

Customer Purchasing Insights

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Summary

Analysis was performed to examine the behavior of 20,000 customers. 15,340 have made at least one purchase. Half a enrolled in a points loyalty program

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

- After the 7th purchase, customers are much more likely to stick around. Meanwhile, 11% of all customers who qualify for points redemption do not use it. Micro-targeted campaigns should be tested to minimize drop offs and encourage users in points program to redeem points.

