

Group Project

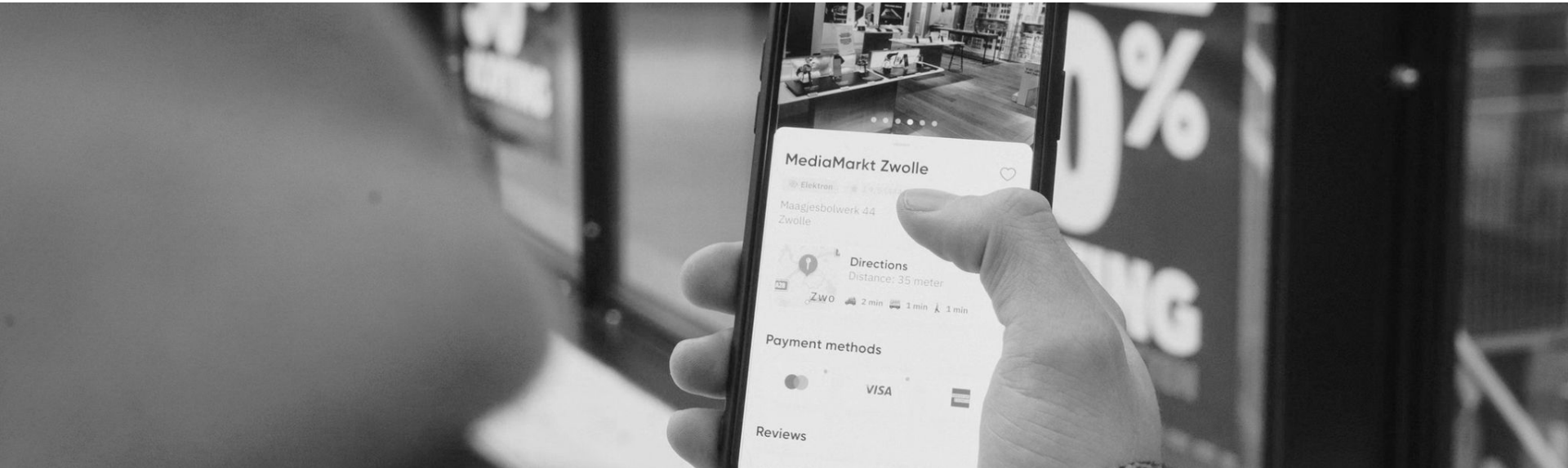
Data Analytics Project

March 2022

**GROUP
333**

AGENDA

1. Problem Statement & Objective
2. Clusters To Focus On
3. Clusters & Problem Tied To Each
4. Data Analysis
5. Our Strategies



PROBLEM STATEMENT & OBJECTIVE

PROBLEM STATEMENT

Not having focus and targeted strategy for each customer segmentation, has the impact of decreased customer interest & sales, which affects company ABC

OBJECTIVE

Identify key customers segments to **learn their insights for targeted Marketing campaigns**
(*through RFM methodology)

SUCCESS METRIC

KPIs: Increase sales
Measurement metrics: **Average order value, number of orders per customers**

