# Campaign Recommendation and Cost Analysis

Prepared By :

**Oliver Xiao**

oliverxiao.r@gmail.com

https://oliverxiaor7.wixsite.com/oliver-xiao

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# Campaign Recommendation by Age Group

To identify the most effective offer and delivery channel for each age group, we analysed **customer engagement behaviour**, focusing on the frequency of 'offer viewed' and 'offer received' events. Due to dataset limitations, we were unable to link offer types directly to completed transactions. Therefore, **engagement metrics were used as the primary proxy for offer effectiveness**.

Key Findings:

- The most consistently engaged offer across all age groups was the **"bogo" (buy-one-get-one)** offer with a **5-day duration**.
- Email emerged as the most effective communication channel for delivering offers.
- Customers aged **60+ showed the highest engagement**, indicating strong responsiveness to digital campaigns.
- Conversely, **teenagers and customers under 30** demonstrated comparatively lower engagement levels, suggesting lower interest or different media habits.

Based on these findings, we recommend tailoring marketing strategies around the "bogo" offer and prioritising email as the primary delivery channel.

# Estimated Campaign Cost

To estimate the cost of a nationwide campaign using reward redemptions, we used the total potential reward value from all received offers. In this context, 1 unit of reward = $1 cost to Starbucks.

- Total Reward Amount (100% redemption): $320,486
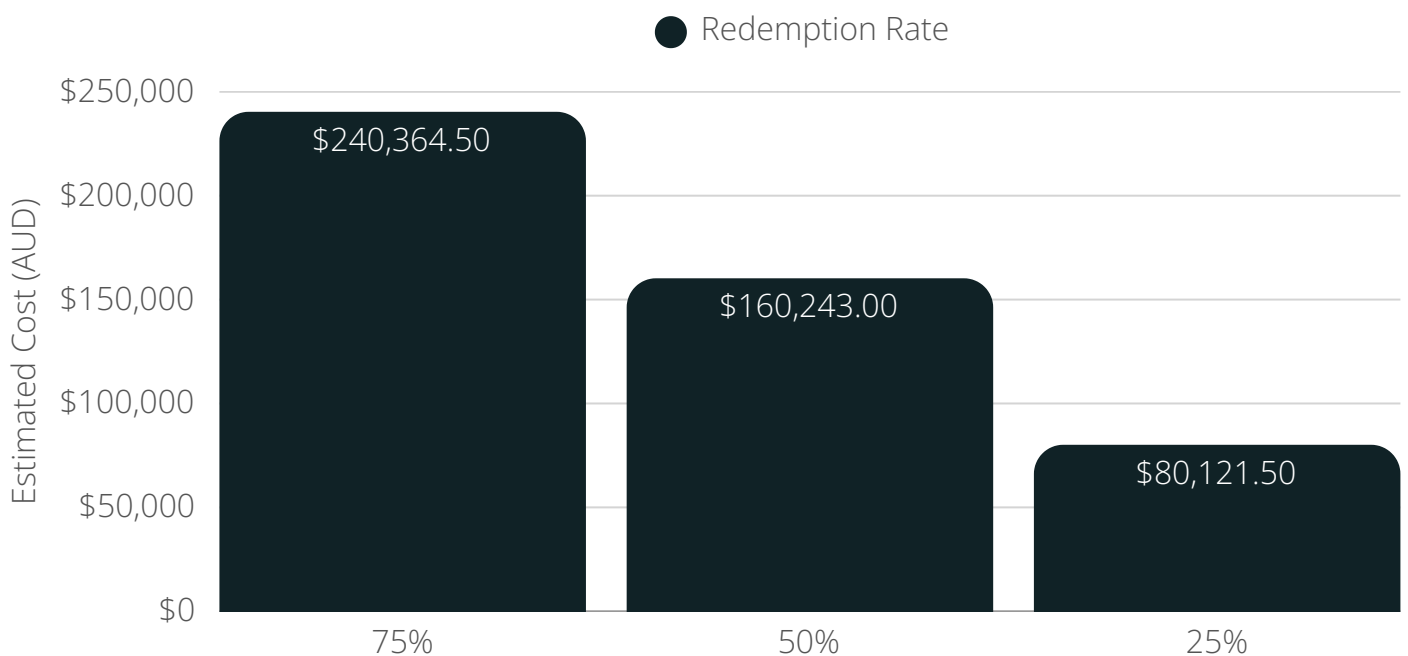


These scenarios provide strategic insight into budget allocation depending on expected customer engagement. The 75% redemption scenario offers a balance between reach and cost efficiency, making it a practical baseline for campaign planning.

Recommendation:
 Set the baseline budget around the 50–75% redemption scenario. Monitor early-stage campaign performance and scale budget up or down depending on real-time redemption rates.