POWER BI PROJECT ON ADIDAS
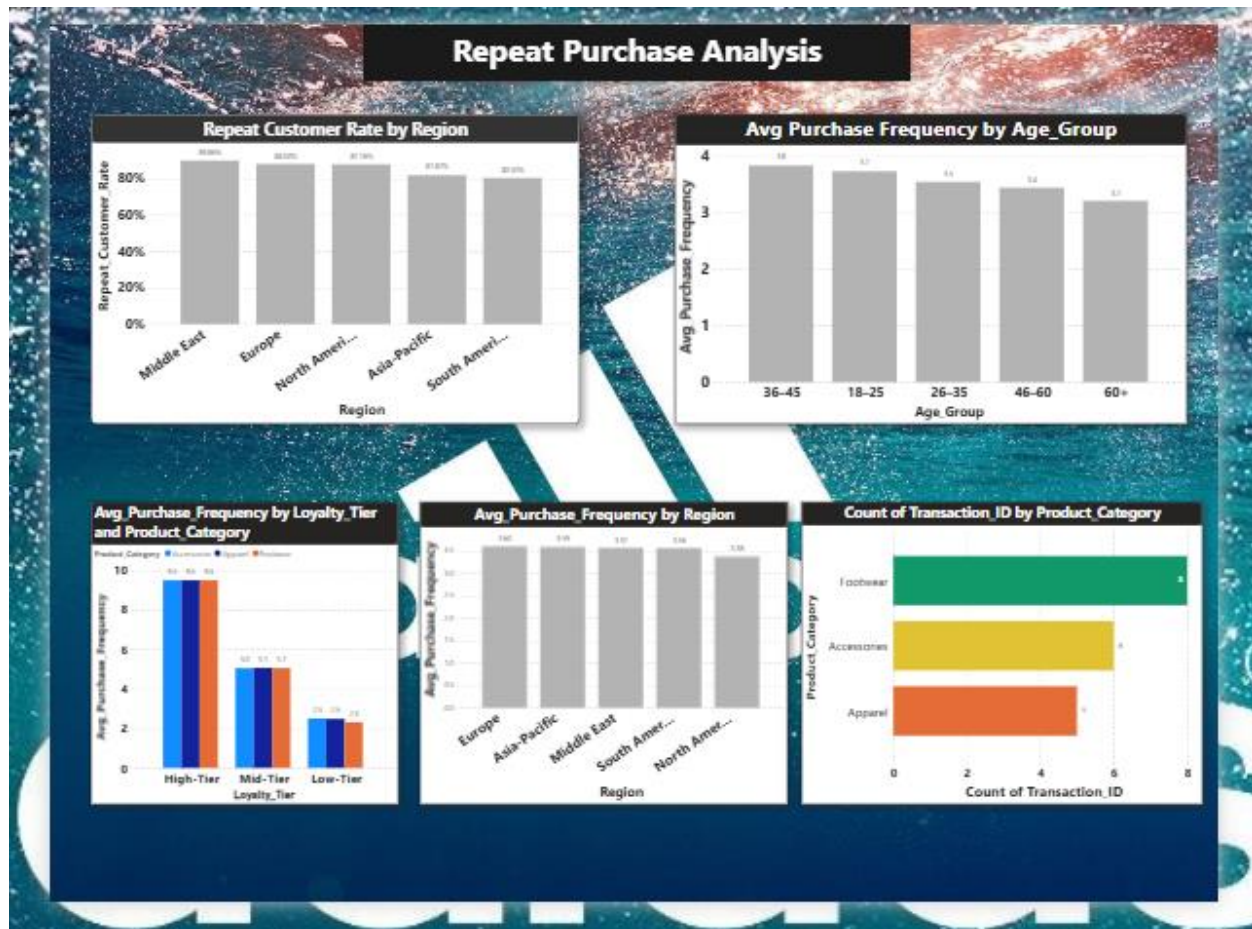
