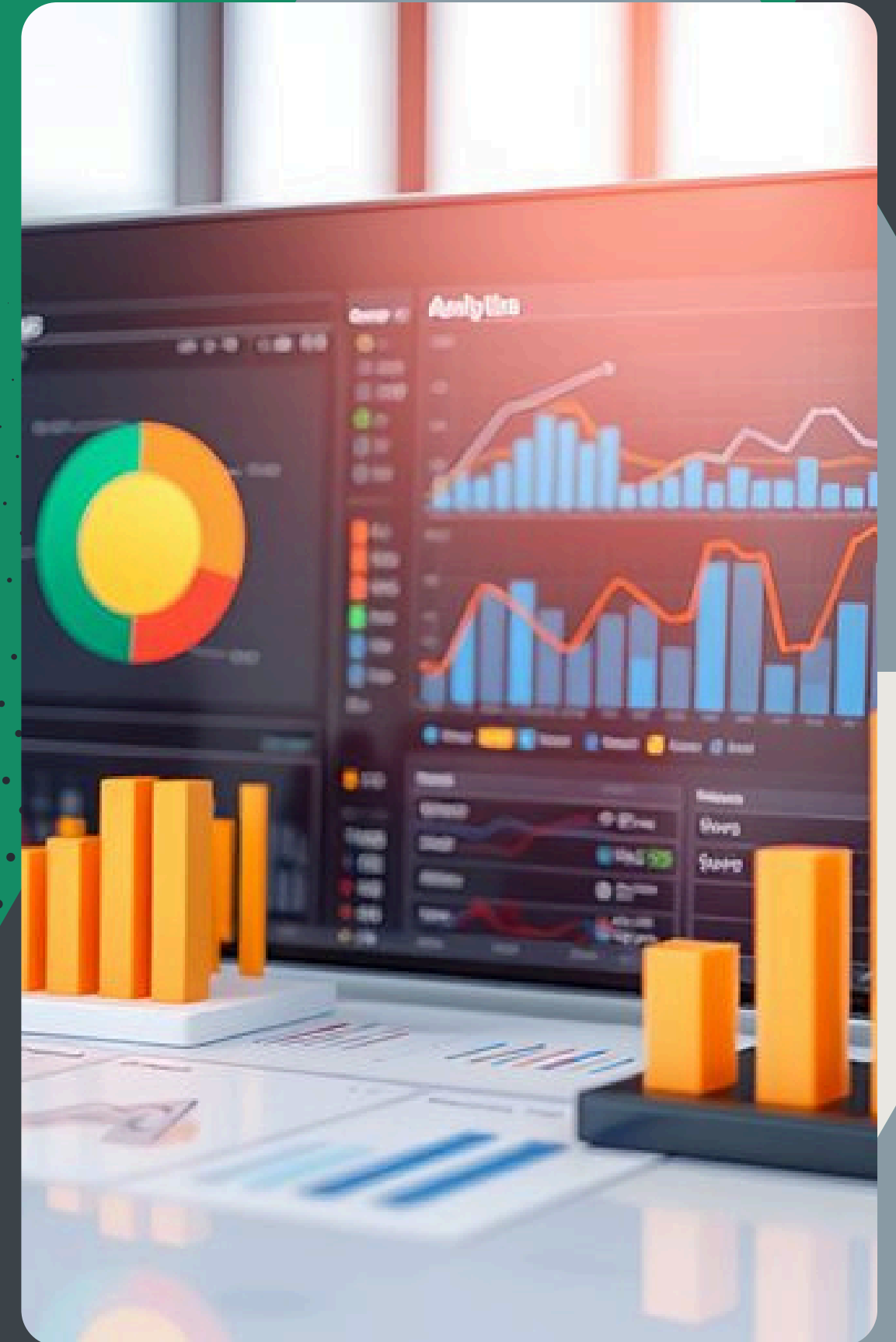


Customer Segmentation Using RFM Algorithm

Implementing the RFM algorithm in Python for effective customer insights and targeted marketing strategies





Overview of Customer Segmentation Project

This project delves into **understanding customer behavior** using the RFM algorithm. By analyzing recency, frequency, and monetary value, we can segment customers effectively. This approach helps businesses tailor their strategies and improve customer engagement, ensuring a more personalized experience for their clients.

RFM Methodology Milestones



Concept Development

The idea of using RFM for customer segmentation was first introduced in the marketing industry.

Algorithm Formulation

The RFM algorithm was formally developed to quantify customer behavior based on purchasing patterns.

