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Customer Analytics Report

PROJECT CUSTOMER 360

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Report Overview

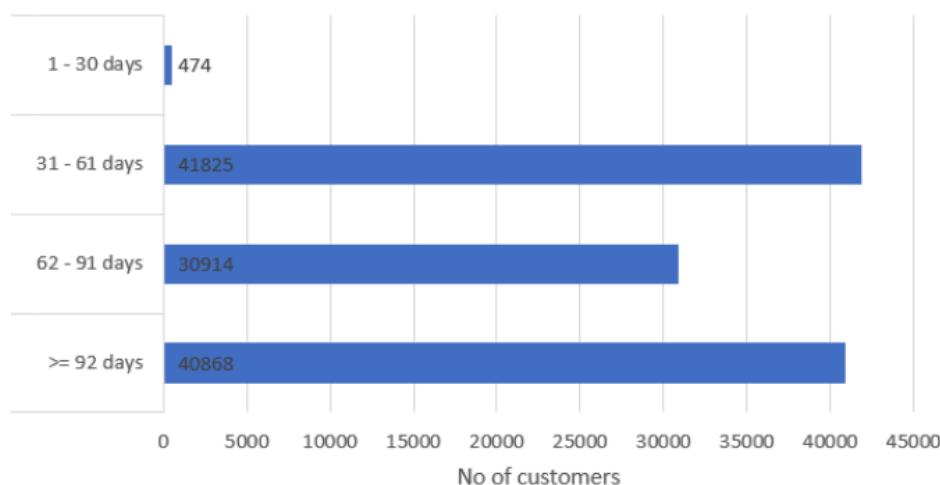
This project aims to develop a comprehensive understanding of our customer base by creating a **Customer 360 profile**, analyzing transaction data, and applying **Recency, Frequency, Monetary (RFM)** metrics to segment customers. The insights derived will empower the marketing team to design targeted campaigns and implement effective customer policies, ultimately enhancing customer engagement and driving sales growth.



Introduction of sale performance

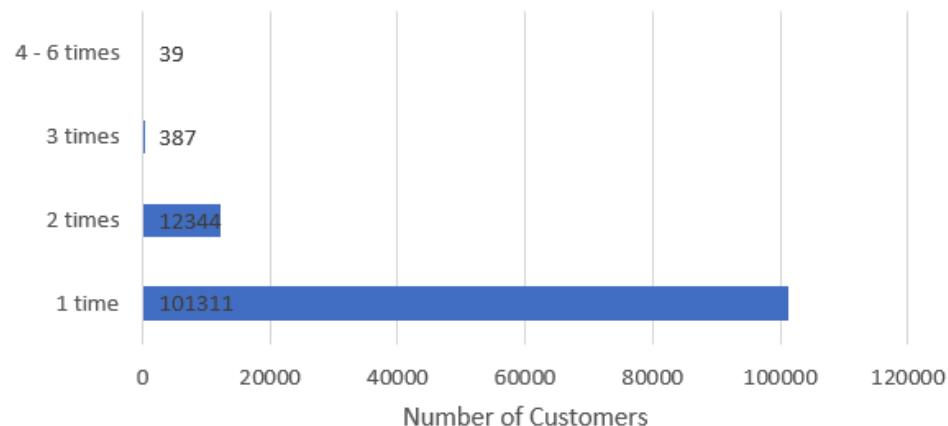
- The report provides analysis for the period from **June 1, 2022, to August 31, 2022**
- Total Revenue: **Over 11 billion VND** generated
- Total Customers: **114,081 unique customers**
- Average GMV per Transaction: **87,371 VND**

Recency



- A significant number of customers (around 62.9%) have not returned in over 60 days, indicating a decline in engagement

Frequency



- Over 80% of customers have only made a single purchase in the past three months, indicating a low return rate