CLUSTERS TO FOCUS ON

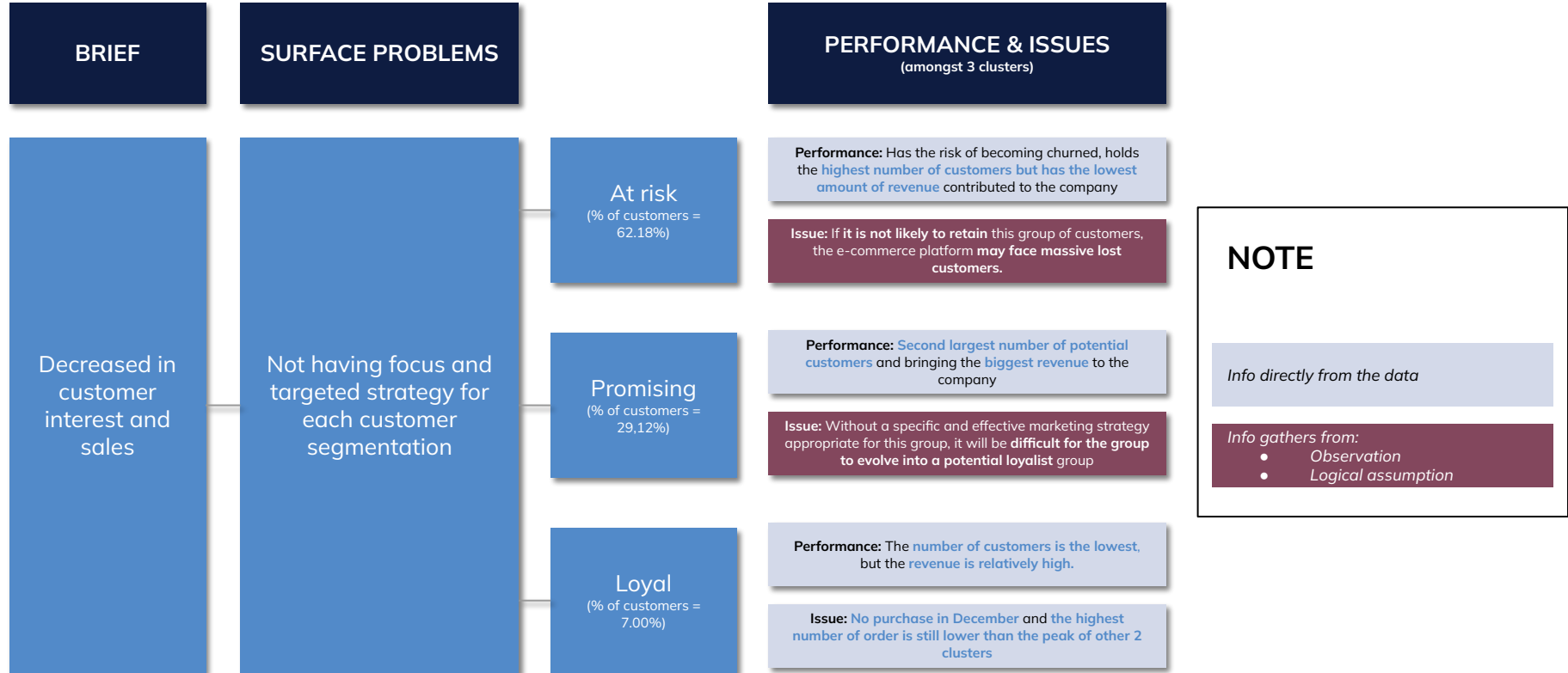
Percentage of customers per cluster



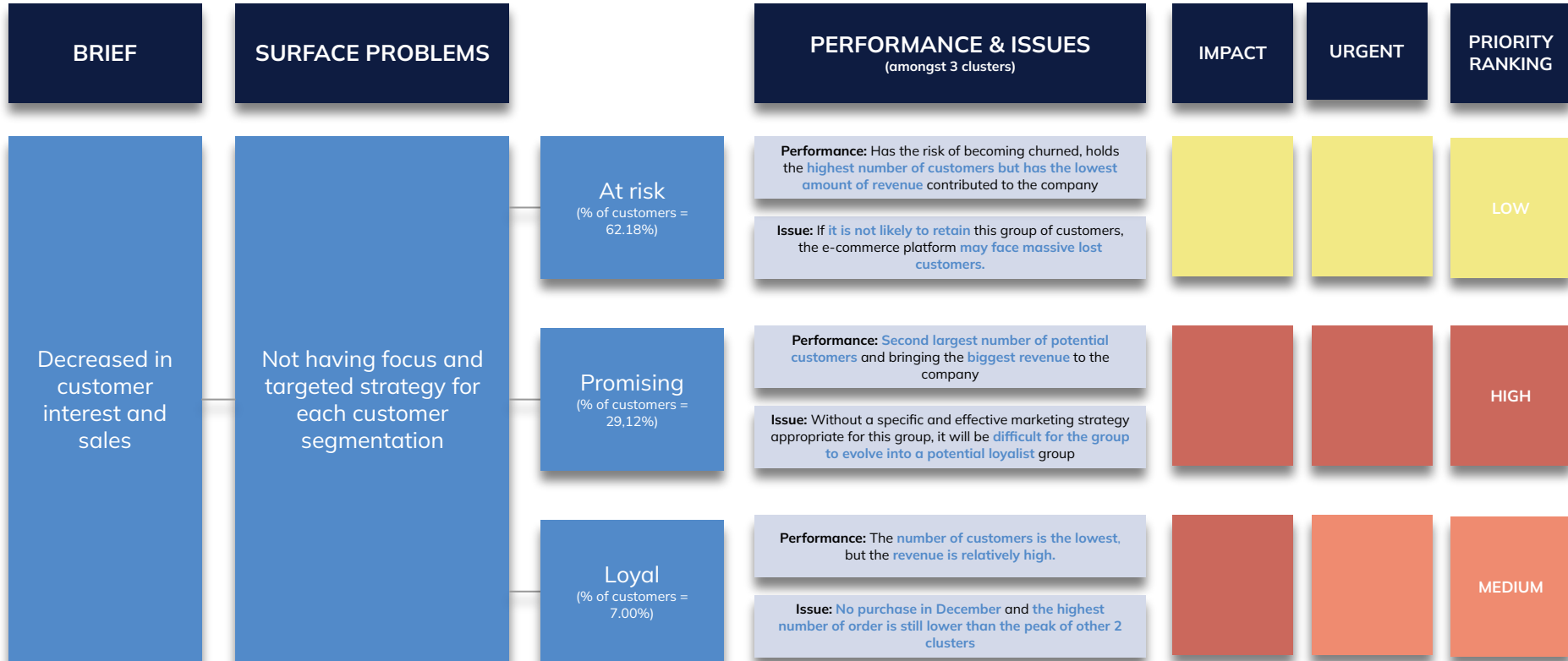
Due to the small percent of customer base, it is not a priority to focus on these clusters

