

# Customer Segmentation Analysis

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A blue pen with a silver tip is resting on a document featuring a bar chart. The chart has several blue bars of varying heights. The background is a dark gradient.

# Agenda

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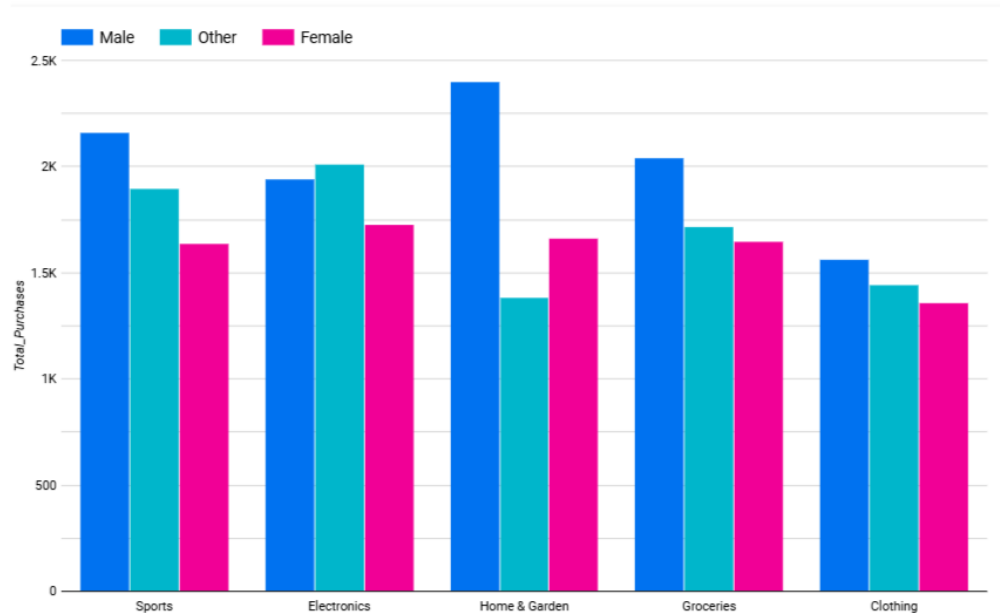
- How did each category perform amongst our clientele? Who did the most spending and on what products?
- What are some other key insights we can derive based on the given information?
- What other data points would be helpful to round out your analyses?
- Based on your insights, what should the Marketing org focus more/less on?

Category ▼	Total_Purchases ▼	Average_Purchases
Sports	5694	27.11
Electronics	5682	26.43
Home & Garden	5449	26.45
Groceries	5405	27.16
Clothing	4366	25.68

# Key Insights

- Based on the data provided there was a total of 26,596 purchases
  - Top performing category: Sports
    - Total sales: 5694
    - Average sales: 27.11
  - Worst performing category: Clothing
    - Total sales: 4366
    - Average sales: 25.68

