

# Customer Analytics

📅 Dataset Contains a European Retail Store Transactional data(Dec 2009 - Dec 2011)

## Customer Lifecycle

Acquire > **Understand** > **Communicate** > Upsell > **Retain**

Behavior Analysis

Segmentation

Churn Analysis



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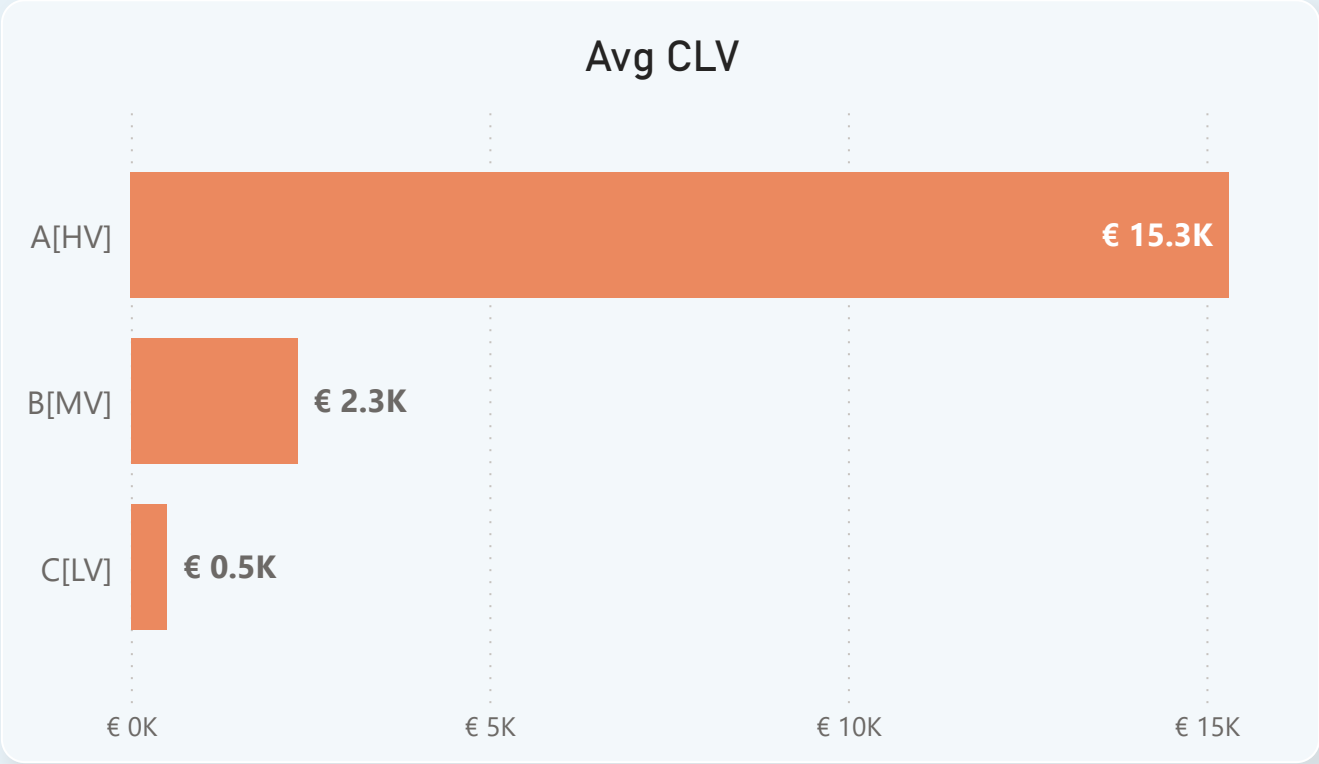
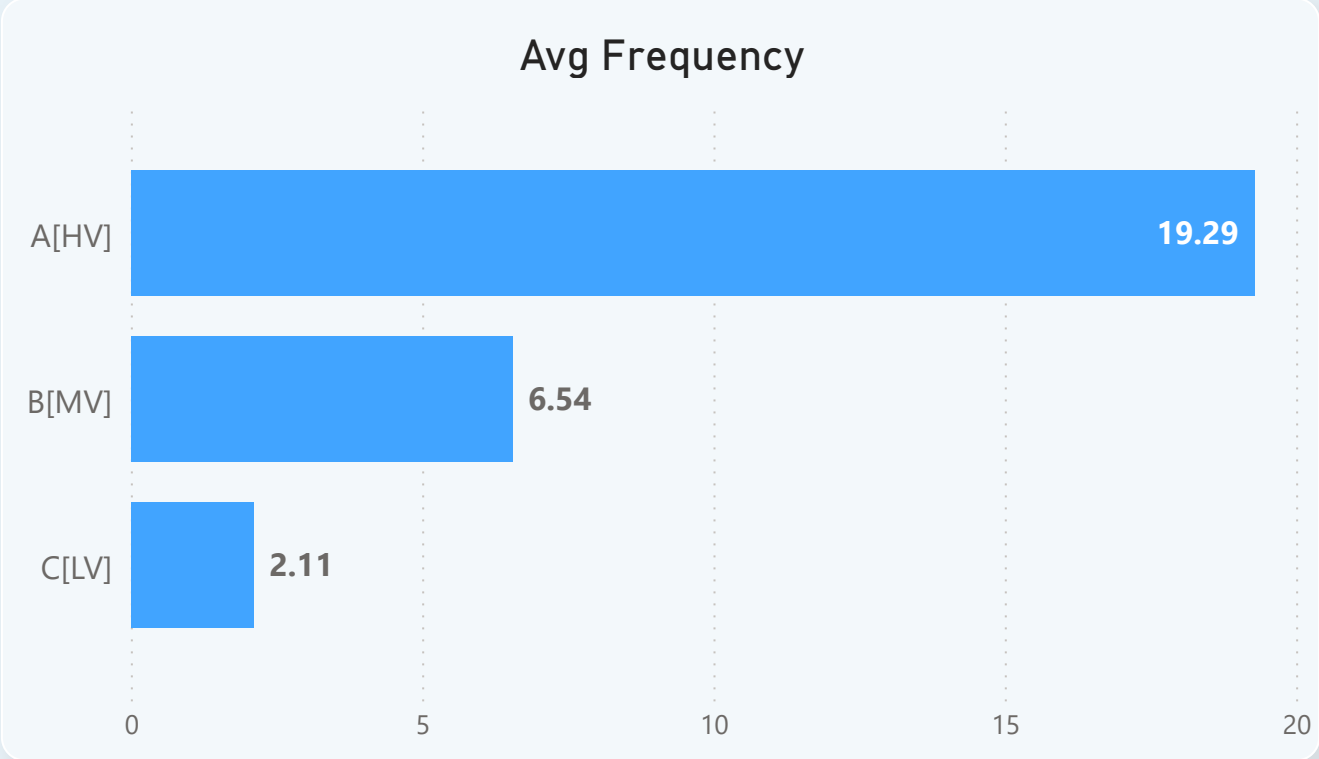
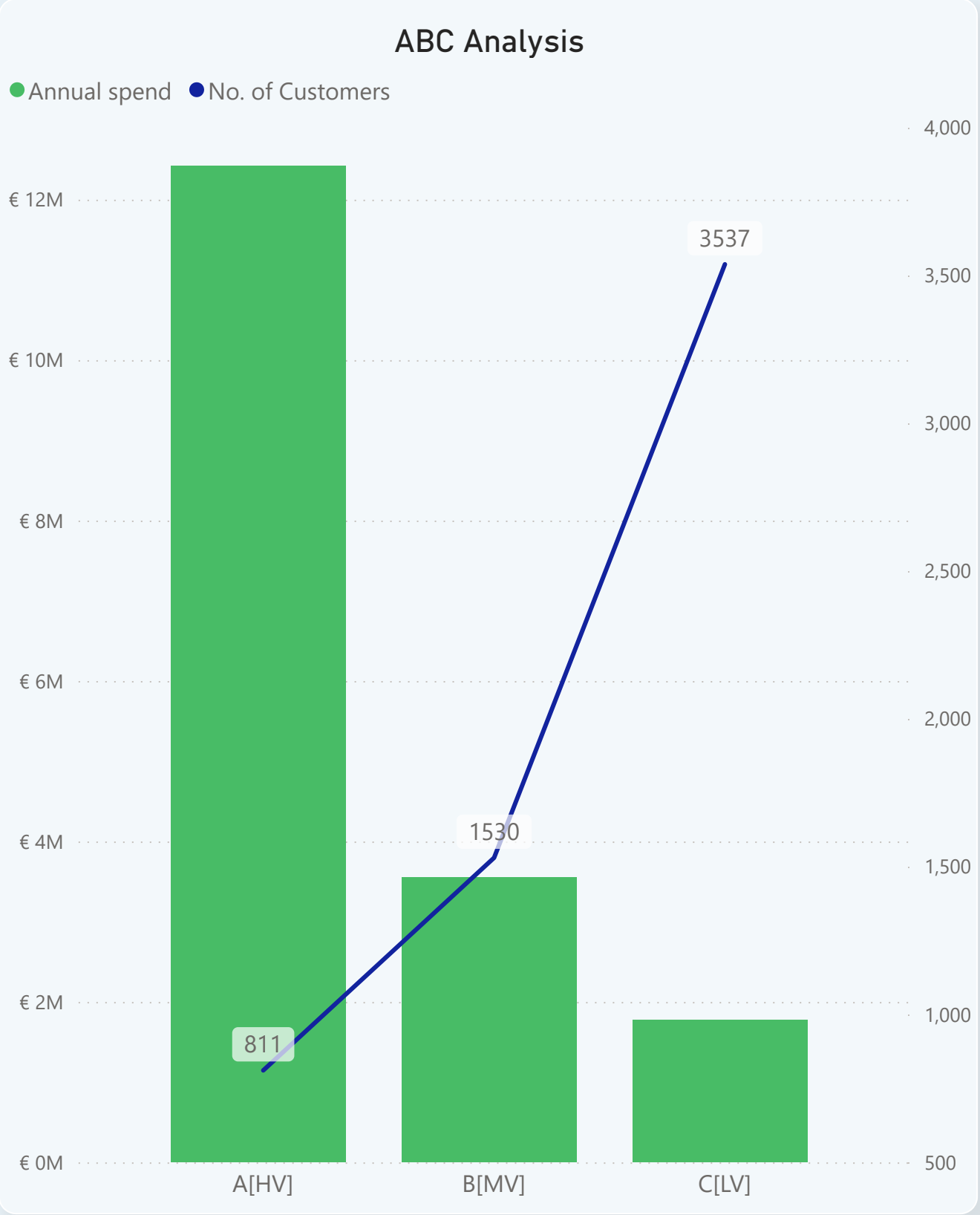
# Customer Behavior Analysis:

## 1. ABC Analysis ( Based on Spending value )

## 2. Cohort Analysis

ABC Analysis is Based on Pareto Law 80-20 Rule in which A group are High Spending but low in number, similarly B,C are as follows, ..

	A (High Value )	B(Middle value)	C(Low Value)
% No. of Customers	10%	20%	70%
% Value of Customers	70%	20%	10%



# Customer Cohort Analysis:

## 1.Cohort analysis by

- . Retention
- . Churn
- . Customer Life time value(CLV)

## 2.Trends

- . Lost customers
- . Retained Customers
- . Resurrected Customers
- . New Customers

**Cohort analysis :** It is a method to track and analyze the behavior of group of customers who share a common period .

**Retention :** Number of Customers who continue to use a service or products over a period .


**Churn:** Number of Customers who stop using a service or products over a period .


**Customer Life Time Value (CLV) :** Total Revenue a business expects to earn from a customer throughout their relationship(number of total purchases \* Avg Spend per purchase).

**Resurrected Customers:** customers who are inactive in previous month but active current month.

# Customer Cohort Analysis

**Date** ▼

01-12-2009 

31-12-2011 

## Metrics

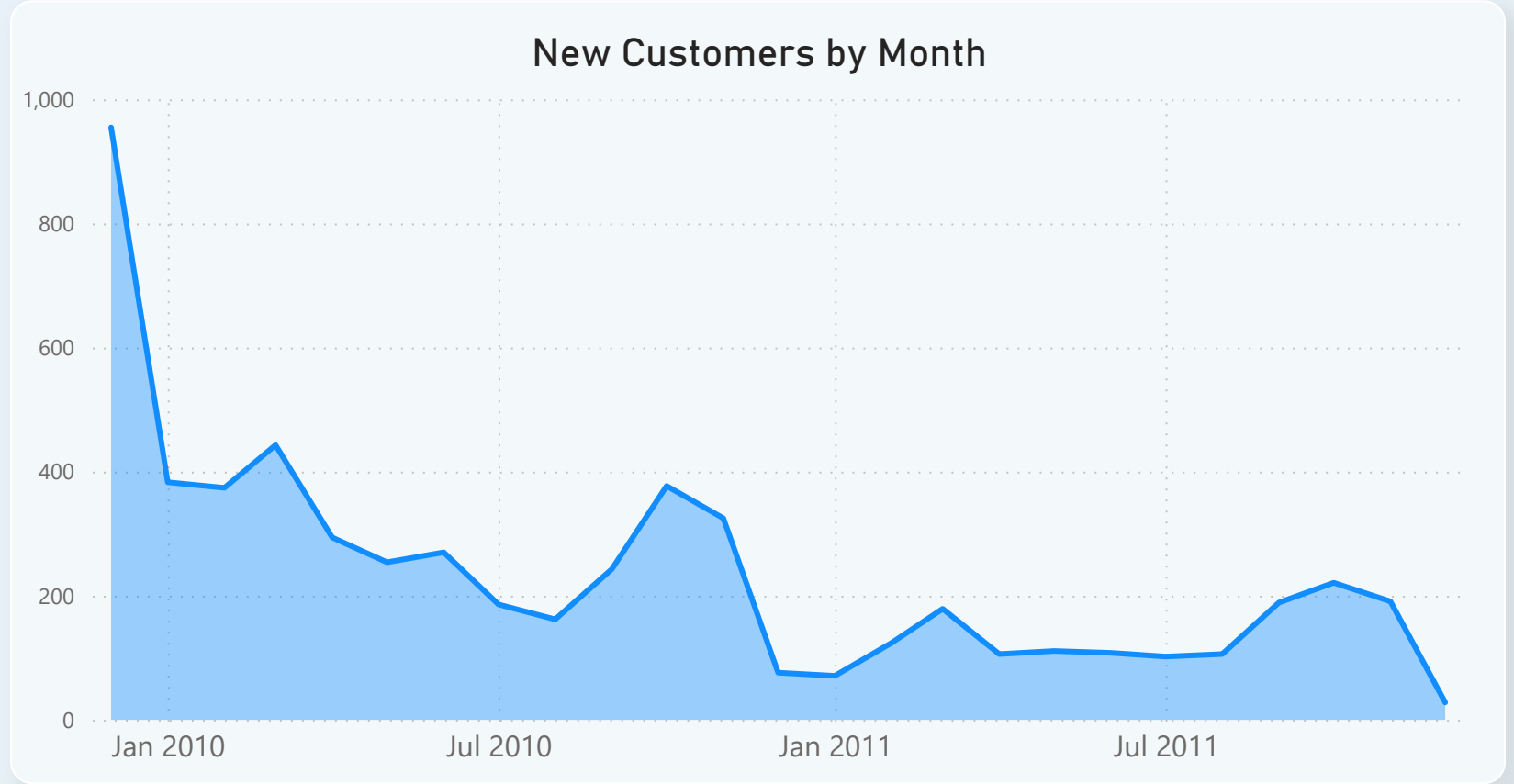
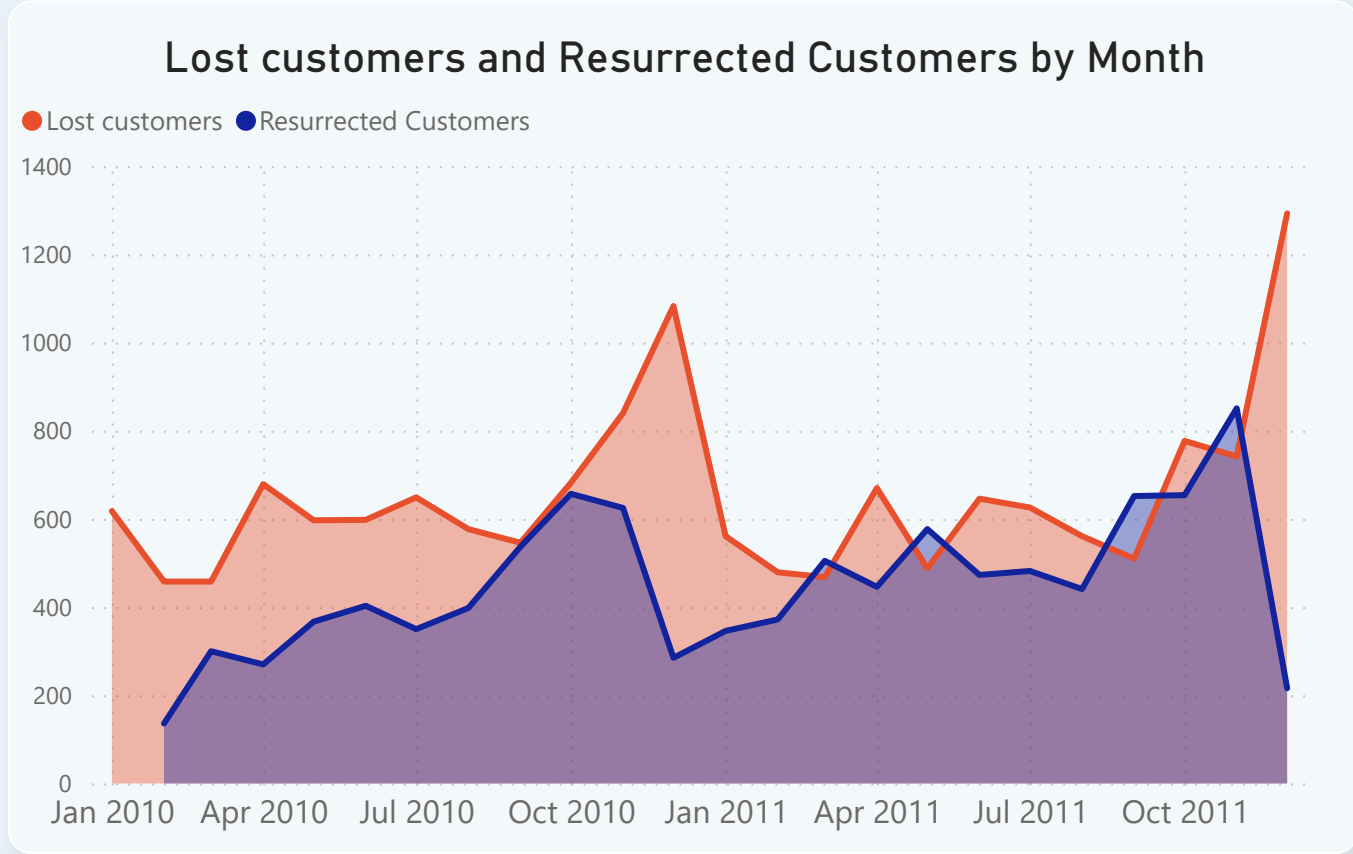
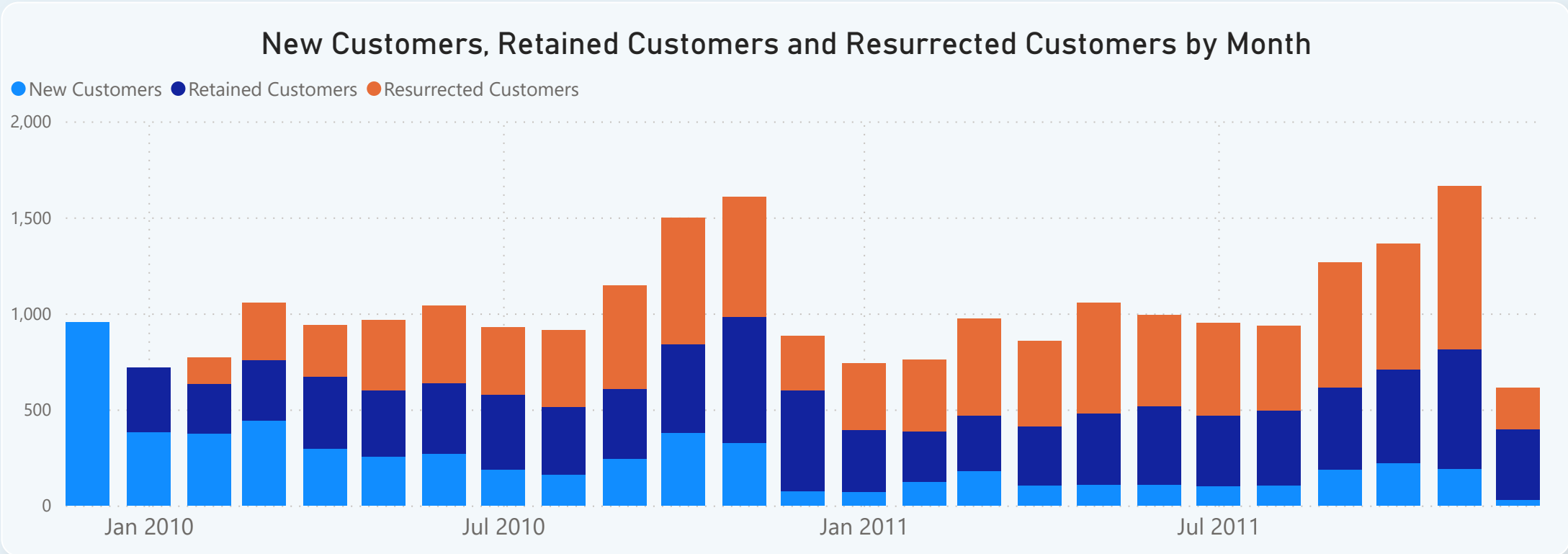
- ☒ Cohort value
- ☐ churned customers
- ☐ Retention rate
- ☐ churned rate
- ☐ Avg Customer Lifeti...