These clusters are possible to convert, retained, and boost the average spending that contributes to ABC's revenue

CLUSTERS & PROBLEM TIED TO EACH



CLUSTERS & PROBLEM TIED TO EACH



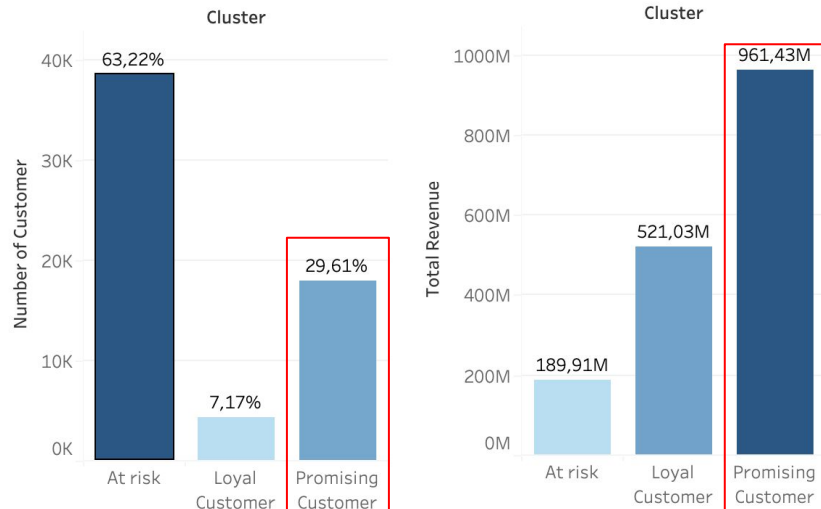
*Impact is considered based on revenue related metrics

*Urgency is considered based on time-bound metrics

1ST FOCUS: PROMISING

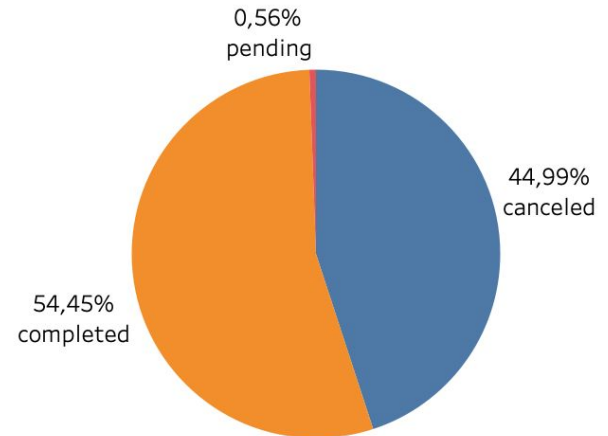
Although the group performs well in regards to the number of customers and revenue, **the visibility of not optimizing this potential customer is high**. There are 2 main reasons...

CUSTOMER BASE & REVENUE BRINGS



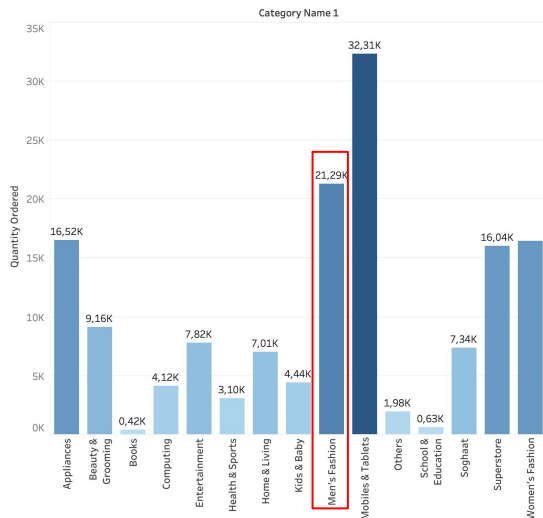
The first reason comes from the **relatively high and remarkable number of cancellations in orders**.

REASON 1 - High cancellation status (44.99%)

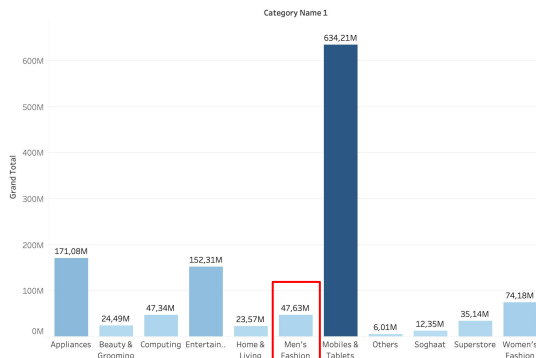


1ST FOCUS: PROMISING

The number of orders from the Men's Fashion category is the second highest (only after Mobile Tablet).



