

Customer Segmentation

Business Science

10/16/2021

Problem Statement

Marketing would like to increase email campaign engagement by segmenting the customer-base using their buying habits.

Solution Summary

The data science team has identified 4 customer segments were given descriptions based on the customer's top product purchases.

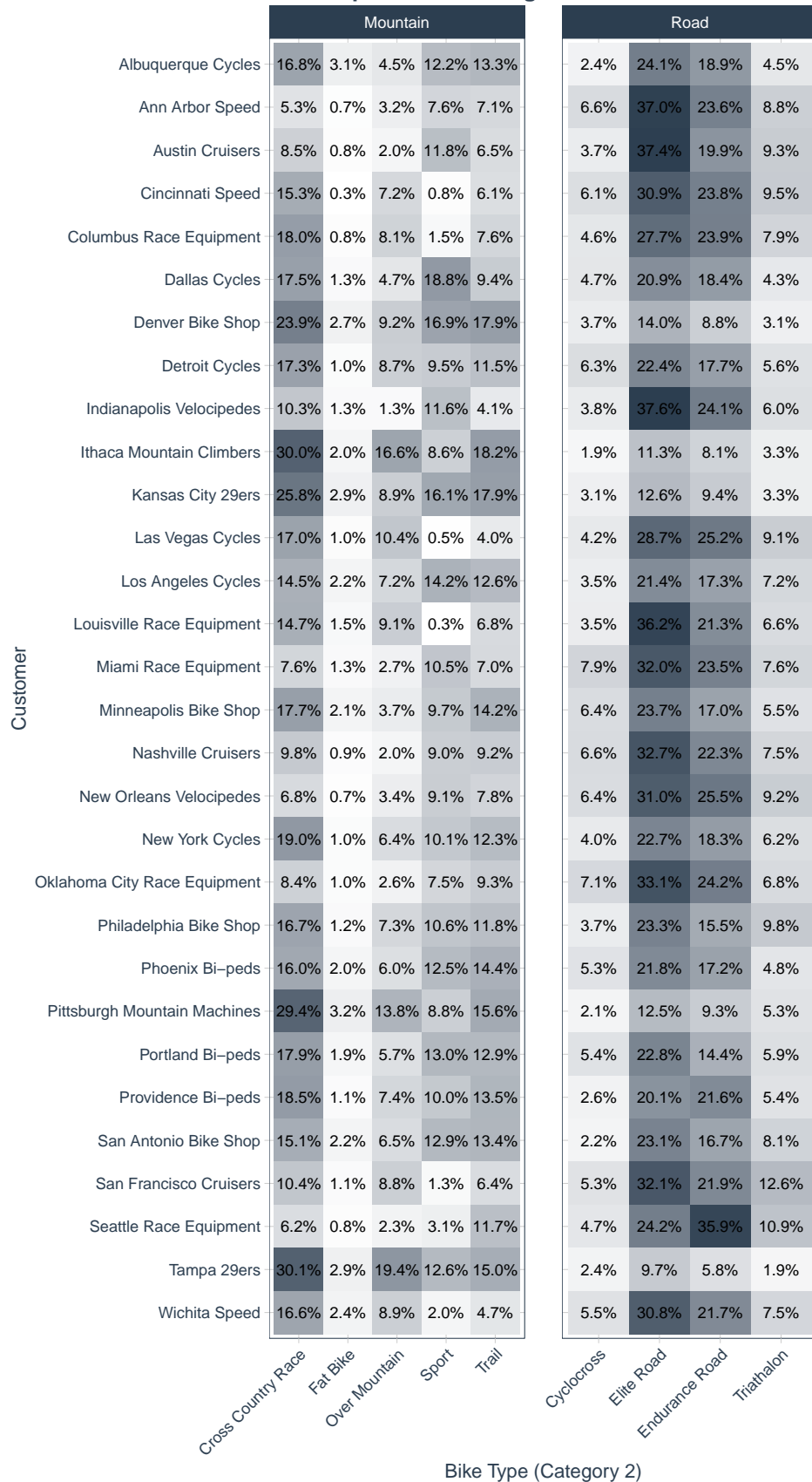
1. **Segment 1 Preferences:** Road Bikes, Below \$3200 (Economical Models)
2. **Segment 2 Preferences:** Mountain Bikes, Above \$3200 (Premium Models)
3. **Segment 3 Preferences:** Road Bikes, Above \$3200 (Premium Models)
4. **Segment 4 Preferences:** Both Road and Mountain, Below \$3200 (Economical Models)

