

# Business Insights from Customer Segmentation

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## Focus on High-Spending Customers (Cluster 1):

- Prioritize these customers with loyalty programs, exclusive deals, and personalized offers to retain their business
- Use feedback mechanisms to understand their preferences and enhance their customer experience.
- Consider offering exclusive perks like early access to new products.

## Encourage Moderate-Spending Customers (Cluster 2):

- Use targeted marketing campaigns such as discounts, combos, free shipping, or promotional emails to encourage more frequent purchases.
- Identify potential barriers to higher spending by matching their preferences and gathering customer feedback and analyzing their purchasing behavior to address any issues.

## Re-Engage Inactive Customers (Cluster 3):

- Implement a re-engagement strategy for in-active customers with special offers, personalized messages or reminders.
- Consider offering low-cost trial products or incentives to bring them back.

## Segment-Specific Marketing:

- Allocate resources wisely by focusing on strategies that suit each group.
- Use the data from clusters to improve products or services that align with customer needs, making it easier for them to choose your business over competitors.

## Common for all segments:

- Ensure the shopping experience is seamless, so you can significantly improve customer satisfaction.
- Consider loyalty program where customers earn points for their purchases, and those points can be redeemed for discounts, free products, cashback, or other benefits in future transactions.