CUSTOMER SEGMENTATION ANALYSIS FOR SNAPDEAL

Insights and Actionable Recommendations

INTRODUCTION

- **What is Customer Segmentation?**

"Segmenting customers based on purchasing behaviour and preferences to improve targeting and engagement."

- **Why it Matters?**

"Understanding different customer types allows businesses to personalize offerings, enhance retention, and drive revenue."

- **Business Challenge:**

"How can we identify high-value customers, re-engaged dormant ones, and convert new customers into loyal buyers?"
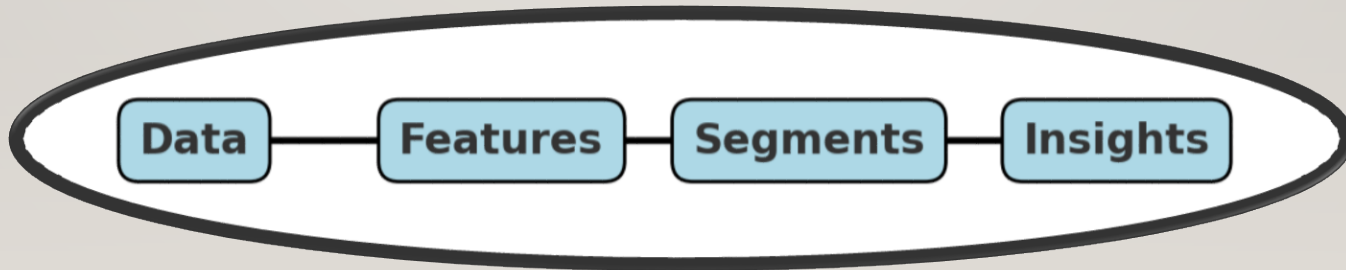
- **Presentation Goal:**

"We'll dive into segments that matter most and explore actionable strategies to solve these challenges."
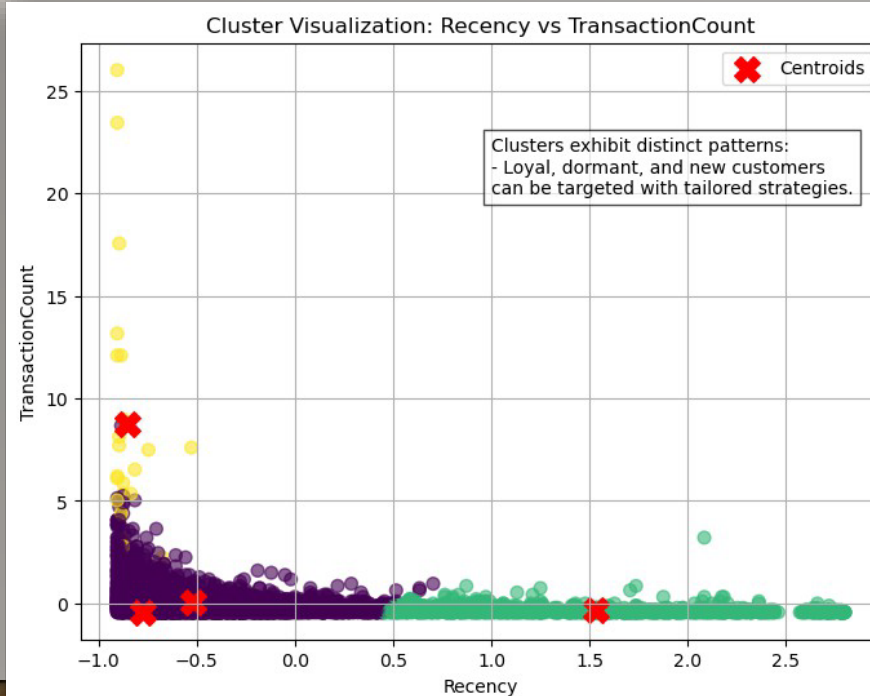
FROM DATA TO INSIGHTS: THE SEGMENTATION JOURNEY

- **Collect Data:** Transaction history, customer behaviour.

- **Extract Features:** Key metrics like frequency, recency, spend.

- **Segment:** Apply clustering to group customers.

Data — Features — Segments — Insights

VISUALIZING CUSTOMER SEGMENTS FOR STRATEGIC INSIGHTS

Cluster Visualization: Recency vs TransactionCount

Clusters exhibit distinct patterns:
- Loyal, dormant, and new customers can be targeted with tailored strategies.

- **Cluster 1(Purple):**
Customers with very low recency and transaction counts, likely dormant customers.

- **Cluster 2 (Green):**
Regular but infrequent shoppers with moderate recency.

- **Cluster 3 (Yellow):**
High Transaction counts but lower recency, indicating frequent shoppers or potential loyal customers.

- **Centroids** represents the **average behaviour** of each cluster.

ACTIONABLE INSIGHTS: FROM DATA TO STRATEGY

Based on **K-means clustering analysis**, we have identified key customer segments. These segments help us understand customer behavior and drive targeted strategies.

Customer Segments	Characteristics & Behaviour
High-Value Loyal Customers	- High recency, frequency and revenue - Likely to respond to loyalty programs
Frequent Shoppers with Low Spending	- High frequency, low revenue - Potential for upselling
Infrequent High-Spending Customers	- Low frequency, high revenue - Target with personalized offers
Dormant Customers	- Low recency, frequency and revenue - Re-engagement campaigns

TURNING INSIGHTS INTO ACTIONS: TAILORING STRATEGIES FOR CUSTOMER SEGMENTS

- **High-Value Loyal Customers**
  - **Behaviour:** Frequent & High Spenders.
  - **Action:** VIP rewards, exclusive offers.

- **Infrequent High-Spending Customers**
  - **Behaviour:** High spenders, low frequency.
  - **Action:** Reminders, limited-time offers, loyalty programs.

- **Frequent Shoppers, Low Spending**
  - **Behaviour:** Frequent, low-value purchases.
  - **Action:** Upsell, bundle deals, personalised discounts.

- **Dormant Customers**
  - **Behaviour:** Inactive customers.
  - **Action:** Re-engagement campaigns, targeted
  - discounts.

DRIVING ACTIONABLE INSIGHTS FOR SUCCESS

Unlocking targeted marketing opportunities, increase customer retention, and drive higher revenue by tailoring strategies to each segment's unique behaviors.

CONCLUSION: TURNING DATA INTO BUSINESS GROWTH

- **By strategically implementing customer segmentation insights, we can enhance customer engagement, optimize marketing efforts, and ultimately drive sustainable business growth.**

- **Let's transform data into action and see measurable results in customer loyalty and profitability.**

THANKS!