[illegible]

Date

01-12-2009

31-12-2011



# Customer Segmentation:

Segmented based on Recency(Recent purchase by EOD 2011 in days) , Frequency(Number of total transactions ) , Monetary( Purchase value per transaction)

## 1.RFM analysis

## 2.Trends

- Avg CLV by months since 1st transaction
- Avg CLV by month
- Histogram of CLV

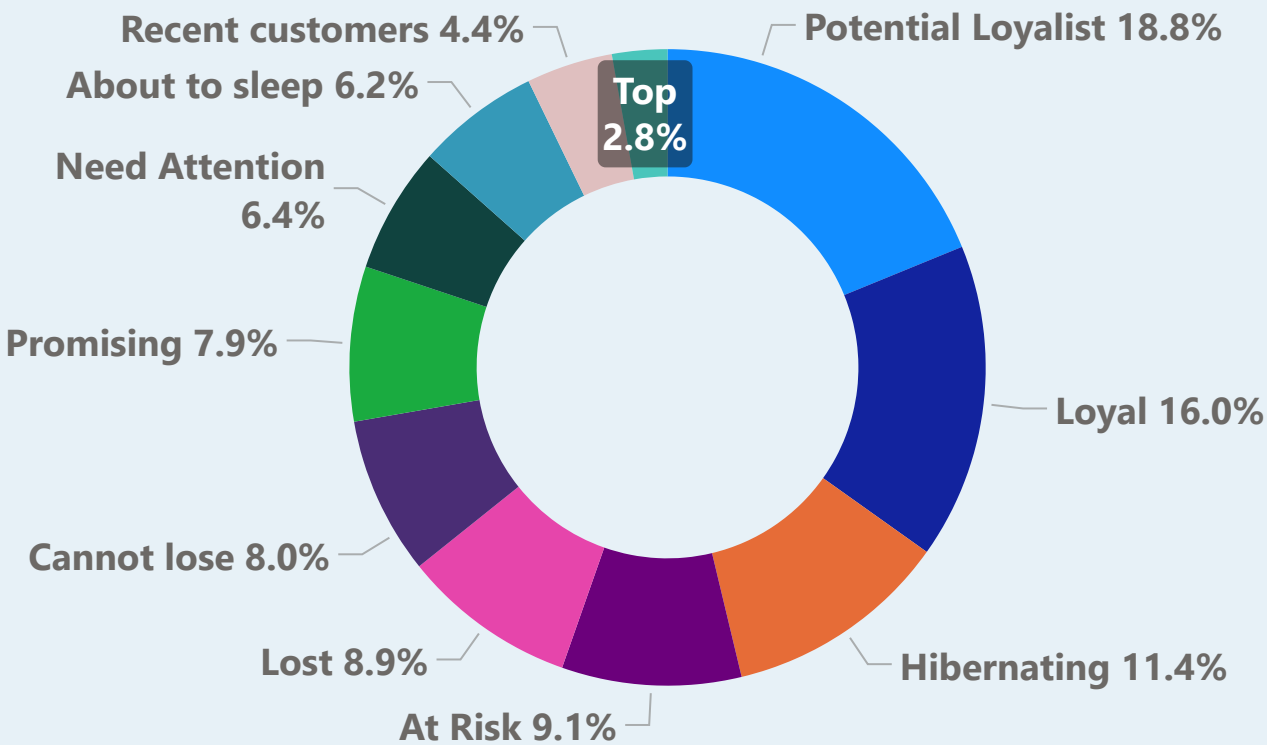
Segment	Behavior
<b>Top :</b>	Bought Recently ,buy often & spend the most.
<b>Loyal :</b>	spend good money often.
<b>Potential Loyalist:</b>	Recent Customers and spend good money , potential to be loyal.
<b>Recent Customers :</b>	Bought more recently but not often.
<b>Promising:</b>	Recent shoppers but haven't spend much.
<b>Need Attention :</b>	Above Average Recency, Frequency, and monetary values.
<b>About to sleep:</b>	Below Average Recency, Frequency, and monetary values.
<b>At Risk:</b>	Spend more money and often but long time ago.
<b>Can't lose them:</b>	Spend more money and often but haven't returned for a long time.
<b>Hibernating:</b>	Last purchase was long back, low spenders and less often.
<b>Lost:</b>	Lowest Recency ,Frequency , Monetary Values

