



# MegaMart Customer Segmentation Analysis

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Aplicación de métodos multivariados en ciencia de datos (Gpo 601)  
Group 6  
Video link: <https://youtu.be/Ge7c4soRX0U>

## **1. Business Problem**

MegaMart currently uses the same marketing strategy for every customer, regardless of their shopping frequency, spending level, or engagement. This generic approach leads to low response rates, inefficient budget use, and limited ability to identify at-risk customers. Without clear customer segments, MegaMart cannot personalize communication or focus resources on the most valuable shoppers.

Our team analyzed data from 3,000 customers to discover natural behavioral segments. These insights allow MegaMart to replace broad messaging with targeted, data-driven strategies that increase engagement, improve retention, and unlock growth.

## **2. Discovered Customer Segments**

Our analysis identified **four meaningful customer segments**, each with distinct behaviors and value potential.

### **1. High-Value Frequent Shoppers ( $\approx 17.5\%$ )**

#### **Persona: Alex the Enthusiastic Regular**

Alex shops often, spends well above average, and shows high engagement with emails and promotions. Returns are rare, and loyalty is strong. This segment is highly profitable and essential to retain.

### **2. Low-Activity Window-Shoppers ( $\approx 31\%$ )**

#### **Persona: Amanda the Browsing Wanderer**

Amanda browses frequently but rarely completes purchases. Orders tend to be small, and returns are common. Email engagement is low, and this segment has the highest churn risk. However, they represent a large group with strong potential if reactivated.

### **3. Luxury Occasional Shoppers ( $\approx 14.4\%$ )**

#### **Persona: Bob the Selective Spender**

Bob shops infrequently but buys high-value items when he does. He views MegaMart as a place for premium or special-occasion products. Engagement is moderate, and this group is especially profitable during seasonal peaks.

### **4. Budget-Conscious Regular Buyers ( $\approx 37.1\%$ )**

#### **Persona: Alice the Practical Planner**

Alice shops steadily throughout the year with moderate spending. She responds well to relevant

deals and practical product suggestions. This is the largest and most stable segment in the customer base.

### **3. Marketing Strategy Recommendations**

Each segment benefits from a tailored approach, below we list a selection of recommendations for each segment:

#### **High-Value Frequent Shoppers (Alex)**

**Goal: Retain and reward loyalty.**

- Launch a VIP rewards program with early access to sales and exclusive offers.
- Provide personalized product recommendations.
- Offer perks such as free express shipping or priority support.

#### **Low-Activity Window-Shoppers (Amanda)**

**Goal: Convert interest into purchases.**

- Send reminders featuring recently viewed or carted items.
- Promote free returns or try-before-you-buy options to reduce hesitation.
- Use limited-time incentives and re-engagement campaigns.

#### **Luxury Occasional Shoppers (Bob)**

**Goal: Maximize high-value seasonal purchases.**

- Highlight premium products and curated collections.
- Offer early access to new arrivals and holiday events.
- Promote enhanced services like gift packaging or financing.

#### **Budget-Conscious Regular Buyers (Alice)**

## **Goal: Increase basket size and maintain consistent engagement.**

- Offer bundle deals and “buy more, save more” promotions.
- Personalize deals based on frequently purchased items.
- Introduce visit-based loyalty points.

## **4. Expected Business Impact**

Implementing these segment-specific strategies is expected to:

- **Increase engagement** through personalized messaging and relevant offers.
- **Strengthen loyalty and protect revenue** from high-value frequent shoppers.
- **Improve efficiency** by focusing marketing spend where it produces the highest return.

Overall, segmentation enables MegaMart to shift from broad campaigns to targeted strategies that support sustainable long-term growth.

## **5. Next Steps**

To bring these insights into action, we recommend:

1. **Integrate segments into MegaMart’s CRM** to enable customized communication.
2. **A/B test segment-based campaigns** to determine the most effective messages and incentives.
3. **Track customer movement between segments** to predict churn and identify growth opportunities.
4. **Expand the segmentation model** using additional data such as product categories or purchase channels.
5. **Roll out targeted campaigns in phases**, focusing first on high-value and high-risk segments.