

Improving product and marketing strategies

Rex London (dotcomgiftshop)

Rex
LONDON

Long Tran

About Rex London

Rex London

The home of gifts that are perfect for every occasion, and every non-occasion. We call them Gifts of Random Kindness: beautiful products that you can afford to give whenever you want. Not only because they'll bring joy, but because they're always equally beautifully priced.

Situation

In order to increase sales, Rex London desire to improve their product and marketing strategies.

A hand is pointing at a tablet screen. The tablet displays a bar chart. In the foreground, a printed document with a bar chart is visible. The chart on the tablet shows a series of bars of varying heights. The chart on the printed document also shows a series of bars, with a line graph overlaid on it. The line graph has a peak and a trough. The background is dark and out of focus.

Content

Overview

Sales

Best-selling Products

Cross-selling

Up-selling

Customer Lifetime Value

REX LONDON SALES DASHBOARD

Sales Analysis

Country Filter

(Multiple values)

Customer Type

(All)

Sales
4.65M



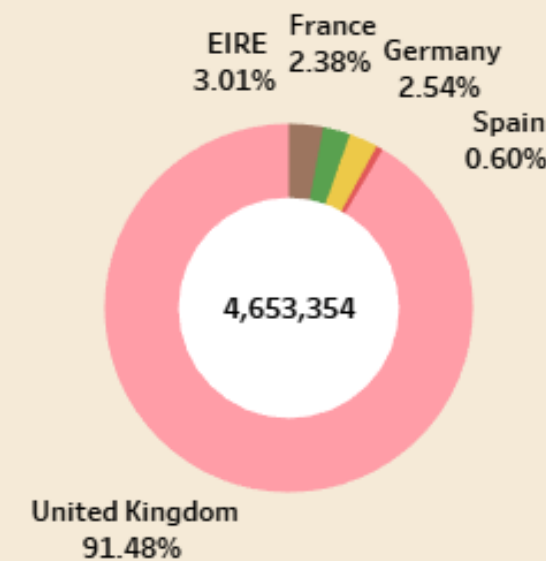
Revenue
£8.00M



Invoice Quantity
17,807



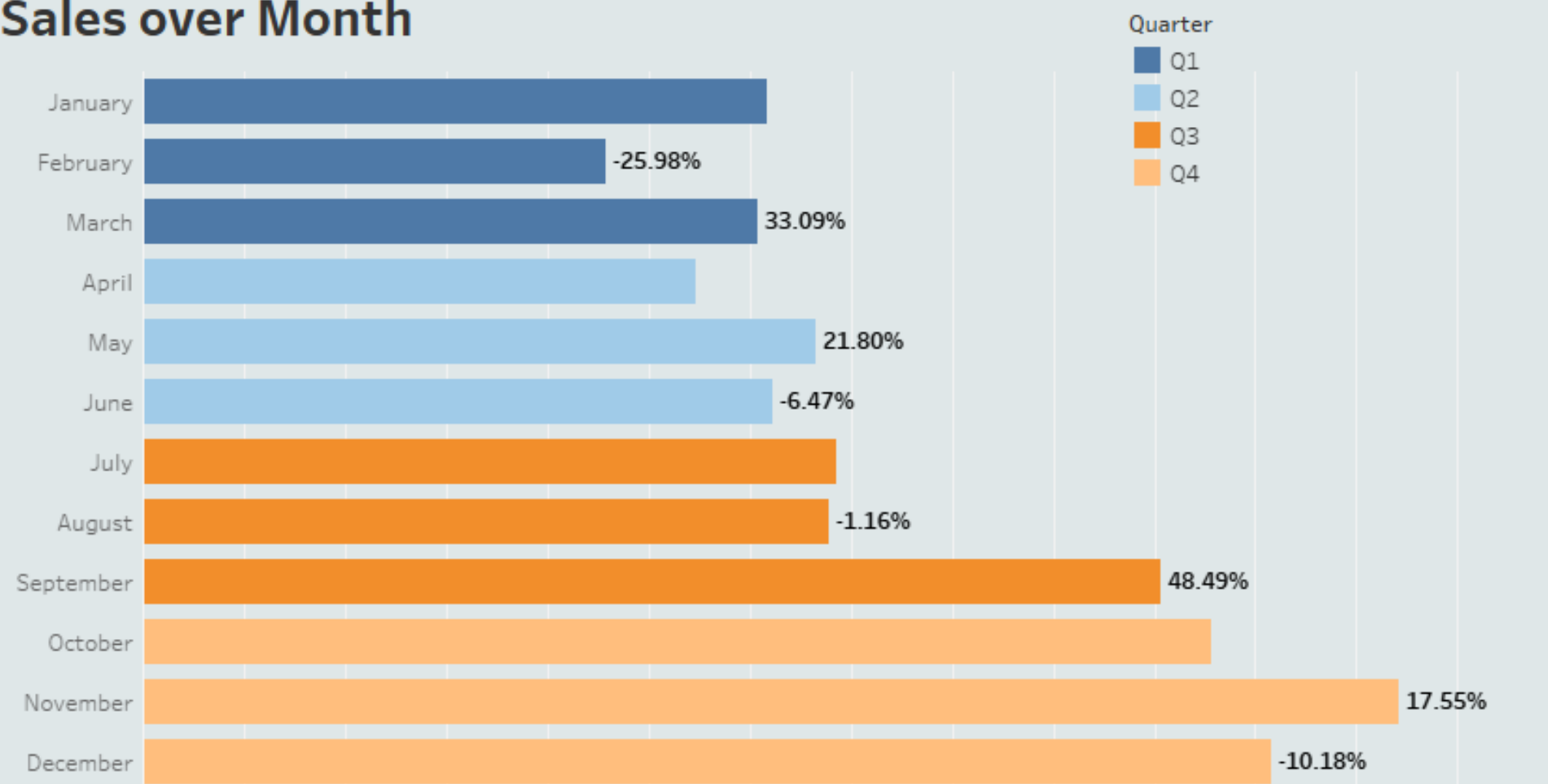
Market Share by Sales



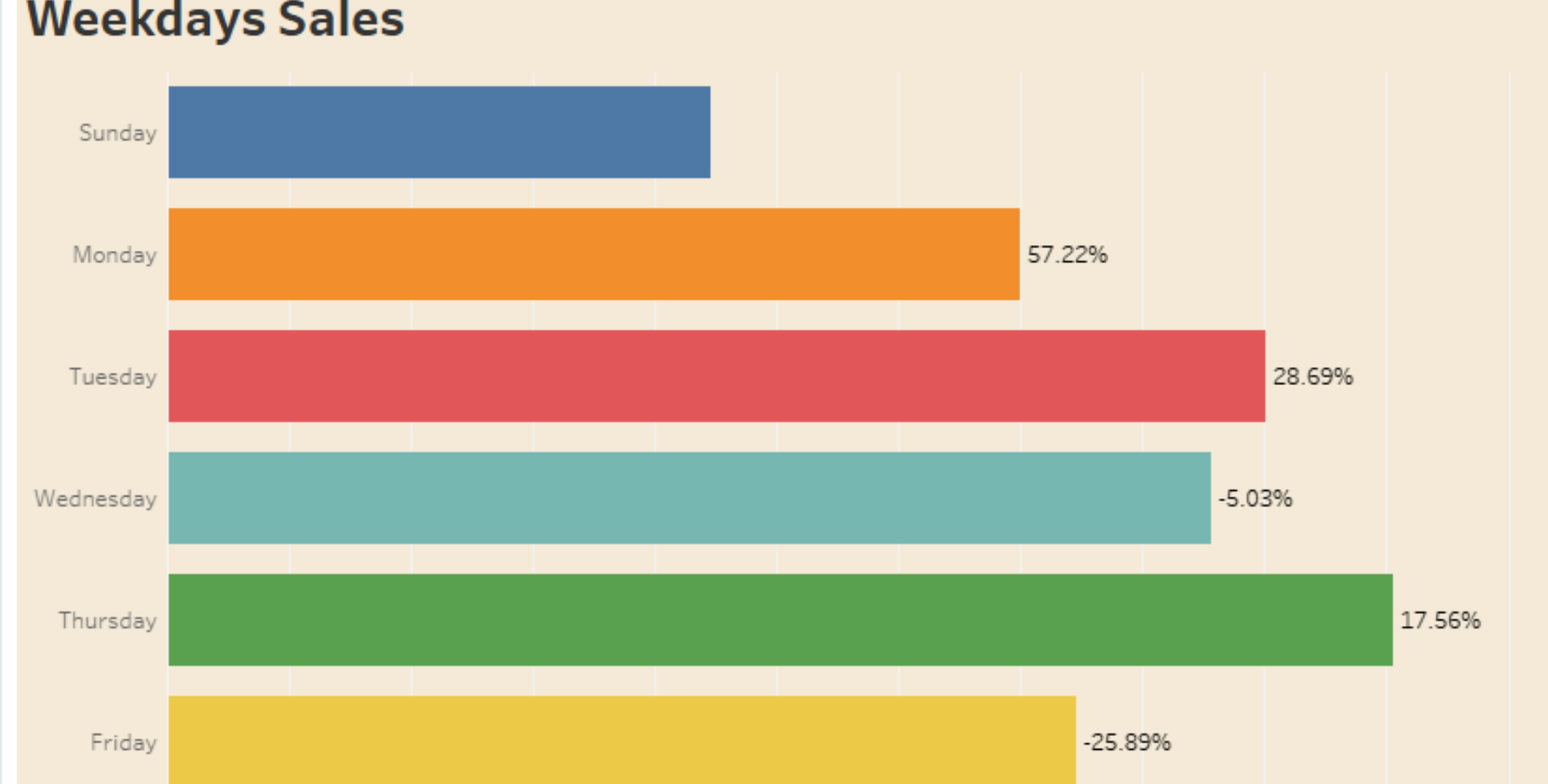
Number of Customers
4,338

Number of Products
3,662

Sales over Month



Weekdays Sales

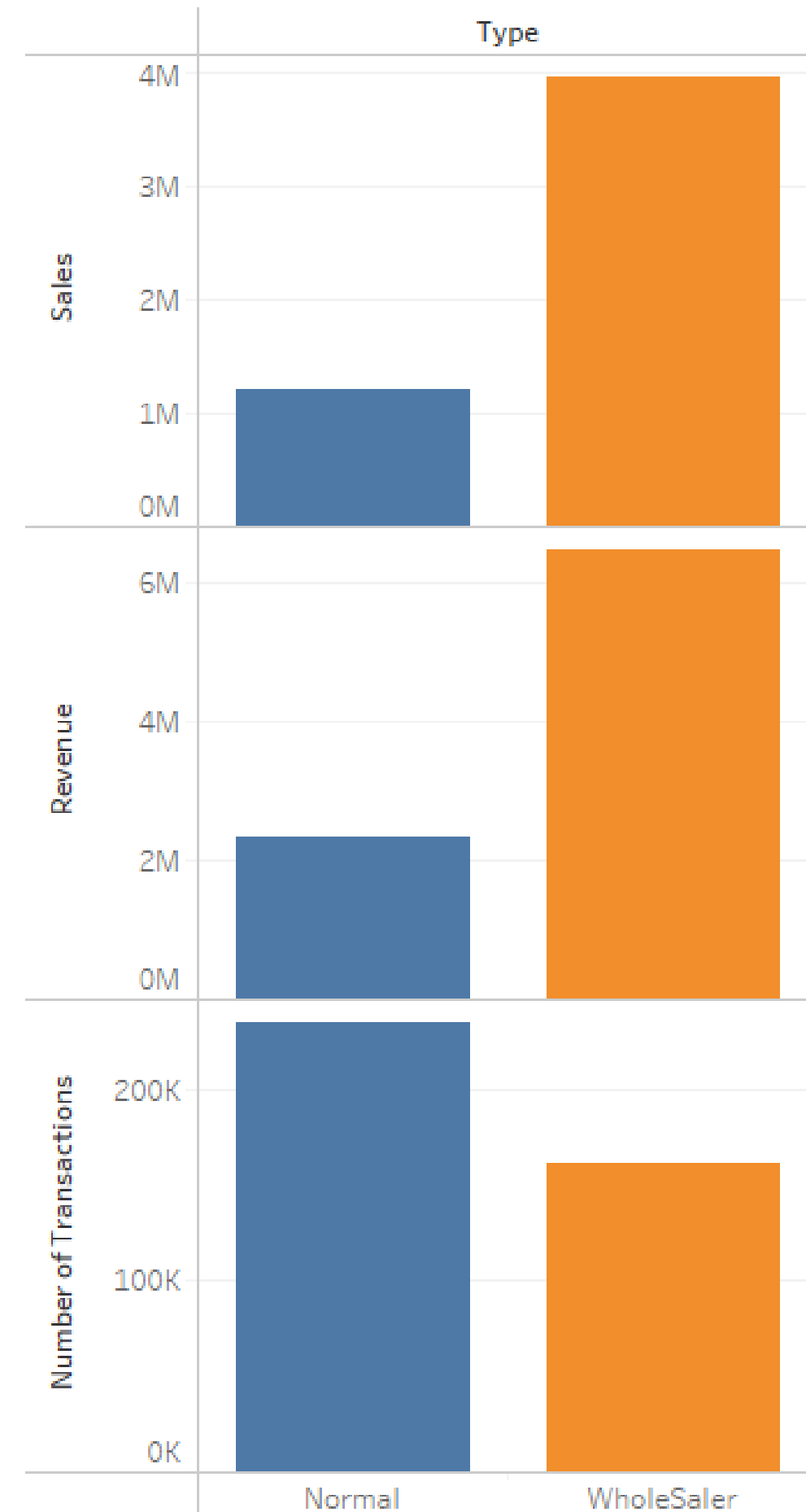


Customer Segmentation

Whole Saler: Avg products per transaction larger than **10**.

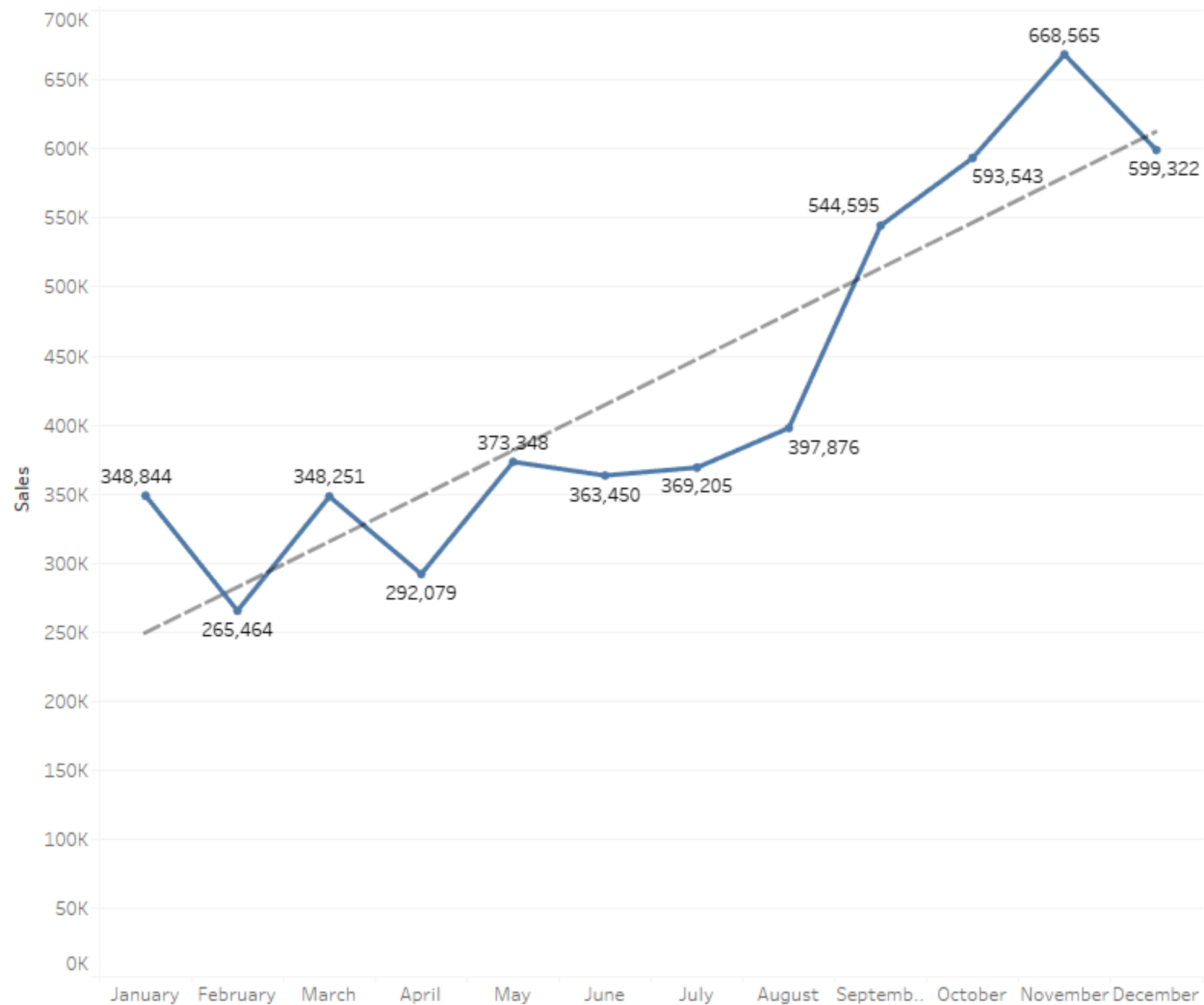
Normal Customer: Avg products per transaction smaller or equal to **10**

