Task 1 – Customer Analytics for an e-commerce retail store

Assumptions about the company

* The company is well established and not a startup.
* It is a B2C e-commerce retail store.
* They deliver their products worldwide

Factors affecting customer attrition are:

* Cost of the product
* Marketing strategies
* Demand for the products sold by them
* Products Segmentation
* Shipping time & cost
* Product Ratings
* Return Policy
* Customer effort score (How much efforts does it takes for a customer to find his desired product)
* Research & development

Rate at which they’re losing out customers

* Collecting basic identity data of all the customers.
* Filtering data for customers lost over a period of time by performing demand analysis and identifying the trend in purchases made by customers.
* Calculating the churn rate over different period of time from this filtered data.

Rate at which they can acquire new customers

* Identifying and analyzing customer segments that best describe the core customer base using unsupervised learning techniques
* Creating a response predictor for customer marketing campaigns in order to identify potential customers.
* Performing demand analysis to track changes in the number of customers as a result of changes in various significant factors.

What sort of data is required to reach specific conclusions?

* Identity data: (Name, Phone Number, Email Address, etc.)
* Engagement data: (Click-through rate, likes & dislikes, etc.)
* Behavioral data (purchase history, abandoning shopping carts, etc.)
* Attitudinal data (Surveys, comments, ratings & reviews, etc.)

How can they acquire more customers?

* By taking frequent customer surveys and learning more about the customers.
* If two different products are complementary to each other, they can be combined into one.
* Making significant changes in the factors affecting customer attrition.
* Using methods such as predictive forecasting to make better informed decisions.
* Preventing frauds by using fraud detection techniques.

In which customer segments does the company need to take action against?

* Lost customer segment (Lost customers have demonstrated a need for your products, making them far better prospects than acquiring brand new buyers)
* Identifying Product Performance

What else can we do to assist them? (In order to expand our business with them)

* Helping them rebuild their recommendation engine.
* Helping them optimize their product pricing.
* Market Basket analysis to determine which items can be bought together.
* Price Elasticity Analysis