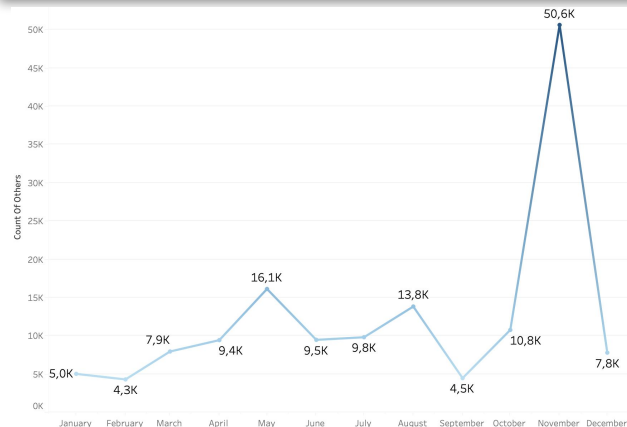
However, the revenue brought in was not high. This may reflect the majority of cancellations in this category



**the same goes with Women Fashion (high % orders, low % revenue)*

Because of the instability in the volume of orders for the whole year. Only 3 months (September to November) saw the growth of the number of orders.

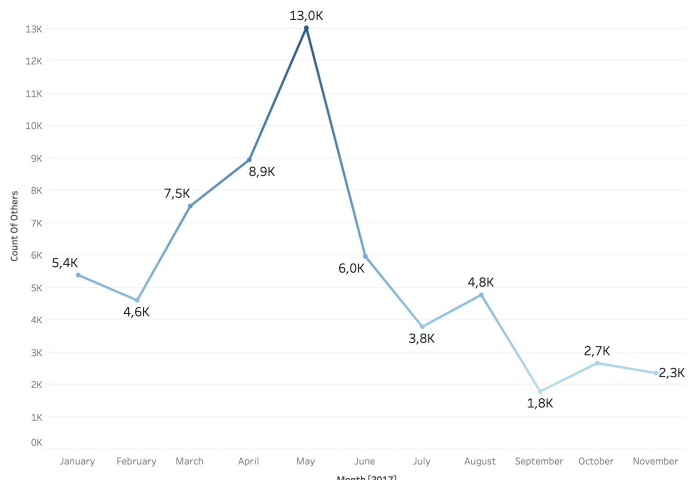
REASON 2 - No strategic retention and conversion into the lower funnel.



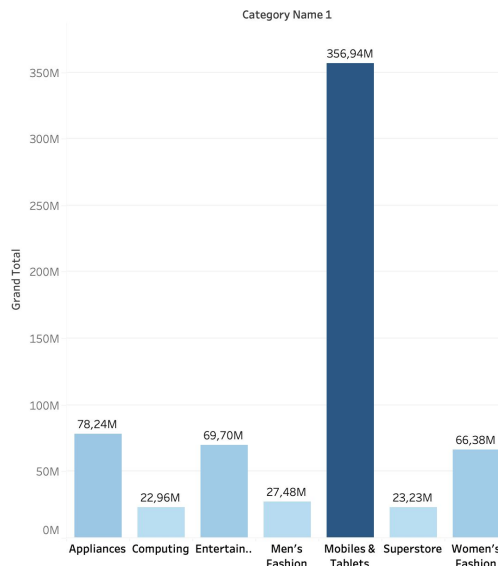
DEVELOP AN APPROPRIATE STRATEGY TO MINIMIZE CANCELLATIONS AND ENSURE THE CLIENT'S RELEVANCE WITH CONSUMERS MORE.

2ND FOCUS: LOYAL

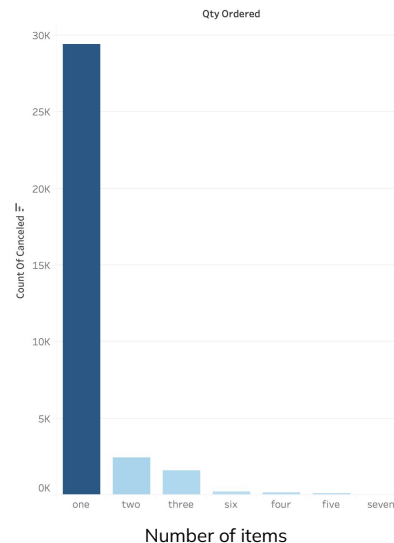
There is **no purchase made in December** and the highest number of order is still lower than the peak of other 2 clusters



The orders of **Mobile & Tablets**, category is main revenue driver



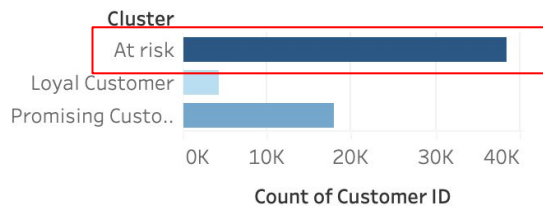
The highest cancellation rate comes from **orders of only 1 item**



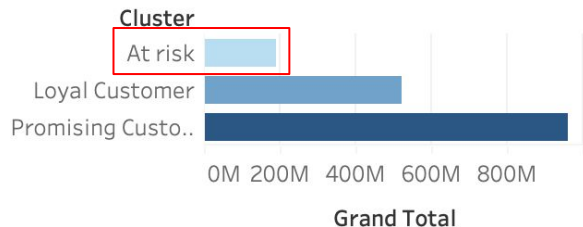
LOWER CANCELLATION RATE AND IMPROVE SALES PERFORMANCE OF OTHER CATEGORIES WHILE BOOSTING PURCHASE IN QUARTER 4.