Challenges and Objectives

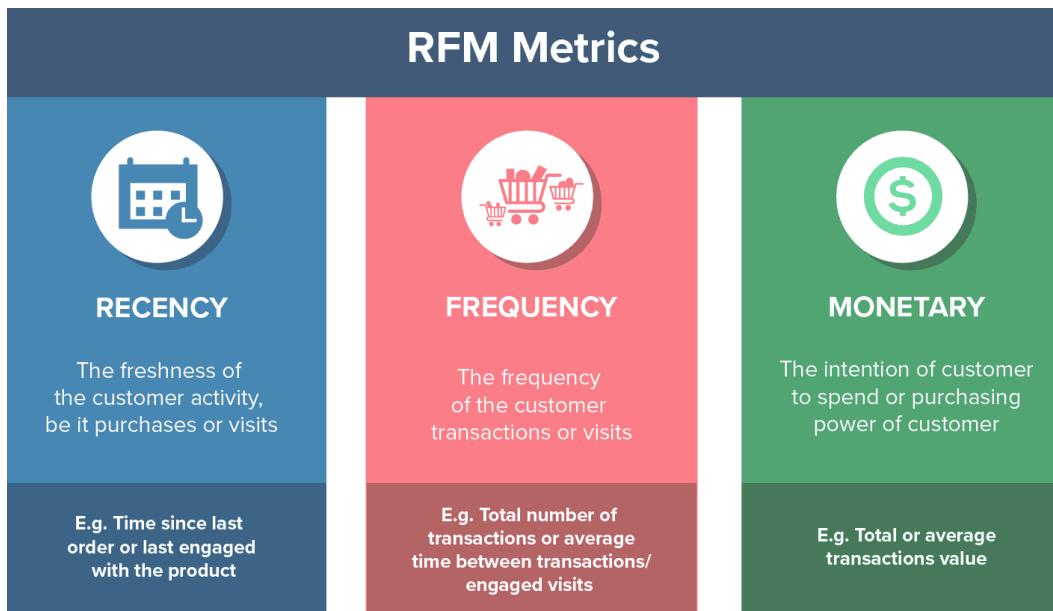
④ Challenges

- Customers have different preferences, purchasing behaviors, and spending capacities.
- Businesses struggle to retain high-value customers and risk customer churn.

④ Objectives

- Segment customers based on Recency, Frequency, and Monetary (RFM) metrics to identify different customer groups.
- Develop personalized marketing strategies for each customer segment

What is RFM Analysis



- ➡ RFM analysis is a marketing technique used to quantitatively **rank and group** customers based on the recency, frequency and monetary total of their recent transactions
- ➡ Customers are grouped into four quartiles (1 to 4) for each metric using Interquartile Range (IQR).
- ➡ Higher values for F and M are better, but lower values for R are better (more recent purchase = better).

