Company: Classicmodels Retail Inc.

Problem Title:
"Customer Segmentation and Engagement Strategy for Classicmodels Retail Inc."

Background:

Classicmodels Retail Inc. is a leading consumer goods company preparing to celebrate its upcoming anniversary. To optimize customer relationships and sales during this special occasion, the company aims to implement a data-driven strategy for customer segmentation and personalized engagement. As a data analyst at Classicmodels Retail Inc., your role is to design and execute this strategy.

Data Description:

You have access to a dataset containing the following information:

Customers
Orders
Orderdetails
products

Tasks:

Customer Segmentation:

Use the RFM (Recency, Frequency, Monetary) analysis to segment customers into three categories: high-value, loyal, and lost customers.

RFM Scoring:

Calculate the RFM scores for each customer based on the following criteria:
Recency (R): How recently they made a purchase.
Frequency (F): How often they make purchases.
Monetary (M): How much money they've spent with the company.

Segment Definition:

Define the threshold values for each RFM score that distinguish high-value, loyal, and lost customers. For example:
High-Value Customers: R =1, F =1, M =1
Loyal Customers: R <= 2, F = 1, M <= 3
New Customers: R =1, F = 3, M <= 3
Lost Customers: R = 3, F <= 2, M <= 3

Marketing Strategies:

Develop tailored marketing strategies for each segment.
- High-Value Customers: Recommend premium products, early access to anniversary deals, and personalized thank-you gifts.
- Loyal Customers: Send exclusive newsletter offers, double loyalty points, and invitations to VIP events.
- New Customers: Offer Welcome Discount, Refer-a-Friend Program, Anniversary Bundle and Personalized recommendations.
- Lost Customers: Create win-back campaigns with personalized messages and special incentives to encourage them to return.

Deliverables:

- A report detailing EDA, RFM analysis, and segment definitions.
- List of Customers for each segment with their contact and location details as:

CustomerNumber
CustomerName
Phone. Number
Country

H@ppy Le@rning 😊