## Gender Purchasing Comparison



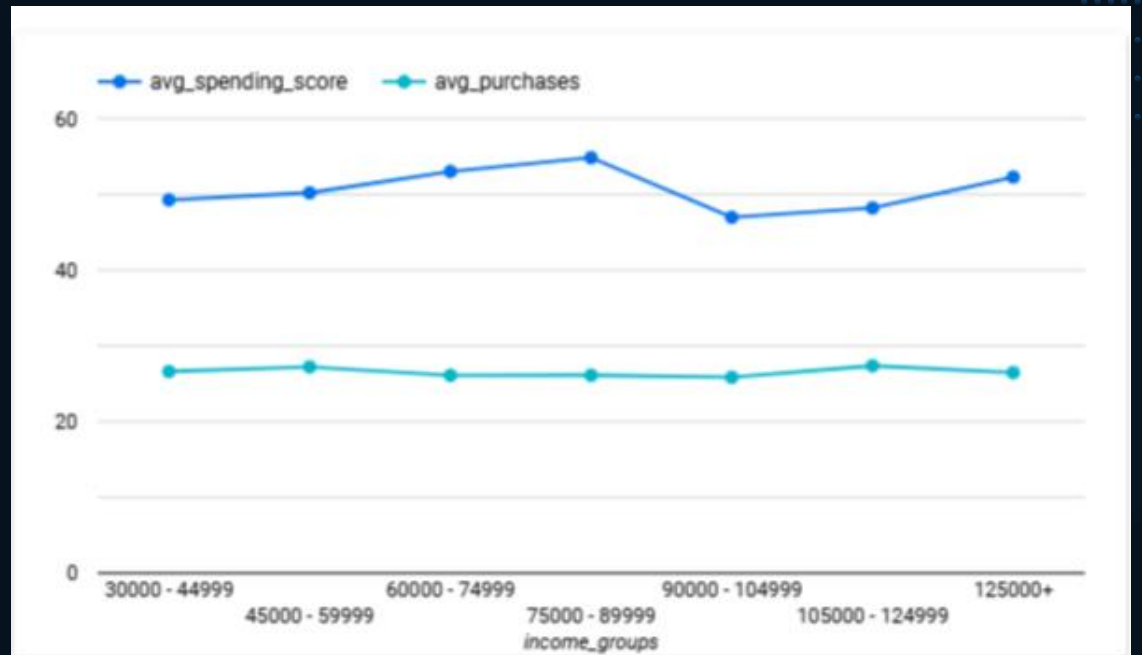
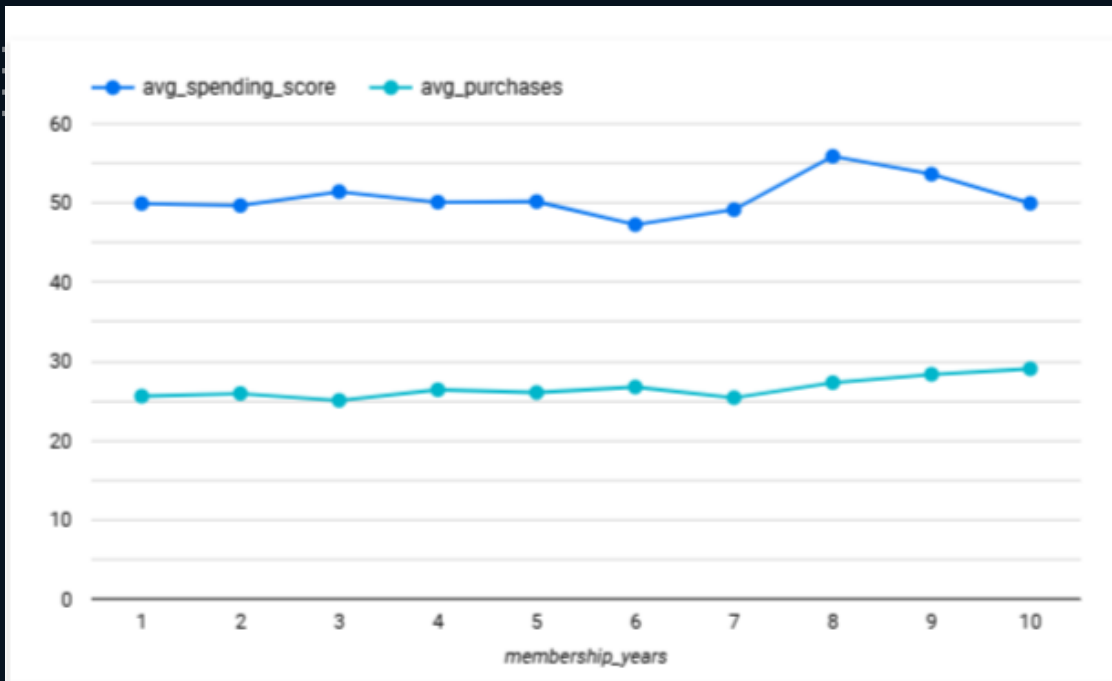
- Notes:

- Gender-Based Purchasing Trends:

- Female customers never rank as the top buyers in any category.
    - Male customers consistently dominate purchasing, except in the Electronics category, where the 'Other' gender category slightly surpasses them.

- Category Consistency:

- Sports, Groceries, and Clothing categories exhibit the most consistent sales performance across all genders, indicating broad and steady appeal among diverse customer segments.



- Notes:

- Membership Analysis: The data indicates that spending score and purchase behavior remain relatively stable across membership years until a notable shift occurs after the 8-year mark. This suggests that long-term membership may be a key factor influencing customer spending patterns.
- Income Insights: While purchasing behavior remains consistent across various income brackets, there is a significant decline in spending score between the income ranges of \$75,000 - \$89,999 and \$90,000 - \$104,999. This drop could highlight a potential area for targeted marketing efforts or further investigation.

# Additional Sales Insights



Although sports emerged as the top-selling category overall, each age group displayed distinct preferences in their spending categories:

Ages 18-27 and 48-57 favored Electronics.

Ages 26-37 preferred Home & Garden.

Ages 38-47 and 58+ leaned towards Groceries.



There is a noticeable trend where older customers tend to purchase more products.



Interestingly, based on the last purchase data, customers in lower income brackets tend to spend more money compared to those in higher income brackets.

# Areas to focus on

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- Purchasing Behavior:
  - Investigate the underlying factors contributing to women's lower purchasing rates.
  - Explore the reasons behind the significantly lower sales in the Clothing category compared to other categories.
- Customer Loyalty:
  - Analyze the factors driving the drop in purchasing behavior between the two identified income groups.
  - Identify potential benefits that increase with membership tenure to enhance customer retention strategies.

# Other Helpful Data Points

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- Purchase Timing:
  - Analyze spending patterns around specific holidays or seasons to uncover potential trends and peaks in consumer activity.
- Geographical Location:
  - Investigate regional pricing variations to determine if certain areas have different pricing strategies or purchasing behaviors.
- Online vs. Offline Purchases:
  - Examine the impact of deals on purchasing behavior to assess whether online or offline channels are more effective in driving sales.



