

# RFM Analysis

### Abstract:

ABC Superstore is a huge e-commerce business catering to furniture, office supplies and technology related products. They have gathered the transactional data from 2014 to 2017 in order to analyze the sales and their customer base. They want to leverage this data to build perform so as to understand how valuable is a customer and what measures can be taken to cater to different customer segments.

### Problem Statement:

The goal of this project is to perform RFM analysis based on historical sales data and other relevant features.

Recency – How recently did the customer purchase?

Frequency – How often do they purchase?

Monetary – How much revenue do they generate?

Rank the customers based on their RFM score and segment them based on the score so as to effectively cater them in the future.

### Scope:

- Understand data by performing exploratory data analysis
- Calculating the recency, frequency and monetary value for each customer
- Generating a RFM score for each customer
- Segmenting the customers based on their RFM scores