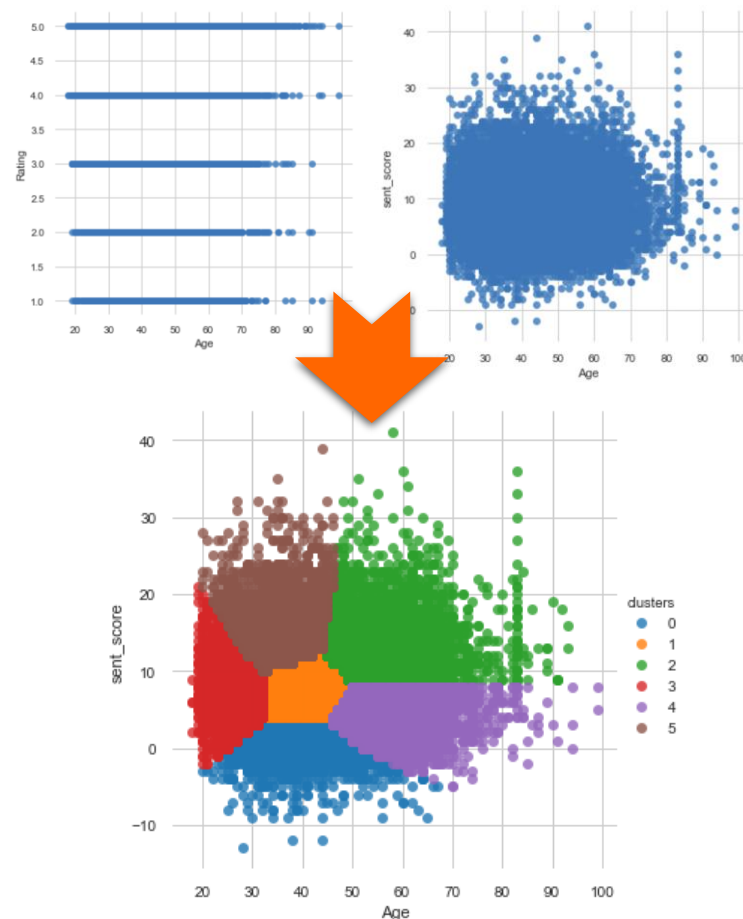# CUSTOMER SEGMENTATION

Understanding Sentiments of customers provides an extra edge to the marketing company for a better projection of products and plan for change of some marketing strategy, as well as an evaluation to determine if the target customers will support the business' growth plans. Most of the marketing companies are able to segment the customers in order to create personal, timely and pertinent content, but how many companies know how their audience feel before they spend their scrutinized marketing budgets trying to get them to spend more? People will forget what you said, people will forget what you did, but people will never forget how you made them feel –this statement holds extremely true in the world of retail as well. By analyzing these sentiments accurately and analyzing the things that upsets the customer, a retailer can focus more on what will make a difference. We can leverage machine learning technology as an opportunity to find it. Uses cases of customer segmentation –

1. Target individuals to improve their service.
2. Track customer sentiment over time.
3. Determine if a customer segment feel more strongly about your product.
4. Track how a change in product or service affects how customers feel.

- **Industry Category:** Understanding customer sentiment helps every industry. But, my analysis was mainly focused on women clothing reviews.
- **Analysis Characteristics:** With analysis we will focus on understanding customer sentiments based on their clothing review comments.
- **Trends:** Understanding customer response in advance helps gain more profit and minimize loss.
- **Stability:** Customer sentiments are dynamic. Due to its direct nature, my clustering analysis picks up on changes in clustering over time.

Sentiment Analysis: Sentiment analysis refers to assigning a metric to a piece of text that details how positive or negative said text is. Sentiment analysis is a method of machine learning that allows bots to go through customer reviews and feedback to determine whether the comments are positive, negative, or neutral. The sentiments expressed by the customer have vital data hidden in them. With the help of sentiment analysis, a retailer can classify whether a customer is satisfied, happy, or irate by the product or the services provided by the retailer. Sentiment analysis categorizes the feedbacks based on the mood of the customer. This allows the retailer to improve the marketing and sales strategies which as a result

leads to a better customer retention rate and a higher profit margin. If your brand is getting a lot of criticism online, machine intelligence will help you identify that in real-time so that you can take appropriate actions and solve the issue before it becomes a major crisis.

- **The ranters (unhappy customers, Cluster 0)** - In most businesses, this segment of customers will be handled by customer service team, but, do not try to sell to them. Instead, ask them what you could change to make their experience better or ask them for their ideas to engage them.
- **The 'on the fence' bunch (Cluster 1, 3 & 4)** - These are the trickiest group as it's hard to get a true understanding into how they feel and whether or not the marketing efforts will be receptive or not. A good approach with this group could be to get your ravers to engage with them.
- **The ravers (happy customers, Cluster 2, 5)** - We know they are happy, so let them tell the world. Give them some sort of incentive to promote your services on social media (small is fine and it will help drive repeat or additional purchases too). Their comment (positive word of mouth) next to an exclusive offer for their friends and family is ideal. This type of activity is often referred to as advocacy marketing.