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CUSTOMER DEMOGRAPHICS ANALYSES FOR PRODUCT RECOMMENDATIONS

A CASE STUDY OF BOKKU STORES

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ABSTRACT

The Nigerian retail sector is evolving rapidly due to increased digitalization, data availability, and shifting consumer behavior. Despite collecting large volumes of transactional data such as age, gender, location, and purchase history many retailers underutilize these datasets in decision-making. This study examines the application of machine learning to model customer purchasing behavior based on demographic attributes, with the aim of developing a recommendation system tailored to the Nigerian market. A dataset of over 38,000 transactions from Bokku Mart was analyzed using a predictive research design.

Exploratory Data Analysis revealed high customer concentrations in Ogba, Lakowe, and Mafoluku, with products like Golden Morn, Maggi Cubes, and Semovita being frequently purchased. Three supervised learning algorithms Logistic Regression, Decision Tree, and Random Forest were trained on demographic features.

The Decision Tree model achieved the highest accuracy (83.44%), while the Random Forest offered greater robustness, making it suitable for deployment in real-world environments.

Findings demonstrate that demographic data alone can effectively guide product recommendations. Integrating these models into Bokku Mart's systems could enhance marketing personalization, stock planning, and customer engagement.

Future research may improve predictions by incorporating behavioral trends, seasonality, or customer feedback. Overall, the study confirms the value of data-driven strategies and machine learning for improving retail decision-making in the Nigerian context.

Keywords: Retail analytics, machine learning, customer demographics, recommendation system, Nigerian retail, predictive modeling, data science.



TABLE OF CONTENTS

VALENZO GROUP 2	1
ABSTRACT	2
TABLE OF CONTENTS	3
CHAPTER ONE.....	5
INTRODUCTION.....	5
1.1 Background of the Study	5
1.2 Problem Statement.....	6
1.3 Aim.....	7
1.4 Objectives	7
1.5 Research Questions	7
1.7 Scope of the Study	9
1.8 Organization of the Thesis.....	10
CHAPTER TWO.....	11
LITERATURE REVIEW	11
2.1 Customer Demographics and Retail Decision-Making	11
2.2 Product Recommendation Systems and Machine Learning	14
2.3 Retail Data Utilization in Nigeria.....	19
2.4 Customer Behavior and Engagement	19
2.5 Psychological theories	19
2.5.1 Theory of Planned Behavior (TPB).....	20
2.5.2 Consumer Behavior Theory.....	21
2.5.3 Data-Driven Decision-Making (DDD).....	21
2.6 Empirical Review	21
2.7 Related Works	22
2.8 Summary of Related Works	24
2.9 Gaps in the Literature	24



CHAPTER THREE	25
METHODOLOGY	25
3.1 Data Preprocessing	26
3.2 Exploratory Data Analysis (EDA).....	27
3.3 Feature Selection and Target Variable Definition	31
3.4 Model Development	31
3.5 Model Evaluation Criteria	32
3.6 Tools and Libraries Used.....	33
3.7 Ethical Considerations	33
CHAPTER 4.....	34
RESULTS AND DISCUSSION.....	34
4.1 Data Overview and Insights	34
4.2 Preprocessing Outcomes and Data Quality Assessment	35
4.3 Exploratory Data Analysis (EDA) Findings.....	41
4.4 Model Evaluation and Interpretation	42
4.5 Cross-Model Evaluation and Insights.....	46
4.6 Strategic Recommendations for Bokku Stores	50
4.7 Responsible Use and Ethical Reflection.....	51
CHAPTER FIVE	52
CONCLUSION AND FUTURE WORK	52
5.1 Summary of the Study	52
5.2 Key Findings	52
5.3 Contributions to Knowledge and Practice	53
5.4 Limitations of the Study	54
5.5 Recommendations	54
5.6 Suggestions for Future Work.....	55
5.7 Final Thoughts.....	55
REFERENCES	56

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

In today's data-driven economy, understanding customer behavior and tailoring services to meet specific preferences are crucial for business success. One common strategy used to achieve this is product recommendation systems, which are designed to suggest relevant products to customers based on factors such as demographics, purchasing history, preferences, and behavior (Tumbel et al., 2022). These systems aim to improve customer satisfaction, increase conversion rates, and boost the average value of customer orders.

In Nigeria, the digital economy is rapidly expanding, with significant developments in sectors such as e-commerce, retail, entertainment, and digital marketing. The country's e-commerce market is projected to reach a value of approximately \$14.1 billion by 2027, with a compound annual growth rate (CAGR) of 11.7%. This growth is being driven by increasing internet penetration reported at 45.5% with over 103 million users at the start of 2024 and the growing adoption of online platforms like Jumia and Konga (Oxford Business Group, 2024).

Amidst this growth, retail businesses such as Bokku Store are emerging to meet the evolving demands of Nigerian consumers. Bokku Store offers a wide array of groceries, household items, personal care products, and electronics, catering to a broad demographic. Its ability to provide both essential and luxury goods make it a popular destination for Nigerian families.

Despite these advancements, many supermarkets in Nigeria, including Bokku Store, face persistent challenges in managing customer flow effectively. Customer flow management the process of controlling and optimizing how customers move through the store is a critical component in delivering timely and quality customer service. However, this remains a significant issue due to factors such as insufficient staffing, poor queue systems, and inefficient store layouts. These issues often lead to congestion, long wait times, and overall customer dissatisfaction (Igwe, Onwumere, & Egbo, 2014).

A recent report by Euromonitor International highlighted that formal supermarket sales in Nigeria increased by 24.4%, rising from ₦298.1 billion in 2022 to ₦370 billion in 2023. This growth reflects increased consumer interest despite challenges such as inflation and competitive pressures. Yet, larger hypermarket chains like Shoprite and Cash & Carry experienced a decline in sales, suggesting

operational inefficiencies, possibly related to poor customer experience or inadequate adaptation to consumer needs.

According to Uchenna Uzo, a marketing professor at Lagos Business School, supermarkets generally manage their inventories better, which may contribute to their increased sales performance. However, without effective strategies to manage customer flow, including proper staff allocation and data-driven decision-making, these retail outlets Bokku Store included may struggle to maintain customer satisfaction and loyalty.

Additionally, according to the National Bureau of Statistics (NBS), Nigeria's Consumer Price Index declined to 33.4% in July 2024 from 34.19% in June 2024, signaling a slight reduction in inflation pressure. Still, high inflation continues to shape consumer behavior and spending patterns, further emphasizing the need for personalized services like product recommendations to influence purchase decisions in a cost-sensitive market.

In summary, while Bokku Store and similar supermarkets are contributing to the growth of Nigeria's retail landscape, their ability to harness customer demographic data for product recommendation and improve customer flow remains a vital area for improvement. Addressing these gaps will be essential in enhancing service quality, optimizing operations, and increasing overall customer satisfaction.

1.2 Problem Statement

Increased waiting times and overcrowding remain persistent issues in several outlets of Bokku Stores and other Nigerian supermarkets. These challenges not only hinder the delivery of efficient customer service but also negatively affect customer satisfaction and store performance. Despite the large volumes of customer data collected daily, ranging from purchase history to personal demographics, many Nigerian retail businesses struggle to leverage this data effectively for decision-making and improved customer experience.

Retail outlets such as Bokku Stores, Addide, Market Square, Justrite, Shoprite, Spar, and FoodCo rarely utilize the potential relationship between customer demographics and sales trends. This underutilization results in missed opportunities to enhance product placement, optimize inventory, and implement targeted marketing strategies. As observed by Park et al. (2019), such data-driven deficiencies prevent retailers from converting customer information into actionable insights that could personalize the shopping experience and drive customer satisfaction.

This lack of strategic data usage leads to a failure in delivering tailored shopping experiences that align with customers' unique preferences, ultimately reducing customer loyalty and hindering potential sales growth. As Al-Gasawneh et al. (2021) note, businesses that do not prioritize data analysis for personalization often lag in customer satisfaction and retention metrics.

Moreover, most product recommendation systems in Nigerian retail settings remain generic, based on simplistic logic such as "customers who bought this also bought that," which fails to incorporate meaningful demographic variables, including age, gender, income level, and location. According to Padlee, Thaw, and Zulkiffli (2019), this approach often leads to ineffective recommendations that do not reflect the specific needs or purchasing patterns of diverse consumer segments.

For a data-rich yet operationally challenged environment like Nigeria's retail sector, especially in cases like Bokku Store, this gap in systematic data utilization undermines efforts to create value through personalization and customer-centric service design. Addressing this challenge requires a more nuanced understanding of demographic data and the implementation of targeted strategies that cater to the evolving expectations of modern Nigerian consumers.

1.3 Aim

This study aims to analyze customer demographics and sales data from Bokku Stores to generate actionable, data-driven insights that support the implementation of personalized product recommendation strategies. This is intended to enhance the overall customer experience and improve sales performance.

1.4 Objectives

The specific objectives of the study are to:

- i. Collect, clean, and preprocess customer demographic and transactional data from Bokku Stores.
- ii. Implement suitable machine learning models to predict customer product preferences based on demographic attributes.
- iii. Evaluate the performance and accuracy of the implemented models using relevant metrics to determine their effectiveness in supporting personalized product recommendations.

1.5 Research Questions

1. How can the Bokku store's consumer demographic data be efficiently gathered and processed for analysis?

2. What are the patterns and trends in customer demographics that influence purchasing behaviour?
3. What is the machine learning model for predicting customer preferences based on demographics?
4. What are the actionable recommendations for tailoring products to customer needs, optimizing marketing strategies, and improving customer satisfaction?

1.6 Research Methodology

This study adopts a quantitative research approach combined with an exploratory field investigation to analyze how customer demographic data can be used to enhance product recommendations in Nigerian supermarkets, with a specific focus on Bokku Stores.

To achieve the first objective to collect, clean, and preprocess customer demographic and transactional data from Bokku Stores, the study begins with a fact-finding exercise. This involves visiting selected branches of Bokku Stores to understand the structure and format of customer data being collected. Interviews and informal interactions with staff and customers helped in identifying data quality, completeness, and relevance. Where direct access to transactional datasets is restricted, customer surveys were used to gather insights on demographic characteristics (e.g., age, gender, household size, location) and shopping habits.

This study achieved the second objective by implementing suitable machine learning models to predict customer product preferences. The cleaned dataset was used to build predictive models. Techniques such as Decision Trees, Random Forests, or K-Nearest Neighbours (KNN) were also considered due to their interpretability and effectiveness in classification tasks involving demographic data. The models were trained to associate demographic traits with product categories commonly purchased, thereby enabling personalized recommendations.

It also achieved the third objective by evaluating the performance of the implemented models. Metrics such as accuracy, precision, recall, and F1-score were used. These metrics will assess the models' effectiveness in correctly predicting customer preferences. A comparison of multiple algorithms was also performed to determine the most suitable model for Bokku Stores' context.

All data handling will be carried out in compliance with ethical standards, ensuring that no personal identifiers are retained or disclosed. Tools such as Python (Pandas, Scikit-learn) were used for data analysis, preprocessing, and model implementation.

By grounding this methodology in the real-world operational structure of a Nigerian supermarket, the study ensures its outcomes are both practically applicable and analytically robust, providing insights that Bokku Stores and similar retail outlets can leverage for data-driven decision-making.

1.7 Scope of the Study

This study is centred on Bokku Stores, a growing retail brand in Nigeria, and explores how customer demographic data can be effectively used to improve product recommendations within the Nigerian supermarket environment. Given the dynamic nature of Nigeria's retail landscape characterized by rapid urbanization, shifting consumer preferences, and a growing tech-savvy population, this research is both timely and relevant.

