



BREAKFAST COUPON STRATEGY



Scope of The Project



eFood is in the process of developing a new coupon campaign strategy focusing on Breakfast cuisine. To facilitate this strategy the following steps are followed as mention below:

Perimeter Analysis



- The initial dataset provided for analysis encompasses over **650,000 orders** across **15 smaller cities** during the **August-September 2023** period.
- Both **quantitative** (such as order amount, delivery cost, etc.) and **qualitative** metrics (e.g., user class) were meticulously examined.
- **Diverse analyses**, including Time-Based, User Behavior, and Customer Segmentation, were conducted to extract **insights** and gain a comprehensive **understanding** of the initial dataset.

Breakfast Coupon Campaign



- Conducted an extensive analysis within the breakfast cuisine niche market to gain deeper insights into company's customers and their behavioral patterns.
- This exploration focuses on addressing three pivotal questions: a) **who**, Identifying the target audience for campaign inclusion, b) **when**, Determining the optimal campaign timing, and c) **How**, Establishing metrics to measure and assess the campaign's performance.



Key Comments

- The insights shared in this presentation provide a broad overview. To delve deeper into detailed analytics and facilitate a more user-friendly approach, a PowerBI report has been developed, enhancing our analytical capabilities.
- Moreover, engaging additional stakeholders in subsequent stages will significantly augment our strategic endeavors from a business perspective

Part A: Perimeter Analysis

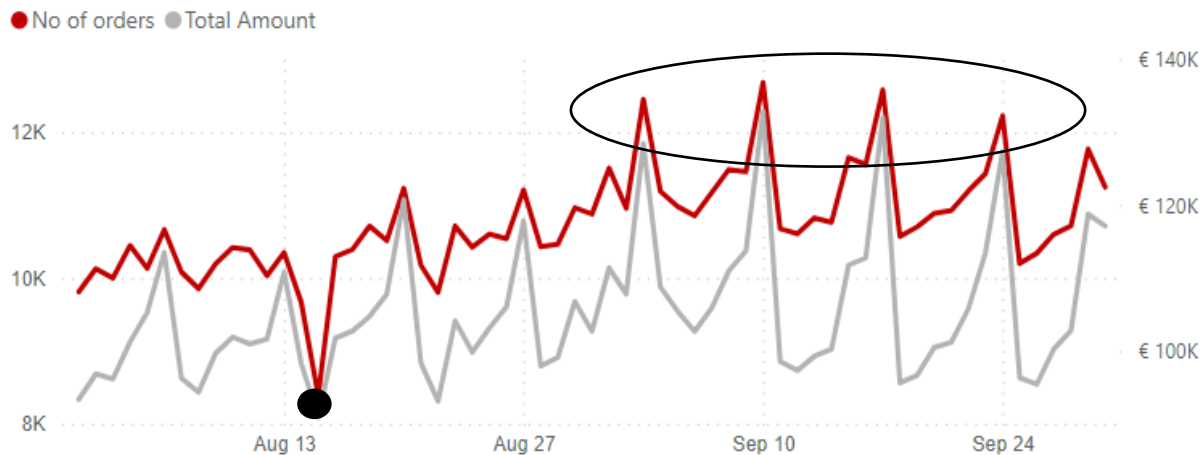


Time-Based Analysis



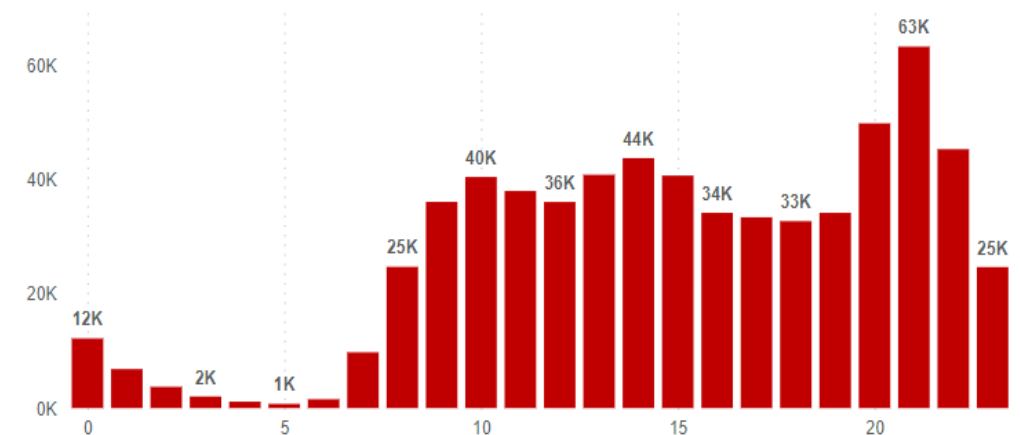
Through Time-Based Analysis, we've meticulously explored ordering patterns across distinct hours and days during August and September 2023. This analysis unveils peak order times, enabling strategic planning for resource allocation and targeted campaign launches to optimize user engagement.