Whole Saler Vs Normal Customer



I. Sales

Monthly Sales



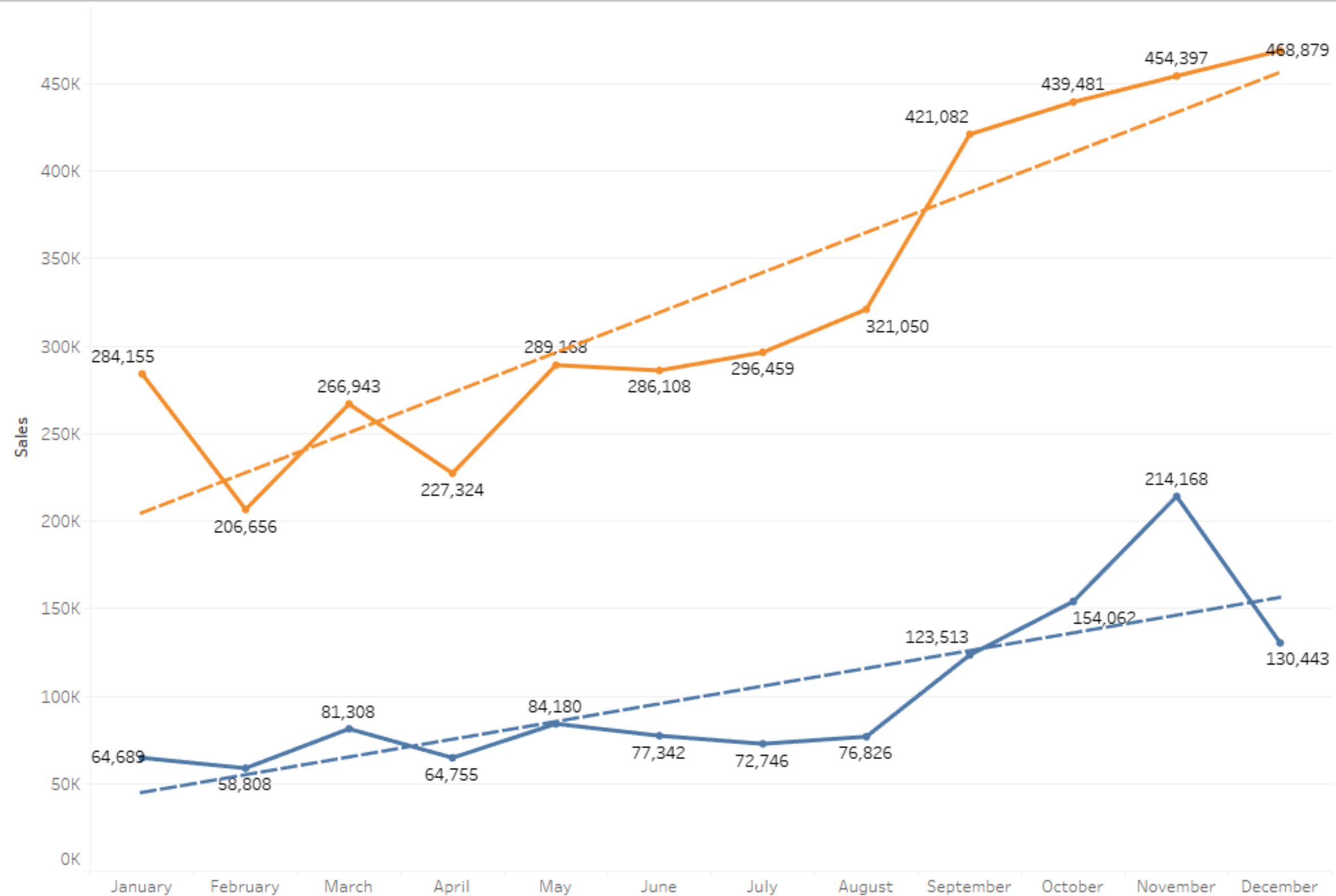
Sales Season started from September to December with a **48%** sales growth rate from August to September

Holiday

Jan: New Year's Eve
March: Mother's Day
Oct: Halloween
Nov: Black Friday
Dec: Christmas Eve

I. Sales

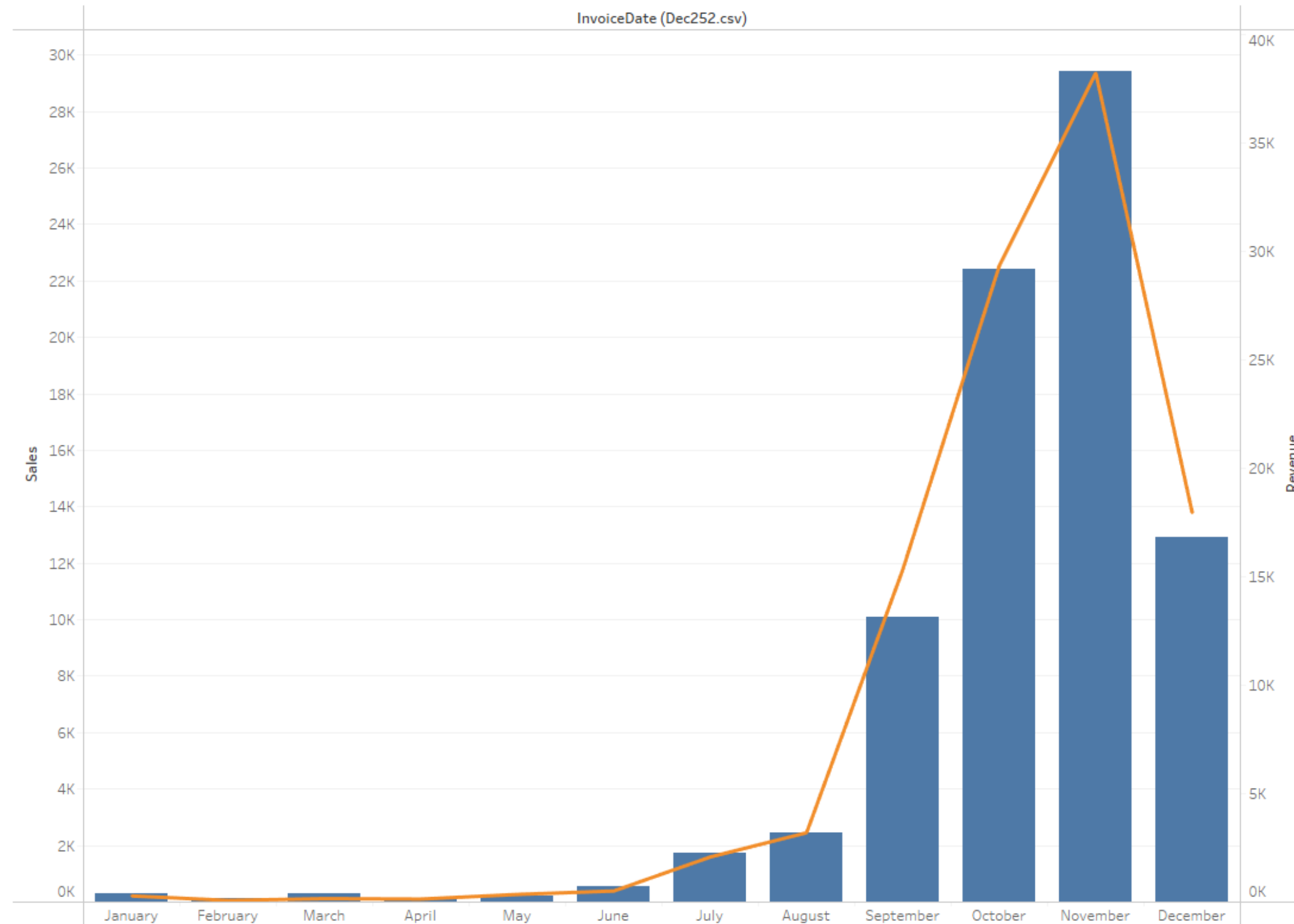
Whole Salers' Monthly Sales Vs Normal Customers' Monthly Sales