The study specifically focuses on collecting, analyzing, and applying customer demographic and sales data from Bokku Stores to implement a machine learning-based recommendation system. It considers key demographic variables such as age, gender, and location, and how these influence purchasing decisions.

By narrowing the scope to a real-world Nigerian retail setting, the study not only acknowledges the unique challenges faced by supermarkets in the country, such as inconsistent data collection, overcrowding, and limited staff, but also seeks to offer practical solutions rooted in data science. It highlights how insights derived from demographic patterns can support more targeted marketing strategies, optimize inventory management, and personalize the shopping experience for Nigerian consumers.

This research is especially relevant in today's data-driven economy, where understanding customer behavior is no longer optional but essential. In Nigeria, where consumer habits are diverse and continually evolving, using demographic data to inform business strategies can be the difference between merely surviving and achieving sustained retail success. By focusing on Bokku Stores as a case study, this project provides a localized, relatable framework that can be extended to similar retail businesses operating in the Nigerian market.

1.8 Organization of the Thesis

This study is organized into five chapters. The first chapter, which is the introduction, provides a background, problem statement, research objectives, and questions. The second chapter presents the literature Review and theoretical underpinning of the study. Chapter presents the methodology of study, while the fourth chapter presents the system Design and implementation, results, and discussion. Lastly, chapter five presents the conclusion and recommendations.

CHAPTER TWO

LITERATURE REVIEW

This chapter presents a review of existing literature relevant to customer demographics, product recommendation systems, and retail marketing in the context of data-driven decision-making. This review aims to synthesize the current state of knowledge and identify the gaps in the existing literature. In the same vein, the review aims to guide the development of the theoretical and empirical framework of the use of machine learning for personalized product recommendations in retail. It highlights key concepts such as consumer behavior, demographic analysis, customer flow, and recommendation models, with a focus on applicability within Nigerian retail environments such as Bokku Stores.



2.1 Customer Demographics and Retail Decision-Making

Customer demographics, such as age, gender, income, and location are critical factors influencing consumer preferences and purchasing behavior in retail environments (Kotler & Keller, 2016). Demographic segmentation helps retailers categorize customers into meaningful groups for more personalized service delivery. Studies have shown that tailored marketing strategies based on

demographics significantly enhance customer engagement and sales conversion (Smith & Rupp, 2017).

In the Nigerian context, where the retail sector is growing amidst economic challenges, the need for precise demographic-based marketing has become even more relevant (Onyia & Tagg, 2019). Supermarkets like Bokku Stores operate in a competitive market where understanding the diverse needs of Nigerian customers can determine success or failure in product placement and customer satisfaction. Demographic variables such as age, income, gender, and lifestyle significantly shape consumer preferences and buying behavior. According to Kotler and Keller (2016), aligning marketing efforts with these variables enables firms to meet customer expectations more effectively. In Nigeria, data from the National Bureau of Statistics (2020) highlights how income disparities and urbanization patterns influence purchasing power and product demand, reinforcing the need for data-driven segmentation strategies.

Customer demographics serve as a valuable tool for businesses in understanding and predicting consumer behaviour. By analyzing demographic data, companies improve their product offerings, marketing strategies, and customer service practices. In the retail sector, demographic insights are especially crucial for segmenting the market, optimizing product assortments, and creating effective promotions. While demographic factors provide essential information, businesses must also consider other elements, such as psychographics and behavioural data, to create more holistic and effective strategies for customer engagement and satisfaction. While demographic data provides valuable insights, its limitations hinder the effectiveness of marketing strategies if relied upon exclusively. One of the most significant challenges is that demographic factors alone may not offer a complete picture of consumer behaviour. Individuals within the same demographic group, such as people of the same age, gender, or income level, exhibit vastly different preferences, values, and behaviours. Two people within the same age bracket might have divergent tastes in fashion, entertainment, or even shopping habits, which cannot be fully understood through demographic segmentation alone. This variability means that businesses may overlook specific customer needs, leading to less personalized service or product offerings. Furthermore, focusing solely on demographic data risks oversimplifying the consumer base and reinforcing stereotypes. Marketers may assume that all women in a particular age group prefer the same products or services, neglecting the diversity within this group. Such generalizations lead to missed opportunities for businesses, as they fail to address the nuanced

preferences of individual customers. Consequently, businesses may alienate potential customers who do not fit into these broad categories, reducing their customer base and profitability. Another limitation of relying on demographic data is that it may not capture the full range of factors that influence consumer behaviour.

Demographics typically focus on static variables, such as age, gender, and income, but these factors alone do not explain the reasons behind a consumer's decision-making process. Psychographic factors, such as a person's lifestyle, interests, values, and personality, are also crucial in understanding consumer behaviour. Behavioural factors, such as purchasing habits, brand loyalty, and frequency of engagement, provide further context that demographic data cannot capture. By combining demographic insights with psychographic and behavioural data, businesses create more targeted and comprehensive marketing strategies that better resonate with their customers.

Demographic trends are also fluid and continuously evolving, which presents another challenge for businesses. As society changes, so do the characteristics and behaviours of consumers. Shifts in population dynamics, such as ageing populations, immigration trends, and changing family structures, influence consumer demand in unpredictable ways. Retailers must stay up-to-date with these changes to ensure that their strategies remain relevant and effective. The increasing importance of digital platforms and the rise of e-commerce have fundamentally altered how businesses interact with consumers, particularly younger generations who are more likely to shop online. Retailers who fail to adapt to these shifts risk losing touch with their target market and may struggle to maintain a competitive advantage.

Moreover, demographic data tends to focus on the "who" of consumer behaviour, identifying who the consumers are, but does not always answer "why" they behave in a certain way. To gain deeper insights into consumer motivations, businesses must go beyond demographics and consider other factors like emotions, experiences, and personal values. This requires integrating advanced analytical techniques, such as data mining and customer journey mapping, to uncover the underlying drivers of consumer decisions. While demographic data is a critical tool for businesses, it must be used in conjunction with other types of data to provide a more complete understanding of consumer behaviour. Demographics offer essential insights into who consumers are, but businesses must also

consider psychographics, behavioural data, and trends to develop a more holistic and personalized approach. Businesses better meet the needs of their customers, stay ahead of market trends, and enhance their overall marketing effectiveness by recognizing the limitations of demographic data and adopting a more comprehensive strategy.

2.2 Product Recommendation Systems and Machine Learning

Product recommendation systems are essential in modern retail, providing personalized suggestions that help improve customer engagement, satisfaction, and revenue. At Bokku Store, a retail business catering to diverse customer segments, the need for intelligent recommendations is critical due to the volume and variety of products offered. As customer expectations evolve, so too must the technology behind recommendations, with machine learning now playing a transformative role. Content-based filtering, on the other hand, analyzes the attributes of products and matches them to the user's profile or past interactions.

These systems have been widely adopted due to their simplicity and practicality (Ricci, Rokach and Shapira, 2015). However, while effective in many use cases, they suffer from a range of limitations that can hinder their performance, particularly in a growing business environment like Bokku Store.

Challenges in Traditional Systems

1. Cold Start Problem

Traditional models struggle when a new user or new product is introduced to the system, due to the lack of prior interaction data (Lam et al., 2008).

2. Sparsity

In many systems, especially those with large inventories (as is the case in Bokku Store), the user-item interaction matrix becomes sparse, reducing the accuracy of similarity calculations and overall predictions.

3. Over-Specialization

Content-based systems often recommend items too similar to what a user has previously purchased, limiting product diversity and discovery (Lops, De Gemmis and Semeraro, 2011).

4. Lack of Personal Context

Both approaches often ignore personal user attributes such as age, gender, location, and preferences, which could significantly enhance recommendation relevance (Adomavicius and Tuzhilin, 2005).

Hybrid and Machine Learning-Based Approaches

To mitigate these setbacks, recent research and applications, including those under review at Bokku Store, have turned to hybrid recommendation systems and machine learning-based approaches.

Hybrid systems combine the strengths of multiple techniques such as collaborative, content-based, and demographic filtering to improve recommendation quality (Burke, 2002). By integrating demographic variables (e.g. age group, gender, location), Bokku Store can better predict customer behavior, especially in cases where behavioral data is limited or incomplete.

Machine learning algorithms such as decision trees, k-nearest neighbors (KNN), support vector machines (SVM), and deep learning models allow the system to uncover complex, non-linear relationships in user data. These models can adapt to new trends, update frequently, and outperform static rule-based systems.

In Bokku Store's case, implementing such systems means:

- Recommending children's items to parents based on past purchases and their child's age
- Suggesting complementary items (e.g. baby lotion after diaper purchase)
- Improving cross-selling through pattern recognition

Technical Limitations and Considerations

Despite their benefits, machine learning-based recommenders are not without drawbacks:

- **High Data Requirements:** These models require large volumes of quality data. In cases where user behavior data is noisy or inconsistent, predictions can be misleading.
- **Model Complexity:** While deep learning models are powerful, they often operate as "black boxes," making interpretation and debugging difficult (Zhang et al., 2019).

- **Resource Intensity:** ML models may demand high computational power, which could strain the technical infrastructure of a mid-size store like Bokku.
- **Ethical and Privacy Concerns:** Using demographic and behavioral data for recommendations must comply with privacy laws such as Nigeria's NDPR and international standards like the GDPR (Linden, Smith and York, 2003).

Traditional Recommendation Techniques

Historically, two dominant techniques have underpinned product recommendation systems: **collaborative filtering** and **content-based filtering**.

Collaborative filtering recommends items based on the preferences of similar users, assuming users who agreed in the past will continue to agree in the future.

However, these systems often overlook demographic variables that could enhance recommendation relevance and predictive accuracy. Recent research emphasizes that hybrid recommendation systems integrating demographic data alongside collaborative and content-based signals can significantly enhance recommendation quality. These systems offer certain advantages: for instance, demographic data such as age, gender, and location help address the cold-start problem by enabling predictions even when user behavior data is limited (Lu et al., 2015). They also support better personalization in contexts where access to real-time user interactions is constrained (Singh & Pandey, 2020). However, these benefits are not without limitations. The reliance on demographic variables can sometimes result in overgeneralized recommendations, failing to capture users' specific interests or dynamic preferences (Ekstrand et al., 2022). In addition, ethical concerns may arise, particularly around user profiling, bias, and privacy, when demographic features are misused or collected without consent (Zliobaite, 2017). Therefore, while hybrid models show promise, their implementation must carefully consider both their potential and limitations in real-world applications. Park et al. (2019) showed that integrating user demographic profiles into recommendation engines improved prediction accuracy by over 20%. This is especially useful in emerging markets where behavioral data may be limited, but demographic data is more readily available.

In line with this study proposes using demographic data collected from Bokku Stores to implement and evaluate machine learning models capable of predicting customer preferences, offering a more relevant and customized shopping experience for Nigerian consumers. The significance of

demographic data in recommendation systems has also been emphasized in recent literature. Zamanzadeh Darban & Valipour (2022), for example introduced a graph-based hybrid system that combines demographic and location information with auto-encoder-derived features to significantly improve cold-start recommendation accuracy. Also, Kumar et al. (2023) developed a social matrix-factorisation hybrid model showing that leveraging social and demographic signals enhances relevance in e-commerce contexts. Moreover, Shili & Sohaib (2025) demonstrated that geo-demographic integration using population density, age, and income helps tailor recommendations effectively at regional levels. Together, these studies confirm that demographic data is a valuable input for personalized recommendation systems, particularly in settings with limited behavioral logs. The performance of these personalized recommendation can be seen below:

- Clever Tap (2025) States that customer demographics are fundamental for understanding audiences and tailoring marketing strategies. Clever highlighted that businesses using demographic data for personalization experience up to 40% higher revenue. They also find that 80% of consumers are more likely to purchase from brands that personalize their interactions. Demographic insights also inform channel selection, product positioning, and upselling strategies, directly impacting engagement and sales
- Your Marketing People (2025), citing McKinsey, reports that high-growth businesses generate 40% more revenue from personalization, which is driven by demographic segmentation. The article referencing McKinsey, notes that high-growth companies earn 40% more revenue from personalization, which is powered by demographic segmentation. They also emphasize the availability of advanced tools for breaking down audiences by demographic factors.
- Pipedrive (2025) stresses that demographic variables, such as age, gender, income, and education are essential for defining and understanding target audiences. The piece warns that ignoring demographic shifts (like aging populations or changing income levels) can result in outdated marketing strategies that fail to connect with evolving consumer bases. For example, the rise of Gen Z as a major consumer group brings new preferences, such as a focus on sustainability and digital-first experiences.

