

Customer Purchasing Insights

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Summary

The loyalty points program overall had a significant lift on all users purchasing KPIs, resulting in a 48% **increase in overall revenue**; future experiments can focus on reducing retention rates and encouraging usage of the points program.



Points Program Success

- The Points program produced statistically significant* increases in frequency of purchase as well as amount spent each time, even while considering the revenue losses from the program

| Program | Avg Purchases | Avg Amount Spent** |
|-----------------------------|---------------|--------------------|
| Points Program | 11.7 (34% +) | \$35.34 (10% +) |
| No Points Program (Control) | 8.7 | \$27.55 |

*using a p-value threshold of 0.05

**each redemption of 5,000 points is considered a \$5 reduction in revenue



Retention Trends

- 79% of all purchasing users make a second purchase, with a 7 point difference between points program participants and control group (82% vs 75%)



Opportunities

- Drop off rate between purchases is sharply reduced after the 7th purchase, and 11% of those who qualified for points redemption never used it. Micro-targeted campaigns should be tested to minimize drop offs and encourage users in points program to redeem points.