Normal
Customers'
Sales dropped
significantly in
December

I. Sales

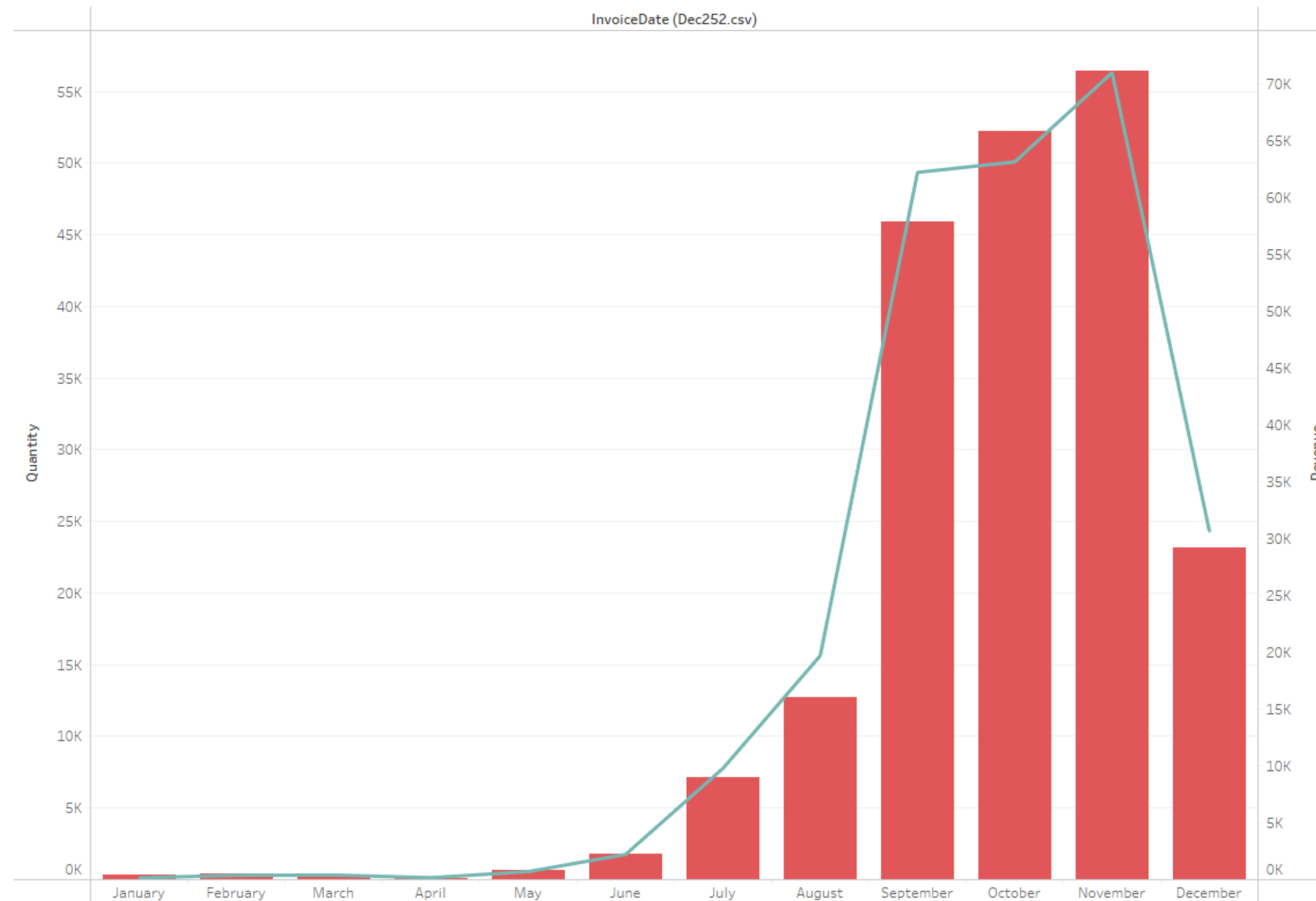
Normal Customer' Christmas Item Sales & Revenue



Normal Customers started buying Christmas products in September and got peak Sales from Oct to Nov

I. Sales

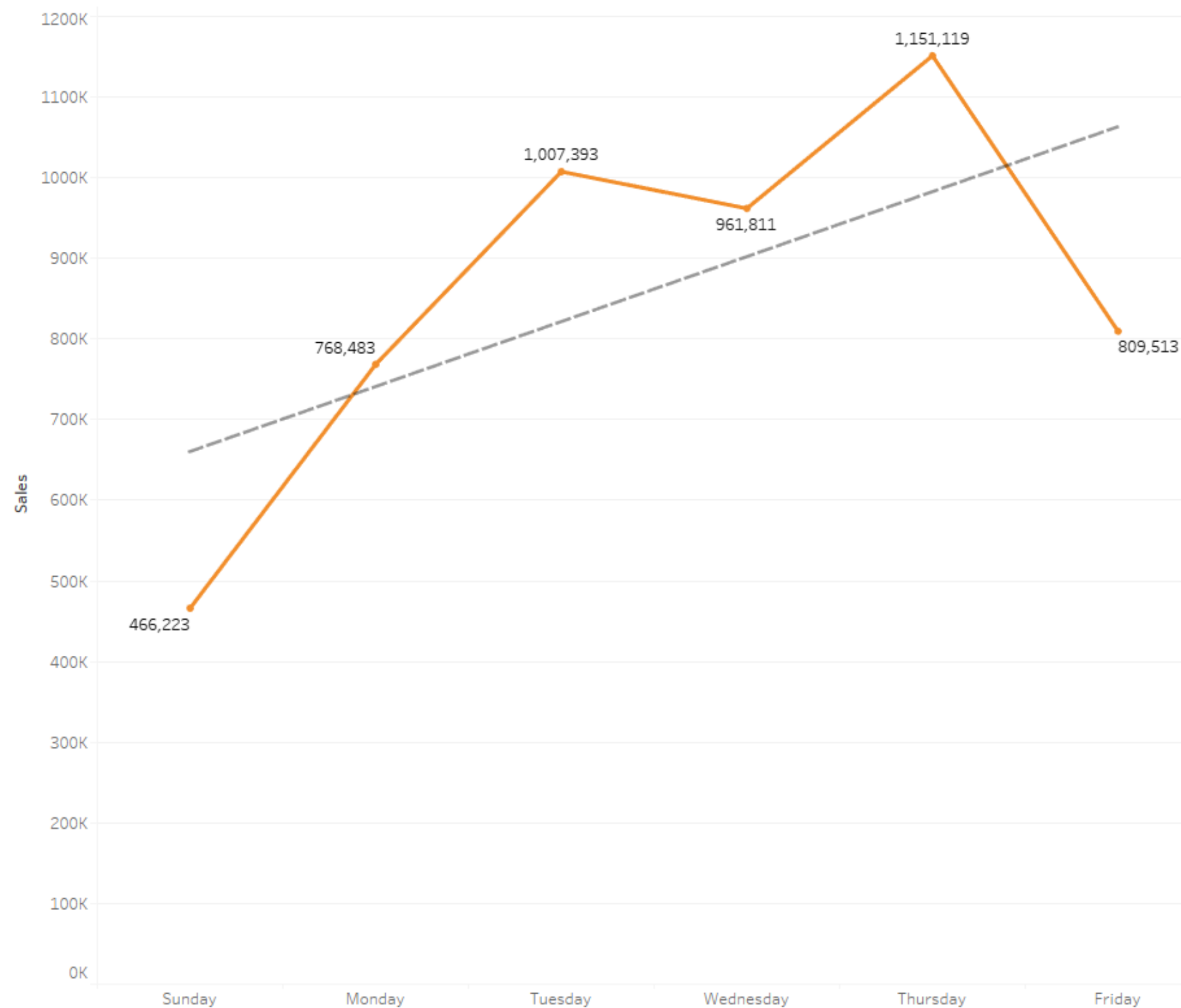
Whole Salers' Christmas Item Sales & Revenue