3RD FOCUS: AT RISK

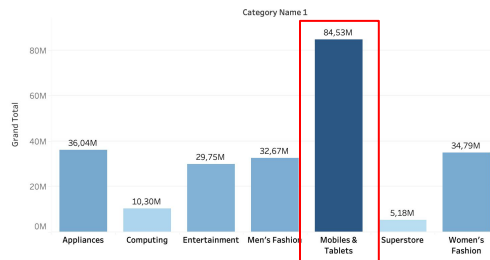
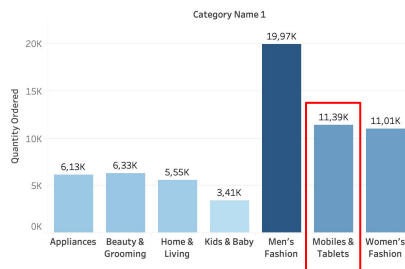
The group has the **largest number of customers**



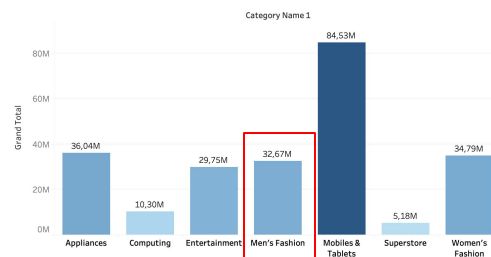
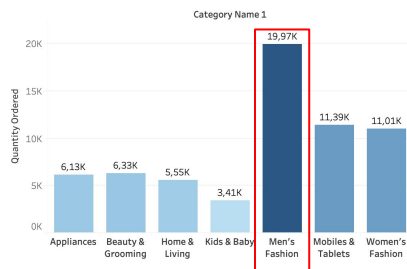
However, **revenue** brought to the company is the **lowest**



Mobile & Tablet brings in the most revenue for the company, but the **number of orders** is only in third place.



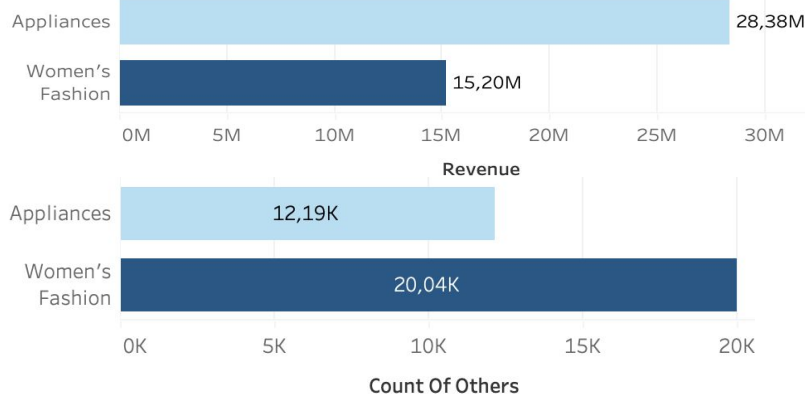
Men Fashion has the highest number of orders, but the **revenue** this category brings to the company is only in third place.



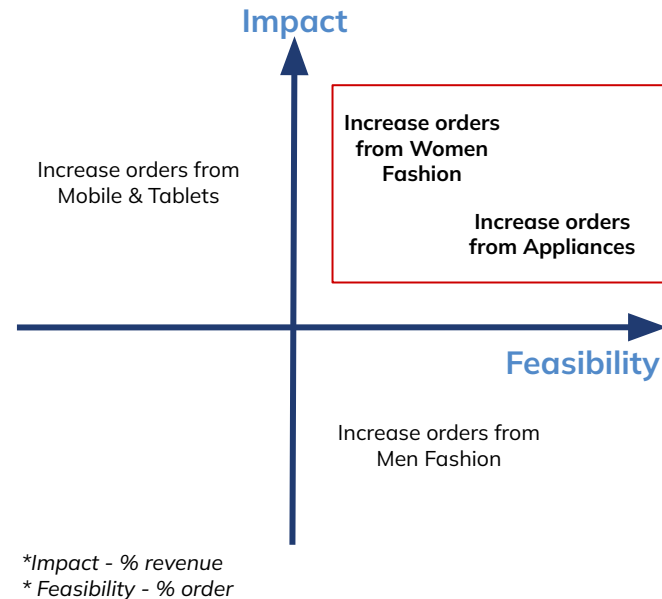
AT FIRST GLANCE, IT IS BETTER TO **INCREASE THE NUMBER OF ORDERS FOR THE MOBILE & TABLET AND MEN FASHION CATEGORY.**