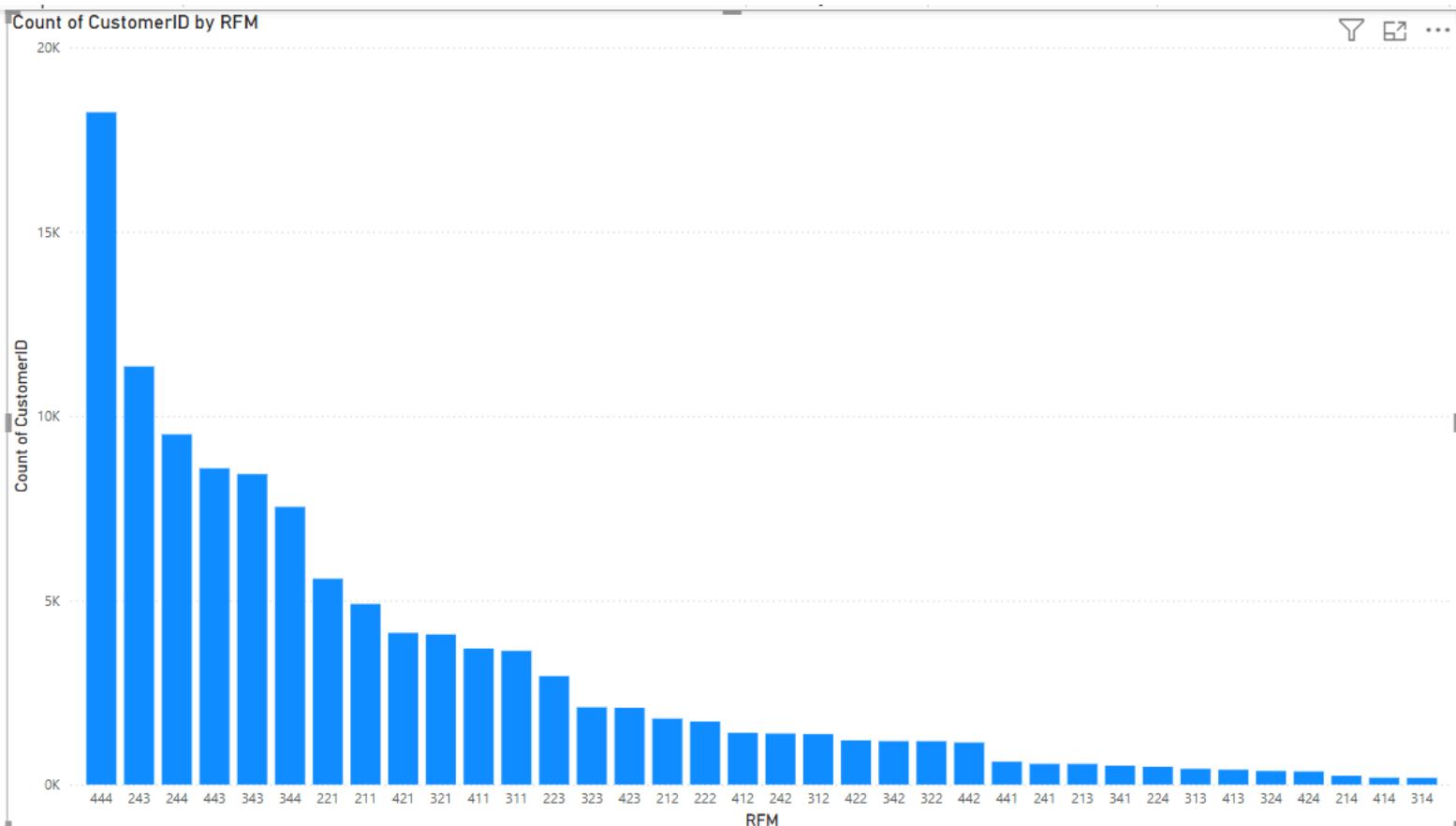
Our Approach

Metric	Q1 (Lowest 25%) → Score = 1	Q2 (25%-50%) → Score = 2	Q3 (50%-%-75%) → Score = 3	Q4 (Top 25%) → Score = 4
Recency(R)	Customers with the longest time since last purchase	Mid-range customers	Frequent buyers	Most recent customers (last purchase in top 25%)
Frequency(F)	Customers who buy the least	Mid-range customers	Regular buyers	Frequent buyers (top 25%)
Monetary(M)	Customers who buy the least	Mid-range spenders	Above-average spenders	Highest spenders (top 25%)



Once customers are segmented using the RFM model, we can further evaluate them using the BCG Matrix to assess their value to the company and determine appropriate marketing actions.

Distribution of different groups



- ➡ The **majority** of customers belong to the 444, 243, 244, 343, and 344 segments, highlighting that a significant portion of the company's customer base consists of loyal and engaged buyers.

- ➡ The **second-largest customer segments** are 221, 211, 421, 321, 411, and 311, primarily consisting of new customers with relatively low monetary value. The focus should be on **increasing their return rate** through personalized engagement strategies and targeted promotions to **encourage higher spending**.

