

Problem Statement Worksheet (Hypothesis Formation)

What opportunities exist for ABC, an online retail store to target its customers efficiently in the coming year in order to retain key customers and lower its marketing cost to reach target customers by 20%

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1 Context

- ABC is a UK-based registered non-store online retail company. It mainly sells unique all-occasion gifts. Many customers of the company are wholesalers.
- The company wishes to hold effective and relevant marketing campaigns to improve customer retention.
- It also aims at increasing profits by 20% by analyzing and increasing the spending pattern of existing customers.

2 Criteria for success

- To implement a new product strategy which enables ABC to reduce marketing cost by 20% and revenue loss by 0% in the coming year.

3 Scope of solution space

- Customer behaviour Analysis – RFM Analysis
- Price Optimization for products
- Product Divestment – Demand forecast

4 Constraints within solution space

- Limited data which might restrict the quality of analysis.

5 Stakeholders to provide key insight

Ankur Gupta- Business partner
Prashant Khanna- Business partner
Angad Singh- Product Manager
Pranav Kumar – Sales Manager

6 Key data sources

- Retail Data Set from UCI ML Repository.

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