

Customer Segmentation Analysis using Power BI

Objective:

The objective of this analysis is to segment customers based on their total purchase value in order to identify high-revenue contributors and uncover growth opportunities for the business.

Dataset Overview :

The analysis was performed using the Superstore dataset.

Key columns used in this deep dive include:

- Customer ID
- Sales
- Profit
- Order Date
- Region

Customer ID was used to uniquely identify each customer, and Sales was used to calculate total purchase value per customer.

Methodology :

To perform customer segmentation:

A DAX calculation was created to compute Total Sales per Customer.

The CALCULATE function was used along with ALLEXCEPT(Customer ID) to ensure that total sales were calculated at the customer level, regardless of other filters.

Customers were categorized using the following logic:

High Value: Total Sales > 5000

Medium Value: Total Sales > 2000

Low Value: Total Sales ≤ 2000

This segmentation enabled behavioural classification based on purchasing power.

Key Findings :

- High-value customers contribute the highest share of total revenue.
- High-value customers also show the highest profit margin.
- Medium-value customers contribute steady revenue and represent growth potential.
- Low-value customers represent an opportunity for upselling and cross-selling strategies.

Business Recommendations :

- Focus on retention programs for high-value customers through loyalty benefits and personalized offers.
- Implement targeted upselling strategies for medium-value customers.
- Design promotional campaigns to increase purchase frequency among low-value customers.

Conclusion:

Customer segmentation provides valuable insights into revenue distribution and customer behaviour. By focusing on high-value retention and low-value conversion strategies, the company can improve profitability and long-term growth.