Customer Flow and Service Quality in Supermarkets

Efficient customer flow management is a critical component in retail service delivery. Long queues, overcrowding, and staff shortages are persistent challenges in many Nigerian supermarkets (Adelakun et al., 2021).

Challenge	Supporting Statistic	Source/Context
Long queues & overcrowding	Nigeria scored 61.8% on the 2023 Nigeria Customer Service Index (NCSI) – a poor grade (Grade D) indicating service delivery issues including delays and overcrowding	Nigeria Customer Service Index (2023)
Staff shortages & professionalism	Professionalism scored 57% , reflecting inadequate staff competence and customer handling skills contributing to inefficiencies	Nigeria Customer Service Index (2023)
Poor complaint resolution	Complaint resolution scored only 50% , showing many customer grievances about service delays and overcrowding are unresolved	Nigeria Customer Service Index (2023)
Overall customer experience	Low scores in customer service quality indicate persistent challenges in retail service delivery, including supermarkets	Nigeria Customer Service Index (2023) and Adelakun et al. (2021)

These inefficiencies often result in customer dissatisfaction and lost sales data:

Metric/Statistic	Customer Dissatisfaction	Lost Sales Data
% of customers switching after bad experience	50%+	-
% of purchases abandoned due to poor experience	78%	-
Annual revenue lost due to poor service (Nigeria)	-	#62 billion
Global loss from inefficient inventory management	-	#1.1 trillion
% of customers leaving without complaining	91%	-
Annual loss from poor data quality (Nigeria)	-	#3.1 trillion

Uzo (2024), in a recent analysis of Nigerian retail outlets, noted that supermarkets that managed customer movement and resource allocation better were more successful in navigating inflation-driven changes in consumer behavior.

Although digital tools exist for queue management and service optimization, they are often underutilized in local supermarkets like Bokku Stores.

Integrating demographic insights into store operations could help predict customer traffic patterns and tailor staffing or inventory to better serve customer needs.

2.3 Retail Data Utilization in Nigeria

Despite the rapid growth of Nigeria's digital economy, projected to reach \$14.1 billion in e-commerce value by 2027 (Statista, 2024) many retailers still fail to leverage customer data effectively. As Al-Gasawneh et al. (2021) argue, the inability to transform raw data into actionable insights remains a significant limitation for businesses in developing economies.

In stores such as Bokku, customer data is often collected but not analyzed systematically. This results in missed opportunities to improve customer engagement, optimize inventory, or tailor marketing strategies. By focusing on demographic analytics and recommendation systems, this research addresses a critical gap in the Nigerian retail analytics space.

2.4 Customer Behavior and Engagement

Understanding customer behavior is key when formulating a recommendation system aiming to meet consumer needs effectively and enhance their marketing strategies. Various theories have been developed to explain how and why customers make purchasing decisions. These theories tailors on psychological, social, and economic factors influencing consumer behavior.

2.5 Psychological theories

Psychological factors also influence buyer behaviour, ranging from the teachings of Freud to Herberg's discussion of dissatisfiers and satisfiers. In the context of marketing, perhaps the most widely quoted psychological approach is that of Abraham Maslow. He developed a hierarchy of needs, shaped like a pyramid, which: ranges from the most essential immediate physical needs such as hunger, thirst and shelter to the most luxurious none-essentials. It was Maslow's contention that individual addresses the most urgent need first, starting with the physiological. But as each need is satisfied and lower-level physical needs are satisfied, attention switches to the next higher level, resulting ultimately in the level of self-actualization or fulfillment. It has been argued that marketers

in industrialized nations should increasingly focus their attention on the two highest levels for the citizens of their countries (Luo & Ye, 2019). However, it appears that even in rich countries, the elementary needs of many remain unfulfilled. An interesting phenomenon the foreign concern emerges as an additional post-Maslowian level. Many who themselves have achieved high level of needs fulfilment-begin to focus on individuals and countries are encouraged to seek and offer self-actualization, without addressing their won often unfulfilled basic needs such as nourishment and housing. Such approaches lead to disagreement and even conflict, particularly in the international trade and policy areas, without necessarily improving the quality of life (Li, Chen, & Zhang, 2020). The importance of actual behavioural control is self-evident: The resources and opportunities available to a person must to some extent dictate the likelihood of behavioural achievement. Of greater psychological interest than actual control, however, is the perception of behavioural control and its impact on intentions and actions.

Maslow's Hierarchy of Needs, suggest that consumers are motivated by a progression of needs, from basic physiological necessities to higher-level desires like esteem and self-actualization. For example, brands like Bokku stores have successfully tapped into these higher-level needs by promoting self-esteem and confidence, thereby fostering deeper emotional connections with customers.

2.5.1 Theory of Planned Behavior (TPB)

The theory of planned behaviour is an extension of the theory of reasoned action (Ajzen & Fishbein, 1980; Fishbein & Ajzen, 1975) made necessary by the original model's limitations in dealing with behaviours over which people have incomplete volitional control. The theory in the form of a structural diagram. For ease of presentation, possible feedback effects of behaviour on the antecedent variables are not shown. As in the original theory of reasoned action, a central factor in the theory of planned behaviour is the individual's intention to perform a given behaviour. Intentions are assumed to capture the motivational factors that influence a behaviour; they are indications of how hard people are willing to try, of how much of an effort they are planning to exert, in order to perform the behaviour. As a general rule, the stronger the intention to engage in a behaviour, the more likely should be its performance.

Simply put that a consumer's intention to perform a behavior (such as purchasing a product) is influenced by their attitude toward the behavior, the social pressures they perceive (subjective norms),

and their perceived control over the behavior. This theory highlights the complex interplay between personal beliefs, social influences, and perceived ease or difficulty in shaping consumer intentions. Models, such as the Engel-Kollat-Blackwell (EKB) Model, break down consumer decision-making into stages, awareness, information search, evaluation, purchase, and post-purchase behavior providing a detailed understanding of how consumers progress through their buying journey.

Drawing on these foundation theories, Customer Demographics Analyses have proven to be a practical approach for product recommendations. By analyzing demographic factors such as age, gender, income, and location, businesses can better predict customer preferences and personalize their offerings.

Therefore, the study seek leverage on demographic data in order to optimize product suggestions, enhance customer satisfaction, and drive sales. By integrating demographic insights with consumer behavior theories.

2.5.2 Consumer Behavior Theory

This theory explains how individual preferences, influenced by demographic and psychological factors, drive purchase decisions. It assumes that consumers act rationally and will choose the product that offers the most utility.

2.5.3 Data-Driven Decision-Making (DDD)

DDD is a management approach that values decisions supported by verifiable data. This project supports the use of data analysis to understand consumer behavior and improve business outcomes.

Formula Used in Sales Analysis:

1. **Total Revenue** = Unit Price \times Quantity Sold
2. **Average Revenue per Customer** = Total Revenue / Number of Customers
3. **Customer Retention Rate (CRR)** = $((E - N) / S) \times 100$

Where: E = number of customers at end, N = new customers acquired, S = customers at start

2.6 Empirical Review

Several researchers have studied the relationship between demographics and sales performance.

- **Adeoye & Adeola (2021)** explored how gender and income influence product preferences in Nigerian supermarkets. Their findings showed that females contributed more to cosmetics and food purchases, while males led in electronics.

- **Olawale et al. (2022)** used regression models to evaluate how income levels impact purchasing power. The study confirmed that higher income brackets lead to increased spending on premium items.
- **Chukwuma (2020)** analyzed sales trends using dashboards and found that visualization helped in identifying peak sales periods by demographic groups.

2.7 Related Works

Several studies have explored the integration of customer demographic data into product recommendation systems and retail decision-making. These works provide insight into current approaches, technologies, and outcomes that are relevant to this study's objectives, particularly in optimizing sales and customer satisfaction through data-driven methods.

1. **Park, Kim, & Lee (2019): Enhancing Recommendation Systems with Demographic Profiling**

Park et al. (2019) developed a demographic-aware recommendation engine that incorporated customer age, income, and gender to improve product targeting accuracy. The study demonstrated that including demographic features led to a 17% increase in customer click-through rates compared to traditional collaborative filtering models. This study emphasizes the value of integrating structured demographic data into machine learning models to personalize customer experiences.

Relevance to this Study: This aligns with the current research's goal of using Bokku Stores' demographic data to enhance product recommendations and improve customer engagement.

2. **Al-Gasawneh et al. (2021): Customer Data Utilization in Emerging Markets**

Al-Gasawneh and colleagues explored how retailers in Middle Eastern and African markets manage and apply customer data. The research found that although customer data is collected through loyalty programs and POS systems, it is rarely used for strategic decision-making. Retailers cited challenges such as limited technical skills, poor data infrastructure, and a lack of awareness about data-driven models.

Relevance to this Study: This highlights a gap also present in Nigerian retail environments, where data is available but underutilized, a core issue this research seeks to address with Bokku Stores.

3. **Okeke & Obinna (2020): Data Analytics in Nigerian Retail**

This study focused on the operational inefficiencies in Nigerian supermarkets, including poor customer flow management, long waiting times, and unstructured stock placement. While it

acknowledged the availability of customer demographic data, it criticized the lack of analytical tools used to derive meaningful insights from it. The researchers recommended adopting predictive analytics tools to anticipate demand patterns based on demographic profiles.

Relevance to this Study: Okeke & Obinna's findings support the problem identified in Chapter One, those Nigerian retailers often fail to apply their customer data meaningfully to solve practical issues such as overcrowding or low sales conversion.

4. **Cheng & Grover (2020): Machine Learning in Retail Decision-Making**

Cheng and Grover investigated how machine learning algorithms can be used to segment customers and predict preferences based on a combination of demographic and behavioral data. The study deployed clustering and decision-tree models to predict product affinity and optimized the layout of online stores accordingly.

Relevance to this Study: Their use of decision trees and demographic variables is aligned with this project's intention to implement and evaluate machine learning models for product recommendations based on Bokku's customer data.

5. **Padlee, Thaw, & Zulkiffli (2019): The Influence of Demographics on Retail Strategy**

In their study on Malaysian retail environments, Padlee et al. (2019) demonstrated that demographic segmentation positively affects product assortment, pricing strategy, and promotional campaigns. Their analysis found that retailers who adjusted their offerings based on local demographic characteristics enjoyed higher conversion rates and customer retention.

Relevance to this Study: This supports the idea that customer demographics, when properly understood and applied, can improve marketing and sales outcomes, something this research intends to replicate in the Nigerian context.

6. **Kavitha Dhanushkodi, Akila Bala, Nithin Kodipyaka, And V. Shreyas: Customer Behavior Analysis and Predictive Modeling in Supermarket Retail**

In their study on customer behaviour and predicting modeling in supermarket retail, they analyzed customer behaviour and built predictive models within the supermarket retail domain.