3RD FOCUS: AT RISK

...However, since **Mobile & Tablet products have a long product life cycle**, hence **Client should consider boost sales for Women Fashion and Appliances category**



It's noticeable that **even % of order from Women Fashion is lower than Men's Fashion, % of revenue by Women Fashion is higher than Men's Fashion**



ALL CONSIDERED, CLIENT SHOULD PRIORITIZE IN **INCREASING ORDERS FROM WOMEN FASHION AND APPLIANCES**

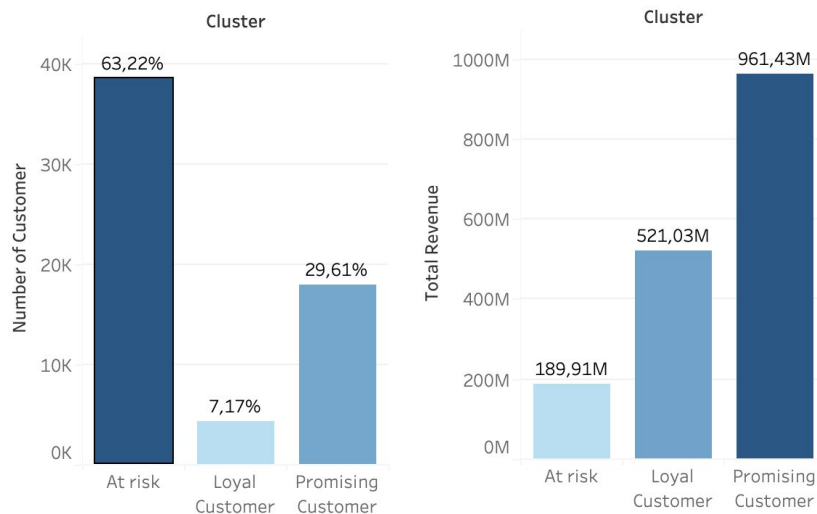
LOOK BACK TO MOVE FORWARD

ISSUE	MAIN CONSIDERATION	STRATEGIC APPROACH	SOURCE OF GROWTH
Without a specific and effective marketing strategy appropriate for Promising, it will be difficult for the group to evolve into a potential loyalist group	<p>High cancellation status</p> <p>No strategic retention and conversion into the lower funnel</p>	<p><u>STRATEGY 1:</u></p> <p>Adjust and implement an appropriate targeted strategy in order to minimize canceled orders and retain customers with more constant activities throughout the year.</p>	Promising group
No purchase in December and the highest number of order is still lower than the peak of other 2 clusters	<p>High cancellation for order of just 1 item</p> <p>Revenue contribution among categories is significantly lower than Mobile & Tablets</p>	<p><u>STRATEGY 2:</u></p> <p>Lower cancellation rate and improve sales of 2nd highest performance categories while boosting purchase in quarter 4.</p>	Loyal group
If it is not likely to retain this group of customers, the e-commerce platform may face massive lost customers .	The number of orders came from Men Fashion the most, but the revenue was low. Meanwhile, Women Fashion has the safest results.	<p><u>STRATEGY 3:</u></p> <p>Retargeting with the right, potential segment in this cluster and implementing communication activities via digital channels targeted to them to regain interest</p>	At risk
Sales of Promising & At-Risk increase at the end of the year. Particularly, Loyal has the number of orders declined from June to the end of the year.	Take advantage to boost the number of orders for Promising and At-Risk, minimizing the decrease in the number of orders for Loyal.	<p><u>STRATEGY 4:</u></p> <p>Mega Sale Campaign to boost sales and draw the crowds</p>	Promising, Loyal, At-risk

STRATEGY 1

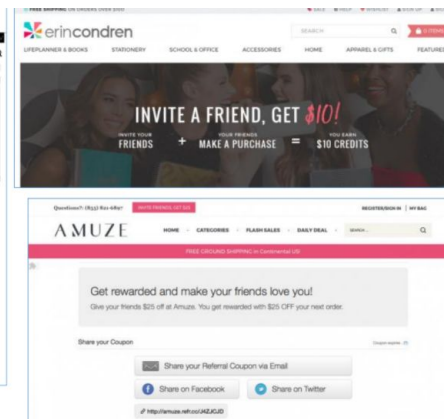
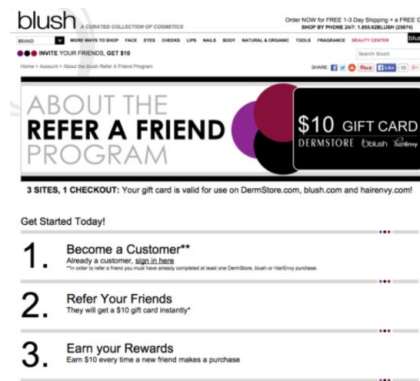
Client should **improve targeted strategy**, provide **referral program** to get products suggested from current users

Promising group **contributed the largest revenue** to the company. Besides, **has the potential to convert into potential loyalist**.