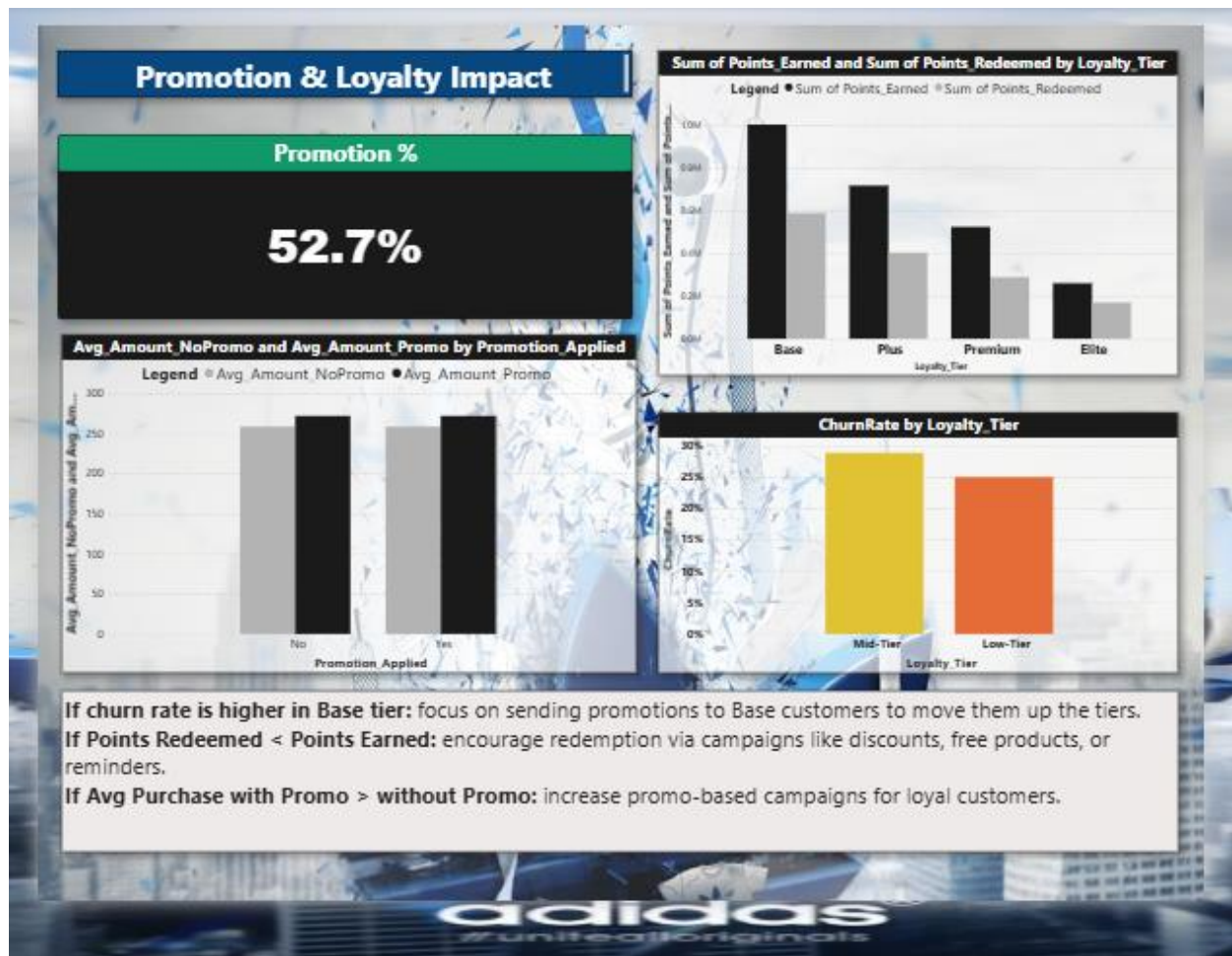Task 2: Churn & Retention Metrics (10 Marks)

