# Report on 2Market's customers purchase behaviour

2Market is a global supermarket chain, selling products online and in-store. **The company has not gained new customers since 2014, 70% of its customers have not made a purchase in the last month and 56% purchase less than once a month.** Given this, the Company is not growing enough and risks losing competitiveness and market share in the near future. Thus, the purpose of this report is to analyse 2Market's customers purchase behaviour to discover: **Which customers should 2Market target and how, to better serve the current customers and gain new ones to grow its revenue in the next year in line with the market trend?** In this context, the following questions are addressed:

- Who are 2Market's customers? What is the profile of customers with a $90 to $100 thousand income (high income customers or "HIC" hereafter)?
- What products better satisfy the customers' demand?
- Which advertising channels should 2Market use to make customers more aware of their brand?

Data collected for this analysis covers one year ending February 2023 and contains 2199 clean data points (41 HIC). The dataset contains customers' demographics, income, expenditure on products, purchasing and advertising channels preference. Customers' marital status stated as "Yolo", "Absurd" and "Alone" were converted into "Single", countries were grouped by continents and income and expenditure are in dollars. Ages were obtained from year of birth, total expenditure was calculated from the sum of expenditure on different products. From the original dataset, customers of more than 100 years old and with no purchases at 2Market in the last year were excluded. Also, using the interquartile range, customers with income above $118 thousand were identified as outliers and excluded for better accuracy. The same clean dataset was used in SQL (non relevant attributes were eliminated).

1. **Who are 2Market's customers?**

2Market's customers are 53 years old on average and as age progresses they go from being single, to in a couple, divorced and widowed. The biggest group of customers (65%) are couples and singles are the second largest group (22%). There is no strong positive correlation that as customers' age increases their income also increases (0.2 coefficient). Half of customers earn $35 to $68 thousand. 2Market's customers are mostly based in Europe (55%), followed by North America (17%) and Africa (15%), thus we focus the analysis on these locations.
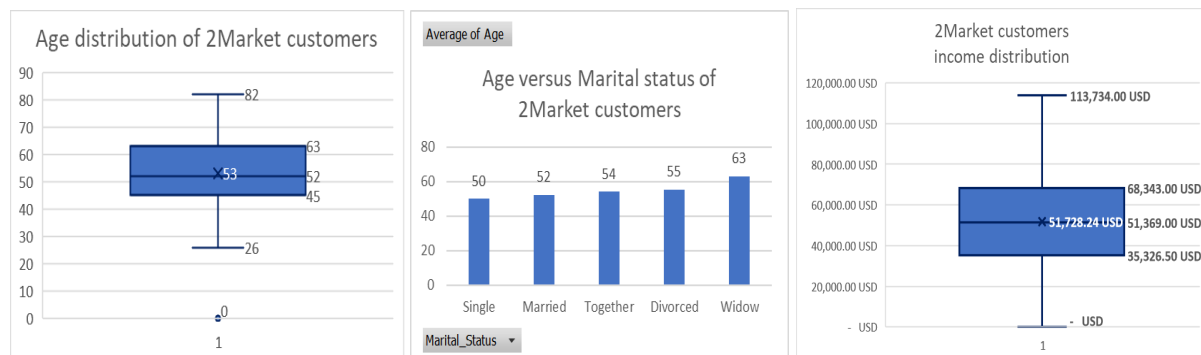
HIC are 51 years old on average and are equally split between being single and in a couple. In terms of location they are similarly spread compared to the whole population. HIC represent around 1.5% to 2.4% of customers in each location and 5.2% to 6.4% of local revenue. For each continent, the top age group (10 year bins) that makes around 25% of the local population and 25% of local revenue was compared with HIC. The revenue generated per capita by HIC is almost three times higher than in the other group.

