

CUSTOMER SEGMENTATION

Context :

From the Customer Personality Analysis dataset on Kaggle (which is " a detailed analysis of a company's ideal customers"), I tried to perform a Customer segmentation so the (imaginary) marketing team could better target their customers with ads with the right content on the right platform. Here are the results :



Rich customers

- The group that spends the most, especially on wine and meat
- Earns a lot (~75k)
- Rarely buys items at discount
- Doesn't use the website
- Buys from the catalog
- On average, is a 53 years old person with no kids and is 40% of the time single
- Accepts offers during campaigns

Browsing customers

- On average, is a 50 years old person in a relationship with one kid or more, who earns ~35k
- Is the largest cluster in terms of number (48%)
- Doesn't spend a lot, but mostly spends on wine
- Regularly visit the website, but rarely buys from it
- Never uses the catalog

Bargain hunters

- The second most-spending group, especially on wine
- On average, is a 57 years old person with a kid or more and is single 40% of the time
- Regularly uses the website and buys from it
- Sometimes uses the catalog
- Buys a lot of items at discount

Need-based customers

- Is the smallest group (3%)
- On average, is a 44 years old person who sometimes has a kid and earns ~20k
- Equally buys any kind of product but wine
- Never uses the catalog
- Generally uses the website, but almost never buys anything
- Is generally under-graduate

Strategies

- The company should **make sure the catalog is attractive and mostly features the meat and the wine**, as these are the main interests of those looking at the catalog (the rich customers and the bargain hunters), which are also those who spend the most.
- For the bargain hunters, **consider having a discount section**, both in the catalog and on the website, so they can easily find the bargains they're looking for
- For the browsing customers (the largest group), try to **make their experience on the website unique**, so they can stay long enough to find and buy what they want. For this, you need 2 things :
 - 1. **Create a great design**, where all the images look attractive and the website looks clean. First impression is the key as they'll stay and come back.
 - 2. **Make their lives easier**, by adding a welcoming live chat or chatbot to provide help, and by making sure it's easy to navigate through the different sections of your website.