● Create Churn Rate KPI = (Churned Customers / Total Customers) * 100

● Visualize churn rate by:

○ Region

○ Income Group

○ Channel (Store/Online)

○ Loyalty Tier

● Funnel Chart: Total Customers → Repeat Customers → Churned
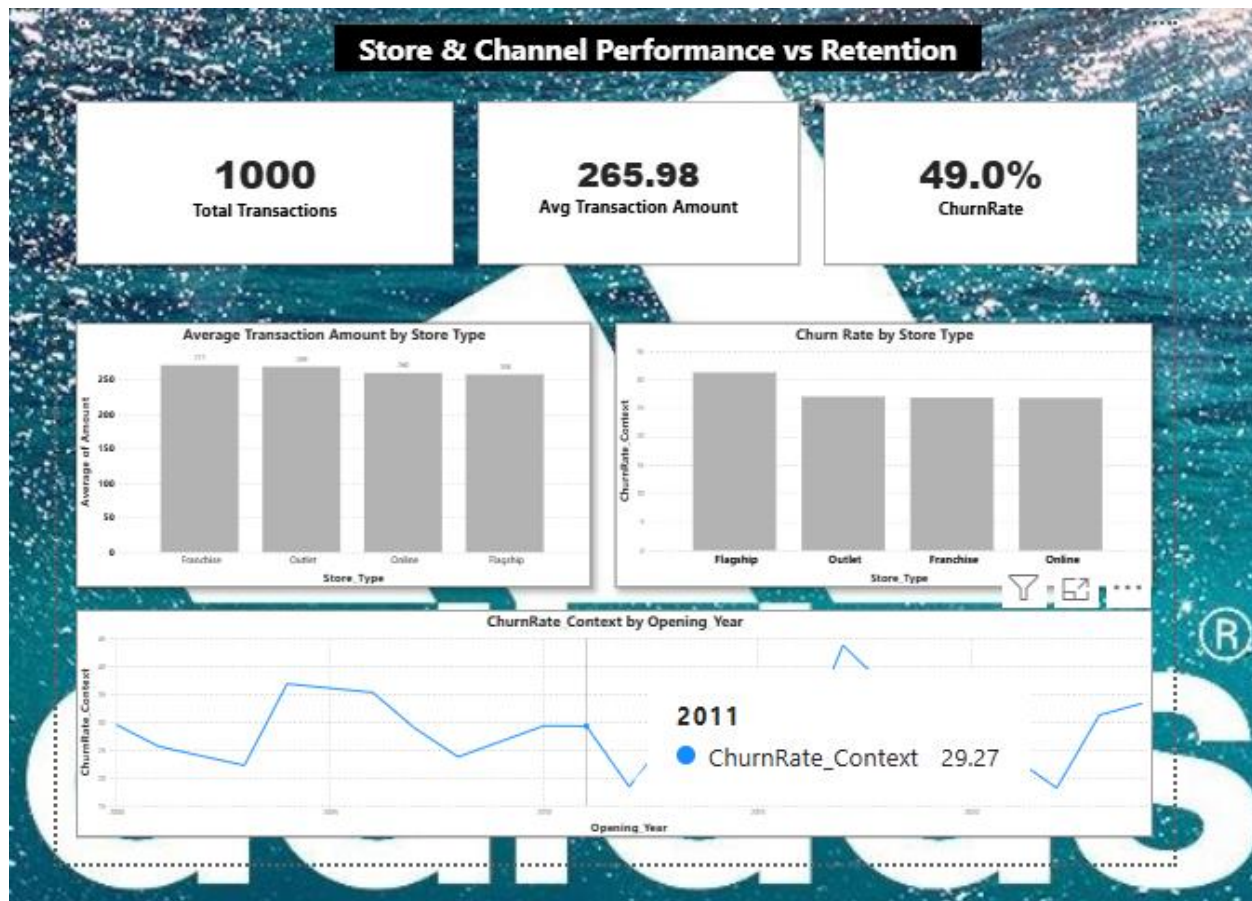
Task 3: Repeat Purchase Analysis (10 Marks)