# Customer Segmentation(RFM Analysis)

**19%** **Top Customers(Top & Loyal ):** These customers have purchased Avg of 19 times , spending an avg of \$842 which has Avg CLV of \$16k and have visited within last 2 months.

**25%** **Need Attention(Potential Loyalist & Need Attention):** These customers have purchased Avg of 7 times , spending an avg of \$337 which has Avg CLV of \$2.3k and have visited within last 3 months.

Segment	Avg Recency(days)	Avg Frequency	Avg Monetary
Top	30	28	€ 1,085
Promising	67	1	€ 856
Cannot lose	510	1	€ 733
At Risk	394	4	€ 606
Loyal	69	10	€ 599
Need Attention	91	4	€ 444
Potential Loyalist	64	9	€ 230
Hibernating	349	2	€ 210
About to sleep	253	2	€ 171
Recent customers	76	1	€ 144
Lost	586	1	€ 137



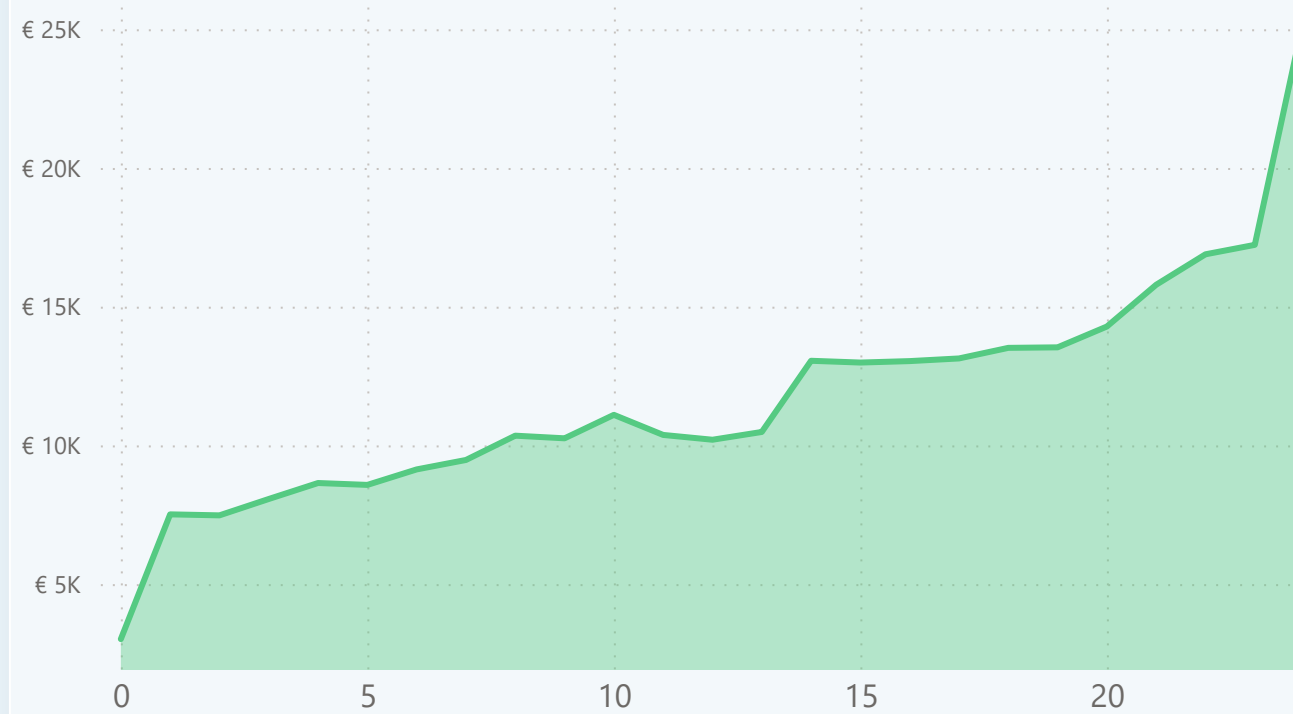
**17%** **Immediate Attention(At Risk & Cannot lose):** These customers have purchased Avg of 2 times , spending an avg of \$670 have visited more than 1year back.

