

# MARKETING CAMPAIGN ANALYSIS

Customer Behavior & Spending Insights

Data Analysis Project

Powered by SQL Queries & Excel Visualizations

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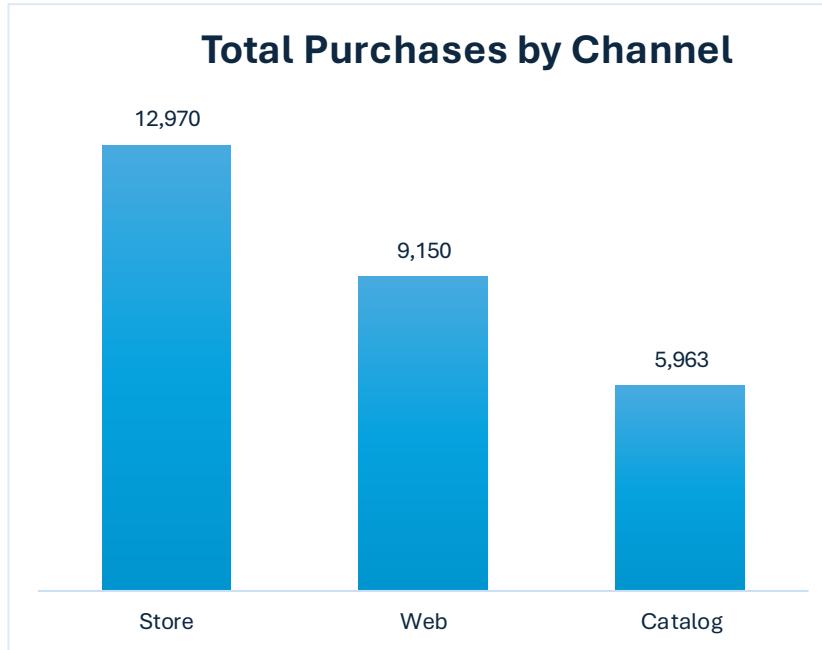
## Project Overview

This project focuses on analyzing customer behavior and campaign effectiveness using **SQL** for data extraction and transformation, complemented by **Excel** visualizations to present the insights. The dataset, derived from a marketing campaign, provides information on customer demographics, purchasing patterns, and engagement metrics.

The primary objective of this analysis is to answer key business questions such as campaign acceptance rates, spending differences between customer groups, and the relationship between recency, web visits, and total spending.

## Channel Performance Analysis

Which channel represents the majority of purchases: web, catalog, or store?



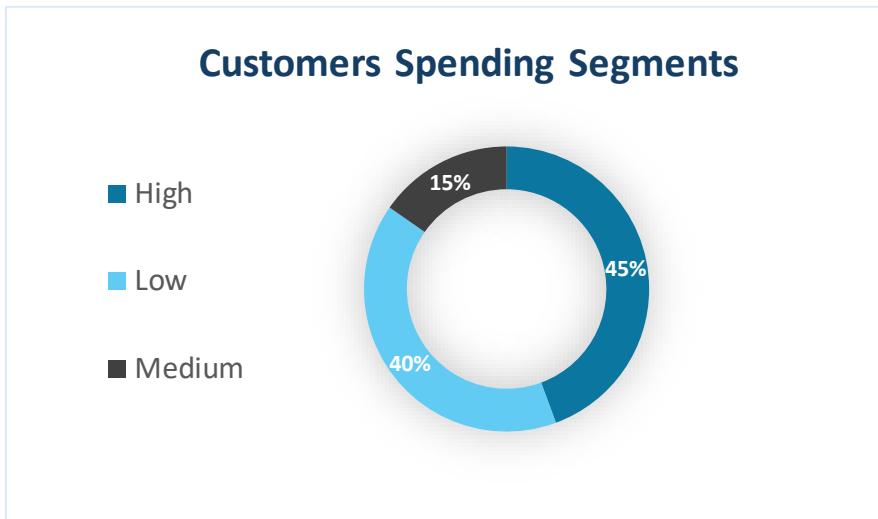
**Key Insight:** The analysis reveals an **unbalanced omnichannel model**. While physical stores are the primary revenue driver (44%), the Web channel (31%) has proven to be an essential, modern component of the business. The Catalog channel (20%) is a clear **legacy channel**. While still relevant, it is likely the least scalable and carries the highest operational costs (e.g., printing, shipping).

