

Recency
Frequency
Value

RFM SEGMENTATION



RFM Customer Segmentation

RFM Score

Segment Profile

RFM Segments

Action Plan

Understanding RFM Scores

(1 = Low, 5 = High)

RFM scoring helps evaluate customer behavior using three key dimensions:

🕒 Recency (R):

How recently a customer made a purchase.

- Score **5** = Very recent (most engaged)
- Score **1** = Long ago (likely inactive)

💬 Frequency (F):

How often a customer makes purchases.

- Score **5** = Frequent buyer
- Score **1** = Rare or one-time buyer

💰 Monetary (M):

How much money the customer has spent.

- Score **5** = High-value customer
- Score **1** = Low spend

Each score ranges from 1 to 5, where 5 is the best and 1 is the weakest from a business value perspective.

Higher combined scores indicate more loyal, profitable, and engaged customers.

RFM Value Explanation

R (Recency): Days since last purchase

F (Frequency): Total number of orders

M (Monetary): Total spending amount

RFM Score Calculation

CustomerKey	R Value	F Value	M Value	Last Purchase Day	Last Business Day	Recency	R Score	F Score	M Score	RFM Score
11000	238	2	\$4,656	11/04/2021	06/30/2022	238	2	4	5	245
11001	18	2	\$2,821	06/12/2022	06/30/2022	18	5	4	5	545
11002	307	2	\$4,467	08/27/2021	06/30/2022	307	1	4	5	145
11003	231	2	\$4,533	11/11/2021	06/30/2022	231	2	4	5	245
11004	240	2	\$4,568	11/02/2021	06/30/2022	240	2	4	5	245
11005	239	2	\$4,503	11/03/2021	06/30/2022	239	2	4	5	245
11007	283	2	\$4,591	09/20/2021	06/30/2022	283	1	4	5	145
11008	300	2	\$4,503	09/03/2021	06/30/2022	300	1	4	5	145
11009	232	2	\$4,471	11/10/2021	06/30/2022	232	2	4	5	245
11010	218	2	\$4,459	11/24/2021	06/30/2022	218	2	4	5	245
11011	283	2	\$4,487	09/20/2021	06/30/2022	283	1	4	5	145
11012	74	2	\$91	04/17/2022	06/30/2022	74	4	4	2	442
11013	258	1	\$42	10/15/2021	06/30/2022	258	1	1	1	111
11014	241	2	\$191	11/01/2021	06/30/2022	241	2	4	3	243
11015	343	1	\$2,274	07/22/2021	06/30/2022	343	1	1	4	114
11016	321	1	\$2,089	08/13/2021	06/30/2022	321	1	1	4	114
11017	75	2	\$2,835	04/16/2022	06/30/2022	75	4	4	5	445
11018	65	2	\$2,919	04/26/2022	06/30/2022	65	4	4	5	445
11019	18	15	\$962	06/12/2022	06/30/2022	18	5	5	3	553
11020	363	1	\$2,093	07/02/2021	06/30/2022	363	1	1	4	114
11021	338	1	\$2,148	07/27/2021	06/30/2022	338	1	1	4	114
11022	341	1	\$2,074	07/24/2021	06/30/2022	341	1	1	4	114
11023	313	1	\$143	08/21/2021	06/30/2022	313	1	1	3	113
11024	154	2	\$78	01/27/2022	06/30/2022	154	3	4	2	342

RFM Segment Profile

Customer Segment	Score	Remark
Champions	455, 515, 542, 544, 552, 553, 452, 551, 554, 555, 545	They purchased recently, buy frequently, and spend the most. These are best customers who engage and high value.
Loyal Customers	344, 345, 353, 354, 355, 414, 415, 443, 451, 342, 351, 352, 441, 442, 444, 445, 453, 454, 541, 543	They purchase often and generate solid revenue, though not always very recently. They consistently support business.
Potential Loyalists	513, 413, 511, 411, 512, 341, 412, 343, 514	Recent and high-spending customers with fewer purchases. With nurturing, they can turn into loyal customers or champions.
Promising Customers	214, 211, 212, 213, 241, 251, 312, 314, 311, 313, 315, 243, 245, 252, 253, 255, 242, 244, 254	Recent buyers with average frequency and low-to-moderate spend. Show interest and may grow with targeted efforts.
Needs Attention	141, 142, 143, 144, 151, 152, 155, 145, 153, 154, 215	Previously active but now showing decline in recency and frequency. They're at risk-re-engagement is crucial.
About to Sleep	111, 112, 113, 114, 115	They purchased some time ago with low frequency and spend. A gentle reminder or incentive could wake them up.