**12%** **New Customers(Promising & Recent Customers):** These customers have purchased avg of 1time , spending an avg of \$500 and have visited within last 3 months.

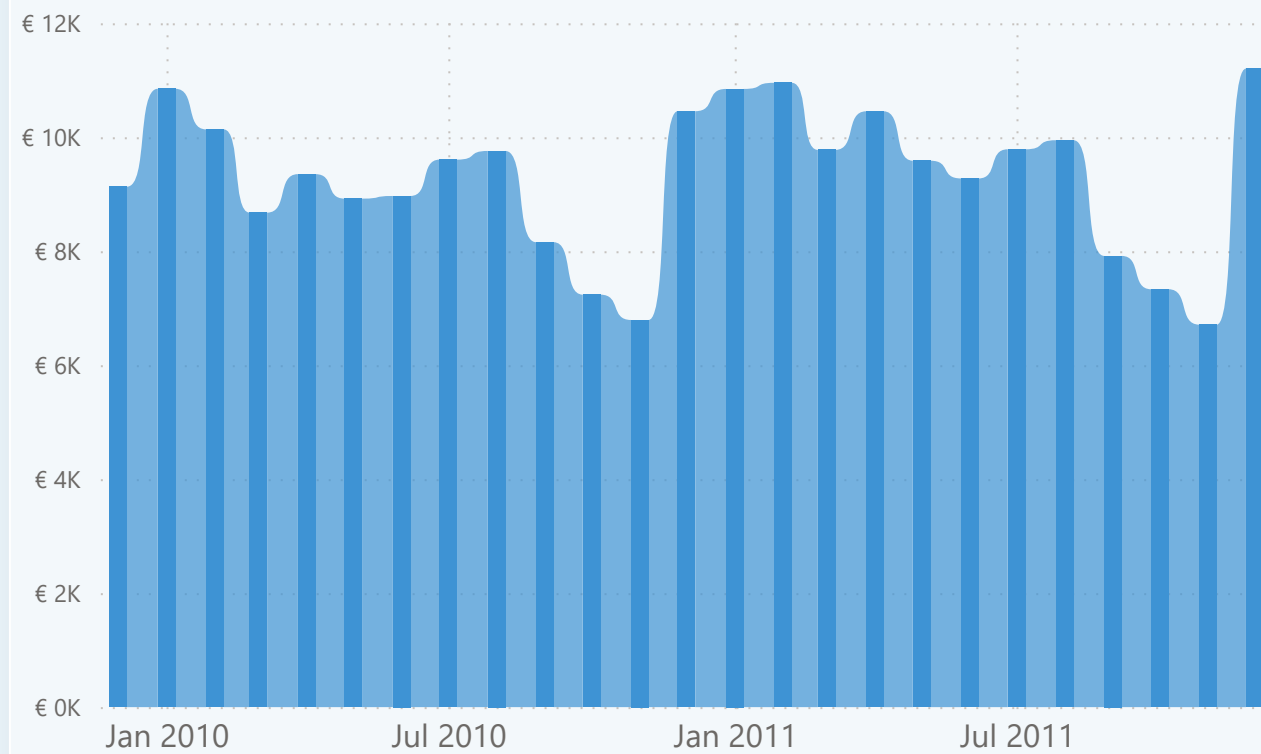
**26%** **Risk of Churn(About to sleep, Hibernating, Lost):** These Customers have avg Spending of \$259.



Average CLV by Months since first transaction



Average CLV by Month



Segment

All

Histogram of Customer Lifetime Value (CLV)