### Strategic Recommendation:

1. **Growth Priority (Web):** Allocate a majority of new marketing resources to **accelerate Web channel growth**, as it is the most scalable and represents the future customer journey.
2. **Maintenance Priority (Stores):** Protect the performance of physical stores as the business's primary "cash flow engine."
3. **Evaluation Priority (Catalog):** Initiate an **ROI analysis** on the Catalog channel. Its 20% contribution may not justify the operational costs, and the strategic goal should be to **migrate these customers to the Web channel**.

## Customer Segmentation (Spending Value)

**What percentage of customers can be classified as high, medium, or low spenders based on their total purchases?**



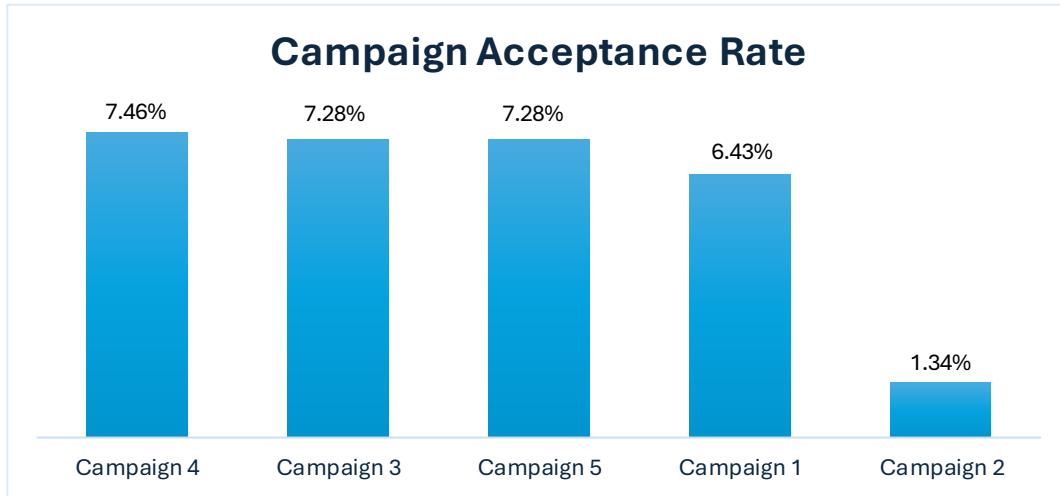
**Key Insight:** The analysis reveals a **highly polarized customer base** (44% High-Value vs. 40% Low-Value) with a critically small "Medium" segment (15%). This polarization suggests the company has an "**all-or-nothing**" problem, likely driven by a lack of an effective **mid-funnel strategy** or customer development journey. The business is failing to nurture and grow customers from Low to Medium, or from Medium to High.

### Strategic Recommendation:

- Protect (High-Value 44%):** This segment funds the business. Implement a **retention and loyalty strategy** (e.g., premium rewards, exclusive access) for this core group.
- Develop (Medium-Value 15%):** Target this small group with a specific **upsell/cross-sell campaign**. The goal is to understand their barriers and incentivize their move to the "High" segment.
- Activate (Low-Value 40%):** This group is likely a drag on resources. Segment them further (e.g., new customers vs. one-time discount buyers) and launch one targeted campaign to "activate" new users, moving them into the medium segment.

