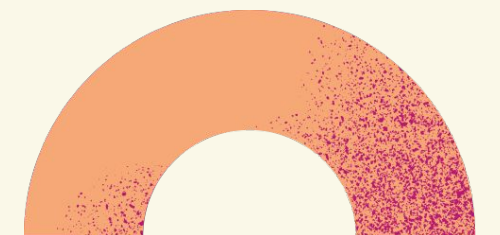# OJAR Customer Segmentation Insights
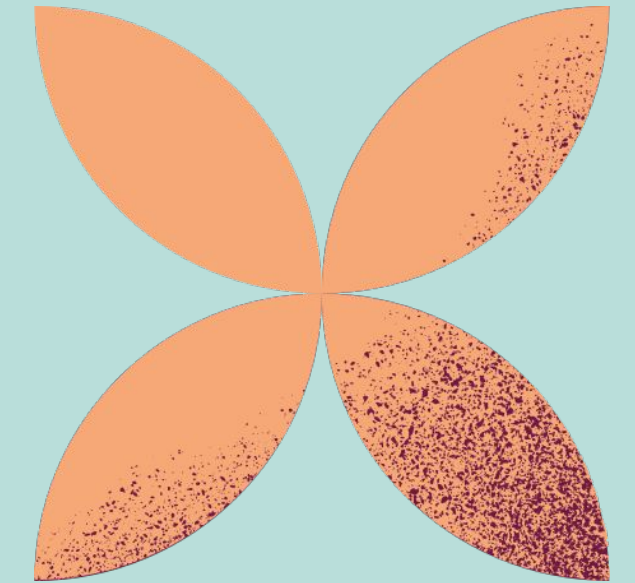
Behavioral Segmentation using RFM Analysis
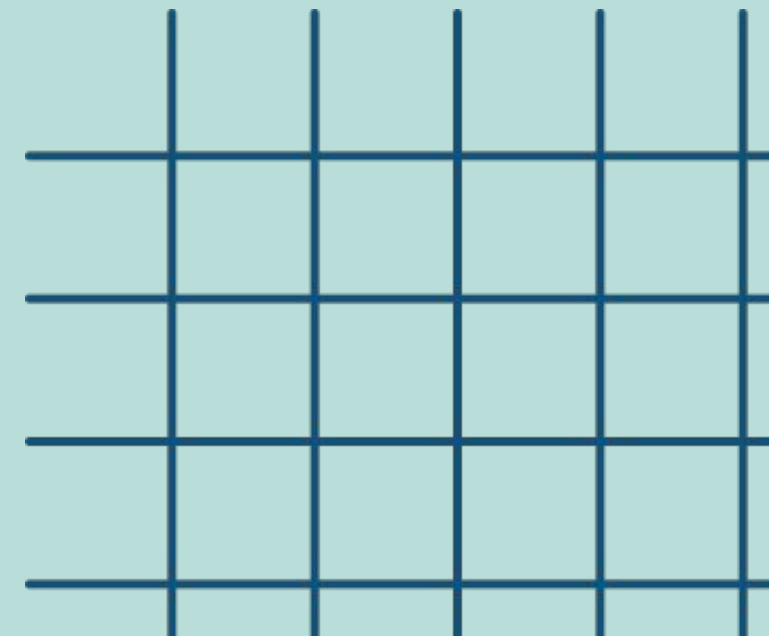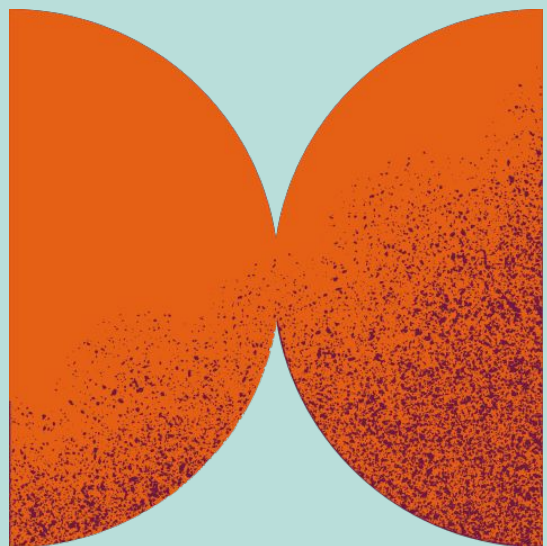
Presented by Ahmed Ait si hamou

Project Overview

- OJAR is a luxury e-commerce fragrance brand.

