Customer segmentation and retention analysis

Vitamin supplements company

Analyzed retention trends and the drivers of retention across customer segments to understand customer purchase behavior

Vitamin supplements company needs to formulate customer retention strategies

Picture this...

You're looking to study the customer purchase behavior, analyze retention for different customer segments to understand the drivers of customer retention to propose new marketing strategies

You turn to Accordion.

We partner with your team to analyze retention trends and the key drivers across customer segments to understand customer purchase behavior, including:

1) Categorizing customers based on demography, geography, health conditions and other psychographic conditions and evaluating retention for each of the customer segments to mine for variation across segments
2) Evaluating the customer behavior across attributes such as AOV, LTV, retention rates etc. across customer segments and their trends over time
3) Analyzing performance of customer segments based on acquisition promotions and impact on retention rates for different segments of customers

Your value is enhanced.

- You're able to identify and target the customer segments of high value

- You were also able to identify counties with higher share of high valued customers to conduct community outreach

- Statistical method of estimating retention enabled better understanding of the customer behavior

---

KEY RESULT

- Impact 1...
- Impact 2...

VALUE LEVERS PULLED

- Customer segmentation
- Customer retention analysis

Customer segmentation & retention

Situation

- Client was looking to segment customers by analyzing retention trends and evaluating the effectiveness of promotions across various customer segments
- Partnered with the client to study the customer purchase behavior, analyze retention for different customer segments to understand the drivers of customer retention to propose new marketing strategies

Accordion Value Add

- Categorized customers based on demography, geography, health conditions and other psychographic conditions and evaluated retention for each of the customer segments to mine for variation across segments
- Evaluated the customer behavior across attributes such as AOV, LTV, Retention rates etc. across customer segments and their trends over time
- Analyzed performance of customer segments based on acquisition promotions and impact on retention rates for different segments of customers

Impact

- Marketing team of the client was able to identify and target the Customer segments that have be identified to be of high value
- Client was also able to identify counties with higher share of high valued customers to conduct community outreach
- Statistical method of estimating retention enabled the client to better understand the customer behavior

Methodology/ Approach

01   SEGMENTATION OF CUSTOMERS

- **Segmented customers** based on
  - **Demography**
  - **Geography**
  - **Psychography**
  - **Health Conditions**
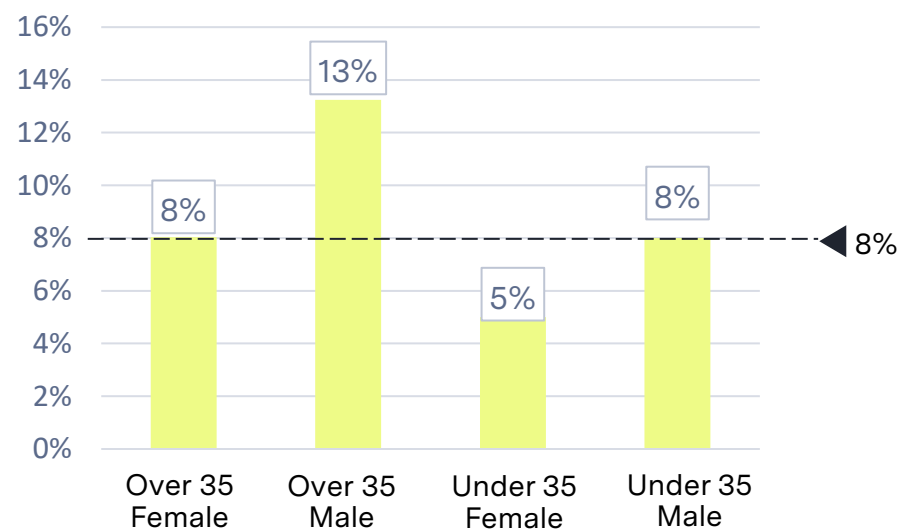 - **Marketing Source**
  - **Promotion Channels**

