CUSTOMER PROFILING ANALYSIS

DIVISION 2 - TEAM 6

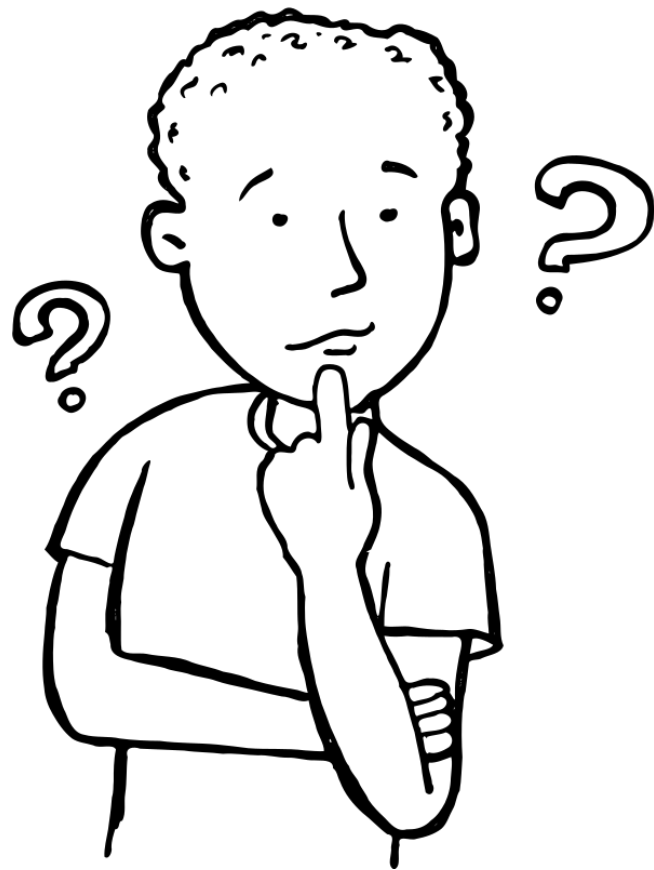# TABLE OF CONTENT

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The dataset is dummy and provided by RevoU

EXECUTIVE SUMMARY

To conduct customer segmentation in order to personalize the approach and define the marketing strategy better.

We found only 40% of total user who finished all sessions and made transaction.

Therefore, to tackle that problem, we focus on boosting user loyalty and conversion rate.

