

ONLINE SALES ANALYSIS: INSIGHTS FROM DEMOGRAPHICS

Leveraging Data for New Customer Acquisition Strategies

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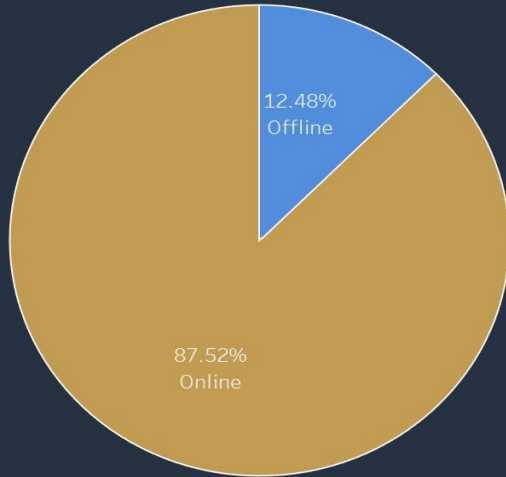


Outline

1. Introduction
2. Data-driven Project Objectives
3. Analysis Overview
4. Dashboard Overview
5. Key Findings
6. Impact on Teams
7. Conclusion and Recommendations



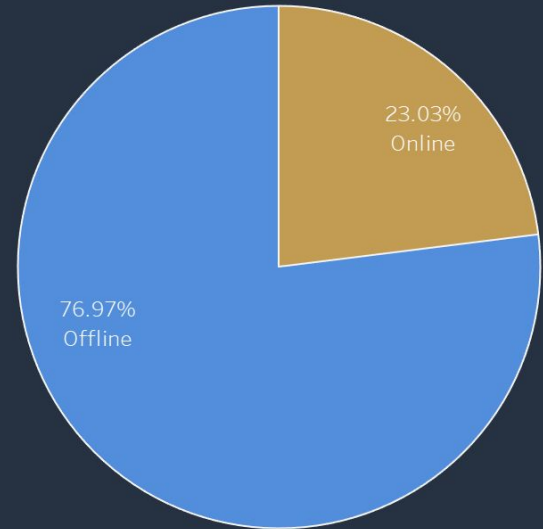
Two modes of sales : Online and Offline



Count of Orders

Fiscal years: 2002,2003,2004

Countries: AU, CA, DE, GB, FR, UK, US