RFM Segments

RFM Score

Segment Profile

RFM Segments

Action Plan

Category Name

- ☐ Accessories
- ☐ Bikes
- ☐ Clothing
- ☐ Components

Country

- ☐ Australia
- ☐ Canada
- ☐ France
- ☐ Germany
- ☐ United Kingdom
- ☐ United States

Year

- ☐ 2020
- ☐ 2021
- ☐ 2022

Priority Customer

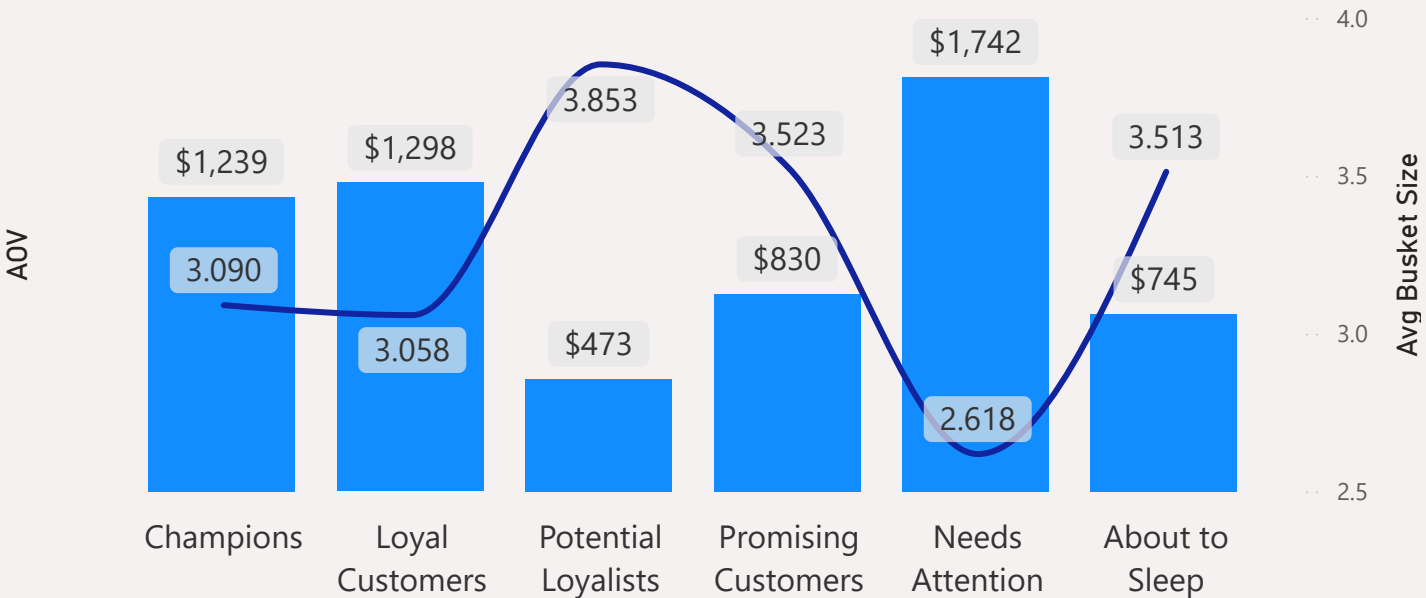
- ☐ Priority
- ☐ Standard

Customer Count by RFM Segment

Promising Customers	Potential Loyalists	Loyal Customers	About to Sleep	Champions
5.71K	3.88K	2.91K	2.79K	1.46K
Needs Attention				
				0.67K

CategoryName	Champions	Loyal Customers	Potential Loyalists	Promising Customers	Needs Attention	About to Sleep
Accessories	1,270	2,422	3,252	4,771	509	2,063
Bikes	1,128	2,097	1,368	2,429	605	1,166
Clothing	713	1,303	1,335	2,024	245	832
Total	1,461	2,905	3,878	5,712	672	2,788

AOV and Avg Busket Size by Customer Segment



Customer Segment	Average R Score	Average F Score	Average M Score
Champions	4.84	4.45	4.30
Needs Attention	1.00	4.03	4.54
Loyal Customers	3.69	3.69	4.07
Promising Customers	2.39	1.59	2.65
Potential Loyalists	4.49	1.12	2.31
About to Sleep	1.00	1.00	2.52

Action Plan			RFM Score	Segment Profile	RFM Segments	Action Plan
Customer Segment			Recommendations			
Champions	Accessories	1.27K	Offer exclusive perks like early access to new products, VIP-only discounts, or invite-only events to maintain their loyalty and make them feel valued. Personalize communication to reinforce their premium status.			
	Bikes	1.13K				
	Clothing	0.71K				
Loyal Customers	Accessories	2.42K	Introduce a loyalty rewards program that incentivizes repeat purchases. Offer referral bonuses and tiered benefits to keep them engaged and motivated.			
	Bikes	2.10K				
	Clothing	1.30K				
Potential Loyalists	Accessories	3.25K	Send targeted follow-ups and product recommendations based on their last purchase. Offer limited-time discounts to encourage another purchase and move them toward loyal behavior.			
	Bikes	1.37K				
	Clothing	1.34K				
Promising Customers	Accessories	4.77K	Use welcome campaigns and first-time buyer offers. Highlight top-rated or best-selling products and create personalized journeys to nudge them into becoming repeat customers.			
	Bikes	2.43K				
	Clothing	2.02K				
Needs Attention	Accessories	0.51K	Use win-back campaigns with strong value propositions like “We Miss You” emails, reactivation coupons, or reminders about unused loyalty points or abandoned carts.			
	Bikes	0.61K				
	Clothing	0.25K				
About to Sleep	Accessories	2.06K	Create urgency-driven campaigns with flash sales, "last chance" offers, or personalized bundles. Try gathering feedback on why they’ve disengaged and adjust offerings accordingly.			
	Bikes	1.17K				
	Clothing	0.83K				