## Campaign ROI Analysis

**Which marketing campaign had the highest acceptance rate among customers, and is there a correlation between campaign acceptance and total spending?**



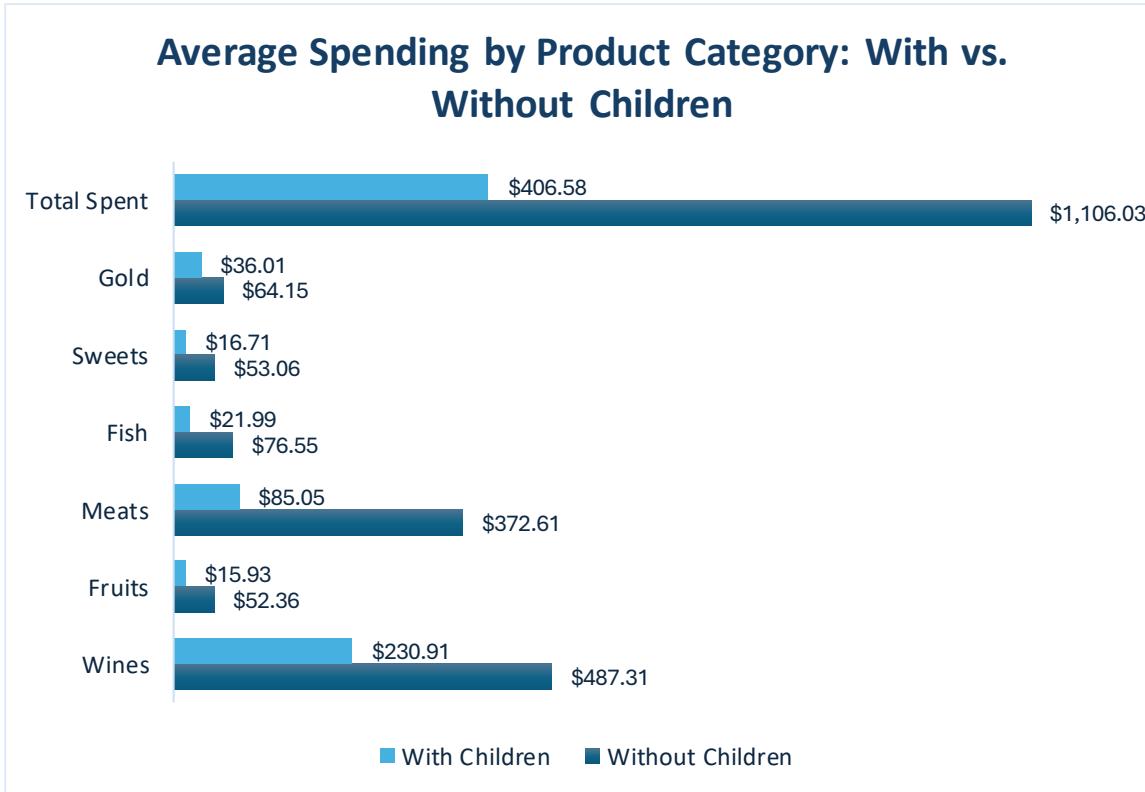
**Key Insight:** The analysis reveals a **critical marketing inefficiency**: all campaigns have an acceptance rate **below 8%**. While Campaign 4 (7.46%) was the top performer and Campaign 2 (1.34%) was a complete failure, the overarching insight is that the current marketing strategy is ineffective and likely generating a **negative Return on Investment (ROI)**. The business is wasting resources on poorly targeted or unappealing offers.

### Strategic Recommendation:

- Halt & Investigate:** Immediately halt Campaign 2 (1.34% acceptance) to stop wasting the marketing budget. Investigate its fundamental failure (e.g., offer, targeting, channel).
- Isolate & Replicate:** Conduct a **segment-level analysis** on Campaign 4. Identify *why* it was the (relative) success. Was it the offer? The channel? The customer segment?
- Measure True Impact (ROI):** Initiate a new analysis (a cohort or A/B test) to answer the *original* business question: "**Do customers who accept campaigns have a higher Total Spend or Lifetime Value (LTV)?**" The current strategy's impact on revenue is unknown and assumed to be negative.

