

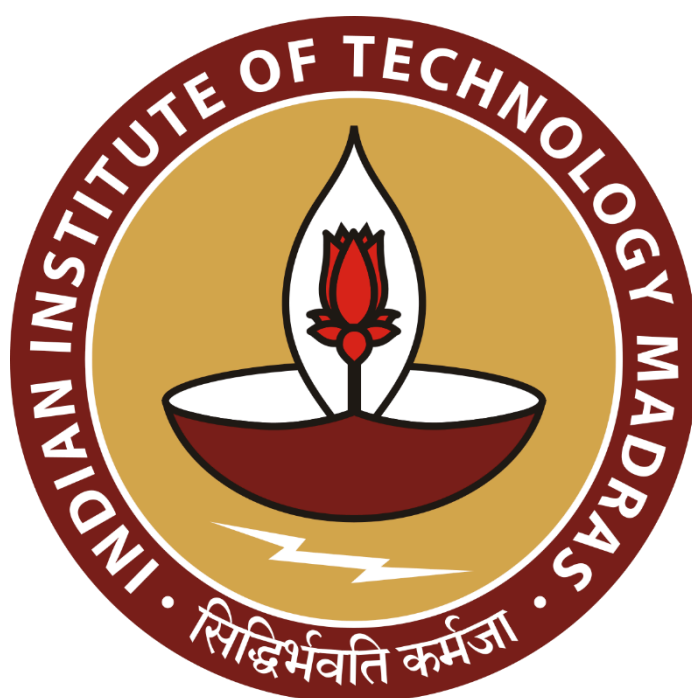
Client Segmentation and Retention Analysis for Raftaar

A Proposal report for the BDM capstone Project

Submitted by

Name: Sujash Bharadwaj

Roll number: 23f1000914



IITM Online BS Degree Program,
Indian Institute of Technology, Madras, Chennai
Tamil Nadu, India, 600036

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Declaration Statement

I am working on a Project titled “**Client Segmentation and Retention Analysis for Raftaar**”. I extend my appreciation to Raftaar, for providing the necessary resources that enabled me to conduct my project.

I hereby assert that the data presented and assessed in this project report is genuine and precise to the utmost extent of my knowledge and capabilities. The data has been gathered from primary sources and carefully analyzed to assure its reliability.

Additionally, I affirm that all procedures employed for the purpose of data collection and analysis have been duly explained in this report. The outcomes and inferences derived from the data are an accurate depiction of the findings acquired through thorough analytical procedures.

I am dedicated to adhering to the principles of academic honesty and integrity, and I am receptive to any additional examination or validation of the data contained in this project report.

I understand that the execution of this project is intended for individual completion and is not to be undertaken collectively. I thus affirm that I am not engaged in any form of collaboration with other individuals, and that all the work undertaken has been solely conducted by me. In the event that plagiarism is detected in the report at any stage of the project's completion, I am fully aware and prepared to accept disciplinary measures imposed by the relevant authority.

I understand that all recommendations made in this project report are within the context of the academic project taken up towards course fulfillment in the BS Degree Program offered by IIT Madras. The institution does not endorse any of the claims or comments.



Signature of Candidate:

Name: Sujash Bharadwaj

Date: 31 January, 2025

1 Executive Summary

Raftaar, established in 2024, is a go-karting center and café located in Pune. It attracts a diverse customer base, including families, young adults, and corporate groups, offering an accessible racing experience for both beginners and experienced drivers.

Key challenges faced by Raftaar include:

- Converting one-time visitors into repeat customers, as 60% of visitors currently do not return, presenting an opportunity for increased customer retention.
- While Raftaar collects customer data, a structured analysis framework is yet to be developed, limiting its ability to create targeted marketing and engagement strategies.
- As a new business, capturing market share is essential for long-term sustainability and differentiation in Pune's recreational sector.

This project focuses on:

- Analyzing data to identify trends in age demographics, visit frequency, and engagement levels.
- Developing insights to support structured marketing strategies, such as reactivating dormant customers and rewarding frequent visitors.

Expected outcomes of this initiative include:

- Improved customer retention through a data-driven approach to engagement.
- More effective marketing strategies by aligning campaigns with customer behavior.
- A structured system for data-driven decision-making, helping Raftaar refine its approach to customer management and long-term business planning.

