

Customer Segmentation for Marketing

Customer segmentation is the process of sorting customers into different groups based on their shaped characteristics. These include preferences, behavior and demographics. This helps businesses to understand their customers better and serve them in a way that feels more personal and tailored to their needs. Spotting similarities or patterns among customers is a game-changer for a company because it may boost empathy, retention and loyalty and it may give the customers exactly what they want at the same time. Other than that, customer segmentation helps a business to shape the right set of production for sale. Also, customer segmentation helps to develop the right advertising aimed for the specific groups of buyers for retention, boosting loyalty of those customers we already have and for attracting the new ones. Client segmentation allows the business to implement a system of discount and a set of additional services. There could be such additional services as a free delivery or a delivery for a specific price, a preliminary order of products, a play zone or a playground for children with a babysitter for the parents to be comfortable with doing shopping, etc.

There are nine different customer segmentation types, such as behavioral segmentation, demographic segmentation, firmographic segmentation, geographic segmentation, psychographic segmentation, technographic segmentation, customer account data segmentation, needs-based segmentation and values-based segmentation. To make the project easier for different data visualization methods demonstration, we will not go off the demographic segmentation topic.

A data set called 'Customer Personality Analysis' will be used for this project. The source is available by this link: <https://www.kaggle.com/datasets/imakash3011/customer-personality-analysis> . This dataset contains information about 2240 customers. From this dataset we will choose all the demographical features, such as ID, year of birth, education, marital status, income, kids in the household, teens in the household and a date of registration of a customer.