

RFM Analysis for E-Commerce Customer Segmentation

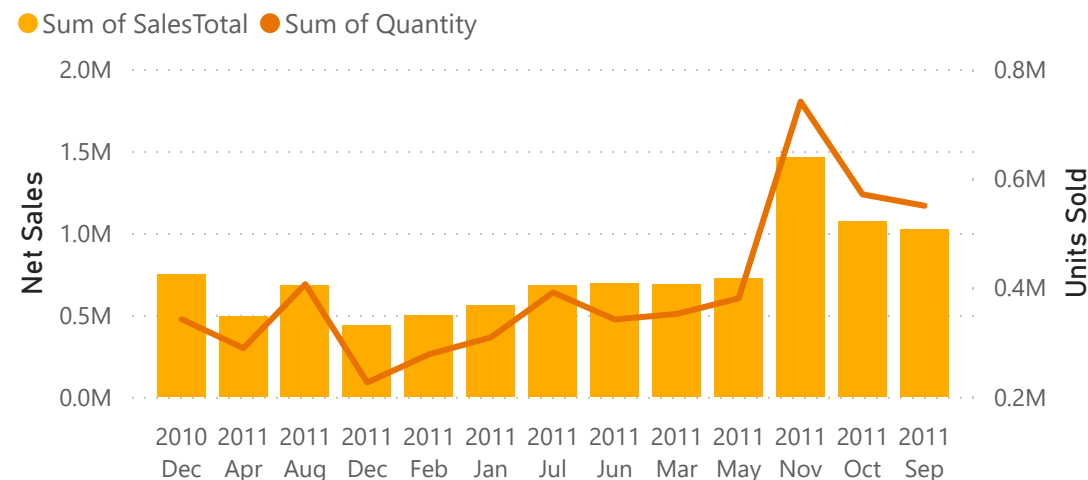
01/12/2010

09/12/2011

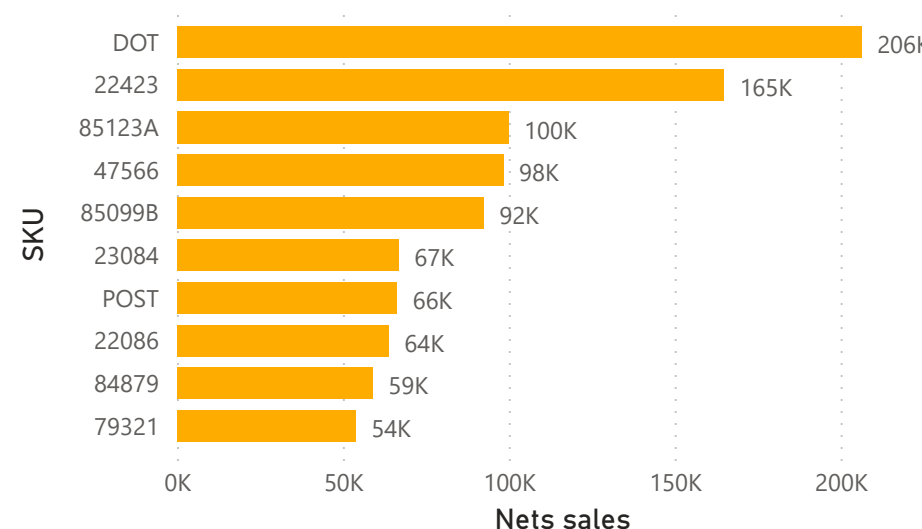
Country

All

Net Sales & Units Sold by Date



Top10 Net Sales by SKU



R indicator: When is the latest day they bought?

4261

R value

F indicator: How often they make purchases?

26K

F value

M indicator: What is the average transaction value?