● Segment customers:

○ Low-Tier: 0–3 purchases

○ Mid-Tier: 4–8 purchases

○ High-Tier: 9+ purchases

● Compare avg. purchase frequency by Region, Age Group, Loyalty Tier

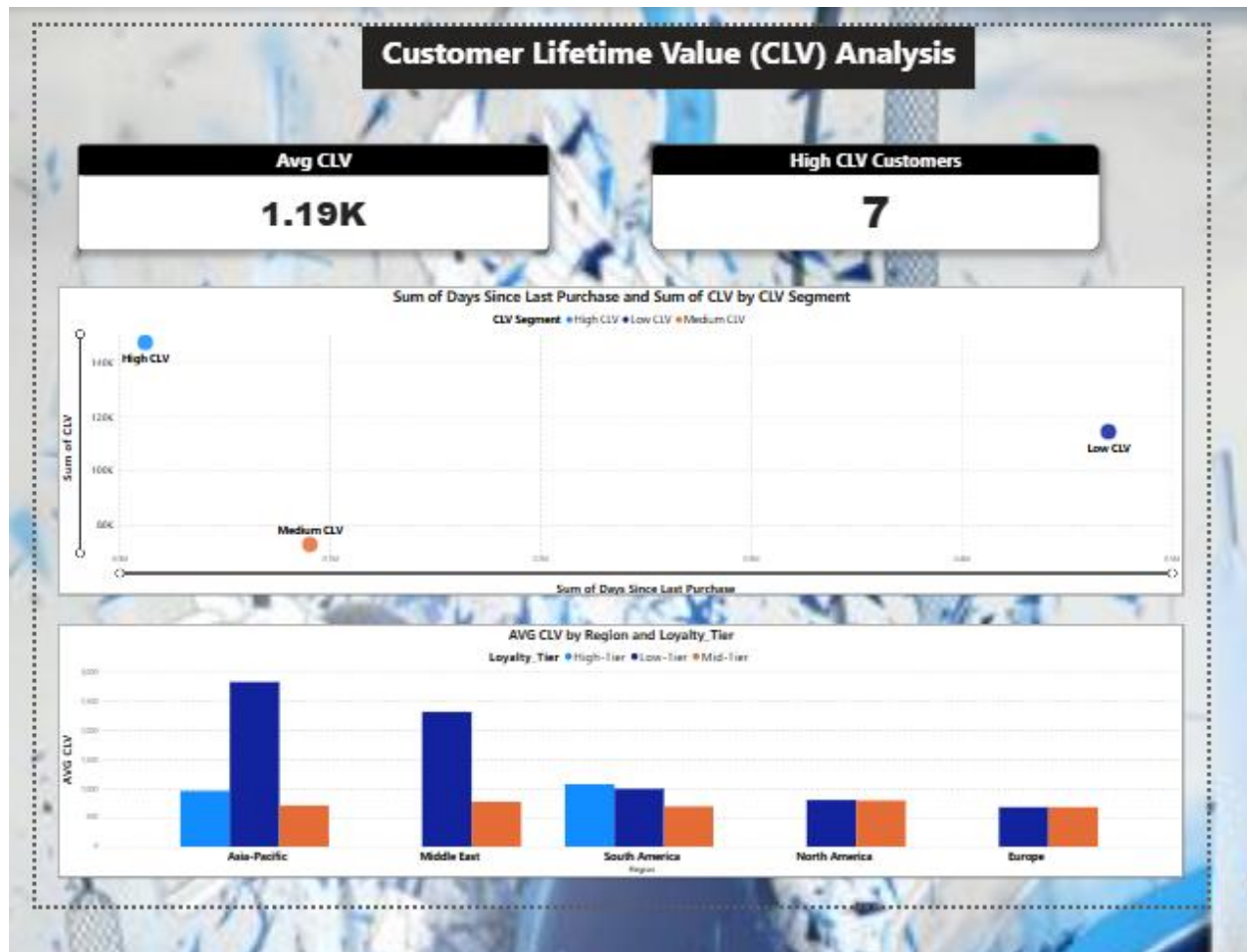● Identify most purchased product categories by loyal customers

