

ABC Customer Engagement Summary

Problem Statement

ABC seeks to improve engagement with its digital product by identifying behavioural patterns that predict frequent purchasing.

Key Findings

1. **Spending-to-Income Ratio:** The strongest predictor—customers whose spend represents a higher proportion of their income are most likely to buy frequently.
2. **Absolute Purchase Amount & Income:** High spenders and higher-income segments demonstrate greater engagement.
3. **Age & Age × Category Interaction:** Distinct purchase behaviours emerge for under-28s, 28–38s, and older users, especially when combined with product category preferences.
4. **Category Satisfaction:** Satisfaction within a product category significantly influences repeat buying; high satisfaction correlates with frequent purchases.
5. **Loyalty & Promotions:** Current loyalty status and promotional uptake exhibit comparatively low predictive power, suggesting existing programmes are under-utilized or misaligned.
6. **Regional Variation:** Geographic region plays a moderate role, indicating potential for localised tactics.

Recommendations

1. **Value-Driven Tools:** Introduce budgeting and deal-finding features that highlight savings relative to income, thereby lowering the barrier for lower-income segments.
2. **Tiered & Personalised Loyalty:** Redesign loyalty tiers and rewards to reflect income and spending levels, ensuring each cohort perceives attainable benefits.
3. **Age-Segmented Experiences:** Craft tailored journeys—gamification for younger users, premium bundles for mid-age groups—to resonate with each age cohort's behaviour.
4. **Boost Category Satisfaction:** Deploy feedback surveys and A/B tests in under-performing categories (e.g. Beauty, Home) to elevate user satisfaction and repeat purchase rates.
5. **Regional Customisation:** Localise promotions, content and pricing per region (currency, payment methods, cultural references) to enhance relevance and uptake.
6. **VIP High-Value Programme:** Identify frequent, high-spending customers and offer exclusive previews, concierge support or invite-only features to cement loyalty and drive advocacy.

By focusing on these targeted interventions—particularly around value perception, personalization and satisfaction—ABC can convert rare and occasional buyers into engaged, frequent customers, in-turn increasing customer engagement.