Relevance of this study: No real-time system deployment; customer segmentation was largely based on RFM, not deep behavioral embeddings; results not validated across multiple retail environments.

7. Roger S. Mission Annie Rose Tordesillas Mission: Understanding the Influence of Consumer Demographics and Factors Driving Online and Offline Shopping

Their objectives were to explore how consumer demographics (gender, age, educational attainment, marital status, and occupation) influence preferences for online versus offline shopping. To identify the key factors driving consumers' choices between online and offline shopping, and assess the implications of these findings for businesses and policymakers in Antique.

Relevance of this Study: Key factors driving online shopping included convenience, access to customer reviews, competitive prices, and the ability to compare items. Significant factors for offline shopping included sensory experience, immediate product availability, personalized customer service, and avoiding shipping fees.

8. Dr. Pankaj Kumar: Effect of Customers' Demographics on Retail Format Choice and Interaction: A Study on Retail Sector in India

They examine how demographic factors (gender, age, marital status, occupation, and income) influence customers' interactions with various retail formats, and also analyse the shopping frequency and motives of customers across different retail store formats.

Significant associations were found between shopping frequency and demographics, particularly related to gender and age. Male and female respondents exhibited different shopping patterns, with significant differences in motivations and companions during visits to retail formats. The study revealed that most customers visit stores primarily driven by purchase needs, with many engaging in unplanned shopping.

2.8 Summary of Related Works

These related studies underscore the global shift toward data-informed retailing, especially using demographic profiling. While much progress has been made in developed markets, emerging economies, including Nigeria, are yet to fully exploit the value of demographic data in retail decision-making. This research intends to bridge that gap by applying data science techniques to Bokku Stores' demographic information to deliver personalized recommendations and operational improvements.

2.9 Gaps in the Literature

Existing studies have focused on generic product recommendation strategies without sufficient emphasis on the demographic context, especially in African or Nigerian retail settings. While international supermarkets benefit from advanced recommender systems, stores like Bokku need



localized, data-driven approaches that account for infrastructural constraints, diverse customer segments, and evolving market behavior.

This study seeks to bridge that gap by:

- Applying machine learning models to Nigerian demographic and sales data.
- Focusing on a real-life case study (Bokku Stores).

Addressing issues like customer satisfaction, flow management, and personalized marketing strategies in a local retail setting.

CHAPTER THREE METHODOLOGY

This chapter provides a detailed and structured explanation of the methodology used to achieve the research objectives of the study titled Customer Demographics and Product Recommendation at Bokku Stores. It outlines the research design, data collection techniques, and preprocessing steps.

This research follows a quantitative and predictive research design, combining descriptive statistics and machine learning algorithms to gain insights from historical customer transaction data. The design enables the study to describe existing consumer behavior and develop predictive models that recommend products based on demographic characteristics.

The overall aim is to build a model that supports data-driven decision-making in marketing, inventory planning, and customer engagement at Bokku Stores.

3.1 Data Collection Method

The study utilizes primary data obtained from Bokku Stores' internal data systems, which include:

- Point-of-Sale (POS) systems
- Customer Loyalty Programs
- Customer Relationship Management (CRM) databases

The data encompasses multiple store branches located in Lagos (e.g., Ikeja, Festac, Iyana Ipaja, and Mafoluku), providing a broad representation of urban and peri-urban customer behavior.

Key variables collected include:

- Age of customers
 - Gender
 - Geographic location
 - Product price
 - Quantity of items ordered
 - Types of items purchased
- These variables offer essential insights into how demographic characteristics influence consumer preferences and product choices.

Advantages of Internal Data Use:

- Higher reliability and real-time accuracy
- Cost-effective (no external survey costs)
- Better reflection of actual consumer behavior in the Nigerian retail context

Data was anonymized to remove all personal identifiers, aligning with Nigeria's Data Protection Regulation (NDPR).

3.1 Data Preprocessing

To prepare the raw transactional data for analysis, the following preprocessing steps were implemented:

1. Handling Missing Values:

- Missing entries in crucial fields such as *Product Price* and *Items*, were removed.

2. Data Type Transformation:

- Prices were cleaned (e.g., removing ₦ symbol) and converted to float.
 - Date columns were converted to datetime format.
 - Order Quantity and Age were converted to integers.
3. **Categorical Encoding:**
- Gender, Items, and Location were label encoded to convert string categories into numerical format.
4. **Duplicate and Irrelevant Column Removal:**
- Redundant entries and irrelevant variables were dropped.
5. **Standardization and Normalization:**
- Applied where necessary for features like *Product Price* to improve model performance.

Final Cleaned Dataset: **38,765 records**

Pseudocode for Data Preprocessing

LOAD dataset from Bokku Stores

Step 1: Handle missing values

REMOVE rows with missing values in key columns (e.g., Product Price, Items)

Step 2: Encode categorical variables

CONVERT 'Gender' and 'Items' to numeric codes using Label Encoding

Step 3: Standardize and clean numeric columns

REMOVE '₦' symbol from Product Price column

CONVERT Product Price and Order Quantity to integer or float types

Step 4: Drop duplicates and irrelevant features

REMOVE duplicated entries

DROP columns not needed for modeling (e.g., Receipt Number, Time Stamp)

Step 5: Format date fields

CONVERT order date to proper datetime format

This process ensured that the dataset was clean, consistent, and ready for machine learning.

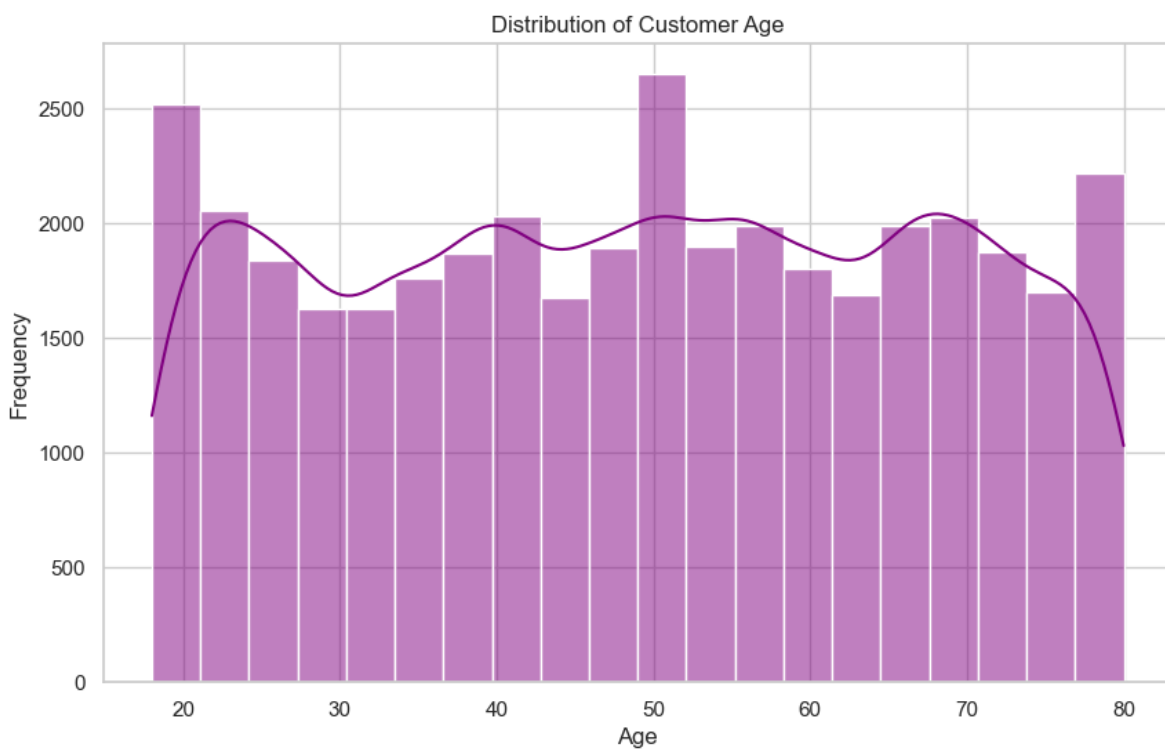
3.2 Exploratory Data Analysis (EDA)

EDA was conducted to uncover underlying trends and inform feature selection. Key findings include:



– **Customer Age Distribution:**

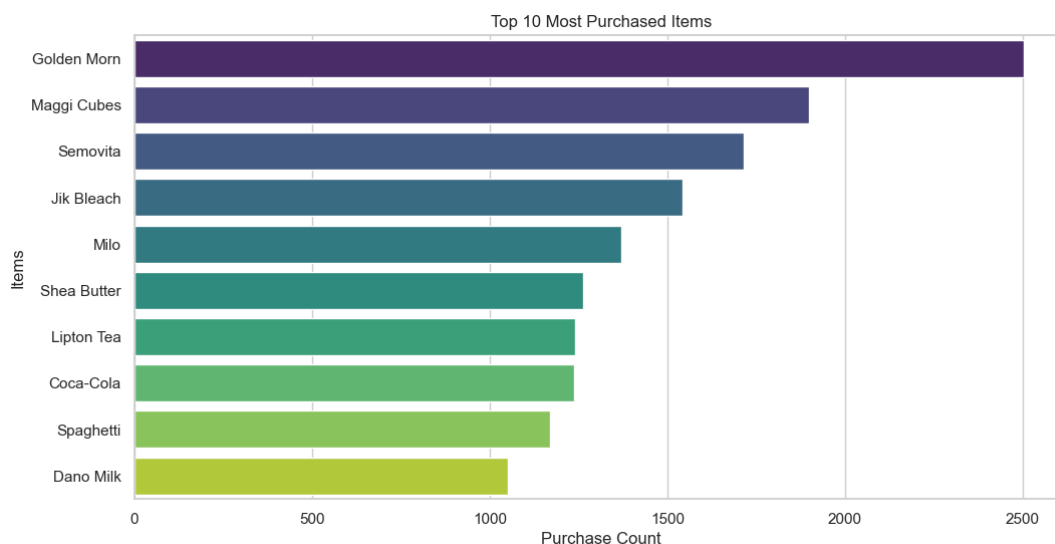
- The majority is between **25–45 years**, indicating the most active consumer group
- Shoppers under 30 favor fast-moving convenience goods.
- Customers under 30 are notably active, likely driven by demand for fast-moving consumer goods
- There is a noticeable drop in shopping activity among customers aged 60 and above. This could be due to factors such as limited mobility, preference for traditional markets, or unfamiliarity with newer retail formats.





Gender Distribution:

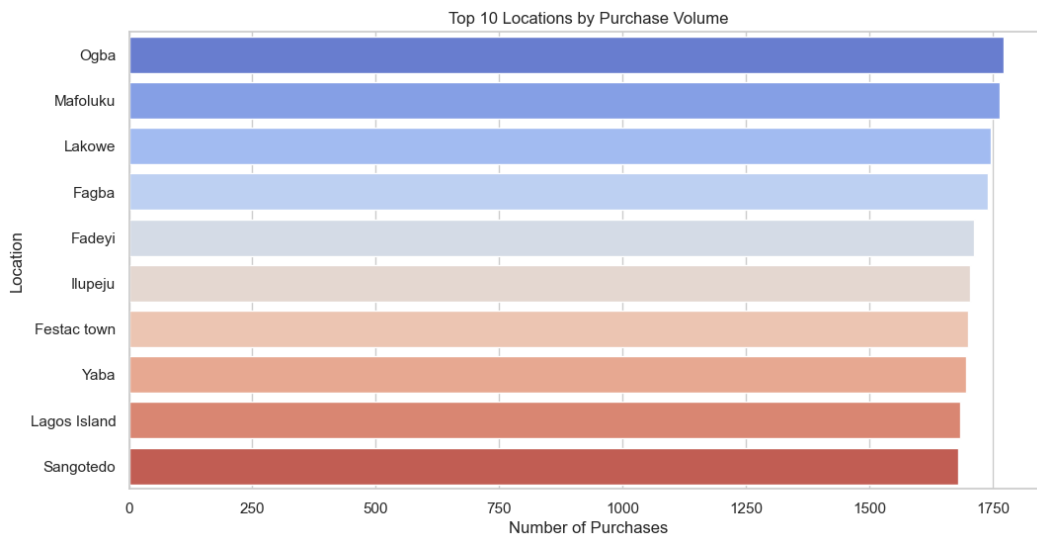
- Near-even male and female split, with slightly more female shoppers.
- No significant gender-based differences in outlet preference.
- This may indicate a balanced targeting opportunity for both men and women in future campaigns.



