PURA CASE STUDY

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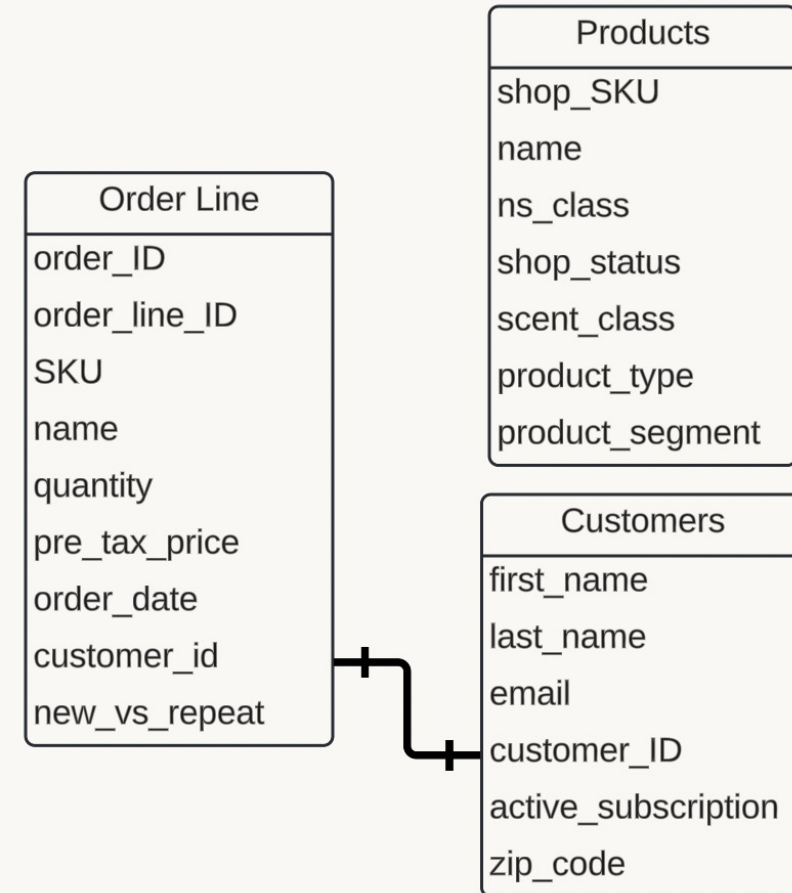
Business Goals Overview

Goals of the Business

- Grow customer count

- Increase revenue

- Improve contribution margin

Data Used for Study

Order Line
- order_ID
- order_line_ID
- SKU
- name
- quantity
- pre_tax_price
- order_date
- customer_id
- new_vs_repeat

Products
- shop_SKU
- name
- ns_class
- shop_status
- scent_class
- product_type
- product_segment

Customers
- first_name
- last_name
- email
- customer_ID
- active_subscription
- zip_code

Promotions - Summarized

Promotion	Examples	Insights
Subscription-based Promotions	• Grapefruit Subscription • Red Currant Subscription	Provide consistent and relatively predictable revenue streams.
Free Product Offers	• Free Diffuser Set • Free Gift	Boost customer acquisition numbers but require follow-up.
Bundled Product Promotions	• Build Your Home Set • Anthropologie Set	Allow customers to buy in bulk, leading to higher average order values.
Seasonal or Thematic Promotions	• Mickey Christmas Cozy Cabin • Jack the Pumpkin King	Lead to short-term sales spikes, and long term revenue impact.

Recommendations

## Subscription-based Promotions

Increase Revenue

- The 3-month subscription generates significantly higher revenue per order than the 1 and 2 month subscriptions
- Focus on promoting the 3 Month Subscription, as it provides the highest AOV, potentially offering better long-term value and customer retention.
- Reevaluate the 2 Month Subscription, as it underperforms in both total revenue and AOV. Consider bundling offers or marketing efforts to boost its appeal.