02   RETENTION ANALYSIS

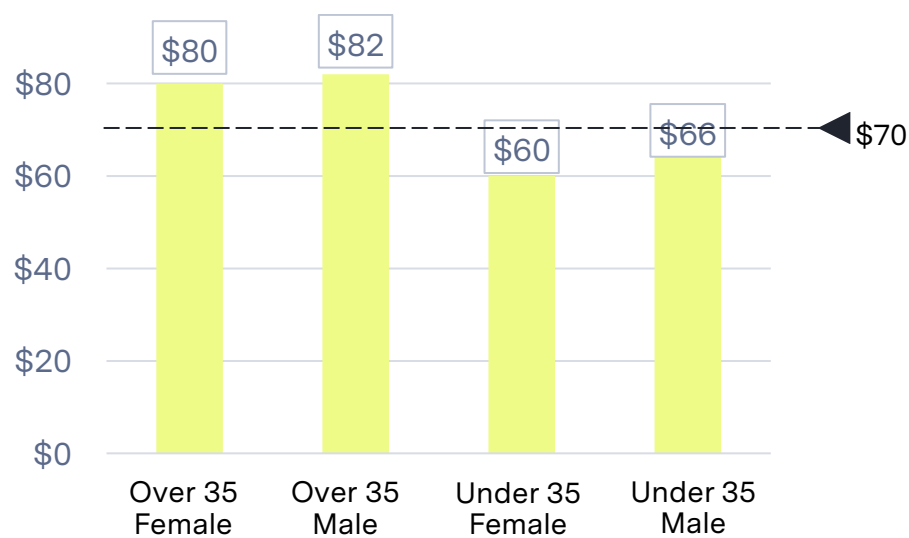- **Analyzed purchase behavior** and other performance metrics (listed below) to identify levers to improve retention:
  - **Conversion**
  - **CAC**
  - **AOV**
  - **Retention**
  - **Avg. LTV**

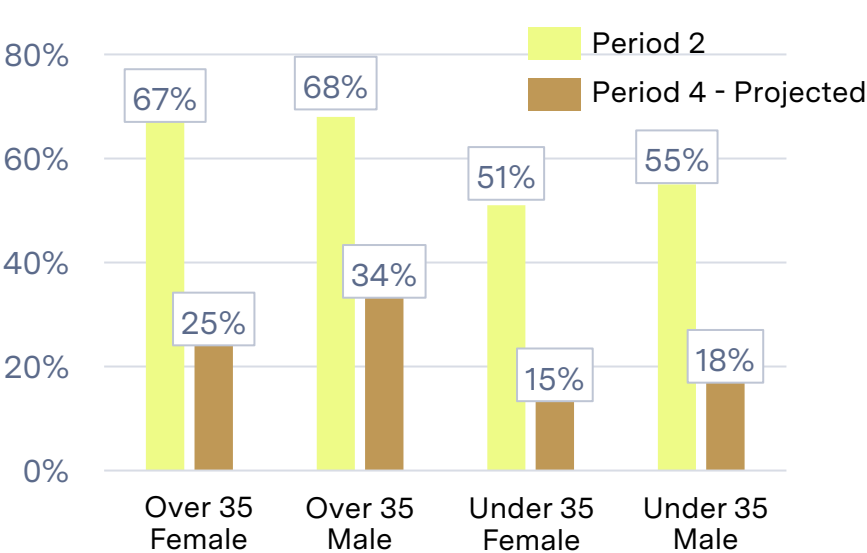# Customer segmentation by demographics
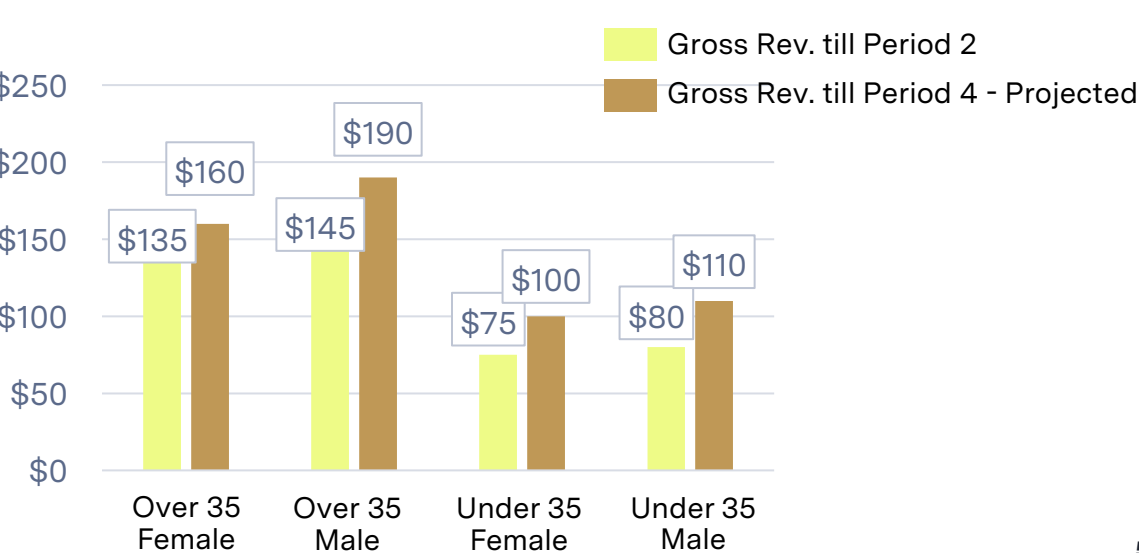
Conversion Rate by Age and Gender, %

