

Personal project
Week 3
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- The dataset is obtained from a Food & Beverage company.
- Company is relatively new (max 5 years) with significant growth.
- Ships worldwide.
- Dataset includes client orders of the last 2 years.
- High priority on anonymizing the data for confidentiality.

**Most clients do not place
monthly orders.**

* However, the product is consumed on a monthly basis.

**How can the company cultivate
more lifelong clients?
Would lowering shipping costs
help achieve this?**

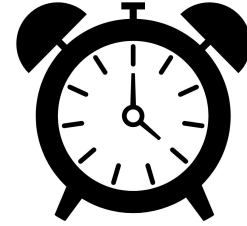
*Lifelong client definition for this company: A client that orders every month.



Although the data initially appeared clean, extensive cleaning was required.

The main challenge was identifying individual clients, made more difficult by manual address entry and the possibility of multiple store locations.

- Emphasis on store locations is important because they influence the decision for collaboration with company.

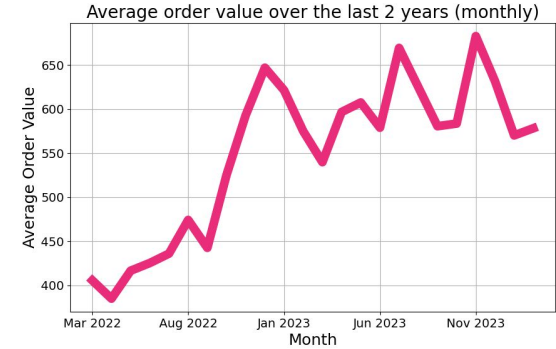
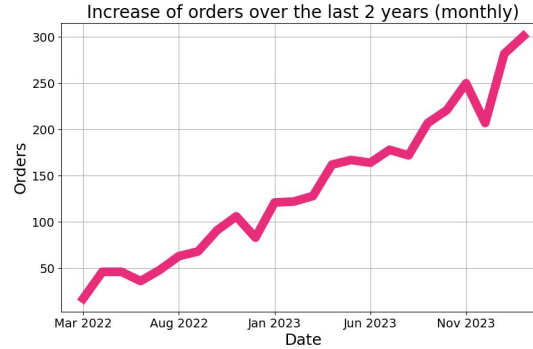
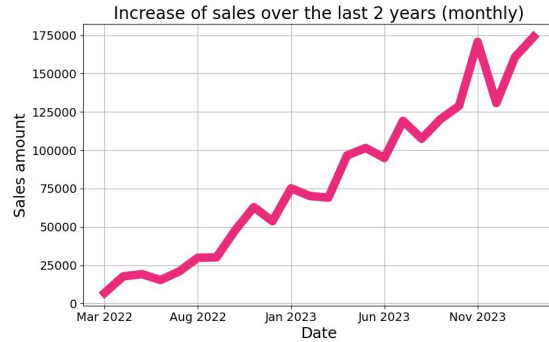


Time, time, time!

There are numerous analysis opportunities, possibilities to deepen the analysis with more variables. Not enough time and skills (yet) make it hard to explore complex ideas.