Order Volume and Total Amount by Date



- The **daily order volume** typically fluctuates between **10,000 to 12,000** orders.
- **During September**, a recurring trend emerges where **orders surge notably each Sunday** before declining sharply.
- **An anomaly was detected on August 15th**, coinciding with a major holiday in Greece, resulting in a significant drop in both order volume and total sales—an expected outcome due to the closure of the majority of stores on that day.

Order Volume Distribution (Hourly)



The graph reveals **three distinct cycles** aligning closely with meal times:

1. The initial cycle begins around 6-7 AM, reaching its peak at 10 AM, and tapering off around 12 PM (**Breakfast Cycle**).
2. Following this, a cycle emerges around 12 PM, reaching its peak at 2 PM, and declining until approximately 6 PM (**Lunch Cycle**).
3. Lastly, the largest order volume cycle starts at 7 PM, reaching its peak at 9 PM, and continues until 9 PM (**Dinner Cycle**).

Customer Segmentation Analysis



To gain deeper insights into user behavior and preferences, we've undertaken an extensive Customer Segmentation Analysis. This comprehensive evaluation involves the examination of several crucial dimensions organized by customer class, allowing us to dissect and understand distinct patterns within our customer base.

Customer Class	No. of orders	Average Amount (in Euro)	% of orders with coupon	Average coupon
Loyal	130,967	5.67	13%	0.07
All Star	231,499	8.84	10%	0.09
Infrequent	66,643	11.05	13%	0.13
One Timers	32,641	13.65	14%	0.24
Common User	124,879	10.66	11%	0.05
High Spenders	69,580	16.06	11%	0.06

Summary

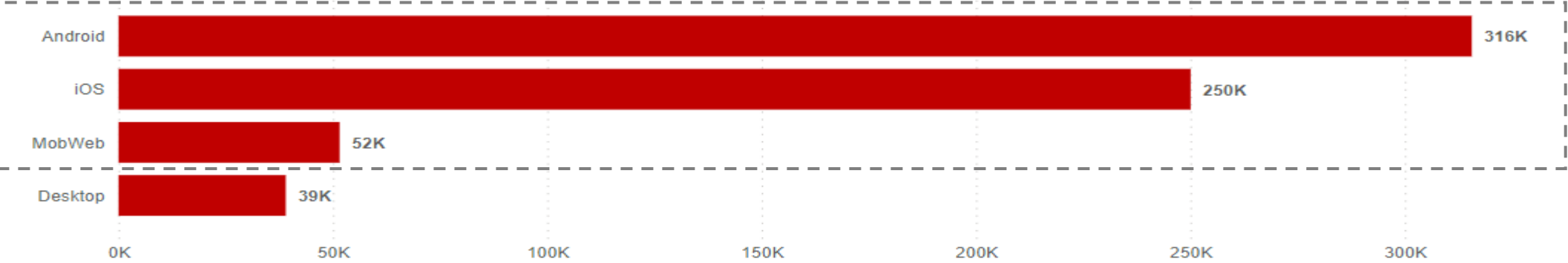
- **One timers** exhibit a **notable average coupon** redemption rate of **0.24**, which is **three times higher than the overall average of 0.07**. This suggests a significantly higher reliance on coupons within this segment, despite coupon usage aligning proportionately across other customer classes.
- Additionally, **High Spenders** stand out with the **second-lowest order volume** of 69,580, yet boasting the **highest average amount** of 16.06 euros
- **One timers** showcase the **lowest order volume** at 32,641 but notably possess the **second-highest average amount** of 13.65 euros, indicating substantial individual spend within this segment despite lower order frequency

User Behavior Analysis



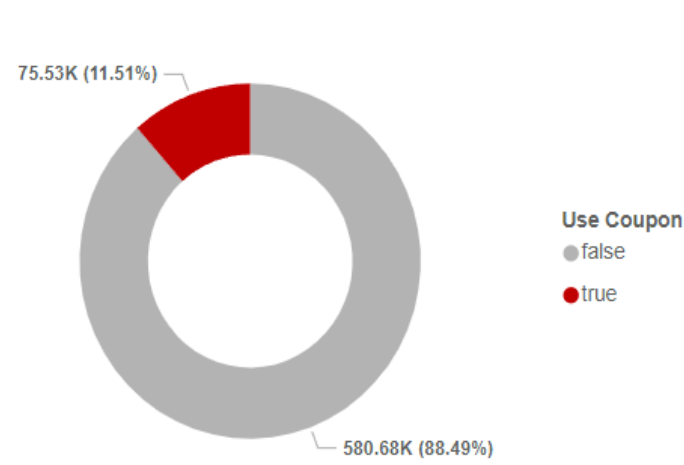
On this slide, we delve into crucial insights derived from our analysis of user behavior. Understanding these behaviors empowers us to tailor strategies that resonate with varying user preferences and purchasing habits for enhanced engagement.