Referral program because it's a **win-win for both side & minimize canceled orders from noticeable categories** (consider Men Fashion, Women Fashion)

IMPLEMENTATION

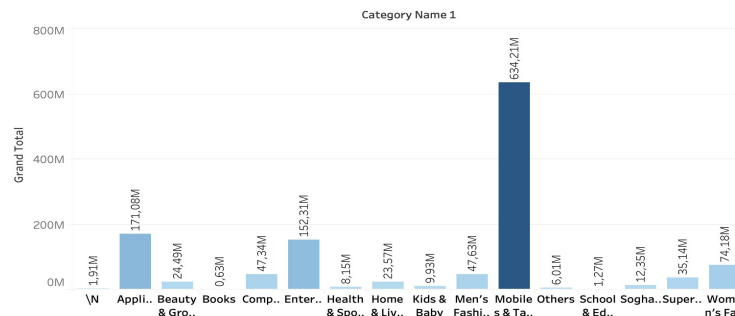
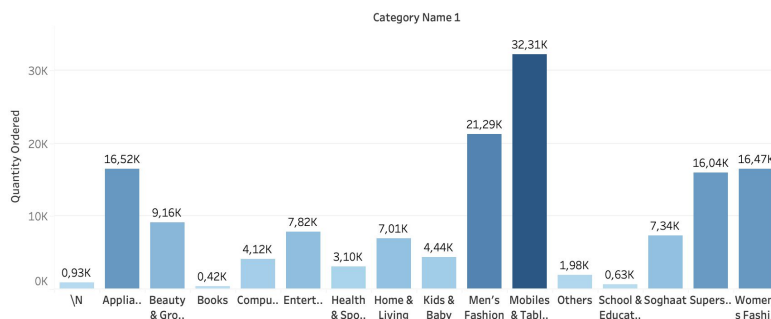


Develop the program to solve categories don't perform well and **convert customers to more purchasing**.

STRATEGY 1

...and using CRM to continuously remind and engage with customers how to purchase efficiently on ABC E-commerce (especially CTA for Mobile & Tablet, Appliances, Entertainment)

Since other categories maintain good performance in regards to the number of orders and the actual revenue brought to the company. It is vital to keep customers consistent with.



IMPLEMENTATION

*estimated timeline

Buying

1 week

1 month

2 months

3 months

OBJECTIVE

Provide better customer services

Get feedback & respond to any Q&A
Cross-selling to other SKU/categories
Inform promotion for re-purchasing customer (optional)

Re-check the status of this segment

TOOLS

Direct call

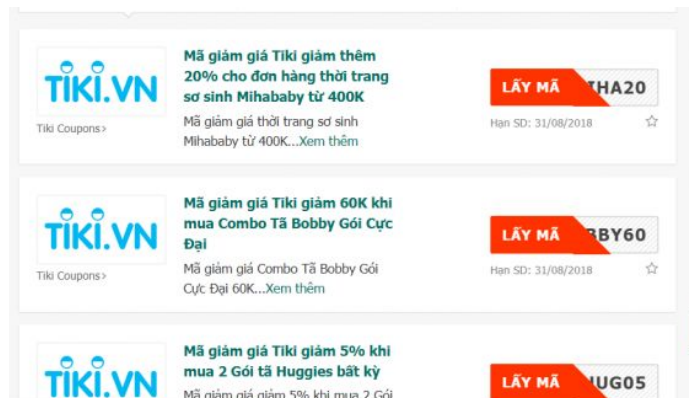
Automation Messenger Inbox (Chatbot)
Direct Call

Direct call

STRATEGY 2

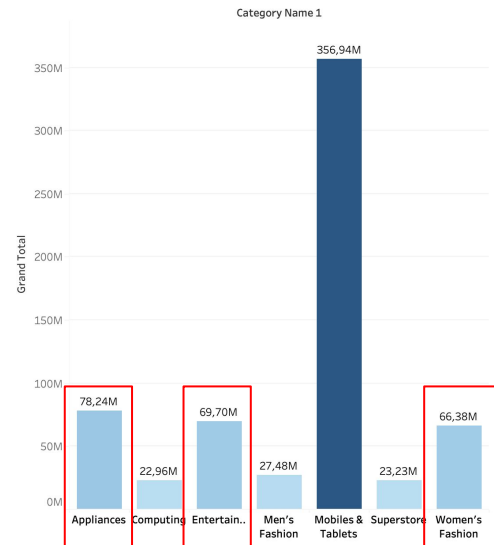
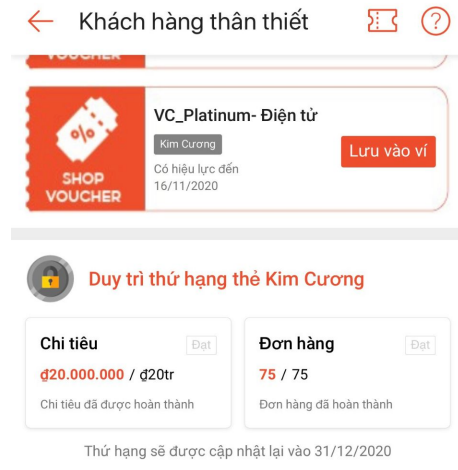
Implement **Loyal customer reward program** and **apply incentive for multiple items purchase** to tackle the cancellation rate of Loyal group