## Customer Persona Analysis (Impact of Children)

**Do customers with children (kids or teenagers) spend differently than those without children, and in which product categories is the difference most noticeable?**



**Key Insight:** The analysis reveals two distinct, high-impact **customer personas**.

- The 'Discretionary/Premium' Persona (No Children):** This group's average spend (\$1106) is **nearly 3x higher** than the other segment.
- The 'Family/Value' Persona (With Children):** This group's average spend is only \$406.

The spending gap is not uniform; it is almost entirely driven by high-margin categories like **Wine** (\$487 vs \$230) and **Meat** (\$372 vs \$85). This proves that a one-size-fits-all marketing strategy is failing and wasting budget.

## Strategic Recommendation:

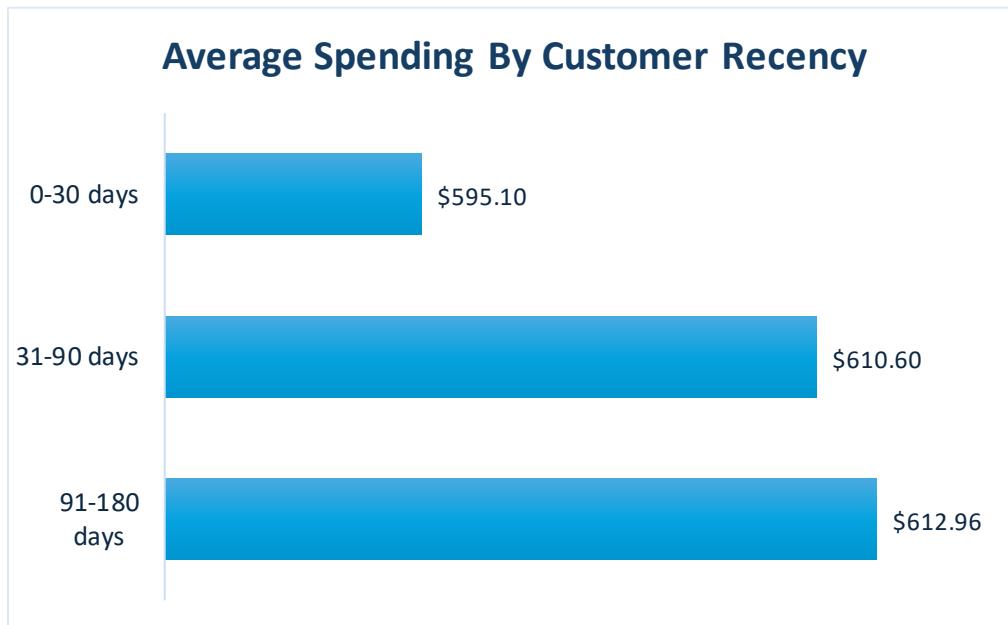
**Segment All Marketing:** The company must stop its "one-size-fits-all" approach. All future campaigns must be segmented into "Premium" (for child-free households) vs. "Value" (for families).

**Target Premium Personas:** Launch **high-margin campaigns** (e.g., wine bundles, premium meat offers) *exclusively* to the 'Without Children' segment to maximize their already high Lifetime Value (LTV).

**Target Value Personas:** Create **family-focused value campaigns** (e.g., bulk-buy offers, discounts on Fruits/Sweets) for the 'With Children' segment to increase their basket size without wasting marketing on irrelevant premium offers.

## Recency Model & Customer Engagement

**How does customer recency (days since last purchase) relate to total spending, and can we identify patterns of highly engaged customers?**



**Key Insight:** The analysis reveals a **critical flaw in the traditional "Recency" model**. Standard marketing assumes recent buyers (0-30 days) are the most valuable, but the data proves this is **false**.