Gross AOV by Age and Gender, $

Retention Rates by Age and Gender[1], %

Gross Revenue per customer by Age and Gender[1], $

Customer segmentation by health conditions

Share of Customers with any health condition, %
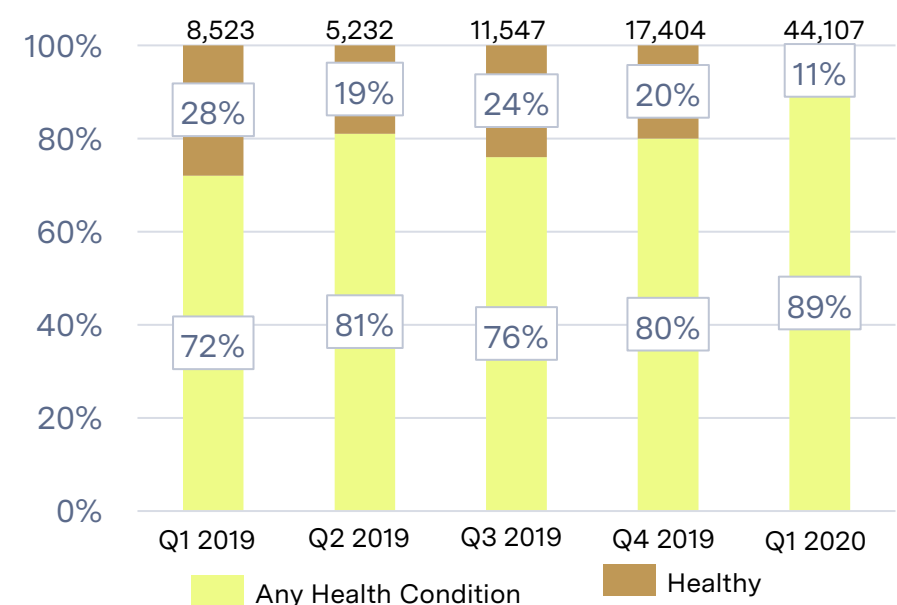
Distribution of customers with any health condition, %

Legend:
- Male Under 35
- Male Over 35
- Female Under 35
- Female Over 35
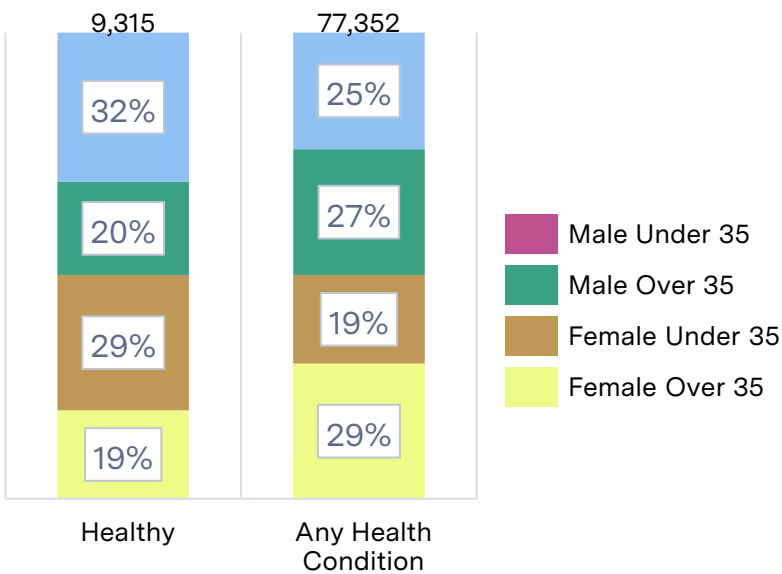
Conversion Rates[1] by health condition, %

