

# Apple iTunes Music Analysis Report

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## Problem Statement

Apple iTunes maintains a large digital music store with millions of tracks, thousands of customers worldwide, and a network of employees managing sales operations. As the store expands globally, leadership needs insights into customer purchasing behavior, top-performing genres, and regional revenue distribution to improve marketing and content strategy.

## Business Goals:

- Understand customer behavior and purchasing trends.
- Identify the most and least popular music genres, tracks, and artists.
- Evaluate sales performance by employees and customer regions.
- Analyze revenue trends across time and product types (media types).
- Uncover growth opportunities by identifying underutilized content or inactive customers.

## Insights :

### Sales & Revenue

- Monthly Revenue Trends (2019-2020)  
Highest revenue month - August 2019 -> \$159.39  
Lowest revenue month - January 2020 & October 2019 -> \$43.56  
**Revenue decreased by 72.7% from peak to lowest month. This indicates high seasonal volatility.**
- Average Purchase Value : **\$7.67 per invoice** indicates Customers typically purchase multiple tracks per transaction as most individual tracks cost around ~\$0.99–\$1.29
- 3 employees generate 100% of recorded revenue  
Remaining employees have no customer-linked revenue
- **Jan–March shows strongest revenue performance.**

### Customer behaviour

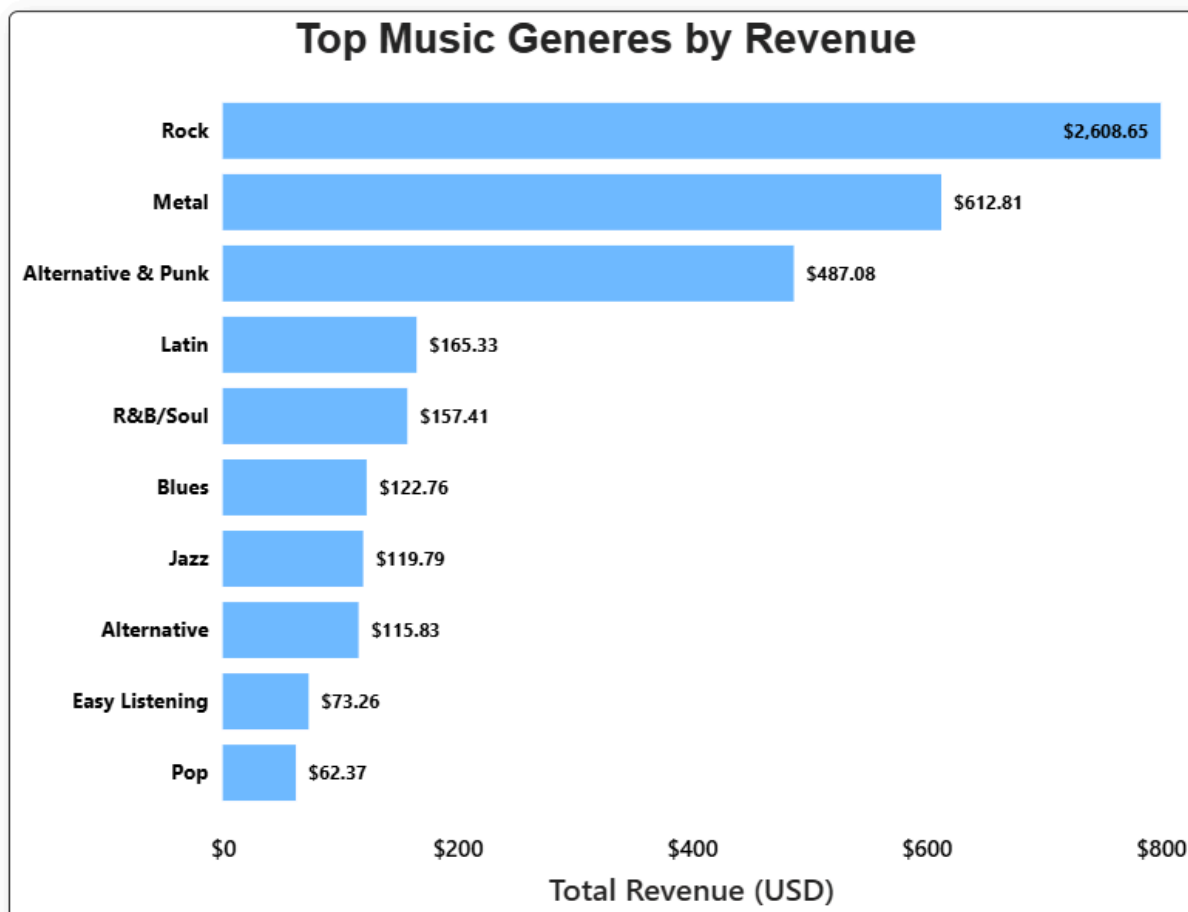
- On average, each customer makes ~10 purchases over their lifetime.
- The average customer lifetime value stands at \$79.82
- Customers are not one-time buyers — they show recurring behavior. Possibly no churn within recorded period.
- Revenue per customer in **Czech Republic is 72.5% higher than Denmark.**

### Geographic Trends

- Maximum customers per city = 2 & Majority of cities = 1 customer which indicates Customer base is highly geographically dispersed.
- **Revenue Gap** : Highest → Czech Republic (Prague) → \$273.24  
Lowest → Canada (Alberta) → \$29.70
- Top region generates **89% more revenue** than the lowest region.
- Czech Republic consistently ranks : Highest revenue per customer & Highest regional revenue.

## Artist & Genre Performance

- Artist : Queen alone contributes 25% of Top 5 revenue.
- Revenue is moderately concentrated among legacy rock artists. Classic rock dominates high-revenue artists.
- Rock is #1 Genre in 23 out of 24 Countries. It contributes nearly 60% of total genre revenue.
- Rock sales in USA are **33 times higher** than Alternative & Punk sales in Argentina.
- Argentina → Alternative & Punk (17 tracks sold) → lowest



## Business Recommendations

- Launch major artist releases in peak months which are January to March.
- Introduce promotional campaigns in low months (November).
- Introduce Loyalty Program : Offer discounts after 10 purchases | Reward points for frequent buyers |
- Recent revenue = 0. Immediate Re-Engagement Campaign | Personalized genre recommendations
- Double Down on Rock Content : Rock-themed curated playlists
- Diversify Emerging Genres : Promote Alternative & Punk, Metal, Latin. Target Argentina for Alternative & Punk expansion.
- Allocate marketing budget to Czech Republic
- Targeted Reactivation Strategy : Region-specific promotions | Free-track incentives

## Impact

- If low months improve by even 15%, overall annual revenue stability improves. For example here If November (\$291.06 aggregated revenue) increases by 15% i.e 334.72
- If even 20% of customers return & each spends average invoice (\$7.67) then Immediate short-term recovery  $\approx$  \$92+. If they return to full CLV behavior → impact multiplies.
- If top 5 artists increase revenue by 5% : Incremental revenue = \$38.01. Low effort → meaningful gain.
- Increasing Czech Republic revenue by 10%. High-value markets give higher ROI per dollar spent.

## **Conclusion**

The iTunes music store demonstrates strong historical customer loyalty and clear genre dominance, particularly in Rock music. However, recent inactivity and geographic monetization gaps present immediate opportunities for targeted intervention. By implementing loyalty programs, seasonal optimization strategies, geographic targeting, and genre diversification initiatives, the business can potentially increase overall revenue by 10–15% while reducing dependency risk on a single genre.