Device Distribution (No of orders)



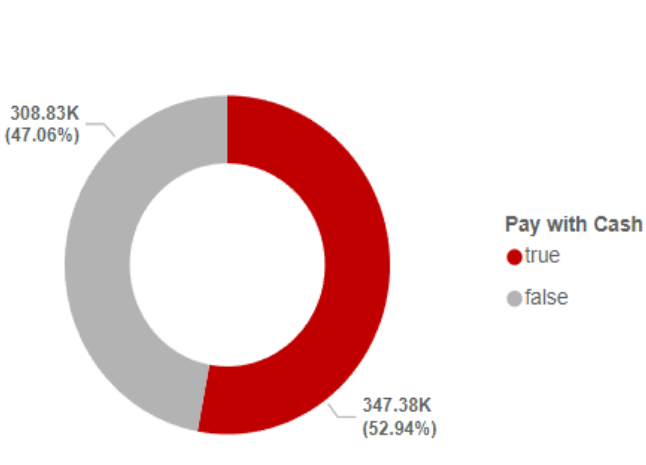
95% of users used their phone to place their orders.

Payment Method Distribution: Coupon Users vs. Non-Coupon Users



- The pie chart illustrates that **11% of users make use of coupons**, while the majority, constituting the remaining **89%, do not utilize coupons for their orders**.
- This insight suggests that while coupons play a role for a segment of users, the majority of customers prefer transactions without coupon application, **indicating potential avenues for tailored marketing strategies**.

Payment Method Distribution: Cash Users vs. Non-Cash Users



- **52% of users, opt for cash** as their preferred payment method, while the remaining **48% utilize alternative payment methods**.
- This dominance of cash usage signals a substantial portion of the user base **favoring traditional payment modes**, emphasizing the need to consider and accommodate varied payment preferences in the company's service offerings and payment processing systems.

Part B: Breakfast Campaign



Breakfast Coupon Strategy Overview



Informed by our comprehensive analysis, we aim to strategize effectively for our Breakfast Coupon Campaign. In order to do this we need to answer three key questions: **who** we will target, **when** the campaign will run during the day and **how** we will measure the campaign success.

Who

Insights:

'All-Star' class, boasting the most orders, while 'High Spenders' demonstrate the highest average order amount at 9.32 euro and minimal coupon usage. Conversely, the 'One Timers' class, with fewer orders and minimal coupon usage, represents the least engaged segment.

Our strategic focus will center on **these three classes** for the coupon campaign, optimizing our outreach to encourage exploration of the breakfast cuisine and reward customer loyalty effectively.

Recommendations:

To identify the target customer segments, we've assessed **three critical dimensions**: order volume, average order value, and the percentage of coupon usage. Leveraging these insights, we propose a dual-pool approach:

- A) **Targeting loyal/high spenders:** Customers exhibiting frequent orders or significantly higher average order values will receive **reward coupons**.
- B) **Engaging non-coupon users and less casual breakfast customers:** Encouraging this segment to explore the breakfast cuisine through promotional incentives.

When

The breakfast ordering trend initiates around 6-7 in the morning, experiencing a peak between 10-11 AM. Subsequently, **a gradual slowdown is noted until around 12 PM**, followed by a more pronounced decline in orders.

To maximize the impact and engagement for the breakfast coupon campaign, we suggest launching the campaign between **6-7 AM and extending it until around 11 AM**. This timeframe aligns with the surge in breakfast orders, ensuring heightened visibility and potential uptake of the coupons during the peak ordering hours, effectively targeting the audience when their interest in breakfast orders is at its peak.

How

Measuring the success of the breakfast coupon campaign involves tracking various **key performance indicators (KPIs)** to evaluate its effectiveness and impact:

1. **Coupon Redemption Rate:** Monitor the percentage of distributed coupons that are redeemed by customers. A higher redemption rate indicates the effectiveness of the incentive.
2. **Order Volume Increase:** Measure the overall increase in breakfast orders during the campaign period compared to the pre-campaign period. An uplift in order volumes signifies customer engagement with the promotion.
3. **Average Order Value (AOV):** Analyze any changes in the average order value specifically for breakfast orders during the campaign. An increase in AOV demonstrates higher spending per order.

Thank you!

Appendix



Breakfast Cuisine Insights

Customer Segmentation in multiple dimensions

Customer Class	No. of orders	Average Amount (in Euro)	% of orders with coupon
Loyal	83,605	4.17	14%
All Star	122,115	5.9	11%
Infrequent	18,683	6.75	10%
One Timers	7,069	7.41	9%
Common User	39,285	6.85	10%
High Spenders	16,717	9.36	9%

Order Distribution (Hourly)