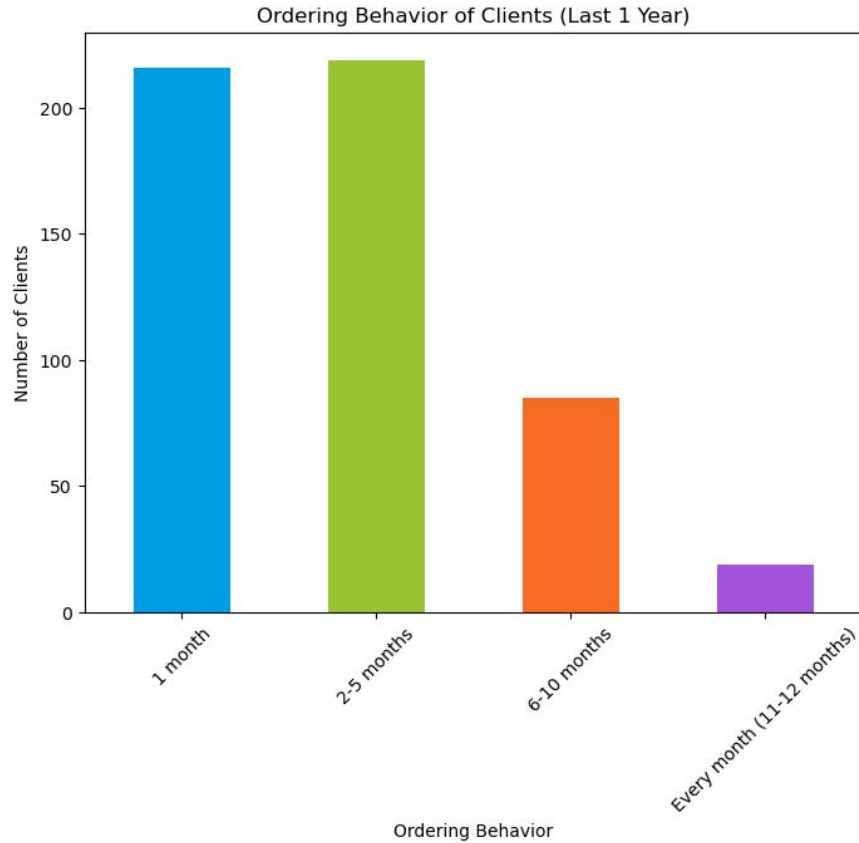
Always wanting to double-check the data again and again.

Company growth - Data relevance

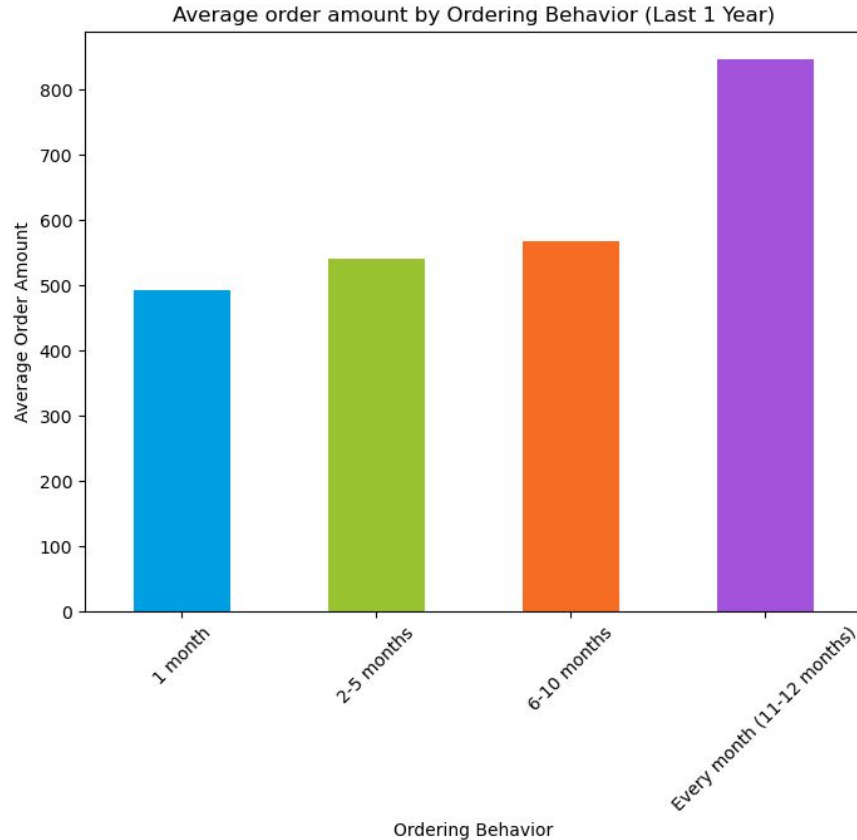


In the last two years, the company has grown a lot, evident in both monthly sales and total orders. While the average order value has risen, it appears to have remained quite steady over the past 1.5 years.