- Goal: Improve customer retention, conversion, and marketing ROI.

- Approach: Data-driven segmentation using behavioral purchase data.

Objective

- Segment customers using Recency, Frequency, and Monetary data.

- Identify distinct groups for targeted marketing.

- Personalize offers, upsell high-value users, and reactivate at-risk ones.
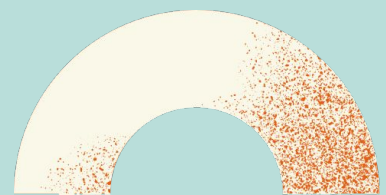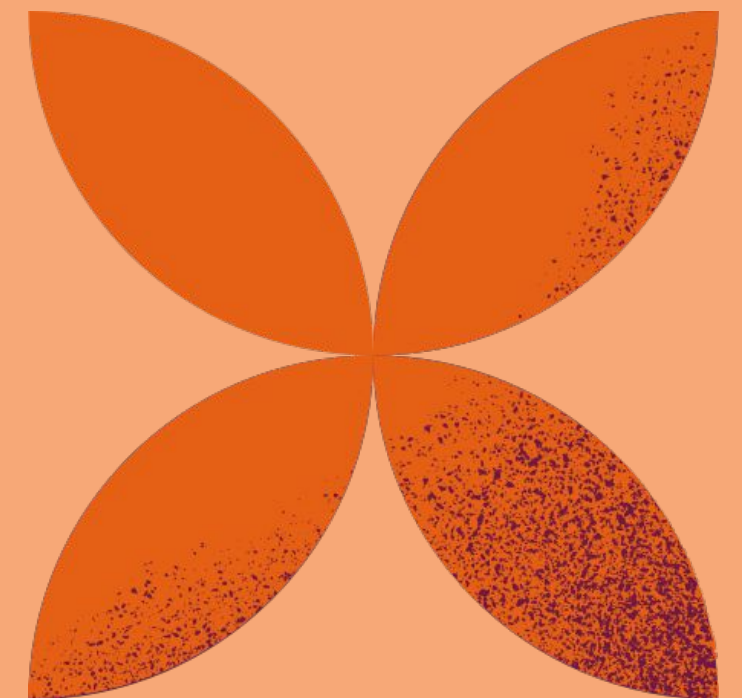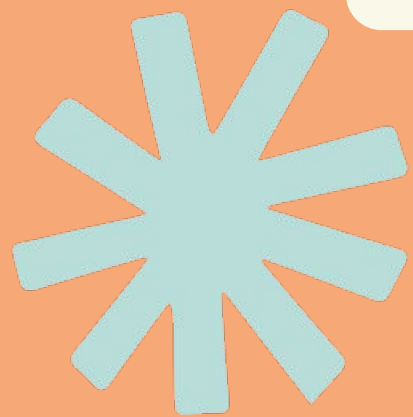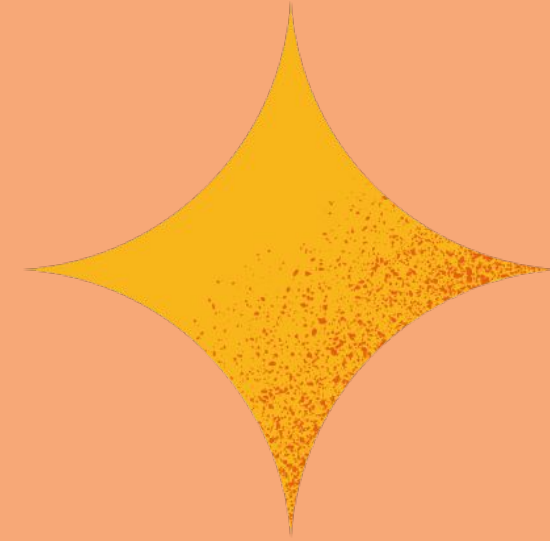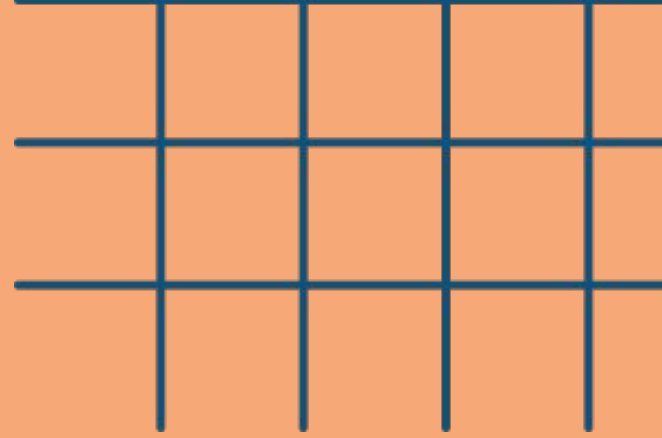
Data Source

