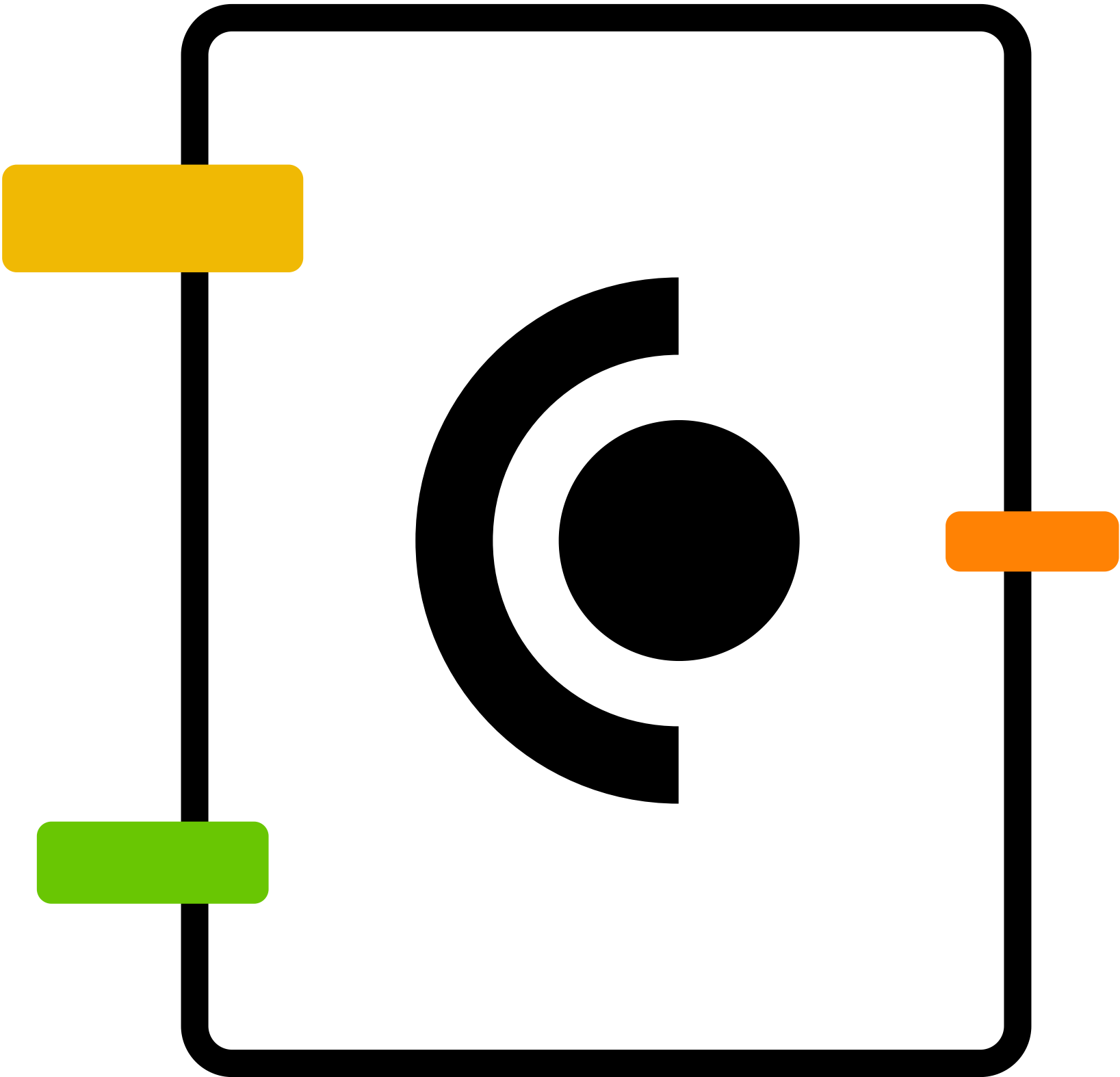


# Consumer Behaviour

## Business Framework



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# Overview

## Framework Title

Profitability-Repeatability Consumer Buying Behaviour Framework

## Type

**Matrix** - 2 x 2 Dimension  
**Columns : Repeatability** - Low and High (Axis - X)  
**Rows : Profitability** - Low and High (Axis - Y)