Subscription Type	Total Revenue	Total Orders	AOV
1 Month Subscription	$ 3,149	204	$ 15.70
2 Month Subscription	$ 421	32	$ 12.84
3 Month Subscription	$ 769	42	$ 16.65

Free Product Offers

Grow Customer Count

- Currently, only 19% of new customers receive free products, yet these promotions are a proven way to drive customer acquisition.

- By expanding free product offers to a larger percentage of new customers, the company could potentially boost customer conversion rates.
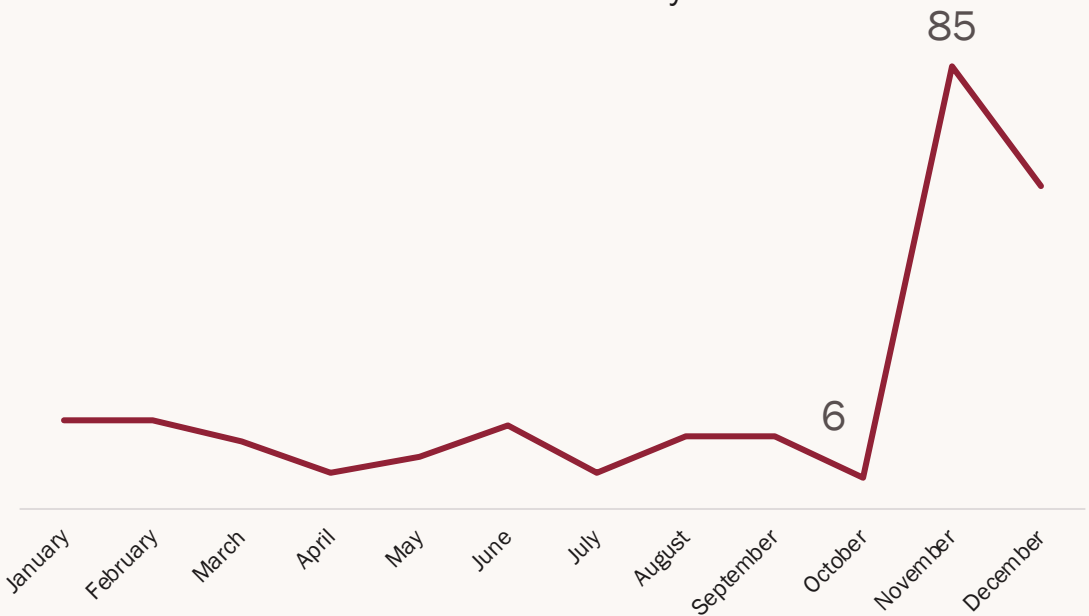
19%

81%
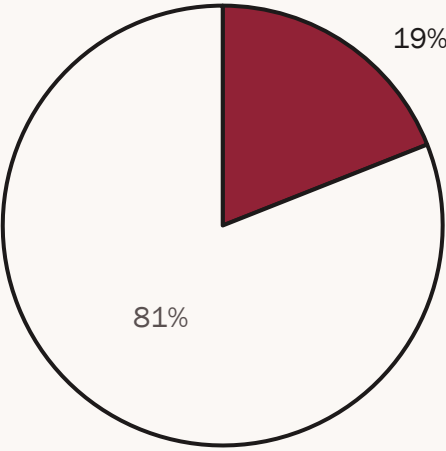
Recommendations

Seasonal Promotions

Grow contribution margin

- Continue running seasonal promotions, but reevaluate marketing strategies during holiday seasons.

- Pura should consider running seasonal promotions during each month of the year, not just October, November and December