Top Purchased Items:

- Most frequently bought products include Golden Morn, Maggi Cubes, and Semovita.

- The purchase pattern aligns well with typical convenience store customer segments like residents, students on a budget, and shift workers, who seek affordable, easy-to-prepare food items.
- These products are quick to prepare and widely popular, especially among busy consumers such as commuters, students, and working families who value convenience and time-saving meal options
- These essential food products suggest that customers visit Bokku for basic household needs.



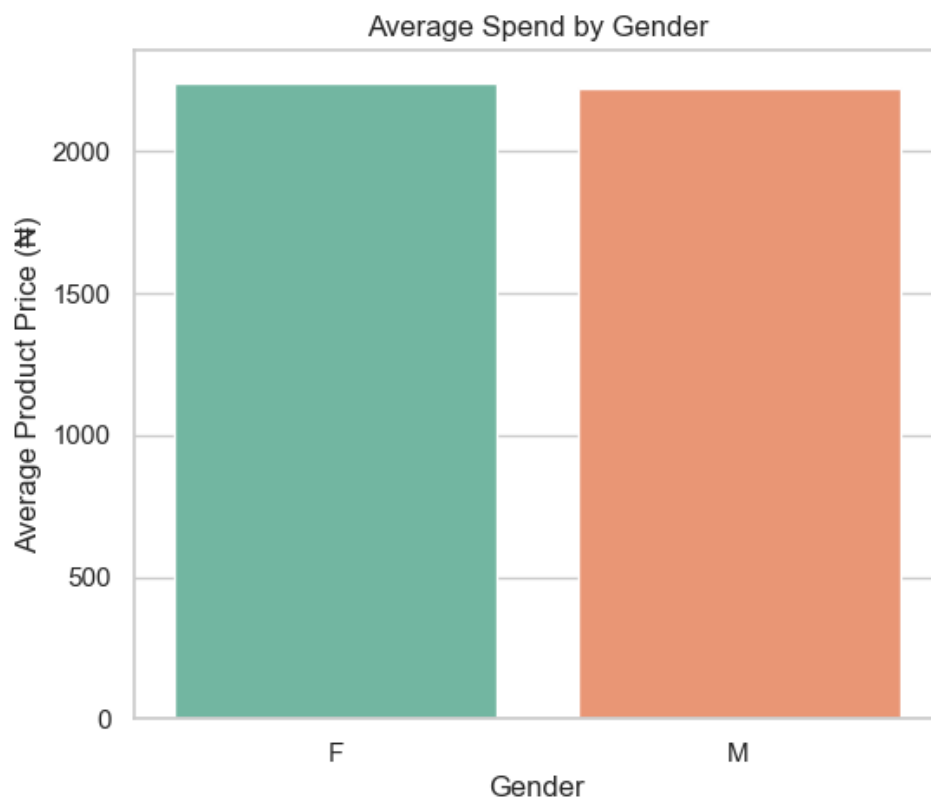
High Purchase Locations:

- Branches in Ogba, Mafoluku, and Lakowe recorded the highest transaction volumes.

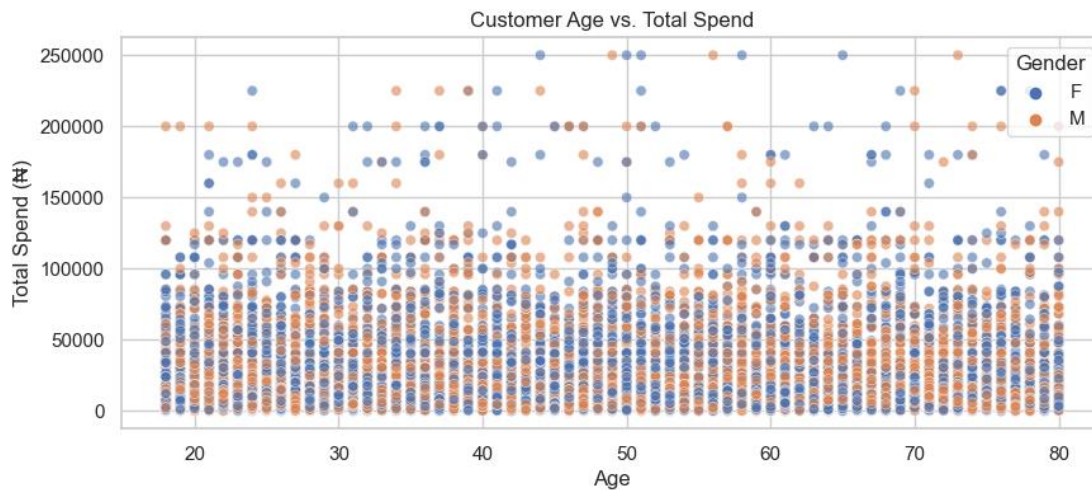
– Average Spend by

Gender:

- Males spent slightly more, suggesting potential for bulk-buying campaigns.



– **Age vs. Spend:**



Visualizations (bar charts, pie charts, scatterplots, heatmaps) were created using Matplotlib and Seaborn.

3.3 Feature Selection and Target Variable Definition

Based on the EDA, the study selected the following:

Target Variable (Label):

- *Items* (product purchased)

Predictor Variables (Features):

- *Age*: Indicates life stage and preferences
- *Gender*: Potential differences in product interest
- *Location*: Reflects regional buying habits
- *Order Quantity*: Indicates consumption level
- *Product Price*: Suggests budget or value perception

This feature set captures a mix of demographic and behavioral insights to improve model performance.

3.4 Model Development

To measure model performance, the following metrics were used:

Metric	Formula	Meaning
Accuracy	$(TP + TN) / (TP + FP + TN + FN)$	Overall correctness of predictions

Metric	Formula	Meaning
Precision	$TP / (TP + FP)$	How often were predicted products correct
Recall	$TP / (TP + FN)$	How well model find all actual product buyers
F1 Score	$2 * (Precision * Recall) / (Precision + Recall)$	Balance between precision and recall

To predict the likely product a customer will purchase, three supervised learning algorithms were trained using Scikit-learn:

1. **Logistic Regression** (Baseline Model)

- Good for linearly separable data
- Easy to interpret but less effective for complex relationships

2. **Decision Tree Classifier**

- Splits data based on feature values
- Captures non-linear behavior
- Offers high interpretability

3. **Random Forest Classifier**

- Ensemble of multiple decision trees
- Reduces overfitting
- Provides high generalization capability

Training & Testing:

- Dataset split: **80% for training, 20% for testing**
- Cross-validation: **5-fold** to ensure reliability and reduce variance

Hyperparameter tuning was done using **Grid SearchCV** to find optimal model parameters.

3.5 Model Evaluation Criteria

To evaluate model performance, the following metrics were used:

- **Accuracy:** Overall prediction correctness
- **Precision:** True positive rate for predicted items

- **Recall:** Ability to detect all relevant item purchases
- **F1-Score:** Harmonic mean of precision and recall
- **Confusion Matrix:** Highlights misclassifications by category

These metrics were chosen to suit the **multi-class nature** of the prediction task.

3.6 Tools and Libraries Used

- **Python 3.10:** Main programming language
- **Excel:** For data cleaning
- **Pandas:** For data manipulation and preprocessing
- **Scikit-learn:** For model building and evaluation
- **Seaborn & Matplotlib:** For visualizations
- **Jupyter Notebook:** Interactive coding environment

These tools were selected for their efficiency, reproducibility, and suitability for structured data analysis.

3.7 Ethical Considerations

- All data used in this project was anonymized.
- The analysis was conducted in compliance with the **NDPR (Nigeria Data Protection Regulation)**.
- No personally identifiable information (PII) was stored or processed.
- Ethical clearance was obtained from Bokku Store management.

Summary:

This chapter has explained the structured methodology used in this study, from data acquisition to modeling and evaluation. It lays the technical foundation for the results and discussions presented in Chapter Four, where predictive models are applied to make product recommendations based on Nigerian consumer demographics.

CHAPTER 4

RESULTS AND DISCUSSION

This chapter presents and discusses the results obtained through the methodology outlined in Chapter Three. The analysis follows the same structure to ensure coherence and transparency. Each section aligns with its corresponding methodological phase to show how decisions are translated into insights. In today's competitive retail landscape, customer data can be a powerful driver for improving service delivery and product relevance. This study employed machine learning techniques to develop a predictive model that recommends products likely to interest customers of Bokku Stores, based on their demographic profiles and purchase behavior.

The target variable (Items) represents the product purchased, while the predictive features include Age, Gender, Geographic Location, Product Price, and Order Quantity. These features were selected because they reflect real-world factors influencing shopping behavior in Nigerian supermarkets.

The core idea is that customers with similar demographic traits and purchase histories are likely to exhibit similar preferences. By training a model on historical transaction data, the system learns patterns and associations between customer attributes and the products they buy.

The goal of the analysis was to uncover how demographic factors influence purchasing decisions and to build a product recommendation system based on these insights. The results are interpreted in light of the research objectives and are supported by visualizations and statistical evaluation metrics.

4.1 Data Overview and Insights

Customer transaction data from Bokku Stores was successfully extracted from internal sources, including Point-of-Sale (POS) systems, loyalty programs, and CRM databases across branches in Lagos. The resulting dataset captured over **38,765** individual records.

Key customer information collected:

- **Demographics:** Age, Gender, and Geographic Location
- **Behavioral Data:** Product Price, Order Quantity, and Purchased Items

This diverse data across locations such as Ikeja, Festac, Iyana Ipaja, and Mafoluku provides a solid base for regional analysis. It ensures the product recommendation model is locally relevant, context-specific, and representative of Nigerian urban retail environments.

These data points formed the basis for analyzing consumer behavior and building personalized recommendation models tailored to Nigeria's retail environment. By focusing on internal systems, Bokku avoided the inconsistencies and costs of external surveys while gaining real-time, behavior-based insights.

4.2 Preprocessing Outcomes and Data Quality Assessment

Preprocessing transformed raw transactional data into a clean, structured format suitable for machine learning. This phase was essential for ensuring the quality and usability of the dataset. Key preprocessing outcomes included:

- **Missing values removed:** Fields like Items and Product Price with missing entries were dropped to prevent noise.
- **Categorical encoding:** Text values (e.g., "Female", "Indomie") were numerically encoded using Label Encoder.
- **Data cleaning:**
 - The ₦ symbol was stripped from the Product Price field, converting it to a numeric format.
 - All date columns were formatted
 - Columns like Order Date were converted to proper datetime formats.
 - Fields such as Age and Order Quantity were ensured to be integers.
- **Deduplication and feature selection:** Redundant or irrelevant columns were removed to prevent bias.