Task 4: Promotion & Loyalty Impact (10 Marks)

● % of transactions with promotion applied

● Compare avg. purchase amount with vs without promotions

● Churn rate across loyalty tiers

● Points Earned vs Redeemed by Tier (clustered column chart)

● Recommendations to improve redemption & retention

Task 5: Store & Channel Performance vs Retention (10 Marks)

● Merge store data with transactions
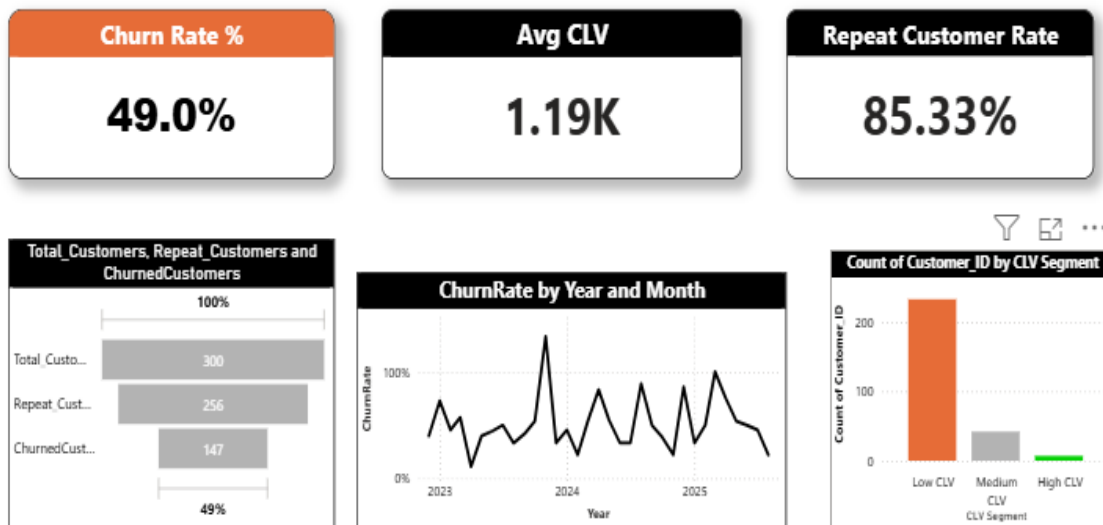
● Visualize:

○ Avg. transaction amount by Store Type

○ Churn rate by store type

○ Correlation between store opening year & retention

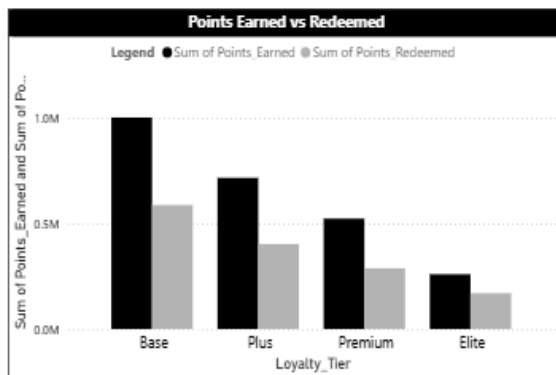Task 6: Customer Lifetime Value (CLV) Analysis (10 Marks)

● CLV = Total Amount Spent / Membership Duration (Years)