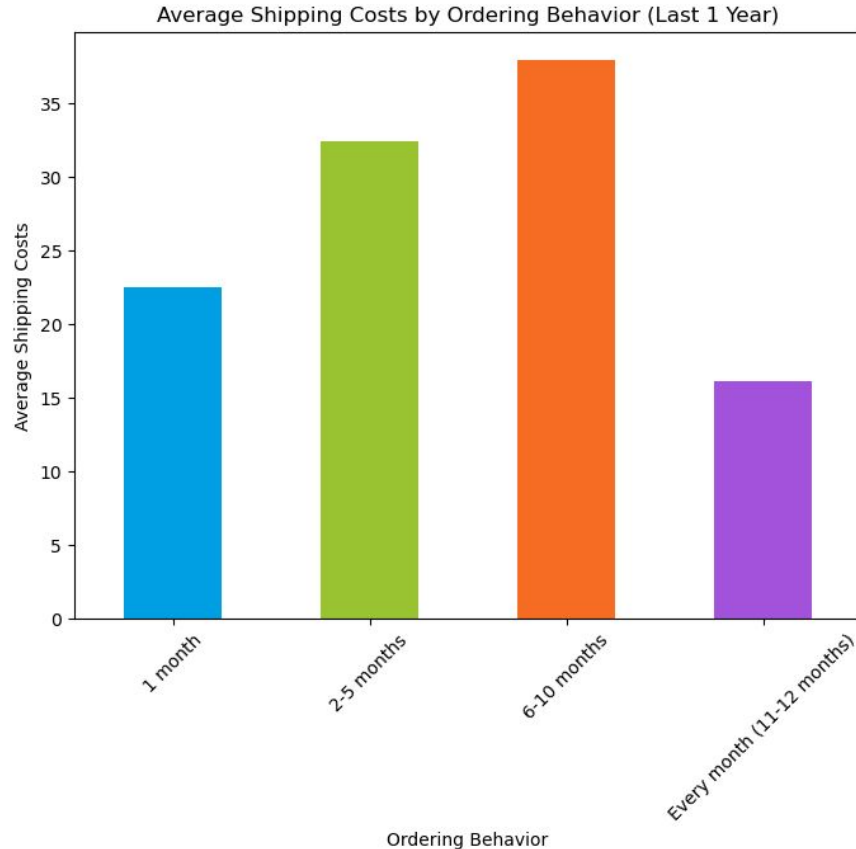
Considering these trends, I've chosen to focus on the data from the past year to ensure its relevance.



Most clients don't order monthly...

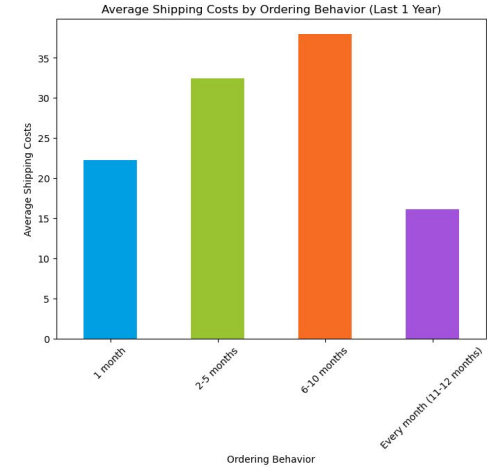
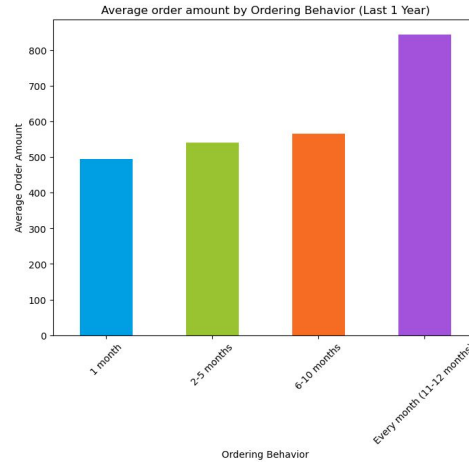
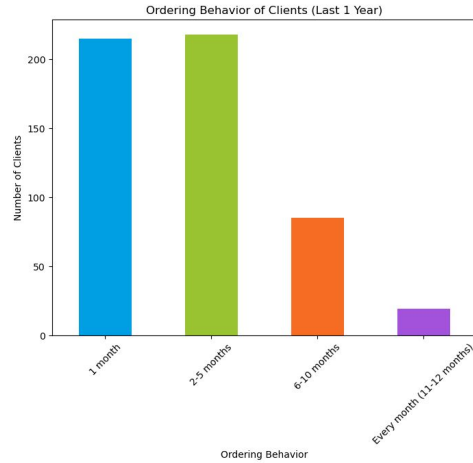