38,412
Transaction

18,218
User

Jan - Aug 2022
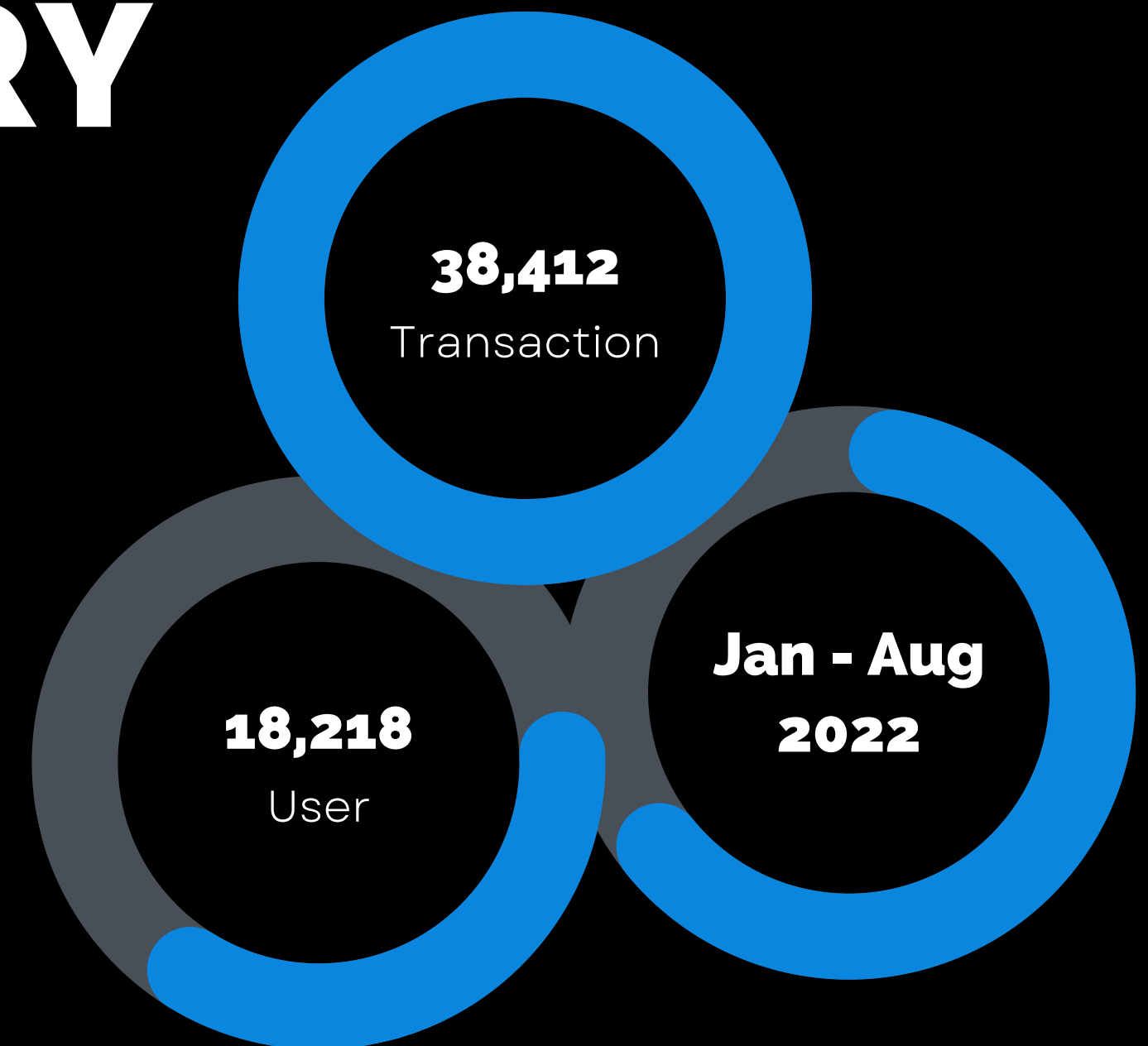
METHODOLOGY

Problem and Business Understanding

1. Understanding project objectives and expected outcomes
2. Creating analysis plan

Information Gathering

1. Data preparation and cleaning
2. Exploratory data Analysis and Cluster Analysis
3. Collects, integrates and analyses all relevant data and information

Problem Solving and Recommendation

1. Draw logical and objectives conclusion
2. Identifies a number of solutions
3. Priorities Solutions

CLUSTERING

① Recency

How long since last using the app (days)

② Frequency

How many times user use the application

③ Monetary

The average amount spend of user

1. More recent user tend to respond better to campaign or marketing activity
2. More frequent is likely to be normal and can be easier to retain or purchase
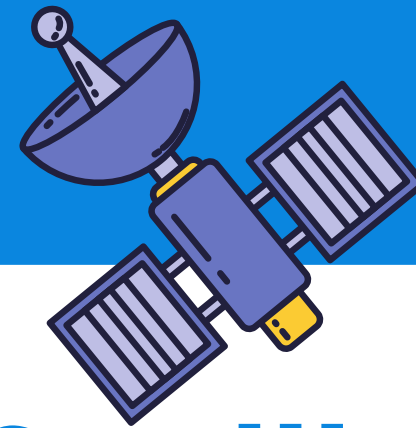3. The greater amount spent is, the more revenue

CLUSTER EXPLAINATION

Based on the clustering, the user will be divided in 3 categories.
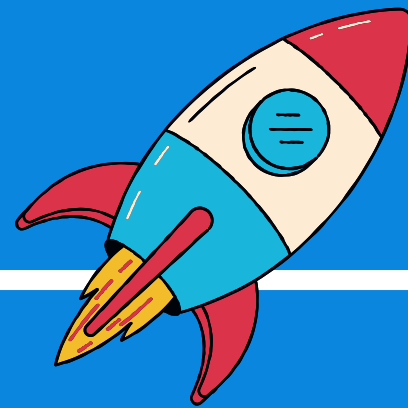
Rocket

- 33.29% of total user
- Lowest amount spend
- 0 to 2 months user
- Seldom use the app
- Highest conversion rate (mostly make a transaction after using the app)
- Usually make a purchase on last week of the month

Satellite

- 33.35% of total user
- Moderate amount spend
- 2 to 4 months user
- Occasionally use the application
- Moderate conversion rate
- Usually make a purchase on first day and last week of the month
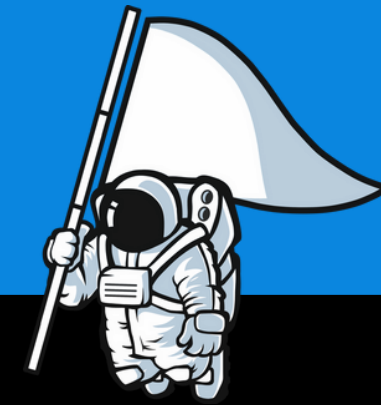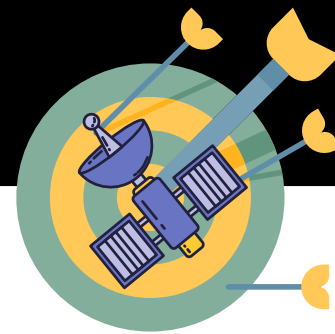
Astro-planet

- 33.36% of total user
- Highest amount spend
- 4 to 8 months user
- Frequently use the app
- Lowest conversion rate (rarely make a transaction after using the app)
- Usually make a purchase on first week of the month

MARKETING STRATEGIES
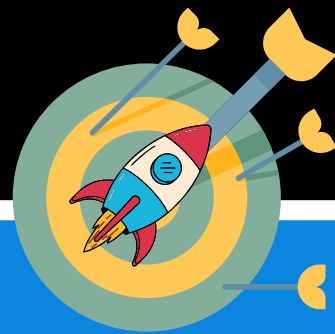
Rocket

- Add personalized 'upselling and cross-selling' offer to increase conversation rate (when user get this promotion, ideally user finished session until paid)
- Daily check-in programs with point rewards which can be redeemed to encourage them open the app

Satellite

- Suggest bundling promo when Satellite cluster search a product or add product to cart. Ex: New-product bundle, B1G1 Bundle
- Give voucher reward or cashback to increase conversation rate from chekout session to paid.

Astro-planet

- A reminder personalized email/notifications such as "Are you looking for (last product search)? We have a recommendations!"
- Create a Point-based program though rank of customer purchase. Could called it as 'Astronaut mission'. When customer reach a checkpoints they get a reward such as discount coupons

RECOMMENDATION

We focus on astro-planet cluster because this cluster has the lowest convertion rate even though their monetary is the highest compare to other clusters

What should we do?

Create a Point-based program though rank of customer purchase. Could called it as 'Astronaut mission'.
When customer reach a checkpoints they get a reward such as discount coupons.
The goal of this program is to increase 8% (user continue the session until they make a purchase and not stopping at Choose Payment Method session)

APPENDIX

- Scatter plot and other graphs
- DA Process Documentation
- Recommendation Analysis