Introduction

Snapdeal is one of India's leading e-commerce platforms. Founded in 2010, Snapdeal focuses on the value commerce market in India and has served more than 10 Crore online shoppers over the past 14+ years.

This report provides insights derived from the segmentation analysis of 541,909 records from the year 2010-2011 from Snapdeal.

It highlights the key characteristics and behaviors of each customer segment, along with detailed cluster profiles, actionable insights, and recommendations for leveraging this data to enhance customer experience and drive repeat business.

Key Findings

Overall 3 Customer segments were identified as below:

- ❑ **Segment1 (Moderate Buyers)** :
  - ✓ These customers are balanced buyers—neither the highest nor the lowest spenders or buyers. They may be loyal, consistent shoppers.
  - ✓ Typical Customer: A regular buyer who consistently spends moderate to high amounts, focusing on higher-value items.

- ❑ **Segment2 (Low Spenders)** :
  - ✓ These customers buy in slightly higher quantities but spend less overall due to their preference for inexpensive items. They may be price-sensitive or infrequent buyers.
  - ✓ Typical Customer: A cost-conscious or infrequent buyer who may respond to discounts or promotions.

- ❑ **Segement3 (High Buyers)** :
  - ✓ These customers are likely wholesale or bulk buyers, focusing on quantity over product cost.
  - ✓ Typical Customer: A mix of high-value and occasional buyers, with unpredictable spending pattern.

Revenue Distribution

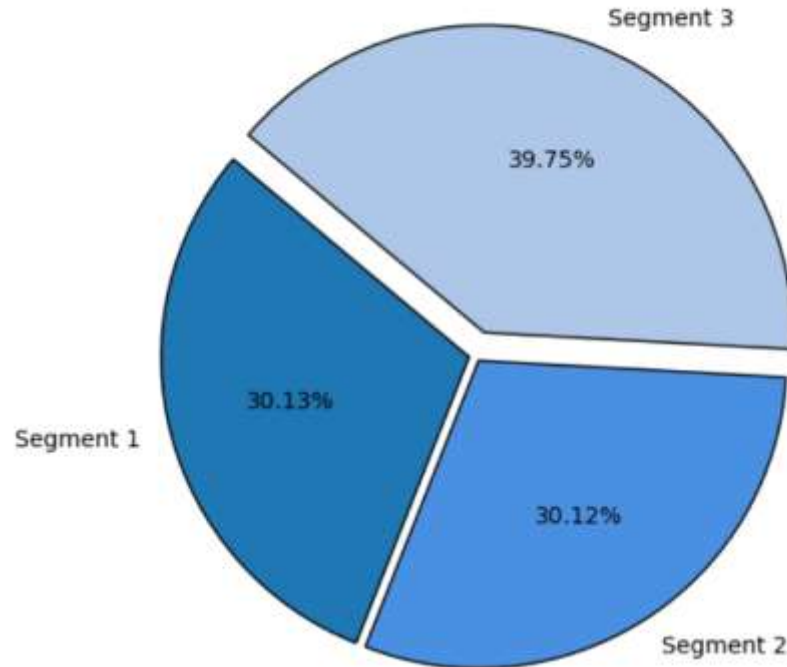The total revenue generated by the store is **$2,630,459.94**

Revenue Contribution by Segments:
Segment1: $792,442.06 (30.13%)
Segment2: $792,387.48 (30.12%)
Segment3: $1,045,630.40 (39.75%)

Revenue Distribution Among Clusters (%)