- **Customer Transactions: 45,000+ records**

  - Product Catalog: Perfume names, categories, and

    prices

  - Merged to create a unified view of customer
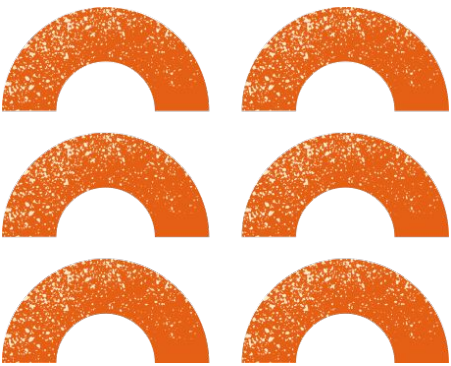
    purchase behavior

Methodology

- Calculated **RFM** for each customer:

    ○ Recency = Days since last purchase

    ○ Frequency = Number of purchases

    ○ Monetary = Total spend

- Scored each from 1 to 5 and combined into RFM Score

Defined Segments

| Segments	Definition
High-Value Champions	Resent, frequent, high spenders
Loyal Customers	Consistent buyers
At-Risk	Inactive, low frequency and value
One-Time Buyers	Single purchase only
Potential Loyalists	New but promising
Others	Mixed behavior patterns
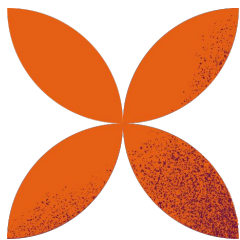
Customer Segmentation Distribution
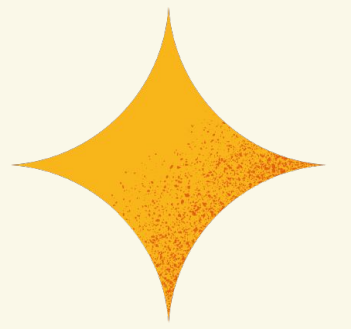
- At-Risk: **3,294** Customers