| Continent | # customers in continent | Total revenue from each continent | $90 to $100 k income customers | | | | | |
			# customers that meet criteria	Average age	% customers relative to continent	Total revenue from customers that meet criteria	% revenue relative to total continent	Revenue generated per capita
Europe	1,205.00	733,657 USD	26	53	2.2%	46,908 USD	6.4%	1,804 USD
North America	370.00	231,494 USD	9	44	2.4%	14,533 USD	6.3%	1,615 USD
Africa	333.00	209,251 USD	5	49	1.5%	10,947 USD	5.2%	2,189 USD

2. What products better satisfy the customers' demand?

The general customer population spends the most on alcohol (50%) and meat (27%) and expenditure on other products is equally split. This is homogeneous among continents and marital status. HIC spends 4% to 13% more on meat and around the same on alcohol than the total population. HIC's couples spend slightly less on alcohol in each continent.

Expenditure per product type							
$90 to $100 k income customers							
continent	marital_status	alcohol	vegetables	meat	fish	chocolate	commodities
Africa	Single	43%	3%	40%	8%	4%	3%
	Couples	46%	2%	36%	7%	3%	6%
Europe	Divorced	55%	1%	38%	1%	2%	3%
	Single	51%	4%	31%	6%	5%	3%
	Couples	43%	5%	37%	6%	5%	3%
North America	Single	51%	3%	40%	2%	3%	2%
	Couples	36%	5%	40%	6%	8%	5%

3. Which advertising channels should 2Market use to make customers more aware of their brand?

The general customer population prefers different channels based on location, but for HIC there is a clear preference for Instagram advertisement. Aso, the number of successful leads per customer is higher for HIC (1.7) than for the overall group (0.3).

| | Successful lead conversions on social media | | | | |
| | Total customers per location | | | | |
Continent	Brochure Ads	Twitter Ads	Facebook Ads	Instagram Ads	Bulkmail Ads
Europe	18	98	83	96	94
North America	6	30	35	26	26
Africa	4	20	20	21	21

| | Successful lead conversions on social media | | | | |
| | $90 to $100 k income customers | | | | |
Continent	Brochure Ads	Twitter Ads	Facebook Ads	Instagram Ads	Bulkmail Ads
Europe	1	9	12	20	1
North America	1	4	5	7	2
Africa	0	1	3	4	0

All visuals, including the Tableau dashboard, supporting this analysis were developed to guide decision making of 2Market's marketing team by providing a response to each of the three above questions. Three main metrics were identified to be the key: **1) Average revenue generated per customer by age group (10 years old bin); 2) Relative expenditure per product type and; 3) Total successful lead conversations on social media channels.** Key metrics are to be **filtered together per continent, per income range and per marital status** to establish interactivity with the users and allow them to get more

detail on information as needed. The reasoning behind the filters is: marketing strategies in different locations are not dependent on each other so they can be analysed separately; the marketing team is interested in the customers' income, but specially in the $90 to $100 thousand range, thus an income filter allows to see the picture as needed; marital status does not impact results significantly however it slightly changes some of the metrics. Bar charts were chosen as the most appropriate for comparison of groups in all three metrics and font sizes and colours were carefully chosen to consider inclusivity.

Which customers should 2Market target and how, to better serve the current customers and gain new ones to grow its revenue in the next year in line with the market trend? Overall, 2Market should pursue **HIC as a target customer**. The revenue generated per capita by HIC is around three times higher than by the next best group (top 25% of local population that generates 25% of local revenue). Thus, a **marketing campaign for HIC will be more profitable** as it will be less costly (fewer customers with higher engagement on social media) and higher revenue generating (higher revenue per capita). Products should be adapted to **offer better options of alcoholic beverages and meat,** as these customers spend relatively more on them than the remaining population. Also, the marketing team should **pursue instagram as the main channel for advertising** for these customers.

Finally, this analysis could be complemented with insights on: what specific alcoholic beverages and meat brands HIC appreciate the most and what advertisement content they engage with the most and; why 2Market is not gaining new customers - other reasons such as lack of brand awareness, appropriateness of stores location and layout and efficiency of the online service.