Implementation in Python

The RFM algorithm was successfully implemented in Python, allowing for efficient data analysis and segmentation.

Data Collection

Customer data was collected from various sources to support the RFM analysis and segmentation.

Analysis and Insights

The RFM analysis provided valuable insights into customer behavior, leading to targeted marketing strategies.

Present

The RFM methodology continues to evolve, adapting to new data and marketing trends for better accuracy.

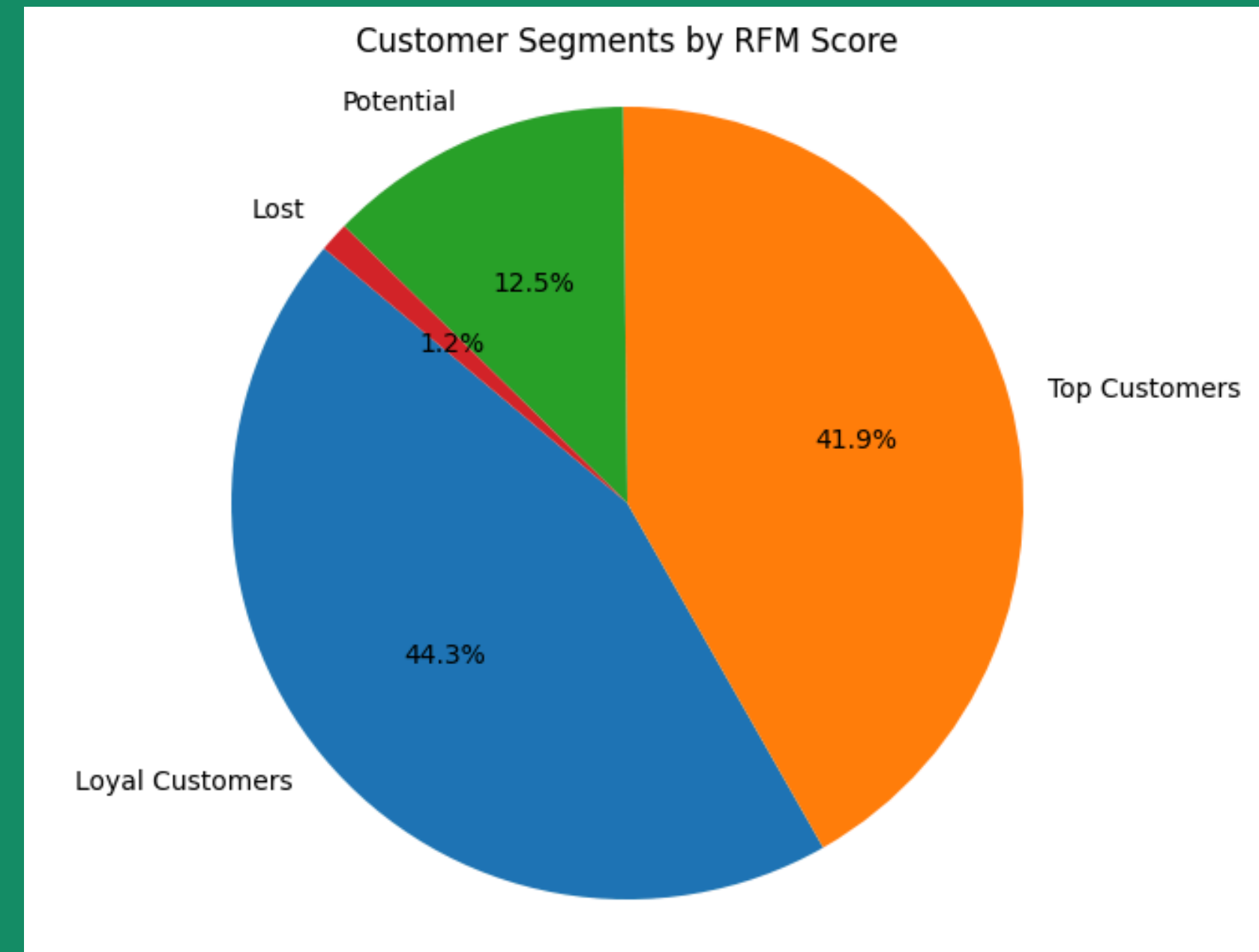
Steps to Implement RFM

- Import necessary libraries
- Load customer data from source
- Calculate RFM metrics for customers
- Segment customers based on RFM
- Visualize the customer segments

Customer Segments Overview: Insights from RFM Analysis

The pie chart illustrates the distribution of customer segments based on recency, frequency, and monetary value. Notably, the largest segment represents high-value customers, indicating a strong return on investment for targeted marketing efforts.