The number of customers in Loyal group is not as high as the other clusters, yet their **revenue contribution is the 2nd highest** and **needs to be retained**



Vouchers for bundle purchase

Exclusive incentives for loyal customers that meet the minimum spending and order amount



Emphasizing incentives on the low performing categories to encourage larger spending

STRATEGY 3

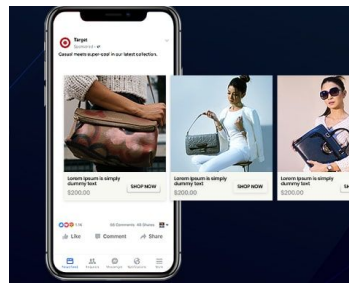
Retargeting with the **right, potential segment** in this cluster and implementing **communication activities** via **digital channels** targeted to them to **regain interest**

Even though this cluster holds the risk of being lost, there is an opportunity for the Client to **retarget the well revenue-driven category** - which reflects on % orders and % reve from **Women Fashion/Appliances**.

status	canceled	
Row Labels	Sum of count of others	%
At risk	33680	1.18%
Champion	17485	0.61%
Lost customer	126	0.00%
Loyal Customer	1434394	50.26%
Promising Customer	1368302	47.94%
Grand Total	2853987	100.00%

This group has a **low cancellation rate** -> **Potential to grow and retain** customers in the **Women Fashion and Appliances** categories.

IMPLEMENTATION



Retarget with digital ads on social media to regain interest



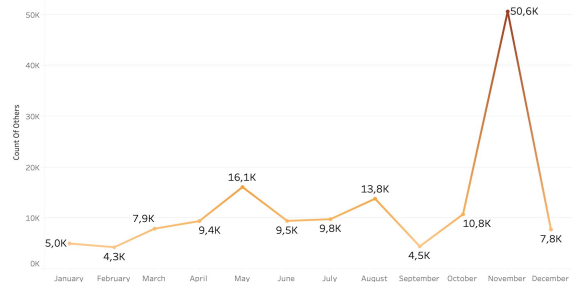
Livestreaming to communicate and engage with customers, boost sales

STRATEGY 4

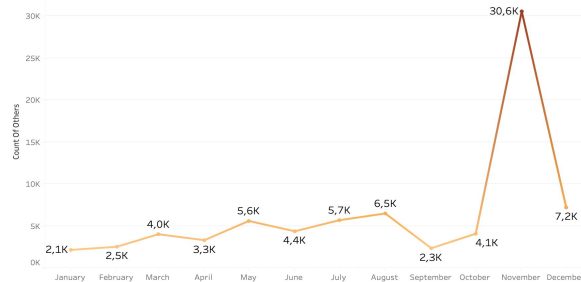
Client should optimize the opportunity to expand further peaks from June to November by implementing E-commerce Mega Sale.

Although we saw a small number of sales at the beginning of the year, we realized there is a **better opportunity for the Client to increase the number of orders even more during peak times to tackle 3 clusters.**

Number of orders each month: Promising



Number of orders each month: At Risk



DRIVE HIGHER TRAFFIC - Increase visit to E-com site

REPETITIVE VISIBILITY - Extensive reach and awareness on digital platforms

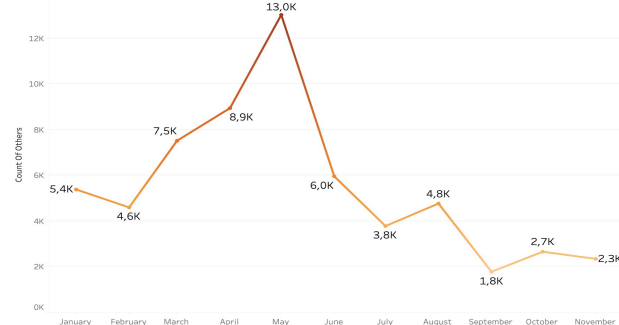
ENGAGE CUSTOMERS - Engage and build connection with customers

HIGHER CONVERSION - Generate conversion and maximize revenue

Organize Ecommerce Mega Sale Campaign from June to November and follow up content afterwards in order to draw the crowds and boost sales.

It is witnessed the **peaks from 2 clusters (Promising + At-risk) from September**

Number of orders each month: Loyal Customer



In tandem with the **decrease from June of Loyal group.**

THE END.

**THANK YOU FOR YOUR
READING.**