**Christmas Items
Sales of
Wholesalers
highly sold from
Sep to Nov**

I. Sales

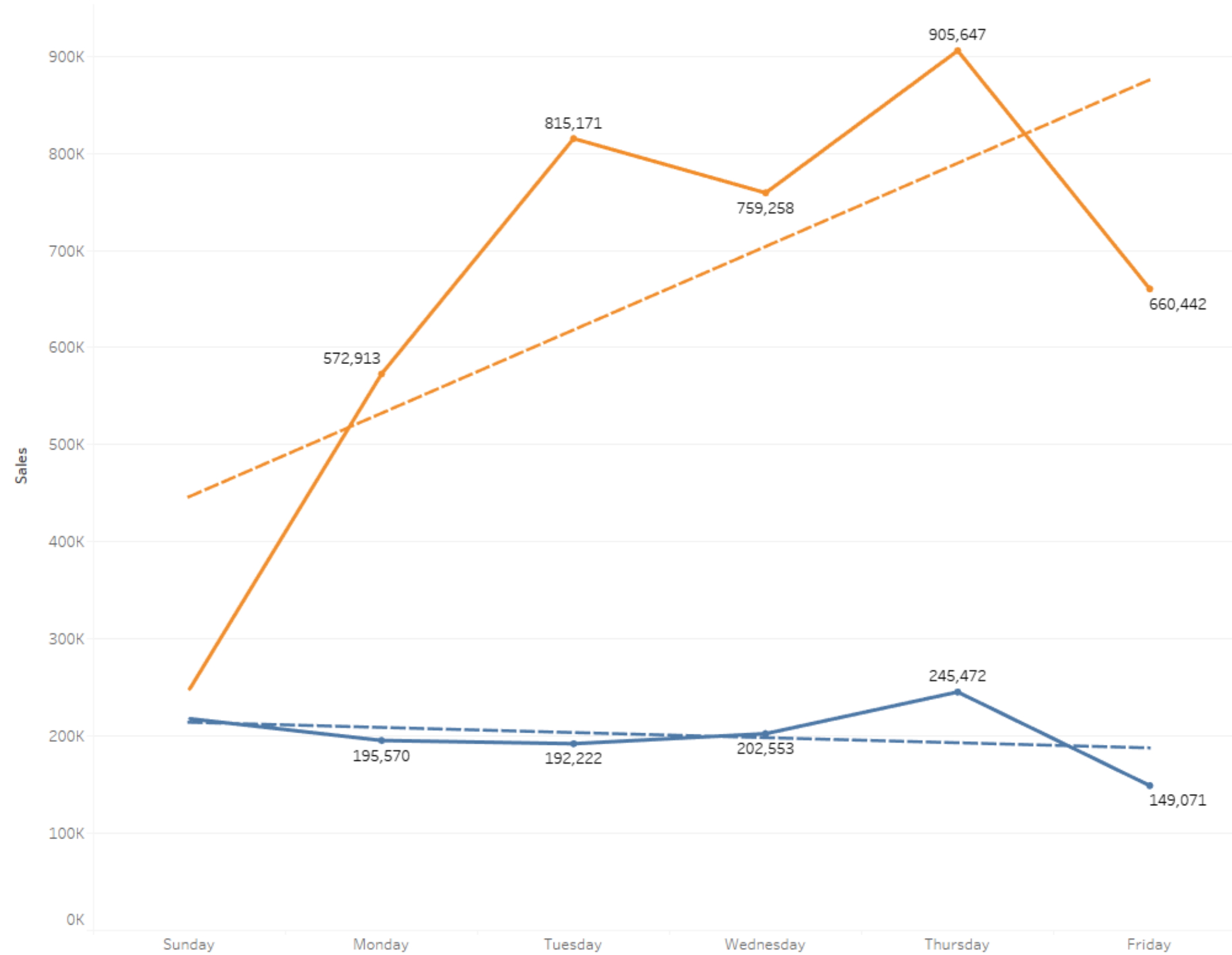
Weekday Sales



**Sales increase
in Weekday
and decrease
in Weekend**

I. Sales

Whole Salers' Weekday Sales Vs Normal Customers's Weekday Sales



Sales increase on Weekdays with Wholesalers, increase on Thursday with Normal Customer

Monthly Sales follow Normal Customers' pattern

Weekdays Sales follow Wholesalers' pattern

| I. Sales

Conclusion

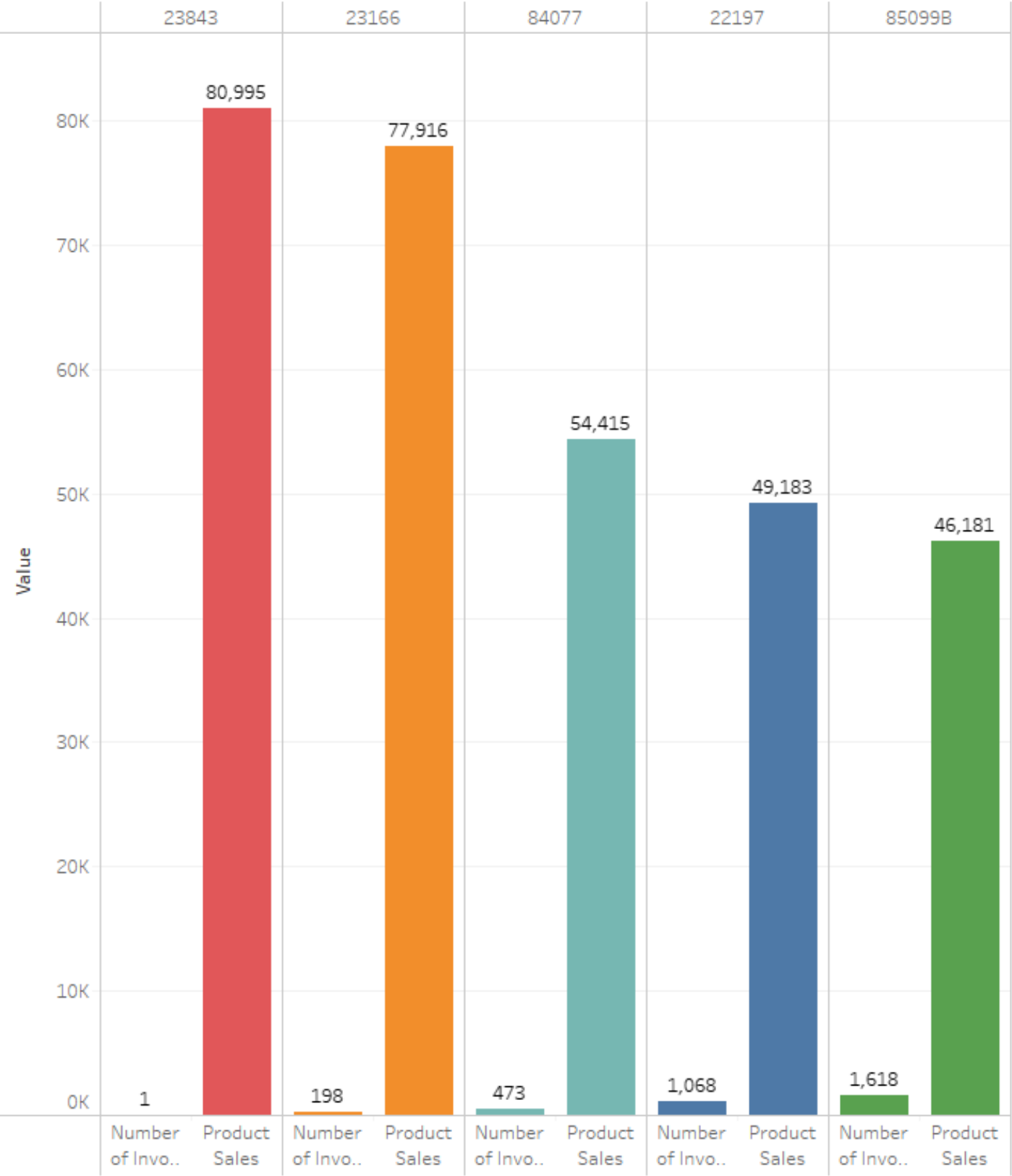
- Sales Season: Jan, March, especially Sep to Dec
- Normal Customers started buying Christmas products in September and got peak Sales from Oct to Nov
- Christmas Items Sales of Wholesalers highly sold from Sep to Nov
- Sales increase on Weekdays and decrease on Weekend
- Avg sales all week with Normal Customers, Sales increase on Weekdays with Wholesalers
- Monthly Sales follow Normal Customers' pattern
- Weekday Sales follow Wholesalers' pattern