...those who order monthly have the highest average order value...



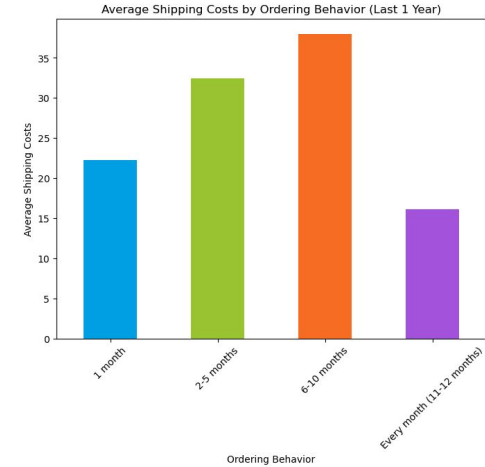
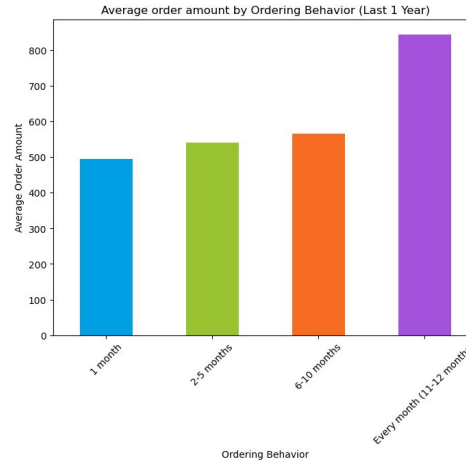
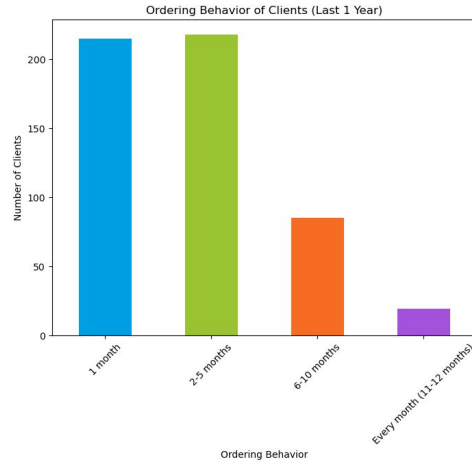
...but those who order more sporadically face the highest shipping costs!

Ordering behaviour of clients



Higher shipping costs are mainly due to the distance from the company's base. And that seems to influence more clients who order sporadically throughout the year, ranging from a few to several months. Despite facing these higher costs, their orders still constitute a significant portion of the total.

This suggests that **shipping costs may influence their ordering frequency**, presenting an **opportunity** to increase how often they order.



- Considering this, offering **improved shipping deals** for these clients could be beneficial.
- Additionally, implementing a **subscription model with an annual fee and discounted shipping** may also be advantageous.

Next steps?

- Assess the financial viability of implementing changes based on the hypothesis and determine the optimal pricing strategy.
- Explore conducting additional tests on selected customer groups to evaluate the impact of potential changes on ordering behavior.

Thank you!

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