Customer Segmentation & Churn Prediction

PRIMARY OBJECTIVE

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1. <u>Customer Segmentation :</u>

    There is a probability that the platform's conversion rate would improve. The exact number for this can be determined by performing experiments.

2. <u>Churn Prediction :</u>

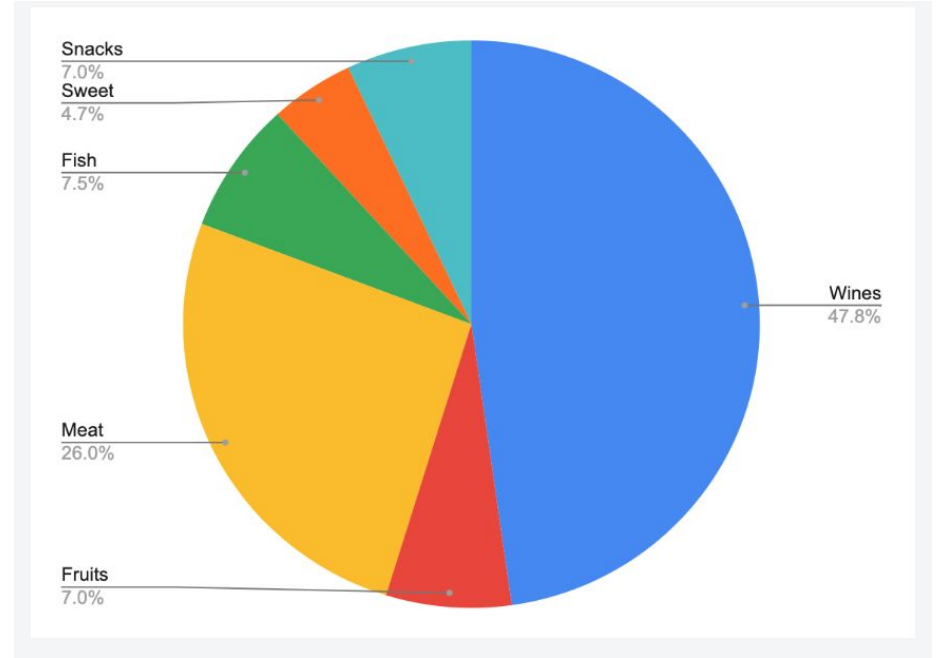   We should be able to identify more customers with a probability of churn,

BACKGROUND FOR CUSTOMER SEGMENTATION

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The company's near-term objective is to maintain its overall market share, with the increasing competition offering 10-minute delivery, among other benefits. However, it has become critical for the company to retain its existing customers and drive growth on the platform.

Here is the category-wise sales share for the organization including online and offline transactions.
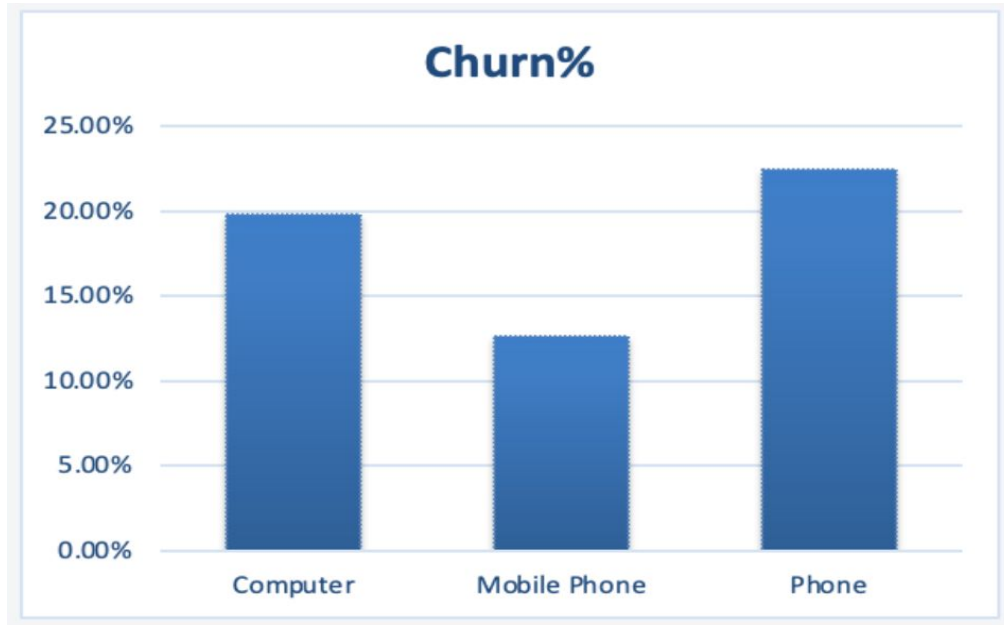
BACKGROUND FOR CHURN PREDICTION

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A customer moving out of the platform or someone who stops using the platform is considered a churned-out customer. If there is no transaction from a customer for a specific period, it is assumed that they have moved out of the platform; however, this time window may vary from industry to industry, e.g., for a grocery firm, this window could be small, like 1 month. On the other hand, it could be 6 months for Flipkart/Amazon.

Here is the data that shows the churn rate of the company.

DATA PREPARATION

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1. **For Customer Segmentation :**
   a. EDA
   b. Model Building
   c. Model Evaluation

2. **For Churn Prediction :**
   a. Data Cleaning
   b. Data Preprocessing and Feature Scaling
   c. Model Building

INSIGHTS

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There has not been an overwhelming response to the campaigns.
Well planned campaigns are required to boost the sales.

'NumberofAddress' had large numbers above 10, which seemed very unlikely.
A total of 5360 customer's information are available to us.

GOALS

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The goal is to provide a preference-based user experience at a cohort/group level.

For example, a particular affluent set of users are likely only to buy premium brand products, so filtering and showing the relevant brands on their homepage will be beneficial.