By implementing these insights, Raftaar can take a systematic approach to customer engagement and retention, supporting growth and strengthening its position in the market.

2 Organization Background

Raftaar, located in Pune, Maharashtra, is a go-karting center and café that began operations in 2024. The name "Raftaar," which means speed in Hindi, reflects the business's commitment to delivering a thrilling and fast-paced experience to its customers. Founded by Abhishek Patil and Manas Kolhe, Raftaar is managed directly by the founders, supported by a dedicated team, including 2 managers, a receptionist, 2 cooks, a head marshall, 4 track attendants, and a garage technician responsible for kart maintenance.

The café at Raftaar offers a unique dining experience with a menu that includes custom-named meals such as the "Schumacher Combo," "Vettel," and "Hamilton," alongside popular options like fries, burgers, pizzas, and in-house beverages. Visitors can enjoy a panoramic view of the entire go-karting track while dining, creating an immersive and engaging atmosphere.

The go-karting track is one of Raftaar's highlights. Designed to challenge racers, it features a well-thought-out layout that moves beyond traditional oval tracks. Customers benefit from live timing on the track, and the karts, named after Greek letters, boast Raftaar's signature colors and are recognized for their speed and performance.

Raftaar sets itself apart with its affordable pricing, making it the most cost-effective option in Pune, particularly near the Tathawade area. As the only go-karting facility in the locality, its combination of quality, affordability, and a thoughtfully designed track ensures Raftaar's growing reputation as a premier destination for speed and recreation.

3 Problem Statement

Raftaar, as a newly established business, faces challenges in converting first-time visitors into repeat customers, with 60% of its visitors only coming once. Without a structured system to analyze visit frequency, engagement trends, and customer behavior, it becomes difficult to identify patterns and effectively target customers. Additionally, as a new player in the market, Raftaar needs to establish a strong presence and capture market share, requiring a more data-driven approach to customer segmentation and engagement.

Objectives:

1. **Customer Retention and Engagement** – Analyze visit trends to identify returning and dormant customers and develop strategies to improve repeat visit rates.
2. **Market Positioning and Segmentation** – Categorize customers based on behavior and demographics to structure marketing efforts and optimize promotional strategies for long-term growth.

4 Background of the Problem

Raftaar, established in 2024, operates as a hybrid business combining go-karting, café services, and event hosting. While it has successfully attracted a diverse customer base, 60% of visitors are one-time customers, highlighting a need for improved retention strategies.

Raftaar collects valuable customer data, including visit frequency and engagement trends. However, a structured approach to data analysis is yet to be developed to maximize its effectiveness. This creates an opportunity to refine marketing efforts, identify key customer segments, and personalize engagement strategies. Additionally, optimizing data utilization can help increase birthday party and corporate event bookings, contributing to revenue growth.

Internally, while marketing efforts exist, customer segmentation is not clearly defined, making it difficult to deliver targeted promotions. Externally, Raftaar benefits from limited competition in the Tathawade area but must focus on establishing a strong market presence to sustain long-term growth.

To address these challenges, this project will focus on analyzing customer behavior, structuring data-driven segmentation, and refining marketing strategies. By implementing these insights, Raftaar can improve customer retention, enhance engagement, and strengthen its competitive positioning, ensuring sustained growth in Pune's recreational market.

5 Problem Solving Approach

Details About the Methods Used With Justification

To address the challenges faced by Raftaar, a three-fold data-driven approach is proposed.

1. Customer Data Analysis and Segmentation:

Leveraging Raftaar's existing client data, segmentation techniques will be applied to categorize customers based on age groups, visit frequency, and recency. Analytical methods such as clustering (e.g., k-means clustering) and descriptive analysis will be utilized to group customers into actionable segments. This will enable the creation of targeted marketing campaigns to re-engage dormant customers and incentivize repeat visits. Understanding customer behaviors and preferences will also allow Raftaar to tailor its offerings effectively.

2. Engagement and Retention Insights:

By analyzing visit patterns and engagement levels, a recency-ranking model will be developed. This model will prioritize customers based on how recently and frequently they visited, helping identify high-value clients and at-risk customers. The results will guide the design of loyalty programs and personalized offers to improve retention rates.