Segment 3

39.75%

Segment 1

30.13%

30.12%

Segment 2

Segment characteristics

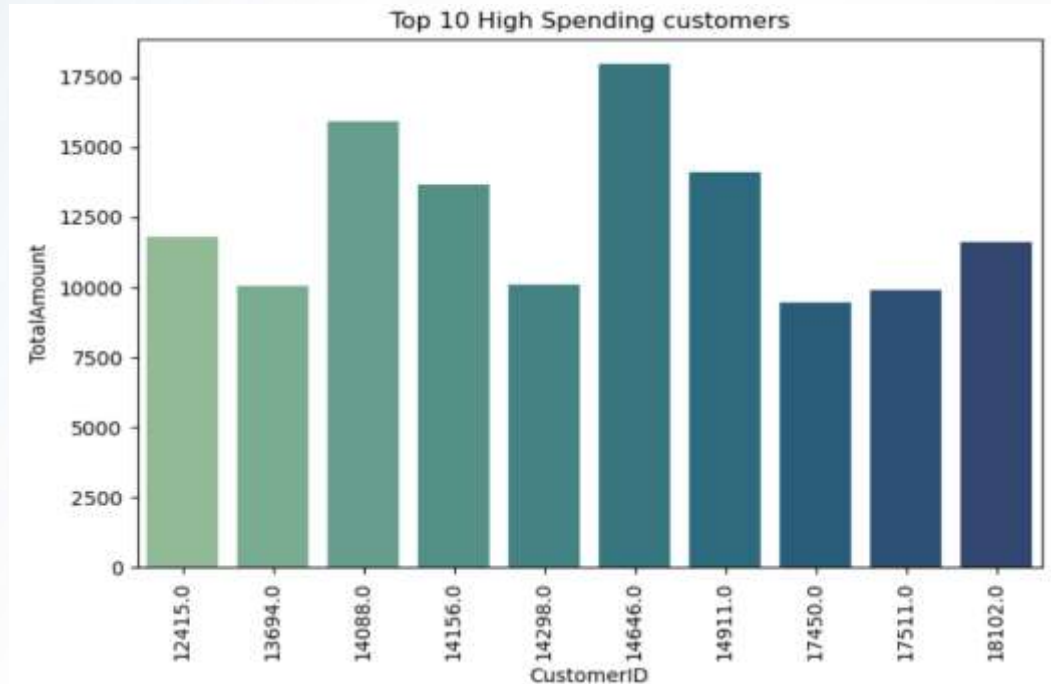|	Segment1	Segment2	Segment3
Average Quantity	3.63 units per transaction	5.83 units per transaction	23.34 units per transaction
Average Unit Price	$7.06 per item	$1.90 per item	$1.60 per item
Average Total Amount	$23.43 per transaction	$9.38 per transaction	$31.70 per transaction

Top Customers

The top 10% of customers contribute **38.54%** of the total revenue.

Top 10 High Spending customers

Behavioral Analysis

|	
Segment1	• Customers in this segment make relatively consistent purchases, with low variation in quantity and spent moderate amounts. • They purchase items across a wide range of unit prices, including high-priced items
Segment2	• Customers in this segment exhibit low quantities and unit prices, often making small or minimal purchases • Spending is less diverse, and maximum spending is lower than in other clusters.
Segment3	• The most varied segment, with a mix of high and low spenders. • Some customers purchase high quantities and expensive items, while others spend nothing. • Exhibits the widest range in all metrics

Quantity Distribution

Total quantity purchased by customers in each segment
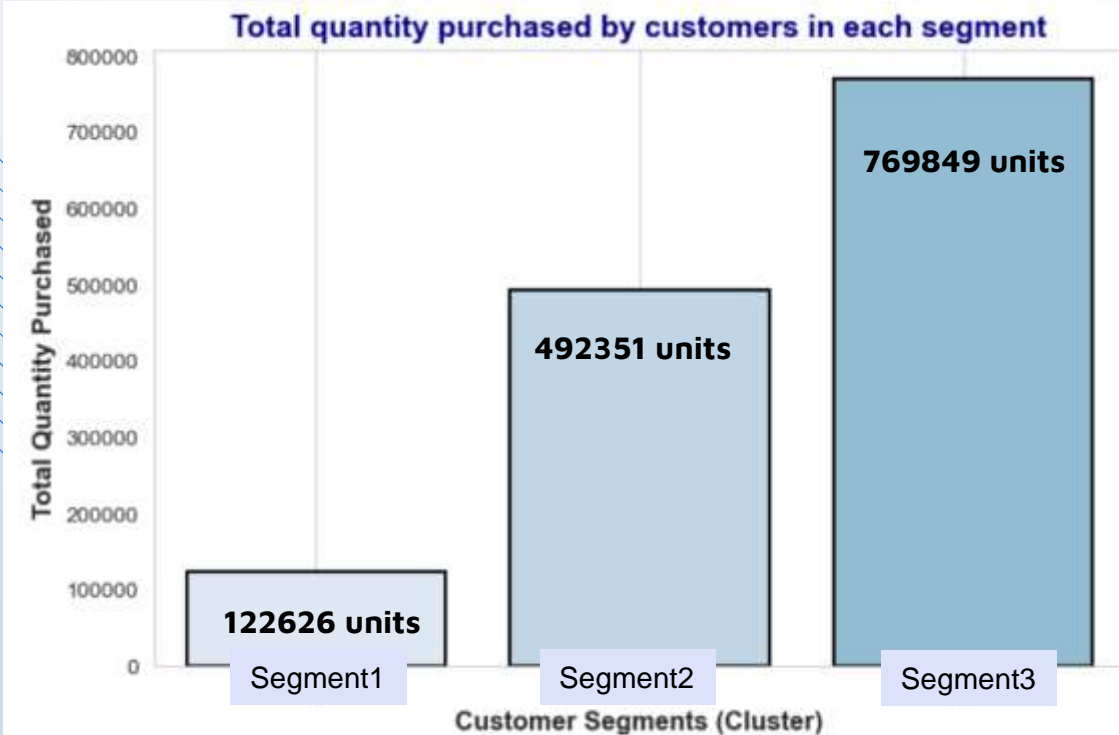
☀ Customers in segment3 tend to buy higher units of quantity followed by segment2 and segment1