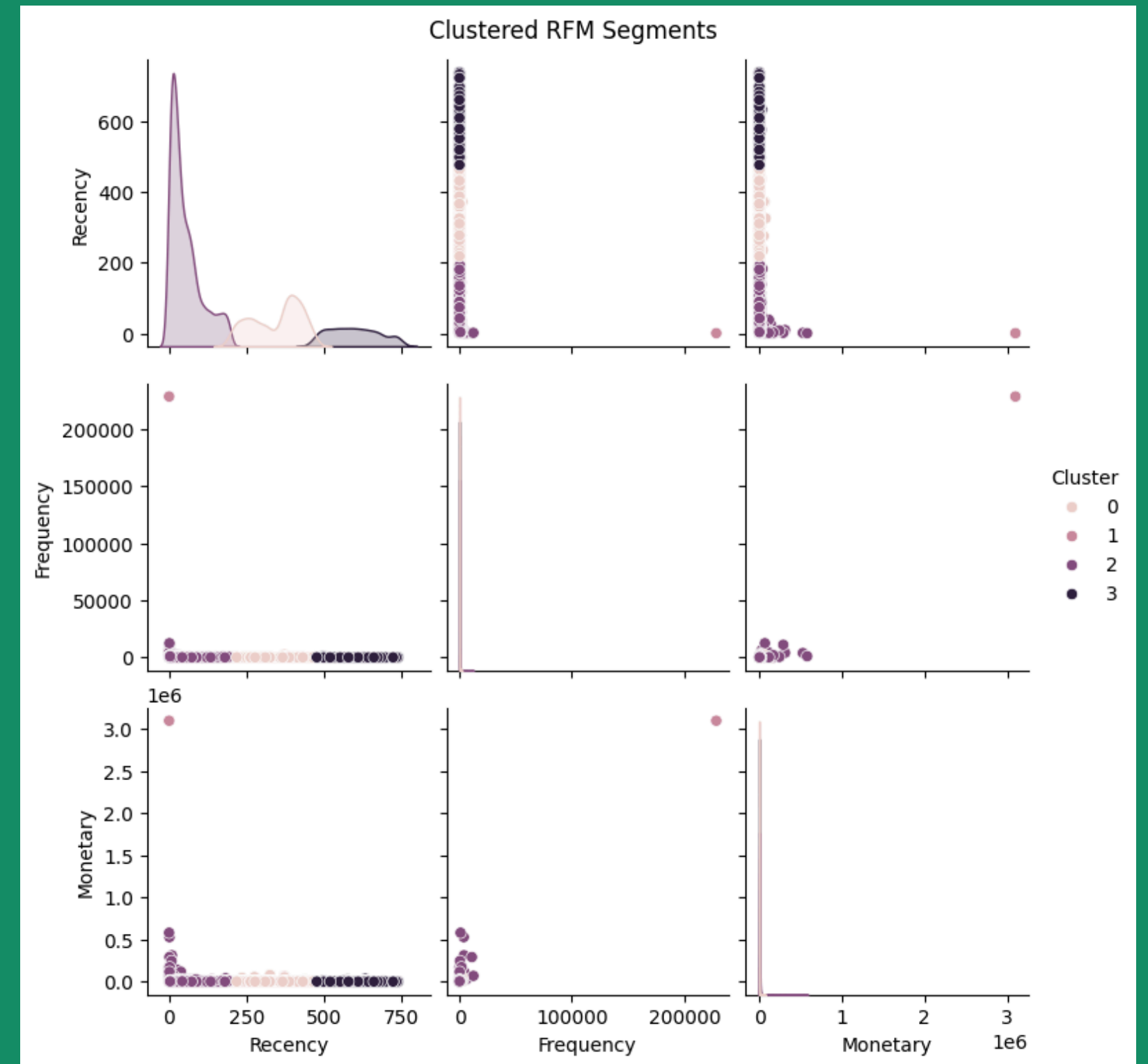
Understanding customer behavior through RFM segmentation analysis



Customer Segments Overview: Insights from RFM Analysis

The pair plot highlights how customer segments are distributed across recency, frequency, and monetary metrics. It reveals that the largest segment consists of Loyal Customers, suggesting that targeted marketing efforts toward this group could yield a strong return on investment.

Understanding customer behavior through RFM segmentation analysis

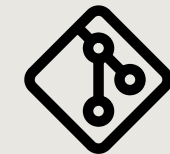


THANK YOU

DATASET : kaggle



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: <https://github.com/Nishantksh277>