3. Marketing Strategy Development:

Data insights from segmentation and recency analysis will inform the development of customized marketing strategies. Techniques such as association rule mining can be used to identify patterns in customer preferences, such as favorite café items or preferred times for visits. This information will be used to create campaigns targeting specific customer groups (e.g., discounts for dormant customers or special offers for frequent visitors).

These methods ensure a structured, data-driven approach to addressing customer retention challenges and creating effective engagement strategies.

Details About the Intended Data Collection With Justification

The primary data source for this analysis will be Raftaar's existing client dataset, which includes details such as:

- Age, visit frequency, last visit date, and registration date.
- Customer engagement metrics, such as email acceptance and responsiveness.
- Café preferences, such as popular menu items.

This dataset is highly relevant for the proposed analysis, as it provides the foundational information needed for segmentation, recency analysis, and engagement modeling.

Data cleaning and preprocessing techniques will be applied to ensure consistency, handle missing values, and address outliers. Exploratory data analysis (EDA) will be conducted to uncover patterns and trends, laying the groundwork for robust analysis. The analysis will rely exclusively on this dataset to ensure that solutions are practical, actionable, and aligned with Raftaar's operational goals.

Details About Analysis Tools With Justification

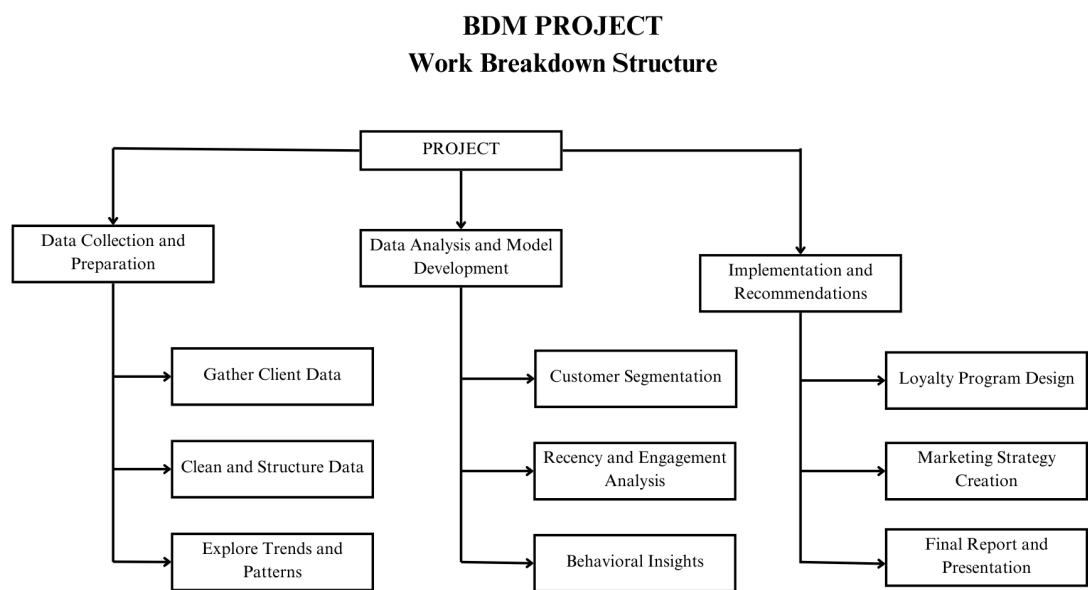
The following tools and techniques will be used for analysis:

- **Spreadsheets (Google Sheets/Excel):** Initial data exploration, cleaning, and basic visualization.
- **Python:** For in-depth analysis, segmentation, and visualization. Python's libraries, such as:
 - **Pandas** for data manipulation and cleaning.
 - **Scikit-learn** for clustering and segmentation models.
 - **Matplotlib and Seaborn** for detailed data visualization.
- **Power BI or Tableau:** To create dashboards that showcase customer segmentation, recency analysis, and actionable insights.

