

Step 3 :- Business Questions

1 – Most Profitable Customer Segments

The most profitable customer cohort is driven by the Electronics category, particularly among customers aged 46–60, with female customers exhibiting the highest average order value. This combination represents the strongest mix of high spending power and consistent purchase behavior. Profitability is not concentrated by geography, as demand is highly fragmented across cities, making product category and customer demographics the primary profit drivers rather than location.

2 – Underperforming Categories, Customer Groups & Regions

The Fashion category appears to be underperforming from a revenue efficiency perspective, as it records a high order volume but the lowest average order value among all categories. This indicates strong customer interest but weaker monetization, making it an ideal candidate for targeted upselling and premium product bundling strategies.

The 36–45 age group also represents an underperforming customer segment, with healthy order volume but the lowest AOV across all age buckets. This suggests engagement is present, but spending power is not being fully realized, creating an opportunity for customized promotions and cross-sell campaigns.

From a regional standpoint, no single city emerges as a dominant revenue driver, as demand is highly fragmented across hundreds of locations with most cities contributing only one or two orders. This indicates that regional performance is currently driven by isolated transactions rather than deep, sustained market penetration.

3 – Top Revenue Growth Drivers

Seasonal Demand Peaks (August & December):

Revenue shows sharp spikes in August (+36%) and December (+42%), indicating strong seasonality driven likely by promotional cycles, festive demand, or year-end purchasing behavior. These periods act as the primary natural accelerators of revenue growth and should be strategically leveraged with aggressive marketing and inventory planning.

High-Value Customer Segments (Age 46–60 & Female Buyers):

Customers aged 46–60 contribute the highest revenue and the highest average order value, while female customers demonstrate the strongest per-order spending behavior. Growth is being driven more by high spending per transaction than by pure order volume, making these premium customer groups the core revenue engine.

Premium Product Categories (Electronics & Sports & Outdoors):

Electronics leads in both total revenue and AOV, while Sports & Outdoors contributes strong volume with stable AOV. These categories drive top-line growth through higher basket values rather than mass-volume sales, indicating that premium product mix is a key revenue growth lever.

4 – Strategic Business Recommendations

1. Prioritize Premium Revenue Segments (Electronics & 46–60 Age Group):

Given that the Electronics category and customers aged 46–60 generate the highest revenue and AOV, targeted premium marketing campaigns, extended warranties, and bundled high-ticket offers should be prioritized for this segment to maximize revenue growth without relying on volume expansion.

2. Improve Monetization in Fashion & the 36–45 Age Segment Through Upselling:

Since Fashion and the 36–45 age group show high engagement but lower AOV, structured upselling strategies such as bundled products, limited-time premium upgrades, and personalized cross-category recommendations should be introduced to lift transaction values without increasing acquisition costs.

3. Leverage High-Value Female Customers With Loyalty & Personalization Programs:

Female customers exhibit the highest average order value across genders. Introducing tier-based loyalty programs, personalized offers, and curated product collections can help increase repeat purchase frequency and lifetime value within this high-spending group.

4. Capitalize on Seasonal Revenue Peaks With Advanced Planning:

Strong revenue surges in August and December highlight clear seasonality. Marketing budgets, inventory stocking, and promotional calendars should be aggressively aligned with these peak periods to maximize return on investment and avoid missed revenue opportunities.

5. Strengthen Data Capture for Improved Targeting (Gender & Demographics):

The presence of a sizable “Unknown” gender segment limits personalization and targeting effectiveness. Enhancing customer data capture at checkout and during account registration will improve segmentation accuracy and enable more precise marketing strategies.