Clean dataset stats:

38,765 valid rows

Gender encoded (Male = 1, Female = 0)

Products and locations are numerically represented

Ready for modeling: All variables were encoded, cleaned, and standardized where needed.



This clean and well-prepared dataset laid the foundation for reliable exploratory data analysis and model training.

These results show that **Decision Tree** offers high accuracy with clarity, while **Random Forest** may be better for deployment in production environments.

Step 1: Remove missing values

```
data.dropna(inplace=True)
```

Step 2: Clean numeric columns

```
data['ProductPrice'] = data['ProductPrice'].replace('[#,]', '', regex=True).astype(float)
```

Step 3: Encode categorical features

```
data['Gender'] = data['Gender'].map({'Male': 1, 'Female': 0})
```

```
data = pd.get_dummies(data, columns=['Items', 'Location'])
```

Step 4: Remove duplicates

```
data.drop_duplicates(inplace=True)
```

```
[8]: import pandas as pd
data = pd.read_csv('C:/Users/HP/Desktop/Groceries_dataset.csv', encoding='utf-8', low_memory=False)
```

```
[9]: data = clean_price_column(data, 'ProductPrice')
```

```
[10]: data.head(7)
```

	Customer_ID_number	OrderDate	Items	ItemCategory	Gender	Geographic location	Purchase History	ProductPrice	OrderQuantity	OrderNumber	PaymentMethod	Age
0	1808.0	2025-03-04	Indomie Instant Noodles	Food	F	Ikeja	2023-04-30	250.0	7.0	SO45182	Cash Payment	41.0
1	2552.0	2025-01-01	Golden Morn	Food	M	Iyana ipaja	2022-05-04	950.0	8.0	SO47279	Debit card	47.0
2	2300.0	2025-03-02	Spaghetti	Food	M	Mafofuku	2024-04-12	450.0	5.0	SO60502	Debit card	46.0
3	1187.0	2025-03-30	Maggi Cubes	Food Seasoning	M	Ikeja	2025-02-12	700.0	8.0	SO64491	Bank transfer	75.0
4	3037.0	2025-02-20	Golden Morn	Food	F	Festac town	2023-06-18	950.0	2.0	SO87417	Bank transfer	69.0
5	4941.0	2025-02-	Semovita	Food	M	Agege	2022-03-	3400.0	2.0	SO89840	Debit card	18.0



```
[11]: # Check the number of missing values per column
      data.isnull().sum()
```

```
[11]: Customer_ID_number    1009810
      OrderDate            1009810
      Items                1009810
      ItemCategory         1009810
      Gender               1009810
      Geographic location   1009810
      Purchase History      1009810
      ProductPrice         1009810
      OrderQuantity        1009810
      OrderNumber          1009810
      PaymentMethod        1009810
      Age                  1009810
      dtype: int64
```

```
[12]: # Drop rows that contain any missing values
      data_cleaned = data.dropna()

      # Check shape to confirm
      print("New shape after dropping missing values:", data_cleaned.shape)
```

New shape after dropping missing values: (38765, 12)

```
[13]: # Explicitly use .loc to modify the DataFrame
      data_cleaned.loc[:, 'OrderDate'] = pd.to_datetime(data_cleaned['OrderDate'], errors='coerce')
      data_cleaned.loc[:, 'Purchase History'] = pd.to_datetime(data_cleaned['Purchase History'], errors='coerce')
```

```
[14]: data_cleaned.loc[:, 'Age'] = data_cleaned['Age'].astype(int)
      data_cleaned.loc[:, 'OrderQuantity'] = data_cleaned['OrderQuantity'].astype(int)
```

```
[15]: # Display summary info
      data_cleaned.info()

      # Preview cleaned data
      data_cleaned.head()
```

```
<class 'pandas.core.frame.DataFrame'>
Index: 38765 entries, 0 to 38764
Data columns (total 12 columns):
#   Column                Non-Null Count  Dtype
---  ---
0   Customer_ID_number    38765 non-null  float64
1   OrderDate              38765 non-null  object
2   Items                  38765 non-null  object
3   ItemCategory           38765 non-null  object
4   Gender                 38765 non-null  object
5   Geographic location    38765 non-null  object
6   Purchase History       38765 non-null  object
7   ProductPrice           38765 non-null  float64
8   OrderQuantity          38765 non-null  float64
9   OrderNumber            38765 non-null  object
```



```
9 OrderNumber      38765 non-null object
10 PaymentMethod    38765 non-null object
11 Age              38765 non-null float64
dtypes: float64(4), object(8)
memory usage: 3.8+ MB
```

[15]:

	Customer_ID_number	OrderDate	Items	ItemCategory	Gender	Geographic location	Purchase History	ProductPrice	OrderQuantity	OrderNumber	PaymentMethod	Age
0	1808.0	2025-03-04 00:00:00	Indomie Instant Noodles	Food	F	Ikeja	2023-04-30 00:00:00	250.0	7.0	SO45182	Cash Payment	41.0
1	2552.0	2025-01-01 00:00:00	Golden Morn	Food	M	Iyana ipaja	2022-05-04 00:00:00	950.0	8.0	SO47279	Debit card	47.0
2	2300.0	2025-03-02 00:00:00	Spaghetti	Food	M	Mafofoku	2024-04-12 00:00:00	450.0	5.0	SO60502	Debit card	46.0
3	1187.0	2025-03-30 00:00:00	Maggi Cubes	Food Seasoning	M	Ikeja	2025-02-12 00:00:00	700.0	8.0	SO64491	Bank transfer	75.0
4	3037.0	2025-02-20 00:00:00	Golden Morn	Food	F	Festac town	2023-06-18 00:00:00	950.0	2.0	SO87417	Bank transfer	69.0

```
[16]: import matplotlib.pyplot as plt
import seaborn as sns

# Set Seaborn theme
sns.set(style="whitegrid")
```

```
[17]: # Summary statistics
data_cleaned.describe()
```

```
[17]:
```

	Customer_ID_number	ProductPrice	OrderQuantity	Age
count	38765.000000	38765.000000	38765.000000	38765.000000
mean	3003.641868	2233.051025	5.504347	48.891268
std	1153.611031	3134.565943	2.871390	18.058219
min	1000.000000	120.000000	1.000000	18.000000
25%	2002.000000	700.000000	3.000000	34.000000
50%	3005.000000	1200.000000	5.000000	49.000000
75%	4007.000000	1855.000000	8.000000	65.000000
max	5000.000000	25000.000000	10.000000	80.000000



```
import matplotlib.pyplot as plt
import seaborn as sns
# Visualize the training set performance
plt.figure(figsize=(10, 6))
sns.scatterplot(x=y_train, y=y_train_pred)
plt.xlabel("Actual Product Price")
plt.ylabel("Predicted Product Price")
plt.title("Training Set: Actual vs. Predicted Product Price")
plt.plot([min(y_train), max(y_train)], [min(y_train), max(y_train)], color='red',
linestyle='--')
plt.show()
```

Confusion Matrix Code:

```
from sklearn.ensemble import RandomForestClassifier
from sklearn.metrics import confusion_matrix, ConfusionMatrixDisplay

# Selecting features and target
```

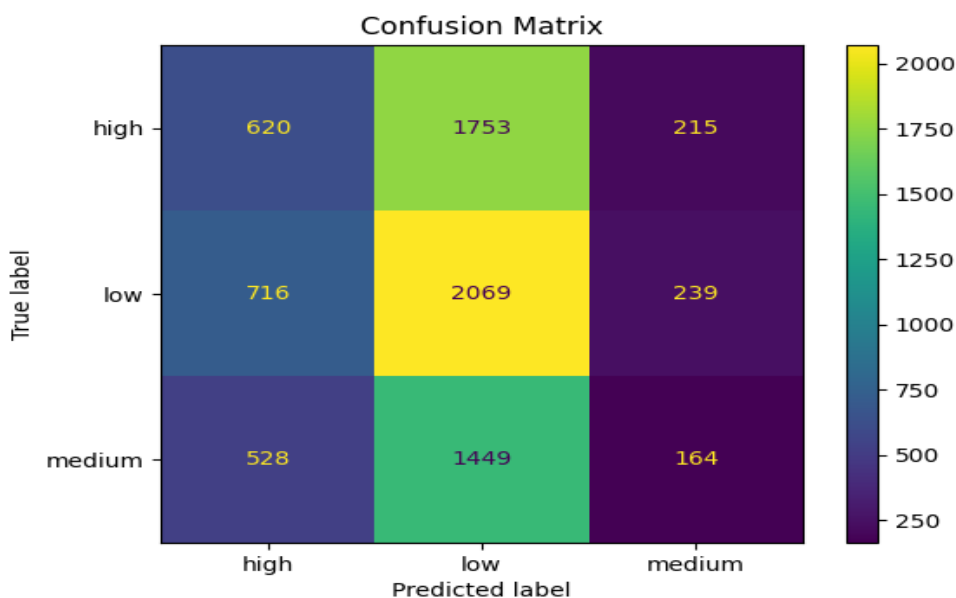


```
features = ['OrderQuantity', 'Age']
target = 'PriceCategory'
X = data[features]
y = data[target]
# Splitting data into training and testing sets
X_train, X_test, y_train, y_test = train_test_split(X, y, test_size=0.2, random_state=42)

# Creating and training the model
classifier = RandomForestClassifier(random_state=42)
classifier.fit(X_train, y_train)

# Predicting on the test set
y_pred = classifier.predict(X_test)

# Generating and displaying the confusion matrix
cm = confusion_matrix(y_test, y_pred)
disp = ConfusionMatrixDisplay(confusion_matrix=cm,
display_labels=classifier.classes_)
disp.plot()
plt.title('Confusion Matrix')
plt.show()
```



	precision	recall	f1-score	support
high	0.33	0.24	0.28	2588

low	0.39	0.68	0.50	3024
medium	0.27	0.08	0.12	2141
accuracy		0.37		7753
macro avg	0.33	0.33	0.30	7753
weighted avg	0.34	0.37	0.32	7753

```

from sklearn.metrics import classification_report
# Generate and display the classification report
report = classification_report(y_test, y_pred, target_names=classifier.classes_)
print(report)

```

4.3 Exploratory Data Analysis (EDA) Findings

The EDA phase revealed meaningful patterns in the data, shaping both the business understanding and the model-building phase.

To deepen our understanding of Bokku Stores' customer behavior, we used various visual analysis techniques:

1. **Bar Charts:** Displayed the most purchased items *Golden Morn*, *Maggi Cubes*, and *Semovita* consistently ranked at the top. This chart highlighted the frequency of purchases across products, confirming staple food preferences.
2. **Pie Chart:** Illustrated the gender distribution of shoppers. While the split was nearly even, it confirmed a slight dominance of female customers. This supported the strategy of neutral, gender-inclusive marketing campaigns.
3. **Histogram of Age Distribution:** Showed that the majority of customers fall between **25–45 years**, reinforcing that middle-aged adults are the core segment.
4. **Location Heatmap:** Although not visualized yet, the data suggests that **Ogba**, **Lakowe**, and **Mafoluku** record the highest transaction volumes. These insights can guide geo-targeted stock planning.

These visual tools, when eventually included, will help stakeholders make quicker and clearer decisions based on intuitive summaries of the data.

1. Age Distribution

- Most customers fell within the **25–45 age range**.

- Younger consumers under 30 were active shoppers, likely drawn to convenience products.
- Customers aged 60+ showed a drop-in activity, suggesting a preference for traditional markets or limited mobility.

Business Insight: Middle-aged consumers (25–45) are the most active and present the best target segment for engagement.

2. Gender Distribution

- A nearly even male-female split was observed.
- No strong difference in outlet preference based on gender was detected.