BCG Matrix

Relative Market Share

Cash Generation

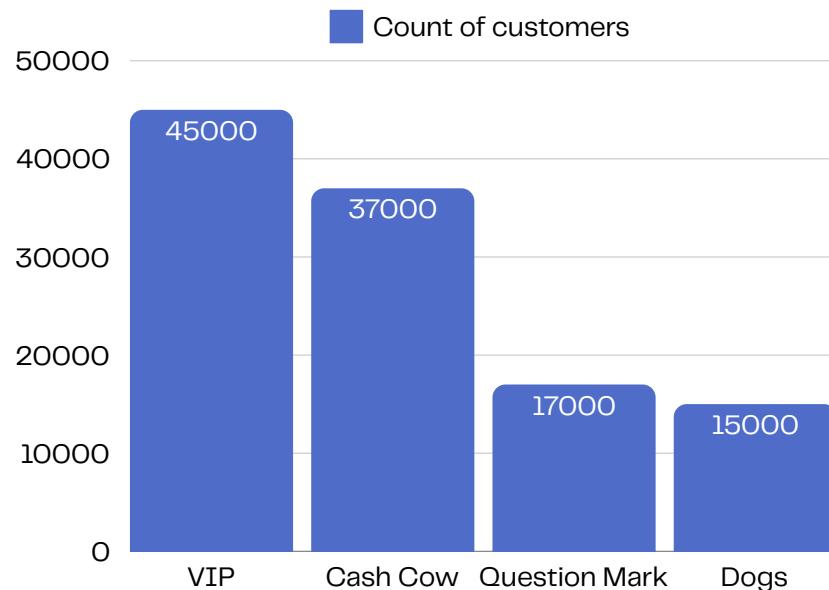


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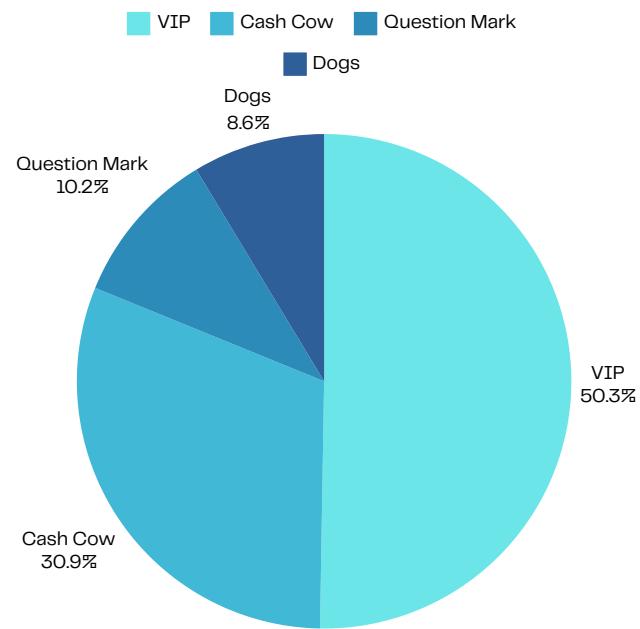
BCG Category	RFM Score	Description	Marketing Strategy
⭐ Stars (High Growth, High Value)	444, 443, 424, 423, 344, 343	Recent, frequent, and high spenders. Loyal and engaged customers.	Loyalty programs, VIP benefits, exclusive offers.
🐮 Cash Cows (Low Growth, High Value)	342, 341, 324, 323, 322, 321, 244, 243, 242, 241, 224, 223	Less frequent but high spenders. Generate stable revenue.	Upselling, personalized recommendations, engagement incentives.
❓ Question Marks (High Growth, Low Value)	442, 441, 422, 421, 414, 413, 412, 411	New customers or inconsistent buyers who have potential but low spending.	Targeted promotions, onboarding discounts, retention campaigns.
🐶 Dogs (Low Growth, Low Value)	222, 221, 213, 212, 211	Infrequent and low-spending customers. At risk of churn.	Win-back offers, reactivation campaigns, customer feedback surveys.

Analyze the Distribution of Customer Segments

**Total Customer
114.08k**



**Total Revenue
11B VND**



- ④ VIP and Cash Cow customers account for **71.9%** of the total customer base and generate **over 80%** of total revenue, making them the most valuable segments for the business.
- ④ Whereas, Question Mark and Dogs customers account for 15% and 13.5%
- ④ We need retain VIP and Cash Cow customers and encourage repeat purchase whereas move Question Mark and Dogs customers into higher-value spending tiers.