Recommendation

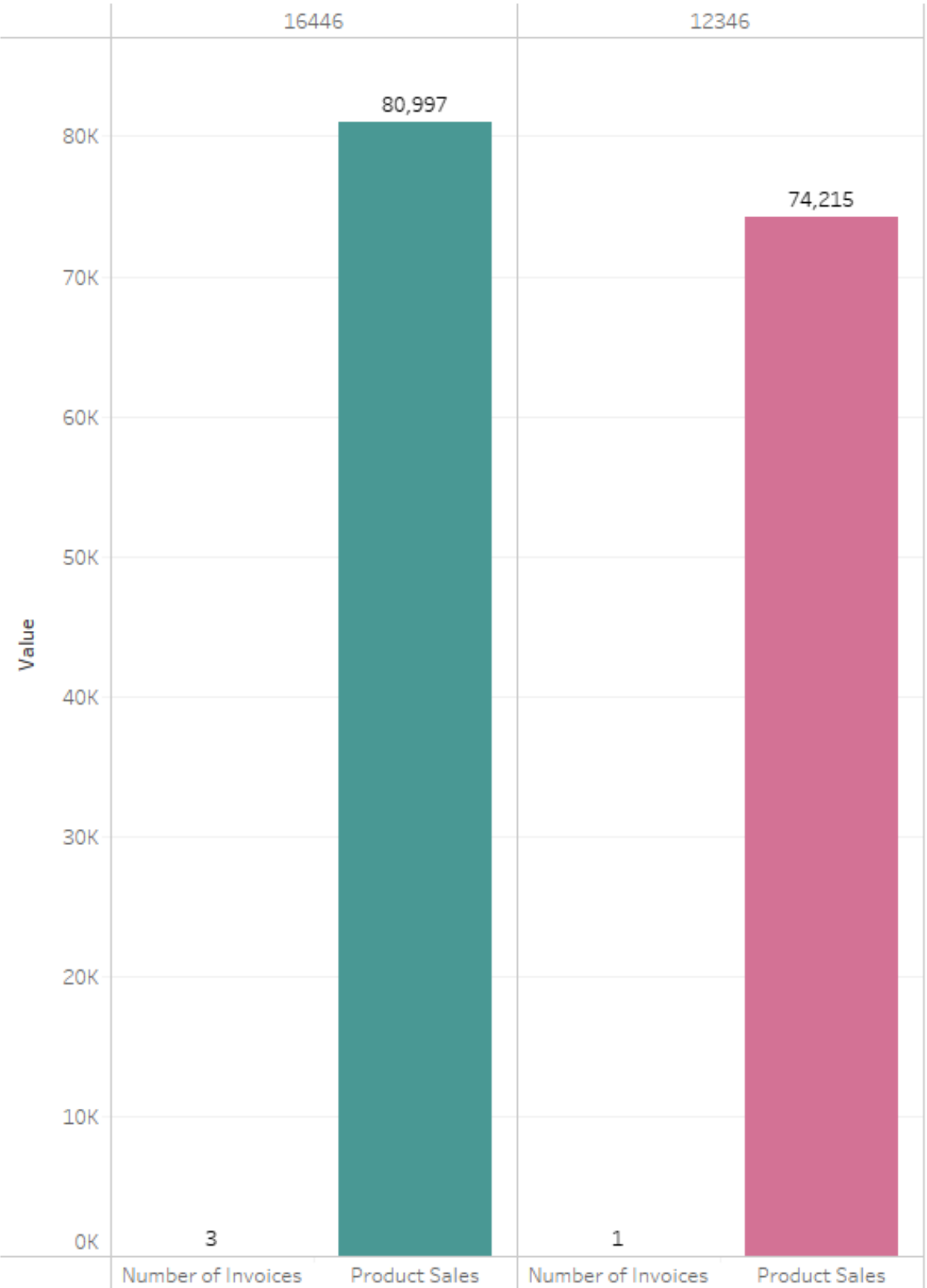
- Normal Customers define Monthly sales behavior, Wholesaler define Weekday sales behavior. Use this to build product and marketing strategies.
- Release new Christmas products before Sep and marketing strategies before Oct.
- Release new items on weekdays for wholesalers

2. Best-selling products

Top 5 Sales Items



New Wholesaler



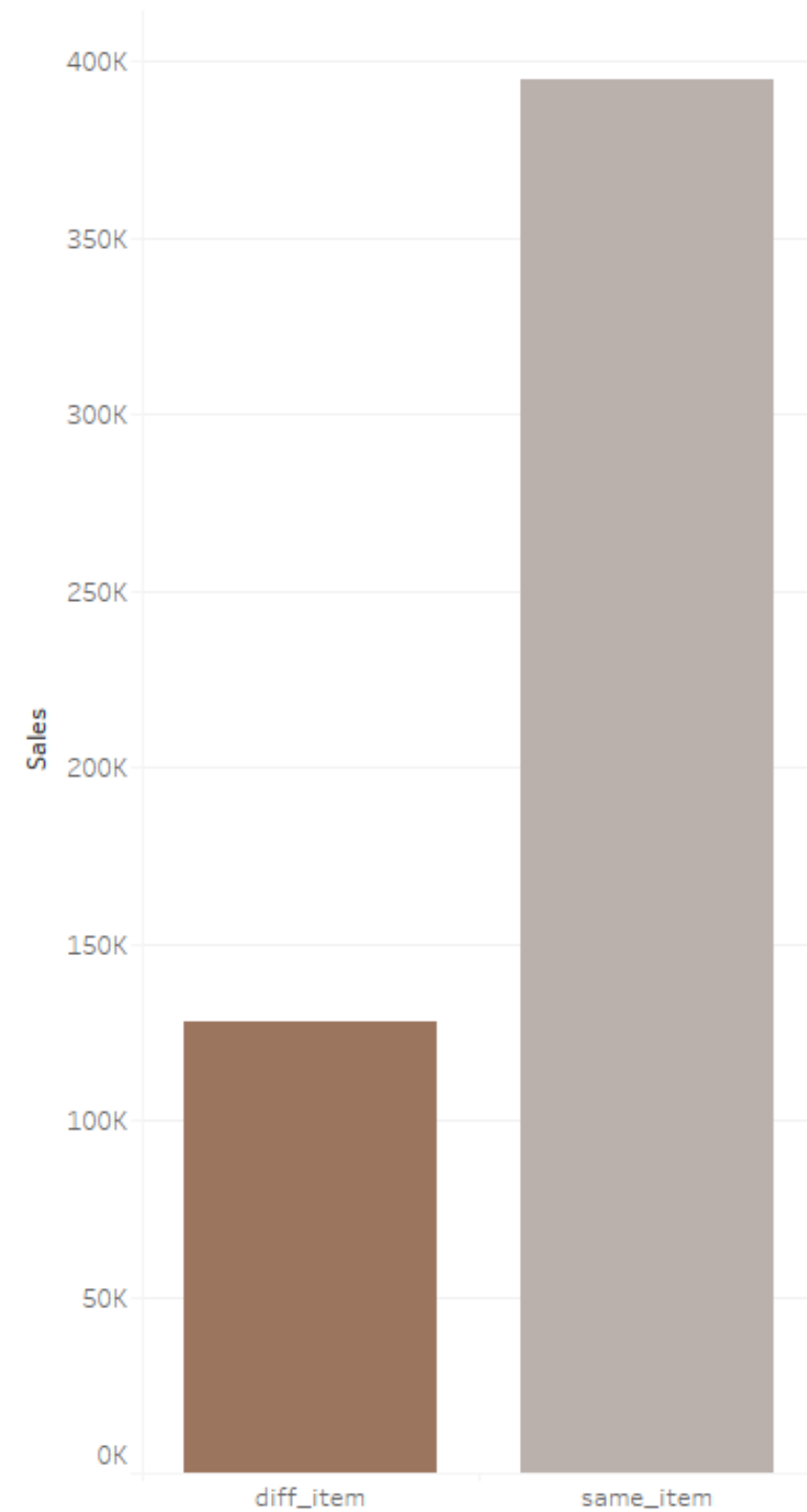
Only 2 invoice made
23843 and 23166 to
the top 1 best-selling
product

And that Wholesalers
is 16446 and 12346

These new
wholesalers need to
be focused on with
partnership and
promotion

3. Cross-selling

Same Item In Set vs Diff Item In Set - Sales



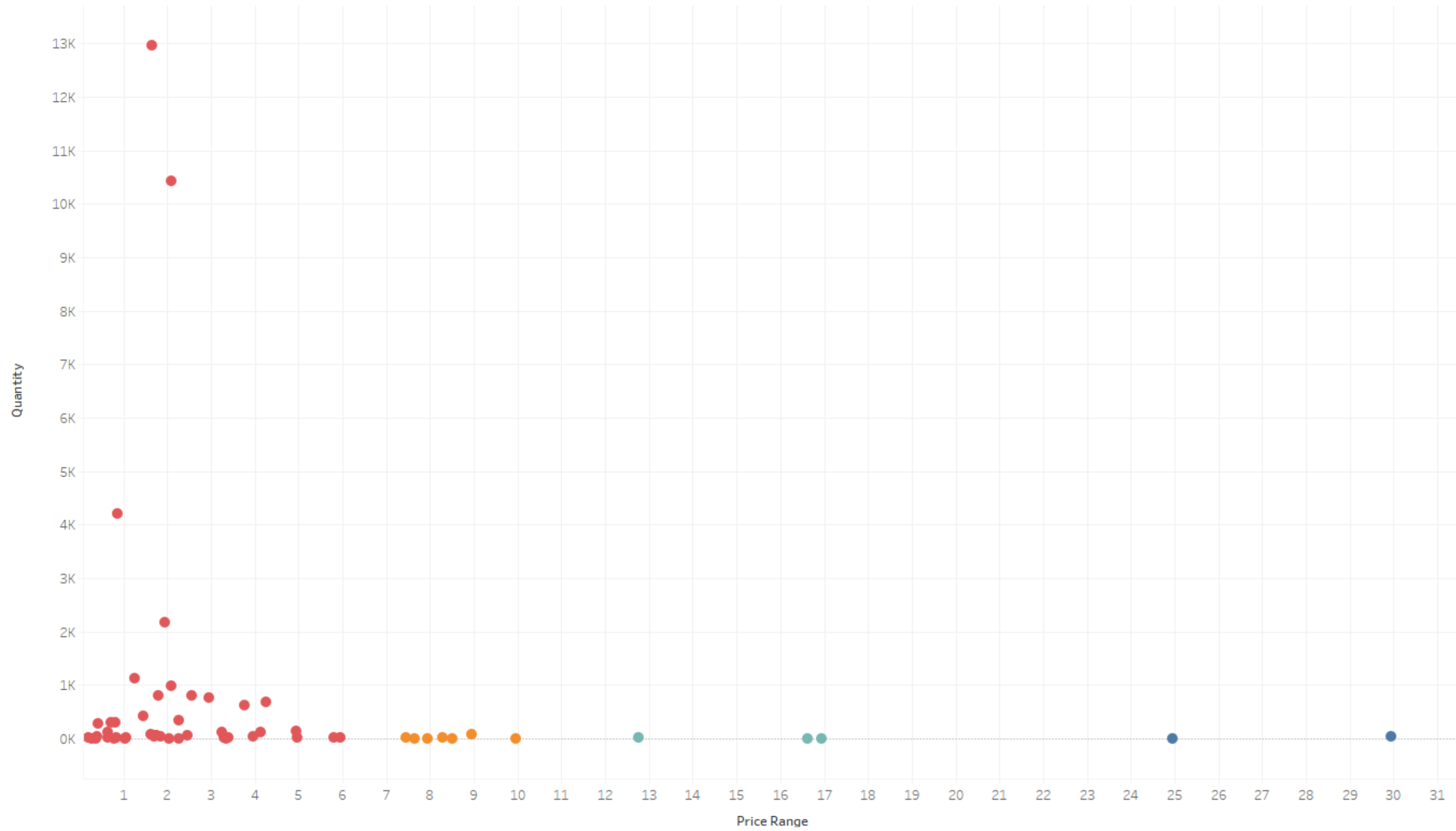
Set with different items contribute
25% of Sales, Revenue, Number of
Unique Items