- Loyal Customers: **3,222** Customers

- High-Value Champions: **2,982** Customers

- Others: **2,923** Customers

- One-Time Buyers: **946** Customers

- Potential Loyalists: **872** Customers

Potential Loyalists
6.1%

One-Time Buyers
6.6%

At-Risk
23.1%

Others
20.5%

High-Value Champions
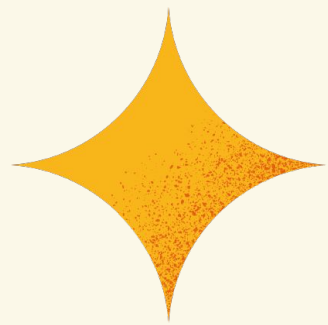20.9%

Loyal Customers
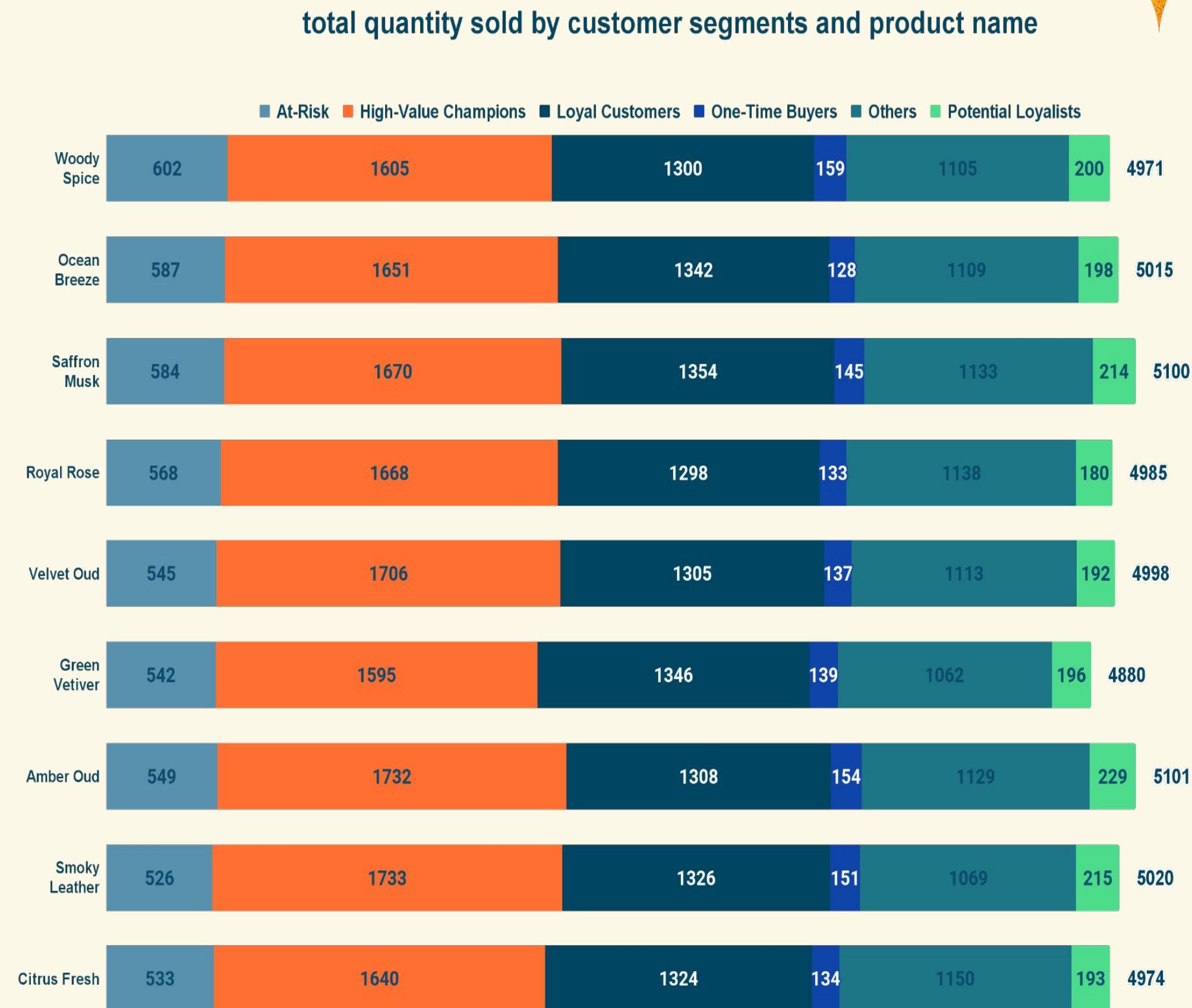20.6%
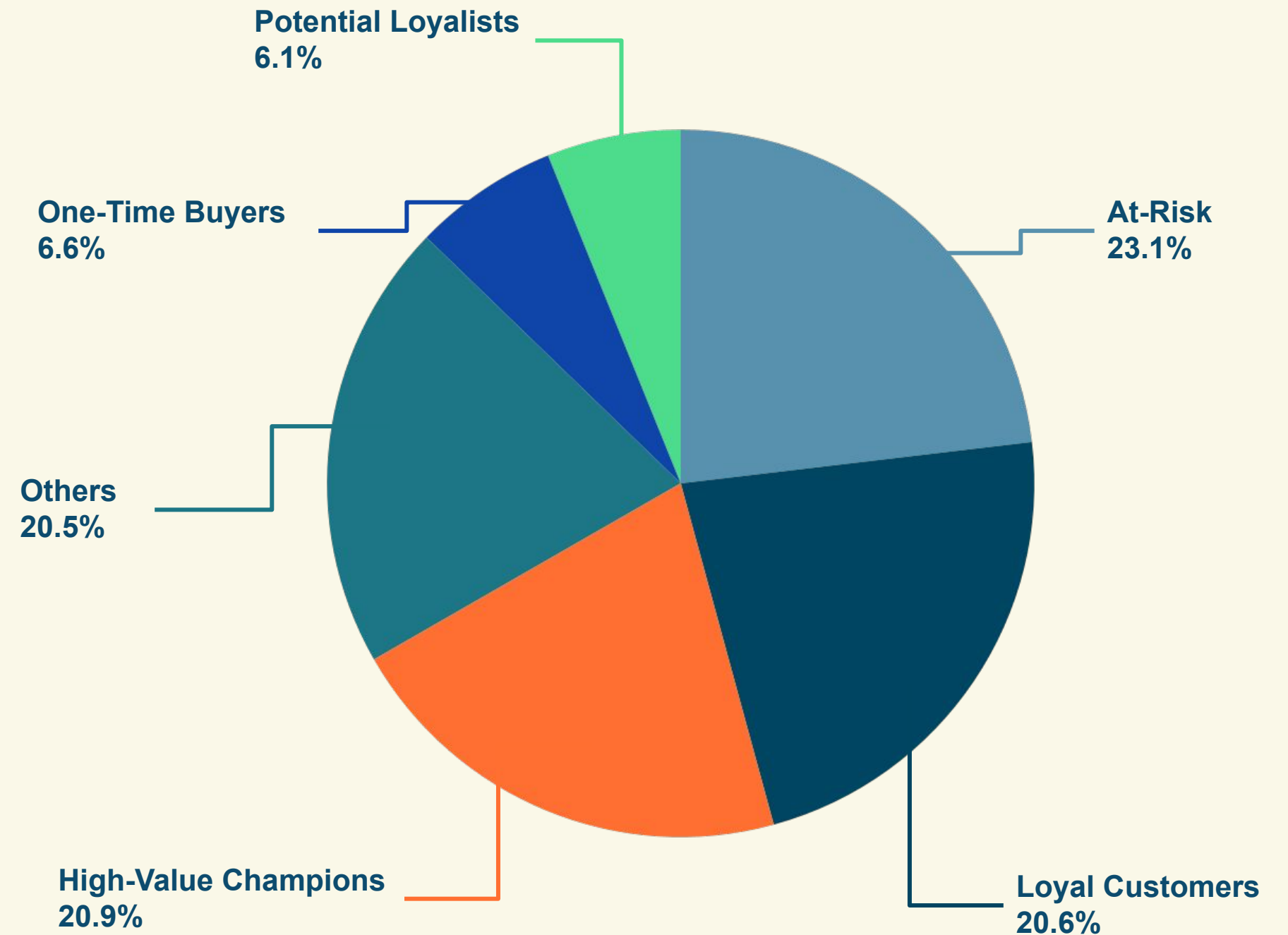
Behavioral Comparison by Segment