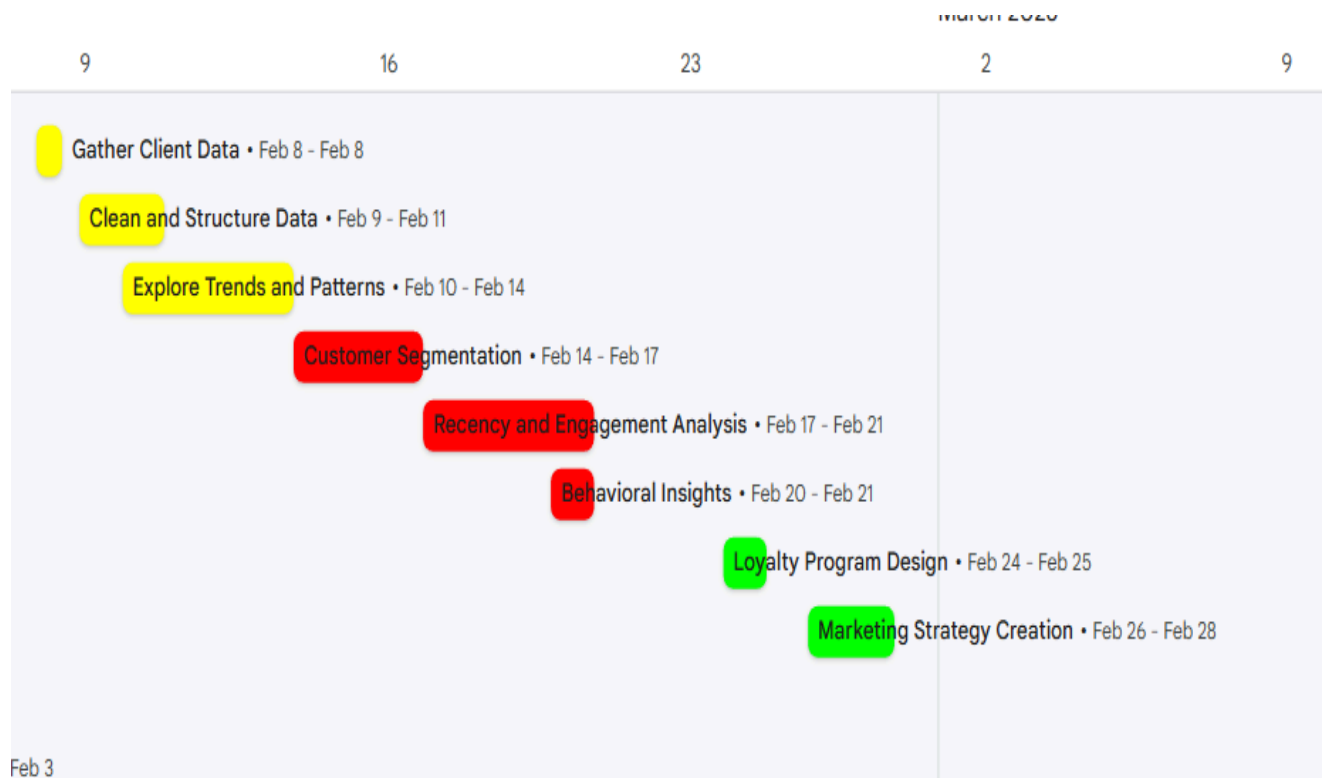
Python is selected for its versatility and capability to handle large datasets, while Power BI or Tableau will provide an interactive way to present findings to stakeholders.

6 Expected Timeline

6.1 Work Breakdown Structure:



6.2 Gantt chart



7 Expected Outcome

The expected outcome of this project is to improve customer retention, engagement, and business operations at Raftaar. By analyzing available data, the project aims to categorize customers based on age, visit frequency, and engagement trends, enabling more targeted and effective marketing efforts.

A structured approach to customer segmentation will provide insights into repeat visit patterns and dormant customers, helping Raftaar develop personalized loyalty programs and targeted promotions to convert one-time visitors into regular customers.

Since Raftaar is still in its early stages, this project will also contribute to building a data-driven foundation for future decision-making. By understanding customer preferences and visit trends, Raftaar can refine its marketing strategies, improve event planning, and optimize resource allocation.

Implementing these insights will help Raftaar take a systematic approach to customer engagement and management, supporting long-term business growth and operational efficiency.