SET OF 20 VINTAGE CHRISTMAS NAPKINS
SET OF 6 RIBBONS VINTAGE CHRISTMAS
SET OF 2 CHRISTMAS DECOUPAGE CANDLE
SET OF 2 CERAMIC CHRISTMAS TREES
SET OF 2 CERAMIC CHRISTMAS REINDEER
SET/3 CHRISTMAS DECOUPAGE CANDLES
SET/9 CHRISTMAS T-LIGHTS SCENTED
SET OF 36 VINTAGE CHRISTMAS DOILIES

List of Christmas Sets
Not a single Set with different
items

4. Upselling

Price Distribution of Bag Product



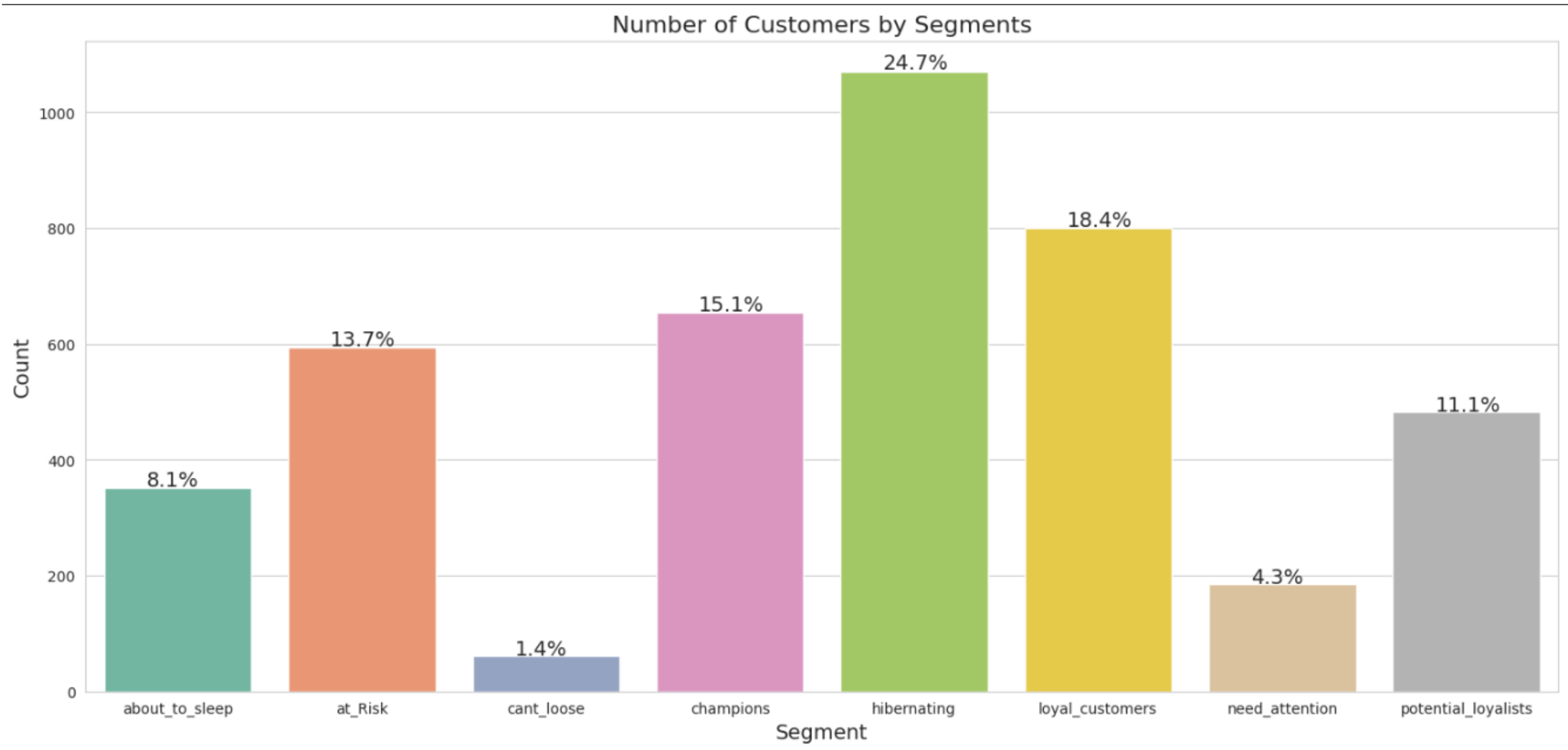
- 75% of bag products have prices <6,
- 16% have prices <10
- 5.4% have prices < 20
- 3.6% have prices > 20

