

MARKET SEGMENTATION ANALYSIS

AN INTERNSHIP PROJECT



Introduction

In this project, we aim to segment customers for a retail business based on various characteristics such as demographics, purchasing behavior, and psychographics. By segmenting customers, the retail business can tailor its marketing strategies and offerings to different customer groups, thereby increasing customer satisfaction and maximizing profitability.



About Company

Serenity Retail is a leading retail chain with stores across the country. The company offers a wide range of products including electronics, clothing, home goods, and groceries.

With a diverse customer base, Serenity Retail aims to better understand its customers and target them with personalized marketing campaigns.



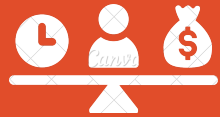
Problem Statement

As Serenity Retail continues to grow, we face the challenge of effectively understanding and engaging with our diverse customer base. Currently, we lack a systematic approach to segmenting our customers based on their unique characteristics and preferences. This limits our ability to tailor our marketing efforts and offerings to different customer segments, potentially missing out on opportunities for increased customer satisfaction and profitability.

The company needs to identify distinct customer segments based on demographics, purchasing behavior, and psychographics to optimize its marketing strategies and enhance customer engagement.



Project Objectives



Develop a market segmentation strategy to categorize customers into distinct segments.

Analyze each customer segment to understand their unique characteristics and preferences.



Tailor marketing strategies and offerings to target each customer segment effectively.





Deliverables

Market Segmentation Strategy: A comprehensive strategy for categorizing customers into distinct segments.



Segment Profiles: Detailed profiles of each customer segment including demographics, purchasing behavior, and psychographics.



Performance Metrics: Evaluation metrics to measure the effectiveness of the segmentation strategy in improving customer engagement and profitability.



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Data Dictionary

- **Customer_ID:** Unique identifier for each customer.
- **Age:** Age of the customer.
- **Income:** Annual income of the customer.
- **Spending_Score:** Score representing the spending behavior of the customer.
- **Gender:** Gender of the customer (Male/Female).
- **Education_Level:** Highest education level attained by the customer (High School/Bachelor/Master/PhD).
- **Marital_Status:** Marital status of the customer (Single/Married/Divorced).
- **Occupation:** Occupation of the customer.
- **Home_Ownership:** Home ownership status of the customer (Own/Rent/Mortgage).
- **Location:** Type of area where the customer resides (Urban/Suburban/Rural).
- **Number_of_Children:** Number of children in the customer's household.
- **Number_of_Vehicles:** Number of vehicles owned by the customer.
- **Preferred_Channel:** Preferred shopping channel of the customer (Online/In-store/Both).
- **Membership_Level:** Membership level of the customer (Basic/Premium/VIP).
- **Preferred_Brand:** Preferred brand of the customer.
- **Annual_Spending:** Approximate annual spending amount of the customer.

Task

- Data Preparation: Export the Market Segmentation dataset from the database and ensure cleanliness and correct formatting.
- Exploratory Data Analysis (EDA): Analyze data distribution and relationships using visualizations like histograms and scatter plots.
- Define Segmentation Criteria: Determine criteria based on business goals and customer characteristics.
- Visualization: Create visualizations to illustrate segmented customer groups using charts and graphs.
- Insights and Recommendations: Analyze segment characteristics and provide actionable recommendations.
- Dashboard Creation: Design a dashboard to present segmentation analysis and insights using Power BI's intuitive interface.

Presentation to Stakeholders

The report should be presented to stakeholders in a structured manner, including:

- **Executive Summary:** Concise overview highlighting key findings and recommendations.
- **Methodology:** Explanation of data collection, analysis techniques, and assumptions made.
- **Results:** Presentation of findings through data visualizations, tables, and descriptive statistics.
- **Recommendations:** Actionable insights for program improvement, supported by analysis findings.
- **Conclusion:** Summary of the project outcomes and future considerations.

The presentation should be accompanied by visual aids such as slides, charts, and graphs to facilitate understanding and engagement. Additionally, a Q&A session can be conducted to address any queries or concerns from stakeholders.



**You Are Expected To
Present
A Comprehensive
Report Of This Task To
The Stakeholders**