Total Revenue

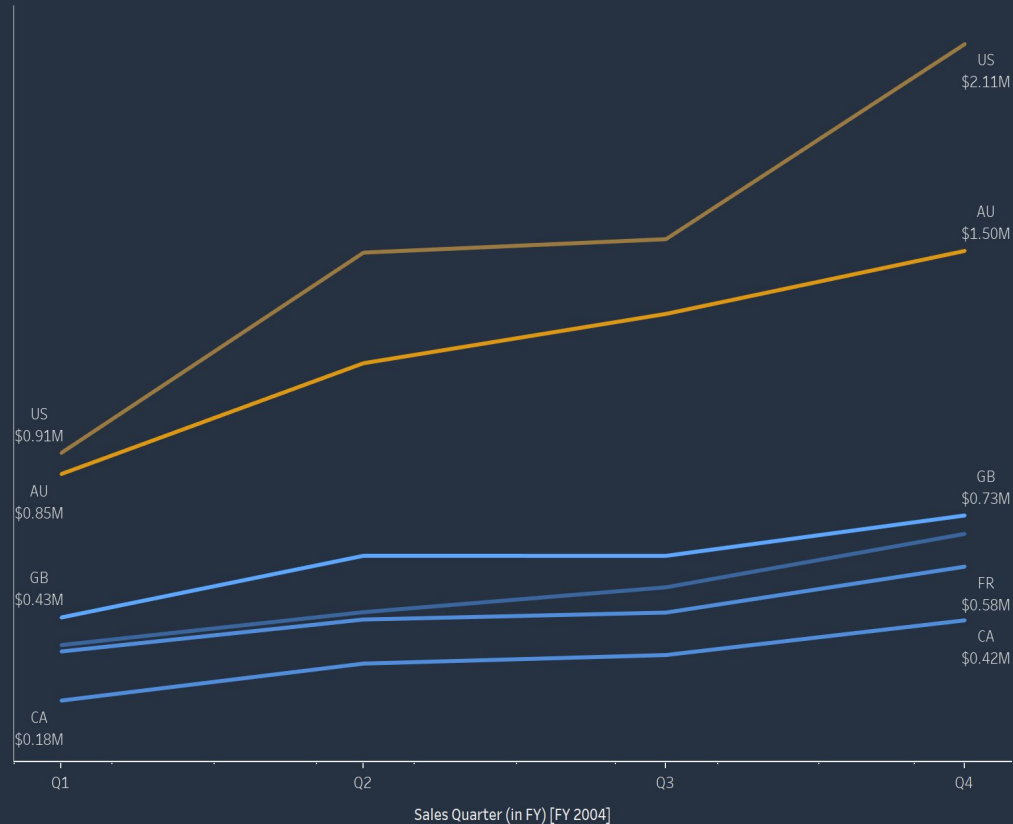
Fiscal years: 2002,2003,2004

Countries: AU, CA, DE, GB, FR, UK, US



In the recent Fiscal year of 2004,

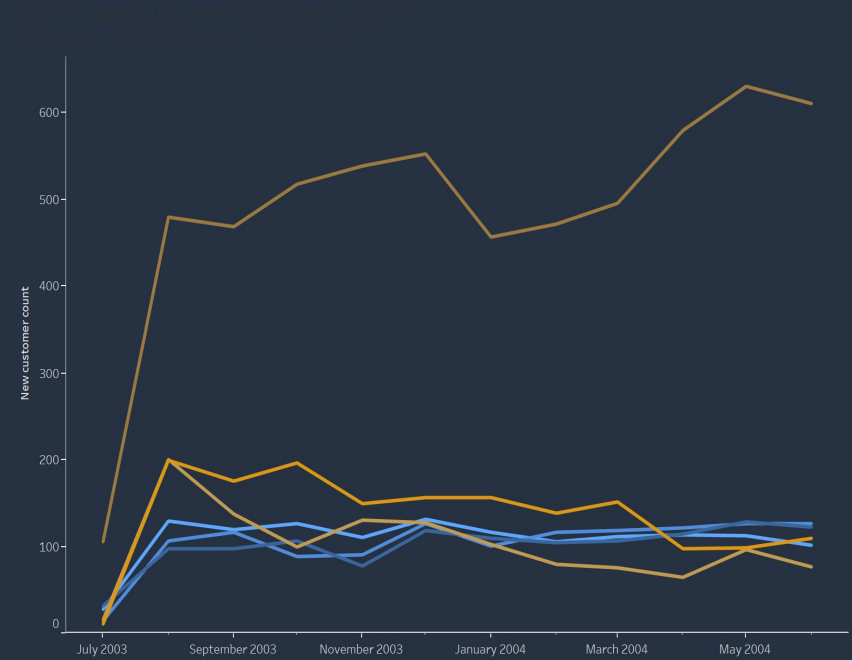
- US market has experienced robust growth (0.9M to 2.1M)
- Australia, lags with a moderate increase in overall sales (0.8M to 1.5M)
- Similarly, sales growth in DE, GB, FR and CA has been modest, increasing between only 0.2M and 0.4M.



Introduction



New customer acquisition has been declining in FY 2004.