● Segment customers into Low, Medium, High CLV

● Visualize:

○ CLV vs Days Since Last Purchase

○ CLV by Loyalty Tier & Region

Executive Overview: Customer Health & Key Metrics

Churn Rate %
49.0%

Avg CLV
1.19K

Repeat Customer Rate
85.33%

Total_Customers, Repeat_Customers and ChurnedCustomers

100%

Total_Custo...	300
Repeat_Cust...	256
ChurnedCust...	147

49%

ChurnRate by Year and Month

Count of Customer_ID by CLV Segment

The Executive Overview page uses three KPI cards to immediately gauge customer health (Churn Rate, Avg CLV, Repeat Rate). The Funnel highlights the biggest customer leakage point, while the Line Chart and Distribution visuals provide context on whether the churn problem is accelerating and if high CLV is concentrated among a risky few.
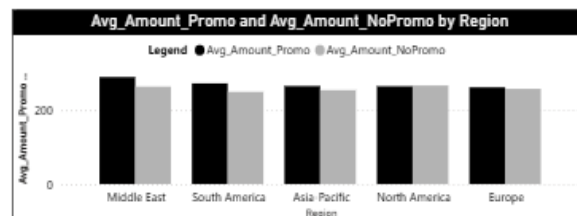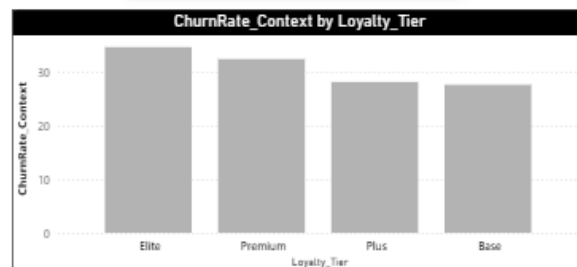
Loyalty Program and Promotional Effectiveness

Promotion %
52.7%

Points Earned vs Redeemed

Legend ● Sum of Points_Earned ● Sum of Points_Redeemed

ChurnRate_Context by Loyalty_Tier

Insights: This page assesses marketing ROI, revealing that **promotion usage is high** (52.7%) but yields **no significant increase in average transaction amount** across regions. Crucially, the **Elite Loyalty Tier** shows the highest churn rate and the largest disparity between **Points Earned vs. Redeemed**, indicating a severe failure in engagement for the most valuable customers.
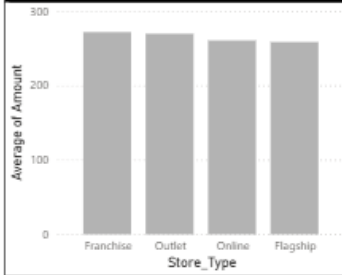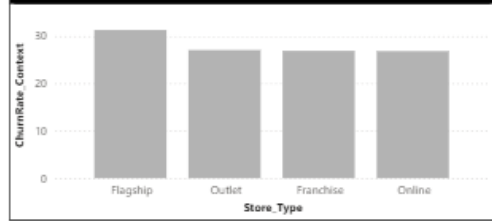
Avg_Amount_Promo and Avg_Amount_NoPromo by Region

Legend ● Avg_Amount_Promo ● Avg_Amount_NoPromo

Store & Channel Insights: Identifying Retention Leaks

Avg Transaction Amount by Preferred_Channel

Average of Amount by Store_Type

ChurnRate_Context by Store_Type

Repeat_Customer_Rate by Preferred_Channel

ChurnRate_Context by Product_Category and Opening_Year

Product Categ... ● Accessories ● Apparel ● Footwear

This page reveals that **Flagship stores** have the highest churn rate despite having a similar average transaction amount to other store types, signaling a critical retention leak at Adidas's premium locations. The analysis shows **no clear correlation** between the store's **Opening Year** and its current churn rate, suggesting that retention issues are driven by recent operational or service factors rather than store age.