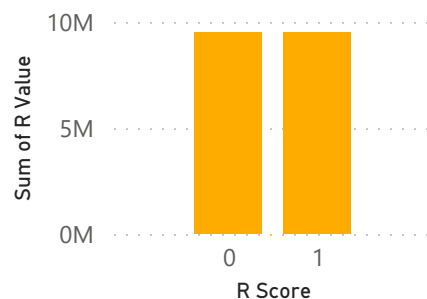
1.88

M value

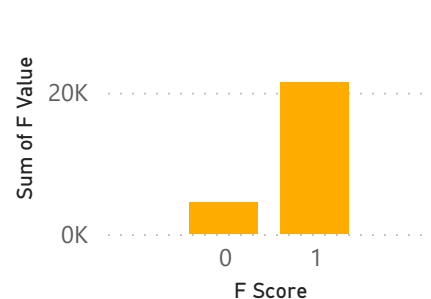
	R	F	M	Description	Recommend action
Lost Customers	0	0	0	Lowest recency, frequency and monetary scores.	Offer other relevant products and special discounts, Recreate brand value. Revive interest with reach out campaign, ignore otherwise.
At Risks	0	0	1	Spent big money and purchased often as long time ago.	Need to bring them back!Send personalized emails to reconnect, offer renewals, provide helpful resources.
Can't Lose them	0	1	0	They often purchase in the past.	Win them back via renewals or newer products, don't lose them to competition, talk to them.
Loyal	0	1	1	Spend good money with us often. Responsive to promotions.	Implement upselling strategies for higher value products, request customer reviews, and actively engage with your customers.
New Customers	1	0	0	Bought most recently, but not often.	Provide on-boarding support, give them early success, start building relationship.
Need Attention	1	0	1	High value customers who may not have bought very frequent	Make limited time offers, Recommend based on past purchases. Reactivate them.
Potential Loyalist	1	1	0	Recent shoppers, but haven't spent much.	Create brand awareness, offer free trials Above average recency, frequency and monetary values.
Champion	1	1	1	Bought recently, buy often and spend the most	Reward them. Can be early adopters for new products. Will promote your brand.

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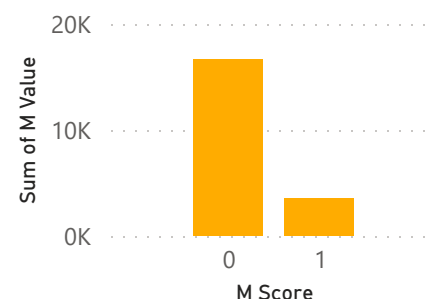
Total R value Comparison



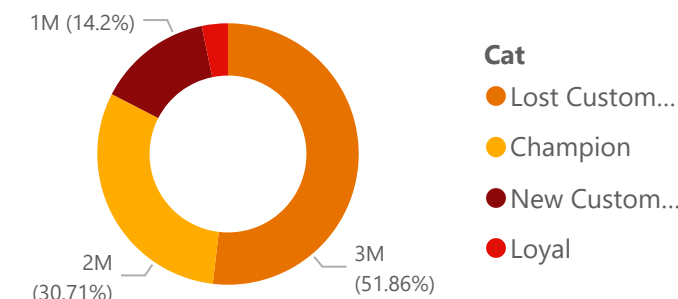
Total F value Comparison



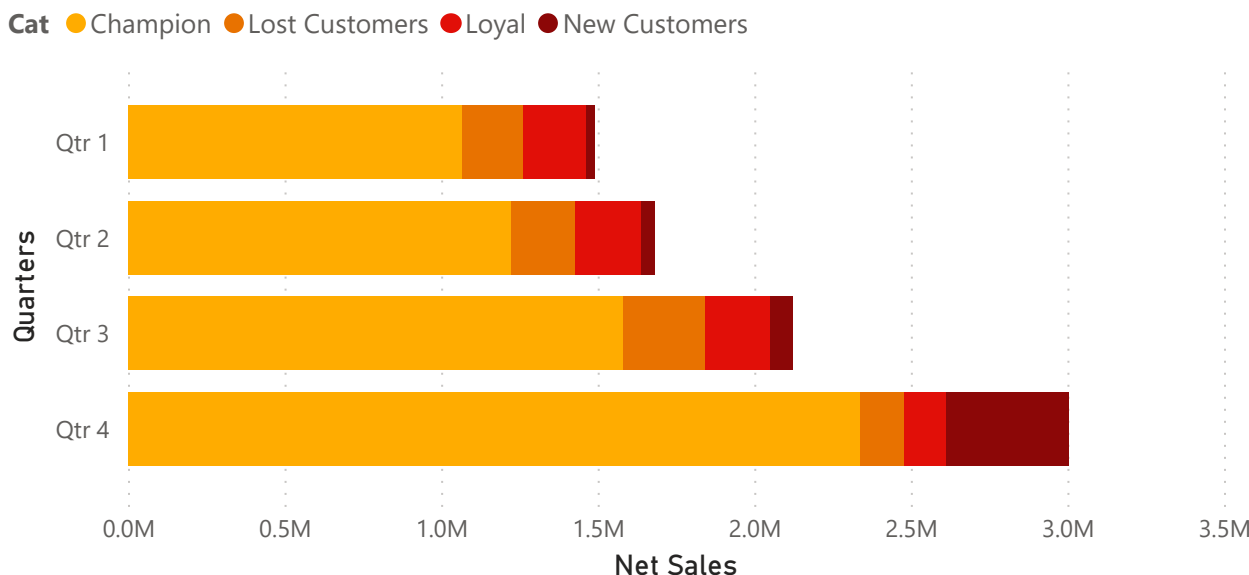
Total M value Comparison



The Proportion of Consumers by Cat



Net Sales by Quarter and Cat



Customer Segement



- In general, Qtr 4 made up 28.19% of Net Sales. Champion had the highest average Net Sales at 1,553,140.35, followed by Lost Customers, Loyal and New Customers.

Remarkably, group of new Customers increase their share massively in the 4th Qtr.