

How Data Science in Customer Segmentation facilitates Targeting the Potential User Base: Exploration

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I. ABSTRACT

Lately, customer segmentation has been receiving much attention due to its effectiveness in the marketing paradigm. Perceiving purchasing habits by client type assists with advertising suitably is a challenge these days. Marketers are constantly looking for ways to improve the effectiveness of their campaigns by targeting potential users/audience e.g. they target customers with particular offers most likely to attract them back to the store and to spend more time and money on their next visit. Data science is always a good fit for customer segmentation where clustering and different types of data modeling help us identify the groups having some common traits. Therefore, the problem is that with the increase in user/customer records, the segmentation through the big data becomes way harder. Although, a number of published papers have addressed the technicalities of targeting potential customers to increase profitability. This paper adds to the literature an overview of how segmentation helps you target the right audience while applying different techniques and calculations on big user records in order to make better marketing/advertising decisions. It also discusses how customer segmentation may have different possible uses in the future.