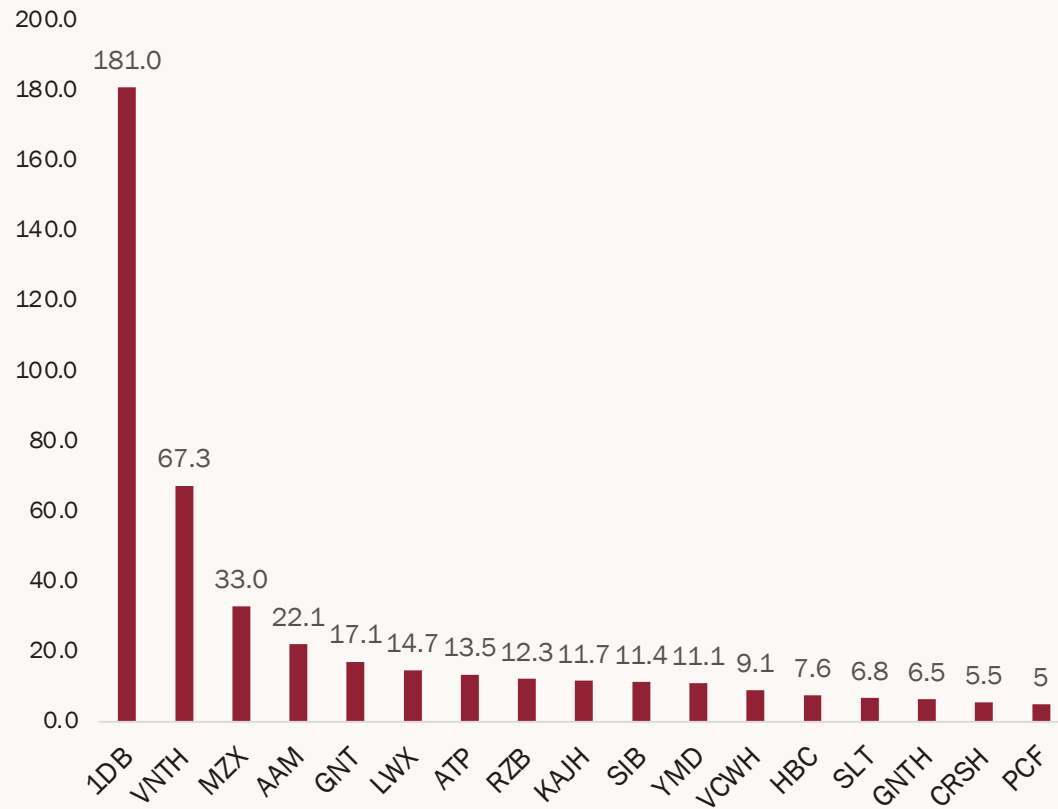Seasonal Scents Sold by Month

Bundled Product Promotions

Increase Revenue

- Emphasize bundled promotions to boost average order value (AOV) compared to individual product purchases.

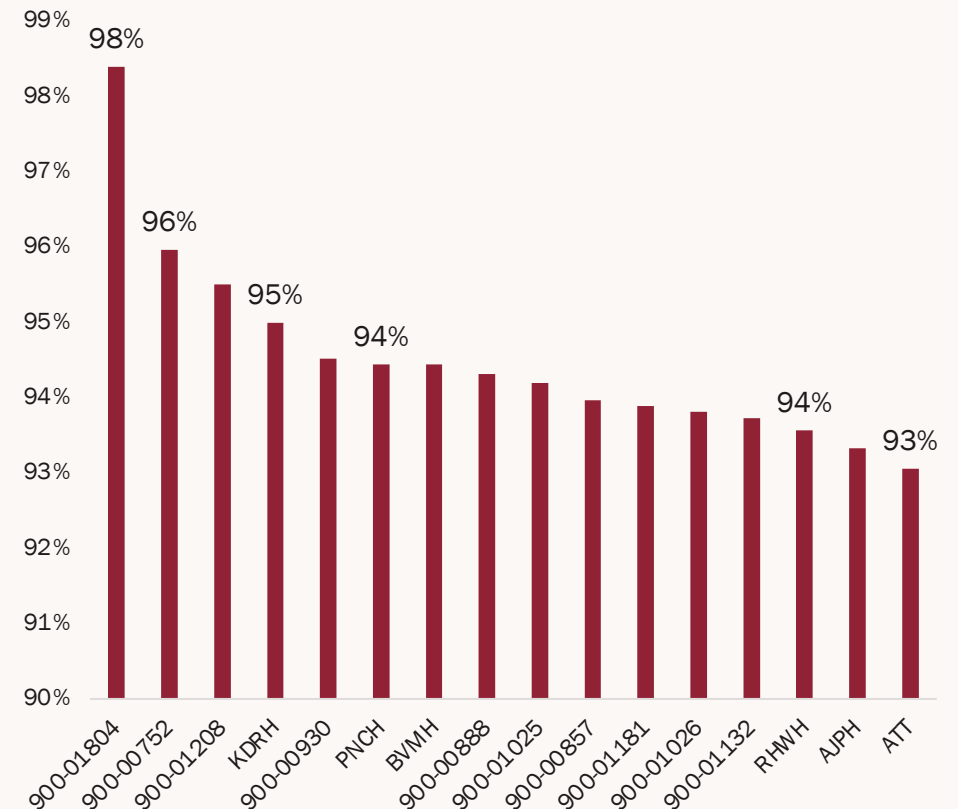- This increase in AOV will lead to overall revenue growth.