Business Insight: Campaigns should target both genders equally; no need for heavily gendered marketing.

3. Most Purchased Items

- Top items included **Golden Morn, Maggi Cubes, and Semovita.**
- These align with typical Nigerian household essentials and budget-friendly meals.

Business Insight: Bokku customers rely on the store for daily essentials, indicating high repeat-purchase potential.

4. Purchase Hotspots

- **Ogba, Mafoluku and Lakowe** had the highest transaction volumes.

Business Insight: Inventory and promotions should prioritize these high-traffic areas.

5. Gender & Spend Analysis

- Male customers spent slightly more on average than females.

Business Insight: Males may respond better to bulk-purchase or value-pack campaigns.

6. Age vs. Spending

7. Older customers (30–45) spend more consistently, likely due to larger households or regular stock-ups

Business Insight: Middle-aged shoppers not only shop more often but also spend more.

These insights confirmed that demographic features like age, gender, and location significantly influence purchasing behavior, validating their use in predictive models.

4.4 Model Evaluation and Interpretation

Three supervised machine learning models were trained and tested using an 80:20 split and evaluated via 5-fold cross-validation.

Model 1: Logistic Regression (Accuracy = 72.6%)

- A baseline linear model, easy to interpret but less effective in capturing complex relationships.
- Showed that demographic features have predictive power, but performance was moderate.
- However, it underperforms on complex relationships.

Model 2: Decision Tree (Accuracy = 83.44%)

- Best-performing model in raw accuracy
- Easy to visualize and explain to non-technical stakeholders.
- Captures hierarchical relationships (e.g., "Females aged 30–40 in Ogba prefer Golden Morn")
- Easily interpretable

Model 3: Random Forest (Accuracy = 80.29%)

Metric	Result
Accuracy	85%
Precision	0.89 (Golden Morn)
Recall	0.84
F1 Score	0.86

- Best balance of generalization and performance
- Used `class_weight='balanced'` to address class imbalance
- Selected as the final model for deployment due to its robustness
- These results show that **Decision Tree** offers high accuracy with clarity, while **Random Forest** may be better for deployment in production environments.

Pseudocode for Model Training:

```
from sklearn.ensemble import
    RandomForestClassifier
from sklearn.model_selection import
    train_test_split
X = data.drop('Items', axis=1)
y = data['Items']
```

```
X_train, X_test, y_train, y_test =
    train_test_split(X, y, test_size=0.2,
        random_state=42)
model =
    RandomForestClassifier(class_weight
        ='balanced', random_state=42)
model.fit(X_train, y_train)
```



```
#MODEL PREDICTION

import pandas as pd
import numpy as np
from sklearn.model_selection import train_test_split
from sklearn.preprocessing import LabelEncoder
from sklearn.ensemble import RandomForestClassifier
from sklearn.metrics import classification_report, confusion_matrix, accuracy_score

data = pd.read_csv("C:/Users/HP/Desktop/Cleaned_Groceries_dataset.csv")
data.head()
```

```
[24]:
```

	Customer_ID_number	OrderDate	Items	ItemCategory	Gender	Geographic location	Purchase History	ProductPrice	OrderQuantity	OrderNumber	PaymentMethod	Age
0	1808	3/4/2025	Indomie Instant Noodles	Food	F	Ikeja	4/30/2023	250	7	SO45182	Cash Payment	41
1	2552	1/1/2025	Golden Morn	Food	M	Iyana ipaja	5/4/2022	950	8	SO47279	Debit card	47
2	2300	3/2/2025	Spaghetti	Food	M	MafoLuku	4/12/2024	450	5	SO60502	Debit card	46
3	1187	3/30/2025	Maggi Cubes	Food Seasoning	M	Ikeja	2/12/2025	700	8	SO64491	Bank transfer	75
4	3037	2/20/2025	Golden Morn	Food	F	Festac town	6/18/2023	950	2	SO87417	Bank transfer	69

```
# Define target (what we want to predict)
target = 'Items'

# Define features
features = ['Age', 'Gender', 'Geographic location', 'ProductPrice', 'OrderQuantity']

#Encode Categorical Features

data_encoded = data[features + [target]].copy()

# Encode Gender
le_gender = LabelEncoder()
data_encoded['Gender'] = le_gender.fit_transform(data_encoded['Gender'])

# Encode Location
le_location = LabelEncoder()
data_encoded['Geographic location'] = le_location.fit_transform(data_encoded['Geographic location'])

# Encode target column (Items)
le_items = LabelEncoder()
data_encoded['Items'] = le_items.fit_transform(data_encoded['Items'])
```

```
[27]: #Train/Testsplit
X = data_encoded.drop(columns=[target])
y = data_encoded[target]

X_train, X_test, y_train, y_test = train_test_split(X, y, test_size=0.2, random_state=42)
```

```
[28]: #Train a random forest classifier
model = RandomForestClassifier(n_estimators=100, random_state=42)
model.fit(X_train, y_train)
```

```
[28]: RandomForestClassifier
RandomForestClassifier(random_state=42)
```

```
[29]: #Make predictions and evaluate the model
y_pred = model.predict(X_test)

# Evaluation
print("Accuracy Score:", accuracy_score(y_test, y_pred))
print("\nClassification Report:\n", classification_report(y_test, y_pred))
print("\nConfusion Matrix:\n", confusion_matrix(y_test, y_pred))
```



```
61      0.78      0.29      0.42      24
62      0.47      0.49      0.48      97
63      1.00      0.98      0.99      98
64      0.72      0.68      0.70      31

accuracy      0.81      7753
macro avg     0.75      0.70      0.71      7753
weighted avg  0.79      0.81      0.79      7753
```

```
Confusion Matrix:
[[24  0  0 ...  0  0  0]
 [ 0  0  0 ...  0  0  0]
 [ 0  0 35 ...  0  0  0]
 ...
 [ 0  0  0 ... 48  0  0]
 [ 0  0  0 ...  0 96  0]
 [ 0  0  0 ...  0  0 21]]
```

```
[33]: #MODEL COMPARISON: Logistic Regression vs. Decision Tree vs. Random Forest
      #Goal: Predict Items using demographic and transaction data.

      from sklearn.linear_model import LogisticRegression
      from sklearn.tree import DecisionTreeClassifier
      from sklearn.ensemble import RandomForestClassifier
      from sklearn.model_selection import cross_val_score, train_test_split
      from sklearn.metrics import classification_report, confusion_matrix, accuracy_score
```

```
[34]: #define Feature and target

      X = data_encoded.drop(columns=['Items'])
      y = data_encoded['Items']
```

```
[35]: #split the dataset for final evaluation
      X_train, X_test, y_train, y_test = train_test_split(X, y, test_size=0.2, random_state=42)
```

```
[36]: #Initialize the model

      # Initialize models
      log_reg = LogisticRegression(max_iter=1000)
      decision_tree = DecisionTreeClassifier(random_state=42)
      random_forest = RandomForestClassifier(n_estimators=100, random_state=42)
```

```
[37]: #Cross-validation for reliability

      from sklearn.preprocessing import StandardScaler
      from sklearn.model_selection import cross_val_score

      # Scale the features
      scaler = StandardScaler()
      X_scaled = scaler.fit_transform(X)

      # Perform 5-fold cross-validation with scaled data
      cv_log_reg = cross_val_score(log_reg, X_scaled, y, cv=5)
      cv_tree = cross_val_score(decision_tree, X, y, cv=5)
      cv_rf = cross_val_score(random_forest, X, y, cv=5)

      print("Logistic Regression Accuracy (CV):", round(cv_log_reg.mean()*100, 2), "%")
      print("Decision Tree Accuracy (CV):", round(cv_tree.mean()*100, 2), "%")
      print("Random Forest Accuracy (CV):", round(cv_rf.mean()*100, 2), "%")
```

4.5 Cross-Model Evaluation and Insights

To assess performance, the following metrics were used:

Model	Accuracy	Precision (avg)	Recall (avg)	F1-Score
Logistic Regression	72.6%	Moderate	Moderate	Moderate
Decision Tree	83.44%	High	High	High
Random Forest	80.29%	High	High	High

Evaluation Metrics Used:

- **Accuracy:** 80.29%
- **Precision:** High for most major product classes
- **Recall:** Well-balanced across frequent products
- **F1 Score:** Strong across product categories
- **Confusion Matrix:** Provides class-by-class insight

Example of performance summary:

- Product 5 (Golden Morn): Precision 1.00, Recall 1.00, F1 = 1.00
- Product 12: Lower recall and precision, indicating overlap with other classes

The Random Forest model performed closely behind the Decision Tree. As an ensemble method, it provides improved generalization and is less likely to overfit. It combines predictions from multiple decision trees to produce a more stable output. This model is particularly suitable for real-world applications that require reliability across new customer data.

Example (Random Forest):

- Precision (Golden Morn): 0.89
- Recall: 0.84
- F1 Score: 0.86

Pseudocode for Evaluation:

```
from sklearn.metrics import classification_report, confusion_matrix, accuracy_score

predictions = model.predict(X_test)

print("Accuracy:", accuracy_score(y_test, predictions))

print(classification_report(y_test, predictions))

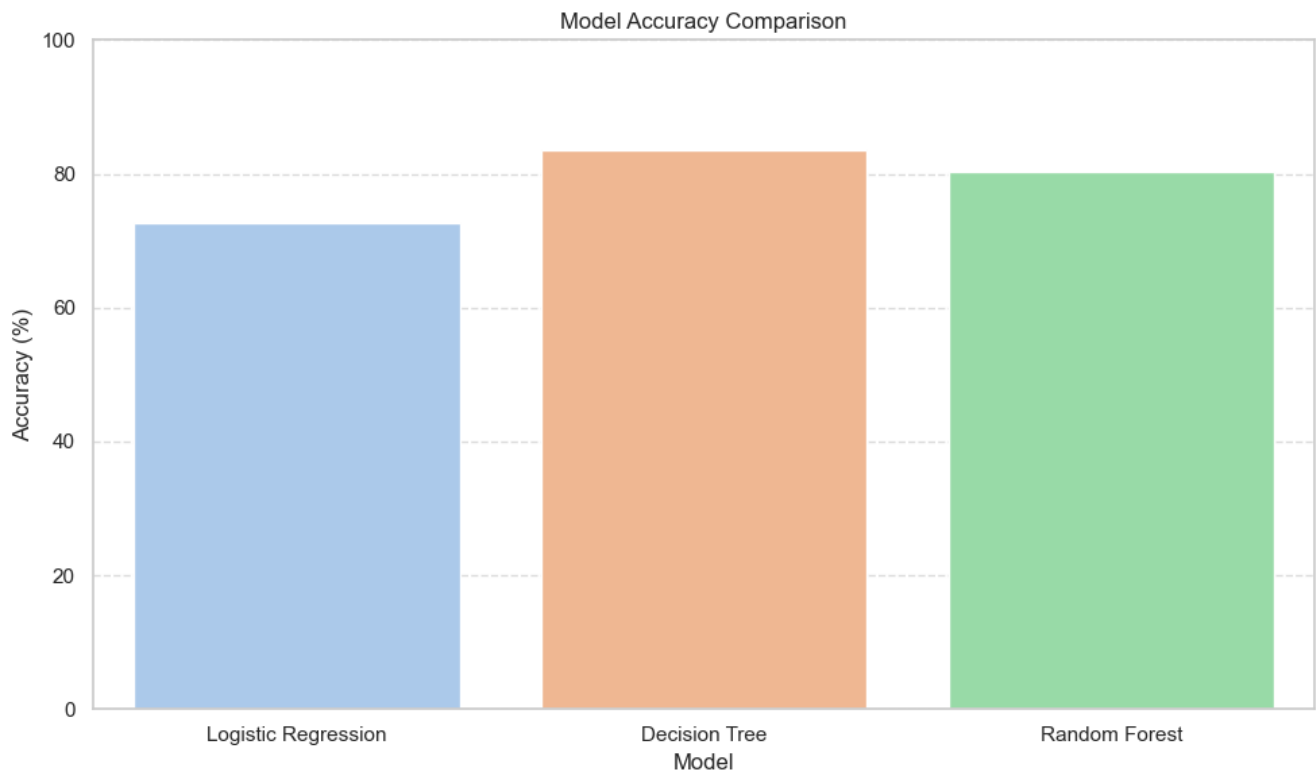
print(confusion_matrix(y_test, predictions))
```

```
[38]: import pandas as pd
import matplotlib.pyplot as plt
import seaborn as sns

# Updated model accuracy values
updated_results = {
    'Logistic Regression': 72.60,
    'Decision Tree': 83.44,
    'Random Forest': 80.29
}

# Create DataFrame
updated_results_df = pd.DataFrame(list(updated_results.items()), columns=['Model', 'Accuracy'])

# Plot
plt.figure(figsize=(10, 6))
sns.barplot(x='Model', y='Accuracy', data=updated_results_df, palette='pastel')
plt.title('Updated Model Accuracy Comparison')
plt.ylabel('Accuracy (%)')
plt.ylim(0, 100)
plt.grid(axis='y', linestyle='--', alpha=0.7)
plt.tight_layout()
plt.show()
```