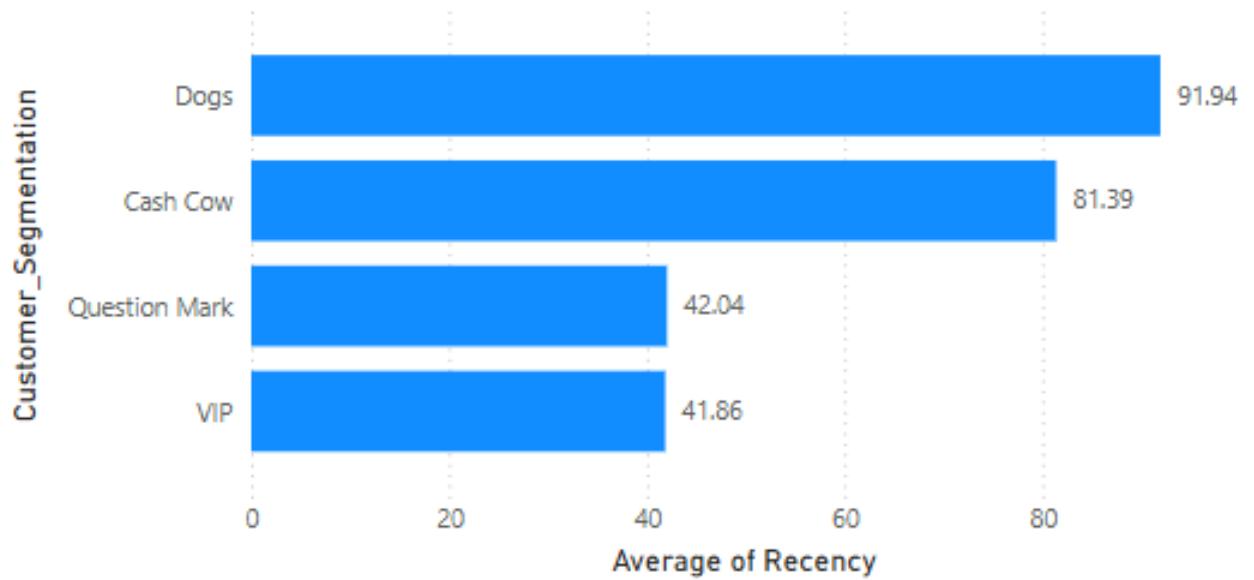


Analyze the Distribution of Customer Segments

Customer Group	Cummulative _customers	Cummulative _sales	Cummulative _sales_ percentage	Days_since_last_purchase _median	Orders_median	Monetary_value_median
Vip	45,230	1,237,575,421	50.27	41	0.3	27,361.83
Cash cow	82,652	1,998,214,824	81.16	81	0.24	20,326
Question_mark	99,522	2,249,063,977	91.35	42	0.18	14,869
Dogs	114,081	2,461,982,754	100	91	0.18	14,624



Average of Recency by Customer_Segmentation



- ④ 45.6% number of customers from Cash Cow and Dogs group have not made a purchase for 3 months, indicating a risk of disengagement

Proposed Rebound Campaign Actions

Personalized Voucher Incentives

Encourage return purchases with financial incentives.

- Offer personalized vouchers (e.g., 10–20% off, free shipping, or cashback) based on their past purchases.
- Limited-Time Offers – Create a sense of urgency by setting expiration dates to drive immediate action.
- Tiered Discounts for Cash Cow Customers – Offer higher-value vouchers to Cash Cows to increase their spending.

Targeted SMS & Email Retargeting

Leverage direct communication channels for a higher response rate.

- Re-engagement SMS Campaigns – Send reminders about unused vouchers or special discounts.
- Personalized Emails – Use customer names, last purchase details, and recommended products to make outreach more effective.

Recommended Policies & Promotions

④ VIP

Strengthen loyalty & advocacy

- Exclusive Loyalty Programs → Offer premium membership with early access to sales, VIP-only products, or special discounts.
- Organize VIP customer appreciation events
- Notify them before new product launches

④ CASH COW

Upsell & increase AOV

- Offer auto-subscription discounts for repeat orders
- Give extra points for spending more or spending in consecutive months.

④ QUESTION MARK

Convert to regular buyers

- Offer extra discounts for making a second purchase
- Create limited-time offers to trigger urgency
- Send reminders via SMS/email when they abandon carts or go inactive.

④ DOGS

Reactivate or de-prioritize

- Offer heavy discounts on clearance items to bring them back
- Provide free samples or small trial products to encourage a return purchase.