Customer Preferences

Heat Map

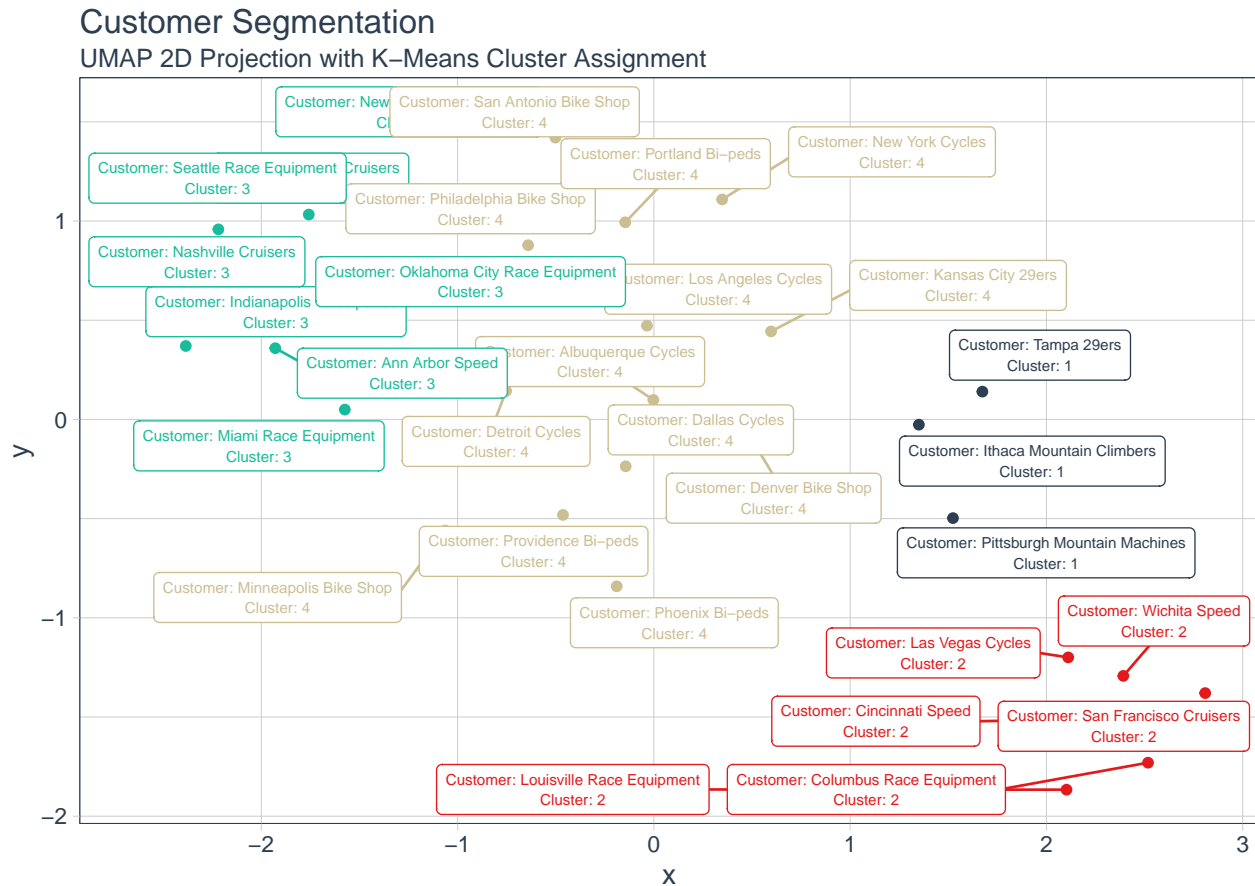
Our customer base consists of 30 bike shops. Several customers have purchasing preferences for Road or Mountain based on the proportion of bikes purchased by category_1 and category_2.

Heatmaps of Purchasing Habits



Customer Segmentation

This is a 2D Projection based on customer similarity that exposes 4 clusters, which are key segments in the customer base.



Customer Preferences By Segment

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Top 10 Bike Models by Customer and Cluster