Categories: Menopause Female, PMS Female, UTI Female, Iron Female, Fibroids Female, BPH Male

Legend: Health Condition — Other Health Condition — Company Average
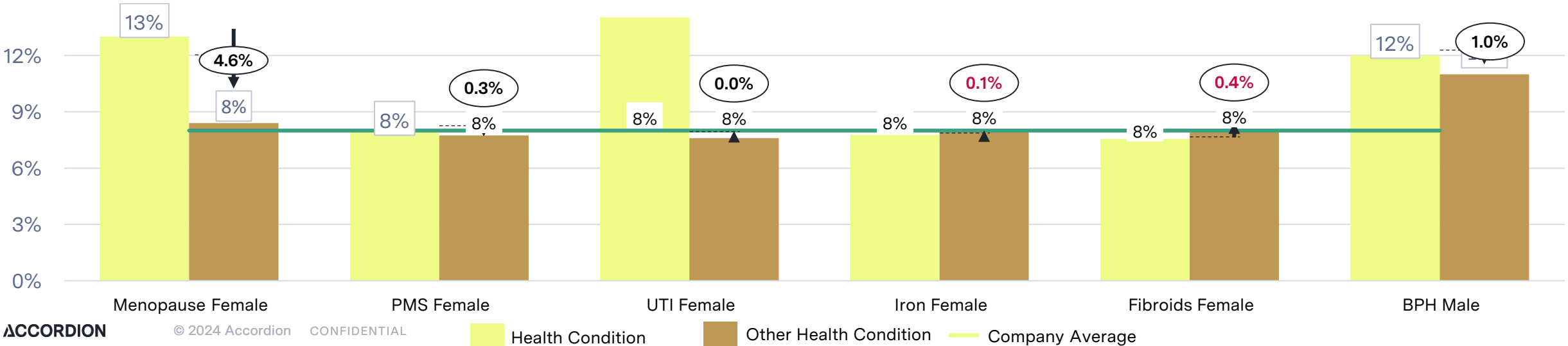
Customer segmentation by acquisition source

CAC Trend by marketing Channel, $

CAC Trend by marketing Channel line chart, CAC ($) vs Acquisition Month (Apr-19 to Feb-20)

Google-Ads Generic Keywords: $198, $219, $261, $267, $196, $234, $274, $216, $238, $276, $260

Google-Ads Overall: $146, $140, $174, $156, $124, $128, $171, $121, $137, $144, $125

Facebook: $213, $178, $250, $308, $294, $315, $348, $288, $299, $228, $212

Company Level: $98, $107, $124, $144, $146, $128, $155, $164, $169, $144, $120

Legend:
- Google-Ads Generic Keywords
- Google-Ads Overall
- Facebook
- Company Level

Conversion Rate[1] Trend by marketing channel, %

Conversion Rate (%) vs Acquisition Month (Apr-19 to Feb-20)

Facebook: 28%, 28%, 24%, 24%, 26%, 26%, 26%, 26%, 26%, 26%, 26%

Organic: 32%, 29%, 26%, 26%, 27%, 28%, 29%, 31%, 32%, 30%, 30%

Google-Ads Overall: 30%, 29%, 26%, 26%, 26%, 28%, 29%, 30%, 29%, 29%, 29%

Remaining Channels: 34%, 34%, 31%, 35%, 32%, 29%, 33%, 35%, 35%, 34%, 34%

Legend:
- Facebook
- Organic
- Google-Ads Overall
- Remaining Channels