

# Who is our dream customer?

Who is our dream customer? Naturally we look for them in those who tend to spend more money. We first start off by looking at the factors behind those who purchase with higher prices. To achieve this, we used outside demographic metrics from [Census.gov](https://www.census.gov) and regress them against transaction prices in the website data. What we found are the regional influence, age, and a bit surprisingly, the education level - lower education correlates positively with higher prices. The biggest positive coefficient we found, is quite intuitive - the mean income level.

Joining the external data definitely gave us a better understanding of our customers, but is this the whole picture of our dream customer? Obviously, we were not satisfied with these findings. What Edmunds does is to help customers find their “dream cars”.

**Interesting group:** From the transaction prices we were able to rank all the car models that has been purchased through our website and on top of that, we compare the models customer chose in the configurations (their dream cars) to the actual car models they end up buying. From this comparison, we found a group of customers (more than 24%) who bought a car model that are more expensive (one rank higher) that they initially planned.

This group of people intrigued us. Can we identify them earlier and offer them with better service to help them land on their dream cars? How do they behave differently on the website?

By conducting a series hypothesis test, we identified 19 visitor variables that are statistically significant different among two groups ( $p$ -value  $< 0.001$ ). Our dream customers tend to spend more time on long term road test pages, comparison test review, preproduction vehicle, new vehicle page, advice articles and more distinct models and styles. They are also a big group customers who possibly come from bookmark or organic search, which would save money for paid search. What's more, their total clicks of advertisement are 40% more than others.

## Actionable Recommendation:

These features suggest this group of people really love cars. More views and longer time on deliberation and comparison do NOT mean they are price-sensitive - quite the contrary - they are willing to go for higher price in order to have their dream cars.

- We could recommend vehicles that are better and a bit pricier, or offer more options during their stay on our websites
- We could page views and other metrics to filter our dream customers and send them customized newsletter or recommendation email.

We use our demographical data again to help us identify our dream customers. According to our logistic regression result, people live in lower average income area may be more swayable and spend more than they planned. Further, average purchase price among their neighbors would affect their decision, just like they could be affected by the website page views.

To conclude, our dream customer is not only those who purchased expensive cars, but also those who spend more than planned. And we find it possible to identify those customers earlier and offer them with better service to help them find their dreamed cars.