Product Type	AOV
Bundled	$ 42.61
Individual	$ 36.82

End-of-Life SKUs

SKUs with Profit < $4

SKU	Name	Total Revenue	Total Cost	Profit
900-02095	Best of Winter Scent Sample Booklet	8.5	$ 156.00	$ (147.50)
900-00929	Scent Sample Booklet	0	$ 100.00	$ (100.00)
900-01679	Best Sellers Sample Booklet	0	$ 92.00	$ (92.00)
900-00907	Complimentary Scent Sample Booklet	0	$ 72.00	$ (72.00)
440-00136	Best Sellers Sample Booklet	0	$ 56.00	$ (56.00)
900-00761	Free Pura 4 Offer	0	$ 56.00	$ (56.00)
900-02404	Free Subscriber Loyalty Cozy Home Set	0	$ 44.00	$ (44.00)
900-00761	Free Pura 4	0	$ 32.00	$ (32.00)
900-02405	Free Subscriber Loyalty Nature Home Set	0	$ 28.00	$ (28.00)
10-1DB-09	Pura 3 Diffuser	22.5	$ 48.00	$ (25.50)
900-01247	The Met Scent Sample Booklet	0	$ 24.00	$ (24.00)
900-00942	Fairway Morning	0	$ 16.00	$ (16.00)
900-01245	Perfume Immortelle Scent Sample Card	0	$ 16.00	$ (16.00)
900-00941	Ivory Woods	0	$ 12.00	$ (12.00)
900-01058	Free Gift	0	$ 12.00	$ (12.00)
900-02525	Free Subscriber Loyalty Nature Home Set	0	$ 12.00	$ (12.00)
900-00945	Cucumber & Mint	0	$ 8.00	$ (8.00)
900-00946	Teak & Leather	0	$ 8.00	$ (8.00)
900-00947	White Tea No. 1	0	$ 8.00	$ (8.00)
900-01241	Blue Water Lotus Scent Sample Card	0	$ 8.00	$ (8.00)
900-01242	Egyptian Sandalwood Scent Sample Card	0	$ 8.00	$ (8.00)
900-01243	Spiced Woods Scent Sample Card	0	$ 8.00	$ (8.00)
900-01244	Bamboo Forest Scent Sample Card	0	$ 8.00	$ (8.00)
900-00907	Scent Sample Booklet	59.3	$ 64.00	$ (4.70)
NGL	Simply Lavender Subscription (Ships every 1 Months)	11.45	$ 16.00	$ (4.55)
10-1DB-09	Pura 3 Offer	0	$ 4.00	$ (4.00)
900-00944	Coastal Palm	0	$ 4.00	$ (4.00)
900-01090	Smart Fragrance Diffuser Set	0	$ 4.00	$ (4.00)
900-01246	Terracotta Rose Scent Sample Card	0	$ 4.00	$ (4.00)
900-02478	Free Subscriber Loyalty Home Set	0	$ 4.00	$ (4.00)
ATTH	Aim to Teas	0	$ 4.00	$ (4.00)
CLN	Clean Crisp White	0	$ 4.00	$ (4.00)
HBCH	Beach Cottage	0	$ 4.00	$ (4.00)
PCH	PCH	0	$ 4.00	$ (4.00)

