

Profitability and Loyalty Analysis for Targeted Customer Segmentation Task

Short Summary of Findings:

1) Top 3 Most Profitable Products:

The **top 3 most profitable products** are identified by aggregating the total sales (TOT_SALES) per product. These products are the highest revenue-generating items and are crucial for the business. If these products are premium or bulk items, the customers purchasing them are likely more affluent or prefer larger quantities.

2) Loyal Customers:

Loyal customers are defined by a high frequency of purchases, recent transactions, and significant total spend. The top loyal customers are those who consistently purchase and spend the most over time.

3) Characteristics of Loyal Customers:

Lifestage: Loyal customers often belong to specific **lifestages** such as **Young Singles/Couples** or **Young Families**, indicating a preference for convenience or family-oriented products.

Premium vs Budget: A significant proportion of loyal customers fall into the **Premium** category, suggesting they are more inclined to purchase higher-end products or services, which may require marketing efforts tailored to quality and exclusivity.

Insights:

- Marketing efforts should focus on the **premium** segment and emphasize **high-quality** or **convenience-based** products for these customers.
- Products that are **premium or larger quantity-based** are the most profitable and should be highlighted in campaigns targeting affluent or frequent shoppers.
- Loyal customers' preferences, such as their **lifestage** and **premium status**, provide a strong basis for segmentation, allowing for more targeted and effective marketing strategies.