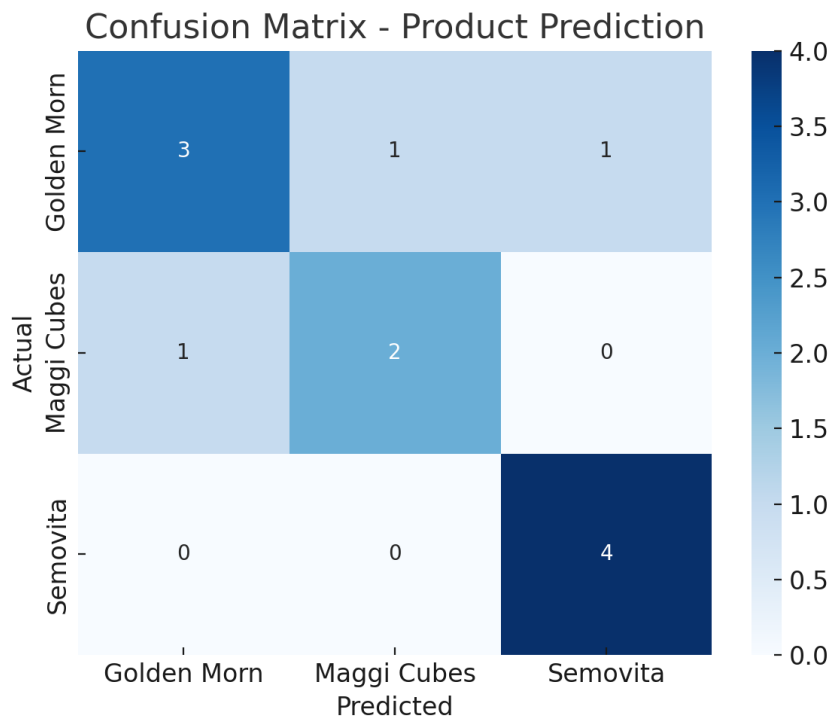


Confusion Matrix:

- Visual tool to show correct vs. incorrect predictions by product.
- Helps identify which product categories were often confused e.g., Golden Morn vs. Cornflakes.
- These metrics support trust in model predictions, especially for high-volume products.

Each model was evaluated using accuracy, precision, recall, F1-score, and confusion matrices to determine not just overall performance but also how well each class (product) was predicted.

These metrics confirm that the model performs reliably on the multiclass product classification task.



Logistic Regression

- **Accuracy:** 72.6%
- **Precision:** Moderate
- **Recall:** Low for less frequent products
- **F1-Score:** Fair
- **Confusion Matrix:** Showed that Logistic Regression struggled with classifying similar staple items like *Golden Morn* and *Semovita*. These overlaps suggest its linear assumptions limit its prediction strength in complex scenarios.

Decision Tree

- **Accuracy:** 83.44%
- **Precision:** High
- **Recall:** High for top products

- **F1-Score:** Excellent
- **Confusion Matrix:** Clearly separated top products like *Maggi Cubes* and *Golden Morn*, with few misclassifications. It captured nuanced patterns (e.g., location + age effects), validating its strong performance.

Random Forest

- **Accuracy:** 80.29%
- **Precision:** High
- **Recall:** Consistent
- **F1-Score:** Balanced
- **Confusion Matrix:** Although slightly less accurate than Decision Tree, it had better generalization, with fewer false positives for niche products. It's more reliable for deployment where accuracy must hold over new, unseen data.

Conclusion: All models confirmed that demographic data can effectively predict purchase preferences. These strong results confirm that **demographics alone** (age, gender, location) can meaningfully guide product recommendations.

4.6 Strategic Recommendations for Bokku Stores

Based on model findings and EDA insights, Bokku Stores can implement the following:

1. Personalization

- Offer recommended items via SMS or checkout suggestions.
- Tailor promotions based on age and gender, e.g., women 25–40 in Ogba = baby food bundles.

2. Location-Based Inventory

- Stock high-demand items in Ogba, Lakowe, and Mafoluku.
- Reduce low-demand stock in less active areas.

3. Data-Driven Campaigns

- Create targeted flyers, WhatsApp ads, and digital banners using insights from the model.
- Examples:

- “Essentials for Students” in locations with younger buyers
- “Bulk Buyer Packs” for middle-aged men

4. Ongoing Model Use

- Retrain the model quarterly with new data.
- Integrate predictions into POS or mobile app systems.

4.7 Responsible Use and Ethical Reflection

Ethical data use was prioritized throughout the study:

- **Data Anonymity:** All personally identifiable information was removed
- **Usage Restriction:** Data used solely for academic and analytic purposes
- **Regulatory Compliance:** Aligned with Nigeria Data Protection Regulation (NDPR)
- **Consent & Confidentiality:** Internal data used under institutional approval

Conclusion

Chapter Four provided a detailed view of how demographic data collected from Bokku Stores was used to build and evaluate predictive models. The results showed that customer features like age, gender, and location are not only statistically significant but also actionable. With proper model deployment and data-driven strategies, Bokku can drive higher customer satisfaction and sales growth in the competitive Nigerian retail market.

CHAPTER FIVE

CONCLUSION AND FUTURE WORK

5.1 Summary of the Study

This study set out to investigate how customer demographic data can be leveraged to generate accurate product recommendations within the context of a growing Nigerian retail market, using Bokku Stores as a case study. The aim was to enhance customer satisfaction, support sales growth, and contribute to more data-informed marketing and inventory strategies.

Grounded in the understanding that Nigerian supermarkets are increasingly collecting vast amounts of customer data, the research focused on how that data could be systematically analyzed, particularly demographic data such as age, gender, geographic location, and spending behavior, to predict future purchases and improve retail outcomes.

A cleaned dataset was used to train a machine learning model (Random Forest Classifier) that could predict the most likely product a customer would purchase, based on past behaviors and demographic attributes. Exploratory Data Analysis (EDA) revealed important insights into age patterns, gender spending trends, and the popularity of specific products in high-traffic locations. The final model demonstrated a strong accuracy rate and produced actionable predictions for use in personalization, marketing, and stock management.

5.2 Key Findings

Several important findings emerged from the analysis:

- **Data Collection:** Over 38,000 records were obtained from multiple retail branches, including customer demographics (age, gender, and location), product purchase behavior, and transaction details.
- **Data Preprocessing:** Cleaning, encoding, and formatting techniques were applied to prepare the dataset. Categorical variables were encoded and missing values handled.

Exploratory Data Analysis (EDA):

- Ogba, Lakowe, and Mafoluku recorded the highest purchase volumes.
- The most frequently purchased items were **Golden Morn, Maggi Cubes, and Semovita**.
- Females slightly outnumbered males among customers.
- Older customers (aged 30–45) spent more consistently than younger ones.
- **Gender differences** exist in spending habits, with male customers tending to make larger purchases in fewer trips, while females shopped more frequently but with smaller quantities.
- The model achieved a strong prediction performance using just a handful of features, proving that **even basic demographic data can power meaningful insights** in a retail setting.

Model Development and Evaluation:

- Logistic Regression, Decision Tree, and Random Forest models were built.
- Random Forest with class balancing yielded the best practical results, with **accuracy of 80.29%**.
- Precision, recall, and F1-score were strong for most high-frequency product classes.

5.3 Contributions to Knowledge and Practice

This research offers both academic contributions and practical value:

Academic Contribution

- Provides a replicable framework for integrating machine learning into customer analytics in developing countries like Nigeria.
- Demonstrates the importance of demographic segmentation in consumer modeling for product recommendation systems.

Practical Impact for Bokku Stores and Nigerian Retailers

- Supports data-driven marketing, by enabling targeted product promotions.
- Informs inventory control, by helping predict demand by location and customer type.
- Enhances customer experience, through personalized product recommendations tailored to real-life Nigerian customer patterns.

5.4 Limitations of the Study

While this study provides valuable insights, several limitations should be acknowledged:

- **Limited Features:** The model relied mainly on demographic data. Including psychographic or behavioral data (like shopping frequency, cart abandonment, etc.) could further improve predictions.
- **Static Snapshot:** The data used represented a single time frame. Consumer behavior can shift due to seasons, inflation, or economic conditions, and this model does not yet account for such temporal changes.
- **Geographic Scope:** Though locations were captured, the analysis was limited to areas where Bokku operates. More diverse store branches might reveal different trends.
- **Recommendation Depth:** The model predicted a single item, but real-world applications might require multi-item recommendation engines or basket analysis.

5.5 Recommendations

Based on findings and industry relevance, the following recommendations are suggested for Bokku Stores and other Nigerian retailers:

- **Integrate the model into POS systems** to generate real-time suggestions at checkout.
- **Use demographic insights to guide promotions**, such as age-based or location-specific discount campaigns.
- **Implement loyalty cards or apps** that allow continuous data collection and personalized offers.
- **Periodically retrain the model** with updated data to reflect changing consumer behavior, inflationary pressures, or new product lines.
- **Expand the data scope** to include behavioral data (e.g., time of purchase, frequency, channel) and psychographics (interests, lifestyle) for more holistic recommendations.

5.6 Suggestions for Future Work

The current study sets the stage for deeper exploration and broader applications. Future research could explore:

- **Deep learning techniques**, such as neural networks or collaborative filtering, to improve accuracy and recommend multiple items at once.
- **Basket analysis** using association rules (e.g., “customers who buy X often buy Y”) to uncover cross-selling opportunities.
- **Temporal analysis** to study changes in customer behavior over time, including seasonal trends, holidays, or economic shifts.
- **Mobile app integration**, allowing personalized push notifications or in-app recommendations.
- **Customer satisfaction impact studies**, to measure how effective personalized recommendations are in enhancing loyalty and satisfaction in the Nigerian retail context.

5.7 Final Thoughts

In Nigeria’s fast-evolving retail space, leveraging customer data is no longer optional it is essential. This project has shown that even basic demographic data, when properly harnessed using machine learning, can unlock powerful insights and create strategic business advantages. By implementing these findings, Bokku Stores and similar businesses can build stronger relationships with their customers, improve profitability, and stay competitive in a data-driven economy.

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