- **High-Value:** Lowest Recency, Highest Frequency & Spend
- **Loyal:** High Frequency and Monetary, moderate Recency
- **At-Risk:** Long Recency, low Frequency and Spend
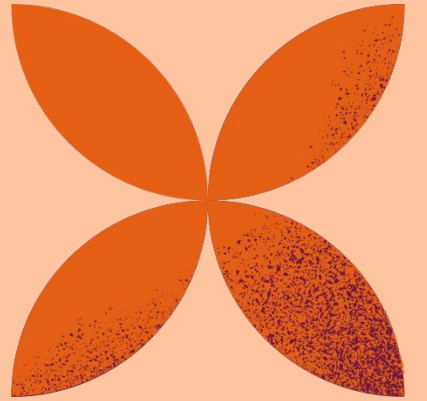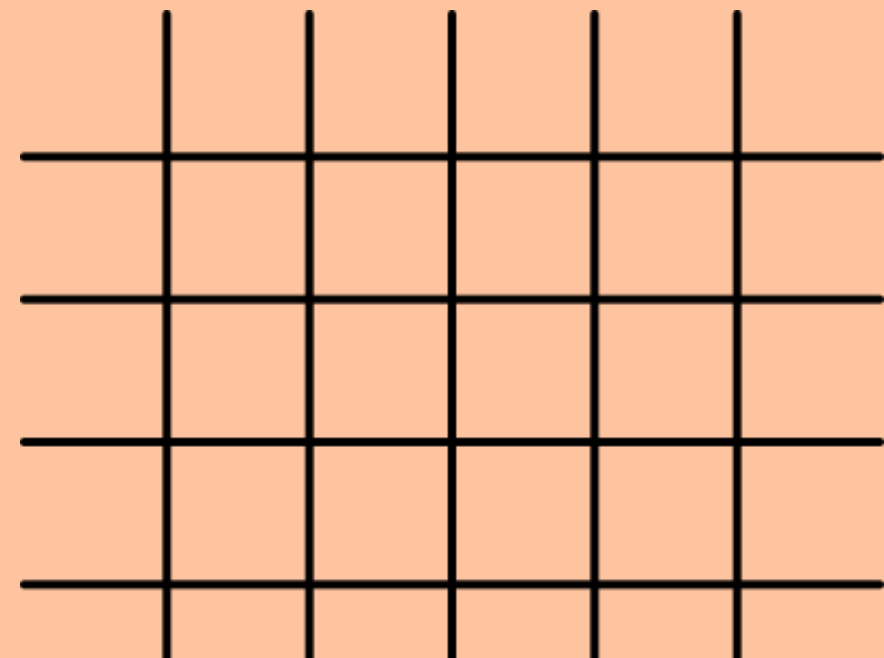- **One-Time:** High Recency, Frequency = 1, Low Spend
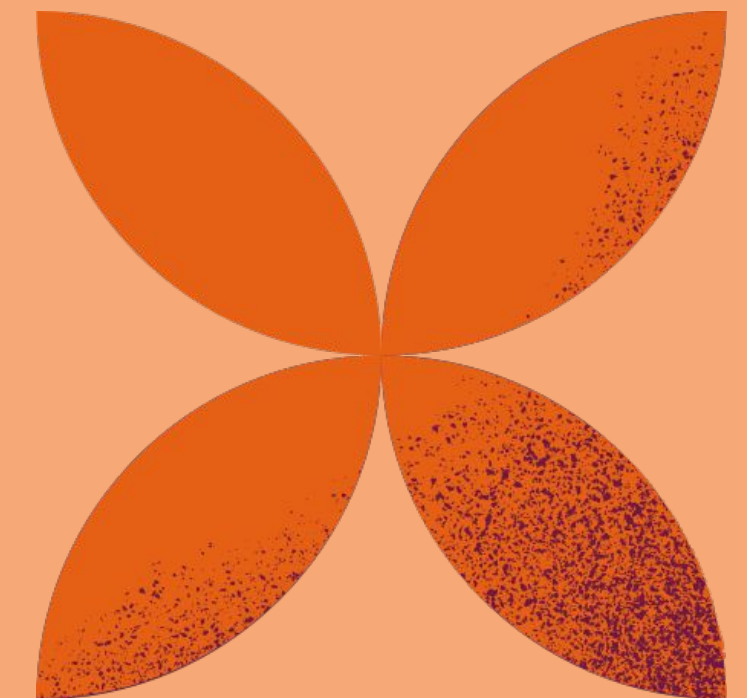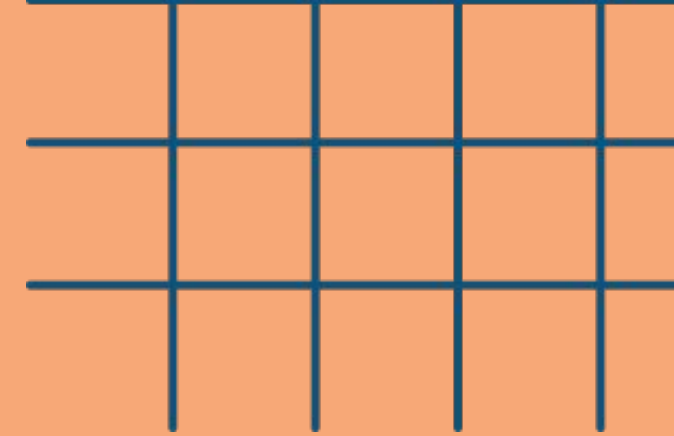