions between 01/12/2010 and 09/12/2011. This presentation provides an overview and analysis of those transactions to uncover spending patterns.

Sales growth has slowed, signaling the need for strategies that drive stronger engagement and increased spending.
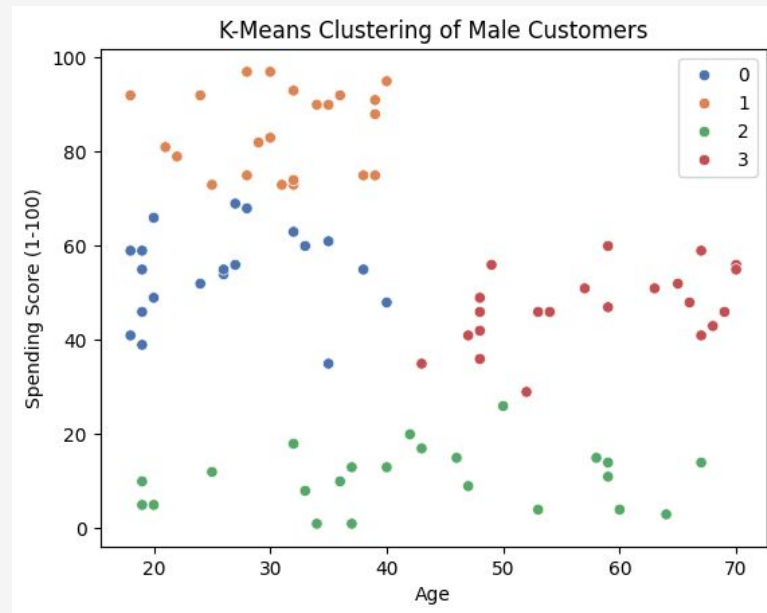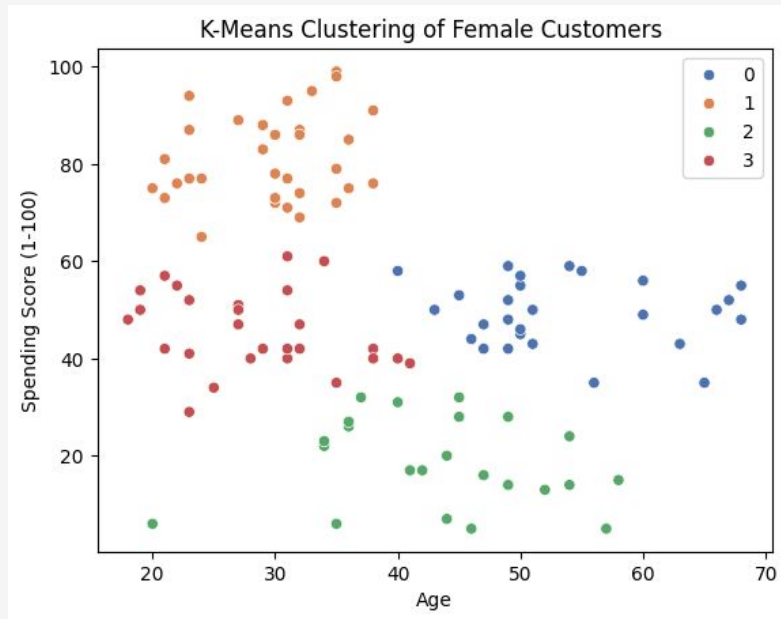
Leverage customer segmentation to personalize marketing and tailor product development, ensuring offerings align with customer needs and behaviors.

Age vs Spending: Youth Leads the Way

Customers' Age against Spending Score

Market Segments

Recommendations

Target Younger Customers

The younger the customer, the higher the spending score. Thus, invest in products that attract younger buyers.

Developed Tailored Marketing Strategies

There are 4 customer segments for both female and male customers. Personalizing marketing campaigns according to these segmentation will increase engagement.
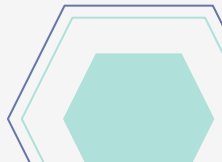
Establish a loyalty program

Combine average spenders into one large segment and design budget-friendly rewards to boost their scores while encouraging low spenders to increase spending.
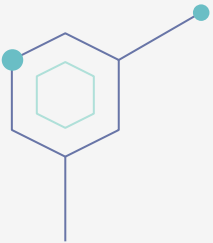
Thanks!

Do you have any questions?

Appendix 1: Dataset

Dataset: Online Retail
Source: Kaggle
Description: https://www.kaggle.com/datasets/yasserh/customer-segmentation-dataset
Variables: Invoice Number, Stock Code, Description, Invoice Date, Unit Price, Customer ID, Country.
Numeric Variables: Invoice Date, Unit Price, Customer ID.
Looking at clusters based on total price and total quantity per customer

Appendix 2: Code

https://colab.research.google.com/drive/1fU6pmlKWjb8QOYPoH6GKGRt4yQNgE79x#scrollTo=hRgKvTtLzFqm