Summary Report: Customer Segmentation and Chip Purchasing Behavior

Objective

The analysis aims to understand the purchasing behavior of different customer segments based on their **Lifestage** and **Premium Customer** status, focusing on their total spend, average spend, and purchase count. Insights will support strategic recommendations for Julia, the Category Manager, during the category review.

Visualization Overview

The bar plot visualizes the **Total Spend** on chips across customer segments, grouped by:

1. **Lifestage** (e.g., Young Singles/Couples, Middle Aged Families, Retirees).

2. **Premium Customer** status (e.g., Budget, Mainstream, Premium).

Key Trends Observed

1. **Top-Spending Segments**:

   o **Young Singles/Couples** dominate chip purchases in the **Premium** and **Mainstream** categories, indicating they value branded or higher-quality chips.

   o **Middle Aged Families** also show significant spending, particularly in the **Mainstream** category, reflecting a balance between affordability and quality.

2. **Budget-Conscious Segments**:

   o **Retirees** and **Older Singles/Couples** have lower overall spending, with most purchases concentrated in the **Budget** category.

   o These segments are likely price-sensitive and prioritize cost-saving options.

3. **Purchasing Behavior by Lifestage**:

   o **Young Families** have moderate total spending, suggesting they may be influenced by household needs or preferences for kid-friendly snacks.

   o **Older Families** exhibit relatively consistent spending across all categories, reflecting a diverse purchasing pattern.

4. **Premium vs. Budget Preference**:

   o Premium spending is skewed toward younger segments (Young Singles/Couples and Middle Aged Families).

   o Budget and Mainstream categories have broader appeal across all Lifestage groups, but the share of Budget is higher among retirees and older households.

Actionable Insights

1. **Marketing Campaigns**:

- Target **Young Singles/Couples** with premium-branded products and emphasize unique flavors, branding, or loyalty programs to drive further growth in this segment.
- Develop family-friendly campaigns for **Middle Aged Families**, emphasizing value packs and quality.

2. **Product Portfolio Strategy**:

- Expand the **Budget** chip portfolio for **Older Singles/Couples** and **Retirees** to cater to their cost-sensitive nature.
- Offer exclusive promotions or bundled deals in the **Mainstream** category to attract **Young Families**.

3. **Distribution Strategy**:

- Increase stock of premium and mainstream products in urban areas where **Young Singles/Couples** are concentrated.
- Ensure value options are accessible in regions with a higher concentration of retirees.

4. **Category Management Focus**:

- Allocate shelf space and promotional efforts proportionally, with more focus on premium products for younger segments and affordable options for older demographics.

Next Steps

1. **Refine the Analysis**:

- Further investigate how seasonality or promotional events (e.g., holidays) impact purchasing behavior.
- Analyze product preferences (e.g., pack size, flavor) for each segment.

2. **Validation**:

- Conduct a deeper review of customer feedback and purchase patterns to confirm the observed trends.
- Correlate spend data with demographic or regional attributes for more targeted insights.

3. **Recommendations**:

- Present findings to Julia with actionable recommendations for category management, product promotions, and marketing strategies.

```
> # Total sales summary
> transaction_summary <- QVI_transaction_data %>%
+    summarise(
+       Total_Spend = sum(TOT_SALES, na.rm = TRUE),
+       Avg_Spend = mean(TOT_SALES, na.rm = TRUE),
+       Total_Transactions = n()
+    )
> print(transaction_summary)
# A tibble: 1 × 3
  Total_Spend Avg_Spend Total_Transactions
        <dbl>     <dbl>              <int>
1    1920719.      7.27             264187
> |
```