Recommendation Focus: Immediate investigation and operational improvements are needed in **Flagship** stores to align the premium experience

ChurnRate_Context by Preferred_Channel

Segmentation (Churned, Repeat, High-Value)

Customer_ID	Sum of CLV	Last purchase date	Sum of PurchaseCount	Loyalty_Tier	Sum of Churn_Flag	Churn_Reason
CUST0001	404.72	10/17/2022 12:00:00 AM	7	Mid-Tier	1	Inactivity
CUST0002	718.71	12/23/2023 12:00:00 AM	2	Low-Tier	0	
CUST0003	617.12	10/18/2022 12:00:00 AM	2	Low-Tier	1	Low Engagement
CUST0004	1,293.20	8/8/2023 12:00:00 AM	7	Mid-Tier	0	
CUST0005	624.59	2/3/2023 12:00:00 AM	5	Mid-Tier	1	Low Engagement
CUST0007	460.14	9/16/2022 12:00:00 AM	4	Mid-Tier	0	
CUST0008	748.81	10/16/2022 12:00:00 AM	3	Low-Tier	0	
CUST0009	727.78	1/20/2023 12:00:00 AM	5	Mid-Tier	0	
Total	**334,720.32**	**8/28/2022 12:00:00 AM**	**1000**		**147**	

Region
- [ ] --
- [ ] Asia-Pacific
- [ ] Europe
- [ ] Middle East
- [ ] North America
- [ ] South America

Preferred_Channel
- ○ --
- ○ Online
- ○ Store

Income_Level
- ○ --
- ○ High
- ○ Low
- ○ Medium
- ○ Premium

Loyalty_Tier
- ○ High-Tier
- ○ Low-Tier
- ○ Mid-Tier

Top 3 Retention Recommendations for Adidas

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1. Which Customers to Prioritize for Retention?

Prioritize High-Value, High-Risk Customers (The Elite Tier):

· **Insight:** The **Elite Loyalty Tier** shows a high churn rate (around 32%) **and** the largest gap between Points Earned vs. Redeemed. This group represents the highest potential **Customer Lifetime Value (CLV)** but is actively disengaged, making them the highest financial risk if they churn.

· **Recommendation:** Focus immediate, highly personalized retention campaigns on **Elite Tier members with a Points Earned-to-Redeemed gap greater than $500** (or whatever threshold you observe). Offer **experiential rewards** (e.g., early product access, exclusive events) instead of just discounts to drive emotional connection and points redemption, preventing their imminent departure.

2. Which Channels are Underperforming?

Address Retention Leaks in Flagship Stores and Online:

· **Insight:** The **Flagship Store** channel shows the highest Churn Rate (around 32%), despite having a high average transaction amount. The **Online** channel also shows a high Churn Rate (around 30%). In contrast, all Store Types have a similar Average Transaction Amount.

· **Recommendation:** Implement targeted operational audits:

· **Flagship Stores:** Investigate customer service experience and post-purchase follow-up. High spenders leaving suggests a **mismatch between premium product cost and physical experience quality**

· **Online Channel:** Reduce friction points in the digital experience. Implement automated, timely follow-ups to drive a second purchase quickly and mitigate the high initial churn.

3. How to Strengthen Loyalty Program Engagement?

Mandate Points Redemption for Elite Tier (Convert Points to Value):

· **Insight:** The disparity between **Points Earned vs. Redeemed is greatest in the Elite Tier**. This signifies a broken value proposition: customers earn points but see no compelling reason to use them, allowing their loyalty balance to become a "dead liability" that does not drive repeat purchases.

· **Recommendation:** Introduce **mandatory redemption mechanisms** or **limited-time, high-perceived-value rewards** that require Elite members to spend points. For example, implement a **"Points Expiration Notification"** tied to exclusive product drops, forcing high-value customers to engage with the program and extract immediate value, thus reinforcing their loyalty.