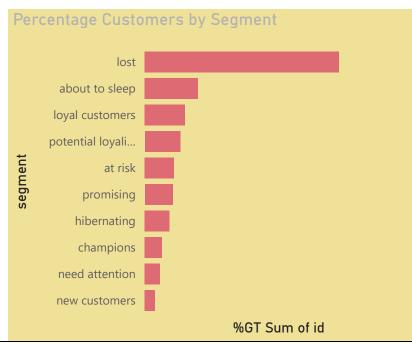
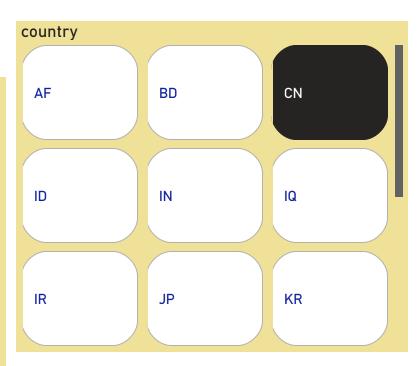
# Customer Segmentation [Asia]



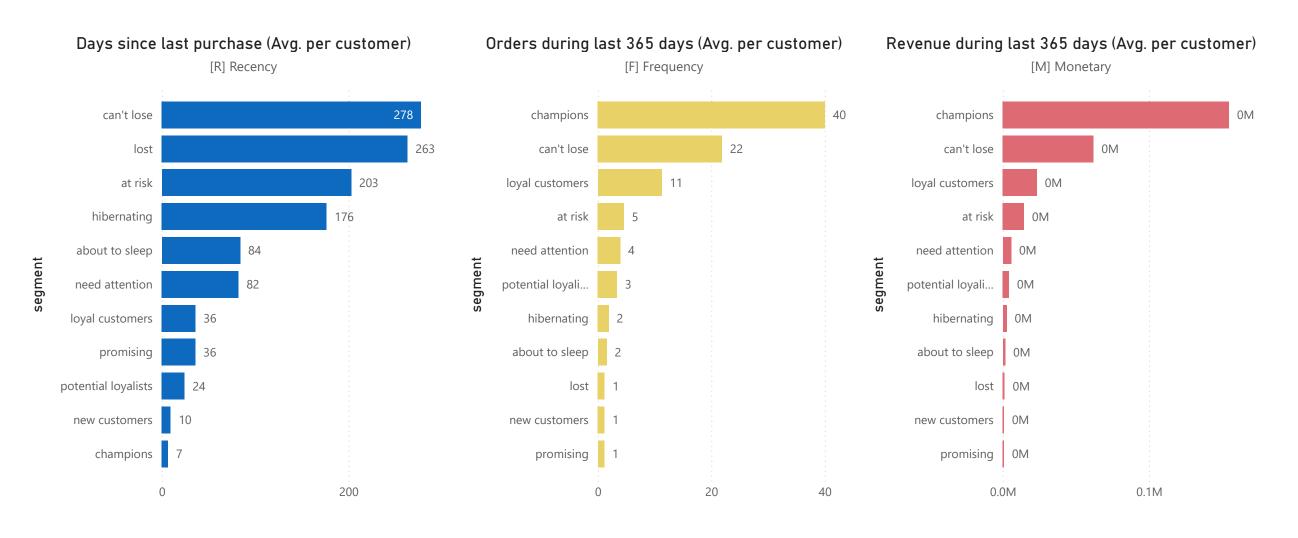






## **RFM Analysis**

Recency, frequency, monetary value (RFM) is a model used in marketing analysis that segments a company's consumer base by their purchasing patterns or habits. In particular, it evaluates customers' *recency* (how long ago they made a purchase), *frequency* (how often they make purchases), and *monetary value* (how much money they spend).



### RFM Reference

#### **CHAMPIONS**

- Bought recently, buy often and spend the most!
- Reward them. Can be early adopters for new products. Will promote your brand.

#### **LOYAL CUSTOMERS**

- Spend good money with us often. Responsive to promotions.
- Upsell higher value products. Ask for reviews. Engage them.

#### **POTENTIAL LOYALISTS**

- Recent customers, but spent a good amount and bought more than once.
- Offer membership / loyalty program, recommend other products.

#### **NEW CUSTOMERS**

- Bought most recently, but not often.
- Provide on-boarding support, give them early success, start building relationship.

#### **PROMISING CUSTOMERS**

- Recent shoppers, but haven't spent much.
- Create brand awareness, offer free trials.

#### **NEED ATTENTION**

- Above average recency, frequency and monetary values. May not have bought very recently though.
- Make limited time offers. Recommend based on past purchases. Reactivate them.

#### **ABOUT TO SLEEP**

- Below average recency, frequency and monetary values. Will lose them if not reactivated.
- Share valuable resources, recommend popular products / renewals at discount, reconnect with them.

#### AT RISK CUSTOMERS

- Spent big money and purchased often. But long time ago. Need to bring them back!
- Send personalized emails to reconnect, offer renewals, provide helpful resources.

#### **CAN'T LOSE**

- Made biggest purchases, and often. But haven't returned for a long time.
- Win them back via renewals or newer products, don't lose them to competition, talk to them.

#### **HIBERNATING CUSTOMERS**

- · Last purchase was long back, low spenders and low number of orders.
- Offer other relevant products and special discounts. Recreate brand value.

#### **LOST CUSTOMERS**

- · Lowest recency, frequency and monetary scores.
- Revive interest with reach out campaign, ignore otherwise.