## Quadrants

4 Quadrants



## Statistics

Statistical Parameter Used - **Average/Mean**

# Theory and Calculations

## Profitability

It is average deal size of each customer of a particular business. It will give you inferences about how much a customer is profitable for the business. It is defined for each customer.

$$\text{Profitability} = \text{Average Deal Size of customer} = \frac{\text{Total of all bills of the customer}}{\text{Number of Transactions}}$$

## Repeatability

It is the number of transactions did by a customer. It will give you inferences about how much the customer is loyal to your business (the trust factor).

$$\text{Repeatability} = \text{Number of Transactions of customer}$$

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## Average Deal Size - Overall

$$\text{Average Deal Size of business} = \frac{\text{Total Sales of Business}}{\text{Total Transactions}}$$

## Average Transaction - Overall

$$\text{Average Transaction} = \frac{\text{Total Number of Transaction}}{\text{Total Number of Customers}}$$

# Conditions and Quadrants

## Q1 | Premium

It is first quadrant of the matrix. Those customers who have high profitability than the average deal size of the overall business and high repeatability than average transaction in the business will belongs to this quadrant.

- Profitability > Average Deal Size of business
- Repeatability > Average Transaction in the business

## Q2 | Profitable

It is second quadrant of the matrix. Those customers who have high profitability than the average deal size of the overall business but repeatability is less than or equal to the average transaction in the business will belongs to this quadrant.

- Profitability > Average Deal Size of business
- Repeatability <= Average Transaction in the business

## Q3 | Critical

It is third quadrant of the matrix. Those customers who have profitability less than or equal to the average deal size of the overall business and also repeatability less than or equal to the average transaction in the business will belongs to this quadrant.

- Profitability <= Average Deal Size of business
- Repeatability <= Average Transaction in the business

## Q4 | Loyal

It is fourth quadrant of the matrix. Those customers who have high repeatability than the average transaction in the business but profitability is less than or equal to the average deal size of the overall business will belongs to this quadrant.

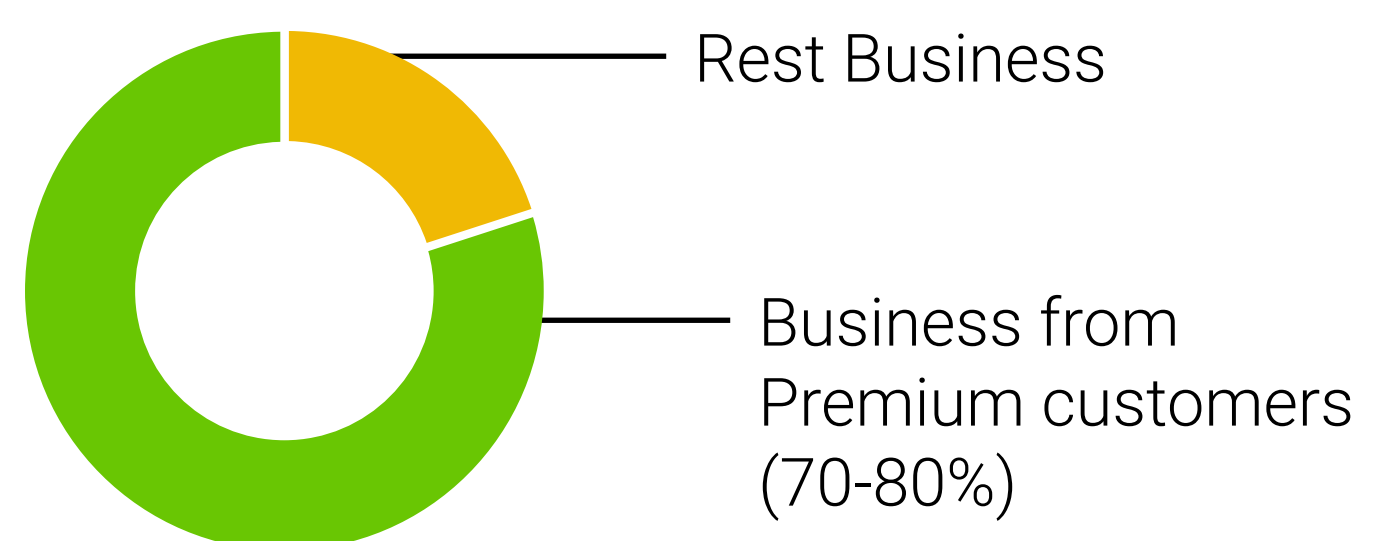
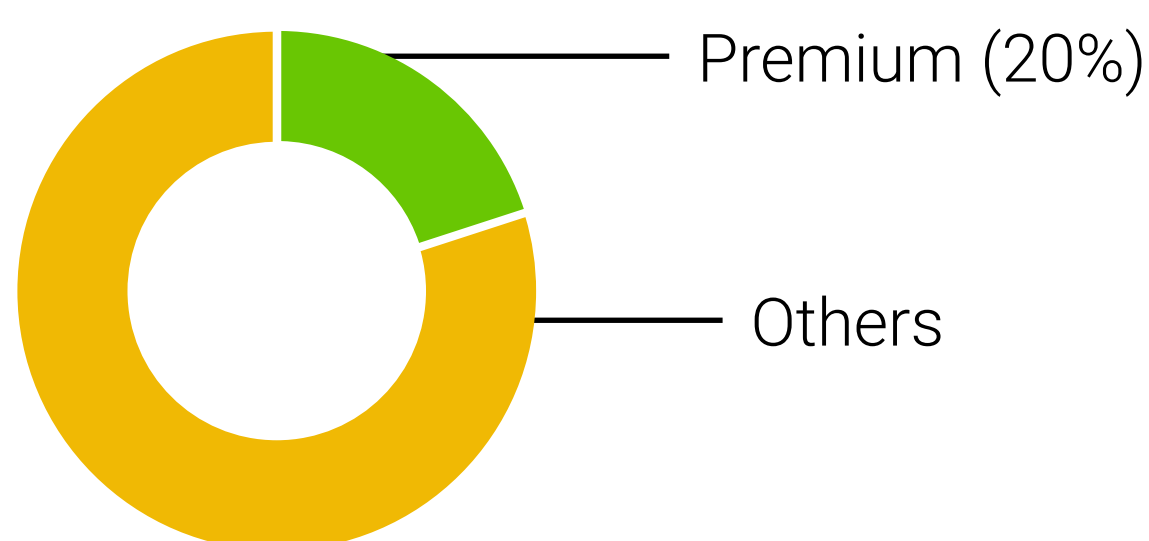
- Profitability <= Average Deal Size of business
- Repeatability > Average Transaction in the business

