

MARKETING ANALYTICS - PROMOTION PROBLEM

Step 1: View The Business As A Machine

- Isolate business units
- Define objective
- Collect outcomes

Business unit : Sales & Marketing

- The churn can be caused because of multiple reasons and from the historic understanding the main reasons being:
 - Bad customer retention strategies and processes >> (Sales team customer success wing)
 - Customer support and assistance experience >> (Customer success wing)
 - Understanding customer needs and pain points >> (Marketing and Sales)
- Essentially the problem boils down to **customer retention strategies**.

Business Objective :

- Excellent customer experience throughout the customer journey.
- Make the customers happy and thereby increase retention and prevent churn.

Collecting outcomes:

- In the past 90 days window period we are slowly losing customers and this translates into \$19,895 lost in sales.

Step 2 Define Business Problem & Constraints:

- Customers are churning and we are losing \$19k in sales and churn rate around 34%.

Constraints:

- \$5000 in marketing budget that needs to be spent in 2 weeks time.
- Budget not rolled over for the next financial year.
- 30% discount possible as per the marketing department.

Step 3 Business analysis and recommendation:

Analysis Steps:

- Step 1 : Explore the customer dataset, look out for missing values, do EDA etc
- Step 2 : See the sales trend and analyze any unusual behavior
- Step 3 : Feature engineering for RFM, churn and CLV analysis
- Step 4 : Finding the number of top customers to send the discount coupon.

Recommendation:

- Target the customers with combination of high spend probability and RFM score
- We are sending coupon to 256 customers worth 19\$
- Track the response and conversion from the side of the customers
- Send a survey link to all the churned customers along with the coupon (to the selected lot) to understand why the customers churned?
- The 3 most important survey questions are as follows:
 - **Why did you stop purchasing from us?**
 - Options:
 - I found better prices elsewhere.
 - I found better quality products elsewhere.
 - I had a poor customer service experience.
 - I no longer need the products/services.
 - Other (please specify).

○ **What can we do to improve your experience with our products/services?**

■ Options:

- Offer more competitive pricing.
- Improve product quality.
- Enhance customer service.
- Provide more product variety.
- Other (please specify).

○ **Would you consider returning as a customer if we addressed your concerns?**

■ Options:

- Yes, definitely.
- Maybe, depending on the changes.
- No, I have found a better alternative.
- Other (please specify).

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