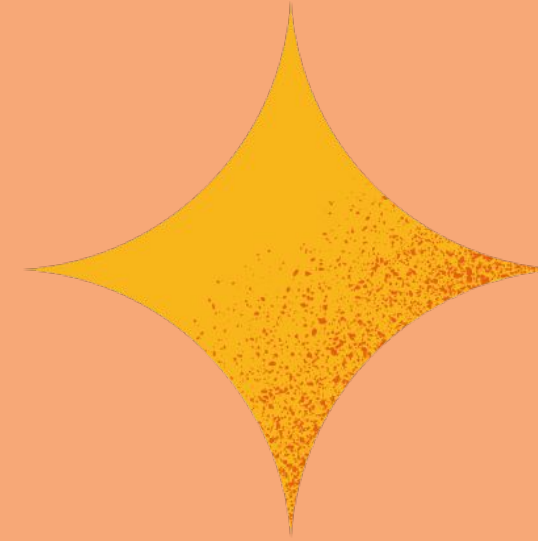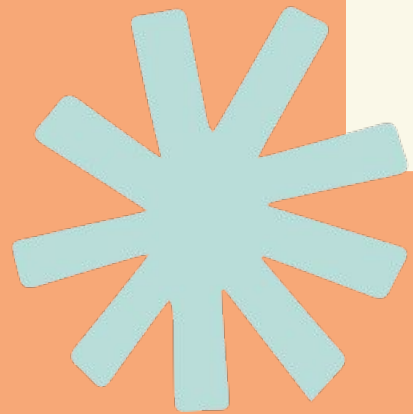
Marketing Recommendations

- **High-Value:** Loyalty rewards, early access to new collections

- **Loyal:** Upsell luxury items, personalized recommendations

- **At-Risk:** Win-back campaigns, tailored email offers

- **One-Time:** Promote bundles or discounts on second

  purchase

Thank you