# Inferences

## Q1 | Premium

- Gives you maximum percentage business.
- In general, 20% of your customers should belongs to this quadrant but it may vary according to the targeted audience, product and the model of business.
- They are the most connected customers to your brand and will behave like an advocate to your business.
- *"Connections build through stories."* - Market them with the stories of your brand to make them feel more connected through your business and maintained in Q1.

***"Don't sell them product, they already know about your products.  
Sell them stories, they will sell your product."***



## Q2 | Profitable

- They have a high impact on business revenue but less surety to repeat their impact that leads to have more risk over revenue.
- They like your products but they don't have an emotional connection with your brand.
- Connect them, engage them, show them your vision of what problem you are solving.
- Answer them - *"Why your business?"*

***"Don't offer them discounts, etc., they are ready to pay you premium price.  
The thing that is missing out is connection with your brand."***

## Q3 | Critical

- They are usually new customers.
- They don't have knowledge of your products and your vision.
- Educate them, prepare a long term strategy to connect them with your brand and business so the will become a premium customer to your business.
- You have to be extra careful with these customers because one wrong experience can cost you of losing customers.

***"Educate them, tell them what solution or premium they will get  
after choosing your brand"***



## Q4 | Loyal

- They do high transactions with your business but not in a big deal size.
- They maintain a significant cash flow in business.
- They have some connect with your brand but they do not have confidence on your products. Educate them about your different products so they can have a confident choice. It will
- increase their deal size.

Timing and intensity of marketing is important because you can't over intense marketing, it may cause irritation and lower the transaction rate that can ultimately shift them to the second quadrant or in third quadrant, not it first quadrant.

***"A good marketing campaign inclined towards product line can work in this case."***

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## Supportive Business

Some of the business models where this framework will more efficient :

Product based business

Manufacturing

Supply Chain

Network Marketing

Freelancers

Software as a Service

Education Technology

***"It can be applied in almost every business model but with a different approach of analysis."***

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