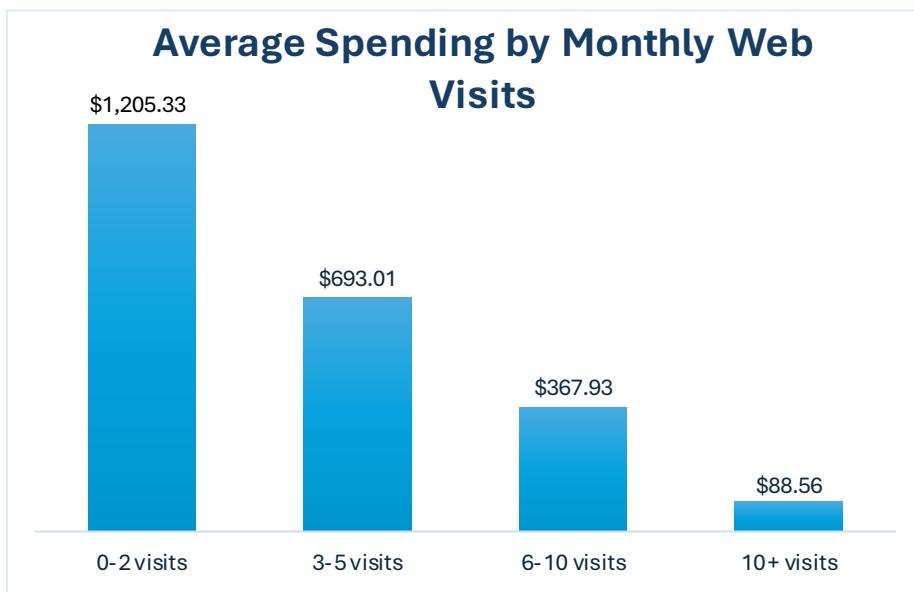
Customer spending is **statistically identical** across all active segments: 0-30 days (\$595), 31-90 days (\$610), and 91-180 days (\$613). This indicates the company has a **6-month "golden window"** to re-engage a customer without any loss in their potential basket size. The *real* drop-off (the "customer churn wall") likely occurs after 180 days.

### **Strategic Recommendation:**

1. **Stop "Recent-Only" Marketing:** Immediately **halt all marketing strategies** that focus *only* on the 0–30-day segment. This is wasting a massive opportunity.
2. **Create a 180-Day Nurture Strategy:** Develop a marketing automation plan that nurtures customer across the *entire* 6-month window, knowing their value remains high.
3. **Find the "Churn Wall":** The immediate next step is to analyze the **180+ day segment** to confirm exactly when the spending value collapses. This will define the company's true "last chance" window for customer reactivation.

### **Web Conversion Analysis (Visits vs. Spending)**

**Is there a relationship between the number of web visits per month and the total spending of customers?**



**Key Insight:** The analysis reveals a **strong inverse correlation** between web visits and spending. The website is **failing as a sales conversion tool** and is primarily used by low-value "window shoppers."

- **Highest-Value Customers (\$1205 avg):** This segment (0-2 visits/month) ignores the website. They are high-value customers who purchase through other channels (Store/Catalog).
- **Lowest-Value Customers (\$88 avg):** This segment (10+ visits/month) are **high-traffic, low-conversion** users. They are likely a drain on web resources (e.g., support, server load) without providing any ROI.

**Strategic Recommendation:** The company must pivot its web strategy from "driving traffic" to "**driving conversions.**"

1. **Priority 1 (Fix the Funnel):** Implement a **Conversion Rate Optimization (CRO)** strategy for the high-traffic, low-value (10+ visits) segment. Test new Calls-to-Action (CTAs), exit-intent pop-ups, and special offers to convert these "browsers" into "buyers."
2. **Priority 2 (Channel Migration):** Develop a campaign to **migrate the high-value (\$1205) segment** from offline channels to the web. Target this "0-2 visit" group with incentives for their *first* web purchase, emphasizing online convenience and exclusives.