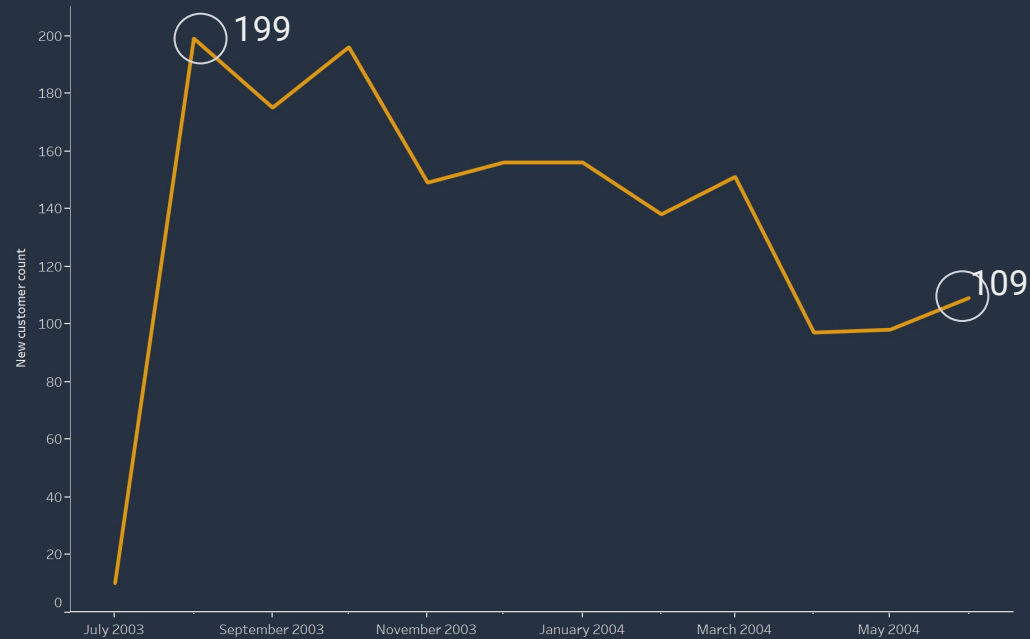


Monthly new customer acquisition by Country

Problem



Suboptimal new customer acquisitions despite a strong online market in Australia.

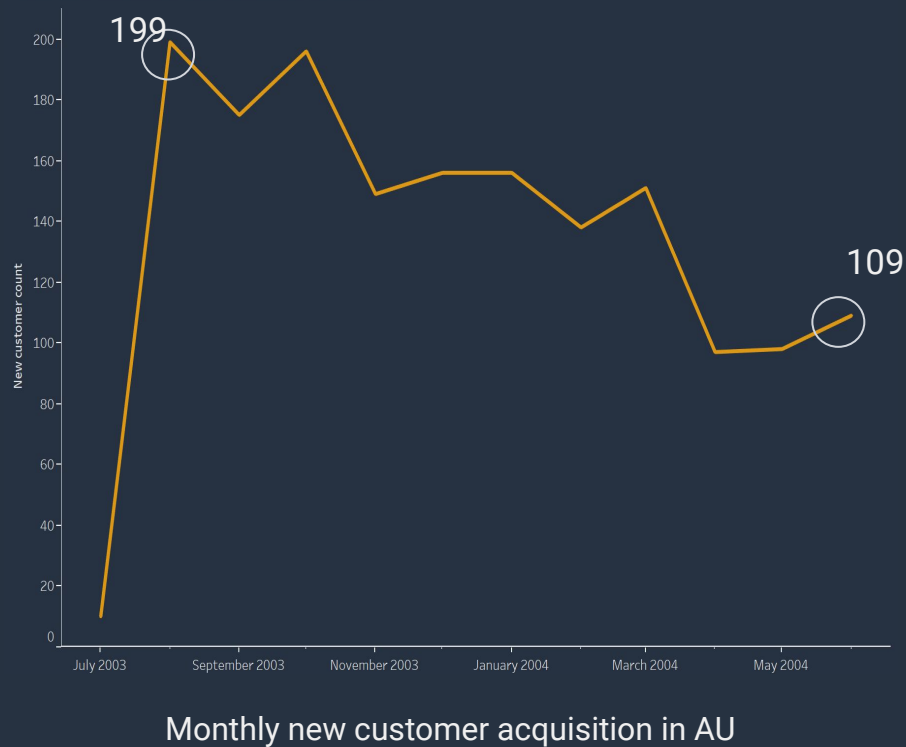


Monthly new customer acquisition in AU



Suboptimal new customer acquisitions
despite a strong online market in Australia.

**How to improve the number of new customer
acquisition based on online customer
demographics data?**





- Enhancing Customer Engagement
 - Understanding Customer Demographics (age groups and gender)
 - Identifying patterns and trends within customer behavior, preferences, and purchasing habits
- Optimizing Product Promotion
- Providing Actionable Recommendations for Sales and Marketing
- Maximizing Revenue Potential



- Data Source: Internal Adventure Works (FY 2002- FY 2004)
- Type of Sale: Online
- Focus on Customer Demographics :
 - Age Groups (20-29, 30-39 etc)
 - Gender
- Measured KPIs:
 - Total Online Revenue (USD)
 - Count of Online Customers
 - Top 3 products by Sales
 - Top 3 products by Volume

ADVENTURE WORKS ONLINE SALES OVERVIEW (July 2003 - June 2004)

For Sales & Marketing based on customer demographics



Choose Age Group(s)
30

Country
All

Gender
All

Fiscal Year
FY 2004

Total Online Revenue

\$7.04M

Count of Online Customers

5,769

Top 3 Products by Sales
(excl. tax and freight)

Mountain-200 Black, 38

\$376K

Mountain-200 Black, 42

\$353K

Mountain-200 Silver, 38

\$336K

Top 3 Products by Volume

Water Bottle - 30 oz.