| 3. Cross-selling & 4. Upselling: Opportunities

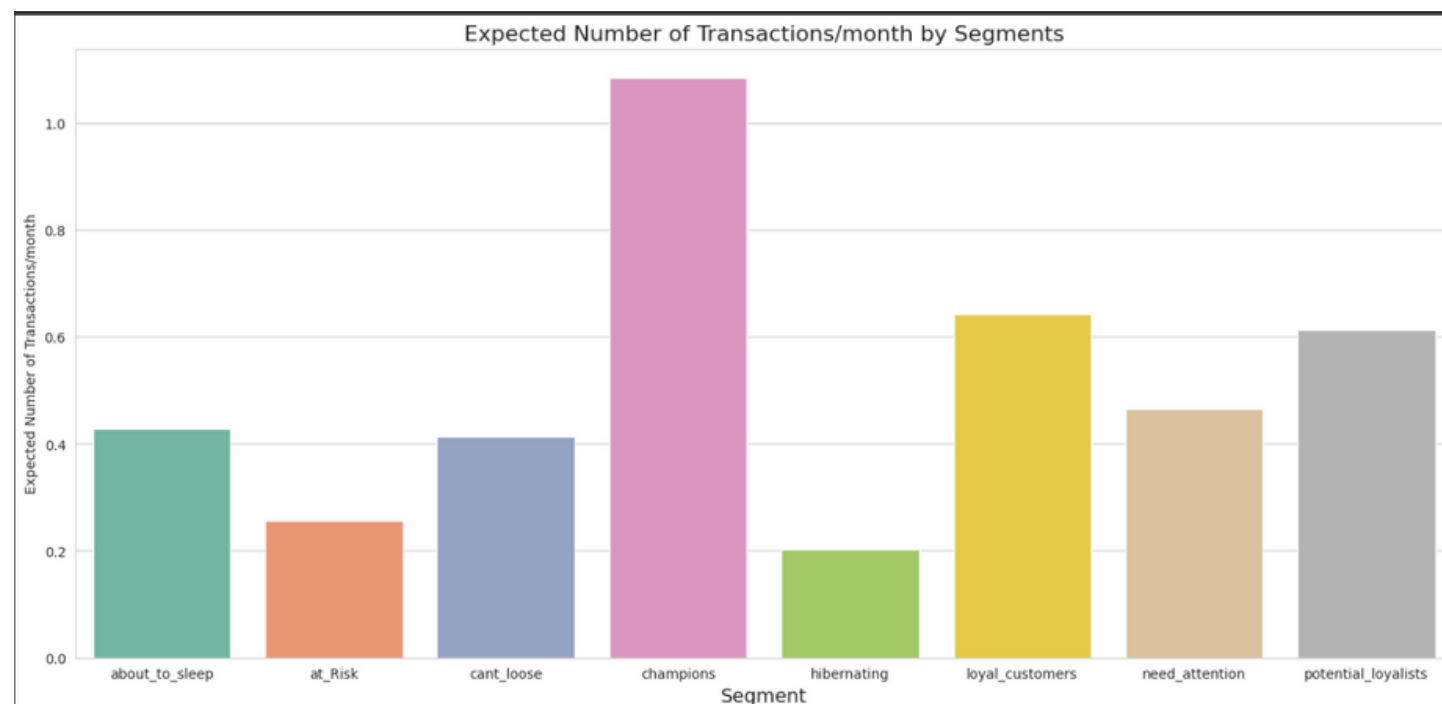
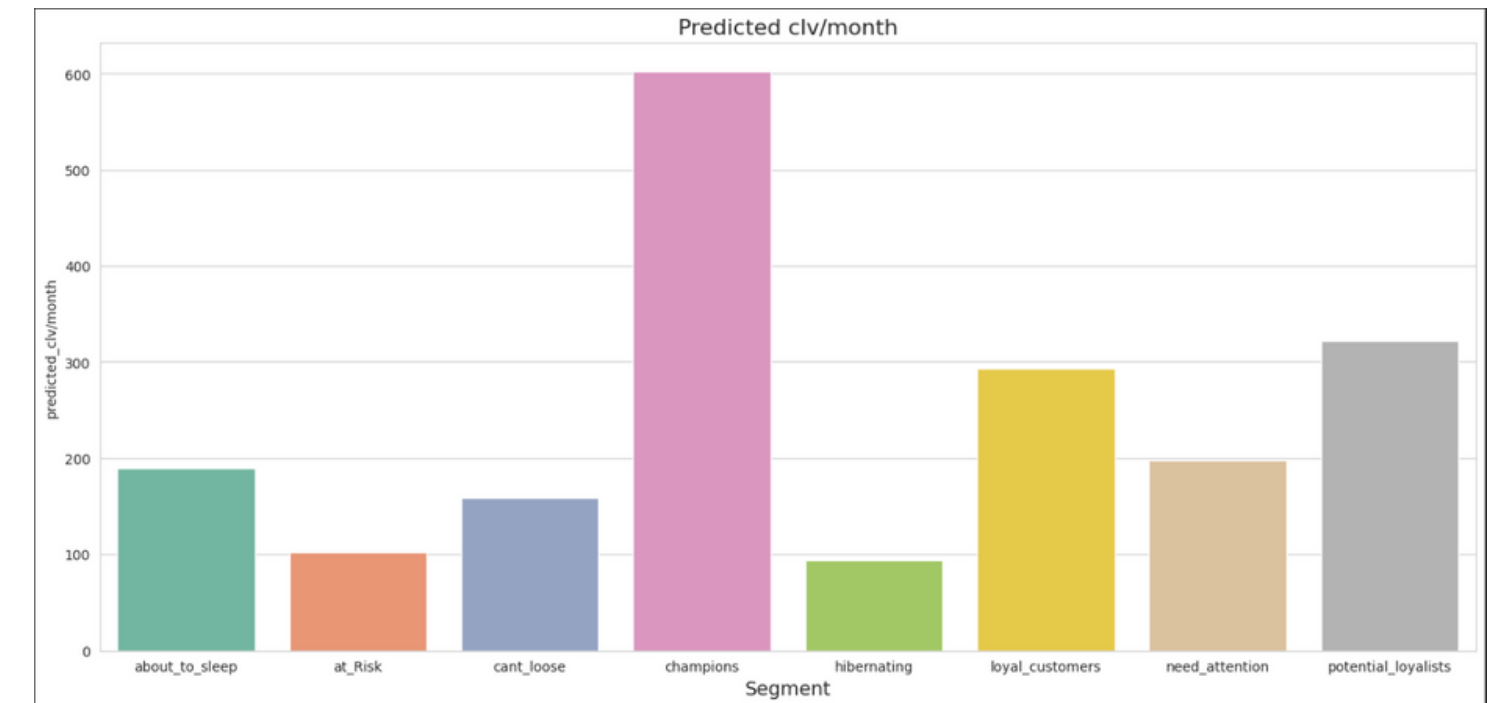
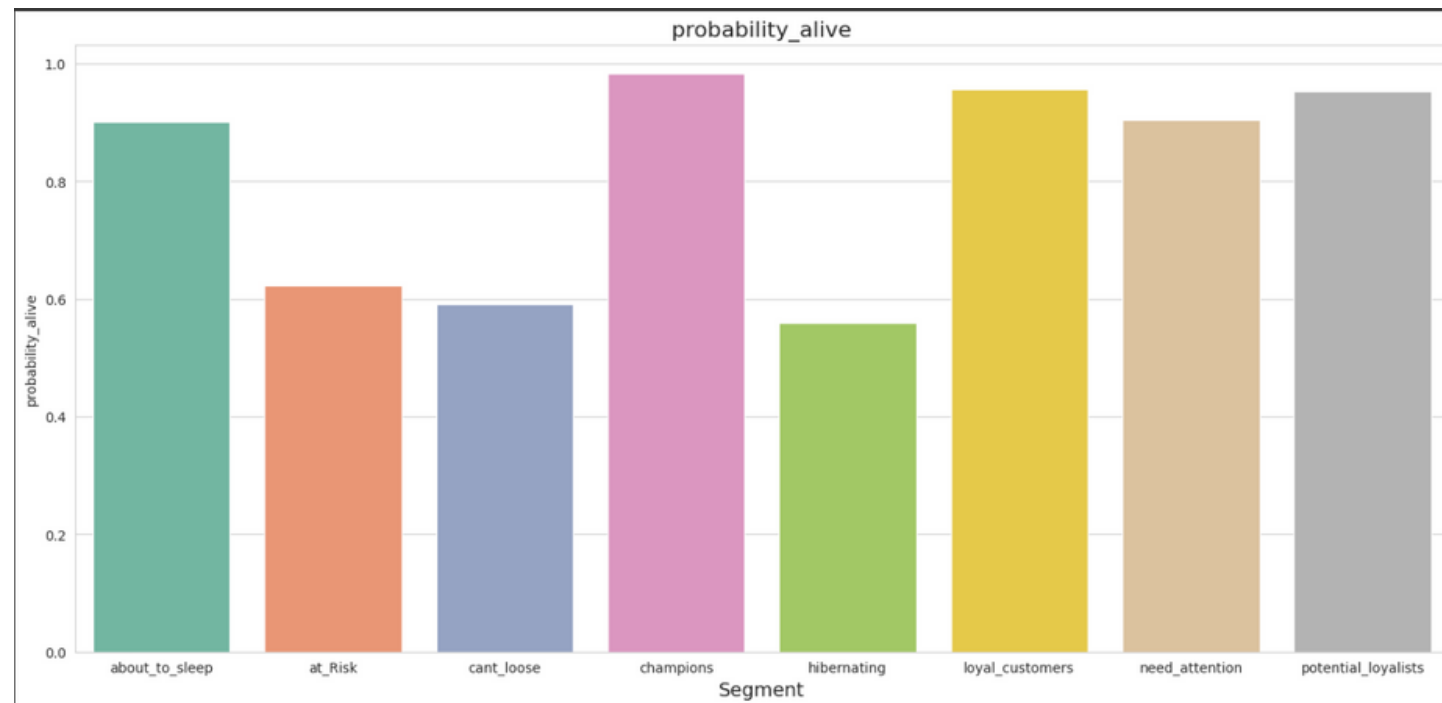
- **Cross-selling:** Small number of Sets with different items and No Christmas Set with different items
- **Upselling:** Wide range of prices with a large number of lowest group products to upselling

5. Customer Lifetime Value

RFM Customer Segment



5. Customer Lifetime Value



Predict probability_alive,
Expected Number of
Transaction/ month with
BetaGeoFitter
Predict CLV/ month with
GammaGammaFitter

Segment to focus on:
champions
loyal_customers
need_attention
potential_loyalists
about_to_sleep

| Data Limitation

1. Missing values

1454 Missing values in 'Description' column

135000 Missing values in 'CustomerID' column

Solution: Drop missing values

2. Wrong type

CustomerID dtype: float64

Solution: astype to string

3. Negative values

Negative values in 'Quantity' and 'UnitPrice' column

Solution: Drop all negative values

4. Not necessary type of transaction

Postage fee and bank charge included in the transaction list

Solution: Drop all fees and charges

Recomendation

Normal Customers define Monthly sales behavior, Wholesaler define Weekday sales behavior. Use this to build product and marketing strategies.

Release new Christmas products before Sep and marketing strategies before Oct.

Release new items on weekdays for wholesalers

2 new Wholesalers: 16446 and 12346 need to be focused on with partnership and promotion

Segments to focus on: champions, loyal_customers, need_attention, potential_loyalists, about_to_sleep

A background image of a city skyline shrouded in thick fog. Several skyscrapers are visible, including one with 'MAG 214' on its side. A thin blue vertical line is positioned to the left of the text.

Thank you !