

# Business Cases with Data Science – Business Case #1 – Customer Segmentation

## Group D

- This presentation is available from the following link:  
<https://prezi.com/view/0etl5qTn6cfrZbQH8XP/>



### OUR CHALLENGE

- Identify key characteristics that best distinguish the customers.
- Which and how many customer segments are in the provided database.
- Understand how the business can reach new and existing customers from each segment and which ones should be prioritized.
- Improve the interaction with the customers by creating new marketing strategies.

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### CUSTOMER SEGMENTATION

Segment 1:

- Oldest customers
- Highest amount spent
- Highest purchase frequency
- Lowest website access

Segment 2:

- Highest education
- High website access
- Average purchase frequency
- Average amount spent
- Highest dry red wine consumption

Segment 3:

- Youngest customers
- Lowest purchase frequency
- Lowest amount spent
- High website access
- Highest percentage of purchases with discount

Segment 1: quality over price

Segment 2: Knowledge about the product

Segment 3: Price as principal criteria

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\*The groups are organized according to marketing priority

## Marketing Strategy

- After identifying the major customer segments, we recommended different approaches based on the 4P marketing concept.



Segment 1

Segment 2

Segment 3

All customers



## Segment 1

- More personal contact by phonecalls or SMS.
- Promote small events at the stores such as tasting days and workshops.
- The first customers to confirm attendance would pay a lower price.
- Provide personalized accessories in the day of the events.
- Buying at the store one of the best selling wines + the least sold wine, the customer gets an accessory.
- The customer will receive 10% of discount on the ticket price if he invites a new potential customer.



## Segment 2

- Contact by e-mail
- Promote the second largest sales combined with the product with lower sale.
- Include in the promotional email information about the product consumed and/or production chain and distribution.
- Provide knowledge about the company purpose and products quality





### Segment 3

- Improve the frequency on the website purchase providing sporadic discount links in the customer's account.
- For each new customer that the current customer indicates, the current customer accumulates points that can be converted on products discounts.
- Gift voucher for the main holidays.
- Promote the second largest sales combined with the product with lower sale.



### All customers

- Create customers' categories according to the purchase value (Regular/Gold/Premium)
- Loyalty program (Gold): Send two bottles of wine per month based on customers preferences
- Premium: Loyalty program + pre-sales and exclusives accessories.
- The transition from categories occurs once the purchase value increase.



### Action plan

- Implement marketing strategies
- Monitor the model performance for current and new customers
- Start using digital marketing to reach new customers
- Utilize the app to classify the customers