10 SKUs to End-of-Life

SKU	Name
900-00942	Fairway Morning
900-00941	Ivory Woods
900-00945	Cucumber & Mint
900-00946	Teak & Leather
900-00947	White Tea No. 1
900-00944	Coastal Palm
ATTH	Aim to Teas
CLN	Clean Crisp White
HBCH	Beach Cottage
PCH	PCH

Most Valuable customers

Active vs. Non-active subscribers

Active Subscriber	Average Order Value	Total Revenue	Total Orders	Total Customers
TRUE	$16.02	$36,021.10	2,363	996
FALSE	$16.97	$ 44,398.09	2,688	1,147

RFM Analysis

Name	Surname	RFM Score
Lillian	North	0.958
Stephanie	Vaughan	0.882
Rose	McLean	0.822
Ryan	Wallace	0.816
Steven	Ferguson	0.758
Cameron	Ellis	0.756
Elizabeth	Howard	0.749
Courtney	Owen	0.732
Eric	Allan	0.708
Jesse	Rees	0.707
Teresa	James	0.706
Colin	Manning	0.706

Customer Score

Values: L. North 203.9, S. Ferguson 172.8, R. McLean 149.0, S. Vaughan (149.0), L. Robertson (149.0), G. Kerr 138.1, M. Johnston 126.9, S. Dickens, S. Jackson 122.7, E. Lyman, R. Wallace 117.2, N. Quinn, P. Mills, R. Ogden 114.3, M. Paige, M. Ball 101.4, L. White, Z. Bower 95.1, A. Quinn, T. Robertson 90.0, A. Ince
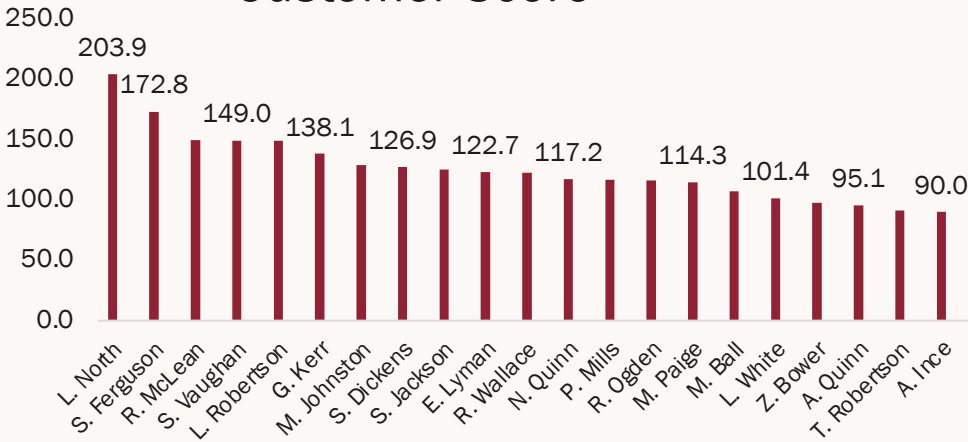
Strategic Summary + Next Steps

1. Focus on Bundled Product Promotions to boost Average Order Value (AOV) and increase overall revenue.

2. Expand Free Product Offers to a larger portion of new customers to increase conversion rates and grow customer count.

3. Rethink subscription offerings, focusing on optimizing the most profitable subscription models, such as the 3-month plan.

4. Consider discontinuing underperforming SKUs, such as "Coastal Palm" and "Ivory Woods," as they show no profit and negatively impact contribution margin.

5. Consider rewarding their top customers to ensure they remain engaged and continue providing value to the company.

6. Survey top customers to better understand their purchasing habits and characteristics, to develop other customer offerings.

7. Add seasonal promotions for spring and summer months.

Questions