Recommendations

Segment1
- Focus on consistent communication and product recommendations to maintain loyalty.
- Provide loyalty rewards to maintain consistent spending.

Segment2
- Target cost-conscious customers with personalized discounts and budget-friendly options.
- Engage infrequent buyers through targeted promotions.
- Strategic discount campaigns to boost average spending

Segment3
- Build long-term relationships by offering exclusive deals for bulk purchases.
- Targeted promotions to drive bulk purchases.

Marketing Strategy

Segment1

Segment2

Segment3

- ❖ Offer "Buy More, Save More" deals or discounts on popular items.
- ❖ Encourage higher spending by offering free shipping for purchases above a specific amount.
- ❖ Implement limited-time discounts or flash sales to create urgency and encourage purchases.
- ❖ Send targeted emails with discounts or "We Miss You!" messages to inactive customers.
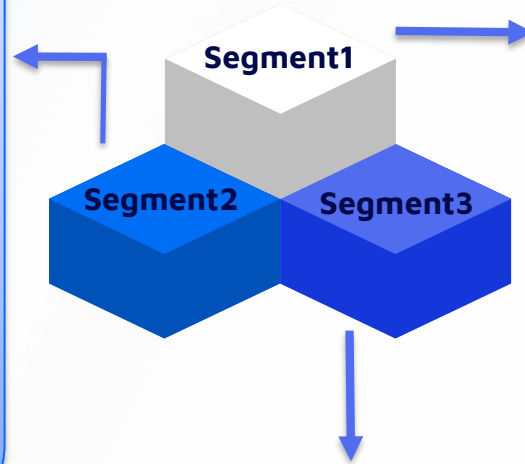
- ❖ Introduce a loyalty program that offers cashback, points, or exclusive discounts for consistent purchases
- ❖ Use their purchase history to suggest complementary or premium products.
- ❖ Tailor seasonal campaigns (e.g., "Shop for $100 and get $20 off") to maintain their engagement and spending habits.

- ❖ Provide tiered pricing or discounts for large-quantity purchases.
- ❖ Offer subscription services for regular bulk orders/
- ❖ Introduce a VIP membership program with perks like priority service, higher discounts, and exclusive offers.
- ❖ Reward high buyers with gifts, personalized thank-you notes, or premium services to ensure long-term retention.

Business Impact

Customized offers and discounts will drive higher sales across all customer segments.

Personalized marketing strategies will cater to individual preferences, building stronger customer loyalty.

Enhanced shopping experiences will lead to higher customer satisfaction and repeat purchases.

Effective segmentation will maximize the ROI of marketing campaigns.

Improved allocation of resources for inventory, promotions, and customer engagement.

Conclusion

- Categorized customers into **Moderate Buyers, Low Spenders, and High Buyers** to understand distinct purchasing behaviors and spending patterns.

- Developed personalized marketing initiatives for each segment, focusing on loyalty programs, discounts, and bulk purchase incentives to cater to their unique needs.

- Improved customer satisfaction and retention through targeted offers, personalized communication, and optimized shopping experiences.

- Increased revenue opportunities by prioritizing high-value customers and encouraging higher spending among price-sensitive buyers.

- Leveraged data insights to make informed decisions, adapt to market trends, and allocate resources effectively.

- Positioned the online retail store for long-term success by fostering stronger customer relationships and creating a solid foundation for future expansion.

Thank you!