

Executive Summary – MegaMart Customer Segmentation Report

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Video Presentation Link:

<https://youtu.be/NNIOL7YcLiE>

1. Business Problem

MegaMart currently markets to customers in a broad, generic manner, resulting in high promotional costs and limited campaign effectiveness. The company lacks a structured view of its customer base, making it difficult to identify which groups generate the most value.

The goal of this project was to analyze customer behavior data and uncover natural segments. These groups enable MegaMart to personalize marketing, improve retention, and allocate resources more efficiently.

2. Discovered Customer Segments

Our analysis identified four customer segments with clearly differentiated behaviors and value levels. Each is summarized using a simple persona to support marketing and strategic decisions.

1. High-Value Loyalists

Persona: *“María, The Dedicated Shopper.”* Frequent shoppers who make large purchases and remain consistently engaged with MegaMart. They demonstrate strong loyalty and stable buying patterns.

Key Traits: High spending, frequent purchases, large baskets, recent activity.

2. Value-Driven Regulars

Persona: *“Luis, The Practical Buyer.”* Customers who visit regularly and purchase with steady but moderate spending. They shop efficiently and tend to complete straightforward, purposeful transactions.

Key Traits: Moderate spending, consistent activity, quick shopping sessions.

3. Casual Browsers

Persona: “*Ana, The Window Shopper.*” Visitors who browse extensively but convert less frequently. They spend more time comparing products and show higher rates of product returns.

Key Traits: Low spending, infrequent purchases, long browsing times, high returns.

4. Premium Enthusiasts

Persona: “*Carlos, The High-End Customer.*” MegaMart’s most engaged and profitable customers. They purchase premium products, buy often, and maintain low return rates.

Key Traits: Highest spending, frequent purchases, large baskets, strong loyalty.

3. Marketing Strategy Recommendations

Each segment benefits from targeted strategies that reflect their behaviors and relationship with the brand.

High-Value Loyalists

- Launch a VIP rewards program with early access to sales.
- Offer exclusive loyalty-based benefits.
- Encourage referrals through incentive-based programs.

Value-Driven Regulars

- Provide bundle deals and practical monthly savings.
- Highlight cost-efficient product recommendations.
- Use cross-sell prompts based on previous purchases.

Casual Browsers

- Deploy remarketing campaigns based on browsing activity.
- Offer first-purchase incentives such as free shipping.
- Reduce returns with clearer product information.

Premium Enthusiasts

- Create an elite-tier loyalty program with premium perks.
- Offer early access to limited-edition products.
- Send personalized notifications for new product releases.

Segment Prioritization

Marketing efforts should prioritize high-value and premium-oriented segments due to their strong purchasing behavior and loyalty. Regular and browsing-focused customers should receive tailored but appropriately scaled outreach to foster growth and improve conversion.

4. Expected Business Impact

Segment-driven marketing is expected to significantly improve key performance indicators. Personalized retention strategies can reduce churn among top-value customers. Customized messaging is likely to increase email engagement and improve conversion rates. Targeted promotions will also reduce wasted advertising spend by focusing on the behaviors and preferences of each segment.

MegaMart should remain mindful of data accuracy, operational complexity, and customer privacy when implementing personalized campaigns.

5. Next Steps and Recommendations

Immediate Actions

- Integrate the segmentation model into MegaMart's CRM system.
- Begin A/B testing segment-specific promotions.
- Implement dashboards to track performance and customer behavior.

Future Enhancements

- Incorporate product category preferences into future segmentation.
- Monitor customer movement between segments over time.
- Combine segmentation with predictive analytics such as churn or lifetime value.