1,309

AWC Logo Cap

718

Sport-10" Mountain Shoe

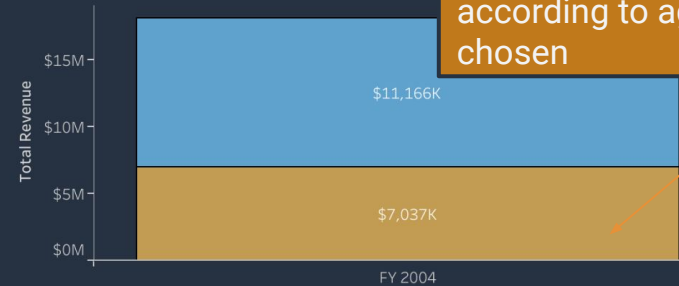
660

Monthly New Customer Acquisition by Country

June 2003 to June 2004



Total Revenue by FY



Count of Reason Type in %

Click on Reason type to drill down

Reason Type Reason name

Other

32.46%

67.54%

Promotion

Marketing

Popularity of Products based on Volume

Drill down from Category to Product name

+

Accessories

11,070

23,249

+

Bikes

3,815

5,962

+

Clothing

5,690

Key Findings for FY 2004 in AU



- Active Age groups:
 - 30-39
 - 40-49

M: 1,105 F: 1,152
- Customers in these active age groups make up 80% of Total Online Revenue i.e. \$4M
- Top Product by Sales: Mountain-200 Black, 42 (Bikes)
- Top Product by Volume: Water Bottle 30oz.
- Top Reason Names: Price> On Promotion>Other> TV Ads



Impact on Sales Team



- Active Age groups:
 - 30-39
 - 40-49
- Customers in these active age groups make up 80% of Total Online Revenue i.e. \$4M

- Top Product by Sales: Mountain-200 Black, 42 (Bikes)

- Top Product by Volume: Water Bottle 30oz.

- Top Reason Names: Price> On Promotion>Other> TV Ads

Tailor strategies to these identified demographics

Explore strategies to maximize promotion and cross selling

Bundle related products for added value

Since "Price" is significant factor, look into competitive pricing strategies

Impact on Marketing Team



- Active Age groups:
 - 30-39
 - 40-49
- Customers in these active age groups make up 80% of Total Online Revenue i.e. \$4M

- Top Product by Sales: Mountain-200 Black, 42 (Bikes)

- Top Product by Volume: Water Bottle 30oz.

- Top Reason Names: Price> On Promotion>Other> TV Ads

Craft messages that resonate specifically with the preferences and interests of identified demographics.

Marketing focus can be intensified by creating compelling visuals and messages .

Bundling options

Communicate competitive pricing. Incorporate reasons insights to address customer motivations.

Conclusion



AU FY 2004: Key Insights Recap

- Active Age Groups (30-39, 40-49) are the primary contributors, constituting 80% of Total Online Revenue, amounting to \$4M.
- The Top Product by Sales is the Mountain-200 Black, 42 (Bikes).
- Water Bottle 30oz emerges as the Top Product by Volume.
- Primary reasons for online purchases among the active age groups include Price, followed by On Promotion, Other, and TV Ads.



- Tailor marketing efforts to **resonate with the preferences** of the 30-39 and 40-49 age groups.
- Look for opportunities to **engage customers in the non-active age groups** such as 20-29, 50-59 depending on the purchasing behavior and sales reason identified.
- Strengthen promotions around the Mountain-200 Black, 42, and explore opportunities for **cross-selling**.
- Consider promotional strategies for Water Bottle 30oz to further **capitalize on its popularity**.
- Align marketing campaigns with the **identified reasons** for online purchases, with a focus on competitive pricing and promotion.



Customer demographics based analysis can

- Enhance Customer Engagement
- Optimize Product Promotion
- Maximize Revenue Potential



Thank You